Framework for the sustainable procurement of Set Range beverages at Systembolaget



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# 1. Introduction

Systembolaget's business operations are based on the concept of sustainability and our vision is a society where alcoholic beverages can be enjoyed without harming people or the environment. The following Framework explains how our procurement of beverage items for Set Range is contributing to this.

This Framework describes the foundations on which Systembolaget's sustainability strategy and definition of sustainable development rest. It explains how our procurement of beverage items for Set Range (including Set Range - Miscellaneous) is contributing to this. The extent to which sustainability work has matured varies between different categories and segments while at the same time we have identified a number of risks of violations of human rights and breaches of amfori BSCI's code of conduct in our supply chain.

We also need to take a major leap forward in the areas of environment and climate in order to remain in line with the goals set in the Paris Agreement and to reach Systembolaget's goals regarding climate, biodiversity, soil health and water use by 2030.1

#### 1.1 Objective

The Framework will function as a tool to ensure that Systembolaget, both now and in the future, procures sustainable items in a systematic and transparent manner. By clarifying our ambition and direction going forward, the Framework will give Systembolaget, suppliers and other stakeholders an overall picture of the requirements and guidelines that apply from a sustainability perspective as regards the procurement of beverage items for Set Range.

#### 1.2 Target groups

While the Framework is primarily intended for buyers and category managers within Systembolaget, it can also be used by suppliers, producers and other stakeholders to gain an increased understanding of the sustainability requirements that apply when new beverage items are procured for Set Range as well as our ambition and direction going forward.

#### 1.3 Use

The Framework is primarily designed to be used by category managers and buyers as a support tool when procuring beverage items for Set Range. The sustainability areas in the Framework are divided into:

- Requirements that must be met in order for an item to be purchased by Systembolaget (green boxes); and
- Ambitious goals that may currently be challenging to achieve in all segments/categories, but which contribute to driving sustainability work forward and should therefore be requested within the scope of the tendering procedure when procuring items for Set Range, including Set Range - Miscellaneous (yellow boxes).

Relations between Systembolaget and each respective supplier are governed by Systembolaget's General Terms and Conditions for Purchasing (the "Terms and Conditions for Purchasing"). This Framework describes a number of the requirements that follow from the Terms and Conditions for Purchasing which we particularly want to emphasise. Moreover, Systembolaget has also adopted amfori BSCI's Code of Conduct (see Section 2.2). Under the Terms and Conditions for Purchasing, suppliers and producers are obliged to comply with this Code of Conduct.

The Framework, and the terms and conditions to which it refers, do not constitute an exhaustive description of all sustainability requirements. For a comprehensive description, refer to Appendix 16 and Appendix 17 in the Terms and Conditions for Purchasing. The Framework must always be interpreted and read in accordance with the Terms and Conditions for Purchasing. In the event of a discrepancy between the

Terms and Conditions for Purchasing and the Framework, the Terms and Conditions for Purchasing always take precedence.

The Framework is revised annually. In line with a general intensification of sustainability work in wider society, Systembolaget considers it likely that several of the criteria in this Framework that are currently listed as either "should" or an "ambition" will gradually be absorbed into future "requirements" in Systembolaget's Terms and Conditions for Purchasing. The Framework also includes:

- Criteria for an item to qualify for consumer guidance labelling as one of "Our most sustainable beverages"
- Summary of risk indicators
- · Country-level risk information
- Definition of packaging with a lower climate footprint

#### 1.4 Systembolaget's range and price model

Given its monopoly position, Systembolaget has a requirement for its procurement process<sup>2</sup> to be transparent, non-discriminatory and objective.

Systembolaget's range consists of existing items and new launches. The existing Set Range is evaluated twice a year for distribution 6 months ahead. Thus, at the time of evaluation, the supplier is aware of the distribution of the item in question for almost a full year ahead. New items have a guaranteed listing period of 9 months and begin to be evaluated 3 months after launch.

