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The last half of the European legislative term will be crucial for the future of alcohol labelling as the EU executive is expected to come up with important proposals on the matter.

From health warnings and green claims to the big initiative of mandatory labelling of ingredients and nutrient content: the months to come will reshape the label of alcoholic beverages as we know them.

While the European alcohol industry is united in support of e-labels, the Commission does not seem too keen, despite digital labelling obligations already being introduced in the new Common Agricultural Policy (CAP) for wines and aromatised products in 2021.

In this series of articles, EURACTIV explores what is next for alcohol labelling.

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Alcohol sector goes all in on e-labels amid mixed signals from EU

By Gerardo Fortuna | euractiv.com

Languages: Deutsch



ctions at the policy level and several initiatives pulled together by the alcohol industry point at digital means of conveying more information to consumers, but scepticism from part of the European Commission persists.

EU decisions on alcohol labelling, including proposals for the mandatory labelling of ingredients and nutrient content on alcoholic beverages, are forecasted by the end of 2022 and health warnings on labels by the end of 2023.

A major reason for this standardisation effort at the EU level is that while labelling systems deliver as much information to consumers as possible, too many risk fragmenting the Single Market.

While waiting for regulatory inputs from lawmakers, different private actors have already proposed ways to improve the imparting of information using digital solutions.

Last year, spirits lobby spiritsEUROPE and the EU wine

association Comité Européen des Entreprises Vins (CEEV) launched an online tool designed to support wine and spirit companies in creating e-labels showing the list of ingredients as well as other information such as the product's sustainability credentials.

A recent push to digital labelling came from the world's second-largest wine and spirits company Pernod Ricard, as they presented at the end of September their digital e-label system.

The tool, to be launched this year in Europe and the US on a selection of spirits and progressively expanded to all their brands globally, is based on QR code technology which became more popular during the pandemic in the food service industry.

E-labels in the CAP reform

At the regulatory level, e-labelling was already introduced in the recent Common Agricultural Policy (CAP) reform, where, for the first time ever, a provision for mandatory information through digital tools on wines and aromatised wine products was included.

According to the new rules, as of November 2023, all wines commercialised in the EU will have to communicate the list of ingredients and the full nutrition declaration on-label or online.

For socialist MEP Paolo De Castro, who attended the talks on the reform of the EU's farming subsidies programme in 2021, the final compromise on e-label came after a lengthy discussion but ultimately gave "the opportunity to consumers to know all the information they need, while at the same time it is not so much complicated for producers."

He acknowledged that producers started to work in this direction immediately after the deal, putting the European and wine spirit sector at the forefront of developing digital labels to empower consumers in making fully informed choices.

"What we were expecting as a consequence of all these new projects was a strong call from the Commission to shape a harmonised digital label," he said.

"However, instead of supporting this trend, the EU executive seems to neglect it," he added, referring to a <u>recent study</u> published by the Commission's Joint Research Centre (JRC), which says that digital means do not seem to be the best option to improve the accessibility of food information.

The study suggests that the "adoption of an exclusive display of food information using digital means seems inappropriate due to lack of scientific evidence on how these means are used by consumers in the marketplace or on their behavioural effects."

De Castro views this development with concern as it risks questioning the agreement reached by lawmakers on the CAP e-label.

"I very much hope we don't destroy the job we have already done during the CAP reform discussion," he said, blaming "the approach sometimes ideological that the Commission is using more and more in the second part of this term."

"From a political point of view, it will be very complicated for the agriculture community to accept to reopen everything," he concluded.

Conflicting signals from the Commission

At the same time, the Commission seems to openly approve of digital means when it comes to giving information to consumers on other types of products.

For instance, the Regulation on

Ecodesign for Sustainable Products (ESPR) – presented at the end of March and expected to be finally adopted by the end of 2023 – features a 'digital product passport' to track the origin of components and raw materials used in all kinds of consumer goods.

"Much of the value of any product or asset today is a function of information and the way how this information can be accessed by us," said Robert Konrad, adviser for Biodiversity at the Commission's service for the environment (DG ENV).

He explained that the digital passport intends to create an information flow along value chains providing "the whole journey from the cradle to grave of a product even before it enters the economy."

