

Response by Diageo plc to
*'Safe. Sensible. Social:
Consultation on further action'*

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Executive Summary

Diageo welcomes the discussion on the UK's relationship with alcohol initiated by the Government. We share the Government's goal to promote responsible drinking and combat alcohol misuse. Diageo is therefore wholly committed to working in partnership to change our drinking culture for the long-term.

We agree with the Government's analysis that there is no single, simple solution to alcohol misuse, and we fully endorse its objective of eliminating irresponsible behaviour – whether on the part of consumers, producers or retailers.

We believe that a responsibility matrix, defining appropriate roles for Government, industry, law enforcers, individuals and others, is essential to bring about the desired levels of change and to avoid placing the greater and unjustified burden of responsibility for alcohol misuse on the shoulders of the alcohol industry.

Any interventions introduced by Government must be targeted so as to impact the minority who misuse alcohol, and not to penalise the responsible drinking majority. Ultimately, this – rather than a whole-population approach – will deliver the desired changes to alcohol harm levels. Interventions must also be rooted in a strong and clear evidence base.

However, Government interventions must be considered in the context of enforcing the wide range of existing laws and regulations already available. We note with disappointment that these are wholly under-utilised.

Diageo's response identifies three key proposals:

As a responsible company, Diageo believes that industry and Government should work together to root out all irresponsible retail promotions. We strongly believe that **a system of co-regulation** for retail promotions is the most appropriate and effective approach to do this. Under co-regulation, the Government and the alcohol industry draw up standards together, which are strictly monitored and enforced, within the industry, by Government through existing laws and regulations (the Licensing Act) and by a body such as The Portman Group.

We also advocate **a co-regulatory approach for labelling – enabled through legislation**, again under the guardianship of The Portman Group, to ensure that consumers are given information to help them make informed choices about alcohol. This would ensure that all drinks containers carry the same information.

We believe that industry can play an important role in changing consumer attitudes to alcohol by working more closely with Government, the Drinkaware Trust and others to form **a social marketing partnership**. This would see greater sharing of knowledge and setting of common performance measures for campaigns to tackle alcohol harm. We believe that such a partnership, which would draw on the model adopted by the Government and the food industry to tackle obesity, would be a significantly stronger alternative to the alcohol advertising 'end frame' option proposed in the consultation.

In implementing policy, care must be taken that there are no unintended negative consequences, which either diminish the effectiveness of the policy or create unexpected problems in other areas. The Government has shown that it is sensitive to the needs of industry, society, authorities and individuals, and we would hope that any firm policy proposals that emerge from this consultation will be backed by rigorous impact assessments, against which the consequences of the policies can be assessed.

We are concerned, however, that there are unintended consequences that will arise from some of the proposals outlined. Firstly, an end frame on advertising would have little or no impact on consumer attitudes or behaviour and has, as yet, an unquantified economic impact on the alcohol industry and importantly other industries such as broadcasting.

Secondly, 'blanket' actions taken which drive a ten per cent reduction in total alcohol consumption, as identified in the Department of Health's impact assessment, will inevitably have a negative impact on Treasury revenues. In addition to this, there is no proven link that a reduction in alcohol consumption will lead to a reduction in alcohol-related harm, the ultimate objective of Government and industry alike.

1. Diageo in the UK

Diageo is the world's leading premium drinks business, with an outstanding collection of alcohol brands across spirits, wine and beer categories. Our brands include Smirnoff vodka, Johnnie Walker whisky, Captain Morgan rum, Baileys liqueur, J&B whisky, José Cuervo tequila, Tanqueray gin and Guinness beer, as well as a range of malt whiskies from our 27 Scottish distilleries, including the classic malts – Dalwhinnie, Lagavulin, Talisker, Oban, Cragganmore and Glenkinchie.

In the UK every year we produce more than 30 million cases of Scotch whisky and 12 million cases of white spirit brands. Most of this is exported to 180 countries around the world, generating revenues worth more than £3 billion a year, and accounting for 20% of food and drink exports for Scotland alone.

Diageo is a top-20 FTSE 100 company, employing more than 22,000 people worldwide, in 80 countries. We directly employ more than 5,000 people in the UK, in 50 sites up and down the country. Many of our jobs, especially in the production of Scotch whisky, are often in less economically-advantaged urban areas and in more remote rural communities where limited alternative employment opportunities exist.

Our business also supports employment and wealth creation in other sectors. Our distilleries, for instance, are important contributors to Scotland's flourishing tourism industry and the wide range of brands that we manufacture in the UK feature in almost every bar, pub, club, restaurant, off-license, supermarket and licensed corner shop in the country, contributing to the revenue, profits and employment of every one of these businesses, as well as to the Exchequer through the VAT and excise duties levied on our brands.

We believe strongly that there is a legitimate and positive role for the responsible consumption of alcohol in our society, that alcohol is a part of our cultural history and traditions, and that the drinks industry in the UK has an important and beneficial role to play in our current and future economy and society.

We welcome the opportunity to state our views in response to the UK Government's consultation, which will also be reflected in responses submitted by industry associations of which we are members.

1.1 Diageo's responsible drinking strategy

As the world's leading premium drinks business, Diageo wants to be at the forefront of industry efforts to promote responsible drinking and to be a valuable and valued partner in changing our drinking culture for the better.

As an alcohol producer we have three key priorities for responsible drinking:

- Set world-class standards for responsible marketing and innovation
- Combat alcohol misuse, working with others on initiatives to reduce alcohol-related harm
- Seek to promote a shared understanding of what it means to drink responsibly. This is underpinned by our use of our marketing insight and skills in an attempt to transform consumers' attitudes to alcohol.

A summary of Diageo's responsible drinking commitments is provided in Appendix ii.

But we accept that we are only one player and that we must play an appropriate role within a wider and comprehensive alcohol strategy. In the following section we set out how we think that would work under a new system of co-regulation and social partnership.

1.2 The structure of our response

In the following sections, we first analyse the evidence against which we believe any discussion on alcohol policy must be framed. We then set out what we believe is the right approach to an alcohol policy framework and make proposals on effective partnership and co-regulation. Finally, having established the context for our views, we give our detailed response to the specific questions asked by the consultation.

2. Alcohol trends – the evidence

In order to establish effective policies and interventions to tackle alcohol misuse and alcohol-related harm, it is critical that we first understand the scale and nature of alcohol consumption in the UK.

We support the Government's publication of the NHS *Statistics on Alcohol*. This provides valuable data on the extent and impact of alcohol consumption, collated from a wide range of sources, including the *General Household Survey* (GHS). It is important to have objective facts to enable a proper debate about trends and patterns in alcohol consumption, to inform thinking on strategy and potential policies, which we explore more fully in Sections 3 and 4.

Our analysis of the published statistics, which we attach as Appendix i, suggests to us that there are some overall conclusions that we can draw about drinking patterns, as well as some trends in changes in behaviour. The statistics clearly show that excessive drinking is a minority problem, while closer scrutiny reveals that within this minority are three subsets of drinker about whom we should be most concerned:

- underage purchasers, who should not be buying alcohol at all
- 18-24 year-old binge drinkers who engage in anti-social behaviour
- middle-aged and older male drinkers, who cause harm to themselves.

Statistics suggest that under age and young adult excessive (binge) drinkers consume less on average, and drink less often, than older drinkers (we note significantly higher rates among older men in lower-income employment and in areas of relative socio-economic deprivation). It would be useful for the Government to carry out a more detailed study of these groups, to ensure that policy and attention is being proportionately applied to each problem.

It should not be forgotten that excessive drinking also takes place in private. It can contribute to chronic health problems. There are very few examples of consumer education campaigns aimed at private drunkenness. Correspondingly, there is little research in this area to inform brief interventions and we would welcome further Government studies on private drunkenness.

In our analysis of published statistics, we found definitive time-series comparisons problematic, because there has been a change in the methodology adopted for calculating consumption in the GHS, to take account of the varying strength of wines, wine glass sizes and to account for better estimates of the strengths of beers, lagers and ciders. The new methodology has only been applied to 2006 and has generally produced higher consumption figures than the parallel 2006 figures using the original methodology.

Time-series comparisons can only therefore be made using data based on the original methodology, so we have drawn upon this to assess trends, despite acknowledging its limitations in providing an exact picture. We have included the revised 2006 figures in parenthesis for comparison. Where we present a snapshot, rather than historic comparisons, we have only used data calculated using the new methodology.

However imperfect, the points highlighted provide evidence that the trend in overall consumption is generally downwards, especially among the groups about which the Government is most concerned and that the proportion of people who are drinking above the guidelines, binge drinking and drinking at harmful levels is a minority.

Through this data analysis, we are able to identify that a minority of consumers binge drink, and infrequently, but that a subset of 18-24 year-olds drink more in a binge-drinking session and do it more often. This subset presents a challenge to traditional approaches to alcohol policy and we therefore propose a social marketing partnership to target this group (see Section 4).

Trends in alcohol consumption in Britain

General consumption

- Per capita alcohol consumption has been in decline since 2003. Litres of pure alcohol per head has fallen from 9.4 litres in 2004 to 8.9 litres in 2006. Although there was a slight increase between 2006-7, HMRC forecasts suggest the downward trend will continue during 2008
- The UK is 13th out of 27 in the EU league table of per capita alcohol consumption
- 71% of men and 56% of women drank alcohol on a weekly basis in 2006 – down from 75% and 60% in 2000
- Average consumption is down since 2000, from 17.4 to 14.8 units for men, and 7.1 to 6.2 units for women
(2006 new methodology = 18.7 units for men and 9.0 units for women)

Drinking more than the guidelines

- Since 2000, the proportion of men drinking above the guidelines has declined from 29% to 23% and of women from 17% to 12%
(2006 new methodology = 31% for men and 20% for women.)
- 21% of men and 12% of women drink alcohol on at least five days in 2006, down from peaks of 23% (men, 2004) and 13% (women, 1998-2005)

Chronic drinking

- 5% of men and 2% of women are chronic drinkers (over 50 units a week for men and 35 units a week for women), down from 7% and 3% in 2000
(2006 new methodology = 8% for men and 5% for women)

Underage drinking

- Underage drinking is in decline, down from 26% of 11-15 year olds in 2001 to 21% in 2006
- 46% of 11-15 year olds have never drunk (2006), up from 40% in 2000
- Weekly alcohol consumption among those 11-15 year olds who drink rose to 11.4 units in 2006, from an average of 10 units in the last decade

Binge drinking

- 18% of men and 8% of women in 2006 reported binge drinking (over 8 units) on at least one day in the previous week, down from peaks of 23% (men, 2003) and 10% (women, 2000-2)
(2006 new methodology = 23% for men and 15% for women)
- 52% of men aged 16-44 reported drinking over 8 units in 2006, down from 67% in 2001
(2006 new methodology = 61%)

Drinking among young people aged 16-24

- Since 2000, the proportion of 16-24 year-old men drinking above the daily guidelines on at least one day has declined from 50% to 39% and of women from 42% to 34% *(2006 new methodology = 42% (men) and 39% (women))*
- People aged 16-24 drink the least often (compared to older drinkers) – 81% drink on 0-2 days a week and only 8% of men and 3% of women drink on five days or more, compared with 27% of men and 15% of women aged 65 and over
- Among 16-24 year-olds, 27% of men and 20% of women reported binge drinking in 2006, down from 37% and 27% in 2001 *(2006 new methodology = 30% (men) and 25% (women))*

Alcohol-related harm

- UK alcohol-related violent crime has fallen from 1.5 million incidents in 1997 to fewer than a million in 2007/08
- UK alcohol-related hospital admissions have risen by 70% since 2002/03 to 811,000 admissions a year in 2006/07
- UK alcohol-related deaths more than doubled from 4,144 in 1991 to 8,758 in 2006

Summary

- Average alcohol consumption is in decline and within guidelines
- The majority of people drink responsibly
- Chronic drinking is in decline, but only marginally
- Underage drinking is in decline, but those who drink, consume more
- Binge drinking is in decline, but is more common among 16-24 year olds
- 16-24 year-olds drink less often than older drinkers.

