



ARA

CODE OF COMMERCIAL COMMUNICATION & CONDUCT

which includes the Advertising, Packaging, Promotions and Media Rules,

the Complaints Handling Procedure

the Compliance and Monitoring Procedures and

the required practices for the supply, sale and consumption of alcohol beverages



ARA CODE OF COMMERCIAL COMMUNICATION

INTRODUCTION

This Code represents a firm commitment by the members of the Industry Association for Responsible Alcohol Use (ARA) to high standards in all of their commercial communication activities. These activities include advertising, packaging, merchandising, consumer promotions and point of sale information. The Code incorporates mechanisms to deal effectively with transgressions. Members' commitment to the Code is meant to ensure that their aforementioned activities are, at all times, responsible, legal, decent, honest and truthful.

The ARA's approach to alcohol use and abuse is informed by evidence which demonstrates that alcohol beverages, consumed responsibly, can make a positive contribution to the quality of life of those who choose to use it. There is also a growing body of scientific evidence to show that responsible consumption by those not at risk is compatible with a balanced and healthy lifestyle. At the same time, it cannot be denied that excessive or irresponsible consumption of alcohol may result in negative personal, social or health consequences.

OBJECT OF THE CODE

The object of the Code is to provide guidance for commercial communication on alcohol beverages, and related activity, free of suggestion or encouragement for excessive or inappropriate consumption. As such, it is in addition to all regulatory requirements.

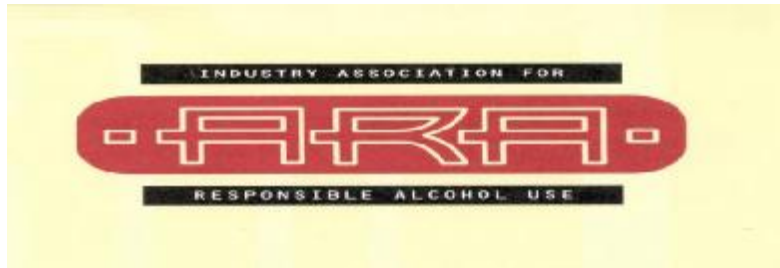
REQUIRED PRACTICES

Marketing communication must:

- be legal, decent, honest and truthful and conform to accepted principles of fair competition and good business practice
- be prepared with a due sense of social responsibility and be based on principles of fairness and good faith
- comply with all regulatory requirements
- not be unethical or otherwise impugn human dignity or integrity
- be mindful of sensitivities relating to culture, gender, race and religion

Marketing communication must not:

- feature or foster irresponsible drinking
- encourage irresponsible or risky consumption or encourage a general increase in drinking
- induce people to prefer a drink because of its higher alcohol content or intoxicating effect
- suggest alcohol consumption under circumstances generally regarded as inadvisable, improper or illegal



- depict pregnant women
- have an association with violent or anti-social imagery or behaviour
- suggest any association with illicit drugs or drug culture
- imply that alcohol consumption is essential to business and social success or acceptance
- present abstinence or moderate consumption in a negative light
- claim that alcohol has curative qualities or offer it expressly as a stimulant, sedative or tranquilliser
- be suggestive of sexual indulgence or permissiveness
- employ religion or religious themes
- have special appeal to under age persons or be directed at under age persons
- employ characters or icons which have a special appeal to children

Compliance to the Code must be secured as a pre-requisite when awarding business to:

- advertising agencies
- market research companies
- media buyers
- other external consultants

MONITORING AND COMPLIANCE

Members of the ARA undertake to have in place within their organization a programme to monitor compliance to the Code by their organisation. Such a programme would include procedures to make everyone aware of the Code, its contents and purpose, and the requirements with regards to compliance to the Code. Management would take responsibility for all aspects of the programme, required training and its implementation within their organization.

Compliance to the Code must be secured as a pre-requisite when awarding business to:

- advertising agencies
- market research companies
- media buyers and other external consultants
- events management companies.

The party found in breach of the ARA Ad Rules will be subject to the same penalties, corrective measures and deadlines as those in breach of the ASA Code.

