



Pernod Ricard Winemakers

SUBMISSION FROM PERNOD RICARD [REDACTED] LTD

to

FOOD STANDARDS AUSTRALIA AND NEW ZEALAND (FSANZ)

on

P1059 – ENERGY LABELLING ON ALCOHOLIC BEVERAGES

[REDACTED]
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1. EXECUTIVE SUMMARY

Pernod Ricard Winemakers is pleased to provide a submission in response to Food Standards Australia and New Zealand (**FSANZ**) Call for Submissions – Proposal P1059: Energy Labelling on Alcoholic Beverages released on 16 January 2023 (**CFS**).

Pernod Ricard Winemakers supports the provision of on-label energy information in respect of alcoholic beverages. As part of our broader commitment to responsible drinking and improving consumer information, Pernod Ricard is developing a pioneering digital labelling system to better inform consumers about our products as well as national drinking guidelines. Our ambition is that by 2024, every one of our products sold globally will contain a QR code that links to a geo-localised digital label containing, *inter alia*, energy and nutritional information and ingredient listings.

Whilst the direction outlined by FSANZ in the **CFS** will help better inform consumers about our products, we wish to propose some minor changes to P1059 to ensure that any changes to the *Food Standards Australia New Zealand Code* (**Code**) are made in the most efficient and consumer-friendly manner possible. Specifically, our suggestions are to:

- Remove the requirement to display energy per 100ml within the nutrition information panel (**NIP**) in addition to energy information per serving size, given:
 - 100mL of ABV spirits with higher than typical alcohol by volume (**ABV**) may exceed more than four standard drinks, the maximum recommended daily intake to reduce the risk of harm from alcohol-related disease or injury pursuant to Australia's National Health and Medical Research Council (**NHMRC**) guidelines.
 - Doing so will minimise the space taken up by the NIP, therefore reducing the cost imposed on producers. There are a number of mandatory labelling requirements specific to alcoholic beverages under the Code, including pregnancy warning labels and standard drink information, limiting the available space for on-label energy information.
 - In relation to wine, the 100mL measurement is likely to duplicate the serving size identified by wine producers, meaning there will be two identical columns, taking up more space on the label without any discernable benefit.
- Remove the requirement to display servings per package, given this is likely to contradict standard drink information required by the Code. This has been shown to be confusing for consumers in recent research commissioned by Spirits and Cocktails and SpiritsNZ.

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- Permit energy information to be displayed in a factual manner elsewhere on-label without triggering the requirement under the Code for a full NIP to be displayed.

Further detail on these proposed changes can be found in the submission below.

2. ABOUT PERNOD RICARD WINEMAKERS

Pernod Ricard Winemakers is the premium wine division of Pernod Ricard, the world number two in wine and spirits. Headquartered in Australia, we are one of the largest producers of wine in both Australia and New Zealand for domestic and international consumption.

In Australia our key brands include Jacob's Creek and Wolf Blass. In New Zealand our iconic brands include Brancott Estate, Montana, Stoneleigh and Church Road. We also import high quality, high value premium wine, spirits and Champagne.





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3. OUR COMMITMENT TO CONSUMER INFORMATION

On-label energy information

In 2019, Pernod Ricard committed to providing on-label calorie information on our products in European markets. As part of that process, we considering adopting the same approach for products sold in Australia and New Zealand, however it was impractical to do so as it would trigger the requirement for a full NIP rather than the smaller, truncated NIP proposed by FSANZ under P1059.

An example of the on-label calorie information of products sold in European markets is below.



E-label project

Pernod Ricard is proactively launching a digital labelling system to better inform consumers about the products they purchase as well as responsible drinking. By 2024, an on-label QR code will link to a website containing information on:

- alcohol and health, including national government drinking guidelines;
- moderating alcohol consumption;
- ingredient listings; and
- nutritional information, including energy content.

The QR code is geo-localised in order to give country-specific information (such as drinking guidelines and information websites) in local language.



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4. COMMENTS ON THE FSANZ PROPOSAL

As outlined in the Executive Summary above, Pernod Ricard Winemakers supports the mandating of on-label energy information under the Code. On the whole, the FSANZ proposal strikes the right balance between providing information to consumers and minimising the costs of implementation, save for our comments below.

