



Department  
of Health

# Responsibility Deal Alcohol Network

Pledge to remove 1 billion units of alcohol from the market by end 2015 – First interim monitoring report

<p><b>Title:</b></p> <p>Responsibility Deal Alcohol Network – Pledge to remove 1 billion units of alcohol from the market by end 2015 – First interim monitoring report</p>
<p><b>Author:</b></p> <p>Public Health Directorate, Health and Wellbeing Division, Alcohol and Drugs Branch Cost centre 10800</p>
<p><b>Document Purpose:</b></p> <p>Policy</p>
<p><b>Publication date:</b></p> <p>28 April 2014</p>
<p><b>Target audience:</b></p> <p>General interest</p>
<p><b>Contact details:</b></p> <p>Jean Nicol Alcohol Policy Team Leader Department of Health Wellington House 133-155 Waterloo Road London SE1 8UG</p> <p><a href="mailto:jean.nicol@dh.gsi.gov.uk">jean.nicol@dh.gsi.gov.uk</a></p>

You may re-use the text of this document (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/](http://www.nationalarchives.gov.uk/doc/open-government-licence/)

© Crown copyright

Published to gov.uk, in PDF format only.

[www.gov.uk/dh](http://www.gov.uk/dh)

# Responsibility Deal

## Alcohol Network

Pledge to remove 1 billion units of alcohol from the market by end 2015 – First interim monitoring report

Prepared by the Health Improvement Analytical Team, Department of Health

# Contents

Executive summary .....	5
Context.....	6
Alcohol consumption in the baseline year .....	8
Methods .....	10
Results .....	12
Appendix A: HMRC clearance data .....	15
Appendix B: Neilson / CGA sales data.....	17
Appendix C: Summary of individual company annual reports .....	18
Appendix D: Illustrative example of the effect of a change in category share on average ABV29	

## Executive summary

This report considers the extent to which the number of units of alcohol sold in the UK has changed between 2011 and 2012 and the portion of that change that can be attributed to changes in the average alcoholic strength of products, principally through improving consumer choice of lower alcohol products. It also sets out a number of specific commitments made by individual alcohol retailers and producers as part of their contribution to removing 1bn units of alcohol sold annually.

The number of units of alcohol sold annually depends on three key factors: the overall size of the alcohol market; the relative market share of different product categories (i.e. beer, cider, wine, spirits and Ready to Drink (RTD)); and the strength of the alcoholic drinks within those categories.

A combination of the above factors led to a reduction of 1.3bn units of alcohol sold between 2011 and 2012. This reflects a downward pressure from an overall reduction in the volume of product sold, a slight upward pressure from a shift in market share towards higher strength products (namely wine and spirits) and a downward pressure from an overall reduction in the strength of drinks within product categories. When only the change in ABV within product categories is considered, this equates to a reduction of 253 million units of alcohol. This represents a quarter of the billion unit reduction that signatories have committed to achieving over the four years to end 2015.

Within this overall reduction we see a number of changes to different categories of alcoholic drink. Between 2011 and 2012, the average alcohol by volume (ABV) of beer, cider and RTD decreased by 0.06, 0.05 and 0.05 percentage points respectively. In contrast, the average ABV of spirits rose by 0.14 percentage points. The average ABV of wine increased slightly by 0.01 percentage points. The reduction in average ABV of beer delivered a contribution of 252 million units towards the billion unit pledge. The contribution of cider and RTDs was 51 million and 8 million respectively. Together, these amounted to a 311 million unit reduction. The increase in average ABV for spirits and wine offset this by 42 million and 15 million respectively.

Average ABV across the market as a whole increased by 0.05 percentage points to 7.31%. This resulted from a shift in market share away from beer and cider towards spirits and wine. The volume of spirits increased by 0.3% and the volume of wine fell by 0.6%. In contrast, the volume of beer and cider fell by 3.7% and 5.9% respectively.

When shifts between different categories of drink are controlled for, the average ABV decreased by 0.04 percentage points from 7.26% in 2011 to 7.22% in 2012. This generated the reduction of 253 million units of alcohol.

# Context

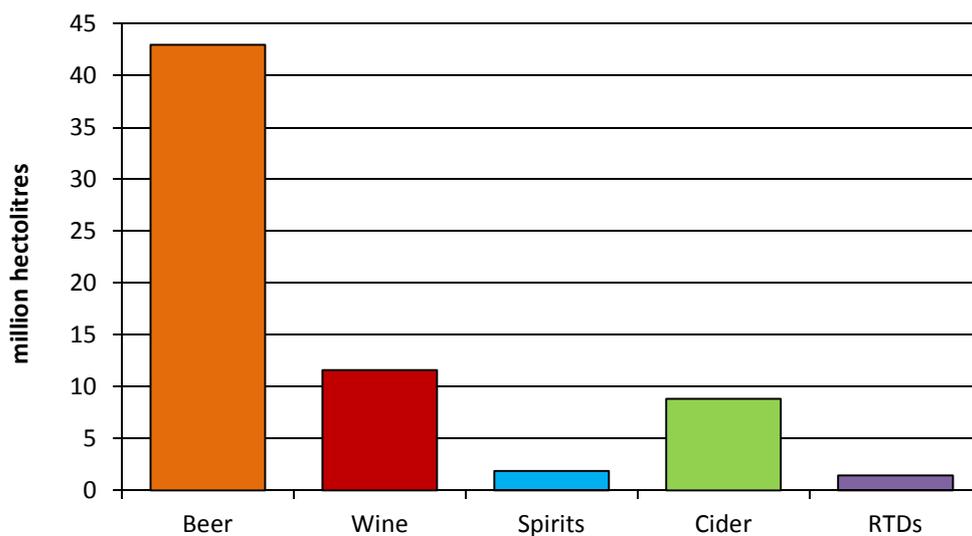
1. The Public Health Responsibility Deal (RD) embodies the Government's ambition for a more collaborative approach to tackling the challenges caused by our lifestyle choices. The RD aims to tap into the potential for businesses and other influential organisations to make a significant contribution to improving public health by helping to create an environment that can empower and support people to make informed, balanced choices that will help them lead healthier lives. Organisations signing up to the RD commit to taking action voluntarily to improve public health through their responsibilities as employers, as well as through their commercial actions and their community activities. Organisations can sign up to be either national partners or local partners.
2. The alcohol, food, health at work and physical activity networks are responsible for the RD's work programme in each of these areas. The behaviour change network provides advice across the RD as a whole.
3. The alcohol network is comprised of a core group drawn from industry and the public health community, which oversee the work programme of the network, and topic specific sub-groups. The alcohol network has three sub-groups – one to focus on lower-alcohol and smaller measures, one to focus on education, and one to focus on monitoring and evaluation.
4. The core commitment, "We will foster a culture of responsible drinking, which will help people to drink within guidelines", provides a framework for the work of the network. The pledges made by the alcohol industry to deliver this core commitment include:
  - Around 125 companies have pledged to help people drink within the guidelines.
  - The alcohol network is delivering on basic issues such as providing consumer information in a zero cost, zero regulatory burden way:
    - 93 companies are committed to having 80% of bottles and cans displaying unit and health information and a pregnancy warning by the end of 2013.
    - 70 pub chains and retailers pledged to display unit and health information.
  - 64 companies are funding Drinkaware through financial support (over £5 million a year) and in-kind support.
  - 63 companies have pledged to reduce and prevent under-age sales of alcohol, through Challenge 21 and Challenge 25 schemes.
  - 92 companies pledged to comply with the latest edition of the Portman Group's Code of Practice, launched in May; it sets the standard for responsible alcohol marketing.