The listing period has been determined on the basis that suppliers require a reasonable guaranteed listing period at the same time as our customers receive a reasonable level of renewal of the range. The space that new items take up in store is determined by the guaranteed listing period and the number of items launched. Longer listing periods allow fewer new launches, which in turn need to be in balance with the number of items in the range. A level of 10% new launches in Set Range has been assessed as a benchmark that allows the range to be exposed to competition and renewed to a reasonable extent.

Items with organic or ethical labelling have a 12-month guaranteed listing period as items of this type entail a greater commitment from the producer. In order to ensure Set Range includes a selection of organic items, ethical items and items in packaging with a lower climate footprint, relevant segments also include a number of priority positions in the evaluation.

In common with the procurement process, Systembolaget's price model<sup>3</sup> is transparent and equal, i.e. the same rules apply to all suppliers and brands. This means that Systembolaget does not negotiate prices, but rather prices are set by the suppliers.

#### 1.5 Non-alcoholic range

Systembolaget does not have a retail monopoly on the sale of non-alcoholic beverages and its decision to procure and sell certain non-alcoholic beverages is therefore based solely on commercial considerations. The same applies to how and to what extent such beverages are distributed across Systembolaget's network of stores. Our non-alcoholic range should be an alternative to the alcoholic beverages in the range and enable customers to make health-conscious choices - an important part of achieving our overall vision of reducing alcohol-related harm in society. For further information, see Appendix 18 in the Terms and Conditions for Purchasing.

#### 1.6 Our most sustainable beverages

"Our most sustainable beverages" is a label used in both physical and digital stores that captures the breadth of sustainability from social, climatic and environmental perspectives, and which aims to make it easier for Systembolaget's customers to choose items that are the most sustainable at any given time.

Four criteria within the areas of traceability, social responsibility, environment and packaging must be met in order for an item to qualify for labelling as one of "Our most sustainable beverages". These criteria are described in more detail under each area below (also see Appendix 1).

Systembolaget's decision to only include traceability, social responsibility, environment and packaging as criteria for Our most sustainable beverages is based on the expectations that the general public and consumers have for sustainable beverage items. This approach is also supported by a consensus within civil society and among experts in sustainability. Overall, this fits within the various sustainability perspectives of environment, climate, working conditions and human rights. The four different qualification criteria we use for Our most sustainable beverages gives us the breadth we need for sustainability issues.

We do not use transport as a criterion for Our most sustainable beverages, despite the fact that beverage shipment is a significant (albeit not one of the largest) fraction of the overall climate impact of any given item. Beverage items are mainly shipped by truck, boat or train (either alone or in combination) from their various global locations. At present, it is very complicated to create a regulatory framework that weighs up all the parameters affecting the climate impact of transport in a fair and proper manner. Mode of transport, type of vehicle, fuel, electricity source, utilization of total capacity and allocation between different goods are all factors that need to be considered. Despite the complexity of this issue, we are still looking at the possibilities of introducing transport as an additional criterion for Our most sustainable beverages in the future.

Tender requests for Set Range and Set Range - Miscellaneous beverages will ask for certifications that qualify under Our most sustainable beverages and, in some cases, also for certifications that do not fully qualify for labelling under this guidance.

Requirements in tender requests may contribute to multiple items complying with Our most sustainable beverages, but not exclusively. We believe that all sustainability certifications, even those that do not fully comply with requirements for Our most sustainable beverages labelling, are positive developments driving improvements in each respective source region. We apply this strategy so that any new beverage items joining our range are in some way better than average. We need to work at both the cutting edge and on a broad scale to have a positive impact and maintain the diversity of our items.

# 2. Sustainable development at Systembolaget

Systembolaget's sustainability work is based on and follows international targets, agreements and guidelines. The most important are Agenda 2030, the Paris Agreement, the UN's Guiding Principles on Business and Human Rights, amfori BSCI, UN Global Compact and the OECD's Guidelines for Multinational Enterprises as well as national goals and strategies for public health and EU and WHO goals and strategies to reduce the harmful effects of alcohol.

