

VINGRUPPEN | NORDEN

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Quality since 1992

WINEWORLD
Sweden

the
wine
agency

VALID
WINES

QUAFFABLE
WINES

Sustainability Report 2020



Together for a better future

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Intro by the CEO and CSO

Together for a better future

THAT 2020 BECAME A YEAR that we will not forget is probably no surprise to anyone. Although the human ability to adapt is both impressive and widely known, the situation became challenging. When the reality of the Covid 19 pandemic arose, we realized that it would be a global challenge; we also understood that how we act here and now will shape us and make a mark on who we will be in the future. We immediately started communicating with all parts of our business sphere and invested a lot in finding beneficial solutions for our common situation. Looking back, we feel enormous pride in our ability to act together to create a positive change. For example, the positive effects we created through our collaboration with Swedish restaurants to our joint development efforts with global wine partners and logistics partners for incoming transports. Together with the industry, we have created some unique collaborations during the year.

That sustainability would be a hygiene factor for running new businesses in 2020 was a well-established strategy within Vingruppen. We can state today that our approach proved to be more relevant than ever before. Sustainability is an essential part of Vingruppen's value chain. We have conducted several consumer research analyzes in 2020 that give the same indication that sustainability is one of the strongest decision-makers when choosing wines. And given that Systembolaget has communicated that sustainable products will be their focus (68% of their tenders include sustainable elements), we are very confident that Vingruppen is on the right track.

As we said last year, we are now more than ever before coming together as a team, supporting each other and the communities around us. We are still convinced that sustainability is about being responsible and accountable to our partners, customers, society, and the overall growth of our corporate group.



Svante Selling
CEO
Vingruppen i Norden



Kim Forsberg
Sustainability Manager
Vingruppen i Norden

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Working for a sustainable and equal growth

Results in brief

- During 2020, we mapped, evaluated and followed up 293 suppliers on ethical and environmental responsibility
- We increased our range of wines in climate friendly packaging with 3%
- We reduced our carbon emissions per litre with 7%
- We started pricing our carbon emissions
- We launched our sustainability fund - Vinfinity™
- We became a founding member of Sustainable Wine Roundtable
- We adopted a fossil-free car policy
- We shared our best sustainability practices at global wine conferences

*Vision
Be a role model for
sustainable and equal growth*



THE YEAR 2020 has undoubtedly been one of the toughest - but also one of the most important for sustainability. The pandemic has shown us that no human or company alone can stop a global challenge, which makes me think of the critical global challenges that remain - climate change and the loss of biodiversity, as well as poverty and inequality. Although we saw both global progress and setbacks during the year, one insight is clear - that we must solve the challenges we face together through cooperation and learning from each other. This insight already infuses the UN's sustainable development goals, where perhaps one goal has shone strongest in 2020 - No. 17: Partnership to achieve the goals.

Our results for 2020 give the same indication that partnership is the best leadership for creating change. During the year, our most prominent sustainability efforts were about securing a future sustainable supply chain for our wines. The year began with a new collaboration with our producers on sustainability risks and a model for managing these. We took part in global cooperation to create a harmonized image of sustainable wine, to meet customers' growing demand for climate, environment, and ethics in wine selection. We developed our climate strategy to create internal pricing of carbon and initiated a sustainability fund that enables us to invest in sustainable development in our value chain. These efforts would not have been possible without cooperation and lessons learned from actors within and outside our industry.

From grape to glass and beyond

Our work for sustainable and equal growth continues. We call our strategy From grape to glass and beyond, and we can summarize our actions in four steps:

- Encouraging conscious grape growing
- Building respectful communities
- Choosing responsible packaging
- Acting together to make a positive change globally.



*Kim Forsberg,
Sustainability manager
Vingruppen i Norden*

About this sustainability report

In this sustainability report, we provide a transparent account of our impact, challenges, strategy, and results. We have chosen to highlight the goals and Key Performance Indicators (KPI) that we consider to be most important for us to reach the designed UN Sustainable Development Goals and Vingruppen i Norden's long-term goals. This report is developed using the Global Reporting Initiatives guidelines (GRI) to benchmark corporate sustainability reporting.

About us

WE CONSIST OF five wine importers, namely: Vinunic, Wine World, The Wineagency, Quaffable Wines, and Valid Wines.

Our history is deeply rooted in our passion for wine. This passion has led to several successful collaborations with some of the world's best-known wine producers and brands. The close ties to our producers have shaped a way of thinking that permeates our entire business today; That success is built through strong relationships, care, and commitment. This approach applies to every aspect of our business.

We strongly believe that our company culture is a big part of our success. We have an equal division of women and men in management positions. We share an entrepreneurial spirit and empower each other to grow and fulfill our full potential at work. We have different backgrounds and perspectives which add value to every decision we make, and always keep in mind the balance of everyday business and our long-term sustainability goals.

Our companies are partnership-driven, with the CEO as a shareholder and Arcus AS the majority owner. All companies within Vingruppen i Norden share the central functions such as the logistic and financial department and our on-trade sales team.



VINGRUPPEN I NORDEN



Proudly presenting our global wine partners

We work with wine producers from eighteen countries worldwide



Our company group 2020

1 of 10 Swedes consumed our wines | 16 million liters in sold volume | 48 employees | 58% women 42% men in leading positions | 1,3 billion SEK in turnover | 47% of the sold volume was certified | 75% of sold volume was consumed in climate friendly packaging

Trends that impact business

TRENDS THAT ARE IMPORTANT and inspires us.

Towards a consensus on what sustainability means in wine

A trend that inspires us is the growing interest in creating a global sustainability standard for wine. In 2020, a group of volunteers in and around the global wine industry started the Sustainable Wine Roundtable (SWR), intending to create a definition of sustainability for wine globally and develop principles and criteria for information on sustainability wine labels. In 2020, the EU's Green Initiative 2025 established a roadmap to regulate and create guidelines for European labeling of sustainability claims on consumer products. In 2021/2022, Systembolaget aims to introduce a new sustainability label to meet its consumer demand.

The shift towards green packaging

A second trend that inspires us is the global shift to thinking more climate-smart about packaging. More retailers, suppliers, and producers realize that there is economy in climate-smarter packaging. That they are more resource-efficient, but also that there is an increasing demand for packaging to be climate-smart when retailers buy new products. Since 2019, Systembolaget has been running consumer campaigns to help consumers choose more climate-smart packaging.