- 57 companies have pledged to support local areas through schemes such as Best Bar None, Pubwatch, Purple Flag, Community Alcohol Partnerships and Business Improvement Districts.
5. In addition, over 30 alcohol retailers and producers have pledged to remove 1bn units of alcohol sold annually from the market by December 2015, principally through improving consumer choice of lower alcohol products. This is expected to result in many hundreds fewer alcohol-related deaths and many thousands fewer hospital admissions and alcohol-related crimes. This first interim report summarises progress in delivering on that pledge.
  6. The alcohol network monitoring and evaluation sub-group was set up to consider monitoring and evaluation proposals for the alcohol network pledges, metrics for assessment of success and information gaps. It can also provide advice on monitoring methods, where further research would be most beneficial and recommend research providers and methodology. The group includes representation from health partners, the alcohol industry and the Department of Health. The group agreed the method by which progress in delivering the unit reduction pledge would be monitored.

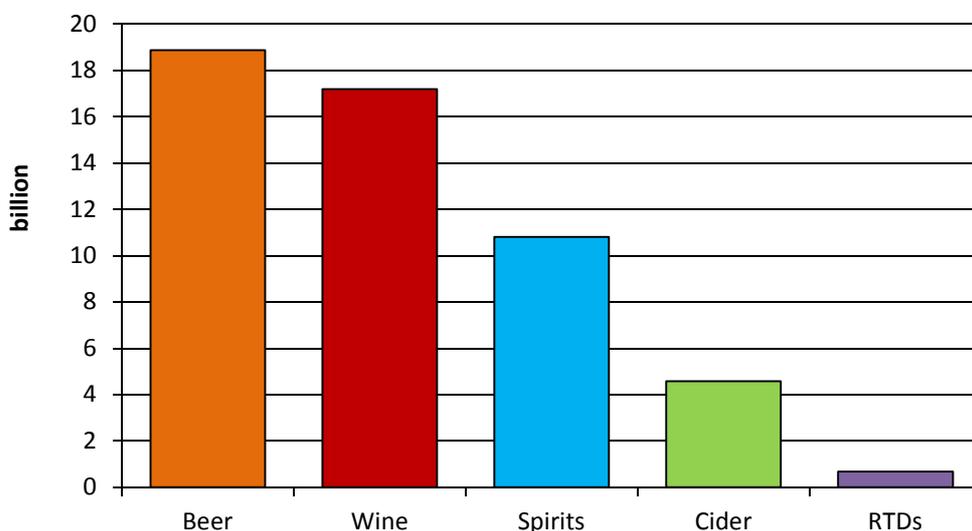
## Alcohol consumption in the baseline year

7. In 2011, the baseline year, an estimated 52.1 billion units of alcohol (5.2 million hectolitres of pure alcohol) were cleared for sale in the UK. Beer accounted for 36% of units, wine for 33%, spirits for 21%, cider for 9% and RTDs for 1% (Fig 2).
8. The ABV across the market as a whole was 7.26%, with an average ABV for beer of 4.21% and wine at 12.92%, spirits at 36.85%, cider at 4.94% and RTDs at 4.61% (Fig 3).

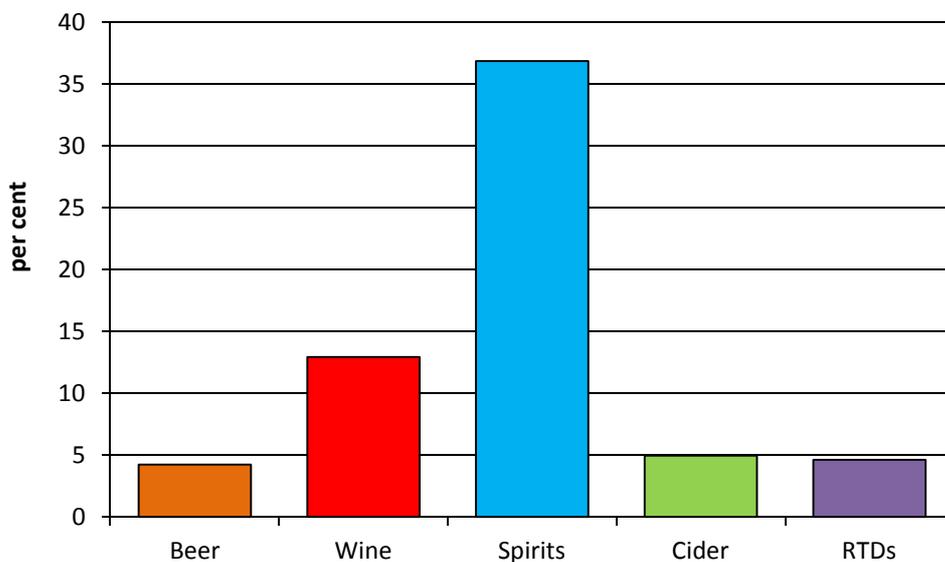
**Figure 1: Volume of product consumed in 2011**



**Figure 2: Units of alcohol consumed in 2011**



**Figure 3: Average alcohol by volume in 2011**



Source: HMRC / CGA/Neilson

## Methods

9. The report covers the period between the base year of 2011 and 2012.
10. The approach taken to monitor progress in delivering the unit reduction pledge that was agreed by the alcohol network monitoring and evaluation sub-group involves looking at changes at three levels:
  - **Market level.** The extent to which the total number of units of alcohol consumed in the UK has decreased and the portion of that decrease that can be attributed to a reduction in the average ABV of alcoholic products.
  - **Category level.** The extent to which the number of units of alcohol sold in each product category has decreased and the portion of those decreases that can be attributed to a reduction in the average ABV of alcoholic products within that category. The categories to be used are beer, cider, wine, spirits and RTDs.
  - **Individual company level.** A number of individual alcohol retailers and producers made specific commitments as part of their contribution to the removal of 1bn units of alcohol sold annually from the market. These include the removal of products from the market, the reformulation of existing products to reduce their ABV and the launch of new, lower alcohol products to replace higher alcohol products. Progress against these individual commitments is subject to annual reporting.
11. Progress is determined using information from Her Majesty's Revenue and Customs (HMRC) on alcohol product released for clearance onto the UK market, along with information from Neilson/CGA on the sale of alcohol products in Great Britain. Further details about these two data sets is given in Appendices A and B respectively.
12. In the case of beer, the HMRC data gives figures for the total volume of product cleared for sale and the volume of pure alcohol contained within that product. From this, it is possible to derive the average ABV for the beer category.
 