#### 2.1 Agenda 2030

Agenda 2030 was adopted by UN member states in 2015. Its global goals are universal and exist to achieve four things by 2030:

- · To eradicate extreme poverty
- To reduce inequalities and injustices in the world
- · To promote peace and justice
- · To solve the climate crisis

The goals cover the three dimensions of sustainable development – economic, social and environmental – and apply in all countries and to all of humanity.<sup>4</sup>

# 2.2 UN's guiding principles on business and human rights

The UN's Guiding Principles on Business and Human Rights (UNGP) consist of 31 principles on human rights and business operations. The Guiding Principles are a global standard for preventing and managing the risk of negative consequences for human rights linked to business operations. The cornerstones of these guiding principles are:

- The duty of the state to protect human rights.
- The corporate responsibility to respect human





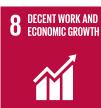
































rights, which means that business operations must not contribute to violations of human rights and that companies must act to prevent such violations from occurring.

 The opportunity to have your case tried if these rights are not respected. Compliance with the UN's Guiding Principles on Business and Human Rights is included in the State's ownership policy and principles for state-owned companies. These principles have helped us prioritise our efforts and have laid the foundation for how we work with human rights.

We use a so-called Human Rights Due Diligence (HRDD) analysis to identify risks linked to the human rights that our business affects from a global perspective and above all on ways to improve our processes and thereby minimise our negative impact.

#### 2.3 Paris Agreement

The Paris Agreement sets long-term goals to limit the average global temperature increase to 2°C while pursuing efforts to limit the increase even further to 1.5°C. This will primarily be achieved by reducing greenhouse gas emissions. The ability to adapt to negative impacts and deal with the damage and losses that occur as a result of climate change also needs to improve. Almost all the countries of the world have committed themselves to implementing measures that contribute to achieving the goals of the Paris Agreement.

#### 2.4 Sustainable Development Strategy

The "Sustainable Development Strategy" 5 describes how Systembolaget is contributing to long-term sustainable development as well as the basic principles of business ethics that it applies. The document sets out how we must always be a good role model in our own business operations and that our decision-making must be underpinned by responsibility and consideration for people and the environment.

#### 2.5 Climate targets

Systembolaget has adopted scientifically-based climate goals, so-called Science Based Targets<sup>6</sup>. These targets are based on what science considers is necessary to meet the Paris Agreement's ambition to keep global warming to no more than 1.5°C. These ambitious climate targets<sup>7</sup> are linked to both the climate impact of our own business operations and the climate impact of our supply chain, such as cultivation, production, transportation and packaging.

# 3. Traceability

Traceability means identifying which parties are present in any particular item's supply chain. Traceability is a prerequisite to be able to work with risk analysis and incident management in an efficient, relevant and resource-smart way for a sustainable supply chain.

Traceability gives us the opportunity to respect, prevent and address any risks and irregularities that we may identify in connection with working conditions, human rights and environmental work.

As the greatest risks are found at grower level, we strive to trace all the way back to the grower (fully traced items).

## Requirements under the Terms and Conditions for Purchasing

The minimum requirement is that any particular item can be traced back to the actual producer.

Appendix 16, sections 16.3-16.5

### **Our** ambition

The supply chains of our items are completely traceable, i.e. the actual producer(s) and grower(s) involved are all identified, so that we can safeguard each item from a risk perspective, enable long-term improvements and follow up on any sustainability incidents.