The ultimate penalty for non-compliance will be a public announcement that the guilty party has had its membership of ARA terminated, with reasons for the termination. A copy will be submitted to the Director-General of the Department of Trade and Industry.



Each member will be required to sign an annual Certificate of Compliance confirming the extent of their compliance or non-compliance to the Code and remedial action taken in the case of the latter. A copy of the Certificate will be submitted to the National Liquor Authority and a copy to the ARA for purposes of record.



Appendix 1

ADVERTISING RULES

1. Advertisements will not feature or foster irresponsible drinking. This applies, for example, to the quantity of drink being consumed or shown in the advertisement.
2. Advertisements will be directed towards brand selling to develop brand loyalty, or to persuade people to change brands or type of alcoholic beverage. Advertisement will not set out to encourage a general increase in the consumption of alcohol.
3. Liquor advertising will not be directed at persons under the age of 18 years. No one associated with the act of drinking in an advertisement will be younger than 25. Persons under the age of 18 will not be depicted in advertisements except where it would be usual for them to appear, e.g. in family scenes or in background crowds. They will not be shown drinking alcoholic beverages, nor may it be implied that they are.
4. Advertisements will not imply that alcoholic beverage consumption is essential to business and social success or acceptance, or that refusal is a sign of weakness. Nor will they be based on a dare or imply any failing in those who do not accept the challenge of a particular alcoholic beverage.
5. Advertisements will not be suggestive of sexual indulgence or permissiveness, portray nudity or present an improper portrayal of near nudity, present any situation derogatory to the virtue of either sex or claim or suggest that alcoholic beverages can contribute directly to sexual success or seduction.
6. Advertisements will not induce people in an improper manner to prefer a drink because of its higher alcohol content or intoxicating effect. Factual information for the guidance of consumers about the alcoholic strength may be included.
7. Advertisements will not claim that alcohol has curative qualities, nor offer it expressly as a stimulant, sedative or tranquilliser. Advertisements may refer to the refreshing attributes of an alcoholic beverage, but will not imply that performance can be improved through the consumption of such a drink.
8. Advertisements will not suggest consumption of liquor under circumstances which are generally regarded as inadvisable, improper or illegal, e.g. preceding or during any operation requiring sobriety, skill or precision. Examples of such operations are motor vehicle driving, aeronautics, other forms of transport, work or sport requiring intense physical effort.
9. Advertisements will not depict pregnant women.



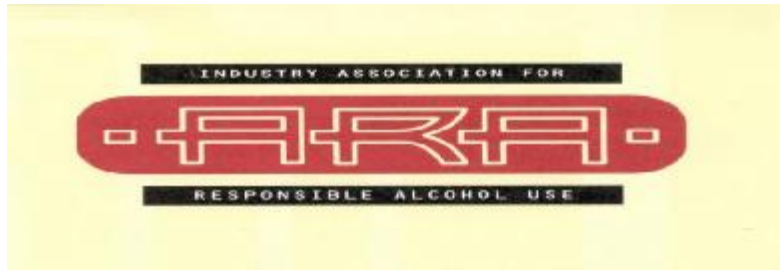
10. Alcoholic drinks will not be advertised in a context of aggressive or antisocial behaviour.
11. All advertisements in print, television and cinema media will carry the message: "Not for sale to persons under the age of 18". The minimum specifications for this message are:
- For A4 print advertisements, the font and size must be Arial black 11.
 - For A5 and A6 print advertisements, the font and size must be Arial black 9.
 - For all other advertisements in print, television and cinema media, the size must be proportionately increased or decreased, as the case demands.
 - The message line must be centred at the bottom of the advertisement and horizontal, meaning not right or left justified, or vertical or partly horizontal and partly vertical.
 - The message line must contrast with the background so that it is clearly visible.
 - There must be no variation in the wording of the message line.
 - In the case of TV and cinema media, the message must be for the duration of the advertisement



