A Sustainable choice that captures both climate, environmental and social perspectives

To make it easier for Systembolaget's customers to choose products that are the most sustainable, we will introduce a label in all Systembolaget's stores and online.

This label captures the width of sustainability, based on climate, environmental and social perspectives, and will be launched March 1st 2022.

The criteria for obtaining the label *Sustainable choice* will be sharpened gradually, more aspects will be weighed in and the products that qualify today may not do so tomorrow, but you as a customer should be sure that products with this label are the most sustainable we have at any given time.

Sustainable consumption

- 75% of Swedes state that they would like to live more sustainably. The proportion is higher for women and for young people.*
- A majority of consumers want to act more sustainable but find it difficult.*
- The consumer wants to be guided and it must be easy to do the right thing!*
- Most consumers are potential consumers of sustainable products*
- The proportion of organic beer and wine of the total sales at Systembolaget is among the highest in the world**. We want to maintain that whilst at the same time take a step further in guiding our costumers to making more sustainable choices.



^{*) &}lt;u>Svenskar och Hållbarhet 2021</u> • <u>Accenture: COVID-19 and European consumers</u> • <u>WWFs årliga Kantar Sifo-undersökning</u> • <u>Svanen The Report 2021</u> • <u>Svensk Handels Hållbarhetsundersökning</u>

^{**)} Sales of organic wine in 2020: 24%, organic beer: 6%

Four criteria to become a Sustainable choice (spirits)

ENVIRONMENT

The product must be certified with certification covering relevant environmental requirements on cultivation and production*. The certification logotype must be visible on the packaging.

PACKAGING

The product's primary packaging must have a lower climate impact compared to heavy glass bottles. The following packaging is approved:

Cardboard packaging, Bag-In-Box, pouches, aluminium cans, PET plastic bottles, returnable glass bottles and lighter glass bottles**

SOCIAL RESPONSIBILITY

Approved outcome in Systembolaget's sustainability analysis for all social sustainability indicators in the risk analysis.***

or

Product certification* that covers the social sustainability indicators in the entire supply chain in an equivalent manner.

TRACEABILITY

Information about the actual producer and growers or country of origin of the agricultural raw material which has contributed to the production of at least 2/3 of the volume of the item (if more than ten countries are relevant, the ten that represent the largest volume must be specified).



^{*)} See table 1 on the next slide for approved certifications

^{**)} See table 2 on the next slide for weight limits

^{***)} See the last slide for explanation of the risk analysis

TABLE 1 – APPROVED CERTIFICATIONS

Certification	Environmentally- certified product	Socially-certified product
Bodegas de Argentina	х	
Bonsucro	x	×
Certified California Sustainable Vineyard and Winery (CCSW)	х	
Certified Sustainable Wine of Chile	х	
Demeter Biodynamic Certification (International)	x	
Demeter Biodynamic Certification (USA)	x	
Equalitas Sustainable Wine	x	ж
EU Organic	×	
Fair 'n Green	×	
Fair for Life	×	ж
FairChoice Germany	×	
Fairtrade - Standard for Hired Labour	×	ж
For Life	×	ж
IPW South Africa	×	
Krav	ж	
LIVE Certified(Low Input Viticulture & Enology, Inc)	×	
Napagreen	×	
SIP Certified	×	
SQNPI	х	
Sustainable Austria	х	
Sustainable Winegrowing Australia SWA	ж	×
Sustainable Winegrowing New Zealand SWNZ	x	
Sustainable Winegrowing/Vignerons Engagés (VDD)	х	
Sustainable Wines of Great Britain	ж	
WIETA		х
V.I.V.A.	х	х
Wines of Alentejo Sustainability Programme WASP	ж	

TABLE 2 - WEIGHT LIMITS LIGHTER GLASSBOTTLES

Volume (ml)	Spirits (g)
187	220
200	225
250	240
300	255
330	265
350	270
375	280
500	325
700	400
720	410
750	420
1000	530
1500	800



Social responsibility – the risk analysis (spirits)

Systembolaget uses risk data based on 17 indicators from Verisk

Maplecroft. These country-specific indicators are linked to different areas in which there is a risk of a negative impact on humans and the environment. To fulfil the criteria for *social responsibility* for Sustainable choice, none of the 12 social indicators used can have a high or critical risk for the actual producer and grower(s) or country of origin of the agricultural raw material of the product. Certifications from an annual review of sustainability certification programs, that Intertek is doing on behalf of Systembolaget, can, to various extent, be used to mitigate risks.

In example 1, Certification A mitigates all social risks for Country X, and therefore fulfill the criteria for social responsibility, while in example 2 Certification B doesn't mitigate Country X's risks for *corruption and unethical business behavior* and *Workers rights*. Country Y in example 3 on the other hand, doesn't have any high or critical social risks to start with and therefore fulfill the criteria for social responsibility.

Another way of mitigating risks are through audits, either a full scale amfori BSCI audit, or a focused assessment done by a third party.