3. Alcohol policy in the UK – an evolutionary approach

Alcohol is an established part of virtually every society in the world, and has been present in British culture for thousands of years. Responsible drinking, as the Government acknowledges in *Safe. Sensible. Social: the Next Steps in the National Alcohol Strategy* (June 2007 (p5)), can play a positive role in British society:

“Alcohol can play an important and positive role in British culture. It is part of our social and family life, and can enhance meal times, special occasions and time spent with friends.

The UK economy also benefits greatly from the investment, employment, sales and taxes generated by the alcohol industry.

But Diageo is also aware of and concerned with the issues of excessive consumption of alcohol, and we agree that excessive or inappropriate consumption can cause health and social problems for individuals and society. We therefore agree with the Government that:

“more needs to be done to promote sensible drinking. Excessive alcohol consumption among some sections of the population is a cause for considerable concern – a concern that is shared by both the Government and the general public.

Diageo’s view of alcohol misuse

Diageo believes that neither we, nor society, benefit when consumers misuse our products, and so, like the Government, we are committed to promoting responsible drinking. We believe that the potential for harm is preventable and that a valuable and sustainable place in society exists for alcohol beverages. Defining this place is a collective responsibility, involving not only producers like Diageo, but also consumers, retailers, educators, researchers, NGOs, law enforcers and governments.

Industry campaigns, including Diageo’s ‘Choices’ advertising, Challenge 21 and the Drinkaware campaign in retail outlets, demonstrate the industry’s commitment to seeking cultural change.

We strongly agree with the Government’s view that while alcohol misuse is a serious issue, it remains a minority problem for which targeted and proportionate efforts are needed. As the Minister of State states in the *Foreword*:

“The crux of this consultation is to put in place a policy which will enable more people to drink sensibly and prevent irresponsible practices which encourage people to drink more, or in ways they would not choose if left to themselves...We know that most retailers and consumers of alcohol act responsibly and it is the irresponsible minority on which our efforts are focused. It is right to consider ways to tackle irresponsible practices, but we must also ensure that any measures do not unduly penalise those consumers who benefit from legitimate promotions responsibly.

3.1 An evolutionary approach to the Government's alcohol strategy

Diageo proposes the UK's alcohol strategy is evolved to reflect the improved understanding of the complex nature of alcohol in our society. We do not suggest abandoning the Government's National Alcohol Harm Reduction Strategy for England. However, based on the evidence summarised in Section 2 and Appendix i, and on our own research into attitudes and behaviours, which we set out in Section 4, we do propose some reforms to it, in order to improve the delivery of the Government's strategic alcohol objectives.

We believe that an appropriate starting point for an effective national alcohol strategy is the International Centre for Alcohol Policies (ICAP) framework for alcohol harm reduction. The ICAP framework states that it should ensure the well-being of societies and their members by maximising benefits and minimising potential for harm that may be associated with drinking. The framework suggests that to be effective, alcohol policies should rely on creating a balance between the rights of individuals and those of society.

It is based on three key elements:

- **Evidence** on drinking patterns and their outcomes as a sound scientific base for policy development
- **Targeted interventions** that address specific 'at-risk' populations, potentially harmful contexts and drinking patterns
- **Partnerships** that allow the inclusion of the public and private sectors, the community and civil society all working towards a common goal.

We therefore believe that the appropriate objective of Government policy should be responsible alcohol consumption, with targeted actions, based on objective evidence, developed and effected in partnership, which do not penalise the majority of responsible drinkers who sensibly enjoy spirits, a beer or a glass of wine.

We believe that any approach aimed at tackling alcohol misuse by a generalised policy of lowering the total consumption of alcohol is flawed, as is any approach that proposes policies without a sound evidence base to justify them. And importantly, we also believe that an approach that automatically favours regulation over partnership is unlikely to be effective, and it is this element on which we will make further proposals in Section 4.

Indeed, rather than introducing new measures, there should be greater enforcement of existing regulation. The statistics on enforcement of laws to tackle alcohol misuse are disappointing. For example, only two people have been prosecuted and one found guilty of selling alcohol to a drunken person since the 2003 Licensing Act came into effect (Parliamentary Written Answer, 19 March 2008). It is unfair that the irresponsible minority go unpunished.

The recent World Health Organisation Resolution on *Strategies to Reduce the Harmful Use of Alcohol* supports a targeted approach:

"to consider strengthening national responses as appropriate and, where necessary, to public health problems caused by harmful use of alcohol, on the basis of evidence on effectiveness and cost-effectiveness of strategies and interventions to reduce alcohol-related harm generated in different contexts . "

We are pleased that in its 2007 report the Government has recognised that a one-size-fits-all, population-wide approach to alcohol misuse is inappropriate. The three-pronged policy objectives that it set out in the report (p6) reflect this:

“First, we need to ensure that the laws and licensing powers we have introduced to tackle alcohol-fuelled crime and disorder, protect young people and bear down on irresponsibly managed premises are being used widely and effectively.

“Secondly, we must sharpen our focus on the minority of drinkers who cause or experience the most harm to themselves, their communities and their families. These are:

- **young people under 18** who drink alcohol, many of whom we now know are drinking more than their counterparts did a decade ago; and
- **18–24 year-old binge drinkers**, a minority of whom are responsible for the majority of alcohol-related crime and disorder in the night-time economy;
- **harmful drinkers**, many of whom don’t realise that their drinking patterns damage their physical and mental health and may be causing substantial harm to others.

“Finally, we all need to work together to shape an environment that actively promotes sensible drinking, through investment in better information and communications, and by drawing on the skills and commitment of all those already working together to reduce the harm alcohol can cause, including the police, local authorities, prison and probation staff, the NHS, voluntary organisations, the alcohol industry, the wider business community, the media and, of course, local communities themselves. “

3.2 Effective policy making

We are in total agreement with the Government that more needs to be done to tackle excessive drinking among the at-risk groups it identifies. But in our view, there is a wide range of mechanisms available for meeting alcohol policy objectives which do not all start and finish with primary legislation and direct regulation.

Whatever option is chosen, from a spectrum from voluntary regulation, through self-regulation, shadow regulation and co-regulation to pure regulation (see chart on page 11), the principles of good policy making should apply. These suggest that policy should be:

- evidence-based
- fair
- proportionate
- effective
- consistent, and
- avoid unintended consequences.

Types of regulation

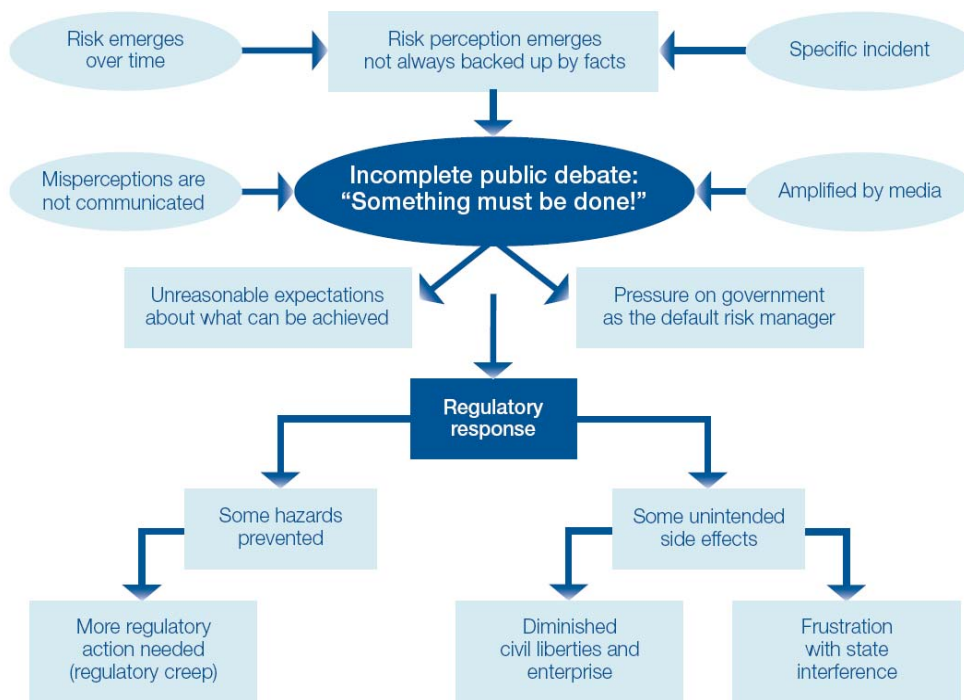
Within the range of regulatory mechanisms available to Government in pursuing policy objectives, each has advantages and disadvantages. By and large, the greatest benefit from minimal regulation is a reduced legislative and administrative burden on Government and business, but the greatest risk is that there are fewer incentives on business to comply, and the objectives are therefore missed. However, legislation-backed pure regulation provides no guarantee that objectives will be delivered – under age drinkers are still drinking, even though it is already illegal.

In its October 2006 report the Better Regulation Commission voiced strong concerns about the Government's tendency to turn to regulation in response to media and public pressure about a current issue. The report's conclusions could have been written with the current debate on alcohol policy in mind.

The Commission summarised the process which leads from public and media concern to regulation thus:

"The plethora of rules, regulations and guidelines that has become familiar to all of us doesn't happen by accident. The public response, often encouraged by the media, to a perceived risk (be that a risk emerging over time or a specific incident) is usually to call for regulation. We can characterise this process, whether precipitous or gradual, as a 'regulatory spiral', summarised as follows:

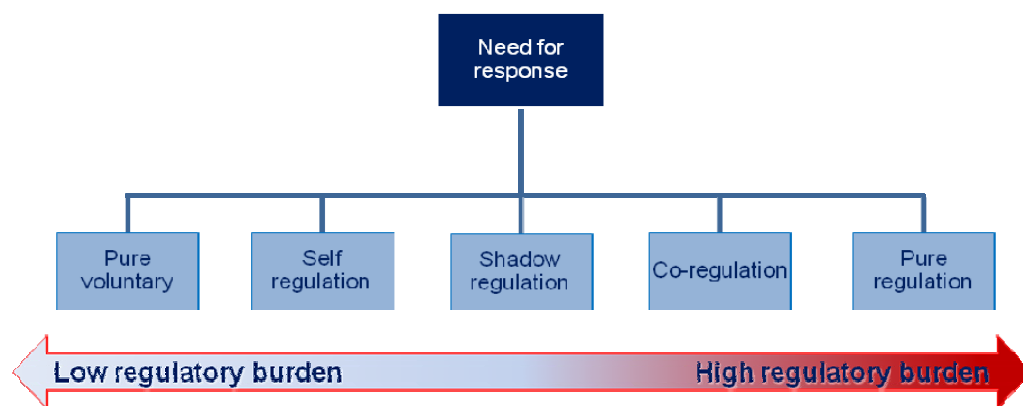
1. The perception of a risk emerges. This can be progressive over time, such as the risks of obesity, or following a specific incident, such as the kayaking accident at Lyme Regis in 1993.
2. A public debate follows, often based around headlines and incomplete or biased information, resulting in a call for 'something to be done', which is amplified by the media.
3. Instinctively, the public looks to the Government to manage the risk.
4. Responding to this public pressure, the government makes ambitious claims that it can solve the problem and steps in with a regulatory response, rarely considering the tradeoffs involved.
5. As a result, the role of the Government as risk manager is reinforced.
6. When the regulations are implemented, they inevitably fail to solve all the problems and also bring with them unintended consequences.
7. With good implementation, some hazards are prevented, but this does not make news. Other hazards are not prevented and problems persist, leading to calls for more government action.
8. As a result of more regulation, people complain that liberties and enterprise are diminished and criticise the 'nanny state'.
9. Governments are blamed for interfering and acting unreasonably and, as a result, the national level of frustration shifts up a notch.
10. (If we are not careful), governments may seek to address issues of frustration and disengagement through more regulation. "



Risk, Responsibility and Regulation – Whose risk is it anyway? Better Regulation Commission, October 2006

We share the Commission’s concerns about the instinct to regulate in response to public pressure and perceptions, and especially in the absence of evidence that regulation is the most effective and appropriate response and that it will not lead to unintended consequences, sub-optimal outcomes and subsequent pressure to regulate further. Indeed, while the data indicators in general show a positive trend, the public perception, fed by and represented in the media, is moving in the opposite direction.

It is clear to us that there is a balance to be struck between regulating risk and optimising outcome and that no single approach applies in all cases. We would characterise the regulatory options open to Government on *any* issue as set out in the diagram below.