$$\begin{aligned} & \text{Volume of pure alcohol contained in beer (HMRC)} \div \text{Volume of beer cleared for sale} \\ & \text{(HMRC)} \\ & = \text{Average ABV for beer} \end{aligned}$$
13. In the case of cider, wine and cider/wine-based RTDs, the HMRC data only gives a figure for the total volume of product cleared for sale. An estimate of average ABV for each of these categories has therefore been derived by Neilson/CGA from sales data. This has been used to produce a figure for the volume of pure alcohol contained within that product.
 
$$\begin{aligned} & \text{Volume of cider cleared for sale (HMRC)} \times \text{Average ABV of cider (Neilson/CGA)} \\ & = \text{Volume of pure alcohol contained in cider} \end{aligned}$$

14. In the case of spirits and spirit-based RTDs, the HMRC data only gives a figure for the total volume of pure alcohol contained within spirits. An estimate of average ABV for spirits has therefore been derived by Neilson/CGA from sales data. This has been used to produce a figure for the total volume of spirits.

$$\begin{aligned} & \text{Volume of pure alcohol contained in spirits (HMRC)} \div \text{Average ABV of spirits} \\ & \text{(Neilson/CGA)} \\ & = \text{Volume of spirits cleared for sale} \end{aligned}$$

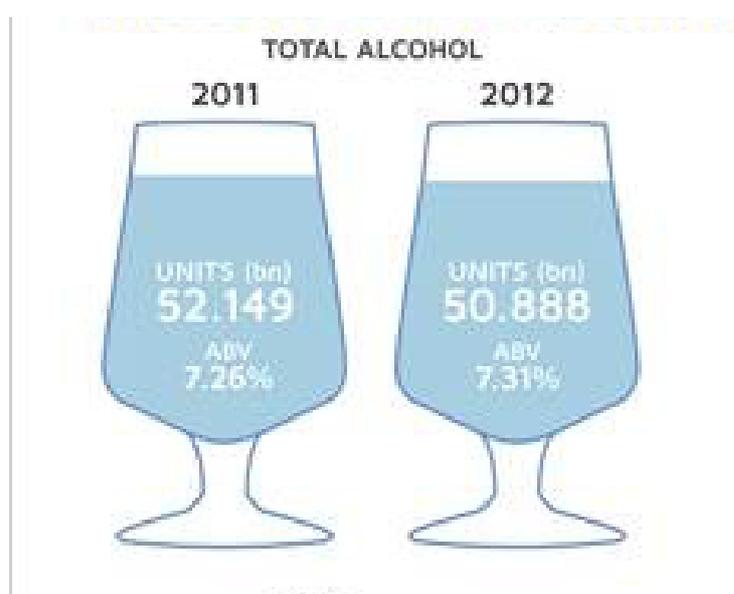
15. The total volume of product and the total volume of pure alcohol has then been derived by summing the figures for the five categories. This in turn has been used to calculate an average ABV for the market as a whole.
16. Some of the change in the total volume of pure alcohol that occurs from year to year is due to changes in the category shares. For example, as the average ABV of beer is lower than the average ABV of wine, a shift in market share from beer to wine would (other things being equal) result in an increase in the total volume of pure alcohol and an increase in the overall average ABV. As stated above, an assessment has been made of the extent to which changes in the volume of pure alcohol consumed at market level and at category level can be attributed to changes in average ABV. This is done by applying the product volumes from the base year of 2011 to the average ABV figures for both 2011 and 2012. An illustrative example is given in Appendix D.

# Results

## Market level

17. The total volume of product decreased by 3% between 2011 and 2012 from 71.8 to 69.6 million hl. The average ABV across the market as a whole increased by 0.05 percentage points from 7.26% to 7.31%. As a result, the total volume of pure alcohol decreased by 2% from 5.2 to 5.1 million hl. This equates to a reduction in units of alcohol of 1.3 billion, from 52.1 billion to 50.9 billion.

**Figure 5: Change at market level between 2011 and 2012**



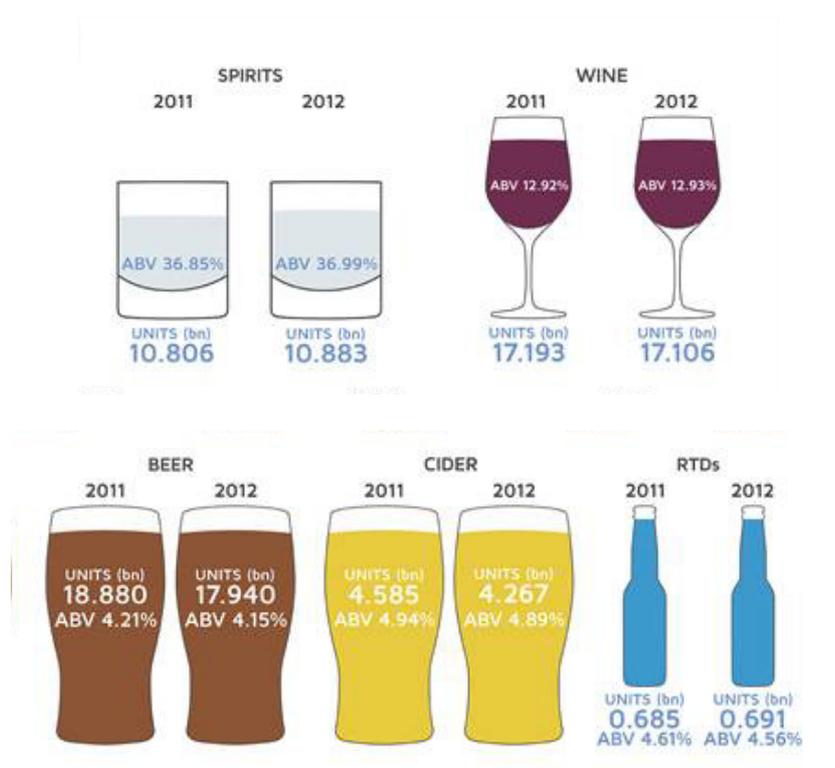
Source: HMRC / CGA/Neilson

18. The increase in average ABV resulted from a shift away from beer and cider towards spirits and wine. The volume of spirits increased by 0.3% and the volume of wine fell by 0.6%. In contrast, the volume of beer and cider fell by 3.7% and 5.9% respectively. To take account of this, we calculate what the average ABV would have been in 2012 had the category volumes been at their 2011 levels. This gives an average ABV in 2012 of 7.22%, a decrease of 0.04 percentage points from the 2011 figure of 7.26%.
19. This reduction in average ABV generated a reduction of 253 million units of alcohol (a fifth of the total reduction of 1.3 billion). This represents a quarter of the billion unit reduction that signatories have committed to achieving over the four years to 2015.