# 3.1 Criteria for Our most sustainable beverages - traceability<sup>8</sup>

Systembolaget must be given the following information about an item's supply chain:

- a) Wine: information about the actual producer and growers who have contributed to the production of at least 2/3 of the volume of the item (if more than ten parties are involved, the ten representing the largest share of the volume must be specified).
- b) Beer, cider and ready-to-drink beverages: information about the actual producer and country of origin of the agricultural raw material contributing to the production of at least 2/3 of the volume of the item (if more than ten countries are involved, the ten representing the largest share of the volume must be specified).
- c) Spirits: information about the actual producer and country of origin of the agricultural raw material contributing to the production of at least 2/3 of the volume of the item (if more than ten countries are involved, the ten representing the largest share of the volume must be specified).

# 4. Human rights and working conditions

#### 4.1 Code of Conduct

By accepting Systembolaget's Terms and Conditions for Purchasing, our suppliers undertake to comply with the requirements of our external Code of Conduct and associated monitoring system. The Code has been included in the Terms and Conditions for Purchasing since 2012 and is based on amfori BSCI<sup>9</sup>, a global, non-profit organisation that works for social responsibility in a number of industries, imposing demands on everything from extraction of raw materials to finished items. Compliance with the Code of Conduct is based on the principle that each supplier is responsible for the working conditions and environmental conditions of their respective sub-contractors – across the entire supply chain.

Since 2020, the Terms and Conditions for Purchasing also include an explicit requirement for the supplier to ensure that the actual producer of any particular item supports the principles of the Code of Conduct

## Requirements under the Terms and Conditions for Purchasing

The supplier and actual producer must sign a confirmation of either the Code of Conduct or other code of conduct with equivalent principles.

Suppliers of Set Range items must also ensure and confirm that other parties in their supply chain comply with the principles of the Code of Conduct.

Appendix 16, sections 16.3.2 and 16.4

#### 4.2 Social sustainability risks in the supply chain

Systembolaget works on the basis of UNGP's HRDD (Human Rights Due Diligence) principle, i.e. that we identify, mitigate and prevent potential human rights violations to which our business activities may contribute.

Systembolaget's systematic assessment of risks linked to sustainability is based on a set of social and environmental risk indicators based on place of origin. These risk indicators were developed by Verisk Maplecroft and are updated annually on the basis of the changes taking place in the world.

### **Our ambition**

Our items must be procured so that the risks of human rights being violated are reduced.

## 4.2.1 Critical risks and Systembolaget's work on

We have identified a number of critical risks in our HRDD process that can be affected in various ways by our procurement process. For example, the difficulty of living on one's salary, overtime and various forms of forced labour are some of the risks associated with our industry, and we want to use our work on responsible procurement to prevent the occurrence of these risks in our countries of procurement.

For Set Range items at tender stage, Systembolaget's ambition is to ensure that the quoted price of the particular item being procured enables it to be produced without contributing to the above risks for employees in the supply chain. This is especially important for tender requests involving items in lower price brackets.

## Requirements under the Terms and Conditions for Purchasing

The supplier must ensure that workers in its supply chain are protected by our Code of Conduct, which means, inter alia, that they are paid a reasonable salary and have secure forms of employment.

Appendix 16, section 16.2, and Appendix 17

# 4.3 Criteria for Our most sustainable beverages – human rights and working conditions<sup>11</sup>

The item's entire supply chain (i.e. the actual producer and any growers) must, through certification or audit, be without critical or high country-level risks or possess a product certification that covers the social sustainability indicators in the entire supply chain in an equivalent manner.

# 5. Environment

#### 5.1 Cultivation and production

Systembolaget's assessment of environmental and climate risks is somewhat different from its assessment of social risks. The starting point is that environmental and climate risks exist in all operations and all places of origin, albeit to varying degrees. Although compliance with national and local legislation is a good starting point, it is often insufficient to meet the challenges we face. We need to be more ambitious. In cases where the country-specific risk (as defined by Verisk MapleCroft) indicates weak national environmental legislation and/or weak regulatory supervision, it is especially important that the grower or producer concerned can demonstrate an ambitious level of environmental work. This is done either by answering questions in a survey as part of a risk analysis or by presenting third party environmental certification(s). The environmental risks being assessed can be summarised under the following areas of significance to the industry - climate impact, biodiversity, soil health and water use.

