

SUSTAINABILITY REPORT

2021

FROM GRAPE
TO GLASS

VINGRUPPEN I NORDEN

VINUNIC

WINEWORLD
Sweden

the
wine
agency

VALID
WINES

QUAFFABLE
WINES

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VINGRUPPEN I NORDEN

VINUNIC WINEWORLD the wine agency VALID WINES QUAFFABLE WINES

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ABOUT THIS REPORT

- This is our fourth sustainability report and it covers the financial year 1 January 2021–31 December 2021.
- The report covers the company group Vingruppen i Norden which includes the following companies; Vinunic, Valid Wines, The Wine Agency, Wine World, Quaffable Wines, New Frontier Wines, Arcus Wine Brands, and Heritage Wines.
- This report has been prepared in accordance with the GRI Standards: Core option. The Sustainability Report also includes some of the UN's global goals.
- Focus areas and KPIs can be found on [page 11](#). All references to the “year” refer to the financial year unless otherwise stated.





CEO'S STATEMENT

2021 has been another year marked by the COVID-19 pandemic and the challenges caused by it continued to affect us during the year. Being able to adjust our mindset, approach, and way to work, in order to meet new circumstances in a constantly changing business environment has become a bit of an everyday task for us. We wished and hoped that all COVID-related challenges would be history by now and even if Swedish society has returned to a kind of normal, it is far from the situation globally.

We are still struggling with overseas shipments and other unexpected effects of the pandemic. When we just about started breathing again, Russia decided to invade Ukraine. The war almost immediately affected our business conditions with an increased price on energy (freights and production), and a shortage of dry goods (glass, paper, plastics, etc). These factors combined with a weaker Swedish krona drive us as an importer to make decisions for our future. Those decisions are much harder if the organization does not have a clear vision that emphasizes the values of whom we want to be.

One of our core values is sustainability, and we are 100 % convinced that sticking to our core values when establishing our strategies set us on the right track and is key to success.

We have said it before, but it is worth mentioning again, we are a strong team who supports each other and the

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communities around us. Sustainability is about being responsible and accountable to our partners, customers, society, and the overall growth of our corporate group.

One of our highlights during the year was identifying and investing in our first sustainability projects amongst our wine partners through our sustainability fund Vinfinity™. Our aim is to be leaders in sustainable progress within the wine industry. As a partner to wineries around the world, we want to contribute and make a difference where we can. The fund will annually invest in sustainability projects in our value chain and we look forward to new and existing projects in the coming years.

Svante Selling, CEO





ABOUT US

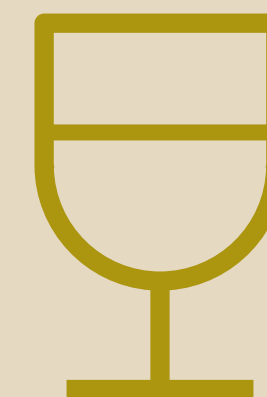
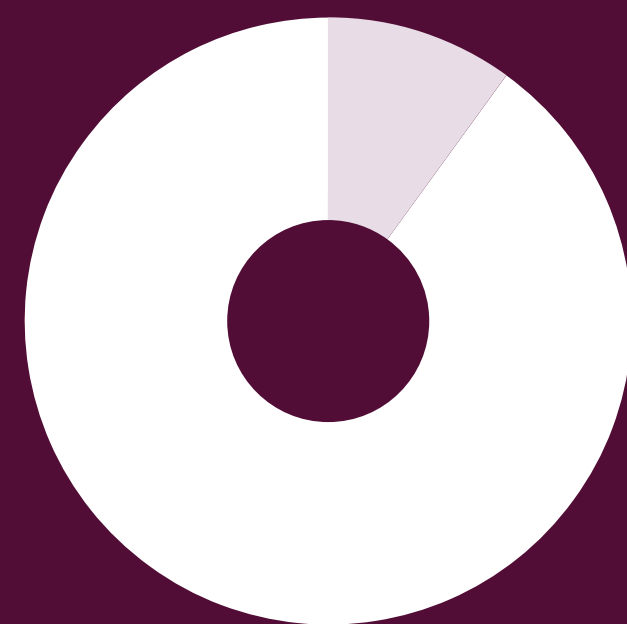
We consist of eight wine importers, namely: Vinunic, Valid Wines, Wine World, The Wineagency, Quaffable Wines, New Frontier Wines, Arcus Wine Brands, and Heritagé Wines. We are based in Stockholm, Sweden and together we form Vingruppen i Norden.

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 share an entrepreneurial spirit and empower each other to grow and reach our full potential at work. Our different backgrounds and perspectives add value to every decision we make, and our long-term sustainability goals are integrated with our day-to-day operations.

Our main market is Systembolaget, the state retail monopoly, and represent our largest sales channel. Other markets include the on-trade channel: hotel, restaurants and catering (HoReCa) and the dutyfree channel (Scandline, Stenalines and Eckeröline). Our companies are partnership-driven with each CEO as a shareholder and part of the operating management team. Since September 2021 newly formed Anora is the majority owner. All companies within our company group share central functions such as logistics, sales team, finance department, public relations, and sustainability management.

Our company group 2021

1 of 10 Swedes consumed our wines



14 million liters sold volume

1,3 billion SEK turnover



46 employees



810 on-trade clients

340 winepartners from all around the globe



Our journey in brief

1992

2012

2015

2018

2019

2020

2021

- We started importing quality wine to Sweden.

- We adopted the Amfori BSCI Code of Conduct for human rights and fair work.
- We started sponsoring the Swedish water purification invention Solvatten.

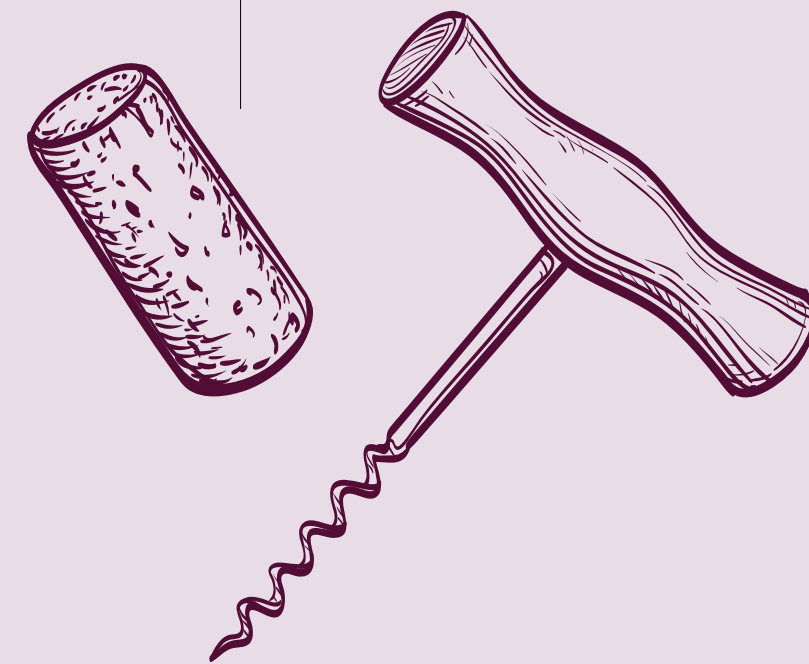
- We were the first wine importer to be certified Fair for Life for ethical wine trade.