Digital solutions for the wine industry

A third trend that inspires us is the increased use of digital solutions. With the global lockdown and social distancing, we had to quickly go digital for communication and business. The digitization of wine tastings has been a way to succeed in getting in touch with customers and consumers. The Covid 19 pandemic has also led to forced progress and digitization of audit and review programs. With the new EU directive on mandatory human rights evaluations, digital review programs can be a concrete solution in the future.

Putting a price tag on carbon

A fourth trend that inspires us is the new carbon pricing instruments and how they can accelerate the delivery of long-term climate goals. Over the years, several climate initiatives have emerged in and outside our industry. Jointly reducing emissions has become an increasingly important aspect in the procurement of goods and services. Many are now predicting new and strengthened pricing requirements for carbon at the industry level, nationally, at the EU level, and globally. It is therefore interesting to follow companies that have voluntarily chosen to price their carbon emissions. One example is how internal carbon pricing became a key factor for a European company's decision to close several of its power plants. As the internal charge for increased carbon emissions reduced the expected profitability of these plants. Other companies use internal carbon prices to identify investment opportunities with low carbon emissions and high returns.

Inspiration from the food industry



We think it is important to learn from others. We are inspired by the trend around green packaging in the food industry. Food companies have long collaborated closely with packaging manufacturers such as Stora Enso and Tetra Pak to tailor climate-smart and sustainable packaging for their products. Through these collaborations, new sustainable packaging solutions have been developed. In January 2021, Tetra Pak's VP for Development announced the introduction of a new collaboration model with leading carton-board manufacturers and food companies to tackle the sustainability challenges of food packaging.

From grape to glass

Our strategy and goals

With our sustainability strategy we want to ensure that we tackle sustainability risks and opportunities, grow sustainably, remain competitive, and create value for our business partners and owners.



UN Sustainable Development Goals

Reaching a sustainable society for all means we have to meet the designated SDGs. All 17 of them are essential, but some are more important than others to us. Therefore, we are focusing on the goals that we can contribute the most to:

- Goal 5: Gender equality
- Goal 6: Clean water and sanitation
- Goal 8: Decent work and economic growth
- Goal 12: Responsible consumption & production
- Goal 13: Climate action
- Goal 15: Life on land
- Goal 17: Partnerships to achieve the goal



GOAL 5. Gender Equality

Achieved through establishing a culture where women and girls are given the same basic rights and opportunities via empowering change in issues, norms, and attitudes as well as developing frameworks that promote equality between genders.

How we create value: We have an equal division between women and men in management positions. We speak openly about gender equality which allows us to rethink norms and attitudes that negatively influence gender equality. We also have a gender equality policy.



GOAL 6. Clean Water

Achieved through improved water quality, increased recycling and reuse, and efficient water management and secured water supply.

How we create value: Grapes need water. Many of our producers are based in water-scarce areas such as South Africa, Chile, and California. Many of them already work actively with sustainable water management. Our mission is to continuously empower all producers to establish and ensure a sustainable water management system.



GOAL 8. Decent Work and Economic Growth

Achieved by protecting worker's rights and promoting a safe and secure workplace, and via higher economic productivity through sustainable innovation and resource efficiency in production.

How we create value: We promote sustainable innovation, resource efficiency, and secure supplier responsibility through the amfori BSCI Code of Conduct, internal policy documents and processes.



GOAL 12. Responsible Consumption and Production

Achieved through solutions for responsible management of chemicals and waste, supporting producers in their sustainability practices and sustainability reporting. Also, by promoting a sustainable consumer lifestyle.

How we create value: We promote sustainable production; we evaluate sustainability performance in our supply chain, and we promote sustainable consumption in consumer communications.



GOAL 13. Climate Action

Achieved through improved climate-smart business activities regarding production, transport, and policy.

How we create value: We have a climate strategy and drive projects to reduce our climate footprint from packaging and transportation. We have made transport more sustainable in partnership with our logistics partner and promote climate-smart packaging. Our goal is to become a climate-positive company by 2030.



GOAL 15. Life on Land

Achieved by improved management of soil and land and protecting and restoring biodiversity and ecosystems.

How we create value: Wine production can strengthen biodiversity or contribute to the loss of biodiversity. Our very existence depends upon a healthy environment and functional ecosystems. So, it is only natural that we care about farming practices. We encourage producers to have as little impact on ecosystems and biodiversity as possible. Our amfori BSCI process monitors farming practices. We have a large and growing assortment of organic and certified sustainable wines that guarantee none or less use of pesticides and fertilizers.



GOAL 17. Partnerships

A successful sustainable development agenda requires partnerships between governments, the private sector, and civil society.

How we create value: We believe partnership is the best leadership. By acting together we can make a positive change. One example is our collaboration with Scanlog, our logistic partner, where we together reduced our CO₂e footprint from transports with 14%.

Governance to reach our goals

The Board of Directors has the overall responsibility for Vingruppen's sustainability progress. At management level, the responsibility lies with our Sustainability Manager, and the Sustainability Committee, which includes members from each company in the group. The Board receives regular updates from the Sustainability Manager who is part of their monthly meetings. The whole organization has oversight of KPIs and targets related to our 2021 goals.



We call our strategy From grape to glass, to simply highlight that improvements are needed throughout our entire value chain

Our results 2020

Key performance indicators (KPIs)

FOCUS AREAS & PRIORITIES	RESULTS 2018	RESULTS 2019	RESULTS 2020	TARGETS 2021
Sustainable production and farming				
Proportion of producer's in risk countries with approved code of conduct*	100%	100%	100%	100%
Proportion of producer's in low-risk countries with approved code of conduct*	0%	100%	100%	100%
Proportion of products that have been evaluated for environmental and social risk*	0%	0%	100%	100%
Proportion of corrective action plans for high or medium risk products*	0%	0%	100%	100%
Sustainable consumption				
Proportion of certified volume	30%	55%	47%	70%
Proportion of volume in climate friendly packaging	58%	72%	75%	80%
Sustainable climate				
Kg CO ₂ e/ per liter beverage	0,39 kg CO ₂ e	0.35 kg CO ₂ e	0.33 kg CO ₂ e	0.29 kg CO ₂ e
Sustainable workplace				
Proportion of women and men in management positions	Equal division between women and men in management positions	Equal division between women and men in management positions	Equal division between women and men in management positions	Equal division between women and men in management positions
Proportion of renewable energy use	100%	100%	100%	100%
Proportion of new company cars that run on electricity or hybrid	0%	0%	100%	100%

*fixed assortment

Methods: Materiality analysis, the UN Sustainable development goals and the GHG protocol

RESULTS Sustainability area 1

Sustainable production and farming



Production and farming of wine depend on a variety of environmental, economic, and social factors. It is a fine craft and requires a favorable climate, soil, and knowledgeable winemakers.

