

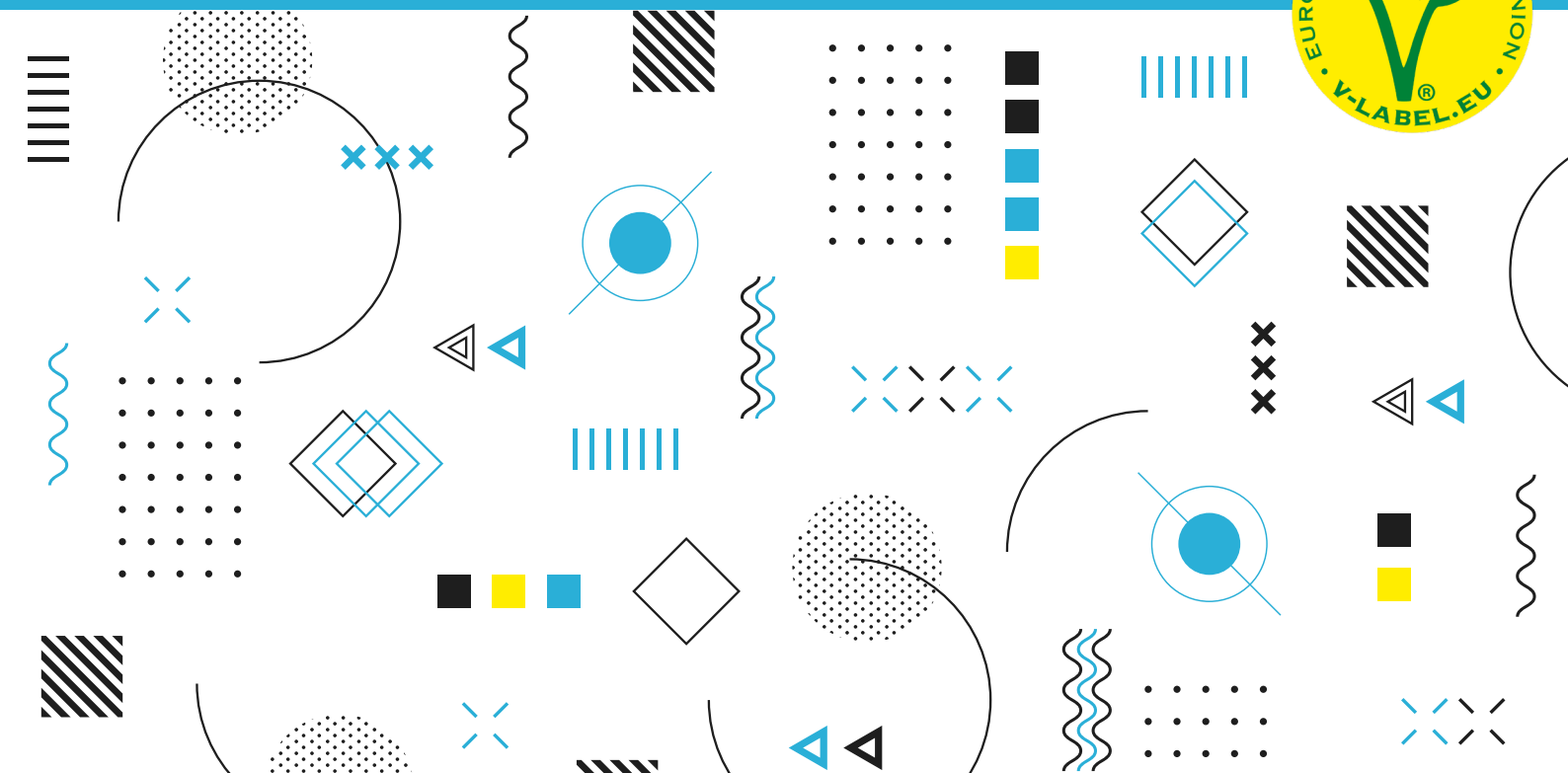


V-LABEL WHITE PAPER

The future is sparkling (and fair!):

VEGAN ALCOHOLIC DRINKS

World's leading vegan & vegetarian trademark





PART OF THE **V-LABEL INSIDERS** SERIES

In this day and age, we often look for that one piece of wisdom that quality social media or articles can provide. And maybe it's just us, but often, a nudge is not enough. As change-makers, hand in hand with our partner organizations such as ProVeg International, Swissveg or Fundación Vegetarianos Hoy, we want to roll up our sleeves and get into the specifics. If you seek such content, keep your eyes on our White Paper series: something that's written for experts, by experts, and takes you from A to Z in a given niche without losing an inch of your attention.

