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SUMMARY OF REGULATORY UPDATES Specific to Labelling of Beverage Alcohol

Part 1: Overview of Regulatory Updates

This document presents a summary of the new regulatory requirements impacting the labelling of beverage alcohol products. This summary is intended as general information only. In producing this document, some requirements of the new and updated regulations may not have been included and some may be ambiguous. The LCBO takes no responsibility for any problems or errors in label design resulting from using this overview. It is the manufacturer's responsibility to be familiar with and comply with all applicable Canadian laws pertaining to their products, including, without limitation, any labelling requirements set out in the Canadian Association of Liquor Jurisdictions (CALJ) standards, LCBO Product Packaging Standards and other LCBO operational and policy requirements.

If you have a specific question regarding the application of the new regulations to a particular product, please contact your own advisers or the Canadian Food Inspection Agency (CFIA). In addition, you may consult the information available on the CFIA website (see links provided in Part III).

1.1 List of Ingredients and Allergen Statements

There are significant updates to the list of ingredient requirements for formatting and new rules for declaring specific ingredients. These updates will make it easier for the consumer to find, read and understand the list of ingredients. The new regulations will apply to all products that have a voluntary or mandatory ingredient list on the label.

In addition, all formatting rules will apply to any allergen statements required to indicate the presence or potential presence of priority food allergens, gluten sources or added sulphites. The new regulations will apply to all products that have an allergen declaration ("contains" statement).

Updates include:

- Sugar-based ingredients must be grouped in brackets after the name "Sugars"
- The "colour" class/collective name has been repealed for permitted colouring agents; therefore the term "colour" may not be used in the list of ingredients. Food colours must be listed by their individual common names
- The text must be shown in a single colour that is a visual equivalent of 100% solid black and be shown on a white or neutral background that has a maximum 5% tint of colour, meeting the requirements as detailed in the <u>CFIA guidance</u>

• The ingredients list must be clearly differentiated on the label by using either a solid-line border around the ingredient list, one solid line appearing above and one solid line appearing below the list or with high contrast to the adjacent area of the label. If used, the solid line(s) must be the same colour as that used for the text in the ingredient list

- There is a minimum type height requirement for ingredients
- Ingredients or allergens must be listed separated by bullets or commas
- Each ingredient or allergen entry must appear in lower case letters while the first letter of each entry must be shown in upper case letters
- The font must be in a single standard "sans serif" font that is non-decorative, and the characters never touch each other. English and French ingredient lists must start on different lines
- The "Contains" statement must appear after the ingredient list of the same language
- The titles "Ingredients" and "Contains" must be in bold type
- The individual ingredients and components must be shown in regular font type. No bolding, italics or underline is permitted.

1.2 Nutrition Facts Tables

The format of the nutrition facts table (NFt) and the list of nutrients have been updated to make the information clearer and easier to interpret for the consumer. The new requirements will apply to all products that have a voluntary or mandatory NFt on the label.

Updates include:

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- Serving sizes have been regulated (more information provided in next section)
- Changes to the format of the table to make the information on serving size and calories easier to find and read due to larger font and bold line under the calorie content statement
- The percent daily values have been revised
- A new percent daily value has been added for sugar
- The list of nutrients has been updated to add potassium and remove vitamin A and vitamin C. Amounts in milligrams must be shown for potassium, calcium and iron
- A footnote has been added at the bottom of the table to help consumers better interpret the percent daily value

1.3 Serving Size

The new regulations have introduced regulated reference amounts (RA) for beverage alcohol (see Table 1). The new reference amounts will better reflect the amount that Canadians consume in one sitting. Serving sizes are more consistent, which will make it easier to compare similar foods. On single-serving packages containing up to 200 percent of the reference amount for that beverage, the serving size will be the amount in the whole container. The new regulations will apply to all products that reference standard drinks or have a nutrition facts table present on the label.

Table 1: Reference Amounts for Beverage Alcohol Image: Comparison of Comparison of

Wine	Beer	Coolers/RTD	Spirits
188 mL	333 mL	333 mL	43 mL*

*Note: a regulated reference amount has not yet been assigned for spirits. LCBO adopted a single-size reference amount value of 43 mL.

1.4 Lot Code / Traceability

The Safe Food for Canadians Regulations (SFCR) set out traceability requirements for food products including beverage alcohol. This new regulation requires that all selling units must bear a lot code and products sold must have traceability documentation one step forward and one step backward in the supply chain. For more details, please review the <u>Safe Food for Canadians Regulations Traceability and</u> <u>Lot Code requirements: Frequently Asked Questions</u> document on Doing Business with LCBO.