"At the moment, all data that could be useful for optimising the value chain of a product along the value chain is lost," he said, adding that this is not only a case of the information for consumers but also business-to-business information.

According to him, there are already existing examples of private companies' labels or voluntary digital product passports, which have proved to be highly efficient in capturing value and improving logistics.

"We believe that the digital product passport will provide a bridge across many initiatives or incentives in the value chain and to enable the circular business model," he said.

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MEP: Go digital to help consumers navigate nutrition labels

By Natasha Foote | euractiv.com



utritional and health information should go digital to harmonise and streamline labelling systems and help consumers navigate complex dietary decisions, MEP Christine Schneider told EURACTIV in an interview.

"Nutrition is a complicated subject

and a whole science in itself. But food is part of our everyday life," the centre-right MEP said, adding that, with "so many different diets and different ingredients to look out for", life can get complicated for consumers.

For Schneider, a digital label can

help cut through the noise.

"With a digital label, we want to make it easier for consumers to find out what ingredients are included and what nutritional values a product has," she said, explaining that the information that consumers need is "most readily available" in this format. Besides offering more detailed information about products, this also has the advantage that it can be translated into multiple languages, she added.

However, a <u>recent study</u> published by the Commission's Joint Research Centre (JRC) found that digital labels are not necessarily the best option to improve the accessibility of food information on alcohol.

Meanwhile, other stakeholders have expressed concerns that technological solutions to nutritional education run the risk of <u>excluding</u> the poorest in society.

But for Schneider, digitalisation is a key way to ensure harmony between the multiple proposed labelling systems.

In the EU's flagship food policy, the Farm to Fork Strategy, the European Parliament spoke out in favour of various labels, such as the origin label, the sustainability label or the animal welfare label. This runs the risk of creating a "jungle" of unnavigable labels, the MEP warned.

"A digital label is clearer than 4 or

5 individual labels," she said, warning that a multitude of labels can have negative consequences on the EU's single market.

"Therefore the labelling for different food or drink groups should be aligned," she said, pointing out that the "majority of the Parliament was also in favour of a digital label".

Alcohol labelling concerns

Meanwhile, in the recent Common Agricultural Policy (CAP) reform, a provision for mandatory information through digital tools on wines and aromatised wine products was included for the first time ever.

According to the new CAP rules, as of November 2023, all wines commercialised in the EU will have to communicate the list of ingredients and the full nutrition declaration onlabel or online.

Asked whether the sector is ready for this, Schneider voiced concerns for small businesses.

"This is difficult e.g. for small family businesses, but I know from direct contacts that more and more businesses are dealing with this," she said, adding that the issue is becoming "more and more important for them as well".

Another development in the pipeline is the <u>health warnings on labelling proposal</u>, which is expected in 2023, the MEP stressed the need for nuance for certain food and drink products, such as wine.

This is because commodity wine is a "cultural asset", she explained, meaning that should not be covered with a warning label per se.

"It is important to note that wine, which is consumed consciously and in moderation, is not harmful to health," she said, adding there is a need to "raise more awareness on this".



PROMOTED CONTENT

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The EU should go digital to lead on consumer information

By Pernod Ricard



onsumers both want and deserve transparent information about the products they buy. That information should be easy to access in full: digital labelling can deliver this far better than paper. The EU should

fully embrace and lead this trend.

Pernod Ricard is the No.2 worldwide producer of wines and spirits and owns 16 of the Top 100 Spirits Brands in its portfolio of over 240 premium brands distributed across more than 160 markets, such as Absolut Vodka, Chivas Regal Scotch Whisky, and Havana Club rum. The Group was the first global drinks business to include the pregnancy logo throughout Europe in 2008, and just launched a digital label in order

to inform consumers about the content of its products and health information relating to alcohol consumption.

In its communication on "A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system" released on 20 May 2020, the European Commission introduced the need to "explore new ways to provide information to consumers through other means including digital".

This was further developed on 13 November 2020, with its "New Consumer Agenda – Strengthening consumer resilience for sustainable recovery", where the ambition is to "empower consumers to check the reliability of information, make comparisons between products, but also inform them in a more holistic way about their environmental impacts [...] in accessible, innovative and appealing ways, e.g. through smartphone applications and websites".