1. Removal of energy information per 100mL

Rather than requiring energy information to be displayed per serving size and per 100mL, we suggest that alcoholic beverages ~~be required to display on label~~ information in respect of serving size only. |

Australian NHMRC guidelines recommend that ~~healthy adults~~ consume no more than four standard drinks per day to reduce the risk of alcohol-related disease or injury. New Zealand health guidelines recommend no more than 2 standard drinks a day for women and 3 for men. We are concerned that providing on-label energy information per 100mL in respect of high ABV spirits may send a message that this is an appropriate or even suggested serving size.

Whilst we acknowledge that the display of information per 100mL enables easy comparison between products, alcohol is different to other foods in that consumers may risk immediate harm from moderately excessive consumption. Instead, we would suggest that serving size be the only means of displaying energy information and are open to a prescribed serving size dependent on alcoholic beverage type. For example, 30mL for spirits, 100mL for wine, and the relevant package volume for beer and ready-to-drink (RTD) beverages (e.g. 330mL, 375mL).

Additionally, we have been provided with qualitative consumer research commissioned by two of our trade associations, Spirits and Cocktails Australia and Spirits NZ, which we understand has also been provided to FSANZ. That research suggested that an option showing only calories per serve was much more useful in informing consumption decisions. Furthermore, the research showed that around one in four consumers misinterpreted the comparison of different alcoholic beverage categories per 100mL.

Requiring energy information to be displayed only in this manner has the additional benefit of reducing the space taken up by the truncated NIP proposed by P1059, thus reducing the cost to producers. Given the presence of other mandatory information under the Code, producers are likely to be faced the choice of expanding label size (at significant cost) or being limited in how their products are displayed and marketed in a manner incommensurate with the problem FSANZ is seeking to address.

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Finally, as a wine producer, we will likely use 100mL as the recommended serving size in the absence of any legal requirement otherwise. This would result in identical columns within the truncated NIP, serving no other purpose than having a larger NIP than is necessary.

2. Servings per package and standard drinks

Pernod Ricard Winemakers notes that:

1. P1059 proposes to require 'servings per package' be included as part of a truncated NIP; and [REDACTED]
2. Section 2.7.1 – 4 of the Code requires a statement of the number of standard drinks contained in the relevant beverage. [REDACTED]

In the overwhelming majority of instances, there will be an inconsistency between the two figures. For example, a 700mL bottle of spirit at 40% ABV will display 22 standard drinks on-label, but with a 30mL serving size, there will be 23.3 servings per package. In a one litre bottle of vodka at 40% ABV, there are 31.6 standard drinks, but 33 servings per package, assuming a serving size of 30mL.

We also note that the consumer research outlined above showed that differing figures listed on-label for servings per package and standard drinks per container was confusing and likely to lead to consumers disengaging with both figures entirely. The inconsistency between 'servings per package' and 'number of standard drinks' creates confusion for consumers and difficulty in managing their alcohol intake. Research undertaken by *Insightfully* in March 2023 showed the most important information for consumers is the alcohol content and the number of standard drinks. This important information is undermined by servings by package. When presented with the label proposed by FSANZ, participants were confused, asking what the difference was between standard drinks and servings per package and stating that they don't understand the difference. While they are supportive of having access to energy information, participants were concerned about the confusion it will create. The group thought that any label that confuses messages around responsible drinking undermines the purpose of the label.

The best way to overcome information-overload and confusion for consumers would be to provide information in a digital format such as the QR code Pernod Ricard is currently rolling out. The participants who did want energy information had already sourced it from dieting apps or websites. Other participants, in the majority, also valued energy information but said they would not use it themselves. With digital technology available and actively used by those participants who wanted the information, it makes sense that relevant information be provided digitally rather than in an analogue format.

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3. Energy claims triggering full NIP

We disagree with the proposed approach in section 5.6.3.2 of the CFS in respect of situations where a nutrition content claim is made about energy content outside the proposed mandatory provision of energy content under P1059.

We respectfully submit that a purely **factual** claim in relation to energy content that simply reflects what is contained in a truncated NIP (as proposed by P1059) should not trigger the requirement for a full NIP. For example, a front-of-pack claim of '83 calories per serve', as per the image below, ~~ought to be permissible so long as the~~ amount is reflected in a truncated NIP mandated by P1059.



5. CONCLUDING COMMENTS

Pernod Ricard Winemakers is pleased to provide in-principle support to the approach outlined by FSANZ in relation to P1059. However, we do think there are minor aspects to the proposal which are problematic and warrant a slightly different approach.

Should you have any questions about the content of this submission, please do not hesitate to contact me.

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