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Consumer habits have changed drastically over the past two years of the COVID-19 crisis – including where, when, and how they consume alcoholic drinks. What innovations are changing the beverage industry? What role does sustainability play in all of the changes? Why do people prefer artisan products over mass-produced ones all of a sudden?

ARE WE READY TO SOBER UP?

The COVID-19 pandemic affected our drinking habits, especially **the quantity, frequency, and place of drinking.**

According to [a survey](#) out in Australia, Austria, Brazil, France, Germany, Ireland, the Netherlands, New Zealand, Switzerland, the United Kingdom, and the United States between May and June 2020, **36% of individuals were drinking more alcohol during the pandemic**, 22% were drinking less and 42% didn't change the quantity of drinking at all.

In some countries, alcohol purchases during the year 2020 have had a small increase – in the UK 4.5%, in the USA 4%, and 3.3% in Germany. While people increased their drinking frequency overall, binge drinking frequency hasn't changed much. Out of the 11 countries where data is available, 43% of individuals reported an increased drinking frequency, and compared to that a quarter of adults decreased how often they drank alcohol. Around 29% of people surveyed reported they don't binge drink as often as they used to and only 23% said their binge drinking has been more frequent. Binge drinking is defined here as drinking more than 80% of a bottle of wine or 1.5 liters of beer per one drinking occasion.

Hotels, bars, and restaurants were severely affected by the lockdowns in the crisis. On the other hand, retail stores, grocery delivery services, and e-commerce saw a significant increase in sales as people needed to shop online and consume goods in their homes only–alcohol included.



Consumers demand sustainability – go green or go home

Consumers are becoming increasingly more aware of environmental issues and make decisions about what they buy based on the impact the product has on the planet.

Companies are beginning to feel this change of preferences reflected in their profits, which inspired them to start a number of initiatives to meet the demands for more sustainable practices. Sustainability is having an impact on everything from **packaging to production methods and ingredient sourcing**.

Furthermore, drinks producers are looking at activities such as waste reduction, eco-friendly packaging programs, and carbon footprint levels. There are many benchmarks to measure sustainability, but **carbon levels** are one of the more established, and arguably one of the ones **most recognized by consumers**.

The focus on vegan drinks and cocktail ingredients is increasing, too: more people started to eliminate animal-derived ingredients from their diets. Even though many existing drinks brands and cocktails are already vegan, many of them are tapping into wellness, ethics, and moderation trends in order to stay relevant to their customers. This presents an opportunity for brands to reconsider and adjust their values, so they can authentically incorporate these trends into their communication.

Why do people prefer artisan products over mass-produced ones all of a sudden?

Before COVID, many people took their health for granted and had fewer concerns about product safety. Now, though, they want products that they deem safe and of good quality.

This shift in priorities is something that will drive demand for small and artisan brands within the beverage industry. Locality and craft production powered by story-based marketing will be of high importance and influence within the market.

Did you know that there has been a 16% increase in the amount of people who say that they drink craft beer?



Consumers are shifting to premium products and are more attentive to production processes and ingredients used to make the product.

According to FMCG Gurus, 38% of global consumers also say that they have been more attentive to the country of origin of products and 50% of global consumers now prefer local products. 29% of global consumers trust smaller brands more than large brands and 28% want more reassurance about the safe handling of products.

Additionally, the interest in “better-for-you” beverages – such as low-alcoholic beers, low-carb beers and gluten-free beers – has been increasing in the last few years, especially in North America and Europe. The FMCG Gurus report identified a great business opportunity in these alternatives compared to the already saturated non-alcoholic market.

Do vegans and vegetarians drink less than meat-eaters?