- We became a proud sponsor of the Stella Gala – a change innovator for gender equality in gastronomy.
- We hired a full-time manager for sustainability.

- We published our first sustainability report.
- We created our sustainability strategy – From grape to glass.
- We became members of The Swedish beverage industry's climate initiative (DKI).

- We reported a 14 % reduction of CO₂e from our transport (2018/2019).

- We announce our company group as a founding member of Sustainable Wine Roundtable together with Systembolaget, Alko, and other fore-runners in sustainability within our industry.
- We launched our sustainability fund Vinfinity™.
- The first sustainability projects to be sponsored by Vinfinity, was identified.





STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

Our key stakeholders are the state retail monopoly Systembolaget. Most of the wines are sold through the monopoly and represent our largest sales channel. Other key stakeholders include our producers, the on-trade channel as well as our employees and end consumers. Our approach to stakeholder management involves identifying key stakeholders, determining their influence and recognising their interests. To that end, we maintain close and regular communication with our stakeholders through our CEO and management team, producers, product managers, sales team, and sustainability manager. This close contact, both scheduled and of a more casual approach, helps us to stay relevant to our

key stakeholders and to recognise their interests as well as pick up on “silent voices” in our supply chain.

Further developing our sustainability approach and setting new goals

This is our third sustainability report following our sustainability strategy and working towards our goals. We have identified the need to revise our focus areas and set new goals. Evaluating and revising stakeholder groups and significant sustainability areas is carried out as a natural development of sustainability work and is influenced by changes in the outside world, which have an impact on both the industry and our operations.

Key stakeholders have been identified by the management team and the sustainability manager during a dedicated workshop in early 2022. Identifying our materiality areas is done by interviews and surveys with key stakeholders and will take place during 2022. The answers from the stakeholder dialogues will be analysed by the management team together with the sustainability manager and will form the basis for the revised sustainability strategy which will be presented in the coming sustainability report published in 2023.





THE GLOBAL GOALS

Adopted by all United Nations Member States in 2015, world leaders agreed to 17 Global Goals also known as the SDG's (Sustainable Development Goals). The goals are committed to end extreme poverty, inequality, and climate change by 2030.

Reaching a sustainable society for all means we all must work towards meeting the designated SDGs. One great way of contributing toward the goals is by investing in sustainability projects in our supply chain, we do this through our sustainability fund Vinfinité™ (read more about our sustainability fund on [page 15](#)).

All 17 of the goals are essential to us, but some are more relevant to our business and its impact than others. The goals that we can contribute to the most are:

- 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 goals



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 have a gender equality policy. We are proud sponsors of Stella Galan, its goal - gender equality in gastronomy.



GOAL 6. Clean Water

Achieved through improved water quality, increased recycling and reuse, 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 encourage all producers to establish and ensure a sustainable water management system.





GOAL 8. Decent Work and Economic Growth

Achieved by protecting workers' rights and promoting a safe and secure workplace, and by encouraging 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 13. Climate Action

Achieved through improved climate-smart business activities in production and transportation.

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 through cooperation with logistics partners and we promote climate-smart packaging. Our goal is to become a climate-positive company by 2030.



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. Some partnerships we are committed to; Sustainable Wine Round Table, Dryckesbranschens klimatinitiativ (DKI), Stellagalan, and our sustainability fund Vinfinity.

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



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 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 certified organic and sustainable wines that guarantee none or less use of pesticides and fertilizers.

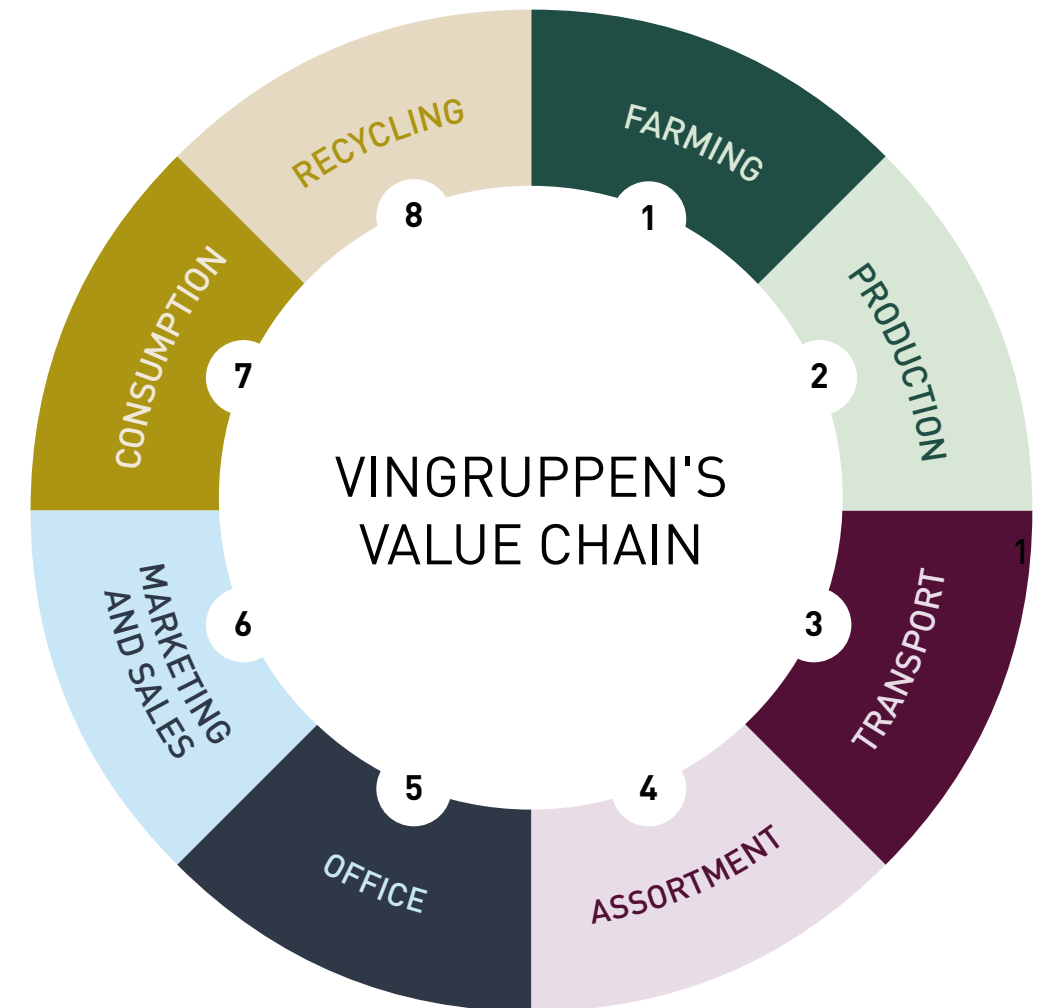




DRIVING SUSTAINABLE BUSINESS FROM GRAPE TO GLASS

We believe that driving sustainable business keeps us relevant and is key to success. We have broken down our goals into four focus areas; production and farming, climate, workplace, and consumption. We call our sustainability strategy – From grape to glass and beyond – and we have divided our strategy into four steps; encouraging conscious grape growing, creating respectful communities, choosing responsible packaging, and acting together to make a positive change globally.