However, regardless of what the country-specific risk means in terms of existing environmental legislation and regulatory supervision, we want to encourage and promote environmental certification as an effective and credible way of verifying environmentally-sustainable and climate-sustainable products. Therefore, the item in question (its actual producer and any growers) should be environmentally certified regardless of place of origin, which is also a sub-requirement for the item to qualify for inclusion under the Our most sustainable beverages consumer guidance.

## Requirements under the Terms and Conditions for Purchasing

Regardless of the range in which a particular item is listed, all suppliers must comply with requirements regarding proactive systematic environmental work; this also includes producers and growers in the supply chain.

Appendix 16, section 16.10.1-2

### **Our ambition**

To determine the climate impact of the entire range through templates that are gradually replaced with specific climate data from the producers and growers concerned. The method is based on the Product Carbon Footprint (PCF) concept.

#### 5.2 Transportation

Any shipments or haulage required for an item's journey from farm via production facility to its point of sale with Systembolaget should be done in the most environmentally friendly way possible, as such transportation accounts for a significant fraction of Systembolaget's total climate impact.

Circumstances that should be taken into account when choosing mode of transport are:

- Vehicle type, route optimisation and degree of loading
- · Choice of fuel
- Systematic improvement work
- · Emissions documentation and reporting

## Requirements under the Terms and Conditions for Purchasing

In dialogue with the producer, all suppliers must identify alternative transportation and logistics solutions for the shipment of beverages from the producer to Systembolaget, and work to ensure that options with lower energy consumption and climate impact are prioritised.

Appendix 16 section 10.2(iii)

When choosing means of transport, care should also be taken to ensure that the carrier's business operations (or that of any sub-contractor that may be engaged) are conducted in accordance with collective agreement or collective agreement-like working conditions.

We do not require air freight with the intention of avoiding possible sanction and fines while force majeure is being investigated; this will rather be based on the fastest possible alternative modes of transport.

### Our ambition

The transportation required for an item's journey from farm via production facility to its point of sale with Systembolaget should be done in the most energy-efficient manner and with as little carbon dioxide consumption as possible.

## 5.3 Criteria for Our most sustainable beverages - environment12<sup>12</sup>

The item must be certified via certification programme(s) that include relevant environmental requirements on cultivation and production (which must be clearly stated on the packaging).

# 6. Packaging

#### 5.1 Cultivation and production

Packaging is a significant part of the beverages Systembolaget sells, both from a functional perspective and in terms of environmental impact. The impact of packaging on climate and the environment is considerable, both directly in terms of raw material extraction and production and indirectly through logistics, storage, staff handling, beverage preservation, customer use and recycling. It is therefore important that the design and choice of material used for packaging takes the environmental and climate impact that the packaging has throughout its life cycle into consideration to the greatest extent possible.

This Framework addresses primary packaging and any gift packaging accompanying an item.<sup>13</sup>

#### 6.1 Climate impact

Packaging accounts for a quarter of Systembolaget's total climate impact. Packaging with a lower climate footprint will allow us to contribute to a better climate.

Glass is currently far and away the most energy-intensive packaging material to manufacture, transport and recycle. Except in those cases where an item is intended to be stored or where local legislation does not allow packaging in anything other than glass, other packaging materials are preferred. Where a choice of material other than glass is not possible, the amount (weight) of glass being used must be minimised.

Regulation (2018:1462) on Producer Responsibility for Packaging<sup>14</sup> aims to reduce the amount of packaging waste by requiring packaging to be:

- a) manufactured in such a way that its volume and weight are limited to the level required to maintain a good level of safety and hygiene;
- b) used only when necessary; and
- c) reused.

In the event items cannot be bottled in the desired manner and/or in packaging with a lower climate footprint, the supplier must be able to explain why this is so and what plans it has to reduce climate impact as regards packaging.