1.5 Beer Compositional Standards

The Regulations Amending the *Food and Drug Regulations (Beer):* SOR/2019-98 came into force on April 15, 2019. The changes to the regulations apply to compositional standards and labelling declarations.

Specific to labelling requirements only, the following updates are highlighted:

- The use of a flavouring preparation triggers an additional requirement for a mandatory declaration that a specific flavouring preparation was used as part of the common name on the label (e.g. "beer with blueberry flavour").
- The standard for ale, stout, porter and malt liquor has been repealed. These terms can no longer be used as a common name declaration.
- Brewers are now required under the *Food and Drug Regulations* (FDR) to declare food allergens, gluten sources or added sulphites on the label. This change will help Canadians with food allergies, celiac disease or food sensitivities make more informed choices.

Note: Details on the updates of the beer compositional standards are not included in this document.

1.6 Vodka Compositional Standards

The Regulations Amending the *Food and Drug Regulations (Vodka):* SOR/2019-217 came into force on June 17, 2019. The changes to the regulations apply to compositional standards and labelling declarations. The new regulations allow vodka to be produced from agricultural products other than potato and cereal grain.

Specific to labelling requirements only, the following updates are highlighted:

• When vodka is produced from agricultural material other than just potatoes or cereal grains, the material used in production of the vodka must be indicated on the label with the expression "Produced from" followed by the name(s) of all of the agricultural material used in close proximity.

Note: Details on the updates of the vodka compositional standards are not included in this document.

Part 2: Implementation Timelines

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Health Canada published amendments to the Food and Drug Regulations (regulations) in 2016 to improve labelling on food and beverage products. The industry was given a 5-year transition period to meet the new requirements; the former regulations ceased to be in effect as of December 15, 2021.

Due to pandemic challenges, CFIA announced that they will focus efforts on education on compliance during the first year, until December 14, 2022. While the regulatory compliance date remains December 14, 2021, the enforcement date has been extended by one year.

Existing products with labels that are not compliant with the new regulations will be flagged for noncompliance. LCBO will work with vendors to ensure action plans are developed to bring products into compliance no later than December 14, 2022. LCBO's plans for corrective actions, including possible corrective labelling, will be confirmed at a later date.

Part 3: Frequently Asked Questions

1. Do these changes affect all product categories or only certain ones?

These changes have the potential of affecting products in all categories. Products that will be most affected are any products with an ingredient list, allergen statement, or Nutrition Facts table (NFt). These products must make changes to the label artwork to comply with the new format requirements and new rules for specific ingredients.

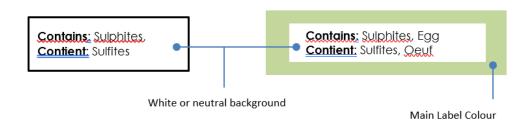
All selling units will be required to have a lot code.

2. How will standardized <u>wine</u> labels be affected?

There are new format requirements for all allergen declarations, including "contains" statements. Labels will have to be updated to comply with the new formatting rules. When used, a new Canadian single-serving size applies (see section 1.3). As per the Safe Food for Canadians Regulations a lot code is required on all selling units.

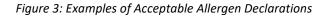
Summary of Regulatory Updates Specific to Labelling of Beverage Alcohol

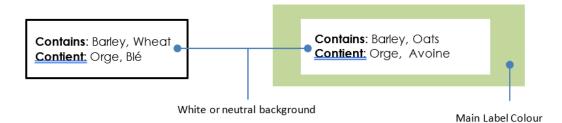
Figure 2: Examples of Acceptable Allergen Declarations



3. How will standardized <u>beer</u> labels be affected?

As part of the amended Food and Drug Regulations, beer labels must declare food allergens, gluten sources, or added sulphites; the allergen declarations must follow the new format requirements.





The following terms can no longer be used as common name declarations: "ale," "stout," "porter" and "malt liquor". A common name of "beer/bière" with the appropriate beer strength modifier (example: "light/légère) must be used instead. The use of a flavouring preparation triggers a modified standardized common name listing the specific flavouring preparation used (e.g. "beer with blueberry flavour").

Labels will have to be updated to comply with the new formatting rules. When used, a new Canadian single serving size applies (see section 1.3). As per the *Safe Food for Canadians Regulations* a lot code is required on all selling units.

If the product label has a voluntary ingredient list, follow the instructions for an unstandardized beer.

4. How will <u>unstandardized beer</u> labels be affected?

Ingredient lists and allergen statements will be required to meet the new regulatory requirements for formatting and rules for specific ingredients. Labels will have to be updated to

comply with the new regulations. When used, a new Canadian single-serving size applies. As per the *Safe Food for Canadians Regulations* a lot code is required on all selling units.

