

Asahi Beverages Pty Ltd

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Submission to Proposal P1050 – Pregnancy warning labels on alcoholic beverages

A. Name and contact details (position, address, telephone number, and email address):

[REDACTED]
Head of Corporate Affairs & Communication
Asahi Beverages

[REDACTED]
[REDACTED]
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B. For organisations, the level at which the submission was authorised:

Authorisation provided by Chief Executive Officer, [REDACTED]

C. Summary:

Asahi Beverages is a major beverage company which produces, distributes and markets alcohol and non-alcohol beverages in both Australia and New Zealand.

We support the intention of Ministers to reduce the incidence of FASD across Australia and New Zealand, and protect unborn children. To support this aim, labels of our alcohol products already contain the pregnancy warning pictogram.

The proposed label changes will impact an estimated [REDACTED] (product, multipack and cartons) within our portfolio, imposing significant costs on our business, potentially in the range of [REDACTED]. To comply with the pregnancy warning labels, in some cases, we will be compelled to change our label design, placing at risk consumer awareness and potentially the brand equity of some of these products.

These changes are a substantial cost for a labelling scheme which is directed at the very small percentage of pregnant women who are not already aware or choose to ignore the advice that it is safest to not consume alcohol while pregnant. This audience could be more easily and effectively be targeted through point of sale messaging, and through the medical service providers aligned with pregnancy – GPs, clinics, etc as well as, where needed, social/cultural interventions in communities where occurrence of FASD is highest.

Alcohol product labels should support these other forms of communication, but not be the primary source of messaging, particularly given the high level of awareness and compliance already found within the target audience. There are various other solutions which would address the core objectives of the proposed pregnancy warning labels, be workable for industry and not impose additional costs on responsible drinkers.

In short, we recommend that FSANZ adopts the pictogram style currently used extensively by the alcohol industry for containers up to 400mL, with some guidelines to ensure consistency, and allow flexibility for the pregnancy warning notice to be incorporated more sympathetically into label and packaging design.

Further we recommend that FSANZ considers aligning the implementation and transition timings to coincide with other legislative changes being considered, and if proposed changes in P1050 proceed as outlined, that a minimum transition period of three years be allowed, in addition to time for stock in trade to sell through.

Comments to specified sections of P1050 Call for Submissions (CFS) report:

D. Literature review on the effectiveness of warning labels (section 3.1.1 of CFS)

E. Consumer testing of warning statements (section 3.1.2)

As a member of the Alcohol Beverages Australia industry association, we support its submission and comments relating to the literature review and research, and make no further contribution on this point.

F. Pictogram (section 3.2.2.2)

Asahi Beverages supports the use of the proposed pictogram as shown in section 3.2.2.3 (monochrome). Our alcohol products already carry a similar pictogram and we believe that this is an effective way of conveying this message.

G. Warning statement (section 3.2.2.3)

Asahi Beverages recommends the signal wording is changed from 'Health Warning' to 'Pregnancy Warning' to align the heading with the content of the message, and to attract the target audience to the message. This is in support of the Alcohol Beverages Australia submission.

H. Design labelling elements (section 3.2.2.4)

The design of packaging for consumer products is highly important to help distinguish brands in the marketplace. The design is a key element in consumer awareness and attraction to a product over competitor products, and ultimately contributes to the product's success. Each brand has its unique design style, including colours, to ensure that the product captures its intended audience. Any changes to product packaging require a very well-considered process, and engagement of many key stakeholders to ensure the changes are aligned to the brand's identity. In addition to the brand's aesthetics and appeal, practical considerations for the labelling design elements need to be taken into account.

Colour – Asahi does not support the use of the prescribed colours in the logo design as set out in Sections 3.2.2.4 and 3.2.2.5. The proposed design prescribes three mandatory colours: PMS 485 (red) for heading and strikethrough, white for background, and black for pictogram, text and border.

A large number of artwork designs do not use all of these colours. Most label/package designs will not use Pantone 485 colour and not all designs use black and/or white. This would mean that an additional one, two or three colours need be added to label/package designs. This is a significant change, and requires redesigning, not simply adding in extra colours.

There are limitations as to the number of colours able to be printed on different packaging substrates and through certain printing processes. For example, aluminium cans can be restricted to six or seven colours, and may not necessarily contain any of the mandated colours in the mix. Shippers for retail sale often use only one or two colours.

Accommodating the mandated three colours would mean that some product label designs may be compromised as colour(s) already in use would need to be omitted to allow the red/black/white label. Label designs take considerable time to work through, and changes are never made lightly, often requiring significant consumer testing and input from numerous stakeholders. There is also a risk that consumers could be confused through label changes, unless supported by other marketing activity. All of this adds cost to the proposed initiative.

As an example, a major redesign would require graphic redesign and plates to be remade for each product in the range. For major brands, consumer testing would be required, which is time consuming and costly, [REDACTED].

RECOMMENDATION: FSANZ adopts a pragmatic approach, similar to the Country of Origin Food Labelling Style Guide 2.1¹ whereby colours are prescribed for where they can be used, and monochromatic designs are also permitted. The style guide should provide options for dark on light/ light on dark designs, with the goal of ensuring legible and sufficient standout from the background so that the label is clearly readable.

Size of labels: Asahi Beverages supports the Alcohol Beverages Australia position on the use of the pictogram only for alcoholic beverages that are 400mL and less.

