



## Responsible Alcohol Retailing

### Alcohol abuse: a serious health issue in the UK

According to the UK Government Alcohol Strategy, alcohol is the third most important public health issue in the UK after tobacco and hypertension. While drinking moderate levels of alcohol may protect us against heart disease, drinking above the recommended Government daily guidelines can cause health problems. In the UK, 27% of men and 17% of women currently drink more than the recommended amount, and 7% of men and 3% of women are drinking at levels that cause liver cirrhosis. According to the UK Government, there are 22,000 deaths due to alcohol each year, 30,000 hospital admissions for alcohol-related liver disease (ALD) and 4,500 deaths due to liver disease. ALDs are increasing rapidly, and since the 1970's, there has been an eightfold increase in ALD deaths.

In 2004, the Government published the Alcohol Harm Reduction Strategy for England. The programme has focused on better education and communication, improving health and treatment services, combating alcohol-related crime and working with the alcohol industry. In June 2007, a new report, "Safe. Sensible. Social. The Next Steps in the Alcohol Strategy", was published, which builds on the foundations laid and lessons learnt since 2004. This new strategy concentrates on combating alcohol-related crime, addressing binge drinking and promoting an environment that actively promotes sensible drinking through communication and drawing on the commitment of police, local authorities, the National Health Service, voluntary organisations, the alcohol industry, business, media and local communities.

### Social Responsibility Standards

The "Social Responsibility Standards for the Production and Sale of Alcoholic Drinks in the UK" were launched in November 2005 as a comprehensive set of standards for the production and sale of alcoholic drinks in the UK. The Standards were drawn up by the Wine and Spirit Trade Association, the British Beer and Pub Association, the Scottish Whisky Association, thirteen trade bodies and several Government departments. These standards set out best practices that are applicable across the industry to promote sensible drinking and the responsible marketing and retailing of alcoholic drinks.

Insight supports these best practice standards, and we have drawn on these guidelines to engage with major retailers such as supermarkets to understand their responsible alcohol retailing policies.

### Insight's engagement with retailers

Insight chose five retailers in which we have an equity or bond shareholding – Marks & Spencer, J Sainsbury, Tesco, Waitrose and Wm Morrisons. In February 2007, we wrote to each company outlining the practices we believe supermarkets should be pursuing to demonstrate their commitment to responsible alcohol retailing (see Box 1 over the page). We asked for information on their approaches to consumer education, marketing and promotion, product development and supporting collaborative action and research.

## 1. Consumer Education

Retailers should use a combination of detailed labelling, in-store information and other communication channels to educate customers about responsible drinking. This could be achieved by displaying the following information on labels of own-brand alcoholic products:

1. The alcohol content (units) per volume, and where relevant, alcohol content (units) per bottle
2. The Government's recommended maximum daily benchmark for alcohol intake for men, women and pregnant women
3. A health message such as "Know your limits" or "Drink responsibly"
4. A link to [www.drinkaware.co.uk](http://www.drinkaware.co.uk)



Retailers should provide detailed advice on alcohol and health, which should be a fair and balanced representation of scientific and medical consensus on their own websites.

In addition to taking these steps with respect to own-brand goods, we believe supermarkets should also work actively with their main alcohol suppliers to ensure they include such information on their branded goods.

The 'point of sale' also provides a unique opportunity for retailers to promote and reinforce the responsible drinking message, which could be communicated to consumers in the form of shelf notes or leaflets. The content of these notes should include the Government's recommended maximum daily guideline for alcohol intake for men, women and pregnant women, as well as additional advice on alcohol and health.

The Government's Alcohol Strategy disappointingly makes no mention of the potential impact of alcohol consumption on weight gain, leading to a further set of health problems. Supermarkets should consider putting calorific information on the labels of alcoholic products.

## 2. Marketing and promotion

### Pricing

We are aware that both the Government and other organisations have concerns over alcohol promotions, both through temporary price discounts and discounts for volume. We believe retailers should have a pricing policy on promoting alcohol by price discounting and volume discounting.

### Prevention of under-age purchases

Retailers should send a clear message to consumers that, if they are under 21 and have no identification, they will not be sold alcoholic beverages. This should be emphasised by using clear point-of-sale material and shelf notes, e.g. 'Under 21 Aware' signage.

### Retailers should ensure they provide:

1. Training to provide staff with knowledge and understanding of the law
2. Training to ensure staff are confident to challenge or refuse customers
3. Till prompts
4. Log books to record refusals

Retailers should have a clear policy of not selling alcohol to intoxicated customers, a disciplinary procedure for employees that contravene this policy, and a way to record such incidents. Retailers using the Internet for online sales should use age verification processes and have a policy to prevent under-age purchases for online sales and delivery.

## 3. Product development and promotion

There are opportunities for retailers through product reformulation to reduce the alcohol content of drinks e.g. low-alcohol wines that are lower in calories and units than average wines. Retailers could persuade consumers to drink less by encouraging them to reduce consumption, but not expenditure by switching to premium alcohols, e.g. premium spirits and/or higher quality wines.