5. How will standardized spirits labels be affected?

There are no changes required unless the label contains an allergen declaration, or a voluntary ingredient list. As per the *Safe Food for Canadians Regulations* a lot code is required on all selling units.

If the product label has an ingredient list or allergen declaration, follow the instructions for an unstandardized product.

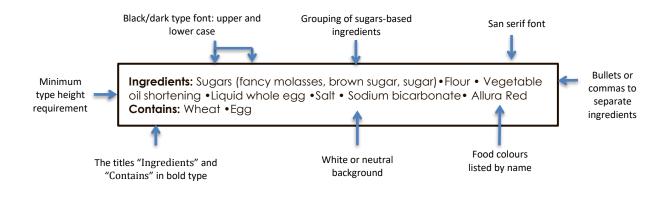
Please see question 13 specific to vodka products.

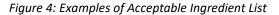
6. How will unstandardized product labels be affected?

Ingredient lists and allergen statements will be required to meet the new regulatory requirements for formatting and rules for specific ingredients. Where a Nutrition Facts table (NFt) is present, the NFt must meet the new regulatory requirements. Labels will have to be updated to comply with the new regulations. A new Canadian single-serving size applies (see section 1.3). As per the *Safe Food for Canadians Regulations* a lot code is required on all selling units.

7. What should a new ingredient list look like?

Ingredient lists (when present /required) must be bilingual. French and English versions of the ingredient lists must begin on separate lines. All ingredient lists must meet new formatting requirements.





8. Does barley malt need to be grouped after the term "Sugars" in an ingredient list?

As part of the new regulatory requirements impacting the labelling of beverage alcohol products, there is a requirement to group sugar-based ingredients after the term "sugars" within an ingredient list. CFIA defines barley malt as a sugar-based ingredient.

However, barley malt, when it is subject to fermentation, may be listed outside of the sugars grouping in the list of ingredients. Therefore, an acceptable list of ingredients for a standard beer would be: Water, Barley malt, Hops, Yeast.

9. The regulations require the font of the ingredient list, allergen statement, NFt and borders be shown in a single colour that is a visual equivalent of 100% solid black, what does this mean?

The regulations for the list of ingredients and NFt prescribe specific requirements for the colour of the font and boarders. If black ink has been used in the printing process, then the font and borders should be printed in black. However, another dark colour will suffice when black has not been used. Dark blue, dark brown and dark green are acceptable. Light green, red, orange, yellow, silver and reverse printing (white printing on a dark background) are not acceptable.

Regardless of the printing process used, the approach would be to verify whether the final label meets the associated regulatory requirements. The rules regarding colour usage are similar to the ones that already apply to NFt [B.01.450(2), FDR], found <u>here</u>.

10. The regulations require the ingredient list, allergen statement or Nft to be shown on a white or neutral background that has a maximum 5% tint of colour, what does this mean?

The regulations for the list of ingredients and Nft prescribe specific requirements for the colour of the background. The background colour should be white or neutral, with a maximum 5% tint. This level of tint provides only a slight colour to a background, and means the background is so pale that it is almost white. Backgrounds with more than 5% tint are not permitted. Dark backgrounds or reverse print are not permitted. In general, neither are clear backgrounds, where the colour is provided by the product underneath the clear packaging.

Regardless of the printing process used, the approach would be to verify whether the final label meets the associated regulatory requirements. The rules regarding colour usage are similar to the ones that already apply to NFt [B.01.450(2), FDR], found <u>here</u>.

11. What does a "san serif" font mean?

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Serif fonts have an extra stroke or decorative flare on the end of letters. Sans serif fonts do not have any extra design or strokes. "Serif" means stroke or line, and "sans" stands for without. Therefore, sans serif font means font without strokes or lines. Examples of "sans serif" fonts include Arial and Helvetica.

12. My product does not currently have a Nutrition Facts table. Do I now need to have one on my label?

The regulatory updates did not change the rules pertaining to Nutrition Facts tables on beverage alcohol labels. Beverages with an alcohol content of more than 0.5 per cent are usually exempt from the requirement of a Nutrition Facts table. However, this exemption may be forfeited in certain situations, such as when a nutrient content or caloric claim is made or when a product contains added sucralose, aspartame or acesulfame-potassium.

Note: non-alcoholic beverages do not qualify for this exemption and must bear a nutrition fact table on the label.