## Requirements under the Terms and Conditions for Purchasing

Requirements in our Terms and Conditions of Purchasing regarding the maximum permissible CO<sup>2</sup> emissions (per year and item) for single-use glass bottles that exceed specified maximum weights.

The weight and CO<sup>2</sup> limits will be progressively lowered. One long-term goal is that everything we sell in single-use glass bottles should at least be bottled in lightweight glass.

Appendix 16, new section 16.11 and Appendix 11, new section 11.2.2(v)

## **Our** ambition

The packaging has the lowest environmental and climate footprint available for the item in question.

The greatest possible consideration is given to climate and environment when choosing packaging.

Circumstances that should be taken into account when choosing packaging are:

#### Wine (including our non-alcoholic range):

- Still wine should primarily be bottled in cartons, pouches, boxes, PET plastic or cans. If this is not possible, the item should be bottled in lightweight glass or the lowest possible bottle weight<sup>15</sup>.
- Sparkling wine should be bottled in the lowest possible bottle weight when lightweight glass or cans cannot be used.
- With regard to tender requests for still wine in bottles, we encourage quotes based on cartons or PET plastic.

Systembolaget encourages and facilitates switching to packaging options with a lower climate footprint for items in its existing range.

# Beer, cider and ready-to-drink beverage packaging (including our non-alcoholic range):

 Beer, cider and ready-to-drink beverages, especially those in volume segments, should mainly be bottled in cans, PET plastic or returnable glass bottles. Where this is not possible, Systembolaget wants the lowest possible bottle weight.

Systembolaget encourages and facilitates switching to packaging options with a lower climate footprint for items in its existing range.

# Spirits packaging (including our non-alcoholic range):

- Spirits should mainly be bottled in PET plastic.
- If PET plastic or lightweight glass options are unavailable, Systembolaget wants the lowest possible bottle weight to be used.
- Spirits in the lowest price brackets must be bottled in lightweight glass, and whenever possible should be bottled in PET plastic.

Systembolaget encourages and facilitates switching to packaging options with a lower climate footprint for items in its existing range.

#### 6.2 Packaging materials

Using recycled material instead of virgin raw material in packaging significantly reduces our climate and environmental impact.

The requirements and wishes for packaging materials also apply to any gift packaging<sup>16</sup> accompanying primary packaging.

Systembolaget welcomes innovation in packaging and wants to support initiatives that can contribute to reducing climate impact.

### **Our ambition**

All packaging, both beverage packaging and packaging for retailers, must be made from recycled materials.

#### Beverage Industry's Climate Initiative (DKI)

The Beverage Industry's Climate Initiative (or DKI) is a collaborative initiative that was started by the Swedish Wines & Spirits Suppliers Association, the Swedish Brewers Association and Systembolaget with the aim of giving all beverage suppliers the opportunity to contribute to a more climate-smart industry.

Systembolaget welcomes its suppliers becoming members of DKI.

#### 6.3 Recyclability

The majority of plastic currently comes from fossil raw materials. Plastics also contribute to littering, which is a major global problem threatening marine ecosystems, humans and animals.

All packaging must be connected to a returns system and comply with guidelines issued by NPA (Näringslivets producentansvar).<sup>17</sup>

Systembolaget wants sustainable designs that do not make recycling difficult and for no packaging to go to landfill because it cannot be recycled.

Black plastic should not be used (for example as a handle for bag in box packaged beverages).

## Requirements under the Terms and Conditions for Purchasing

All packaging, both beverage packaging and packaging for retailers, must be recyclable.

Bottles must not contain details that prevent its effective recycling (such as a seal or ceramic decoration).

Appendix 11, sections 11.1, 11.2 and 11.9

# 6.4 Criteria for Our most sustainable beverages - packaging<sup>18</sup>

The item's primary packaging must have a lower climate impact than that of traditional heavy glass bottles

# Appendix 1 – Our most sustainable beverages

Our most sustainable beverages is a label used in both physical and digital stores that captures the breadth of sustainability from social, climatic and environmental perspectives, and which aims to make it easier for Systembolaget's customers to choose items that are the most sustainable at any given time. Items bearing this labelling have clear added value from a sustainability standpoint.