The appropriate option depends on the particular issue and circumstance. In reality a mix of mechanisms is often called for, combining regulatory standards with voluntary action.

This is the current situation in alcohol policy, but it is clearly not working sufficiently well. There are direct regulations relating, for instance, to licensing, the legal age for alcohol purchases and drink driving. And further along the spectrum, the industry has adopted a mix of a pure voluntary approach, self-regulation and shadow regulation, some of which has been highly effective and some of which has failed.

The Portman Group *Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks* (see Appendix iv) has been highly effective in regulating the way that alcohol producers name, package and promote alcohol beverages. Backed with tough sanctions, it is effectively shadow regulation – maintaining, policing and enforcing standards that would otherwise be directly regulated in effectively the same way. The *Review of Industry Social Responsibility Standards 2008*, conducted by KPMG for the Home Office, praised The Portman Group’s code.

We see few barriers to Government (such an extension by industry could not be achieved without raising Competition Act concerns) extending the role and scope of The Portman Group, beyond its current focus on producers to encompass labelling or alcohol promotions, whether in the on-trade or the off-trade.

That is not to suggest that self regulation cannot and does not work. Some parts of the industry have acted responsibly in self-regulating on a range of issues and comply with the Social Responsibility Standards (see Appendix iii). The industry also participates in a range of partnership initiatives to promote pro-social behaviours and to inform consumers (see Appendix ii for Diageo’s responsible drinking initiatives). Diageo, however, does not currently comply with the voluntary agreement on labelling in full. While we provide significant consumer information on labelling and packaging (including the UK unit symbol, nutrition information, a responsible drinking reminder, and the drinkaware.co.uk website address), we believe that there is real scope for consumer confusion where the provision of health information (advice on drinking and pregnancy) is entirely voluntary and therefore have refrained from signing up to the agreement, in order to drive the debate for mandatory labelling. Were the agreement to be brought within the scope of a co-regulatory framework, like the rest of the industry, we would of course comply.

Diageo will argue strongly in Section 4 that moving straight to direct Government regulation is not the right response. We believe that co-regulation – a strongly enforced code of practice for promotions and labelling owned jointly by the industry and the Government – can be effective and will avoid both an unnecessary legislative burden for the Government, additional costs for public authorities and unintended consequences. But we also think that co-regulation best reflects the most appropriate balance of responsibilities between the different players in the alcohol debate.

3.3 The appropriate balance of responsibilities

Diageo believes the most effective way to deal with alcohol related concerns is in a sophisticated and targeted way. Rather than focusing on population-level statistics or to talk vaguely of a partnership approach, it is important to disaggregate the issues under discussion in two ways: first of all, to identify the specific sub-groups in the population about which Government has particular alcohol-related concerns. Second, and similarly, to analyse carefully the roles and responsibilities that different stakeholder groups have in relation to alcohol policy – for example, Government, industry, medical community, police, trading standards officers, NGO campaign groups, individual consumers, and others.

Furthermore, we think it essential to recognise that the precise balance of responsibilities will vary from sub-group to sub-group and from issue to issue – there will be a unique mix of appropriate responses from different actors in each specific case. This is what we term ‘the responsibility matrix’, and we believe it is a useful tool for allocating responsibility fairly

and thus collectively taking effective action. It also makes it less likely that a responsible party (including industry) will escape its proper responsibilities on any given alcohol-related concern.

So for example the balance of responsibility between different stakeholders will be different when it comes to preventing underage sales of alcohol than it is in relation to tackling drink driving or in relation to reducing foetal alcohol syndrome.

Diageo takes our corporate responsibilities very seriously, both in relation to alcohol issues and more broadly as a major international company and we set ourselves high ethical standards (more detail is contained in Appendix ii). We are proud of our track record on alcohol policy and we are prepared to go further in stepping up to new challenges, such as creating and supporting a new framework of co-regulation on retail promotions and labelling. We are also willing to contribute time, money and creative energy (based on our profound understanding of consumer motivations) to a significant new social marketing partnership to help change attitudes and behaviour among certain target groups in the UK. We outline this further in section 4.

However, it is important for Government and industry alike to recognise that individuals must also take more responsibility for their own actions. People are responsible for their own consumption, behaviour and health, and our aim at Diageo is to do all that we reasonably can to support individuals to make the right choices for themselves. In that sense, we regard our corporate responsibility as being a means to the end of supporting greater personal responsibility. The Better Regulation Commission, in its October 2006 report, argued that the pendulum has swung too far towards state intervention and away from personal responsibility. Its primary recommendation was that:

“In its policies, regulations, announcements, correspondence, targets, performance agreements and actions, the Government should:

- a) emphasise the importance of resilience, self-reliance, freedom, innovation and a spirit of adventure in today’s society;
- b) leave the responsibility for managing risk with those best placed to manage it and embark on state regulation only where it represents the optimum solution for managing risk;
- c) re-examine areas where the state has assumed more responsibility for people’s lives than is healthy or desired; and
- d) separate fact from emotion and emphasise the need to balance necessary levels of protection with preserving reasonable levels of risk.”

In the context of alcohol policy, this means providing an appropriate framework of regulation, and pushing responsibility down to the level where it is most appropriate – including to individuals.

We are therefore pleased that the Minister acknowledges, in the *Foreword* to the consultation:

“the legitimate and necessary balance between individual responsibility, consumer choice and restricting harmful retailing practices.”

We aim to help the Government to find that balance, and to play a progressive, positive role alongside Government, society and individuals in achieving it.

4. Co-regulation and social marketing

Diageo accepts that the current model of reliance on entirely voluntary arrangements for promotional activity within the drinks industry is not working. Diageo is as unhappy about irresponsible promotions as anyone else. The absence of a comprehensive scheme of self-regulation means that not all alcohol promotions, whether in the on- or the off-trade, meet the highest standards of social responsibility and we recognise that bad promotions do exist.

We recognise that this requires immediate attention, not only to ensure full compliance but also to deal with Competition Act concerns that prevent the industry from agreeing and enforcing promotional standards themselves.

We support the Government's objectives, but we would argue that there are measures that the Government could take that are less draconian than some of the regulatory and legislative interventions being canvassed elsewhere (such as below-cost selling bans or a minimum price for alcohol).

We also reiterate the concerns raised earlier in our response regarding the low levels of enforcement of existing regulation. It is illogical for the Government to consider investing time, energy and investment in developing new legislation when what already exists is wholly under utilised.

We also take as our starting point for action the target groups identified by the Government:

- young people under 18
- 18-24 year-old binge drinkers
- harmful drinkers.

4.1 The Government's options

We fully agree with the Government that we need a binding code of practice for the responsible promotion, retailing and labelling of alcohol in the UK (alongside that which already exists for the advertising and marketing of alcohol through the BCAP and CAP codes). We also agree with the Government on the majority of the issues to be included within such a code, although, as we will explain later, we strongly disagree with the suggestion of end-frame health warnings in advertisements. The issue to be resolved, therefore, is which of the regulatory options presented by the Government is most appropriate:

1. Continuing voluntary/self-regulation of a code of practice
2. Continuing voluntary/self-regulation of a code of practice, but with some additional local powers
3. A mandatory code of practice or mandatory licensing conditions backed by legislation.

In our view, there is a fourth option, which the Government has not considered:

4. Co-regulation of an industry-backed code of practice, made a condition under the Licensing Act 2003.

4.2 Diageo's proposals

We firmly believe that industry, Government and society should continue to work together to ensure that the marketing and sale of alcohol are appropriately regulated. The key is effective monitoring and enforcement, the promotion of responsible drinking and the combating of alcohol misuse. In practice this means early interventions, plus those which are targeted among specific groups who are most at risk of alcohol-related harm, such as children and young people.

Diageo therefore proposes a framework of alcohol policy with co-regulation at its centre. By this, we mean that there is a continuing role for industry, with industry involved in establishing, along with Government, a binding code of practice for retail promotions and labelling, coupled with mandatory standards and regulation, monitoring and enforcement, to promote the responsible marketing, sales and consumption of alcohol. Co-regulation means that Government and industry will own the policy together, apply it together, and police and enforce it together as partners.

We would like to make specific proposals in three areas:

- 1 Co-regulation of retail alcohol promotions
- 2 Co-regulation of alcohol labelling
- 3 A social marketing partnership to transform attitudes to alcohol.

(i). Co-regulation of retail alcohol promotions

Diageo has advocated a system of co-regulation between the Government and industry on the issue of alcohol promotions in recent months. We believe it is possible to bring an alcohol retailing code within the scope of the Licensing Act 2003 to ensure mandatory compliance with a code of practice for alcohol promotions, although we recognise that it will be necessary to have different guidelines for the on- and off-trades. Such a code of practice, perhaps developed under the aegis of The Portman Group, would be made an automatic condition for all those licensed to serve and sell alcohol and therefore addresses the issue of non-compliance raised in the recent KPMG review.

This could be achieved for example through a memorandum of understanding between the Department of Culture, Media and Sport and The Portman Group, whereby DCMS would contract out the regulation of the development of the code and training on the relevant guidelines. Applying the Licensing Act would ensure their mandatory application.

An alcohol retailing code already exists within the Social Responsibility Standards and this would serve as a good starting point for debate and agreement between the Government, industry and other relevant bodies on the type of standards which industry should adhere to. Detailed extracts from the Social Responsibility Standards are attached in Appendix iii.

To define appropriate standards for alcohol promotions, The Portman Group could initiate a public consultation alongside a number of industry organisations such as the Wine and Spirit Trade Association for the off-trade and the British Beer and Pub Association for the on-trade.

Thereafter, the agreed code could be brought within the scope of the Licensing Act 2003, without the need for primary legislation, and managed by The Portman Group. As with alcohol advertising and marketing through the BCAP and CAP codes, industry could - through an arm's length mechanism - fund the development and dissemination of the co-regulatory code for promotions.

(ii). Co-regulation of alcohol labelling

Diageo is fully committed to providing information to consumers to help them make informed choices about alcohol, and we recognise that labelling can play a role in this. We note, however, that labelling is just one of many ways in which alcohol information can be provided to consumers. Indeed, it will only be effective if it is a part of a broader package of alcohol information measures. It is essential to utilise a range of media to communicate basic, detailed and tailored alcohol information and advice to consumers – for example, marketing campaigns, targeted interventions, websites and other resources.

As part of our commitment to provide consumer information, we include the UK unit symbol, nutrition information, a responsible drinking reminder ('Drink Responsibly'), and the drinkaware.co.uk website address on labels across our beer, wine, spirit and ready-to-drink ranges.

Diageo does not currently comply with all aspects of the Department of Health voluntary agreement on labelling because we believe that where health information (ie advice on drinking and pregnancy) is provided it should be universally applied. Diageo believes that 100% compliance should be mandated so that confusion among consumers is avoided.

We believe there is a possible and relatively simple solution to ensure that appropriate health information is mandated consistently on all alcohol labels. That is for Government, through legislation, to agree a memorandum of understanding between the Department of Health and The Portman Group, whereby the Department would contract out the monitoring and comprehensive enforcement of the labelling agreement by extending The Portman Group *Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks* (see Appendix iv) to include the terms of the existing agreement on labelling.

Again, the monitoring, complaints and enforcement mechanisms already exist and this would avoid the need for detailed legislation. The existing complaints and enforcement mechanisms (including referral to The Portman Group Independent Complaints Panel, retailer alert bulletins to encourage the removal of brands from sale and general naming and shaming) would satisfy the demands of an open and effective co-regulatory framework. Were the agreement to be brought within the scope of a co-regulatory framework in this way, like the rest of the industry, we would of course comply.

(iii). A social marketing partnership to transform attitudes to alcohol

In order to effect an enduring shift in attitudes and behaviours among at-risk consumers, we need to achieve an enduring change in drinking culture in Britain, and this cannot be achieved simply through regulation.

So we propose the ambitious idea of a strong partnership between the Government, industry and other interested bodies such as The Drinkaware Trust to deliver a more integrated approach to social marketing campaigning to address alcohol harm.

We propose that a social marketing partnership is developed that draws on the example set out by the innovative Business4Life (B4L) initiative. B4L brings together more than fifty companies in the food and drink and retail sectors, together with health and fitness companies and media owners, to work in partnership with the Department's own Change4Life movement, established to tackle the nation's obesity problem. Specifically, the B4L coalition, comprising some 50 companies, has committed to extend the DH investment by some £200 million across four years through to the 2012 Olympics.