13. How will the new Vodka Compositional Standards affect my labels?

Under the changes to the *Food and Drug Regulations*, the updated vodka standards now allow vodka to be produced from agricultural products other than potato and cereal grains. The standard also requires that consumers be informed when products other than just potatoes or cereal grains are used by requiring the use of the statement "Produced from" in conjunction with the common name "vodka." For example, if a vodka product is produced entirely from apples, the label must place "Produced from apples/Produite à partir de pommes" in close proximity to the common name of "vodka."

14. What does *close proximity* mean with respect to vodka labelling?

Close proximity in respect of information that is shown on a label, means immediately adjacent to the information and without any intervening printed, written or graphic material.

15. My products are sold through LCBO Specialty Services. Do these label regulation changes affect my product?

Yes. Label updates will be required for items sold through Specialty Services as the regulatory changes apply to all alcoholic beverages sold in Canada regardless of their distribution channel.

16. I need to update my labels. Where is the best place to start to understand what is required?

It is recommended to review the Health Canada's summary of the food labelling changes.

In addition, CFIA has updated the <u>Food Labelling for Industry</u> guidance; this online tool is a very comprehensive resource that can assist manufacturers and any other interested parties.

To further assist suppliers and agents with the transition to the new labelling requirements, LCBO has developed a simplified guide, available on the LCBO Trade Resources Online: <u>Simplified label guidelines</u>.

17. What are the transition deadlines?

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The transition period for the labelling changes driven by the *Food Labelling Modernization Initiative* and published in the *Food and Drug Regulations* in 2016, ended on December 14, 2021. Due to pandemic challenges, CFIA announced that they will focus efforts on education on compliance during the first year, until December 14, 2022. While the regulatory compliance date remains December 14, 2021, the enforcement date has been extended by one year.

The *Safe Food for Canadians Regulations* came into force as of July 15, 2020. According to the SFCR, suppliers are required to ensure that consumer selling units bear a lot code that meets legibility requirements. Starting in 2022, the LCBO corrective measures are planned to evolve to include corrective labelling and/or application of penalties for noncompliance.

Beer and vodka producers will be required to make all necessary changes to their labels so that their labels are fully compliant to the new compositional standards by the end of the transition period. Updates driven by the Beer and Vodka Compositional Standard must be in market compliant by December 14, 2022.

18. What new items will LCBO be checking for on label applications?

LCBO will be evaluating selling unit labels against all new regulatory requirements. Health Canada has put together a <u>summary of the changes</u>. The updated label regulations are focussed on the following key topics: ingredient lists, allergen statements, nutrition facts tables, serving size, and sugars.

19. Will the changes be included in the updated LCBO Product Packaging Standards?

Highlights of the updates will be included in the next version of the LCBO Product Packaging Standards. However, this document will not include all details of the regulatory requirements. For a more comprehensive outline we recommend using the CFIA <u>Food Labelling for Industry</u> online tool.

20. Can LCBO help me update my label to meet the new requirements?

The LCBO does not offer commercial label services. To assist suppliers and agents with the transition to the new labelling requirements, the LCBO developed a simplified guide, available to access on the LCBO Trade Resources Online: <u>Simplified label guidelines</u>.

Manufacturers and agents desiring support to transition product to the new requirements may seek the services of professional label consultants. Such services can be identified online using "Canadian food label consultants" as the search criteria.

Part 4: Website Resources

Following are online resources we recommend for information about Canadian label requirements:

- Food and Drug Regulations
- <u>Canadian Food Inspection Agency Food Labelling for Industry</u>
- <u>Canadian Food Inspection Agency Food Labelling Modernization Initiative</u>
- <u>Canadian Food Inspection Agency Notice to Industry 2016 Regulatory amendments related to</u> <u>nutrition labelling, list of ingredient and food colours</u>
- LCBO Trade Resources Online: Simplified Label Guidelines
- Labelling requirements Government of Canada
- <u>Safe Food for Canadians Regulations</u>
- <u>Canadian Association of Liquor Jurisdictions (CAL-J) Product Identification Standards, Global Trade</u> <u>Identification Number (GTIN)</u>
- Labelling Requirements for Alcoholic Beverages
- <u>Canadian Food Inspection Agency Notice to Industry Beer compositional standards</u>
- <u>Canada Gazette</u>, Part II Regulations Amending the Food and Drug Regulations (Beer)
- <u>Canadian Food Inspection Agency Notice to Industry Vodka compositional standards</u>
- Canada Gazette, Part II Regulations Amending the Food and Drug Regulations (Vodka)
- <u>Notice to industry Pre-publication of regulatory changes for Food Labelling Modernization</u>
- <u>Safe Food for Canadians Regulations Traceability and Lot Code requirements: Frequently Asked</u> <u>Questions</u>