There are different ways to farm the soil and grow the grapes. As a result, the vineyard can contribute to increased biodiversity and inhibit biodiversity depending on the farming method used. In the same way, conditions for workers can benefit good working conditions and the local community or pose a risk of poor working conditions, for example, during long harvest days.

Good working conditions and respect for the environment are some of Vingruppen i Norden's most important priorities, and we set detailed requirements for our producers. That farming and production take place with respect for nature and that workers are entitled to reasonable working hours and the right salary. Discrimination must not take place, and workers' health and safety must be respected. All types of child labor and forced labor are prohibited.





*From grape to glass and
beyond in 4 steps*

Encouraging conscious grape growing

Creating respectful communities

Choosing responsible packaging

Acting together to make a positive change globally

Our mission

Offer the highest quality in terms of social and environmental responsibility



Together for a more sustainable supply chain
Making a positive impact on our supply chain cannot be achieved without the cooperation of our producers. They are our most important asset. Therefore, it is important for us to follow our strategy in our long-term relationships. Because being sustainable should and will pay off!

Organic farming
The organic farmer tackles fungi and pests using biological materials. Wild grass is removed by hand or with machinery. Both organic and biodynamic farming allows a richer variety of plants and animals in the vineyard, which boosts biodiversity and healthy ecosystems. Other benefits include reduced climate impact and that workers are not exposed to pesticides.

Sustainable farming
In the late 1950's pesticides were introduced to farming and worked as an efficient and relatively cheap method of handling unwanted elements. Today, the use of pesticides is commonly called conventional farming. Today, more and more conventional producers are joining sustainable grape growing programs that focus on both social aspects such as better workers conditions, and environmental aspects such as less use of pesticides, sustainable water use, energy use and increased biodiversity.



Human rights and fair working conditions
All workers in our supply chain – from the wine fields around the world to our office in Stockholm should have the right to be fairly paid, freedom to bargain, a safe working environment, no discrimination and legal working hours

- Amfori BSCI framework**
The values and principles of the amfori BSCI Code of Conduct are translated into 13 interconnected Performance Areas:
1. Social management system and cascade effect
 2. Workers involvement and protection
 3. The right of freedom of association and collective bargaining
 4. No discrimination
 5. Fair remuneration
 6. Decent working hours
 7. Occupational health and safety (OHS)
 8. No child labor
 9. Special protection for young workers
 10. No precarious employment
 11. No bonded labor
 12. Protection of the environment
 13. Ethical business behavior

These principles are based on the UN Universal Declaration of Human Rights (UDHR) and the International Labour Organizations' (ILO) conventions. To ensure that all these principles are met, amfori BSCI uses audits as a compliance method. We use the amfori BSCI framework to ensure social and environmental responsibility in our supply chain. Our employees are trained in the compliance process and all producers are informed.

Supply chain management
Through our systematic work with traceability and follow-ups, we can conduct continuous improvements in our supply chain. Identify problems and follow up on incidents, make targeted follow-up efforts such as reviews or audits. The risk analysis also allows us to see patterns in shortcomings at the producer and grower levels. We do this so that the drinks we buy are produced in a fair way for both people and the environment.



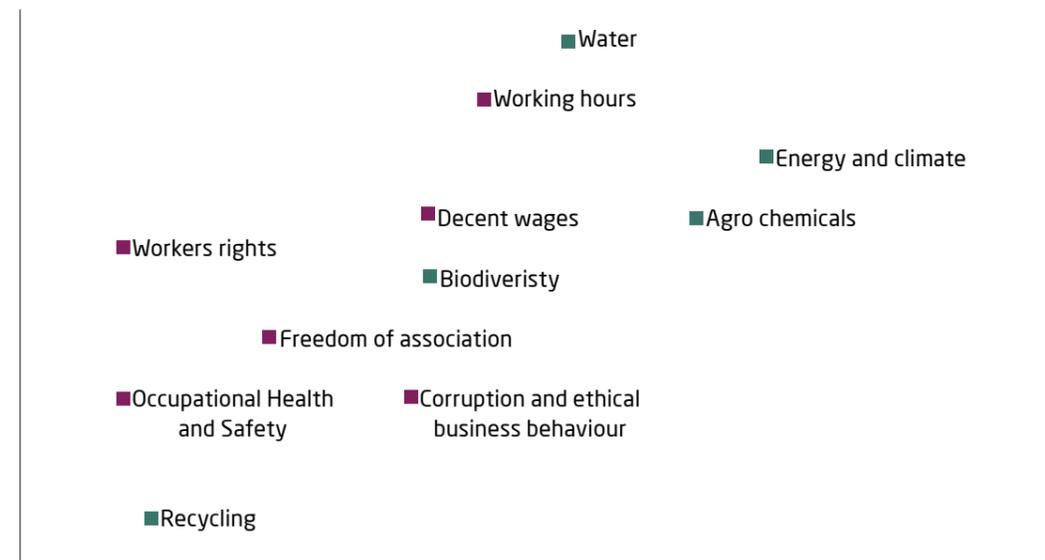
Amfori BSCI and our tracing platform Worldfavor are important elements for and us to secure human rights and accelerate sustainable development in our supply chains.

Risk assessment wine

We conducted a major mapping of our global wine supply chain 2019-2020. The evaluation is based on a risk framework for wine production and farming, created by the independent organization Intertek. Here is the result that reflects social and environmental risks in wine-producing countries.

By sharing and following up the results with our partners in risk countries, measures have been taken, and the latest follow-up shows extinguished risks in several areas. Additional risk follow-up will take place in 2021-2020 through desk follow-up, producer visits, and audits.

- Social risk
- Environmental risk



Some highlights



Organic & sustainable



Masi, Italy
By establishing the Masi Green program, all phases from farming, production, and storage are being monitored and improved with regard to the environment and human working conditions.

Sustainable



Mezzacorona, Italy
Promoting sustainability since the 1980s, Mezzacorona is taking great responsibility for environmental and social compliance, all their great work is described in their 2018 sustainability report.

Sustainable



Montes, Chile
Growing grapes without irrigation is a challenge, but for Montes, experimenting with dry farming has paid off. The wine is now developed with minimal use of water.