Consumers both want and deserve transparent information about the products they buy, and that information should be easy to access and straight to the point – whether it's about nutritional value, health information, geographic origin, or the environmental footprint of the product.

Not all consumers are interested in the same aspects: some want to know more about nutritional properties, others about how the product impacts the environment, others again about specific health impacts. This will inevitably lead to an information overload on physical labels, which means less visibility for individual pieces of information, as well as the reduction of font sizes and limitation of language diversity to cater for all of this information,

among other issues.

Too little information

Digital labelling has made that marriage of convenience and transparency a reality. Accelerated by the COVID-19 pandemic, digital labelling is now a mainstream reality that should be fully embraced in a revision of EU consumer information policy, and fully consistent with the EU's pursuit of its digital transformation, in line with its Green Deal and broader New Consumer Agenda. This way, digital labelling empowers European consumers to play an active role in the green and digital transitions.

Digital technology, through geo-localisation, offers consumers the possibility to have access to personalised and relevant information, directly accessible in their own language, empowering them to make more informed, sustainable choices, anytime, anywhere.

The European Wine and Spirits industries are on the move

Different sectors are now exploring digital labelling solutions to empower consumers by giving them access to information at the touch of a button. In Europe, the spirits industry signed a Memorandum of Understanding in June 2019 to voluntarily indicate calorie information on labels, and to provide the product's nutritional value and full list of ingredients online.

Together, the European wine and spirits industry associations have launched the <u>U-Label platform</u>, which provides an e-label solution to all EU producers based on the

QR code technology, allowing them to easily share information with consumers online, including ingredients and nutritional value.

What about Pernod Ricard?

Pernod Ricard is also proactively spearheading the development of digital solutions for better consumer information, and recently created its own elabel.solution aligned with the EU industry commitments.

Thanks to eLabel, every bottle sold by a Pernod Ricard brand will soon carry its own QR code on its back label. Once scanned with a smartphone it will redirect the consumers directly to a platform where they will be able to access, in one easily-accessible place, relevant information for each product, including:

- The list of ingredients and full nutritional information provided by Pernod Ricard, together with the European wine and spirits associations,
- Information about the health risks associated with the consumption of alcohol, and where to find relevant information in their country,
- Responsible drinking guidelines issued by their country's government authorities, including information about standard drinks and who should not drink alcohol, as well as a link to a consumer information website.

Internal marketfriendly consumer information

Going digital will upgrade the way organisations do business through providing instant access to



updated, borderless, and tailored product information. Not only is this a way to better inform consumers in an accurate and more accessible manner, digital is also a new impetus for more sustainable solutions.

It also allows information to flow within the internal market, avoids placing extra burdens and operational costs on economic operators, giving them more agility to provide instantly updated information to consumers; and promote EU products both inside and outside of Europe.

Changing physical labels takes months and years to become real for consumers, because of the time taken to design, print, package, ship, and store the newly-labelled product, before it ever even reaches a store shelf. But going digital will fast-track changes. While the physical labels stay the same, the companies' internal databases change much more quickly: no printing, no shipping, no storing.

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The Covid-19 pandemic experience led to less physical

interaction, yet naturally paved the way for digital solutions to become more advanced and increasingly viable. We should acknowledge that digital interaction is now a tangible, common reality in people's lives, largely influencing and adding value to their consumer journey.

As a concrete example, a digital survey conducted by McKinsey in 2020 across 17 European countries demonstrated that the number of industries that were accessed digitally by consumers went from 81% before the Covid-19 pandemic to 95% in May 2020.

The European Union cannot continue to ignore the largest part of its consumers willing to turn towards innovative digital solutions to access meaningful information about the products they enjoy.

Europe to lead the way

The digital labelling revolution is just getting started, and European policies should continue to strive towards more efficient and innovative solutions to inform citizens about what they consume. This can be done in a similar way to

the solution recently adopted for the wine sector within the new Common Agricultural Policy framework, which embraces the digital option for the indication of ingredients and nutritional information.

Even though the EU continues to pursue its digital transformation agenda, it should move up a gear and pave the way to real leadership on digital consumer information: if it doesn't want to be left behind, it must adapt to the new digitalised solutions that are already a reality.