Opinions and study results are divided on this matter. While some studies show no major differences in alcohol consumption between meat-eaters and vegans or vegetarians, other studies show otherwise. According to Science Direct, alcohol intake among vegans ranged from 0.25 grams/day to 12.6 grams/day, and in another study, the intake was as high as 20 grams/day for a minority of mainly male vegans.

Vegetarians and vegans seem to lead healthier lives overall. According to the Sax Institute’s 45 and Up study, vegetarians were less likely than non-vegetarians to report excessive drinking, smoking, insufficient physical activity, or being overweight or even obese. The University of Glasgow discovered that vegetarians have a healthier biomarker profile that comprises lower cholesterol and inflammation levels, and a hormone that encourages cancer growth.



BEER

Healthier alternatives to beer are a growing market

Sustainability and a healthier lifestyle seem to go hand in hand, and the demand for alternative options is growing rapidly. In the UK, low and no-alcohol beer accounts for 2% of the total beer market and currently is the fastest-growing segment in the country. The IWSR analysts forecast that the low and no-alcohol beer will grow by 6% per annum on average by 2023 (as opposed to the total beer market, which is forecast to be flat to slightly declining).

Emily Neill, IWSR's COO of Research, recommends *"the on-premise holds big opportunities for these new products, and operators should look into expanding their on-trade offering beyond a single non-alcoholic option. For example, at Brewdog's UK-based pub, Brewdog AF, claimed to be the world's first alcohol-free pub, there are multiple stouts, IPAs and fruit flavored beers on offer."*

Companies like Carlsberg are **making alcohol-free brews their 'strategic priority'**. In the first half of 2019, sales of their no-alcohol beers jumped by as much as 16%, up from 15% in the first quarter of the year.

Non-alcoholic beers are gaining popularity in markets where it might not be expected to be so pronounced – like Poland and Russia. Switzerland is also one of the fastest-growing markets for non-alcoholic beer.

Among other leaders in the non-alcoholic beer segment is Heineken. In recent years, the company has put considerable resources behind the launch of Heineken 0.0, and this step appears to be benefiting from the overall Heineken brand, which grew by almost 7% in the first half of 2019. The company reports that 48 of their brands now have non-alcoholic line extensions and the overall volume of low to no-alcohol beer increased from 6.3 to 6.9 million hectolitres.

The history of beer goes way back

As far back as the year 6000 BCE in ancient Sumeria and Babylonia, beer was made from barley. The rest of humanity had to wait until the 11th century when Germans started to



use hops to make beer. Fast forward to the 15th century, hops were introduced to Britain by way of Holland. In 1420, Germans made beer by a bottom-fermentation process, because the yeast tended to sink to the bottom of the brewing vessel. In the 1860s, the French chemist Louis Pasteur investigated the fermentation process of beer and established many of the microbiological practices still used in brewing today.

The question of sustainability in beer production

Beer brewers are experimenting with high-yielding barley to reduce emissions from transportation. They are also starting to use pest-resistant hop strains to reduce pesticide use. New technologies are critical in the process of lowering the negative impact on the planet. For many producers, it's now becoming possible to reduce their carbon emissions, or even to become fully carbon-neutral. **Consumer demand for carbon-neutral drinks can be expected to rise too.**

Innovations are creating the future of beer production and consumption

A healthier lifestyle is the driver of innovation as consumers seek diet or low- to no- alcohol alternatives.

Coors Edge, a non-alcoholic beer line by Molson Coor brewers, claims to have the lowest calorie and carbohydrate content in its category. Anheuser-Busch launched their fruit flavored non-alcoholic Hoegaarden in the USA. Ireland's staple Guinness, which has been brewed in Dublin since 1759, claims to finally go fully vegan in late 2017. Heineken introduced a new sustainable, vegan, and gluten-free cider brand called Inches, which is made from apples sourced within 40 miles from the mill. The company also uses all the waste from the apples, converting them into green energy. What's more, the beer company also recently added a vegan and gluten-free watermelon and lime version to its Old Mout cider brand. More innovators include Moor Beer Company (Ale), Freedom Brewery (Lager), BeaverTown Brewery (IPA), Samuel Smith Brewery (Stouts), and Corona.