Organic



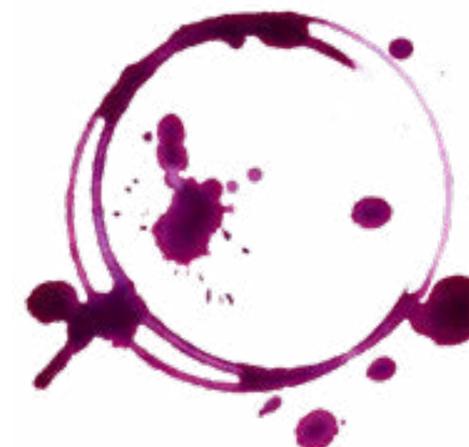
Quercia al Poggio, Italy
Year after year, biodiversity is sustained and increased on Quercia al Poggio's property in Tuscany. It features a lake for birds, animals running free and a large variety of flora. Sustainability is a big part of Quercia Al Poggio's identity. Pesticides have never been used.

Sustainable



Ricasoli, Italy
Ricasoli is sustainably managing its land to halt and reverse biodiversity loss and sustain a healthy land that has been kept in our family since 1141. From the oldest roots to the most recent innovations. Ricasoli is also a great example of social sustainability, with benefits to workers and the surrounding community.

Inspiration from the cotton industry



We want to learn from others, and the cotton industry inspires us. A global consensus on sustainable cotton production was the driver when the Better Cotton initiative started in a World Wildlife Fund (WWF) roundtable discussion in 2005. Today, about 1.6 million cotton farmers in 23 different countries are certified according to the Better Cotton Initiative-standard, which also has a label that we can find on clothes and textiles at our largest retailers. Of course, better cotton does not replace organic cotton (only 1% of the world's cotton is produced organically). Still, it is an approach to mitigate the impact of cotton production when organic is not possible.

Our quality process handles the above risks. The product is evaluated based on risks in its origin. Risk management can be validated through certifications that reduce the risk. If risk remains, further follow-up is performed. In this way, we can continuously manage risks in our supply chain.



Ethical trade strengthens communities



Our community can now afford scholarships for students to study abroad. One boy from in our rugby team now studies law in England. That would not have been possible 16 years ago

*Ronel van Zyl
Fairtrade Officer
Piekenierskloof, Bergendal*

Our Fair for life and Fairtrade producers and growers focus on ethical trade that ensures inclusion and better working conditions for those who work with the cultivation and production of the product. The certifications ensure a premium payment to the workers' local communities. The certifications are voluntary, cost money for the producer and can be found on the bottle itself.

Stellar Winery

Stellar Winery is the largest and leading producer of organic and fair trade-label wines in South Africa. It has its winery in scenic Namaqualand just outside the town of Vredendal. The unique thing about Stellar Winery is that it has created sustainable conditions for all workers, both the permanent full-time workers in the wineries and those who are hired seasonally for harvesting. These workers have acquired a total ownership interest of 26 percent through shares in Stellar Winery Empowerment Trust. Therefore, it has been possible to certify as IMO Fair for Life. The Stellar Organic's Foundation invests in the local school, medical services, and sports activities for their workers.

Bergendal, Piekenierskloof

Bergendal vinery, part of Piekenierskloof has been certified Fairtrade since 2003. It is situated on the Piekenierskloof Mountains, 650 m above sea level in the Western Cape of South Africa. Today, 153 workers are shareholders and obtain shares in the business. The fairtrade premium goes to leadership programmes, women empowerment forums and investments in the local school and scholarships for children and young adults.



The Stellar Foundation projects inspires upliftment and change in local communities



Bergendal project is funding scholarship fees to five local schools and the rugby team for scholarships



A student in the Stellar Foundation project in the local school



Bergendal Fairtrade project subsidised doctor's visits and trained community workers



Biodynamic farming for (increased) biodiveristy

Biodiversity loss from human activity is listed in the World Economic Forum's Global Risks Report as one of the top five risks over the next ten years. Biodiversity is an essential piece of the puzzle in winemaking that requires a stable "terroir" to function. The vineyard can both contribute to increased biodiversity and inhibit biodiversity. By farming biodynamic, the vineyards act as a haven for wild plants and compensate for the loss of biodiversity in conventional agriculture. The biodynamic vineyard is viewed as one self-sustaining ecosystem; only natural matter is used with plants for natural pest management. Fields around biodynamic farms often have more types of wild plants, which provides benefits for wildlife. The biodynamic farmer aims to leave the land better off year after year for the future. Biodynamic farming contributes to UN Sustainable Development goal 15.

Our partner Louis Roederer has been practicing biodynamic farming in its vineyards for close to 10 years. So far, it has converted 50% of its holdings, while the other 50% is still organic. The latest Cristal 2012 was made with grapes from the biodynamic plots but not yet certified because of the remaining organic vineyards that Roederer owns. Louis Roederer shows clearly that biodynamics provides quality. Another prestigious producer taking biodynamic farming seriously is Domaine de la Romanée-Conti.

Some of our biodynamic producers

- Alpamanta, Argentina
- Antiyal, Chile
- Bodega Parra Jimenez, Spain
- Champagne Egly-Ouriet, France
- Domaine de la Romanée-Conti, France
- Domaine Vacheron, France
- Domaine Zind-Humbrecht, France
- Fernand Engel, France
- Hacienda Araucano, Chile
- Koyle Family Vineyards, Chile
- Louis Roederer, France
- Valle Reale, Italy
- Weingut Zahel, Austria



RESULTS

Sustainability area 2

Sustainable consumption



Our wines are distributed to about one-tenth of Sweden's beverage consumers. The Covid 19 pandemic has affected both us, our restaurant partners and producers - as well as our consumers. Consumers have turned to Systembolaget to an increasing extent, which has created concern about negative alcohol consumption patterns.

Due to the restrictions, our restaurant partners have had a particularly tough time. This is why we started the campaign # Krögerhjälpen in 2020 where we supported sommeliers and educations in wine and sustainability. The pandemic has further strengthened the awareness among our partners' consumers. Now more than ever, there is a demand for ethical products with a low environmental impact.