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.



From grape to glass and beyond in 4 steps





GOVERNANCE

Our management team has the overall responsibility for our sustainability development. Each company's CEO is represented in the management teams as well as our group's logistics manager, sales manager, and CFO. Our management team is presented on [page 28](#). The operational and managerial responsibilities lie with our Sustainability managers Catarina Weckman and Kim Forsberg in consultation with our CSR Committee (Corporate Social Responsibility).

Each company in the company group is represented on the committee. Our sustainability managers hold scheduled meetings with the CSR committee and the management team, this enables us to communicate our sustainability strategy, KPIs, and goals thoroughly throughout the company group and continue to further develop our sustainability work.

Strategy

Our sustainability strategy is divided into four steps:

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

Policy documents and guidelines – Steering documents

We have adapted the Amfori BSCI code of conduct. Steering documents that guide our sustainability work are Systembolaget's framework on sustainable sourcing, our CSR policy including guidelines on our sustainability efforts and goals, equality, environment, travel, working conditions, company cars, and business ethics as well as our guide for a sustainable supply chain. Our policies are revised and followed up on annually by our management team and sustainability manager.





OUR FOCUS AREAS & RESULTS

Sustainable climate ¹	2019	2020	2021	Targets 2021
Kg CO ₂ e/ per liter beverage	0,35	0,33	0,39	0,29

Sustainable production and farming ²	2019	2020	2021	Targets 2021
Proportion of producer's in risk countries with approved code of conduct ³	100 %	100 %	100 %	100 %
Proportion of producer's in low-risk countries with approved code of conduct ³	100 %	100 %	100 %	100 %
Proportion of products that have been evaluated for environmental and social risk ³	0 %	100 %	100 %	100 %
Proportion of corrective action plans for high or medium risk products ³	0 %	100 %	100 %	100 %

Sustainable consumption	2019	2020	2021	Targets 2021
Proportion of certified volume ⁴	-	-	21 %	-
Proportion volume in climate-friendly packaging	72 %	75 %	61 %	80 %

Sustainable workplace	2019	2020	2021	Targets 2021
Gender equality in management positions	100 %	100 %	100 %	100 %
Proportion of renewable energy use at the workplace	100 %	100 %	100 %	100 %
Proportion of company cars that run on electricity or hybrid	0 %	100 %	100 %	100 %

Methods used

1: Greenhouse gas protocol. **2:** Systembolaget's risk analysis. **3:** Fixed assortment. **4:** New and stricter selection of certifications approved for measuring during 2021 makes earlier disclosures and targets for certified wine non-comparable. Certified selection includes organic, biodynamic, fair trade and third-party audited sustainable certifications





SUSTAINABLE CLIMATE



The climate issue is central in our industry. Our wine partners feel the effects of climate change and are committed to making a difference, just like we are. For our industry, packaging, transport, cultivation and production are the major challenges and we believe that they can be tackled through cooperation, knowledge, and new solutions.

Working together is the way forward and there are good examples of collaboration in the industry. We are members of the Swedish beverage industry's climate initiative, DKI (Dryckesbranschens klimatinitiativ), whose ambition and goal for all members are resource-efficient and fossil-free transportation, resource-efficient and recyclable packaging, renewable electricity and energy in own operations



as well as increasing the share in the entire supply chain, to mention a few.



Being a member means working together within the industry to reach these goals and annually reporting on emissions using Greenhouse gas protocol as a method.

We are also proud to be the only wine importers in Sweden to be founding members of Sustainable Wine Round Table (SWR). SWR is a unique coalition

and the only global, independent, non-profit, multistakeholder roundtable built to include the whole wine value chain. The coalition's purpose is to promote sustainable development in the global wine industry for the benefit of all parties, including consumers, the workforce, and the public in general. There is a need for clarity and consensus, producers need guidance, marketers and consumers need clarity. Working together, SWR members will define sustainable wine in practical detail.

Our climate strategy in 4 steps

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

Our work is focused on reducing our emissions regardless of our growth. Replace our transport and packaging with fossil-free and resource-efficient fuels and materials whilst compensating for the emissions we have. We have also taken a unique step and started a sustainability fund – Vinfinity™, which is based on our climate impact. For us, climate work is about making a difference together.





Our mission

Be a role model for climate-smart solution.

- **ACHIEVED IN 2021:**
0.39 kgCO₂e /liter sold beverage.
- **TARGET 2021:**
0.29 kgCO₂e /liter sold beverage.
- **GOAL 2030:**
Be a role model for climate-smart solutions.

Our carbon footprint

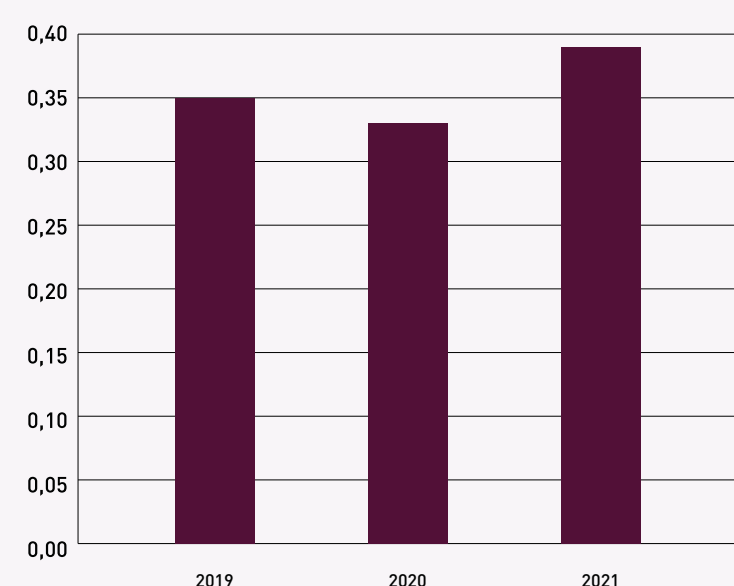
Nearly 99 % of our carbon footprint comes from the wines we distribute – the production of packaging materials and transporting the wines from our producers to Sweden. Unfortunately, we are currently unable to measure the climate impact of cultivation and production, but Systembolaget and DKL and its members will be working on a strategy for measuring these emissions during the coming years.

The year 2021 has been marked by the global pandemic, which affected the beverage industry's ability to produce, transport and sell its products. At times we, as well as the industry, were forced to change logistics solutions to less sustainable transport options due to global logistics challenges. Our climate footprint from packaging and transportation has increased since 2020. A number of factors come into play, including consumers' buying habits and preferences in beverage choices.