The future of sustainable beer lies in mushrooms. Chinova Bioworks has launched a major research initiative that



could help eliminate animal products from the beer-making industry. The company recently teamed up with New Brunswick post-secondary institution Collège communautaire du Nouveau-Brunswick (CCNB) to develop a rapid fining agent for breweries using Chinova's proprietary white button mushroom fiber called "Chiber". Their mission is to reduce food waste and fill the gap in the food and beverage industry with clean-label ingredients like mushrooms as an alternative to artificial ingredients. Its proprietary mushroom-based fiber—which is certified vegan—is currently being used as a natural food preservative. Chinova Bioworks is currently working with early adopters for market testing and plans to launch Chiber for use in alcoholic beverages in early 2022.

WINE

Exploring the history of wine

The first known mentions of winemaking date back to Egypt in 2500 BCE. After the fall of the Roman Empire, Christian monasteries helped maintain the industry as they preserved and developed many of the highly regarded wine-producing areas in Europe.

Christopher Columbus brought winemaking from the Old World to the New World. Following the flood of European immigrants overseas in the 19th and early 20th centuries, vinifera grapes developed and modernized the winemaking industry. European vines made their way all the way to Australia and New Zealand in the early 19th century by the British settlers. In 1654, Dutch settlers took grapes from the Rhine region to South Africa.

Until the 17th century, wooden barrels remained the principal aging vessels. Later on, the invention of glass bottles and the cork stopper allowed wines to be aged for years. Another invention came in the mid-19th century when the French chemist Louis Pasteur and others explained the nature of fermentation and identified the yeasts responsible for it. Pasteur also identified the bacteria that spoil wine and devised a heating method (later called pasteurization) to kill the bacteria.



The question of sustainability in wine production

Companies are finding ways to tackle the environmental issue of wine production. The well-known British multinational retailer Marks and Spencer recently made a pledge to make all its own-label wines vegan by 2022. They further stated that 70% of its wine is already vegan-friendly, such as their white wine Saint Clair or their rosé Conti Priuli Veneto Blush. Taking it to 100% really makes a statement in the market that other supermarkets will doubtless want to consider with their wine ranges.

The British Waitrose store offers La Croix d'Ardit Bordeaux and Aldi offers Castellore Organic Prosecco, but both stores are now miles behind M&S. Can we expect stores to start competing with one another for more vegan and environmentally friendly goods? We sure hope so!

Inventions in the wine industry

Winemakers John Coughlan and Roberto Delgado started to use peas and potato proteins to replace a range of animal products historically used to clarify wines. They're the reason the Australian wine-producing giant De Bortoli has been able to release a range of vegan wines under the 17 Trees label, and soon every De Bortoli product will be using them.

"When I first started, the vegetable-based fining agents weren't that great," says De Bortoli's senior white winemaker, John Coughlan in an interview with The Guardian. However, that was the case two decades ago and both science and technology progressed during this time. "There was a lot of trial and error and it took a good seven to eight years to become comfortable with the vegetable-based fining agents."

Other companies are looking to innovate wine to satisfy diet-conscious customers. Weight Watchers started creating low-calorie wine, which consequently has a lower alcohol content since alcohol makes up the majority of calories in wine. That might come as a surprise to many, as you'd think that sugar would be the major calorie-contributor, but since alcohol contains almost twice as many calories per gram as sugar, cutting the alcohol content is the most efficient way to cut the calories in wine.



LIQUOR

The spirited history of liquor

As old as humanity is the alcoholic drink, which is why almost every ancient civilization had its own alcoholic beverage. The ancient Chinese made rice beer as early as 800 BCE. In the East Indies, Arrack was distilled from sugarcane and rice. Most ancient civilizations made distilled spirits from sugar-based materials, primarily grapes and honey to make grape brandy and distilled mead, respectively. In the Middle Ages, we have the earliest evidence of starchy grains being used to produce distilled spirits. Later on, production methods improved and volume increased.

Old methods evolved into the pot still, which is still in use, particularly for making malt whiskeys and some gins. The next step in improving the distilling method was heating the alcohol-containing liquid in a column made up of a series of vaporization chambers stacked on top of one another. In 19th century France and England, large-scale continuous stills started operating and they were very similar to those used in the industry today.