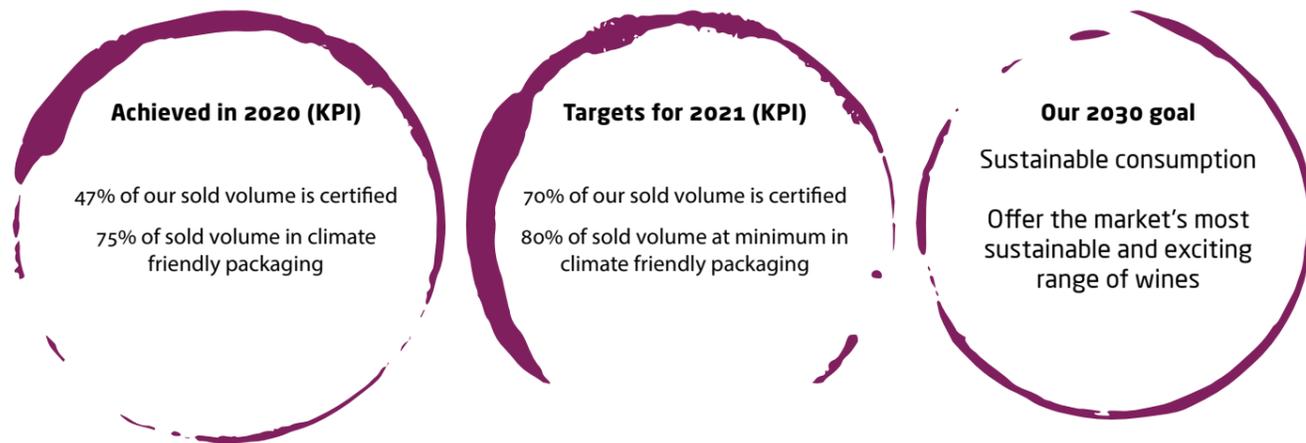
The increased demand places even higher demands on us to ensure the quality of our products and just as essential to label them so that it is easy for people to make a conscious choice. There are challenges here. Our consumers and customers are familiar with organic and ethically labeled wine, but there is a lack of clear further development—a label for comprehensive sustainable wine.

Offering an easily accessible ethical, environmental and sustainable range is our priority.



Our mission

Offer the markets most sustainable and exciting range of wines



Increased consumer awareness

74% of Swedish consumers stated in Systembolaget's survey 2019 that sustainability affects their buying behavior at the wine shelf. Just a few years ago, organic was ranked as the most important attribute among conscious consumers, but by 2020, climate-smart became the new attribute ranked highest. (Consumer study conducted by Systembolaget 2019 and by Vingruppen 2021). Developing the conscious choice with more aspects such as climate, environment, and working conditions is considered important, which strengthens the overall picture that the wine industry needs a definition for sustainable wine.

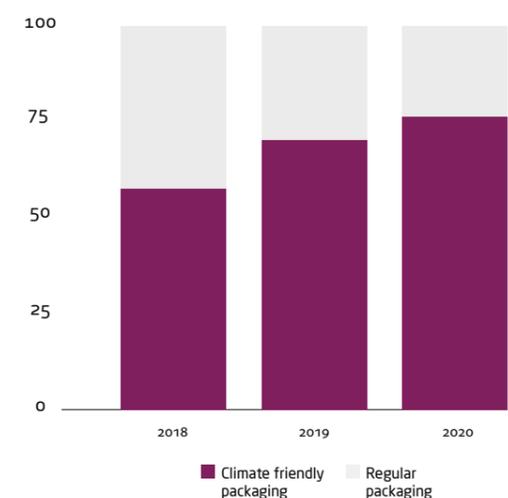
Green packaging

The most important sustainability issue for Swedish consumers is climate-friendly packaging, according to Systembolaget's consumer survey conducted in 2019. By developing packaging solutions with a lower impact on the planet we meet the needs of conscious Swedish consumers. We also empower product and packaging innovation. According to Systembolaget's definition, there are currently four types of climate-friendly packaging: Bag-in-box, lightweight bottles, PET and tetra pack.



Les Fumées blanches are sold in climate-friendly packaging with the lightweight bottles having 20% less climate impact than a regular glass bottle.

% sold volume in climate friendly packaging



Recycling for a circular system

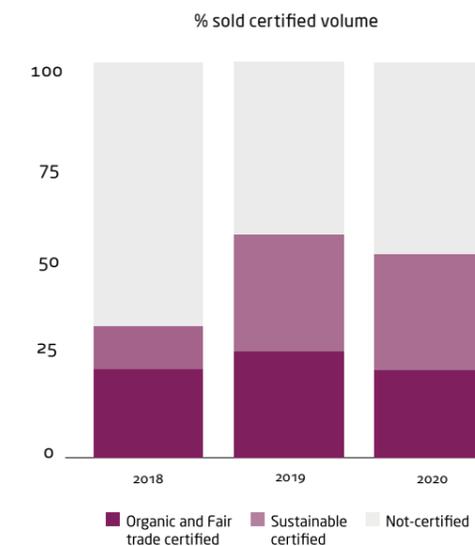
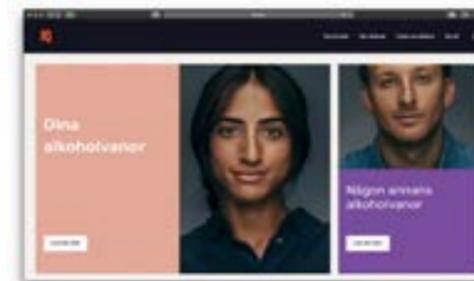
Recycling is important for creating a sustainable and circular system for products while increasing resource efficiency and reducing the impact on the climate. Approximately 93 % of glass packaging that is recycled in Sweden becomes new glass bottles. Plastic packaging is more difficult. Here it is important for us to deliver products that are best suited from a sustainable and circular point of view.

Did you know that?

All our wine that must be destroyed becomes biofuel for buses in Stockholm

Promoting responsible consumption

Systembolaget's mission is to minimize the negative effects of alcohol among Swedish consumers. At Vingruppen, we endeavor to promote more sustainable consumption of wine. We encourage research on responsible consumption and highlight responsible drinking in marketing advertisements for our products. We also offer low alcohol and alcohol-free wines. Furthermore, we support and help sharing information about responsible consumption.



Certifications make a difference

Organic certification has been a top purchasing priority for Systembolaget during the past decade. This as a way of educate consumer's and grow an environmental friendly assortment. Today buying organic wine has become a natural choice for many consumers. We have a broad range of organic, fair trade, biodynamic and certified sustainable wines. Most consumers are aware of organic and biodynamic certifications. However, many of our producers have been working with sustainable grape growing and production for generations to protect their soil and water resources. Many of which are now certified through sustainable certification programmes.

Defining sustainable wine

The Sustainable Wine Roundtable (SWR)

Vingruppen I Norden is one of the founding members of the Sustainable Wine Roundtable (SWR), a global non-profit organization whose purpose is to collaborate with the wine industry and other important sustainability experts to create a definition of sustainability for wine, globally, and develop principles and criteria for informing on the creation of a global standard for sustainability in wine. The background to this initiative is the growing interest in sustainable wine and in a global organization to coordinate the many good regional and corporate efforts.



Connecting with the end consumer



Wine with us!

Vingruppen launched Wine with us! to promote our wines and the sustainability values they create. It's digital tastings with some of Sweden's most experienced wine journalists on selected themes. A lot of focus is put on interaction, where we answer questions from taste profile to certification matters.