A social marketing partnership for alcohol could be based upon the following five core elements:

(i) Shared ownership

Pro-social and pro-health choices need to be deliberately and consciously made by the individuals who are drinking to excess, and a social marketing partnership will enable the various entities – including Government, industry and other experts – to share responsibility for helping consumers to make those choices. We must unite in a shared sense of purpose, which is to reduce alcohol harm in our society.

(ii) Greater industry commitment

Within this new partnership, the whole industry will step up its work to drive for behavioural change through pro-social messaging.

Indeed a voluntary alliance of producers and on- and off-trade retailers are proposing to deliver a new, industry-wide social marketing campaign designed to help tackle alcohol misuse in our society by changing attitudes towards the social acceptability of drunkenness.

The Prime Minister wrote to industry leaders and trade associations in March 2008 stating: *'I am sure you will agree that Govt and industry both face a challenge from the public to reduce the harm that alcohol does to our society. Recognising the importance of the contribution the industry already makes, but mindful of the ongoing challenges we jointly face, I should be grateful if, in discussion with Departments, the industry could work constructively together, using their considerable expertise in Marketing to devise a way forward.'*

Project 10 is a response to that challenge. It has been developed to this point by a voluntary alliance of producers and on and off trade retailers who believe it is in the interests of both our society and our industry that we make a positive response. We know how to talk to our consumers and we believe that we can make a difference to attitudes to alcohol misuse. Project 10 now has the support in-principle of at least 40 major companies and we continue to enrol more companies week-by-week.

The proposed campaign is designed to work alongside and reinforce existing initiatives from both Government and industry, most notably 'Know Your Limits' and the existing work of the Drinkaware Trust. Key aspects include:

- A sustained multimedia campaign conservatively valued at over £100 million over five years
- It targets misuse (those who drink to excess on any given occasion), with a particular focus on younger adults (18-34 year olds)
- It leverages industry insights into how to influence attitudes of these consumers – i.e. talk with them not at them, emphasising the benefits of responsible enjoyment.
- The execution builds on industry's collective existing commitment to Drinkaware, an existing platform that has credibility and awareness with consumers, Government and other non-industry stakeholders, and is complementary to Know Your Limits
- It will use a paid media campaign to connect consumers with the core idea, then amplify the message on pack and through point-of-sale, emphasising practical advice and help to enjoy drinking responsibly
- It has a variety of on-trade, off-trade and producer executions
- The campaign tagline agreed with the Drinkaware Trust is *'Why let good times go bad?'*

Indeed, industry has already demonstrated its power when working collectively through the Challenge 21 scheme, whereby retailers in the on and off trade combined forces to reduce levels of under age sales. Challenge 21 is supported by 75,000 off-trade stores across the UK, and one million people have been turned away from bars and pubs every month for failing to produce proof of age.

(iii) Clarity of roles

With the variety of campaigns and interventions from Government, industry and other expert bodies campaigns such as The Drinkaware Trust in existence to tackle alcohol misuse, we recognise there is the potential for overlap, duplication and confusion. Under the partnership, existing campaigns would continue, but we could be clearer as to the type of consumer we are each targeting, and the issues we are tackling – ie The Drinkaware Trust focuses on under-18s and also long-term harmful drinkers; the industry focuses on 18-21 year-old excessive drinkers, etc. This gives great scope for our activities to be co-ordinated and our efforts to be complementary.

Diageo’s consumer research shows there is a role for industry in using positive responsible drinking messages to reach ‘irresponsible shamefuls’ – those who sometimes drink excessively yet regret their behaviours.

Diageo’s research also shows a role for Government and medical professionals in using harder-hitting messages to reach ‘irresponsible indifferents’ – excessive drinkers who are more impervious to responsible drinking messages.



(iv) High quality engagement

A social marketing partnership provides a natural platform for regular, open, high-quality communication across Government, industry and other expert bodies who are working to address alcohol harm. Senior level engagement is essential to ensure decisions are made and there is pace in the planning and delivery of social marketing campaigns.

(v) Shared insights and key performance measures

Insights into consumer attitudes and behaviours to alcohol would be pooled to increase knowledge levels across the board, and ensure we have a common platform upon which we base our social marketing campaigns. Measurements would be standardised, so that we can share the collective progress of the partnership, versus individual campaign evaluations in an isolated and competitive way.

5. Diageo's response to the consultation questions

Our comments on the specific questions and policy options are framed with the six principles of good policy making in mind, and we first make some general comments on these.

Evidence-based

As we set out in Section 2, the Government's evidence is highly informative, but potentially incomplete. Therefore, where there is a lack of evidence, the Government must exercise caution when drawing conclusions, and should not proceed to policy proposals without remedying the deficiencies in its information base.

Fair

In our view, the range of existing policy actions set out in *Safe. Sensible. Social* in June 2007 fairly reflects the complexity of the problem, and the Government makes clear that the responsibility for changing drinking culture is shared among many partners. The questions asked in this consultation represent only one element of this range of actions, and they are fair questions to ask with an open mind and without pre-judged outcomes.

Proportionate

The Government has stated that it regards alcohol misuse as a minority problem, and that it does not wish unduly to penalise consumers or the industry while seeking to address this problem. In our view, this is an appropriate and proportionate approach.

Effective

We believe that the range of policy actions set out in *Safe. Sensible. Social* will tackle the many different drivers of behaviour among individuals, industry, authorities and others, but that a co-regulation and a social marketing partnership approach is more likely to deliver success in meeting alcohol policy objectives than a direct regulatory approach. The effectiveness of any policy will depend on how well it is designed, understood, embraced, monitored and enforced, and we will work with the Government to ensure that any policy proposals arising from this consultation can meet these criteria. In our view, co-regulation will strengthen the effectiveness of these actions.

Consistent

We believe that consistency in the application of policy is important, since it promotes understanding and acceptance among those it affects. Inconsistency can give rise to unfairness, diminish buy-in and impair effectiveness. The questions asked in this consultation are consistent with the Government's recent alcohol policy development, although we will be better able to judge any specific policies once they are actually proposed. However, some of the policy options – such as end-frame health warnings in advertisements – are inconsistent with the Government's approach to health issues in other industries, such as food, and this inconsistency is to be avoided.

Avoiding unintended consequences

In implementing policy, care must be taken that there are no unintended negative consequences which either diminish the effectiveness of the policy, or which create unexpected problems in other areas. The Government has shown that it is sensitive to the needs of industry, society, authorities and individuals, and we would hope that any firm policy proposals that emerge from this consultation will be backed by rigorous impact assessments, against which the consequences of the policies can be assessed. The Government will be aware that actions taken which diminish the volume of alcohol consumed in the UK, rather than which target patterns of consumption for at risk groups, will inevitably reduce Treasury excise revenues and do nothing to tackle the harms associated with misuse.

Limitations of the consultation paper

However, we have some reservations about some of the thinking which appears to lie behind the consultation paper, and the weakness of the evidence base, as we have detailed in Section ii.

We are still awaiting the full report of the independent review being conducted by the School of Health and Related Research (ScHARR) at Sheffield University into the relationship between alcohol pricing and promotion and alcohol consumption and harm. We remain concerned that policy is being determined on the basis of the limited “evidence statements which have been made publicly available, without giving stakeholders the opportunity to evaluate the methodology or interpret the results. The fact that references are included in the consultation is inappropriate. Therefore we do not propose to respond to the ScHARR report in detail until it is fully published and we are able to understand the methodology, conclusions and policy recommendations that flow from it.

We are also concerned that a draft mandatory code has been developed by the Government for the purposes of illustrating the concept of a code. It is exceptionally difficult to respond to the consultation questions without referring to the code. However, as requested, we have not provided feedback on the code in our response and will instead withhold any comments until invited to respond in a formal capacity.

We share the Government’s concern and disappointment at the findings of the KPMG *Review of the Social Responsibility Standards* that the Standards are not being universally applied and that irresponsible practices are still taking place in the on- and off-trade. But we also point out that the validity of the KPMG review has been subject to criticism by many for the fact that none of its background material is in the public domain and therefore associations cannot establish whether their members are in breach. The report is based around presumption of age and observed drunkenness and not any form of scientific methodology. It is also implied in the report that activities such as under-age sales breach the code – in fact that breaks the law and no regulation can help enforce what is already legislated for.

We are especially concerned with KPMG’s conclusion that since the Social Responsibility Standards are not currently being adequately enforced by all sections of the industry they can never be, and that regulation is therefore required. We think this is an unjustified conclusion.

Our specific comments are as follows:

Irresponsible practices

Q1. How might a new code be made effective in stopping licensed premises from engaging in practices that encourage people to drink excessively and irresponsibly?

Diageo unreservedly condemns irresponsible practices which encourage people to drink excessively and damage the good reputation deserved by the responsible majority of the industry. We believe that a binding code of practice (using the existing Social Responsibility Standards and the alcohol retailing code as a start point for discussion) should be brought within the scope of the Licensing Act 2003, and a role identified for The Portman Group, as we set out in Section 4.

We note however the importance of consistently enforcing existing regulations in relation to under age purchasing, selling to minors, and serving those who are intoxicated. As already noted in our response, the current laws are wholly under-utilised and therefore the irresponsible minority go unpunished.

Labelling

Q2. If there continues to be slow progress in implementing a voluntary labelling scheme, should the Government take the next steps to make it a legal requirement to include health and unit information on all bottles and cans?

Diageo is fully committed to providing information to consumers to help them make informed choices about alcohol, and we recognise that labelling can play a role in this. We note, however, that labelling is just one of many ways in which alcohol information can be provided to consumers. Indeed, it will only be effective if it is a part of a broader package of alcohol information measures. It is essential to utilise a range of media to communicate basic, detailed and tailored alcohol information and advice to consumers – for example, marketing campaigns, targeted interventions, websites and other resources.

As part of our commitment to provide consumer information, we introduced a global Consumer Information Policy covering, among other things, a labelling and packaging policy in 2006. As a result of this, we include the UK unit symbol, nutrition information, a responsible drinking reminder ('Drink Responsibly'), and the drinkaware.co.uk website address on labels across our beer, wine, spirit and ready-to-drink ranges.

Diageo does not currently comply with all aspects of the Department of Health voluntary agreement on labelling because we believe that where health information (ie advice on drinking and pregnancy) is provided it should be universally applied. Diageo believes that 100% compliance should be mandated so that confusion among consumers is avoided. However, we accept that the current situation on alcohol labelling, with patchy industry compliance and confused guidance, is unacceptable.

We believe there is a possible and relatively simple solution to ensure that appropriate health information is mandated consistently on all alcohol labels. That is for the Government, through legislation, to agree a memorandum of understanding between the Department of Health and The Portman Group, whereby the Department would contract out the monitoring and comprehensive enforcement of the labelling agreement by extending The Portman Group *Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks* (see Appendix iv) to include the terms of the existing agreement on labelling.

The monitoring, complaints and enforcement mechanisms already exist and this would avoid the need for detailed legislation. The existing complaints and enforcement mechanisms (including referral to The Portman Group Independent Complaints Panel, retailer alert bulletins to encourage the removal of brands from sale and general naming and shaming) would satisfy the demands of an open and effective co-regulatory framework. Were the agreement to be brought within the scope of a co-regulatory framework in this way, like the rest of the industry, we would of course comply.

We also ask the Government to note that we would prefer an agreed time period before changes are introduced and they are evaluated.

Alcohol retailing

Q3. What are the most important issues that need to be addressed in an alcohol retailing code?

A voluntary alcohol retailing code already exists within the Social Responsibility Standards (see Appendix iii). We would suggest that this could be easily be used as a starting point for discussions around a new, binding code of practice for alcohol promotions.

In addition to a code, we would need monitoring mechanisms, sanctions (ie review, amendment or revocation of license, financial penalties, naming and shaming, producer sanctions, retail alert bulletins).