Four criteria must be met for an item to qualify as one of Our most sustainable beverages.

- 1. Traceability Systembolaget must be given the following information about the item's supply chain:
  - a) For wine, this means information about the actual producer and those growers who have contributed to the production of at least 2/3 of the volume of the item (if more than ten parties are involved, the ten representing the largest share of the volume must be specified).
  - b) For beer, cider and ready to drink beverages, this means information about the actual producer and country of origin of the agricultural raw material contributing to the production of at least 2/3 of the volume of the item (if more than ten countries are involved, the ten representing the largest share of the volume must be specified).
  - c) For spirits, this means information about the actual producer and country of origin of the agricultural raw material contributing to the production of at least 2/3 of the volume of the item (if more than ten countries are involved, the ten representing the largest share of the volume must be specified).

- Social responsibility an approved outcome in either Systembolaget's sustainability analysis for all social sustainability indicators in the risk analysis or the product certification(s) covering these social sustainability indicators across the entire supply chain in an equivalent manner.
- 3. Environment The item must have certification covering relevant environmental requirements as regards cultivation and production. To ensure linkage to the item in question, the certification must be visible on the packaging. This package labelling is also there to establish trustworthiness in the sustainability message to customers.
- 4. Packaging The item's primary packaging must have a lower climate impact. The following beverage packaging is approved:
  - a) For wine and spirits: cartons, Bag-In-Box, pouches, aluminium cans, PET plastic bottles, returnable glass bottles and lighter glass bottles (see Appendix 5 for weight limits).
  - b) For beer, cider and ready-to-drink beverages: aluminium cans, PET plastic bottles and returnable glass bottles.

#### Table 1 – Approved certifications for Our most sustainable beverages

Follow the link below to see which certifications are approved for Our most sustainable beverages: Find Our most sustainable beverages | Systembolaget (omsystembolaget.se)



# Appendix 2 – Risk indicators

Systembolaget purchases risk data divided into a set of indicators from Verisk Maplecroft. These country-specific indicators are linked to different areas for which there is a risk of a negative impact on humans and the environment. These indicators and their content are explained below.

#### **Environmental legislation and regulations**

Refers to any given country's national environmental legislation and commitments linked to international conventions. Also includes an assessment of legal and institutional capabilities and oversight underpinning implementation and compliance with environmental policies, laws and regulations.

# Protection of employees from overheating and dehydration

Refers to risks related to exposure to extreme temperatures and humidity that can cause serious illness.

#### Living wage

A living wage refers to a level of income that is sufficient to provide an employee and his or her family with a decent standard of living.

#### Hours of work

Refers to hours of work that at most reflect hours of work in accordance with national legislation and international conventions (maximum 48 hours per week, eight hours per day, 5 or 6 days per week). Employees should be given specified rest periods and overtime is allowed under certain circumstances.

#### Discrimination

The organisation may not participate in or support discrimination in employment, remuneration, access to training, promotion, dismissal or retirement based on race, national or territorial or social origin, caste, religion, disability, gender, sexual orientation, family responsibilities, marital status, trade union membership, political opinions, age or any other condition that may lead to discrimination.

#### Freedom of association and collective bargaining

Refers to the right to form, join and organise in a trade union/working committee of your choice and to negotiate collectively with the organisation in question.

#### Workers' rights

Addresses risks related to workers who are not national citizens and who will be employed, are engaged in or have been engaged in an activity for which they are to be paid. This includes aspects related to the responsible recruitment of workers.

#### Forced labour or unethical recruitment methods

Refers to all forms of work or service that a person has not offered to do voluntarily and is forced to do under threat of punishment, retribution or that is demanded as a means of repaying a debt. It can also refer to the forced confiscation of identity documents or threats to inform the immigration authorities.

