

Australian Beverages Council Pledge

FACT SHEET

20%
by 2025

The Australian Beverages Council Limited (ABCL) has announced a pledge that will see the non-alcoholic beverage industry commit to a 20 per cent reduction in sugar across the industry's portfolio by 2025.

Industry 1st

The ABCL pledge to reduce total sugar across the sector is the first such instance in Australia where an industry has self-regulated on sugar reduction in this way.



Australia's leading beverage companies including Coca-Cola South Pacific, Coca-Cola Amatil, PepsiCo, Asahi Beverages and Frucor Suntory have committed to the pledge with more Members of the ABCL expected to join in the coming months.



The pledge will see a reduction in sugar across the industry by 10 per cent on average by 2020, with a further commitment to reduce sugar by a total of 20 per cent on average over the full period of the pledge by 2025, and will be achieved by average reductions in total grams of sugar per 100mL.



The pledge will be independently appraised with the appointment of an auditor made in the coming months.



All products represented by the ABCL Members who sign the pledge are included in the commitment with the reduction in total sugar measured across all Members party to the pledge.



The commitment applies to all categories of non-alcoholic drinks represented by Members of the Australian Beverages Council who have signed the pledge, including: carbonated soft drinks, energy drinks, sports and electrolyte drinks, frozen drinks, bottled and packaged waters, juice and fruit drinks, cordials, iced teas, ready-to-drink coffees, flavoured milk products and flavoured plant milks.



Total sugar is quantified by aggregated sales weighted volume data across all ABCL Members who sign the pledge and will be assessed from 1 January 2016.

How the pledge commitment will be achieved

Some of the measures ABCL Members may use to contribute to the industry's pledge include:

- Increasing volume sales of low and no sugar varieties
- Introducing additional low and no sugar varieties onto the market by 2020 or 2025
- Introducing smaller pack sizes or reducing average container sizes
- Investing in improved nutritional literacy

- Promoting the consumption of bottled water by young Australians and only milk and water for the very young
- Where practical, transition vending machines to include additional low/no sugar varieties
- Existing category and product reformulation
- Implementing a cap in sugar content on all existing drinks brands
- Implementing a cap in sugar on new recipes and new products launched in Australia.

Some signatories will use a variety of measures to reduce sugar consumption while others may use one or two of the measures.

Audit process

- An independent auditor will evaluate the success of the commitment and individual Members' progress. The ABCL will appoint an independent auditor following a rigorous selection and appraisal process which will evaluate success of the commitment and report aggregated results.
- The auditing will be carried out in two key stages: ongoing evaluation of progress towards the 10 per cent reduction in 2020, and a subsequent evaluation in the years to 2025 to provide a report on the 20 per cent reduction goal. The base year for the evaluation is 2016, (based on sales data as of 1 January 2016) when the reporting framework was established.
- Individual company contributions to the targets will be monitored by the auditor and reported by ABCL by the end of 2020 and the end of 2025. .

Rationale and consultation process

- The beverage industry acknowledges community concern around sugar and the role it can play in helping to tackle obesity levels in Australia.
- The ABCL has listened to consumers, consulted across the health sector and beverage industry and responded by formulating this pledge commitment to further reduce the amount of sugar individuals consume from non-alcoholic beverages.
- The ABCL has consulted with health bodies, NGOs and Government departments over the last two years to reach this position. The targets set are a reflection of the various consultations the ABCL has had with those key stakeholders.
- The pledge represents part of an ongoing commitment by the non-alcoholic beverage industry to encourage more Australians to make healthier choices. Whilst this commitment has been made, the industry will continue to provide consumers with a choice of beverage options.
- As the industry's peak body, the ABCL and its members will continue to advocate for consumer choice. It will also continue to work with various key health stakeholders to participate in a constructive way to help improve the health of all Australians by reducing their sugar intake.

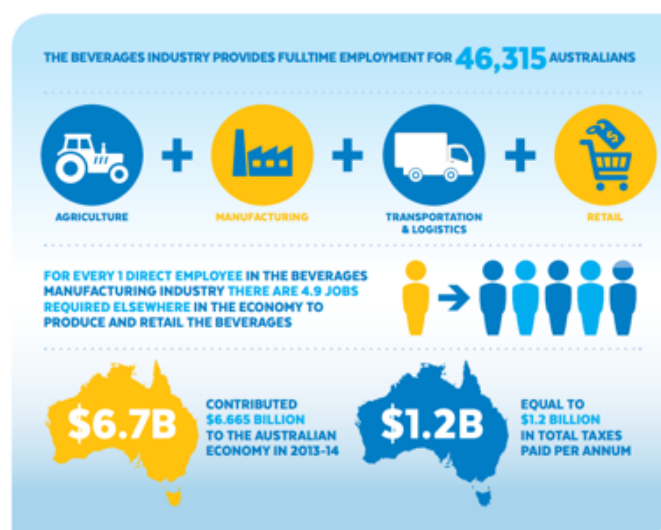
Supporting Government health policy initiatives

This ABCL's sugar reduction pledge complements a number of the Federal Government's existing health programs, including:

- The **Health Star Rating system** which helps consumers make healthier choices through easy-to-read front-of-pack labelling while encouraging reformulation of products by ABCL members
- The **Healthy Food Partnership** to increase consumer knowledge in conjunction with public health advocates and industry
- The **Healthy Weight Guide website** which provides plans to facilitate health goals and particularly, to maintain a healthy weight.

Overview of the non-alcoholic beverage industry in Australia

Right across the country, the Australian non-alcoholic beverages industry is a key contributor to local, state and national economies. It is a significant employer of Australians and each year the industry supports direct employment of more than 46,000 people. It also contributes almost \$7 billion to the national economy and collectively pays more than \$1.2 billion in taxes per annum along its supply chain. For more information on the impact of the non-alcoholic beverage industry on the Australian economy, download the report [Refreshing our economy – the economic contribution of the Australian Beverages Industry.](#)



IBISWorld report - Soft Drink Manufacturing in Australia, May 2018

[From IBISWorld summaries - IBISWorld Industry Report C1211a]

According to IBISWorld, the Soft Drink Manufacturing industry generated its revenue in 2017-18 across more than 300 businesses. Compound annual growth in the years 2012-13 to 2017-18 was 1.8 per cent with annual growth in the years 2017-18 to 2022-23 anticipated to reach 1.3 per cent.

New South Wales has the greatest share of manufacturing sites at 36.4 per cent, followed by Victoria at 22.2 per cent and Queensland at 20.7 per cent. Western Australia has 9.4 per cent and South Australia has 7.9 per cent share of soft drink manufacturing sites, according to IBISWorld.