We would also add some process issues:

- amendments to the code should be drawn up in consultation between the Government and industry, initiated by a lead organisation – we recommend that this is The Portman Group
- it should apply nationally, to promote common understanding among consumers, retailers and authorities in every part of the country
- it should come within the scope of the Licensing Act 2003
- it should be monitored and enforced through co-regulation
- sanctions should be agreed and enforced by the industry for non-compliance on issues which are not already subject to legal or licensing authorities and Government involvement can ensure these are not in breach of competition laws
- standardised training should be developed and information and display materials prepared, to promote awareness and common understanding
- it should be supported by an industry-funded integrated social marketing campaign to shift consumer attitudes and behaviours, as set out in Section 4.

Breadth of restrictions

Q4. Should the same restrictions be applied to:

- all premises selling alcohol
- all premises with some exemptions
- only certain types of premises (if so, how would you define these?)
- all premises within an area experiencing problems
- a combination of these?

We would wish to differentiate between the practices that a code would set out and the licensing conditions or restrictions which are legally enforced by licensing authorities and the police.

We would expect some elements of a retailing code to apply to all retailers and licensed premises, irrespective of size and location, including the provision of standardised displays and information, training of staff selling alcohol, proof of age challenges and so on. However, other elements would only apply to some premises. For instance, standardising best practice on controlled exit and dispersal at closing time, backed up by training, would only apply to bars, pubs and clubs, and not shops, off-licenses and supermarkets.

There is also scope for flexibility in the application of licensing restrictions, and it is right that this flexibility exists. Licensing authorities with a high density of premises in a city centre, for

instance, may grant licenses which stagger closing times, in order to avoid a large number of people emerging onto the street simultaneously, or which limit opening hours in high-density residential areas, in order to avoid noise disturbance at night.

While we would wish some basic conditions to apply to all licensed premises, we believe that there should be sufficient flexibility to ensure that regulatory burdens are not placed on premises inappropriately. Not only are there huge differences between the on-trade and off-trade in how alcohol is promoted and sold, but there is also significant variety in the premises within each of those categories.

Voluntary or mandatory code?

Q5. Should an alcohol retailing code be made mandatory through further legislation? If so, how should it be applied?

We do not support a legislated code. It is our firm belief that a code which comes within the scope of the Licensing Act 2003 is the most appropriate approach.

Preventing health harm, crime and disorder

Q6. Should a mandatory code, if introduced, cover proportionate and necessary actions to prevent health harm as well as crime and disorder?

We believe that a new code of practice, developed, monitored and enforced through co-regulation, could help to reduce alcohol misuse and the health, crime and disorder consequences of excessive alcohol consumption. This must be coupled with consistent enforcement of existing regulations around under age sales, serving to those who are intoxicated and other offences.

We also believe that many of the necessary actions are already in place to tackle some of these issues and that a retailing code cannot resolve the underlying socio-economic circumstances which cause some groups of people to drink more than others. Education, information, targeted interventions and socio-economic progress are the most appropriate responses to the socio-economic causes of alcohol misuse.

Advice to help people to drink less

Q7. Do you think there is enough advice available for those who want to drink less? What other kinds of help are needed and who should provide them?

It is common knowledge that drinking too much can be harmful for individuals and for wider society.

However, while the problem of excessive alcohol consumption among some groups remains, it is reasonable to suggest that more information and advice should continue to be made available to target groups, particularly children, young people and some groups of adults. It takes time for messages to sink into the public's consciousness, and the success of many public health and safety campaigns aimed at changing behaviour can only be measured after years of repetition.

Information campaigns aimed at public health issues such as promoting healthy eating and healthy drinking are relatively new in the UK. The advertising campaigns by the Government and The Drinkaware Trust, targeted at improving awareness among young people of the effects of drinking, are only recent innovations.

We believe that these and other initiatives will improve public understanding, education and awareness, but that they should not be expected to change behaviour overnight. The Government and industry should continue to work together over the coming years to provide appropriate information and education on sensible drinking. The Government should also ensure that sufficient understanding and advice is available through schools and health professionals, so that alcohol misuse among individuals can be identified and early interventions made. It is concerning that alcohol education does not form part of the national curriculum in its own right.

To support these aims, we propose the ambitious idea of an integrated social marketing partnership between the Government, industry and other experts such as The Drinkaware Trust. The partnership would create a communication and engagement platform, enabling better sharing of campaign insights, materials and measurement criteria. Ultimately it should make the individual campaigns more complementary.

To reinforce this potential, our research suggests complementarities between the subtleties of Government messaging on the one hand, which focuses on discouraging anti-social behaviours (backed up by the individual's knowledge that enforcement regimens apply), and the approach by industry on the other hand, which has been to encourage pro-social behaviour backed up by measures to minimise misuse.

We believe that a partnership focused on enabling pro-social behaviours through social marketing is a much more compelling route for both industry and Government, than a blunt and untested end-frame on advertising.

Alcohol advertising and health information

Q8. Should alcohol advertising include health and unit information? How could this be achieved?

Diageo believes there is a role for drinks producers to use their marketing skills and consumer knowledge to address alcohol issues. Indeed, Diageo invests in a fully integrated national advertising campaign – entitled 'Choices' – to promote responsible drinking, which research (Millward Brown, December 2007) shows is positively impacting people's attitudes: 62% of people said they were more likely to consider drinking responsibly as a result of seeing the adverts, 92% said the campaign make them think about responsible drinking and 95% said it's good to see alcohol companies advertising a responsible drinking message. Indeed, Home Secretary Jacqui Smith has recognised Diageo's efforts.

However, any commitment in this area must be made with a primary goal in mind – to impact on the way that people think about excessive drinking. Anything else would simply be tokenistic.

On the basis of impact, Diageo opposes the suggestion of applying an end-frame to alcohol advertising. A static and swiftly delivered message simply won't work. The complexity required to make the message meaningful to the target audience makes it an unworkable option. Yet a blanket approach will have no impact – in fact, it may serve to aggravate viewers if they feel the message is not relevant to them.

Instead of an end-frame in advertisements, Diageo proposes the efforts of Government, industry and other experts are driven towards a **social marketing partnership**, which we have outlined in detail in section 4 (see pages 19-22 for more details). This would see greater engagement, communication and sharing of insights, targets and campaign materials is a more powerful way of communicating with at-risk drinkers – current and potential.

'Project 10', the proposed industry-wide social marketing campaign worth £100 million over five years, would play a major role in this partnership, alongside Government and the Drinkaware Trust.

Support to help people to cut drinking

Q9. In addition to providing alcohol treatment for the small number of drinkers with a serious dependency problem, what else could be done, and by whom, to support people who find it difficult to cut down on their drinking?

We do not believe that we have the necessary expertise to comment on this issue, and that this is best left to health professionals and alcohol counsellors to provide advice on. We do believe, though, that direct public health interventions are the appropriate response to alcohol dependency and that health professionals should be equipped to identify and treat those they encounter with alcohol dependency issues.

In addition, employers and colleagues should also be better educated to recognise symptoms among those they work with, and provide support and understanding to them during their treatment and recovery. Brief interventions in the workplace and in a medical setting have a proven track record of successfully identifying individuals who may have harmful drinking patterns and to encourage them to change their behaviour.

Diageo's own Employee Alcohol Policy and supporting campaigns (see Appendix ii for more detail) is a good example of providing alcohol information and support in the workplace. It has been communicated internally over a number of years, and more recently has been shared with Government, suppliers and other organisations in Scotland with a view to it being adapted and adopted.

Appendix (i)

Detailed analysis of statistical trends in alcohol

The following data is mainly derived from the *General Household Survey* 2008. Data in the GHS for 2006 is presented both according to the original methodology, allowing for historical trends analysis, and according to a revised methodology, which rescales 2006 data to allow for changes in wine glass size and changes to the strength of some alcoholic beverages. Therefore, we use the original methodology where we want to show trends, and the new methodology for a snapshot of the current situation. In some cases, we show both sets of 2006 data. While this is slightly confusing, it presents the most complete picture of alcohol consumption in Britain.

i. Average consumption per head

According to the *General Household Survey*, average alcohol consumption in Great Britain is currently in decline, after a period of growth. During the 1990s the survey showed a slight increase in overall weekly alcohol consumption among men and a much more marked one among women. In 2006, according to the original methodology, men drank an average of 14.8 units a week (equivalent to about seven and a half pints of beer), about 2.5 units less than they were drinking from 1998 to 2002. Women drank an average of 6.2 units a week in 2006, a reduction of about 1.5 units since 2002, reversing the steady rise in women's consumption seen over the previous decade.

However, according to the revised methodology, in 2006 men drank 18.7 units per week on average, and women drank 9 units. While this is markedly higher than the 2006 figure using the original methodology, it is still within the guidelines for sensible drinking.

Weekly average consumption is highest among young men and women aged 16 to 24. However, this too has fallen. Among young men, consumption fell from 21.5 units in 2002 to 16.4 units in 2006 (revised methodology = 18.6 units), and among young women, from 14.1 units to 9.0 units (revised methodology = 10.8 units).

Table 2.1: Average weekly alcohol consumption (units), by sex and age: 1992-2006

<i>Persons aged 16 and over</i>		<i>Great Britain</i>					
Age	Weighted data					2006 original	2006 revised
	1998	2000	2001	2002	2005		
Men							
16-24	25.5	25.9	24.8	21.5	18.2	16.4	18.6
25-44	17.1	17.7	18.4	18.7	16.2	15.6	19.7
45-64	17.4	16.8	16.1	17.5	17.7	16.0	20.8
65 and over	10.6	11.0	10.8	10.7	10.4	10.4	13.5
Total	17.1	17.4	17.2	17.2	15.8	14.8	18.7
Women							
16-24	11.0	12.6	14.1	14.1	10.9	9.0	10.8
25-44	7.1	8.1	8.3	8.4	7.1	6.8	10.1
45-64	6.4	6.2	6.8	6.7	6.3	6.2	9.8
65 and over	3.2	3.5	3.6	3.8	3.5	3.5	5.1
Total	6.5	7.1	7.5	7.6	6.5	6.2	9.0
All persons							
16-24	18.0	19.3	19.4	17.6	14.3	12.5	14.6
25-44	12.0	12.9	13.3	13.3	11.3	11.0	14.6
45-64	11.7	11.4	11.3	11.9	11.7	10.9	15.0
65 and over	6.3	6.7	6.6	6.8	6.5	6.5	8.7
Total	11.5	12.0	12.1	12.1	10.8	10.2	13.5

Conclusion 1:

- **Average weekly alcohol consumption is falling and is well within the Government's guidelines of 21 units for men and 14 units for women.**

ii. Proportion of drinkers exceeding Government drinking guidelines

If average consumption is well within limits, we next need to know what proportion of people are drinking above the average; especially those drinking above the Government weekly guidelines and above the defined threshold for harmful drinking (50 units a week for men, 35 units a week for women).

Table 2.2 shows that there has been a decline between 2000 and 2006 in the proportion of men and women drinking above the weekly recommended limits. Using the original methodology, this fall is from 29% to 23% of men and 17% to 12% of women. Using the revised methodology, the 2006 figure is 31% (men) and 20% (women).

Among the 16-24 year-old age groups the reductions are even more marked, from 41% to 26% for men (revised methodology = 30%), and from 33% to 19% for women (revised methodology = 24%).

There is a similar reducing trend in the number of men and women drinking at harmful levels, from 7% to 5% for men (revised methodology = 8%), and from 3% to 2% for women (revised methodology = 5%). Among the 16-24 year-old age groups the percentages fell from 14% to 7% for men (revised methodology = 9%) and from 9% to 5% (revised methodology = 7%) for women.

Table 2.2: Weekly alcohol consumption level: percentage exceeding specified amounts by sex and age: 1988-2006

<i>Persons aged 16 and over</i>		<i>Great Britain</i>					
Age	Weighted data						
	1998	2000	2001	2002	2005	2006 original	2006 revised
Men							
<i>Percentage of men who drank more than 21 units</i>							
16-24	38	41	40	37	27	26	30
25-44	28	30	30	29	26	24	33
45-64	30	28	26	28	25	24	34
65 and over	16	17	15	15	14	14	21
Total	28	29	28	27	24	23	31
<i>Percentage of men who drank more than 50 units</i>							
16-24	14	14	15	12	9	7	9
25-44	6	7	7	8	5	5	9
45-64	7	6	5	6	6	6	10
65 and over	3	3	2	3	3	2	5
Total	7	7	7	7	6	5	8
Women							
<i>Percentage of women who drank more than 14 units</i>							
16-24	25	33	32	33	24	19	24
25-44	16	19	17	19	14	14	23
45-64	15	14	14	14	13	12	21
65 and over	6	7	6	7	5	5	10
Total	15	17	15	17	13	12	20
<i>Percentage of women who drank more than 35 units</i>							
16-24	7	9	10	10	6	5	7
25-44	2	3	3	3	2	2	6
45-64	2	2	2	2	2	2	6
65 and over	1	1	1	1	1	1	2
Total	2	3	3	3	2	2	5

Conclusion 2:

- 69% of men and 80% of women are drinking responsibly
- 70% of 16-24 year-old men and 76% of 16-24 year-old women are drinking responsibly
- Harmful drinking is confined to 8% of men and 5% of women.

iii. Frequency of drinking

The next table (2.3) shows that the frequency of drinking is also in decline. According to the GHS, the proportion of men who drank at all in the previous week fell from 75% in 2000 to 71% in 2006, and the figures for women fell from 60% to 56%.