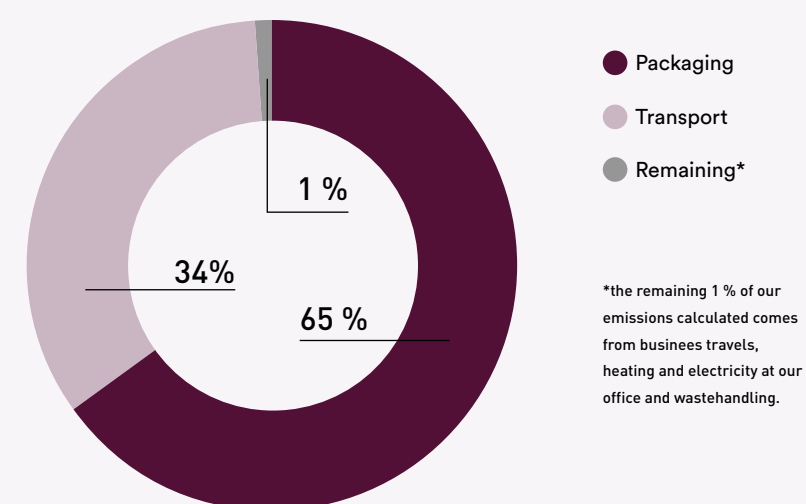
The industry has seen increased sales of more exclusive products in wine and sparkling wine which results in heavier glass bottles, this is again an effect of the pandemic as customers chose to shop from the more exclusive range when restaurant visits and duty-free purchases were minimized. Because of the logistic difficulties during the pandemic we were forced, on rare occasions, to fly in products that could not be transported using other shipping methods. This has had an impact and increased emissions. As in previous years, most transport work is made by ship or boat, while a large proportion of emissions comes from road transport which also increased during 2021, another result of the logistical difficulties caused by the pandemic.

Our wines produced 0.39 kg CO₂e per liter in 2021, this is an increase since the previous year and means we missed our goal, but due to our consistent sustainability work with packaging and transportation our emissions per liter beverage are lower than the average Swedish importer which is 0.47 kgCO₂e/liter beverage.

Our CO₂e emissions per sold litre beverage



Distribution of CO₂e from a bottle of wine by area



Packaging

Packaging accounts for 65 % 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.

Transportation

We are working closely with our logistic partners to achieve a sustainable transportation chain. This is where partnerships for change become even more important. Our distribution in Sweden accounts for 4 % of our total climate emissions. We are fully committed to bringing this number down to zero. To accelerate towards renewables, we have also adopted a sustainable car policy for company cars at the office.

For us, road-bound transportation accounts for the largest part of emissions caused by transport. Fossil-free heavy road transport is tricky, but there are a few alternatives on the market. One of our logistics partners Scanlog, uses mainly liquid biogas (LBG) which is a fossil-free alternative to Diesel. LBG is a renewable fuel, produced by Swedish household waste with major environmental and climate benefits. Today all beverage transported with our logistics partner Scanlog is fossil-free.

Solvatten – climate compensation

We choose to invest in Solvatten for the simple reason that Solvatten makes a huge difference in people's lives. The investment is a complement to our climate work and is a part of our climate strategy. The investment is based on emissions that come from running our office and from our business trips. Due to the pandemic, traveling has been restricted.



For that reason, we choose to match our investment to pre-pandemic years. Solvatten is a combined portable water treatment and water heating system that has been designed for off-grid household use in the developing world. It is an easy, innovative solution that provides people access to clean, hot water worldwide.

The 2021 climate compensation is estimated to reduce a total of

178
tonnes of CO₂e



Vinfinity™ our unique sustainability fund

We have created our own sustainability fund – Vinfinity. Our aim – to be leaders in sustainable progress within the wine industry. As a partner to wineries around the world, we want to contribute and make a difference where we can.

So, what is Vinfinity? We have set a price on CO₂e to capture and manage the cost of our impact. Each year, money will be invested in the fund based on our CO₂e emissions caused by transport and packaging. The fund will annually invest in several sustainability projects in our value chain.

This is our way to accelerate change, by converting our impact into monetary terms and investing it in long-lasting sustainable solutions. When the fund is empty – we have succeeded! We are now able to present the first sustainability projects that have come to life with the help of Vinfinity and we look forward to seeing progress toward a more sustainable future in each of these projects.



South Africa – the Cecilia Foundation Music Program

Providing music education and music therapy to previously disadvantaged children in the local community of Citrusdal, South Africa by recruiting a qualified music therapist for full-time employment. The project has a strong focus on music therapy as well as research into how music therapy can be utilized in the management of social and cognitive challenges in children, including fetal alcohol syndrome. Behind the initiative are Fairtrade-certified Piekenierskloof and sister company Cecilia Wines, which will also apply for and adopt the Fairtrade certification.



Music therapy jamming session Cecilia Foundation Citrusdal.

Portugal

Reducing ecological- and carbon footprint by implementing solar panels as well as increasing biodiversity by planting native vegetation and trees around the winery of Quinta Da Pedra Alta.

France

Reaching and achieving the certification Sustainable winegrowing Vignerons Engagés for our producer Dopff au Moulin.



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 favourable, climate, soil, and knowledgeable winemakers. The wine industry, like any other, is facing both social and environmental sustainability challenges. Due to climate change, we face unforeseeable changes in weather such as sudden heatwaves, thunderstorms, hail, and unexpected rain that can lead to flooding, rising temperatures, and increased risk of drought and wildfires. The social pressure around workers' rights and diversity is significant and needs continuous measures and commitments.

Our producers are our most important asset. By working together and creating long-term relationships we keep making a positive impact throughout our supply chain. Good working conditions and respect for the environment are some of our most important priorities. We set detailed requirements for our producers. Farming and production should take place with respect for nature, workers are entitled to reasonable working hours and fair remuneration. Discrimination should never appear, and workers' health and safety must be respected. All types of child labour or forced labour are prohibited.

Our mission

We want to guarantee the highest quality in terms of social and environmental responsibility.

- **TARGETS AND ACHIEVED 2021:**
 - 100 % of our producers have approved our Code of conduct*.
 - 100 % of our products have been evaluated for environmental and social risk*.
 - 100 % of high or medium-risk products have corrective action plans*.
- **GOAL 2030:** Sustainable production and farming

*Fixed range at Systembolaget.

Supply chain management

It is of the highest importance to us that all workers in our supply chain have the right to a safe working environment with fair pay, freedom to bargain, legal working hours, and no discrimination nor bonded or forced labour. Conditions



for workers can benefit the overall health and well-being of workers and the local community or pose a risk, for example, poor working conditions during long harvest days.

Code of conduct

We have adopted the Amfori BSCIs code of conduct. The Code has 11 principles that range from fair remuneration to no child labour and refers to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact, and International Labour Organization (ILO) Conventions and recommendations relevant to improve working conditions in the



supply chain. 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 our producers* are informed and have signed the code.

Traceability and risk analysis

We use the sustainability platform Worldfavor to create traceability throughout our supply chain. Traceability gives us the opportunity to respect, prevent and address risks and irregularities that we may identify in connection with working conditions, human rights, and environmental work. Producers and growers are subject to Systembolagets' risk analysis. Risk in this context is based on Amfori BSCI's principles of responsibility

THE REQUIREMENTS IN THE CODE OF CONDUCT COVER ELEVEN AREAS		Working hours	Business ethics
Fair Remuneration	Forced labour	Child labour	Discrimination Terms of employment
Environment	Health and safety	Younger workers	Freedom of association

*Fixed range at Systembolaget





in supply chains linked to the beverage industry. Results from the analysis allow us to see patterns in possible shortcomings at producer and grower levels. Through our systematic work with traceability and follow-ups, we can conduct continuous improvements in our supply chain, identify problems, follow up on incidents and make targeted follow-up efforts such as reviews or audits.