Our communication channels



RESULTS

Sustainability area 3

Sustainable climate



The climate issue is central in our industry. All our producers feel the effects of climate change and, like us, are committed to making a difference. For our industry, packaging, transport, and cultivation are the major challenges that can be tackled through cooperation, knowledge, and new solutions. We need to think outside the bottle. There are good examples of collaboration in the industry. From the Porto Protocol to the Swedish beverage industry's climate initiative.

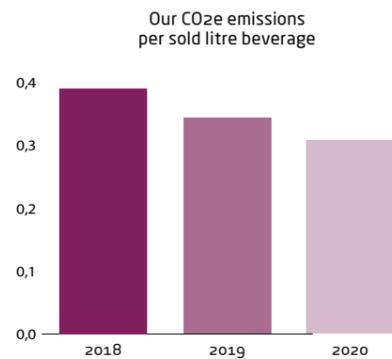
Our work is focused on reducing our emissions regardless of our growth. Replace our transports and packaging with fossil-free and resource-efficient fuels and materials. And compensate for the emissions we can do nothing about. We have also taken a unique step and started a sustainability fund - Vinfinité™, which is based on our climate impact. We have set our price on carbon and use the "penalty fee" to invest in progressive climate projects in our value chain. For us, climate work is about making a difference together.

Our mission

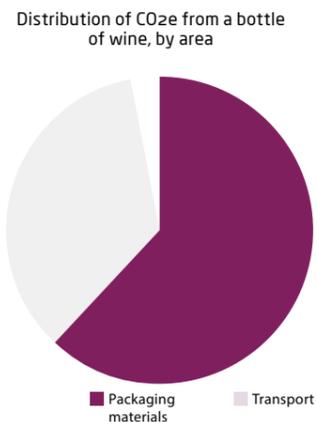
Be a role model for climate smart solutions



Our carbon footprint



Nearly 99% of our carbon footprint comes from the wines we distribute—the production of packaging materials and transporting the wines home to us in Sweden. Unfortunately, we are currently unable to measure the climate impact from cultivation, but we are working to do so in the long term. Our wines produced 0.33 kg CO₂e per liter in 2020, which is 0.6 kg less than when we started measuring our emissions three years ago. This means that we have reduced our emissions year after year regardless of our growth.



Our climate strategy in 4 steps

- Reduce emissions
- Convert to renewables
- Compensate in Solvatten
- Invest in progressive projects

From grape to glass and beyond

Our climate strategy

Resource-efficient and fossil-free packaging

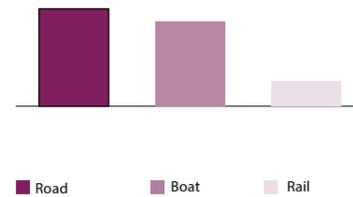
Packaging accounts for 64% of our carbon footprint. The main reason is packaging weight, the production method and the possibility of recycling. Since we sell most wine in glass bottles, it is not surprising that it has the greatest footprint. However, the heavier the glass is, the greater the climate impact. A more positive impact can be achieved by choosing resource-efficient and recycled packaging solutions, such as lightweight bottles, recycled glass, plastic and cardboard cases and efficient use of materials for shipping.

Fossil-free transports

We have reduced our carbon footprint from transport with 17 percent since 2018, by switching from road to rail and use of renewable fuels. We are working closely with our logistic partners to achieve a sustainable transportation chain. This is where part-

nerships for change become even more important. Our distribution in Sweden accounts for 6% of our total climate emissions. We are fully committed to bringing this number down to zero. We believe this will not only make our cities cleaner but also our customers happier. To accelerate towards renewables we have also adopted a sustainable car policy at the office.

CARBON FOOTPRINT TRANSPORT



Road transport accounts for the largest emissions. Fossil-free heavy road transport is tricky, and there are few alternatives on the market. We therefore started, together with our logistics partner Scandinavian Logistics Partners (Scanlog), to look at opportunities for fossil-free freight transport. Then liquid biogas (LBG) suddenly appeared as an alternative. LBG is a renewable fuel produced by Swedish household waste with major environmental and climate benefits. For heavy road transport, it is a well-functioning and interesting alternative to diesel. Today we transport our drink 100% fossil-free. The investment has contributed to a total reduction of carbon dioxide emissions by 17 percent for Vingruppen's transports in 2019.

Inspiration from the wine industry



We are inspired by and feel proud to be part of the development in the wine industry. In 2018, the Porto Protocol was established with Taylor Port at the helm, where wine producers signed an agreement to take joint action to tackle climate change. In the same year, the Swedish beverage industry's climate initiative was initiated, in which we participate. Our combined efforts make a difference, a measurable difference year after year.



Vinfinity™ a unique sustainability fund

8,000 years of winemaking should be just the beginning. It is time to act and we want to be a trailblazer for sustainable growth in the wine industry. We believe that partnership is the best leadership. That's why we created Vinfinity!

What is Vinfinity™?

Vinfinity is a sustainability fund founded in 2021 by Vingruppen i Norden. The fund exists to support our wine partners and clients in creating a sustainable value chain for wine. Vinfinity is part of our long-term sustainability strategy *From grape to glass and beyond*. The fund will annually invest in several sustainability projects that contribute to achieving the global goals and Vingruppen i Norden's sustainability goals. The investments include projects for sustainable infrastructure and cultivation projects that contribute to a circular, resource-efficient and fossil-free value chain.

The fund's resources are directly linked to our climate impact, calculated in tonnes in CO2e. We have put a price on CO2e to capture and manage the external costs of greenhouse gas emissions (GHG). Our carbon pricing is now part of our cost calculations. This cost is the basis of the fund. Each year money will be set of into the fund and we will identify new projects to invest in. This is our way to accelerate change - by converting our impact into monetary terms and invest it in long-lasting, sustainable solutions. When the fund is empty, we have succeeded.

Our climate investment in Solvatten

We choose to invest in Solvatten for the simple reason that Solvatten makes a huge difference in people's lives. Together with Solvatten, we can contribute to people having access to clean water and health. Our investment in Solvatten is directly linked to our climate impact. Every year, we set aside parts of our climate cost in Solvatten. Our collaboration with Solvatten began in 2012, together with the members of the Nores initiative, we have reached about 50,000 people with a total of 8970. Solvatten is an innovative and sustainable solu-

tion that cleans water through solar heating. One solvatten product can be used for 7 years and greatly improves health, empowers women who are often the ones picking wood to boil the otherwise dirty water, and lowers greenhouse emissions.