## Category level

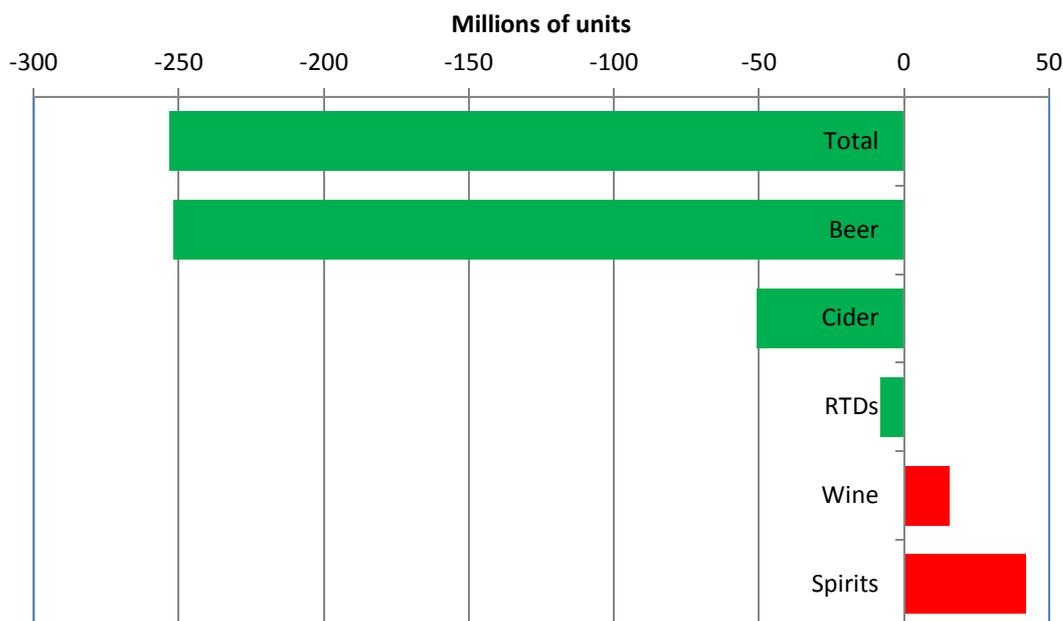
20. Differences were seen between categories in the change in average ABV. The average ABV of beer, cider and RTDs decreased by 0.06, 0.05 and 0.05 percentage points respectively. In contrast, the average ABV of spirits rose by 0.14 percentage points. The average ABV of wine increased slightly by 0.01 percentage points.

**Figure 6: Change at category level between 2011 and 2012**



Source: HMRC / CGA/Neilson

21. The reduction in average ABV of beer delivered a contribution of 252 million units towards the billion unit pledge. The contribution of cider and RTDs was 51 million and 8 million respectively. Together, these amounted to a 311 million unit reduction. The increase in average ABV for spirits and wine offset this by 42 million and 15 million respectively.

**Figure 7: Contribution to unit reduction, by category**

Source: HMRC / CGA/Neilson

## Individual company level

22. Companies made individual pledges setting out how they would contribute to the overall pledge to reduce the number of units by one billion. Annex C contains a summary of the annual reports on achievements submitted to DH by the following companies:

ABInBev UK	C&C group	Nisa
Accolade	Carlsberg UK	Pernod Ricard
ACS	Co-op	PLB
ALDI	Costcutter Supermarket	Sainsburys
Asda	Diageo	Spar
Bacardi	Heineken	SHS Group
Bestway	Marks & Spencer	Tesco
Booker Group	Marstons	T&R Theakston Ltd
BBPA	McMullen & Sons Ltd	Waitrose
Brand Phoenix	Molson Coors	
BrewDog	Morrisons	

## Future updates

The Department of Health expects to produce interim progress reports on an annual basis and a final report in 2016.

## Appendix A: HMRC clearance data

The HMRC figures relate to alcohol products released for consumption onto the UK market (referred to as clearances). Duty is payable once the alcohol product is released for consumption onto the UK market. Alcohol Duty is a tax that is charged on alcohol produced or processed in the UK, or brought into the UK for consumption. All alcohol is subject to the standard rate of VAT at 20%. Excise duties are charged at different rates according to the type of alcohol. Duty on beer is calculated according to its strength (measured as Alcohol By Volume or ABV). Duty on wine and cider is based on hectolitre of product (within strength bands) and, in the case of wine, whether it is still or sparkling. Duty on spirits is calculated per litre of pure alcohol.

The five alcohol duties are:

- Wine of fresh Grape
- Made Wine
- Spirits
- Beer
- Cider

The statistics cover the United Kingdom. It is not possible to provide any geographic breakdown on where tax liability arose for alcohol duty as HMRC does not collect this data on the alcohol return. HMRC does not publish any geographic breakdown on alcohol duty by taxpayer registered address as this is not related to where the tax liability arose.

The clearance figures are generally taken from traders' returns to HMRC:

- Warehousing returns are accessed through the Print Retrieval and Data Access System (PRADA) and contain information on UK-produced or imported products from non-EU countries kept in bonded warehouses until they are released for consumption.
- Ex-ship alcoholic products imported from the EU countries for consumption.
- Beer Duty Return contain details of quantities of beer produced, released for consumption and exported.
- Spirit Production Return, which contains details of quantities of spirits produced on a quarterly basis.
- Imports through the Registered Excise Dealers and Shippers (REDS) systems contain details of duty paid by registered excise dealers and shippers
- Some clearance figures are derived using the cash received for that type and the duty rate for that type.

## Statistical Quality

These statistics are based on administrative data sources. They undergo an internal quality-assurance procedure before publication.

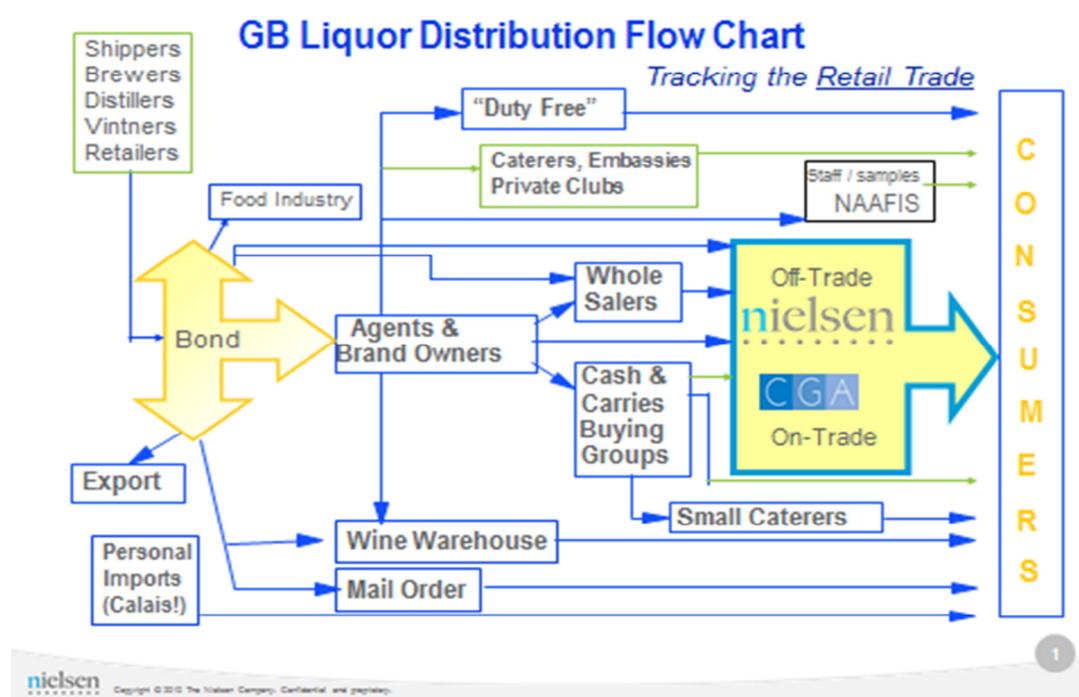
The figures will not necessarily relate to the drinking of alcohol, since:

- products may be drunk some time after duty has been paid on them,
- some product is wasted,
- the figures do not cover duty-free alcohol and other alcohol where duty has not been declared to HMRC,
- the figures include consumption by visitors to the UK and exclude consumption overseas by UK residents.