Farming methods for increased biodiversity and ethical

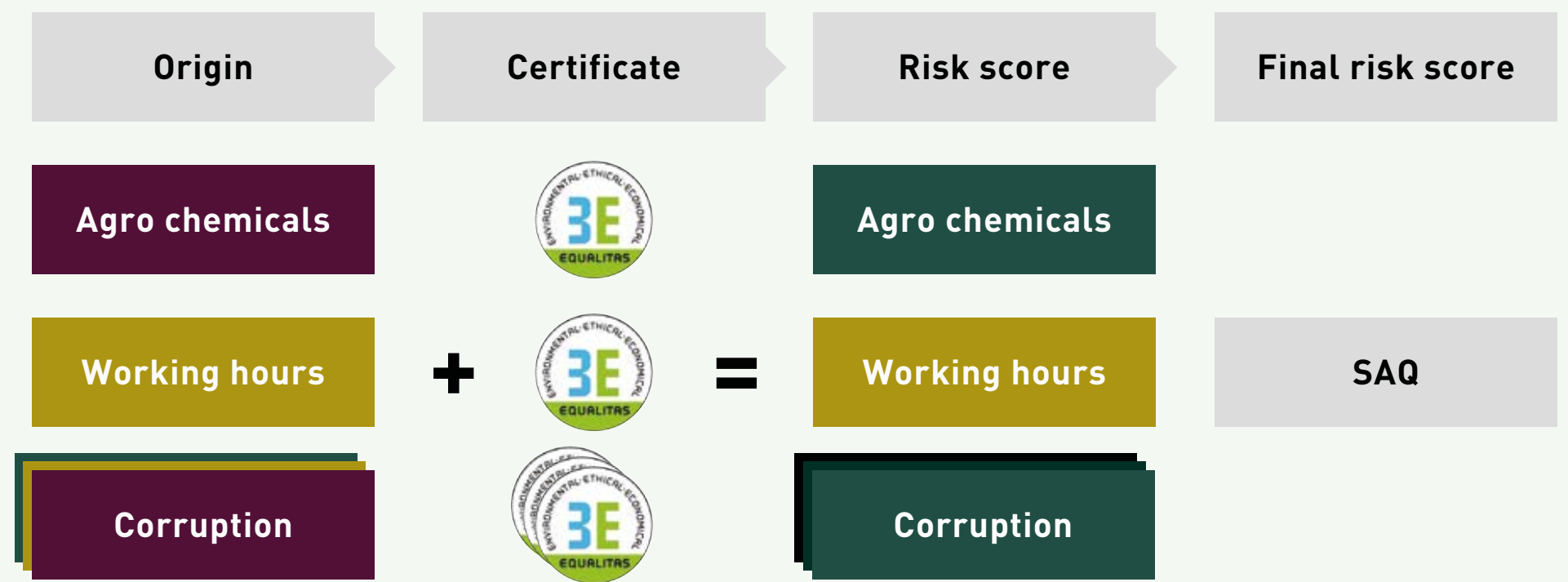
There are different ways to farm the soil and grow the grapes. As a result, the winery can contribute to increased biodiversity or inhibit biodiversity depending on the farming method used. Biodiversity loss from human activity has been identified by the World Economic Forum as one of the top three risks over the next ten years**

- **Organic farming**

For a wine to be called organic, the production and cultivation of the grapes must meet certain requirements, such as stricter rules on how to use chemical pesticides and no artificial fertilizers with nitrogen. The organic farmer tackles fungi and pests using biological materials. Organic farming also allows a rich variety of plants and animals in the vineyard, this boosts biodiversity and provides a healthy ecosystem. Many of our producers have prioritized Organic Farming since long time, and in this way, they have an obvious and natural relationship with nature, but are not always certified due to the additional certification costs.



Our quality process handles the above risks. The product is evaluated based on the 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.



**Source World Economic Forum Global Risks Perception Survey 2021-2022





• **Sustainable farming**

There are numerous sustainable certifications and programs available today. Very often these certifications, or programs are locally based. We see more and more conventional producers joining sustainable grape growing programs most of which focus on both social aspects, such as good working conditions, and environmental aspects such as less use of pesticides, sustainable water- and energy use as well as increased biodiversity.



• **Biodynamic farming**

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.



• **Ethical farming**

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 Fair For Life and Fairtrade differ somewhat, for example, in which countries they operate, however, both ensure a premium payment to the workers' local communities, safe working conditions, a sustainable livelihood, and environmental protection.





SUSTAINABLE CONSUMPTION



There is an increasing interest for consumers to make sustainable choices when purchasing products, this is also true when choosing wine at the wine shelf. Demand for ethical products with a low environmental impact 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 labelled wine, however, there has been a lack of clear further development – a label for comprehensive sustainable wine. Because of this Systembolaget has developed a new label called “a sustainable choice.” The new label includes set requirements on environmental responsibility, social responsibility, packaging, and traceability and was launched in March 2022.

Increased consumer awareness

74 % of Swedish consumers stated in Systembolaget’s survey 2019 that sustainability affects their buying behaviour at the wine shelf. Just a few years ago, organic was ranked as the most important attribute among conscious consumers, but

recent studies state that both sustainably farmed, and climate-smart farmed wine is ranked top three when choosing wine. Developing a conscious choice with more aspects such as climate, environment, and working conditions are considered important.

Our mission

Offer the market’s most sustainable and exciting range of wines.

- **ACHIEVED IN 2021:**
21 % of our sold volume is certified* and 61 % of sold volume in climate-friendly packaging.
- **TARGET 2021*:**
80 % of sold volume in climate-friendly packaging.
- **GOAL 2030:**
Offer the market’s most sustainable and exciting range of wines.