There was also a small decline in the proportion of men and women who drank on five or more days in the previous week, from 22% to 21% for men and 13% to 11% for women.

What the table also shows is that older men and women drink more frequently than 16-24 year olds. 76% of men and 61% of women aged 45-64 drank at all in the previous week, compared to 60% of men and 53% of women aged 16-24.

And only 8% of men and 3% of women aged 16-24 drank at least five times in the previous week, compared to 27% of men and 15% of women aged 54 and over.

Table 2.3: Drinking last week, by sex and age: 1998 to 2006

Persons aged 16 and over

	1998	2000	2001	2002	2003	2004	2005	2006
	<i>Percentages</i>							
Men								
<i>Drank last week</i>								
16-24	70	70	70	69	70	66	64	60
25-44	79	78	78	77	77	76	74	73
45-64	77	77	76	76	78	76	77	76
65 and over	65	67	68	67	69	68	66	67
Total	75	75	75	74	75	73	72	71
<i>Drank on 5 or more days last week</i>								
16-24	13	11	14	11	14	8	10	8
25-44	21	19	19	19	20	20	18	17
45-64	29	26	25	26	26	28	28	26
65 and over	25	28	27	28	29	28	26	27
Total	23	22	22	22	23	23	22	21
Women								
<i>Drank last week</i>								
16-24	62	64	59	61	61	60	56	53
25-44	65	67	66	65	65	62	62	60
45-64	61	61	61	63	64	62	61	61
65 and over	45	43	45	46	45	45	43	44
Total	59	60	59	59	60	58	57	56
<i>Drank on 5 or more days last week</i>								
16-24	8	7	8	7	4	5	5	3
25-44	12	11	11	11	10	9	11	9
45-64	15	15	17	17	17	18	17	15
65 and over	14	14	15	15	16	16	14	15
Total	13	13	13	13	13	13	13	11

Further detail is provided in Table 2.11 of the GHS, which shows that 78% of men and 85% of women aged 16-24 drank only once, twice or not at all in the previous week, versus 8% of men aged 16-24 and 3% of women aged 16-24 who drank five times or more.

The most frequent drinkers are men and women aged 45 and over: 55% of men and 71% of women aged 45-64 drank once, twice or not at all in the previous week, versus 26% of men and 15% of women in this age group who drank five times or more. Among those aged 65 and over, 27% of men and 15% of women drank five times a week or more.

Conclusion 3:

- The frequency of drinking has declined
- The frequency of regular or habitual drinking has declined
- Drinkers aged 16-24 drink less frequently than older drinkers
- Drinkers aged 45 and over drink the most frequently
- Regular or habitual drinking (five times a week or more) is done by 1 in 5 men and 1 in 10 women.

iv. Binge drinking

Heavy episodic or “binge drinking is defined as consuming twice or more the recommended daily guidelines of alcohol in a single drinking session. This would amount to eight or more units for men and six or more for women.

Table 2.4 looks at the percentage of men who drink more than four and eight units on at least one day in the past week, and the percentage of women drinking more than three and six units. This shows that heavy episodic drinking is in decline among all age groups of men and women.

The proportion of men drinking more than four units on at least one day fell from 40% in 2001 to 33% in 2006 (revised methodology = 40%); the proportion exceeding eight units fell from 22% to 18% (revised methodology = 23%).

The proportion of women drinking more than three units on at least one day fell from 23% in 2000 to 20% in 2006 (revised methodology = 33%); the proportion exceeding six units fell from 10% to 8% (revised methodology = 15%).

In all cases, the decline was most marked in men and women aged 16-24, although they are still the group most likely to experience heavy episodic drinking: the proportion of men aged 16-24 exceeding four units fell from 50% in 2001 to 39% in 2006 (revised methodology = 42%), and exceeding eight units from 37% to 27% (revised methodology = 30%).

The proportion of women exceeding three units fell from 42% in 2002 to 34% in 2006 (revised methodology = 39%), and exceeding six units from 28% to 20% (revised methodology = 25%).

Table 2.4: Maximum drunk on any one day last week by sex and age: 1998 to 2006

	<i>Persons aged 16 and over</i>							<i>Great Britain</i>	
	1998	2000	2001	2002	2003	2004	2005	2006 original	2006 revised
	Percentages								
Men									
<i>Drank more than 4 units on at least one day</i>									
16-24	52	50	50	49	51	47	42	39	42
25-44	48	45	49	46	47	48	42	42	48
45-64	37	38	37	38	41	37	35	33	42
65 and over	16	16	18	16	19	20	16	14	21
Total	39	39	40	38	40	39	35	33	40
<i>Drank more than 8 units on at least one day</i>									
16-24	39	37	37	35	37	32	30	27	30
25-44	29	27	30	28	30	31	25	25	31
45-64	17	17	17	18	20	18	16	15	21
65 and over	4	5	5	5	6	7	4	4	7
Total	22	21	22	21	23	22	19	18	23
Women									
<i>Drank more than 3 units on at least one day</i>									
16-24	42	42	40	42	40	39	36	34	39
25-44	28	31	31	31	30	28	26	27	40
45-64	17	19	19	19	20	20	18	17	35
65 and over	4	4	5	5	4	5	4	4	14
Total	21	23	23	23	23	22	20	20	33
<i>Drank more than 6 units on at least one day</i>									
16-24	24	27	27	28	26	24	22	20	25
25-44	11	13	14	13	13	13	11	12	21
45-64	5	5	5	5	5	6	4	4	12
65 and over	1	1	1	1	1	1	1	0	2
Total	8	10	10	10	9	9	8	8	15

Conclusion 4:

- Binge drinking has declined among all age groups and genders.

v. Socio-economic class and geography

The *General Household Survey* also provides some interesting details on socio-economic, occupational and geographic trends, which we will only touch on here to illustrate the complexity of patterns of drinking.

Table 2.6 in the GHS shows that the highest average weekly consumers of alcohol are men in senior and middle management and intermediate jobs. Among women, the highest consumers are also found in senior management.

Table 2.7 in the GHS shows similarly that the highest average consumers of alcohol are households with gross weekly incomes of more than £1,000, while Table 2.8 in the Survey shows that average consumption is highest among people in employment.

Table 2.9 in the GHS breaks down the data for these employed people further and shows that at 19.6 units (revised methodology) the average weekly consumption is highest among the highest paid – those earning £800 a week or more. But at 18.9 units, consumption was almost as high among both the second-highest earners (£600-£800 a week) and among the lowest-earning individuals (up to £200 per week gross income). This strongly suggests that consumption is not simply a matter of affordability, since the lowest-paid employed people consume as much as those earning at least three times their gross weekly incomes.

Table 2.10 analyses regional disparities, and shows that average weekly consumption is significantly higher in less affluent regions (Yorkshire and the Humber (16.0 units), North West (15.3), North East (14.6)) than in the most affluent regions (London (11.4), West Midlands (12.0) and the South East (13.0)).

Table 2.22 breaks this down further to show the percentage of men and women who exceed Government responsible drinking guidelines and who exceed the threshold for harmful drinking. Yorkshire and the Humber and the North West and have the greatest prevalence of drinking above Government guidelines (both 40% of the population) and for harmful drinking (23% and 20% respectively). London scores lowest, with 27% of Londoners drinking above the guidelines and 11% drinking at least twice the guidelines.

What these figures show in the round is that higher-income households and individuals have more disposable income to spend on alcohol, and therefore consume more, but that the lowest-paid *individual workers* consume only marginally less than the highest earners. It also shows that people in less wealthy regions have higher significantly average consumption than those in more affluent regions.

Conclusion 5:

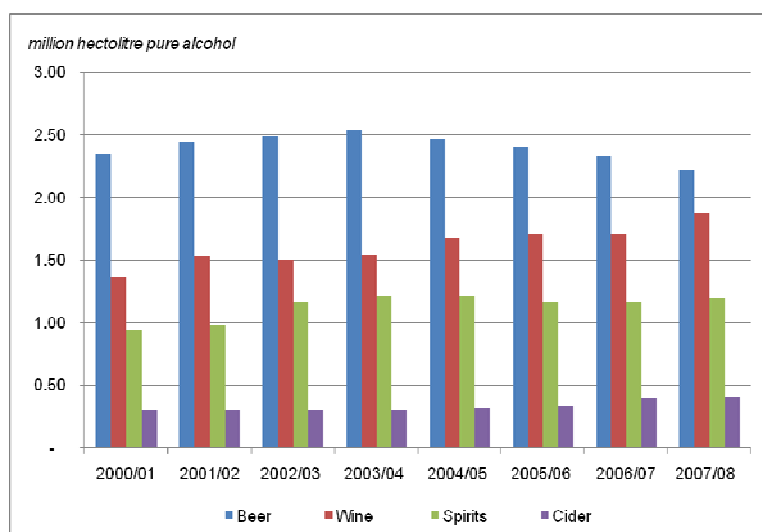
- there are complex socio-economic drivers including income, occupation and geographical location affecting consumption, and that consumption is not only a factor of age.

vi. What is being consumed

While patterns of frequency and level of consumption are changing, so are trends in what alcohol is being consumed. HM Revenue and Customs figures show that the clearance of duty-paid alcohol per person hit a 20-year peak of 11.78 litres of pure alcohol in 2004/05, since when the volume of beer consumed has fallen by 12.5% and spirits by 5%. Within spirits, consumption of spirits-based ready-to-drink products (RTDs) has fallen by more than 50%. Cider and wine consumption, however, has grown by 31% and 9% respectively since 2004/05.

The chart below shows total clearances of duty-paid pure alcohol since 2000/01.

Chart 1: Pure alcohol clearances in the UK, 2000/01 to 2007/08



Source HMRC *Alcohol Factsheet* July 2008

Conclusion 6:

- Consumption of beer and spirits is in decline
- Consumption of wine is growing rapidly
- Consumption of cider is growing fast from a small base.

Alcohol-related harm

Levels and patterns of alcohol consumption, however, do not show the individual and social impact of excessive drinking. The consultation paper sets out some general indicators of alcohol-related harm.

It reports that alcohol-related hospital admissions have risen by 70% since 2002/03 and are rising by 80,000 admissions a year, with 811,000 admissions (6% of all admissions) in 2006/07. In addition, according to Office of National Statistics, the number of alcohol-related deaths more than doubled from 4,144 in 1991 to 8,758 in 2006. (Note, however, that new criteria are in place for both admissions and deaths).

However, the paper also reports that alcohol-related violent crime has fallen steadily from 1.5 million incidents in 1997 to fewer than a million in 2007/08.

These are, however, outcomes of excessive drinking. In order to understand underlying patterns, we need to look at the groups most susceptible to alcohol-related harm – caused either to themselves or to others.

Consumer research for the European Forum for Responsible Drinking highlights four categories of alcohol consumption which creates a risk of alcohol-related harm:

- excessive drinkers
- drink drivers
- women drinking while pregnant
- underage drinkers.

Excessive drinkers

The analysis of the *General Household Survey* above shows that excessive drinking is in decline, but that there is still a greater tendency among young people aged 16-24 to indulge in heavy episodic drinking and among middle-aged men, particularly in lower-income groups to drink more regularly and more heavily.

This suggests that the core targets for Government policy aimed at reducing alcohol-related harm from excessive drinking are the 16-24 age group and middle-aged men.