## Appendix B: Nielsen / CGA sales data

Nielsen and CGA measure alcohol sales (rather than consumption) in the retail on and off trade market segments in Great Britain. Comparison with HMRC figures suggest that the data cover about 90% of units sold in the GB retail market place.

The diagram below shows the data coverage for GB on and off trade retail sales:



As shown in the diagram, the data do not cover “duty free” product, caterers, embassies and private clubs, wine warehouses, mail order and personal imports.

The data also excludes sales in Northern Ireland (estimated at 3-4% of the market) and sales made by Aldi and Lidl (estimated at 5% of the off-trade market).

From these data, Nielsen and CGA have estimated the average ABV of spirits, wine, cider and RTDs. This is most complex in the wine category, where volume sales are distributed amongst a far greater number of brands/SKUs than in the other categories where relatively few brands account for the bulk of the market.

## Appendix C: Summary of individual company annual reports

The following are individual reports from companies signed up to the Public Health Responsibility Deal alcohol pledges for the year 2012/13. These are publicly available on the Responsibility Deal webpages<sup>1</sup>.

<p><b>ABInBev UK</b></p>	<p>Last year we made a significant contribution to the unit reduction pledge by removing 111m units of alcohol from our core brands Stella Artois, Budweiser and Beck's. We did this by reducing the ABV from 5% to 4.8%. We remain committed to promoting responsible drinking and improving consumer choice. As such, we continue to promote Beck's Blue, the most popular alcohol-free beer in the UK, as well as lower alcohol options such as Labatt Blue (2.8% ABV) and Rolling Rock (2.8%).</p>
<p><b>Accolade</b></p>	<p>Regarding our pledge to reduce the number of units in our USA Rosé wine portfolio:</p> <ul style="list-style-type: none"> <li>• For the 2012 harvest - USA White Zinfandel varietal, our winemakers in California were able to go further than the target of a 0.5% reduction in ABV. Last year, this wine was labelled at 11.0% abv, however this year the label declaration will be 10.0% abv. This has been achieved by early picking.</li> </ul> <p>The 2012 vintage has the classic sweet US colour, pale salmon pink with blue/purple tinge. With an increased residual sugar level of 29g/l (compared to 26g/l last year), the wine has a rounder mouthfeel with pronounced strawberry and redcurrant fruit, yet still has that acidity to balance the palate. Just over 20 skus within our Rosé portfolio will benefit from this significant reduction in ABV with brands like Echo Falls, Jack Rabbit and Stowells all benefitting from the reduction in ABV.</p> <ul style="list-style-type: none"> <li>• For the 2012 harvest - USA Rosé blends, unfortunately due to hotter temperatures in August and September, our winemakers were unable to reach the desired .5 reduction in ABV, so the 2012 harvest wine will be labelled as per the previous year at 11.5% abv.</li> <li>• This only affects four SKUs within our rosé portfolio and brands like Echo Falls and Turner Road are most affected.</li> </ul>

<sup>1</sup> <https://responsibilitydeal.dh.gov.uk/pledges/pledge/?pl=22>

<p><b>ACS</b></p>	<p>ACS has actively promoted this pledge to the 33,500 small shops in membership, and provided advice and support for members to help them implement policies that can go some way to achieving the 1 billion unit reduction. Since committing to this pledge we have engaged directly with small shops via one to one meetings, larger roundtables, email correspondence, event presentations and website communications to highlight how this pledge can be part of their business model. This has also included encouraging dialogue between producers and retailers regarding how to make sure the work the alcohol industry has put in to this pledge translates in a convenience store setting.</p> <p>ACS is committed to supporting responsible retailing practices in the convenience sector and we make sure members have access to best practice and innovations across the industry to ensure small shops are a constructive partner in their communities. Publicising the unit reduction pledge forms a significant part of how we demonstrate responsible retailing and we have showcased members' efforts to achieve it during our regular events and networking opportunities.</p> <p>Over the next year, our promotion of how members can implement the unit reduction pledge will continue. As part of our inaugural event on Smarter Management and Responsible Trading we will highlight the initiative and how it fits in with the formal and informal policies in place in the convenience sector, helping to sell alcohol responsibly.</p>
<p><b>ALDI</b></p>	<p>We expanded our lower alcohol product range in 2012 to offer our customers a great choice of lower alcohol options. 14 lower alcohol products have been promoted to our customers via our website and weekly specials leaflet including:</p> <p>Harvest Cellars: Bucks Fizz (4%), Belletti: Bellini (4%), Hope River Silver Series: Sparkling Rosé, Sparkling Merlot Rosé, Sparkling Chardonnay and Sparkling Pinot Grigio (5.5%), Grove Manor: British made Sparkling Rosé (5.5%), British made Rosé Wine (8%), British made White Wine (8%), Moscato Spumante (6%), Brasserie Beer Blonde (2.6%), Brasserie Shandy (0.9%), JW Lees Brewers Dark (2.8%) and Manns Brown Ale (2.8%).</p>
<p><b>Asda</b></p>	<p>Over the last year we have continued to increase the range and space of our lower ABV products, and in July 2012 we announced a 135% rise in low alcohol sales, doubling our total low-alcohol market share from 12.8% to 24.8%.</p> <p>Responding to customer feedback which showed a demand for good-quality, lighter-style wines that deliver on flavour without the higher alcohol content, we added nine new lines to our low alcohol range, resulting in strong twelve-weekly</p>