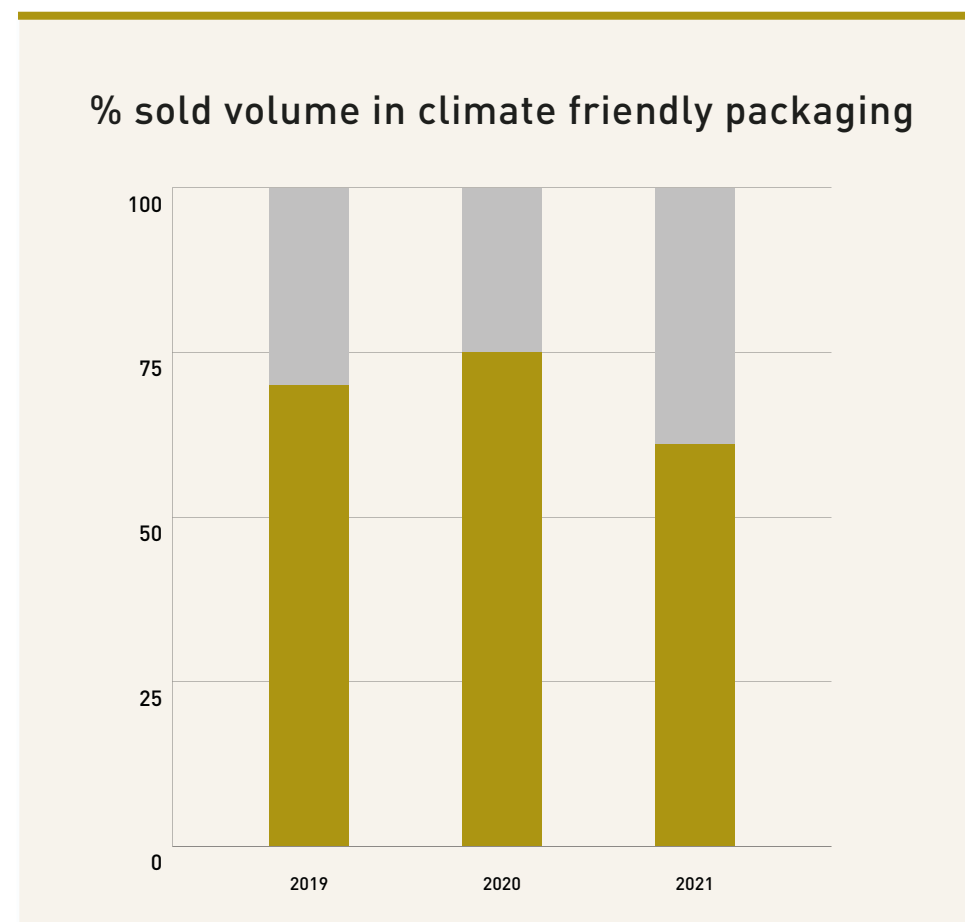
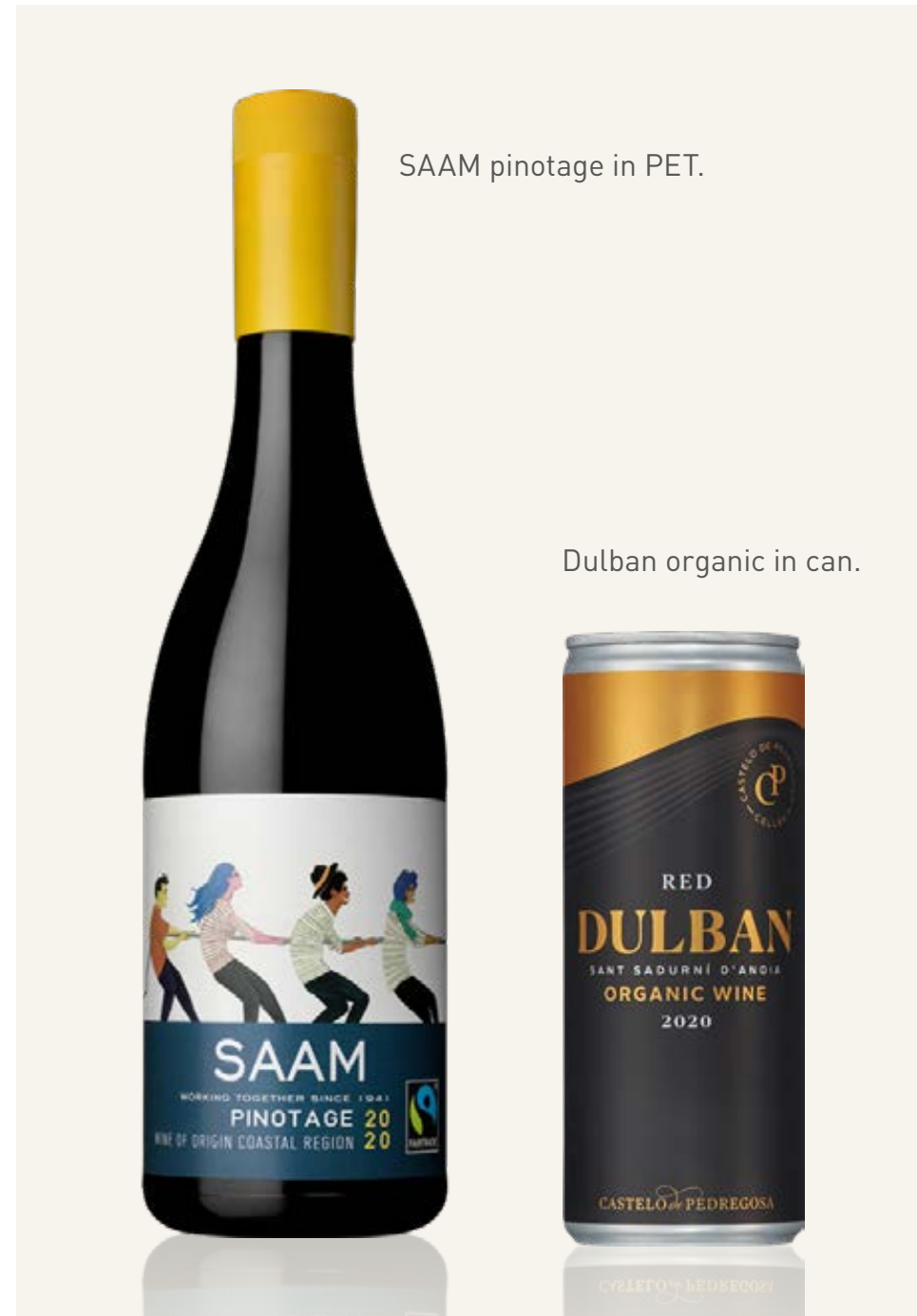
Climate-friendly packaging

Packaging accounts for a large part of the total climate footprint of products. By choosing packaging solutions with a lower impact on the planet we meet the needs of conscious Swedish consumers. Climate-friendly packaging has been defined by Systembolaget to include cardboard, cans, PET plastic, pouches, and returnable (deposit) glass bottles. Lightweight glass bottles are also a way to reduce climate impact.

We set an ambitious goal for 2021. 80 % of our volume was to be sold in climate-friendly packaging. Listings at Systembolaget and consumers' choice at the shelf have a significant impact on our volume sold in climate-friendly packaging. Even though we did not reach our goal for 2021 we did reach an ambitious 61 % of our sold volume in climate-friendly packaging. Our ambition is to continue to expand our portfolio and offer more products in climate-friendly packaging as well as in lightweight glass bottles. We will continue to encourage our producers to join us and look for more climate-friendly and innovative packaging options.

Recycling and waste management

Recycling is important for creating a sustainable and circular system for products while increasing resource efficiency and reducing the impact on the climate. Approximately 94 % of glass packaging, 87 % of aluminium cans and 86 % of PET-bottles are recycled in Sweden. It happens that our wine must be destroyed for various reasons, during destruction all waste is converted to biofuel for buses in Stockholm.





Certifications make a difference

Organic certification has been a top purchasing priority for Systembolaget during the past decade. Today buying organic wine has become a natural choice for many consumers. Our portfolio offers a broad range not only of organic, biodynamic and fair trade products but also of third-party audited, certified sustainable wines. A sustainable certification looks at many different environmental and social issues linked to cultivation and production, for example, areas such as biodiversity, soil health, chemical use, water management, waste management, energy and climate as well as social sustainability indicators such as decent working conditions, reasonable pay and protection of employees from overheating and dehydration to name a few.

