

Unified standards of corporate social responsibility of Synergy JSC in the field of responsible consumption of alcohol and providing information to customers

Objective of these standards

It is well known that uncontrolled, irresponsible and excessive consumption of strong spirits may cause unfavorable personal and social consequences for adult consumers and can lead to health damage. The objective of these standards is to prevent encouragement and connivance of excessive alcohol consumption or any other abuse that can arise due to the distribution of commercial information about the product of the company in any form and media.

These standards were developed by Synergy open joint-stock company (hereinafter "Company") on the basis of the existing Federal Law of the RF «On advertising» of 13.03.2006 № 38-FZ, as well as recommendations and directives of such international organizations, as, for example, European forum for responsible alcohol consumption, European council of ministers.

Distribution of commercial information

Under distribution of commercial information Synergy JSC shall understand any distribution of marketing, information and advertising data, used to attract attention of adult consumers to the products of the company, irrespective of the media used for that purpose (print media, electronic mass media, labels or packing, etc.), as well as any incentives of potential adult consumers and resellers by means of merchandising, promotion materials, stands and displays.

According to Synergy JSC, the definition of "Distribution of commercial information" shall not include:

- distribution not containing direct or indirect advertising of materials and statements for mass media, governmental authorities and institutes, as well as general public regarding social problems connected with alcohol consumption, and training materials on responsible alcohol consumption and on the part that alcohol plays in social life.

Major principles of commercial information distribution

Synergy JSC pursues the following principles of commercial information distribution in its business practices.

Commercial information shall:

- be legal, decent, authentic, correspond to common principles and fair competition rules, as well as sales and production procedures stated by the legislation of Russia;
- be developed in accordance with values of the society;
- base upon fair and conscientious approach to the potential customer;
- under no circumstances contain unethical statements and shall not insult a person's dignity, as well as religious, gender or other differences between consumers.

1. Health

- 1.1. Distributed commercial information shall not contain statements that liquors possess medical and prophylactic properties or that their consumption may help to prevent or treat any disease.
- 1.2. In addition, commercial information shall not be oriented or directed for use by pregnant women, and shall not contain images of pregnant women in any of its parts.
- 1.3. Commercial information shall warn about risks connected with alcohol consumption during pregnancy.
- 1.4. Commercial information shall in no way be directed at people suffering from central nervous system diseases.
- 1.5. Commercial information shall warn about risks connected with alcohol consumption by people suffering from central nervous system diseases.
- 1.6. Commercial information shall not contain mentioning that liquor consumption is a way to quench thirst.
- 1.7. Commercial information shall always contain a statement about the harm of alcohol abuse.

2. Non-adults

- 2.1. Distribution of commercial information shall not be oriented to non-adult population and shall not contain images of non-adult persons.
- 2.2. Commercial information that contain advertisement of strong spirits shall be published in print and electronic mass media with target audience comprising presumably no less than 70% of adult population.
- 2.3. Commercial information shall not contain alcohol advertisement in case of its publication in print or electronic mass media or in events with target audience comprising presumably more than 30% of non-adult population.
- 2.4. Non-adult models or artists shall not take part in development and distribution of commercial information.
- 2.5. Objects, pictures, colors, symbols, music and images (especially including cartoon and comics characters), popular among children and teenagers shall not be used for distribution of commercial information.
- 2.6. Distribution of commercial information with the purpose of identifying products of the company shall not be made by use of names, logos, games or playing equipment, as well as object particularly popular among non-adult population.

3. Vehicle driving

- 3.1. Distributed commercial information shall not suggest any idea of drinking alcohol before or during driving a vehicle of any kind.
- 3.2. Also, this information shall not contain any data about the minimum allowed dosage of alcohol that may induce to drive a vehicle of any kind while intoxicated.
- 3.3. If possible, commercial information shall warn about negative consequences of alcohol consumption before or while driving a vehicle.

4. Hazardous activity and entertainment

- 4.1. Distributed commercial information shall not provoke or suggest any idea that it is possible to consume alcohol before or after operation of potentially hazardous vehicles as well as participation in potentially dangerous entertainment events or dangerous works.
- 4.2. If possible, distributed commercial information shall warn about risks connected with alcohol consumption during the above mentioned events.

5. Abuse

5.1. Distribution of commercial information shall not encourage or provoke excessive, irresponsible and uncontrolled consumption of spirits and shall not demonstrate in a negative way or provoke abstinence from their consumption or temperance.

5.2. Commercial information shall not represent alcohol-intoxicated people and shall not suggest an idea that being in public while intoxicated is generally accepted.

5.3. Content of commercial information shall not be associated with aggressive, illegal, dangerous or antisocial behavior.

5.4. Content of commercial information shall under no circumstances suggest any idea about acceptability or possibility of drug consumption.

6. Alcohol content

6.1. Distributed commercial information should contain valid data on character and strength of spirits.

6.2. In commercial information high concentration of alcohol shall not be the main information topic or be underlined in any way.

6.3. Also commercial information shall not suggest any idea that preference of spirits with low degree of alcohol may prevent strong spirits abuse.

7. Capacity for work

7.1. Distributed commercial information shall not make an impression that alcohol consumption increases or improves mental capabilities, physical capacity for work or adds energy necessary, for example, to perform work that requires particular attention or physical strength.

8. Social success

8.1. Commercial information shall not suggest any idea that alcohol consumption is connected or necessary to gain social recognition.

9. Legislation

9.1. All distributed commercial information shall comply with the existing legislation, namely the Federal Law "On advertising" of 13.03.2006 № 38-FZ, namely Chapter 3 - "Peculiarities of separate types of goods advertising", article 21 "Advertising of alcoholic products".