Appendix C: Summary of individual company annual reports

	<p>growth figures that outperformed the market by 61%. Following on from the success of low-alcohol wines, in November 2012 Asda went on to expand our low alcohol beer and cider range, supported by an educational leaflet that was designed to inspire customers to explore the low and no alcohol category. The leaflet was available in 100 stores nationwide, highlighting alcohol levels, food matching recommendations, calories and price, and was supported by a two-day, in-store sampling campaign which allowed customers to try the no alcohol beers and ciders. As a result of this initiative, we witnessed a significant rise in no and low alcohol beer and cider sales - sales have grown by 33% in the last year, outperforming the market by 14%. We reduced the size of Asda Cider from 3lt to 2lt and reduced the ABV from 5.3% to 4.7%, and we have supported our suppliers in reducing the ABVs of several of our top-selling products.</p>
<p><b>Bacardi</b></p>	<p>We continue to provide a range of products of differing alcohol strengths which provides consumers with choice in this area. We have also continued, in line with this pledge, to promote responsible drinking awareness and messages into the trade eg directed at on trade retail staff. As well as supporting Drinkaware's activities.</p>
<p><b>Bestway</b></p>	<p>Bestways have actively supported the alcohol reduction pledge throughout 2012 and 2013 on branded and own label products. We have supported the launch of new low abv products in many wines, beers and spirits categories with our manufacturers and actively promoted products that have reduced their abv %. Our 4.5% own label Country Choice Cider is just one example of our commitment to lowering the alcohol units sold with the low abv apple products in the 2 and 3 litre bottles and cans continually to grow in the market and the launch of the new 4.5% Pear Cider last year. Bestways have removed over 2 million units of alcohol by supporting the sale of low alcohol products during the past 12 months and continue to pledge to reduce the numbers of alcohol units sold in the future.</p>
<p><b>Booker Group</b></p>	<p>Booker continues to encourage consumers to adopt a responsible approach to alcohol consumption through its support for Drinkaware and clear on-pack labelling of alcohol units and NHS guidance.</p> <p>We have removed a further 1.5 million abv units from consumption this year in like for like sales of reduced abv own label and exclusive beers and wines. This follows our achievement of a 2.1 million reduction attributable to reduced abv own label beer sales in the run-up to this pledge going live.</p> <p>Furthermore, over the reporting period we have supported sales of other brand</p>

	owner's low abv beers, wines and liqueurs which between them have delivered almost 15 million abv units reduction through Booker alone.
<b>BBPA</b>	<p>BBPA was involved in developing the guidance to member companies as to how they can support this pledge. A number of members signed up individually and been involved in a variety of activities, including reducing the strength of products, developing new beers at lower strengths and promoting smaller servings. Specific BBPA action has involved promoting low alcohol beer as a category to consumers and in the media, and committing funding towards the annual monitoring of this pledge.</p> <p>Although the pledge is being measured independently, HMRC data shows that for the first four months for which there is comparable data (October 2012 to January 2013, compared to the previous year) sales of lower strength beer grew by 59%</p>
<b>Brand Phoenix</b>	<p>Last year FirstCape, as part of the pledge, introduced a further range of varietal 5.5% alcohol wines, bringing the total in the range to 15 wines, and reduced over 90% of our full strength Red wines from South Africa to under 13% alcohol, by reducing all of our red wines to under 13% we are reducing each bottle by at least 1.1 Unit. From April 2012 –April 2013 we sold 537216 cases of full strength Red wine, therefore we have reduced unit consumption by at least 3,545,626 units. We sold 375606 cases of Light wines which will have had a significant impact on unit consumption. From May 2012 we have reduced our Café Collection wines from 5.5% to 4%, since then we have sold 250,679 cases and therefore have reduced unit consumption by at least 1,654,481 units.</p>
<b>BrewDog</b>	[New A8 signatory in 2013 – first annual return due in March 2014]
<b>C&amp;C group</b>	<p>The most significant change over the last 12 months was the launch of Caledonian best ale. At only 3.2% ABV it is significantly lower than the industry average for beer. It has been subject to an advertising campaign and a rugby sponsorship promotion.</p> <p>We continue to explore other lower strength innovations.</p> <p>Our high-strength white cider portfolio has receives minimum promotional support. We have publicly stated this part of our portfolio is not viewed as a long term part of our business's future. Volume has declined significantly (more than 10%) over the past 12 months, this puts us on track to deliver a unit reduction of 30m units.</p>

<p><b>Carlsberg UK</b></p>	<p>Carlsberg UK has started to deliver on its commitments by reducing the ABV of existing brands and has recently introduced a low ABV beers (less than 2.8%). Last year we have reduced the ABV of the second biggest selling brand in our portfolio from 5.0% to 4.8%. This change is estimated to deliver a reduction of more than 15m units per annum based on current volumes. We are committed to providing products at ABVs of 2.8% and below. We have recently reduced the ABV of the Skol brand in cans to 2.8% and this is now the biggest selling 2.8% beer in the market. This change is estimated to deliver a reduction of 2m units per annum. We now offer 6 products in our portfolio with an ABV of 2.8% or below, including Holsten Alcohol Free beer.</p> <p>This year we are specifically launching a 2.8% beer, Carlsberg Citrus, which versus the average strength in the category is a reduction of over 5 million units.</p> <p>In 2013, we will also be reducing the ABV of another major brand, Tuborg, which will take a further 8m units out of the market.</p> <p>Clearly, with overall consumption reducing, these reductions may not result in achieving the figures quoted, but assuming current volumes, Carlsberg UK's contribution to the pledge will now total around 30 million units.</p>
<p><b>Co-op</b></p>	<p>In 2012, we reduced the alcohol levels (ABV) of our own-brand canned bitter (from 4% to 3% ABV) and strong lager (8% to 7% ABV). We have begun to stock a greater range of lower alcohol and alcohol free alternatives and at least one alcohol free products in every store where alcohol is sold. We have also committed to include lower alcohol alternatives wherever promotions of alcoholic products takes place in our stores.</p>
<p><b>Costcutter Supermarket</b></p>	<p>Costcutter Supermarkets Group Limited is a symbol group operator with 1600 Convenience stores nationwide, operating as mainly franchised and with 20 company managed stores. We give the Costcutter retailers information and guidance, from this they make their own decisions to run their business.</p> <p>Costcutter is committed to the Alcohol Unit Reduction delivery plan, in conjunction with our wholesale supply partner.</p> <p>Since 2008 Costcutter have been engaged in addressing identified certain challenging alcohol categories such as white cider, where we have reduced our range by 50% and removed promotional customer point of sale.</p> <p>Cider</p>

	<p>We are committed to not increasing the number of lines in the white cider range and in introducing alcohol free cider to our branded range offering. We will continue not to produce consumer point of sale to promote white cider.</p> <p>Beer</p> <p>Costcutter continue to support the branded manufacturers' declared strategy of reducing ABV in certain sku's.</p> <p>We are committed to not increasing the number of lines in the super strength category and will not produce consumer point of sale to promote.</p> <p>Further, we will increase the number of featured promotions on reduced ABV lines.</p> <p>Wine</p> <p>We will increase the participation of low alcohol wines by increasing the number in the range and also by commencing promotional features. We will increase the prominence of the 50cl bottle option.</p> <p>PBA</p> <p>Costcutter will increase the range of lower alcohol products.</p> <p>Category Planograms</p> <p>We will reflect the range changes in our recommended retailer planograms.</p>
<b>Diageo</b>	<p>We have reduced the strength of our Blossom Hill white wine, 'Californian White' by 0.5% (currently the UK's biggest selling white wine) from 12% to 11.5% ABV. This change to 11.5% ABV is planned to be a permanent change. Our innovation pipeline continues to develop and launch lower alcohol wine and wine based drinks to increase choice for our consumers. Last year we launched Blossom Hill Vie, which is a 5.5% ABV wine based drink. The livery and occasions of consumption are similar to wine, but offer consumers a great tasting alternative to full strength wine. These wine drinks have less than half of the alcoholic strengths of most standard wine offerings. We are also currently exploring further opportunities in the lower strength wine arena.</p> <p>Following a successful trial in Tesco of Guinness Mid Strength (2.8% vol) in cans; we are now supplying this product to Asda and Morrisons as well as Tesco and sales continue to rise.</p>
<b>Heineken</b>	<p>As a responsible alcohol producer, we believe we have an important role to play in tackling alcohol misuse and encouraging people to drink responsibly. We want</p>