Appendix 2

ADVERTISING RULES - COMPLAINTS HANDLING PROCEDURE

1. All complaints raised in terms of the ARA Ad Rules will be submitted in writing to the party alleged to be in breach of the Rules. Copies will be submitted to the arbitrator and the assessors.
2. The party alleged to be in breach will have 14 days in which to respond. Such response shall be in writing with copies submitted to the arbitrator and the assessors.
3. Failure to respond will have the same effect as an unsatisfactory response in that a hearing will be scheduled within 14 days.
4. The panel hearing the complaint shall comprise the independent arbitrator retained by ARA for these matters and the assessors. The arbitrator will hand down a ruling within 48 hours of the completion of the hearing.
5. The director of ARA and another independent person will be appointed assessors on an annual basis.
6. If the dispute is not resolved after the hearing on the matter, the parties may take the matter to appeal. The parties may choose a mutually acceptable appeal-hearing arbitrator (subject, of course, to his or her availability). Only one appeal shall be allowed.
7. The party found in breach of the ARA Ad Rules will be subject to the same sanction, corrective measures and deadlines as those in breach of the ASA Code.
8. The ultimate sanction for non-compliance will be a public announcement that the guilty party has had its membership of ARA terminated, with reasons for the termination.
9. The ARA Ad Rules are not intended to be interpreted in a legalistic manner. The spirit and intent of the Rules will form the basis of all judgments in terms of the Rules.
10. Any interested party may submit a complaint in terms of the Rules. It is not a requirement that the identity of the complainant be revealed. However, if the complainant is a member of ARA, its identity will be revealed to the party against whom the complaint is lodged, if the latter so requests.
11. The general public will be informed of the fact that they can and how to lodge complaints.



Appendix 3

ADDITIONAL RULES RELATING TO PROMOTIONS

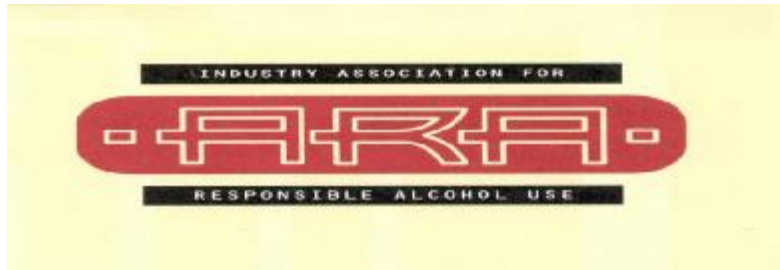
1. Events and competitions directed primarily at persons under the age of 18 will not be linked to any brand or product through sponsorship. It should be specifically stated that persons under the age of 18 are ineligible to participate in events and competitions aimed at promoting a brand or product. Events and activities, which form part of a member's Corporate Social Responsibility activities, are acceptable.
2. All product launches or promotions will exclude activities which encourage excessive or irresponsible consumption such as "boat races", "down-downs" or any other form of excessive drinking competition which encourages irresponsible and increased consumption.
3. Consumers who attend promotions will be encouraged to assume personal responsibility for their decision to drink or not drink, and for the quantity consumed.
4. Extended promotions and tasting will not be confined to the consumption of alcoholic beverages alone. Appropriate snacks or meals should be available.
5. On campus promotions will be arranged in a manner which meets with the approval of the university authorities and care will be taken to avoid serving alcoholic beverages to under-age consumers.
6. Members will not run promotions which encourage increased consumption over a limited period of time, such as "happy hours, two for the price of one, or half price" promotions. Price may, however, be used in on-premise promotional activity provided that this is not done over a limited period of time.
7. In accordance with the law, ARA members will not deliver or sell to unlicensed outlets.



Appendix 4

ADDITIONAL RULES RELATING TO PACKAGING

1. In order to assist the promotion of the responsible use of alcohol beverages, packaging of the highest practical quality and attractiveness will be used.
2. Packaging which improves the convenience of storage, transport and serving is acceptable, providing that it does not encourage the impression that alcohol is a bulk commodity.
3. Labels, which tend to degrade liquor, as a beverage by giving it colloquial names such as dop, booze and grog will not be used.
4. The alcoholic strength of a product will not be used as the principal subject of a label. Legislation requires that the alcohol strength be provided for the guidance of the consumer.
5. The packaging of liquor products will not be directed at persons under the age of 18.
6. Labels will not convey any sexual innuendo.