In P1050, the prescribed size of the warning label is relative only to the container size and not the label size. In some cases, a smaller container size has greater printing area, for example, a 250mL can has the dimensions of 158x116mm whereas a label on a 330mL bottle is 70x50mm.

The dimensions for the pregnancy warning mark would be approximately 13x35mm (including the 3mm clear space). This means this warning label alone would take up 13% of the 330mL label. This is in addition to the current mandatory labelling components. On some products which carry more information, such as nutrition information panels, adding the pregnancy warning label would require an increase in the size of the label. This would increase the amount of materials used (as there would be fewer labels per reel) as well as increase costs. This is not a sustainable option and does not align with our corporate responsibility to reduce the amount of packaging we use.

RECOMMENDATION: Allow the use of the pictogram only for containers less than 400mL.

Clear space: The requirement for a 3mm clear space border around the warning statement poses some practical challenges. Many beverage containers already carry mandated statements for container deposit labelling, which also requires a 3mm clearance.

RECOMMENDATION: 3mm clear space requirement should be a recommendation only.

¹ Australian Government 2017, [Country of Origin Food Labelling: Style Guide v2.1](#)

I. Summary of proposed pregnancy warning label design (section 3.2.2.5)

To retain the integrity of product identity, minimise costs and ensure that the pregnancy warning labels are clearly identified on labels, we encourage FSANZ to consider a design which:

- Aligns closely to the existing voluntary pregnancy pictograms already widely used.
- Permits alcohol products of <400mL to use the pictogram only, due to the limited space available on labels for products of this size, and the emergence of other competing mandatory label requirements.
- Removes the requirement for the use of colour Pantone 485 on the product label and provides for monochromatic warning labels.
- Provides for greater flexibility and allows for design choices to allow maximum standout on various background colours.

J. Beverages to carry the pregnancy warning label (section 3.2.3)

Asahi Beverages supports option 1 of applying pregnancy warning labels to alcohol beverages containing 1.15% and greater of alcohol per volume. This is consistent with current labelling of alcoholic beverages². This is the most reasonable and pragmatic option.

Industry is encouraged, and committed to developing non-alcohol and very low alcohol products to provide alternatives to alcohol for adult consumers. Applying a warning message to very low alcohol products (0.5% - <1.15% ABV) would unnecessarily alarm consumers, particularly those who have made a choice to reduce their alcohol intake.

M. Consideration of costs and benefits (section 3.4.1.1 of CFS)

The FSANZ proposal to mandate the use of Pantone 485 does not take into account the costs, resources and time required to redesign existing artwork or the total number of impacted labels. In addition, there has been no research or cost impact completed on the use of white and black as these colours are not used in every design.

Asahi Beverages estimates the introduction of P1050 as presented would impose significant costs on the company [REDACTED] including major artwork redesign, obsolescence, stock management, data administration costs, artwork approvals, project management and other administrative costs.

N. Transitional arrangements (section 4.1 of CFS)

The transition period needs careful consideration to reduce cost burden to the industry and needs to consider further legislation proposals such as Energy labelling and P1049 Carbohydrate and sugar claims on alcoholic beverages.

If these changes are not aligned or an appropriate transition time is not allowed, this will result in significant rework and even further cost to the industry. Energy labelling is currently at stage 3 and has recently been referred to FSANZ.

We recommend the transition period be three years. This would give large manufacturers enough time to change all artwork, manage packaging suppliers and printers and reduce obsolescence of product, labels and packaging for all proposed changes to alcoholic beverages.

² Australian Government 2016, [Standard 2.7.1 Labelling of alcoholic beverages and food containing alcohol](#)

There are limited packaging suppliers and printers who can manage large scale production. Changes across the industry may result in considerable pressure on existing suppliers. Allowing an extra year would enable the industry to roll out the new labelling in a more planned and organised way.

Given that much of the industry has already rolled out label changes to comply with legislative changes over the past few years (ie. country of origin and container deposit), significant costs have already been incurred. It is imperative that the transition period allows for other legislative/regulatory label changes to be accommodated in the same time frame to prevent the costly double up and rework of artwork changes. The complexity of the pregnancy warning labels (as proposed) as well as the sheer volume of changes being made across the industry is likely to put pressure on the available printers, and cause longer turnaround times than usual.

Asahi Beverages does not as a matter of normal business, recreate and reprint all of our labels every year. The average life-span of a label (excluding any need for regulatory change) ranges from two to five years, depending on the popularity and investment behind the brand.

RECOMMENDATION: FSANZ allows a minimum transition period of three years to maximise the possibility of aligning implementation and transition timings with other legislative changes under consideration, namely, energy labelling on alcohol beverages and carbohydrate & sugar claims on alcohol beverages.

O. Draft variation to the Australia New Zealand Food Standards Code (Attachment A of CFS)

Asahi Beverages does not have any concerns with the layout and format of the draft variation, but notes the information within the Standard will require revisions in light of any changes to the current proposal.

P. Other comments (within the scope of P1050 – see section 1.5 of the CFS)

Industry is strongly encouraged by the Federal Government to adopt the Australian Packaging Covenant Organisation Australasian Recycling Logo (ARL) program and display this on pack.



The ARL has minimum size requirements. This program is gaining momentum, with retailers and consumers expecting this information to be added to packaging.

Label 'real estate' is becoming scarce, and with the pregnancy warning label as prescribed in P1050, there are very real limitations and practical challenges to fitting in all the requirements on labels and other packaging.