During 2021, 21 % of our sold volume was certified sustainable, organic, biodynamic or Fair trade. We believe that certifications make a difference to

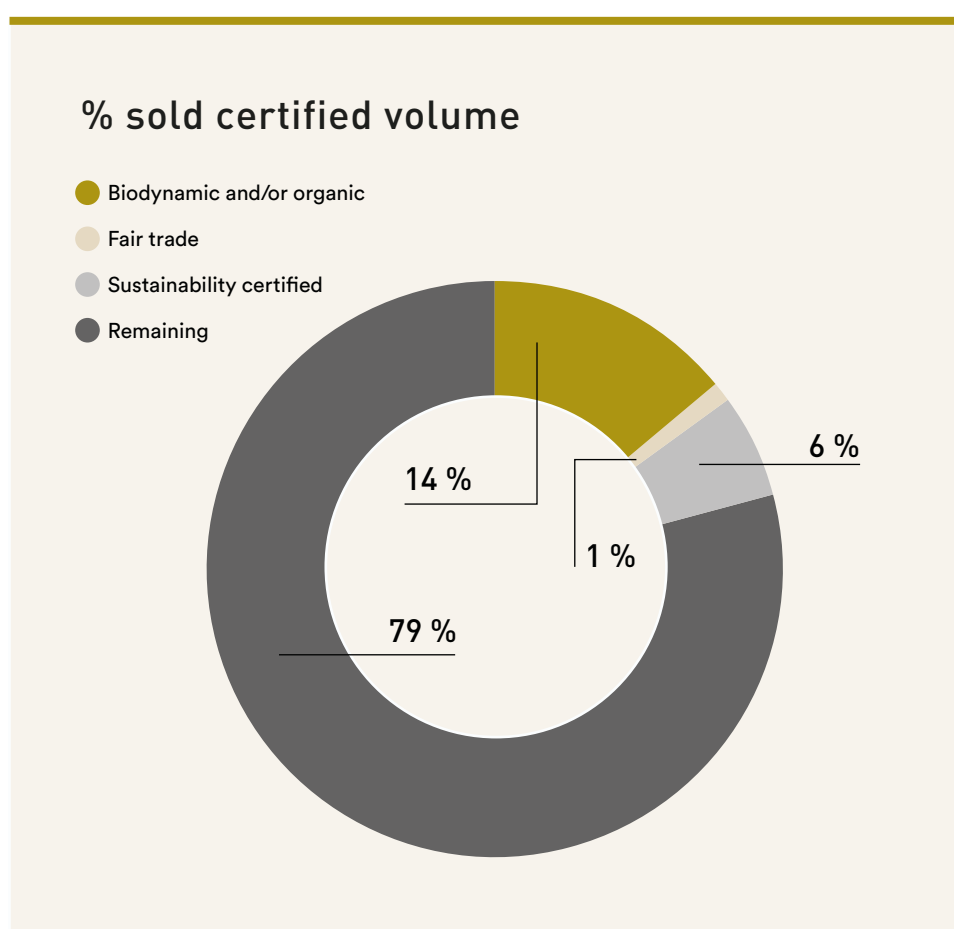
the planet and to everyone working in production and farming. We also believe that it meets the consumers' demands when choosing wine at the wine shelf. Our ambition is to continue to broaden our certified volume and offer products that can meet the consumer's requirements and meet the standards set for Systembolaget's new label "a sustainable choice".

Promoting sustainable consumption

In 2021 the COVID-19 pandemic continued to impact our business, our restaurant partners, and producers as well as our consumers. Consumers have turned to Systembolaget to an increasing extent, due to the fact that both restaurant visits and imports of alcohol by travellers have been restricted during the pandemic.

According to Systembolaget's responsibility report 2021, the vast majority of people have not changed their alcohol consumption during the pandemic and there are more individuals who have reduced their consumption rather than increased it. At the same time, there are signs that a smaller group has increased their alcohol consumption.

Systembolaget's mission is to minimize the negative effects of alcohol among Swedish consumers. We endeavour 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 products.





Wine With us

A Wine with us event is all the occasions when we meet the consumer with our wine in focus and share knowledge and inspiration. An event could be a digital live tasting with a known wine profile, a producer tasting, or a classic wine fair. It is an excellent way to promote our wines and the sustainability values they create. The digital live tastings give us the opportunity to have a continuous interactive dialogue with the consumer. The tastings are led by wine communicator, sommelier, and Master of Wine candidate Lars Trogen, and together we meet some of Sweden's most experienced wine profiles as well as prominent chefs on selected themes. Wine with us is an opportunity to inform our consumers, not only about the wine and its origins but also about food pairing, raise awareness on new sustainable certifications, discuss organic



wine with us

Wine communicator, sommelier, and Master of Wine candidate Lars Trogen.

and biodynamic wines, explain what Fair trade really is and show examples of climate-friendly packaging as well as introducing some of our low- or non-alcohol products to the consumer. It really is a great way to raise awareness of sustainable values and consumption.

Our communication channels

Social media

Wine tasting

Wine events

Personal meetings with consumers and journalists

News letters and magazines





A SUSTAINABLE WORKPLACE



We are a group of strong individuals with strong leaders. Our team is committed, knowledgeable, and entrepreneurial with a passion for wine and meaningful partnerships. One of our most important assets is our employees, and we believe that equality, diversity, and inclusion are key to attracting the right skills. 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.

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.

Our eight companies collaborate and share logistics, finance department, sales team, and our own sustainability expertise driving our sustainability progress forward. Our management team has an equal division between men and women, and we believe that gender equality is part of our success.

Our mission

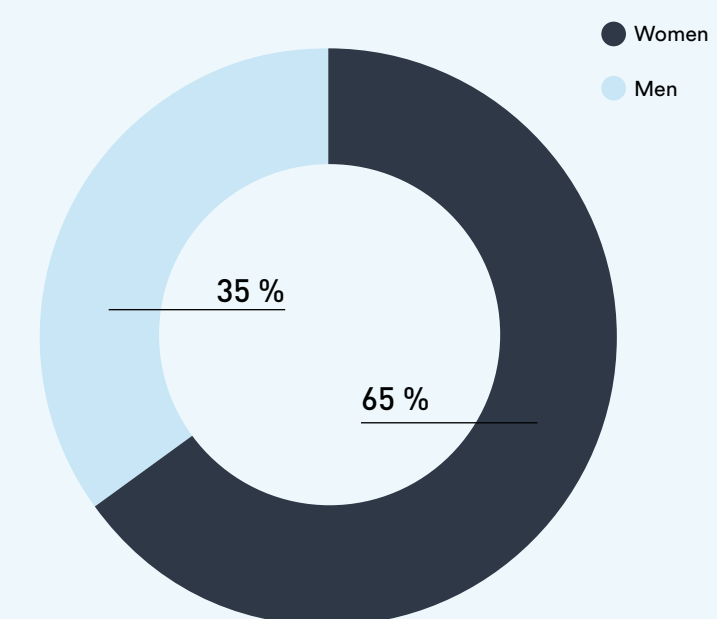
We want to offer our industry's most sustainable and attractive workplace.