	<p>our products to be made, sold and enjoyed responsibly.</p> <p>HEINEKEN believes that it can reach consumers in ways that Government cannot. For example, in March 2010, we took the decision to stop producing (also known as delisting) White Lightning cider. We followed this by delisting Strongbow Black in November 2010.</p> <p>HEINEKEN was also the first company to make a public pledge to remove the alcohol by volume (ABV) of alcoholic drinks. In 2011, we made a pledge as part of the Responsibility Deal to reduce 100 million units in the UK market by 2013 by reducing the ABV of a major brand. Following our leadership in making an individual pledge on unit reduction, the industry followed with a pledge to remove 1 billion units of alcohol from the UK market by the end of 2015 (Alcohol Pledge A8), HEINEKEN is also a signatory of this pledge.</p> <p>We are on track to deliver our unit reduction pledge. By reducing the strength of our existing popular brands, we are helping our consumers make responsible choices.</p> <p>In June 2012, we reduced the ABV of bottled and canned Strongbow from 5.3% to 5%.</p> <p>We also reduced the ABV of John Smith's in February 2013 from 3.8% abv to 3.6% abv.</p> <p>In addition, we launched the 2% abv Foster's Radler in March 2013, this new product will promote and grow the lower strength beer category. We will report on further progress by the end of 2013.</p>
<p><b>Marks &amp; Spencer</b></p>	<p>This year M&amp;S has reformulated our ready-to-drink range to reduce the alcoholic content from 10% ABV to 8% ABV, removing over half a unit from each can. Cumulatively this means 40,000 units of alcohol per week have been removed from the market.</p> <p>M&amp;S also launched a number of low-alcohol and no-alcohol adult-orientated soft drinks, such as Southwold 2.7% ABV ale and artisan single variety grape juices, all of which are selling well and are moving customers from full-strength beverages to lower alcohol options.</p> <p>More customers took up the non-alcoholic option as part of our Dine in for £10 promotion than ever before and we now display these options prominently alongside the full-strength wine options.</p>

<b>Marstons</b>	<p>Promotion of our NABLAB's (no alcohol beer / low alcohol beer) still remains part of our off trade strategy. Marston's pale ale and Manns brown ale continue to grow in volume and distribution and are well supported at fixture. Manns Brown has in particular grown well after winning best NABLAB at last year's International Beer Challenge awards. We have also reduced our national brand, Pedigree, from 5% to 4.5%. We plan to reduce Ringwood Boondoggle down to 4.2% and Scarecrow down from 4.6% to 4%, and Old Thumper down to 5.1% (from 5.6%).</p>
<b>McMullen &amp; Sons Ltd</b>	<p>We will support the delivery of the 1 billion unit reduction target by increasing the range of lower alcohol products on offer in 50 of our pubs. We have added a new lighter ABV wine to our wine lists and have placed greater emphasis on producing lower strength ales within our seasonal cask ale range.</p> <p>In our Managed House Estate we have lowered the dispense measure of spirits to 25ml (from 35ml).</p>
<b>Molson Coors</b>	<p>Molson Coors has pledged to deliver a 50 million unit reduction by 2015 as part of the 1 billion unit reduction pledge.</p> <p>This will be achieved via a combination of ABV reformulation of existing brands and delivering greater consumer choice of lower alcohol products.</p> <p>In May 2012 this began with the launch of Carling Zest (2.8%), the biggest and most successful beer brand launch of 2012. A second flavour of Carling Zest was launched in the Autumn and then two flavours made available from Spring 2013.</p>
<b>Morrisons</b>	<p>We want to help customers who wish to reduce their alcohol intake. Last year we introduced a number of own brand lower alcohol products:</p> <ul style="list-style-type: none"> <li>o own brand low alcohol cider (1% ABV)</li> <li>o own brand beer (2% ABV)</li> <li>o own brand lager (2% ABV)</li> </ul> <p>To further expand our choice of lower alcohol alternatives we are planning to introduce an own brand low-alcohol beer (0.5% ABV) in 2013/14.</p>
<b>Nisa</b>	<p>Nisa has already taken steps to work in tandem with the ideals of responsible alcohol retailing, namely through the decision not to produce any consumer advertising point of sale for white cider or super strength beer.</p> <p>As Nisa has no owned stores, the influence that it has over alcohol sales can only come from range, consumer advertising and working relationships with committed</p>

	<p>manufacturing partners, Molson Coors, AB Inbev and Brand Phoenix, who collectively have pledged to remove 544 million units by 2015.</p> <p>Nisa planned to develop its consumer marketing in line with supply partners' strategy to influence the reduction of unit consumption from its membership by increasing range, development, sales and marketing of applicable products and continue its strategy of removing consumer links on areas of concern. The company has been working hard to achieve the set targets and have already experienced successes in these areas.</p>
<p><b>Pernod Ricard</b></p>	<p>In 2012, Pernod Ricard UK launched the Jacob's Creek Cool Harvest line of wines in the UK. The light and fresh style of this range of wines, is achieved by harvesting the grapes at night and incorporating some fruit from pernum cooler-climate regions. The Cool Harvest range is performing to expectations since its launch and we continue to invest in this range. Our Moscato still wines (with an ABV of 8%) are also growing. As for New Zealand wines, Brancott Estates will be launching a new Sauvignon Blanc at 9% ABV in the UK later this year.</p> <p>In spirits, our pre-mixed Malibu cocktails in cans continue to grow and we will expand the range further later in 2013. These ready-to-drink cocktails have an ABV of 5% and provide consumers with an alternative to self-poured measures at home.</p>
<p><b>PLB</b></p>	<p>Sourcing lower alcohol wines is very much on the PLB agenda and PLB is committed to sourcing, where possible, the lower alcohol wine when given the option.</p> <p>PLB has recently invested resource into the Weight Watchers initiative through consumer awareness via online and the press. As a result McWilliams Balance now has the endorsement of Weight Watchers for a minimum of three years.</p>
<p><b>Sainsburys</b></p>	<p>As part of our 20x20 Sustainability Plan, we have committed to doubling the sales of lighter alcohol wine and reducing the average alcohol content (ABV) of own brand wine and beer by 2020. Since we set our target, we have sold 17.5% more bottles of lighter alcohol wines.</p> <p>Our team of winemakers and product technologists are constantly working with our supply base to identify which products could be re-developed to reduce the ABV, without adversely affecting product quality.</p> <p>We offer a number of wines which are under 10.5 per cent, including this year launching Taste the Difference Moscato (5.5 per cent), Sainsbury's Williams Pear</p>