Drink drivers

Driving above the blood alcohol limit creates increased risk of accidents and harm to road users and pedestrians. Statistics from the Department for Transport show that the number of drivers who tested positive for blood alcohol levels above the legal limit was 104,000 (17%) in 2005, which is a reduction from the peak of 106,000 (20%) in 2003, but still higher than the 95,000 (13%) recorded in 2000.

However, the number of accidents and casualties has reduced considerably in recent years, from a recent peak of 13,150 accidents and 20,100 casualties in 2002, to 9,390 accidents and 14,380 casualties in 2006 – the lowest levels for 15 years and less than half the levels in 1979. The number of deaths and serious casualties has fallen from around 10,000 (including around 1,800 deaths) in 1979 to 2,000 (including fewer than 600 deaths) in 2006.

Government policy and information campaigns have focused relentlessly on this problem over decades. Meanwhile strict enforcement has been in place. Both of these have been successful in deterring drink driving and therefore reducing the harm caused by drink driving.

Drinking while pregnant

According to the Infant Feeding Survey 2005, conducted by the Information Centre, in 2005, the percentage of mothers in the United Kingdom who drank during pregnancy fell from 66% in 1995 to 54% in 2005. There has also been an increase in the percentage of mothers who gave up drinking while they were pregnant, from 24% in 1995 to 34% in 2005.

The survey found that older women were more likely report drinking alcohol during pregnancy, with 61% of mothers aged 35 and over in the UK reporting this compared to 47% aged under 20.

What the survey does not reveal is the volume or frequency of drinking during pregnancy. However, the trend is significantly in decline.

Underage drinking

Most concern is generally expressed about drinking among young people, and particularly among those under the legal purchase age. But according to the survey *Smoking, Drinking and Drug Use Among Young People in England* (SDD) the proportion of 11-15 year olds who admit to drinking in the previous week has fallen from a peak of 28% (boys) and 25% (girls) in 2001 to 21% and 20% respectively in 2006.

Since 2001, the proportion of pupils who have never drunk alcohol has risen; in 2006, 45% of pupils said they had never had an alcoholic drink, compared to 39% in 2001.

However, in contrast to the recent decrease in drinking prevalence among pupils, the average consumption among pupils who had drunk alcohol in the week prior to interview was 11.4 units in 2006, the highest ever recorded in the survey.

Also in 2006, 15% of pupils thought it was acceptable to get drunk at least once a week. This figure varied largely depending on age; at 3% for 11 year old pupils and 30% for 15 year old pupils.

What is clear from the evidence is that under age drinking is a minority problem which is declining in prevalence, but that within this minority there is a core of under age drinkers who drink to excess.

Appendix (ii)

Diageo: promoting responsible drinking and combating alcohol misuse

Responsible marketing

Diageo is committed to leadership in responsible marketing and aims to set the industry standard in this area. The Diageo Marketing Code guides the way in which we market and promote our brands around the world. It contains a number of provisions such as ensuring only adult appeal, not suggesting alcohol can enhance social or sexual success, not associating alcohol with antisocial activities and not encouraging excessive or irresponsible drinking. The Code is supported with staff and agency training, plus a formal approvals process for all marketing activity.

Consumer information and campaigns

In November 2007, Diageo launched a fully integrated responsible drinking campaign across the UK, entitled 'The Choice is Yours'. The campaign aired again in May 2008 on television, accompanied by digital, outdoor and print advertising. It also included the launch of <http://www.thechoiceisyours.com/>, a website drawing attention to alcohol unit consumption. Evaluation has shown the advertising to have a positive impact: more than 60% of those surveyed by the media evaluation agency Millward Brown said that they were more likely to consider drinking responsibly following the adverts.

'Know What's In It' is a unit awareness campaign created three years ago by Diageo and implemented in university bars in partnership with the National Union of Students Services Ltd. This campaign has now moved into high street bars after a successful trial in Glasgow. Posters, stickers, beer mats and free bottles of water explain that one drink does not necessarily equate to one unit, encouraging young adults to be aware of the unit content of their drinks and Government's sensible drinking guidelines. The campaign has reached 750,000 students across 55 universities in England, Scotland and Wales.

Diageo has recently launched a comprehensive global website, www.drinkiq.com, to provide alcohol information and advice, and share best practice campaigns and interventions with consumers and those interested in responsible drinking.

Meanwhile Diageo's commitment to providing information to consumers makes a range of information available across our beer, wine, spirits and ready-to-drink brand labels. This includes a UK unit symbol, responsible drinking reminder ('Drink Responsibly'), the www.drinkaware.co.uk website address and nutrition information.

Diageo also works with third parties to promote responsible drinking. For example, in 2008 we funded the production of an alcohol information leaflet in partnership with the British Liver Trust. The leaflet is available through GPs surgeries and direct from the Trust, and aims to raise awareness of the damage that excessive drinking can do to your liver.

Working with customers

Diageo works with its customers in the on and off trade to promote responsible drinking.

Diageo and Tesco worked together to launch the industry's first national responsible drinking campaign in-store. Safe drinking messages and unit information were incorporated within Tesco's permanent point of sale in the beer, wine and spirits aisle, on Tesco TV (plasma screens in larger stores) and on Tesco.com. As a result, responsible drinking 'hints and tips' and the Government sensible drinking guidelines have been put in front of an audience of some 17 million people across the UK every week. Point of sale materials have now been developed by the Wine and Spirits Trade Association and The Drinkaware Trust and made available to all off-trade retailers in the UK.

Meanwhile in 2008, Diageo launched a training DVD entitled 'Abide' to help on and off trade retailers tackle the issue of underage sales. Developed with a pub retailer and a convenience chain, 'Abide' is a 15-minute film that covers not only the legal aspects of proof of age, but also the behavioural elements involved in staff asking for ID consistently.

Anti-drink drive campaigns

Diageo supports campaigns to raise awareness of the risks of drink-driving and to encourage people to change their habits to help reduce the number of drink-drivers on the road. We look to Government to set legal limits for drivers' blood alcohol concentration, take tough measures to enforce the law and impose strict punishments on those guilty of drink driving.

We are a corporate partner of Brake, the UK's leading road safety charity. In Scotland, Diageo, Fife, Tayside, Grampian and Central Scotland Fire and Rescue authorities launched 'Safe Drive Stay Alive'. This is the first national website in Scotland aimed at raising awareness among young drivers and passengers about the dangers of drink driving, speeding, use of mobile phones and failure to wear seat belts. More than 100,000 young people have visited the site to date.

Employee Alcohol Policy

Diageo's Employee Alcohol Policy sets out the standards expected of those working for the company. Supporting campaigns provide information and guidance on responsible drinking. It is supported by regular responsible drinking campaigns for Diageo employees, for example, to communicate the number of alcohol units in different drinks and the Government's guidelines for safe alcohol consumption. Research conducted amongst employees each year (the Diageo Values Survey) shows how they value our approach on such an important matter.

Working with Government and Social Aspect Organisations

Diageo is a founding member of The Portman Group. Diageo GB's Managing Director, Benet Slay, is a Portman Group Council member and a trustee of The Drinkaware Trust.

Under 18s campaigns

Diageo works with several experts on targeted under-18s education programmes.

The CragRats alcohol education theatre programme, funded by Diageo, has reached 121,020 pupils aged 11-15 years, across 813 schools in England, Scotland and Wales since 2005. The programme, which consists of a play entitled 'Wasted' and a follow-up workshop, is built around the core messages of personal responsibility, personal safety, image/aspiration and making informed choices about alcohol. The CragRats programme has been recognised as best practice amongst PSHE (Personal, Social and Health Education) experts.

We support the Strengthening Families Programme 10-14 UK, an innovative programme aimed at reducing alcohol and drug use and behavioural problems in adolescence by strengthening the parent/carer child relationship. Within Great Britain, the programme is supported by the Alcohol Education Research Council and the Home Office Drug Strategy Directorate. Diageo is providing additional funding so that Strengthening Families can train education experts in Scotland to roll out the programme in 2009. The programme has an evidence base that shows long-term results for families and is recognised by the World Health Organisation for its success in the field of alcohol education.

In September 2006, Diageo GB and Mentor UK hosted the first ever Alcohol Misuse Prevention Awards. The awards recognise and promote excellence in the provision of alcohol misuse prevention activities from primary school age children in England, Scotland and Wales. Three winners received a cheque for £10,000 with a further £10,000 of mentoring and practical consultancy to be received in 2007.

Appendix (iii)

Extracts from Social Responsibility Standards for the Production and Sale of Alcoholic Drinks in the UK

4. Marketing of Alcoholic Drinks

- 4.1 Marketing of alcoholic drinks is subject to a number of different codes of practice. The breadth of activities undertaken by companies in the modern drinks market makes it increasingly difficult to define companies exclusively as producers or retailers. Companies should therefore ensure that they take account of all relevant code provisions when developing promotional and marketing campaigns. They should also brief all design and advertising agencies, market research companies, media buyers and other external consultants on all aspects of these Standards and ensure that they undertake to abide by its provisions in any work they do on behalf of a company.
- 4.2 Broadcast and non-broadcast advertising
- 4.2.1 Advertising for alcoholic drinks is subject to a comprehensive framework of regulation, both statutory and self-regulatory. The advertising codes of practice are split according to media. Each code has a special set of rules relating specifically to alcoholic drinks. Each code is backed by an independent complaints body and includes sanctions for non-compliance.
- 4.2.2 Television advertising is bound by the statutory Television Advertising Standards Code, overseen by the Advertising Standards Authority. Pre-clearance of advertisements is compulsory and is generally carried out by the Broadcast Advertising Clearance Centre.
- 4.2.3 Radio advertising is bound by the statutory Radio Advertising Standards Code, overseen by the Advertising Standards Authority. Pre-clearance of advertisements is compulsory and is carried out by the Radio Advertising Clearance Centre.
- 4.2.4 Non-broadcast advertising (excluding most point-of-sale advertising) is subject to the self-regulatory Committee of Advertising Practice (CAP) Code on non-broadcast advertising overseen by the Advertising Standards Authority. Advice where necessary can be obtained from the Committee on Advertising Practice.
- 4.3 Naming, packaging, sponsorship, point of sale materials, branded merchandise, sampling and press releases.
- 4.3.1 Pre-packaged alcoholic drinks are subject to self-regulation through The Portman Group's Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks. This Code covers below-the-line promotion of alcoholic drinks including websites, sponsorship, branded merchandise and most point-of-sale material. Complaints under the Code are ruled on by an Independent Complaints Panel.
- 4.3.2 Companies should take advantage of The Portman Group's Advisory Service for confidential pre launch advice or consult their topic-specific help notes designed to help compliance with the Code. Help notes are available on multi-purchase promotions in the on-trade, children's size replica sponsored sports kits and sampling. These are available from The Portman Group (tel: 020 7907 3700).

4.4 Company websites

4.4.1 Company websites also need to adhere to the above Standards. Companies should also consider following these additional guidelines with respect to their websites:

- Carry a reminder of the need to adhere to the legal purchase age in the country in which the consumer is located.
- Use age verification entry in relation to on-line sales.

4.5 Additional voluntary initiatives

4.5.1 In addition to the above statutory and self-regulatory obligations there are a number of specific social responsibility initiatives designed to promote awareness of sensible drinking and to prevent alcohol misuse which are being undertaken by a growing number of companies (including all Portman Group members). Where practicable companies should consider undertaking the following:-

- Include information on alcohol content in terms of units on packaging labels. Companies that adopt unit labelling are encouraged to follow the protocol drawn up by The Portman Group and include reference to The Portman Group's Drinkaware website www.drinkaware.co.uk.
- Develop other brand-based responsibility initiatives, such as responsible drinking messages on packages or advertisements, dedicated responsibility advertisements and use of sponsored events to communicate responsibility messages. Responsible drinking messages should be based on the Government's sensible drinking message.
- Promote the Drinkaware website on brand advertising and packaging, and through brand website links. Companies wishing to make reference to Drinkaware should obtain a licence, available free of charge, from The Portman Group (tel: 020 7907 3700).
- Take all necessary steps to ensure that brands are not used as part of irresponsible promotions.

5. Retailing of Alcoholic Drinks

5.1 This part of the Standards applies in general to the retailing of alcoholic drinks in both the on and off trade. Separate sections outline additional areas that have particular relevance to one or other area.