- **ACHIEVED 2021:**
Continued equal division between women and men in management positions. 100 % use of renewable energy. All company cars are electrical or hybrids.
- **TARGETS 2021:**
Equal division between women and men in management positions.
100 % use of renewable energy.
Converting all company cars to electric or hybrid.
- **GOAL 2030:**
Offer our industry's most sustainable and attractive workplace



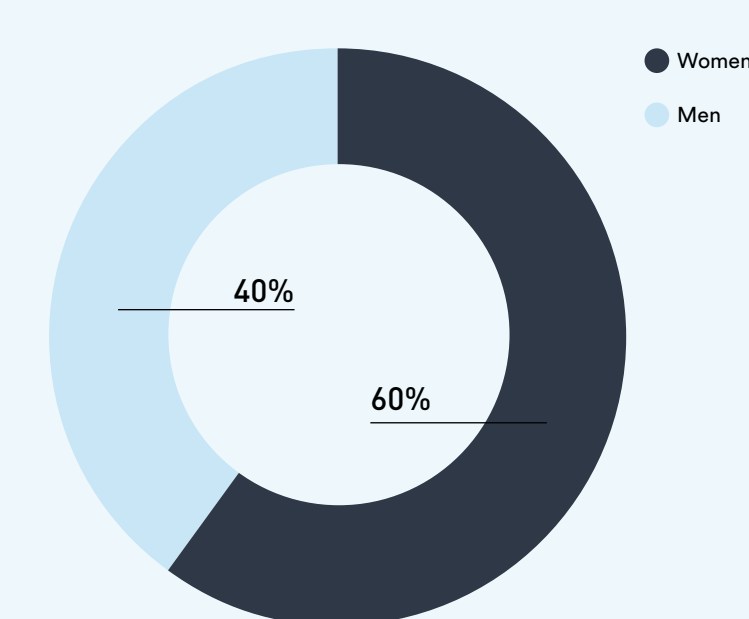


Vingruppen employees



Gender division – Employees

Vingruppen Management team



Gender division – Management team

Gender equality

We strongly believe that gender equality is part of our success. Strong leadership and an equal division between men and women in our management team are key. We are a proud partner of Stellagalan – an annual event with the ambition to create a platform where the most deserving and ambitious women are visible as well as an opportunity to build bridges between mentors and young people within the industry. Stellagalan’s goal is gender equality in gastronomy.

Advice for Building a Gender-Equal Workplace

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

Our office

Our office is based in the center of Stockholm and is powered by 100 % renewable energy and we have converted all our lights to LED. During the year all company cars were converted to electrical or hybrids.

When possible, we only purchase organic, fair trade, or sustainably sourced products to our kitchen. All waste produced in our office is recycled by the company Office recycle.

Our team of 46 employees are encouraged to engage in health activities during the year and we promote this by annually contributing 5000 SEK to each employee to spend on health activities.





Covid 19 and our restaurant patrol Krögerhjälpen

During the first year of Covid-19, we started “Krögerhjälpen” – The restaurant patrol. The aim was to help our clients through these challenging times. Our amazing sales team supported our restaurant clients with all kinds of tasks, from renovation to acting as guest sommeliers and wine educators.

Unfortunately, during 2021 Covid-19 continued to impact business, so we continued our support through Krögerhjälpen. The year has given us the opportunity to further strengthen our relation with our restaurant clients.

We are now looking forward to more events, tastings, and meetings with our restaurant clients as society has returned to a more normal situation. Hopefully, we can now enjoy the dynamics at the table, enjoying food and wine together, and finally that the restrictions due to Covid-19 are history.

#KRÖGARHJÄLPEN





We believe that driving sustainable business keeps us relevant and is key to success.





MANAGEMENT TEAM



SVANTE SELLING
CEO
Vingruppen i Norden



LINN LJUNGKVIST
Managing Director & partner
Vinunic and Valid Wines



JOHAN BOSTRÖM
Managing Director
Wine World



PETTER BERGLUND
Managing Director
Wine World*



ANN BURGAZ
CEO & partner
the Wine Agency



DANIEL TURPEINEN
CEO & partner, Quaffable
Wines and New Frontier Wines



CARINA MODIN
CFO



ÅSA LINDAHL
Logistics manager



KRISTER AHNSTRÖM
Sales manager





* Became a member of our management team during 2022.



GRI INDEX

This report has been prepared in accordance with the GRI Standards: Core option (as published 2016).

DISCLOSURE NO.	GLOBAL GOAL	NAME	DEVIATION OR COMMENT	PAGE
General disclosures				
Organisational profile				
102-1		Name of the organisation		1
102-2		Activities, brands, products, and services		4-5
102-3		Location of headquarters		32
102-4		Number of countries where the organisation operates		4
102-5		Ownership and legal form		4
102-6		Markets served		4
102-7		Scale of the organisation		4, 24-25
102-8		Information on employees	Deviation – we operate in Sweden therefore regions are not applicable. The main form of employment is full-time, hence there is no reporting on different forms of employment.	4, 24-25

DISCLOSURE NO.	GLOBAL GOAL	NAME	DEVIATION OR COMMENT	PAGE
102-9		The organisation's supply chain		4, 6, 9, 14, 16-17
102-10		Significant change to the organisation and its supply chain		4
102-11		Precautionary principle and approach	The principle is taken into account in our operations.	18
102-12		External initiatives	DKI (Dryckesbranschens klimatinitiativ), Sustainable Wine Round Table, Solvatten, Stellagalan	12, 14, 25
102-13		Memberships of associations	DKI (Dryckesbranschens klimatinitiativ), Sustainable Wine round table	12
Strategy				
102-14		Statement from senior decision-maker		3
Ethics and integrity				
102-16		Values, principles, standards and norms of behaviour		4, 9, 17
Governance				
102-18		Governance structure		4, 10
Stakeholder engagement				
102-40		List of stakeholder groups		6








DISCLOSURE NO.	GLOBAL GOAL	NAME	DEVIATION OR COMMENT	PAGE
102-41		Collective bargaining agreements	0 %	
102-42		Identifying and selecting stakeholders		6
102-43		Approach to stakeholder engagement		6
102-44		Key topics and concerns raised		11
Reporting practice				
102-45		Entities included in the consolidated financial statements		2
102-46		Defining report content and topic Boundaries		2, 7–9, 11
102-47		List of material topics identified		6, 11
102-48		Restatements of information	None	
102-49		Changes in reporting		11, 20
102-50		Reporting period	1 January 2021–31 december 2021	
102-51		Date of most recent report	June 2021	
102-52		Reporting cycle	We intend to report each financial year	
102-53		Contact point for questiones regarding the report		2, 32
102-54		Claims of reporting in accordance with GRI standards		2, 29
102-55		GRI index		29–31



DISCLOSURE NO.	GLOBAL GOAL	NAME	DEVIATION OR COMMENT	PAGE
102-56		External assurance	External assurance has not been prepared for this report	

Information and company-specific key figures by material sustainability topic

Emissions

103-1/2/3		Management approach		10, 12–14, 20–21
305-3		Other indirect (Scope 3) GHG emissions		11–14
Company specific key-figure	 	Percentage of volume in climate-friendly packaging		11, 20–21

Environment and biodiversity

103-1/2/3		Management approach		10, 18–22
Company specific key-figure	 	Percentage of organic, biodynamic or/and sustainably certified volume		11, 18–22



DISCLOSURE NO.	GLOBAL GOAL	NAME	DEVIATION OR COMMENT	PAGE
Diversity and equal opportunity				
103-1/2/3		Management approach		10, 24-25
405-1		Diversity of governance bodies and employees		11, 24-25
Supplier social assessment				
103-1/2/3		Management approach		10, 16-17
414-2		Negative social impacts in the supply chain and actions taken		11, 16-17





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