ANNEX 1

Standards of Synergy JSC, open joint stock company, on informational, advertising and marketing events

These standards on informational, advertising and marketing events are the integral part of the Uniform standards of corporate social responsibility of Synergy JSC regarding responsible consumption of spirits and information of customers.

Synergy JSC acknowledges that informational, advertising and marketing events are valuable tools helping the sales of products by means of:

- attracting potential customers to brands manufactured by the company;
- creation of new brands.

Company believes that, like other types of distribution of commercial information, informational, advertising and marketing events shall:

- be developed and distributed with special care;
- not be oriented at non-adult people, pregnant women or persons with central nervous system diseases;
- not encourage or provoke antisocial or dangerous behavior of consumers, as well as alcohol consumption before or during vehicle driving or alcohol abuse in general;
- not violate generally accepted morals, not discriminate any groups of adult customers;
- fully correspond to the existing legislation.

Since marketing events are held by the company in different circumstances and conditions, events can be made according to different templates. However, for those events Synergy JSC thoroughly checks the following: condition of events, event content, atmosphere of event and the age structure of the audience that takes part in the event.

General principles of informational, advertising and marketing events

1. During information, advertising and marketing events any form of discrimination towards the participants concerning religion, political views, national origin and other characteristics shall be excluded.
2. Also during such events it is prohibited to use images, statements and actions that can be perceived as groundlessly aggressive or humiliating.
3. During such events if necessary the cost of advertised drink shall be communicated to all participants.
4. Before the event starts, the consumers shall be informed about the strength/alcohol content in the advertised drink.

Health and capacity for work

1. During informational, advertising and marketing events all aspects that can suggest any idea that alcohol can help to prevent or cure some diseases shall be excluded.
2. It is also prohibited to involve in such events pregnant women or people suffering from central nervous system diseases.

Non-adults

1. Non-adults are not allowed to participate in informational, advertising and marketing events held by the company.
2. On the basis that audience of the event shall consist of more than 30% non-adults, the company shall abstain from conducting this event.
3. During the events the company shall not use advertising, informational and marketing materials that contain images, statements and expressions of cartoon or comics characters and famous people that can be popular among children and teenagers.

Driving a vehicle while alcohol-intoxicated, dangerous activity and entertainment

1. During informational, advertising and marketing events with participation of adult consumers, who may later be in need to drive a vehicle (for example, during alcoholic beverages sampling in supermarkets), the company, if possible, shall warn and inform the participants that driving while alcohol-intoxicated is not allowed.
2. If there is a technical possibility for such events, the company shall put on the site of the event information displays and banners suggesting to people who later may need to drive a vehicle to abstain from alcohol consumption.
3. During informational, advertising and marketing events the company shall exclude participation of consumers in dangerous activities or entertainments and/or their encouragement.

Alcohol abuse

1. During informational, advertising and marketing events any aspects encouraging irresponsible and excessive consumption of alcohol shall be excluded.
2. Also during such events, drinking contests (for example, contest to determine who will drink a certain amount of alcohol faster or who will drink more alcohol for a certain amount of time) shall be excluded, since these contests may lead to excessive and uncontrolled consumption of alcohol.
3. It is also prohibited to involve in informational, advertising and marketing events people who look overexcited, drunk or aggressive or do antisocial actions.
4. During such events, it is prohibited to force people who do not want to take part in the event to participate in it.
5. During events it is prohibited to make malevolent statements or unfriendly actions towards people who show no interest.

Alcohol content

1. During informational, advertising and marketing events the participants, if necessary, shall be informed of the strength/alcohol content in the spirits.
2. Also during such events, the company shall not use table appointments or hidden appliances that may conceal the amount of the consumed alcohol content (for example, during wine sampling).

ANNEX 2

Synergy JSC standards for Internet advertisement of the product

1. Synergy, open joint stock company, shall follow its own unified corporate standards regarding the responsible consumption of spirits when using all information distribution means including Internet and other new information distribution means that may appear or used for that purpose.
2. The company takes and shall take all additional measures to ensure that information placed in Internet is accessed by adult people, and prevent non-adults from accessing this information if possible.
3. Web-sites of the company containing alcohol advertisement shall be accompanied with the statement that alcohol is intended only for adult consumers in accordance with the existing legislation, and adult age shall be no less than 18.
4. The company places and shall place appeals for responsible consumption of alcohol and warning that excessive consumption of alcohol can be harmful, on all sites with alcohol advertisements.
5. The company shall not place cartoons, comics, characters and other images intended for children and teenagers on its web-sites.

ANNEX 3

Sponsorship and charity

1. Uniform standards of corporate social responsibility of Synergy JSC regarding responsible consumption of alcohol shall apply to all sponsorship and charity agreements, including events involving demonstration of the logos of the company and products.
2. The company shall conclude sponsorship agreements in case there is a grounded confidence that the audience of that event shall comprise no less than 70 % of adult people (older than 18). The company shall have a right to ask for confirmation of this data from the sponsored party.
3. The sponsorship of programs intended to raise the social responsibility in alcohol consumption and campaigns against irresponsible alcohol consumption among non-adult population shall be of first priority for the company in this area.
4. The company shall not sponsor child and adolescent sporting event and shall prevent advertising of its products on child sports clothes and equipment.
5. Brand product of the company intended for sponsor events shall be distributed only among adult consumers and shall not focus on or be attractive for non-adult population.
6. The company shall not sponsor youth cultural events, for example, musical and other contests, as well as other youth competitions with participants younger than 18. However, the company can sponsor cultural events or sports contests intended for adult people that comprise at least 70% of the audience (older than 18).
7. The company shall administer charity and gratuitous help to public educational and child institutions that require help. Nevertheless, the company shall not stress or attract attention of any audience, during such events, to its products or, if possible, to the name of the company.