#### Work environment and Health & Safety

Health and safety at work includes all measures to protect workers from falling ill or being injured at work or because of the work they perform and what they are exposed to during working hours.

#### Gender equality

Refers to discrimination, restrictions or violation of the rights of women and girls.

#### Young workers

Addresses the specific rights of young workers (aged 15 to 24) as they may be at particular risk of insecure employment, unfair remuneration and health risks in the workplace.

#### Child labour

All work performed by a child younger than the age of 15. If the minimum age for work or compulsory schooling is higher under local law, then that age applies.

#### Corruption and ethical business practice

Corruption is the abuse of entrusted power for private gain. A company should actively oppose any act of corruption, extortion or embezzlement as well as all forms of bribery in its business operations.

# Appendix 3 – Sustainability certification programmes

Together with the other Nordic state alcohol monopolies, Systembolaget conducts an annual review of sustainability certification programmes within the beverage industry. The study is carried out by Intertek.

The aim of the comparative study is, in a more systematic manner, to take advantage of the important work being done at cultivation and production stages, thereby securing a more sustainable range. The findings can be utilized in various contexts, for example:

- Suppliers can take part in the review of sustainability certifications in the beverage industry via the Supplier Portal (Sustainability/Sustainability analysis/Reviews of sustainability certifications).
- As a source of information to assess and manage risks in the supply chain;
- · When drawing up requests for tender; and
- When developing communications with customers both in store and online, for example consumer guidance for Our most sustainable beverages.

# Appendix 4 – Packaging with a lower climate footprint

Packaging accounts for a quarter of Systembolaget's greenhouse gas emissions. To reduce the climate impact from packaging, we are striving to reduce packaging weight and to switch to packaging with lower energy requirements during production. We are also engaging in dialogue with representatives of the packaging industry to emphasise the importance of this issue for us.

Current types of packaging that Systembolaget has defined as having a lower climate impact are:

- Cartons
- Bag-In-Box
- Pouches
- Aluminium cans
- PET plastic bottles
- Returnable bottles
- Lighter glass bottles (see table)

Volyme (ml)	Still wine and spirits (g)	Sparkling wine (g)
187	220	
200	225	225
250	240	
300	255	
330	265	
350	270	
375	280	400
500	325	
700	400	
720	410	
750	420	580
1,000	530	
1,500	800	1,160

#### Endnotes

1	2.5 Climate targets for more information
2	How Systembolaget is financed   Systembolaget (omsystembolaget.se)
3	https://www.omsystembolaget.se/omsystembolaget/inkop-kvalitet/prismodell/
4	https://www.globalamalen.se/ om- globalamalen/
5	https://www.omsystembolaget.se/ foretagsfakta/sa-styrs-systembolaget/policyer/ policy-for-hallbar-utveckling/
6	https://sciencebasedtargets.org/
7	https://www.omsystembolaget.se/hallbarhet/miljo-och-klimat/klimatmal/
8	For a more detailed description of Our most sustainable beverages, see Appendix 1
9	https://www.amfori.org/content/amfori-bsci
10	For an explanation of the risk indicators, see Appendix 2
11	For a more detailed description of Our most sustainable beverages, see Appendix 1
12	For a more detailed description of Our most sustainable beverages, see Appendix 1
13	For a more detailed description of Our most sustainable beverages, see Appendix 1
14	https://www.riksdagen.se/sv/dokument-ochlagar/dokument/svensk-forfattningssamling/forordning-20181462-omproducentansvar-forsfs-2018-1462/
15	Note that our ambition is that this will become an absolute requirement in the future
16	With regard to the gift packaging Systembolaget sells to customers, the Framework for sustainable procurement of services and indirect materials applies.
17	Design of packaging – we will help you - NPA
18	For a more detailed description of Our most sustainable beverages, see Appendix 1