	<p>and Wild berry Fizzes (4 per cent), Taste the Difference Brachetto-d'acqui (5.5 per cent), as well as some well known brands including Jacobs Creek Cool Harvest (10.5 per cent), Blossom Hill Vie (5.5 per cent) and Banrock Light (5.5 per cent).</p> <p>We have introduced smaller sizes of some of our most popular products, to help customers who may only want to consume a glass of wine at a time. This also helps them control the number of units they are consuming. Examples launched over the last year include our new Taste the Difference 20cl Conegliano Prosecco. We have also increased the distribution of our smaller 20cl wines, to ensure all stores have a smaller bottle range to offer to customers.</p>
<b>Spar</b>	<p>SPAR UK have continued to work towards the 1 billion unit reduction industry target with the following ongoing actions this year. SPAR UK has already delisted the SPAR White Cider and reduced the ABV of its standard Lager saving 3.8 million units in 2012/13. Further planned savings will come from the reduction of abv in certain SPAR products to reduce annual units across the range . The new SPAR bottled cider has reduced in size in line with own label industry standards which will save over 1 million units annually. SPAR UK have also agreed a low alcohol promotional plan throughout the year as well as planning to promote low alcohol wine. The plan for this year aims to save a further 4.6 million units in total.</p>
<b>SHS Group</b>	<p>We have introduced several pieces of NPD (New product development) that are non alcoholic but sit on the alcohol fixture in the supermarket (Tesco) &amp; satisfy the consumer occasion as an alternative to alcohol. These provide healthy and premium alcohol alternatives.</p> <p>The first of these brands is the beer style drink, Equator, which has 0% alcohol, 0% calories and 0% sugar. We have had traction with Weightwatchers &amp; Slimming World &amp; we are filling a gap/ a consumer need.</p> <p>The second brand is Sorelle, a 0% wine, low in calories. It comes as a Sauvignon &amp; a Rose in a wine shaped bottle so does not look a miss in the drinking environment.</p> <p>We have launched a Merrydown cider variant that is 4%. Merrydown Vintage cider has always been 7.5%, in a large resealable bottle (700ml)- consumed in a sharing capacity. We are also about to reduce this range to 6%- hence removing units per bottle significantly.</p> <p>We own the brands Shloer &amp; Bottlegreen and provide these to many functions to be served as an alcohol alternative.</p>

Appendix C: Summary of individual company annual reports

	<p>We have also historically reduced the ABV of our Ready to Drink brand, WKD. Since its launch in 1996, we have taken the brand from 5.3% ABV and 1.7 units per bottle down to 4%, and 1.1 units per bottle.</p>
<b>Tesco</b>	<p>Tesco is the leading retailer of low alcohol products in the UK. We now have 24 lighter wine styles with an ABV below 5.5%, 10 of which were introduced in 2012.</p>
<b>T&amp;R Theakston Ltd</b>	<p>We have introduced on a trial basis the availability of third pint glasses</p> <p>We continue to promote low alcohol (3.5% ABV) products - available nationally</p>
<b>Waitrose</b>	<p>Waitrose supports the overall principle of the unit reduction pledge. We share the Government's aim to reduce the social and health harms caused by excessive alcohol consumption. Selling alcohol responsibly is a long-term commitment for Waitrose. It forms the basis of our industry-leading approach to positioning, pricing, labelling, selling and promoting alcohol to our customers. This includes:</p> <p>Never positioning alcohol in our foyers; not including alcohol in our entry level brand essential Waitrose; never running 50% discount offers on spirits, still wine, beer, cider, ready-to-serve and fortified wine. We always offer a non-alcoholic alternative in our Meal Deals. Supporting Community Alcohol Partnerships through the Retail of Alcohol Standards Group (RASG). Over the past year we have reduced the average alcohol content of our entire beers, wines and spirits range from 17.37% to 16.19%. We will make further reductions. We will make unit reduction a key element of our reformulation and product development brief. We will improve the quality and range of our low alcohol products. The following summarises how we will deliver our commitment across our different categories:</p> <p>Cider: We will reduce the ABV of our Waitrose Farmhouse Ciders - 2 litre and 3 litre bottles - from 6% to 5.5% by September 2012. <math>(6 - 5.5) \times 430,000 = 215,000</math> units removed per annum.</p> <p>We will no longer sell Waitrose Reserve Cider from September 2012 because it is particularly strong at 8.2%. This will mean all of our own label premium ciders will be below 8% ABV. <math>8.2 \times 28,000 = 229,600</math> units removed. We will redesign the label and re-launch our Waitrose Low Alcohol Cider which has a value of 1% ABV in Autumn 2012 to make it more attractive as a low alcohol option for customers.</p>

## Appendix D: Illustrative example of the effect of a change in category share on average ABV

Some of the change in the total volume of pure alcohol that occurs from year to year is due to changes in the category shares. For example, as the average ABV of beer is lower than the average ABV of wine, a shift in market share from beer to wine would (other things being equal) result in an increase in the total volume of pure alcohol and an increase in the overall average ABV. As stated above, an assessment has been made of the extent to which changes in the volume of pure alcohol consumed at market level and at category level can be attributed to changes in average ABV. This is done by applying the product volumes from the base year of 2011 to the average ABV figures for both 2011 and 2012. An illustrative example, using fictional information, is given below.

	Beer	Wine	Total
<b>2011</b>			
Volume of product (million hl)	50	10	60
ABV	4.0%	13.0%	5.5%
Volume of pure alcohol (million hl)	2.00	1.30	3.30
<b>2012</b>			
Volume of product (million hl)	40	20	60
ABV	3.5%	12.0%	6.3%
Volume of pure alcohol (million hl)	1.40	2.40	3.80
<b>2012 figures weighted using 2011 volumes</b>			
Volume of pure alcohol (million hl)	1.75	1.20	2.95
Change in pure alcohol resulting from ABV decrease (million hl)	0.25	0.10	0.35
Change in units resulting from ABV decrease (billion)	2.5	1.0	3.5

In this example, the volume of beer decreased from 50 to 40 million hectolitres (hl) between 2011 and 2012, whilst the volume of wine increased by a corresponding amount from 10 to 20 million hl, leaving the total volume of product unchanged at 60 million hl. The ABV of both beer and wine decreased (from 4.0% to 3.5% and from 13.0% to 12.0% respectively). However, because of the shift from beer to wine, the total volume of pure alcohol actually increased from 3.30 million hl to 3.80 million hl.

Had the ABVs of beer and wine remained the same, the volume of pure alcohol would have gone up even more. The reduction in the ABVs of beer and wine have reduced the size of the increase. To get a figure for the contribution that the reductions in the ABV of beer and wine made to a reduction in the volume of pure alcohol, we apply the 2011 product volumes to the 2012 ABVs. This gives a figure of 2.95 million hl of pure alcohol, a reduction of 0.35 million from the 2011 figure of 3.30 million.

A hectolitre of pure alcohol equates to 10,000 units. So, a reduction of 0.35 million hectolitres would equate to 3.5 billion units.