5.2 All licensed premises are regulated under the Licensing Act 2003 and many other relevant pieces of legislation. These provide:-

- A rigorous legal framework within which organisations are obliged to operate.
- Extensive powers for public authorities to take action against those who breach the law.
- Comprehensive sanctions in the form of fines plus power to review, restrict and remove licences.

5.3 General Responsibility

- 5.3.1 Companies are strongly encouraged, to work with local police, relevant local licensee forums and Crime and Disorder Reduction Partnerships to examine ways of minimising alcohol-related crime and disorder in the neighbourhood, working through good partnership to help manage wider issues such as dispersal and transport policies. Good partnership includes sharing intelligence with other retailers, the police and statutory services. For example, persistent trouble-makers can be identified and 'black listed' from on- and off-trade premises. It could also be helpful to have protocols in place dealing with procedures to be followed in the event of violent behaviour arising from refusals to sell and other causes.
- 5.3.2 Retailing is at the "front line" in ensuring alcoholic drinks are only sold to consumers aged 18 and over, and not merchandised or sold in any way that breaches any aspect of The Alcohol Social Responsibility Principles.
- 5.3.3 Companies should work together to ensure that products are sold in a responsible manner.
- 5.3.4 Companies have a prime role in the enforcement of The Portman Group Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks through their observance of Retailer Alert Bulletins. These ask retailers not to replenish stocks of pre-packaged alcoholic drinks or their promotions which have been found to be in breach of the Code.

5.4 Display of Alcohol Content and Sensible Drinking Messages

- 5.4.1 Where practicable, it is advised that retailers display information regarding sensible drinking including alcohol content in terms of units. Companies that provide unit information are encouraged to follow the protocol drawn up by The Portman Group.

5.5 Promotions

5.5.1 Promotions or promotional material **should not**:-

- Condone, encourage or glamorise excessive drinking or drunkenness or encourage anti-social behaviour. Effects of intoxication should not be referred to in any favourable manner.
- Be linked to sexual imagery implying sexual success or prowess.
- Refer to consuming alcohol to recover from previous over-indulgence.
- Be disrespectful of contemporary, prevailing standards of taste and decency and avoid degrading or gratuitously offensive images, symbols, figures and innuendoes. Promotional material should not be demeaning to any gender, race, religion, age or minority group.
- Appeal, through images / symbols, primarily to those under the legal purchase age. Characters should only be used if it is clearly established that their primary appeal is to adults. Use of any cartoon character popular with children is unacceptable.
- Contain any direct or indirect references to drug culture or illegal drugs.

- Have any association with violence or anti-social behaviour.

5.5.2 Licensees should consider the risks of planned promotions taking into account possible impact on crime and disorder.

5.5.3 Licensees should assess the impact of their promotions and modify as appropriate.

5.6 Prevention of Under-age Purchases

It is illegal to sell alcohol to persons under the age of 18.

5.6.1 Retailers should follow a “No ID, No Sale” approach, for example Challenge 21, and this should be made clear using point of sale material and other information stating that under 18s will not be served. When age is in doubt retailers should request and only accept a legitimate form of proof of age such as a card with a PASS logo, valid driver’s licence (with photograph) or passport.

5.6.2 Disciplinary procedures should be in place for staff contravening such a policy.

5.7 Serving Intoxicated Customers

It is illegal to sell or attempt to sell alcohol to a person who is intoxicated.

5.7.1 Companies engaged in retailing should follow a clear policy of not selling to intoxicated customers.

5.7.2 Disciplinary procedures should be in place for staff contravening such a policy.

5.8 Training

In order for a licensee to ensure compliance with the laws regarding the sale of alcohol, training of staff is vital. Retailers should:

- instruct all staff of the law and check their understanding before they are allowed to serve alcohol;
- provide the relevant company training/reference manual on the retailing of alcohol;
- consider formal qualifications to an appropriate standard
- if appropriate, training in how to deal with potential conflicts should be considered (e.g. situations arising from refusal to serve someone who is under the legal purchase age or already intoxicated).

6. The on-trade

6.1 The following Standards outline areas that have particular regard to the on-trade.

6.2 The members of the British Beer & Pub Association (BBPA) are committed to the responsible management of licensed premises and the responsible promotion of their brands. For further information, please refer to the BBPA’s Point of Sale Promotions: Standards for the management of Responsible Drinks Promotions including Happy Hours.

6.3 Promotions Specific to the On-Trade

6.3.1 As described above, promotions in the on-trade should in no way encourage irresponsible consumption. Responsible promotions, including “Happy Hours” should comply with the following guidelines:

- *Timing:* During early evening Happy Hours, some customers may be drinking on an empty stomach, so providing food/bar snacks at these times is helpful. It may also be helpful to consider the appropriateness of holding certain promotions on particular days.
- *Duration:* Set a clear time period for the promotion. If the time period is vague, customers may hurry their purchases and therefore their drinking in case prices suddenly rise. The shorter the Happy Hour and the greater the discount available, the stronger the incentive may be to some customers to drink excessively.
- *Discounts:* Bear in mind that the greater the discount available, the stronger the incentive may be to some customers to drink excessively. Operators should consider including a selection of soft drinks and/or low alcohol drinks at a reduced price during the Happy Hour, as this could encourage more customers to alternate alcoholic and soft drinks, and also provides a benefit to those customers not wishing to drink alcohol.
- *Linked Discounts:* There are some practices which would not be a suitable basis for a Happy Hour. For example, discounting drinks according to unpredictable events, such as until the first goal is scored in a football match, or until the first yellow card etc., could encourage customers to drink more, more rapidly.

6.3.2 The following promotions should not be run as there is a disproportionate risk they will lead directly to alcohol misuse and anti-social behaviour:

- Reward schemes that are only redeemable over short periods thereby encouraging the purchase and consumption of large quantities of alcohol over a short period of time;
- Drinking Games – these tend to encourage either speed drinking or the drinking of large quantities of alcohol;
- Promotions that involve free drinks either in large quantities (e.g. Free vodka between 10pm and 12pm) or to specific groups (e.g. ‘free drinks for women’);
- Entry fees that are linked with unlimited free drinks (e.g. £x.99 on the door and all your drinks are free or all you can drink for £x.99);
- Promotions that are an incentive to speed drinking or encouraging people to ‘down their drinks in one’ (e.g. If you finish your first bottle of wine by nine, the next one is on us);
- Promotions linked to unpredictable events, (e.g. Free drinks for five minutes after every England goal);

- Promotions that encourage or reward the purchase or drinking of large quantities of alcohol in a single session;
- Promotional material that is linked to sexual imagery implying sexual success or prowess;
- Promotions that encourage either an excessive drinking session or a pub crawl;
- Promotions that involve driving in any way;
- Involvement of novel devices that do not dispense a measured amount of alcohol eg. sprays.

6.4 Controlled exit and dispersal

6.4.1 Where appropriate, licensees should prepare and implement a dispersal policy, in consultation with the Police and local licensing officers.

6.4.2 Such a policy would set out the steps the venue will take at the end of the trading session to minimise the potential for disorder and disturbance as customers leave the premises. The policy, which should be regularly reviewed, should include the following key areas:

- *Transporting customers home*

For example by displaying details of reliable taxi services, by providing free phone numbers for licensed mini-cabs and details of nearby taxi ranks, bus timetables or other local transport networks.

- *Keeping empty glasses on premise*

Regular collection of empty glasses and bottles is recommended particularly in the period immediately before closing. If necessary signage should indicate that leaving with glasses and bottles is not allowed.

- *Minimising noise on exit*

Where possible, notices should be displayed near the exit requesting exiting customers to leave quietly.

- *Door staff*

When door staff are employed, they can play a key role in the implementation of several aspects of any dispersal policy:

- encouraging customers to drink-up and progress to the exit within a venue throughout the latter part of drinking-up time;
- drawing the attention of exiting customers to the notices in the foyer and asking them to be considerate;
- ensuring the removal of all bottles and glasses from departing customers;
- actively encouraging customers not to congregate outside the venue; and
- directing customers to the nearest taxi ranks or other transportation away from the area.

6.5 Other measures

- 6.5.1 Management of the premises should ensure that the risks of alcohol misuse are minimised. The premises should be monitored regularly, for example to clear away empty glasses, check the toilets and identify customers who are intoxicated or under the legal purchase age. Provisions for minimising risk of alcohol misuse will depend on a number of factors such as location, time, offering etc..
- 6.5.2 When practical, clear and prominent information regarding “designated driver schemes” should be displayed.
- 6.5.3 Premises should be designed in order to minimise the risk of crime and disorder, for example, by referring to the British Beer & Pub Association’s “Security in Design” publication.

7. The off-trade

- 7.1 The following standards outline areas that have particular regard to responsible retailing in the off-trade.
- 7.2 For a full version of the Responsible Retailing of Alcohol: Guidance for the Off-Trade please contact the Wine and Spirits Trade Association, the Association of Convenience Stores or the British Retail Consortium.
- 7.3 Prevention of under-age sales and sales to intoxicated customers
 - 7.3.1 When practical, retailers should clearly display information at each alcohol display area and at the point of sale stating that under-18s and intoxicated people will not be served.
 - 7.3.2 Retail staff can often fail to challenge underage purchases or refuse sales to intoxicated people if they feel afraid of the consequences, misuse and violence. Retailers should try to ensure that their staff feel safe when serving and confident to challenge, and if necessary refuse, the customer.
- 7.4 Promotions
 - 7.4.1 Point of sale promotions on alcohol are held for a number of reasons:
 - To showcase a new brand or product
 - To increase customer awareness of a product
 - To introduce new customers to a particular product
 - To provide a special offer to customers for a limited period on a popular or established product.
 - 7.4.2 Promotions on price, such as discounts on quantity or linked discounts, are legitimate promotions and an important part of business. However, any point of sale material must not encourage or promote irresponsible consumption and should comply with the guidance set out in Section 5.5 of these Standards.

7.5 Instore tastings

7.5.1 Free tastings are permitted under the law, but the following guidelines should be followed:

- Samples should not be provided to anyone under 18. Relevant checks should be made where there is doubt.
- Samples should not be provided to anyone who is intoxicated.
- The sample size should be appropriate.
- Care must be taken to ensure that customers do not return for further tastings and run the risk of becoming intoxicated.
- Alcoholic drinks should not be left unattended in the demonstration area.

7.6 Siting of alcohol in the store

7.6.1 Wherever possible the areas where alcohol is displayed should be covered by CCTV.

7.6.2 Alcohol is a key target for shop thieves, where practicable, it is best not to place alcoholic drinks near the entrance to the store.

7.7 Other measures

7.7.1 Retailers are encouraged to display information at each alcohol display area and at the point of sale regarding sensible drinking levels and sensible drinking messages.

7.7.2 Where necessary, retailers should take steps to ensure that young people do not congregate outside a shop or supermarket in order to avoid such meeting places leading to anti-social behaviour. Retailers should consider such measures as:

- Removing any low walls from outside the premises.
- Removing any canopies that might provide shelter.
- Ensuring the area outside the store is well-lit.

Appendix (iv)

The Portman Group Rules for Naming, Packaging and Promotion

The alcoholic nature of a drink should be communicated on its packaging with absolute clarity.

A drink, its packaging and any promotional material or activity should not in any direct or indirect way:

- (a) have the alcoholic strength, relatively high alcohol content, or the intoxicating effect, as a dominant theme;
- (b) suggest any association with bravado, or with violent, aggressive, dangerous or antisocial behaviour (though sponsorship of activities which may be dangerous after alcohol consumption, such as motor racing or yachting, is not in itself in breach of this clause);
- (c) suggest any association with, acceptance of, or allusion to, illicit drugs;
- (d) suggest any association with sexual success;
- (e) suggest that consumption of the drink can lead to social success or popularity;
- (f) encourage illegal, irresponsible or immoderate consumption, such as drink-driving, binge-drinking or drunkenness;
- (g) urge the consumer to drink rapidly or to “down a product in one;
- (h) have a particular appeal to under 18s (in the case of sponsorship, those under 18 years of age should not comprise more than 25% of the participants, audience or spectators);
- (i) incorporate images of people who are, or look as if they are, under twenty-five years of age, unless there is no suggestion that they have just consumed, are consuming or are about to consume alcohol;
- (j) suggest that the product can enhance mental or physical capabilities.