## 4. Supporting collaborative action and research

Retailers should consider funding research and campaigns by The Drinkaware Trust Charity and similar organisations that aim to tackle binge drinking and fund community projects that include alcohol education and prevention of misuse.

## A summary of the companies' alcohol retail strategies

All five retailers responded to our letters and provided detailed descriptions of their strategies. It is clear that the companies are aware of this important issue and have made significant strides in adopting best practice.

### Waitrose

We believe that Waitrose has the most comprehensive approach to responsible alcohol retailing with its focus on preventing sales to underage customers and communicating key health messages. Customer trust is built by providing balanced information to consumers that allows more informed decision making. In conjunction with AIM – Alcohol in Moderation (an NGO) – Waitrose produced an eight-page guide entitled “Alcohol and You” that draws on government guidelines and is available free of charge in all Waitrose stores. In 1999, the company sponsored the first consumer-orientated website for the UK [www.drinkingandyou.com](http://www.drinkingandyou.com) in partnership with AIM, which has between 30,000 and 50,000 consumer visits each month. Additionally, Waitrose provides a good level of disclosure on alcohol and health on its own website to promote sensible drinking to consumers. Waitrose is a member of the Alcohol Retail Standards Group, which was formed by the UK Government, industry bodies and retailers in 2005 to tackle underage sales under the ‘Challenge 21’ principle. The company has funded two pieces of research and the output has been shared with Government and stakeholders. Waitrose has contributed to The Drinkaware Trust and continues its long standing funding commitments to AIM.

### Marks & Spencer

Marks & Spencer (M&S) has a well-developed responsible alcohol retailing policy. The company has committed to incorporating the ‘Drink Aware’ message on promotional materials, shelf labelling and advertisements as well as including information regarding calories per serving on their new labelling scheme. The company is a member of the Alcohol Retail Standards Group and has clear policies in place to ensure stores operate the “Challenge 21” principle to prevent under-age sales. M&S is also developing a range of non-alcoholic and low-alcohol alternatives to beer and wine. The company has funded research commissioned by the British Retail Consortium into the purchasing and consumption of alcohol among young adults.

### Tesco

Tesco also has a well-developed responsible alcohol retailing policy. As part of a consumer education drive, the company is developing a labelling scheme based on the Department of Health’s recommendations. Its scheme also includes information on calories per serving for beers and spirits. Tesco launched a responsible drinking initiative in partnership with Diageo over the Christmas period and has a comprehensive ‘Think 21’ policy to combat under-age sales. The company has a moderate level of disclosure on its own website to promote sensible drinking to consumers. The company has launched a new range of lower-alcohol-wine based cocktails and non-alcoholic branded beers. Its strategy is to broaden its range of non-alcoholic, as well as low and reduced alcohol products next year. Tesco is also a founder member of the Retail Alcohol Standards Group and is keen to engage in other industry initiatives.

### J Sainsbury

We believe that Sainsbury has a well-developed responsible alcohol retailing policy. The company has adopted the Department of Health’s new labelling scheme on own-branded spirits and is in the process of rolling it out on its own-brand beer and wine. The company has a good ‘Think 21’ policy that it operates in stores nationwide. In 2006, the company decided to stop selling ‘shot’ products in all stores. Sainsbury has increased its range of half bottles of wine in response to customer interest and introduced a range of own-brand low alcohol wines. The company currently chairs the Retail Alcohol Standards Group.

### Wm Morrison

Morrisons has the least well-developed approach to responsible alcohol retailing. Its policy is moderately good and the company has adopted processes to prevent the sale of under-age purchases through its ‘Task 21’ programme. It sells a number of products that are lower in alcohol or calories compared to average wines and has committed to continue to work with wineries to produce wines that naturally have lower levels of alcohol. The company has developed a number of premium-branded alcohol products under its “The Best” sub-brand, which have been successful, and it will continue to develop these across all product ranges of alcohol.

## Recommendations

In response, Insight made a number of recommendations to each retailer, indicating where we believed each company could further strengthen its approach. For example, we recommended that they:

- Implement the new labelling scheme based on the Department of Health's recommendations (including calorific information per alcoholic drink) as soon as possible and prior to the end of 2008.
- Incorporate the Government's recommended maximum daily guideline for men and women at the point of sale, on-shelf labelling, packaging and advertisements
- Provide information on alcohol and health on their websites that is easy for consumers to access/find. We suggested that the content should include: the UK Government's daily and weekly maximum alcohol intake guidelines for men and women; examples of alcoholic drinks with unitary information; information on pregnancy and on drink driving; and calorific information of specific alcoholic drinks.

## Conclusion

Preventing alcohol misuse and promoting a sensible drinking culture that reduces violence can make a significant contribution to improving public health. Supermarkets have an important role to play in encouraging responsible drinking. Since the publication of the Alcohol Harm Reduction Strategy in 2004, progress has been made in promoting good practice. The Department of Health's discussions with the alcohol industry have led to a common format for sensible drinking messages on alcohol labels. We are encouraged by the efforts of all the supermarkets we have contacted to develop their own responsible alcohol retailing strategies, and we are pleased that they are actively engaged in this important debate. We believe that this will contribute to building consumer trust and enhancing the companies' reputations, as well as helping to address a significant public health issue.

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