Some spirits are already vegan – it depends on the production process

Good news for spirit lovers – vodka, gin, whisky, rum, tequila, etc. – can be vegan in some cases! How so? It comes down to the production process as spirits are distilled by taking grain or sugar and fermenting it to make alcohol. Afterward, you remove excess water in the distillation process and that creates a much stronger drink. Unlike wine that needs a fining agent to clarify the drink, spirits don't need to go through this part of the process.

But wait, what about the tequila worm or mezcal moth larvae? You can forget the tequila myth, but you might want to avoid Mezcal. It's a drink made from the agave plant which is bottled with a moth larva, which lives on agave plants, and allegedly improves the taste of the liquor.



Innovations in spirits are transforming the industry

Several companies that sell creamy liqueurs containing dairy are coming out with vegan-friendly alternatives.

“Why should non-vegans have all the fun?” asks the brand Baileys, who reinvented their well-known delicious drink by making it dairy-free – meet Baileys Almande, which is vegan-friendly. Besos De Oro followed Baileys’s steps and came out with a duo of vegan liqueurs in cream and chocolate flavors using tiger nut milk. As well as being vegan, these drinks are soy- and gluten-free, and are an option for all those who have allergies. Arctic Blue Beverages are launching their latest innovation – oat-based dairy-free gin liqueur that is set to go on sale first in Finland, before rolling out across the globe later this year.

Left: Besos De Oro, vegan chocolate liqueur with tiger nut milk

Right: Arctic Blue Beverages, oat-based dairy-free gin liqueur



Pioneering techniques and new ingredients are beginning to see the light of the day in the recent movement to create **vegan-friendly cocktails**. Often, this means making some ingredients from scratch in order to be sure there are **no hidden animal products sneaked into the production – such as sugar or base wine**. As an example, when making a Bloody Mary, the bartender could produce a vegan-friendly version of the Worcestershire sauce, which contains anchovies in its traditional form.

Aquafaba, the most high-profile egg-white substitute, is the water in which legumes (often chickpeas) are cooked. This innovation gave way to **classical cocktails like whiskey or**



gin sours that are usually made with an egg white. Another alternative to egg white is **pineapple juice or pineapple syrup** because the fruit has similar foaming properties when shaken.

Alcohol-free spirits are gaining popularity

Speaking of innovators, **Seedlip created the alcohol-free spirit category** and started the tidal wave of alcohol-free alternatives to classical spirits.

Pernod Ricard's launched Ceder's non-alcoholic gin made from classic gin botanicals such as juniper, coriander or citrus and exotic botanicals from the Cederberg Mountains in South Africa's Western Cape. William Grant & Sons' launched Atopia, an ultra-low alcohol spirit at 0.5% ABV that is made from natural distillates, extracts, and flavors to create a new generation of spirits. Diageo-owned Distill Ventures craft tequila, rum, whiskey, and gin alternatives under the brand Ritual Zero Proof and claim that it "tastes like its alcoholic counterpart".

While many companies aim to come up with an alternative to well-known spirits, there are companies like MeMento who claim that their drinks ***"Were not designed as a non-alcoholic version of a traditional distillate, but as a unique ingredient for the creation of exclusive drinks, perfect at any time of the day."*** They also claim all of their drinks are eco-friendly and locally sourced in Italy.





GET IN TOUCH TODAY

Transparency is in our DNA. If you have any questions about V-Label, schedule a free call now.



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SCHEDULE A FREE CALL

GET CERTIFIED

Ready to increase the visibility of your vegan and vegetarian products? With V-Label, customers will be able to identify your products as vegan or vegetarian at a glance – thus earning their trust without hesitation, double-checking or second guessing the product's quality.



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ABOUT V-LABEL

Across the globe, more than 40,000 products from more than 3,500 licensees now carry V-Label.

V-Label is an internationally recognised, registered seal for labelling vegan and vegetarian products and services established in Switzerland in 1996. It is a reliable, go-to shopping guide for consumers.

With more than 25 years of experience labelling products and engaging experts in quality management, food technology, chemistry, cosmetology and marketing, we are the frontrunners of a global movement. As such, we cooperate with businesses, retailers, consumers, and campaigners.

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