Solvatten is an invention created by the Swedish inventor Petra Wadström. She was convinced that the power of the sun could be used more and that that power could improve the lives of many people in poverty. Since 2011, Solvatten has been used in over 40 countries around the world, and improves the lives of more than 370,000 people.

Our climate investment in 2020 gives

Number of Solvatten	26
People who have had access to clean and hot water	150
Reduction in the number of sick days	1,200 days
Trees that are not cut down	1,300 trees
Liter of water that can be purified and heated using solar energy	1.1 million litres
CO2 not emitted	364 tonnes

RESULTS Sustainability area 4

A sustainable workplace



Together with our producers, our employees are the most important assets we have. Our employees and society at large are constantly increasing their knowledge of how companies can act to contribute to a better community. The same applies to learning about how companies can harm society and the environment.

We work to ensure that we have a positive impact on society and constantly tackle our negative impact. We also believe that we can retain and attract the best skills by being a role model for a sustainable and equal workplace. We stay constantly updated on sustainability, discuss new opportunities, and encourage everyone's opinions on getting better.



Our mission

Offer the markets most sustainable and attractive workplace



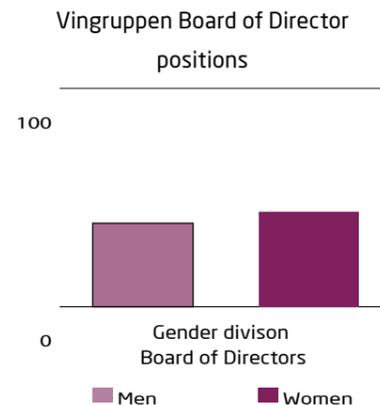
Working for a sustainable workplace

We are a bunch of strong individuals with strong leaders. With us, it does not matter if you are a man or woman, what sexual orientation you have or where you were born - we always proceed according to the principle best suited for the job. We are convinced that equality, diversity and inclusion give us better capacity to do so we are the best at - delivering the best wines to our customers in Sweden. We are five companies that collaborate with a common logistics and finance department and our own sustainability expert who works 100 percent to drive our work forward.

We are a team of committed, knowledgeable and entrepreneurial people with a passion for wine and meaningful partnerships.

Gender equality is part of our success

Our work is based on building meaningful and respectful relationships across different countries and cultures. We cannot do this without a strong commitment to equality, diversity, and inclusion. We value an equal division between men and women, different backgrounds, ages, and perspectives. Equality, diversity, and inclusion help us make better business decisions.



In brief - our environmental and social work

- Our office is powered by 100% renewable energy
- We recycle all used materials
- We have converted to LED-lights
- We only purchase organic, fairtrade and sustainably sourced products when possible
- We have adopted a sustainable car policy
- We use no single-use plastic spittoons during tastings
- We have a CSR-policy including anti-corruption and equality policies
- We contribute 5,000 SEK annually to our employees to spend on health activities
- We are continuously trained in sustainability and improvement work

Engaging in sustainable value creation

We at Vingruppen i Norden want to make a difference, and we have many and promising initiatives. Together we encourage new ideas and initiatives. That is why we have the annual competition Vingruppen Innovation Hour where all employees propose sustainable initiatives that the company then implements. This year's proposal was about food—initiatives for more sustainable food consumption in the office and representative contexts. But also the opportunity to make biofuels from the wines that are left in the office. The winning concept was about becoming better at selling our sustainable wines to our target groups. In addition, we participate in The Fossil-free Sweden's Company Car Challenge, We + for joint training, and Deedster's and WWF's Earth Hour where the entire organization managed to reduce its personal climate footprint for a month.