Appendix 5

ADDITIONAL MEDIA RULES

Regardless of any regulations which may already be applied by the media owners, ARA members subscribe to the following:

1. Advertisements may not be transmitted in the commercial breaks immediately before, during or immediately after children's programmes on television or radio.
2. Advertisements will not be placed in any medium aimed specifically at children.



Appendix 6

CODE OF PRACTICE FOR THE SUPPLY, SALE AND CONSUMPTION OF ALCOHOL BEVERAGES

The producers, distributors and all other traders in alcohol beverages undertake to abide by the following practices:

1. PRACTICES RELATING TO MINORS (PERSONS UNDER 18 YEARS OF AGE)
 - 1.1 Minors will not be supplied with alcohol beverages.
 - 1.2 If uncertain, traders will request evidence of age.
2. PRACTICES PROMOTING A RESPONSIBLE ATTITUDE TO THE CONSUMPTION OF ALCOHOL BEVERAGES
 - 2.1 The rapid and / or excessive consumption of alcohol beverages will be discouraged and promotions with this objective will not be allowed.
 - 2.2 Where practical, information about taxi and public transport services will be displayed.
 - 2.3 Food and non-alcoholic drinks should be available.
3. PRACTICES RELATING TO INTOXICATION AND DISORDERLY BEHAVIOUR
 - 3.1 A trader will guard against the supply of alcohol beverages to intoxicated persons.
 - 3.2 Disorderly, offensive or criminal behaviour on the part of customers will not be tolerated.
 - 3.3 A trader will ensure that activities on the premises will not result in undue offence, annoyance, disturbance, noise or inconvenience to people who reside, work or worship in the vicinity of the premises.
4. PRACTICES PROMOTING RESPONSIBLE ATTITUDE TO ADVERTISING AND PROMOTION

Traders will subscribe to the Advertising, Packaging and Promotions Code of the Industry Association for Responsible Alcohol Use or the Code of the Advertising Standards Authority.
5. PRACTICES RELATING TO THE PURCHASE OF ILLICIT AND STOLEN ALCOHOL BEVERAGE PRODUCTS

Traders will not purchase or supply illicit or stolen alcohol beverages.



Appendix 7

CODE OF CONDUCT FOR THE PURCHASE OR DISTRIBUTION OR SALE OF ALCOHOLIC BEVERAGES BY MANUFACTURERS AND DISTRIBUTORS

1. CONDUCT PROMOTING RESPONSIBLE ATTITUDE TO ADVERTISING AND PROMOTION OF ALCOHOLIC BEVERAGES

Manufacturers and Distributors will subscribe to the Advertising, Packaging and Promotions Code of the Industry Association for Responsible Alcohol use or the Code of the Advertising Standards Authority.

2. CONDUCT RELATING TO THE PURCHASE OR SALE OR DISTRIBUTION OF ALCOHOLIC BEVERAGES

2.1 Manufacturers and Distributors will not purchase alcoholic beverages from any supplier who has been convicted of the offence of supplying alcoholic beverages as an inducement to employment or in lieu of wages or remuneration ("dop-system").

2.2 Manufacturers and distributors will not sell or distribute alcoholic beverages to a retail seller who has been convicted of the offence of selling alcoholic beverages to a minor.

2.3 Manufacturers and Distributors will not sell or supply alcoholic beverages to any unlicensed outlet.

2.4 Manufacturers and Distributors will not purchase or distribute or sell illicit or stolen alcoholic beverages.

2.5 Manufacturers and Distributors will not sell or supply alcoholic beverages to a retail seller who has been convicted of the offence of selling alcoholic beverages to an intoxicated person.

2.6 Manufacturers and Distributors will not sell or supply alcoholic beverages to a retail seller who has been convicted of the offence of employing a person who has not yet reached the age of 16.

3. CONDUCT RELATING TO RETAIL SELLERS

3.1 Manufacturers and distributors will encourage unregistered retail sellers to register.

3.2 Manufacturers and distributors will encourage retail sellers to undergo a licensee training course.

3.3 Manufacturers and distributors will encourage retail sellers to participate actively in the activities of ARA in order to promote the responsible use of alcohol and to discourage the abuse of alcohol.

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