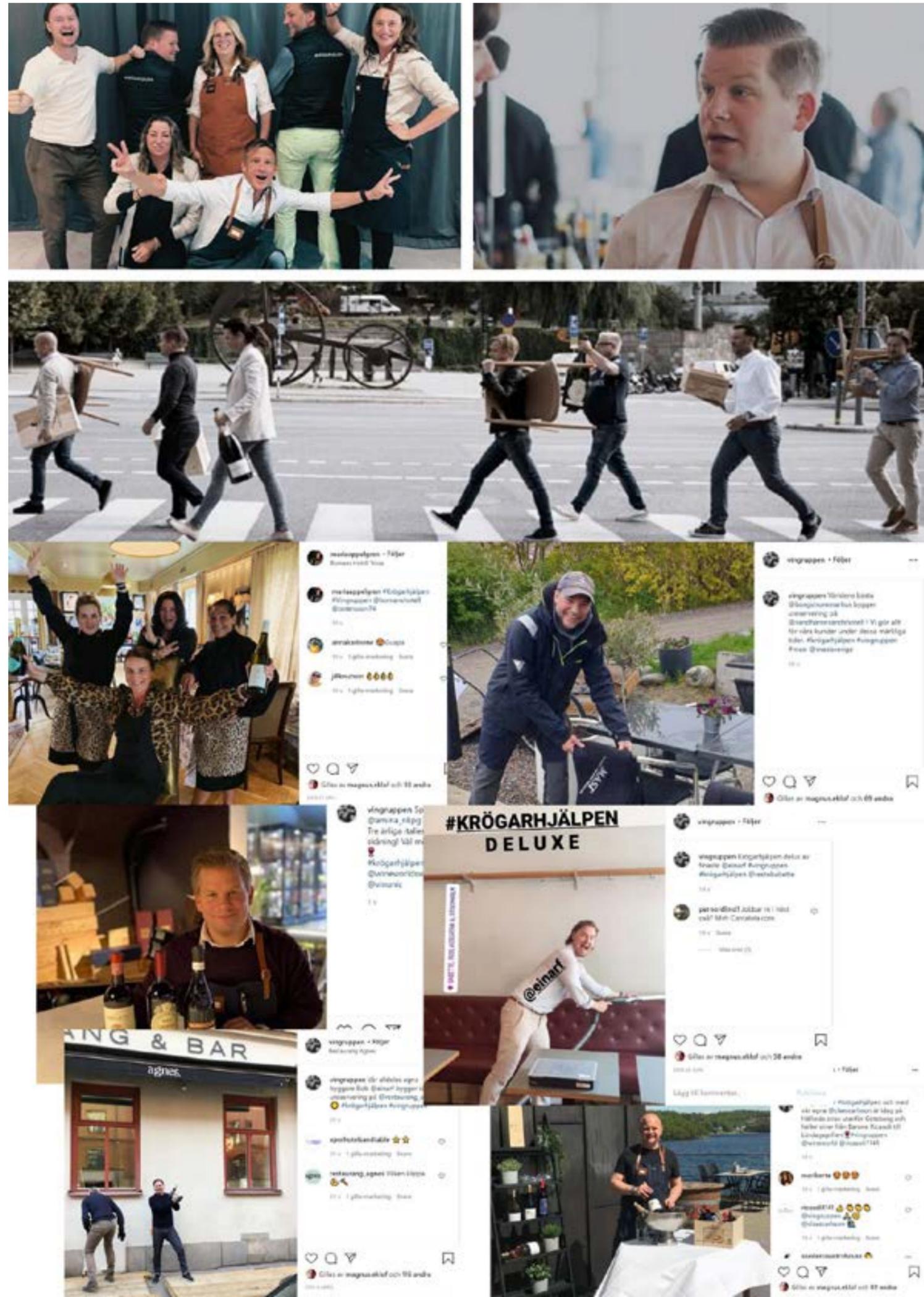
Vingruppen Innovation Hour

The year with covid 19 and our restaurant patrol krögerhjälpen

Supporting our restaurant clients

Of course, we help our clients even in tough times! During the Covid-19 year, our friendly sales force has supported our restaurant clients in everything from construction jobs to acting as guest sommeliers and wine educators. Among other things, we have built ten outdoor cafes, cleaned decking with high-pressure washing for three days, held 14 wine tastings. Worked service at various client evenings. Acted guest sommelier six evenings and inventoried two wine cellars at the customer.

Photographed and edited photos for clients. Had a lecture regarding training support for restaurant staff for two days. Acted relocation assistance, painted two conference rooms for. 10 wine educations at different customers. Run out catering to customers. Screwed outdoor furniture at a customer a full day. Guest performance at two different customers with specific wines.



Our journey towards equality

Gender equality is one of several important issues we at Vingruppen i Norden are involved in. We have come a long way, but there is still a lot to do. Today, only 24 percent of the board members of Swedish wine importers are women. At Vingruppen i Norden, the figure is 58% women on the board. So how did we get there?

The Wineagency's CEO Ann Burgaz and Vinunic's CEO Linn Ljungkvist are interviewed here by Vingruppen's sustainability manager Kim Forsberg to discuss their views on the development of female leadership in the industry and the value it adds to a company. In next year's report, we will focus on other equality issues and give the employee perspective

Kim: What are your views on the development in the wine industry - looking at your careers?

Ann: I would say a lot has happened. I began my career in a very male-dominated industry. I was elected into The Swedish Sommelier Association in the 80s, the first woman in the Association. But it came with a compromise - being the cashier. Today, a woman holds the position as President of the Association.

The milestone came when I was offered my first managing position. A generation shift with a male manager who believed in me, despite the fact that I was a woman. I was in the right place at the right time, and became the first woman to hold a managing position in the company's history. It was one of the largest wine importers in Sweden at the time, and I hope it paved the way for other women in the industry.

Linn: I came into the industry when the tide had started to turn, and I have always had female managers who believed in me and supported me. I believe good leadership comes with experience. Ann, was my manager early in my career and has been a role model for me and many others.

In the wine business the generation shift also opened up for female winemakers to take over family businesses, which had previously been handed over to the sons of the family. Today we work with many talented female winemakers.

Kim: What was the Turning Point?

Ann: I would say the big change came when Systembolaget appointed their first female general director in 1999. Anitra Steen valued talented leaders and supported women who she believed in. She became a symbol for equal opportunities. I believe it trickled down and became part of the culture; the ball was in motion and then things started happening by themselves

Linn: I agree, but women are still underrepresented in the industry's leadership positions. That's why equal growth is one of Vingruppens priorities. To recognise female leaders — and to put the spotlight on their accomplishments, their journeys, and their perspectives. As an example we sponsor the STELLA gala every year – a forum for women accomplishments in the industry.

Profit and Gender Equality

Kim: Research shows that gender equality has a direct positive impact on the bottom line and contributes to a more attractive workplace. How do you think gender equality affects a workplace?

Ann: We work in a business where we need to deliver and generate profit. From my experience, I am convinced that equality promotes profitability. Diversity gives us broader perspectives and creates a better understanding for the market. An open and inclusive workplace make people more comfortable with sharing their ideas. Having a purpose make people work harder.

Linn: There are many ways to drive a successful business. I believe in equal growth. Diversity is strength, the broader perspectives makes the business more intelligent. Women are extremely talented and bring skills and experiences that are unique and valuable. Not having female leaders limits the talent pool.

Ann: Well, just look at Systembolaget. In 1999 we started to see a larger focus on the target groups. The assortment bloomed out in the direction of where it is today. Diversity provides necessary perspectives to an organisation's ability to grow.



Ann Burgaz is the Founder and CEO of The Wineagency



Linn Ljungkvist is the CEO of Vinunic

Kim: What is the biggest trap for women in the industry?

Ann and Linn: Worklife balance - fitting in both career and kids.

Ann: Life comes with sacrifice. I have seen women who may think they're in an equal relationship. Then the kids come - so does the responsibility, and sacrifices. Women still take a greater share of the childcare responsibility.

Linn: I've been lucky to have great support from my husband. But it hasn't always been easy to juggle with a double career, being successful as a professional and at the same time being a great mother.

Linn: There is also the gender pay gap. Women are still paid less in many organisations.

Ann: I am proud that Vingruppen created a gender equality policy with focus recruiting processes early on.

Our advice for building a equal and inclusive workplace

1. Zero tolerance towards discrimination
2. Equal pay for equal work
3. Openness & communication
4. Creating role models and ambassadors

“
I am convinced that equality promotes profitability

Ann Burgaz
CEO
The Wineagency

Say hello to the women behind our wines



Some of our female winemakers

1. Cecilia Leoneschi - Castiglion del Bosco
2. Samantha O'Keefe - Lismore
3. Piera Martellozzo - Piera Martellozzo
4. Caroline Lestimé - Jean-Noël Gagnard
5. Susana Rodríguez Vasquez - Peltier Wines
6. Theresa Breuer - Georg Breuer
7. Nathalie Longefay - Mirabeau en Provence
8. Ruth Rodríguez - Izadi & Orben
9. Isabelle Diebolt - Diebolt-Vallois,
10. Virginia Willcock - Vasse Felix
11. Louisa Rose - Yalumba
12. Dorli Muhr -Dorli Muhr wines
13. Susana Balbo - Susana Balbo



My notes



VINGRUPPEN I NORDEN

VINUNIC
Quality since 1992

WINEWORLD
Sweden

the
wine
agency

VALID
WINES

QUAFFABLE
WINES



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