

GRI Annex, 2009

A complement to the Responsibility Report



GRI annex contents

This is an annex to Systembolaget's 2009 Responsibility Report. The annex is part of Systembolaget's sustainability reporting for 2009 and is primarily aimed at anyone who would like detailed information on Systembolaget's sustainability work, based on the Global Reporting Initiatives (GRI) guidelines.

The annex contains:

- An application level table
- A description of the sustainability reporting, its scope and delimitations
- A materiality analysis and stakeholder mapping
- Explanations, delimitations and complementary information to the description of Systembolaget's profile (sustainability management and standard information) and the reported GRI indicators.

Application level:

Systembolaget's Board of Directors has resolved to prepare its sustainability reporting in accordance with GRI level B+.



	C	B	A
Application level			
GRI's reporting requirements	C+ = with certification report	B+ = with certification report	A+ = with certification report
Descriptions of the organisation's profile	Report criteria. 1.1 2.1 – 2.10 3.1 – 3.8, 3.10 – 3.12 4.1 – 4.4, 4.14 – 4.15	Report all criteria.	Report all criteria.
Descriptions of approaches to each indicator category	Not required.	Required for each indicator category.	Required for each indicator category.
Reporting of core indicators	Report at least 10 indicators, including at least one from each of the following categories: social, economic and environmental.	Report at least 20 indicators, including at least one from each of the following categories: economic, environmental, human rights, labour conditions, social, and product responsibility.	Report all core indicators with reference to the significance of each indicator, or explain why certain indicators are not reported.

The Report's scope and delimitations

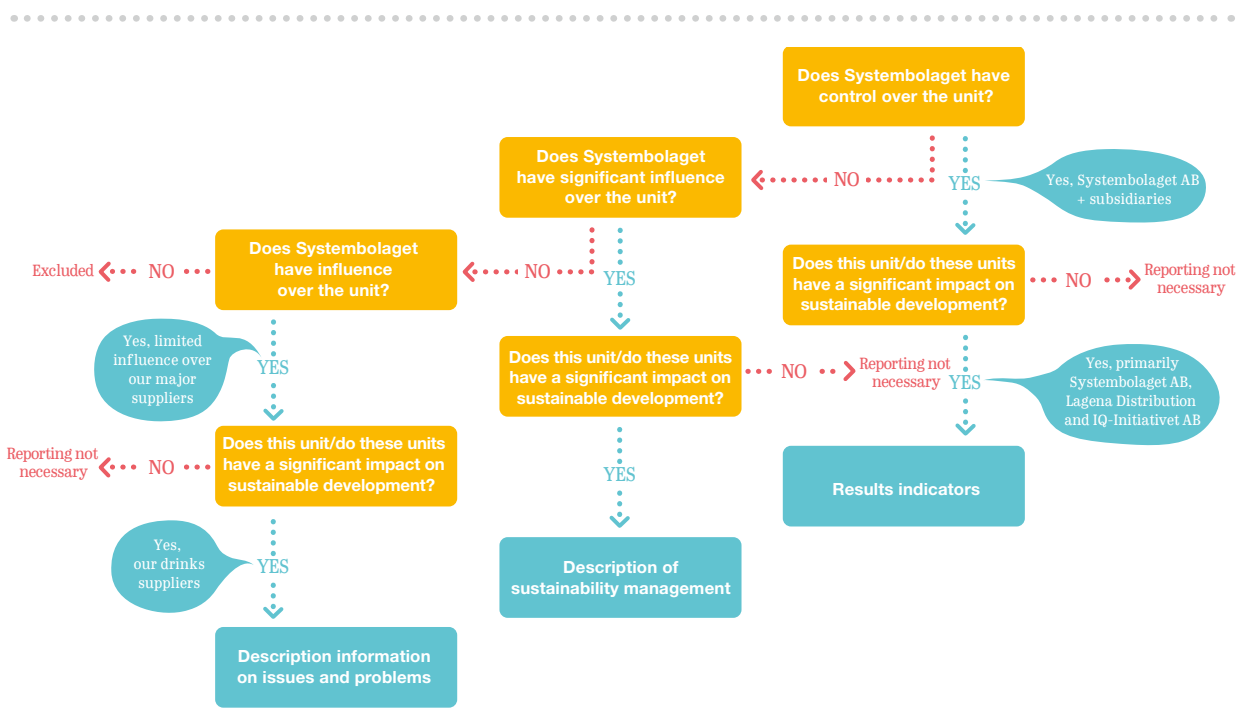
The Sustainability Report for the 2009 financial year comprises, as shown in the illustration below, the Parent Company, Systembolaget AB, and the wholly-owned subsidiary companies, Lagena Distribution AB, IQ-Initiativet AB and AB K14 Näckströmsgatan, and refers to all corporate operations in Sweden. Information for Systembolaget Fastigheter AB is shown in the comparison figures up to and including 31st August 2008 as the company was sold in that year. All of the companies comprise operations in which Systembolaget exercises control over financial and operating policies and routines.

The basic principle is that all companies shall be represented in all performance indicators. Any exceptions from this norm are reported in the GRI table contained in this annex. There are currently no other units in which Systembolaget has a significant influence over financial and operating policies and routines. Systembolaget does, however, have a limited influence over suppliers via agreements and B2B relationships with them. The term, suppliers, refers primarily at the current time to drinks suppliers in that Systembolaget's biggest purchases are made from them and they can hence be regarded as the most significant from a sustainability viewpoint. We do not report indicators and sustainability management with regard to suppliers, but we do describe the work in detail in that it is important in providing a compre-

hensive picture of Systembolaget's endeavours to promote sustainable development in the supplier chain. We have also begun working with other suppliers.

Certain changes have been made in comparison with the 2008 report on our sustainability work (Systembolaget's 2008 Responsibility Report and GRI annex, published on 2nd April 2009). We have, for example, conducted a more detailed materiality analysis in 2009 than that conducted in 2008. The sustainability areas that emerged from the materiality analysis have been compared with the GRI indicators. Overall, the results of these changes mean that we have reported 31 indicators in 2009 – an increase of 12 over 2008, which was the first year in which we reported GRI indicators. 2008 is, therefore, in the majority of cases, the base year and in many cases, no comparison figures are available for previous years. The comparison figures have, in some cases, been amended due to changes in calculation methods.

One additional change in comparison with last year is that in 2009, we have reported in accordance with GRI level B. This has entailed, in addition to the reporting of additional indicators, an increased focus on describing Systembolaget's sustainability management. We hope that by describing our strategy and our goals (where such exist), we will help improve the reader's understanding of our results and indicators and enable the reader to place them in their proper context.



Materiality analysis

In 2009, we have charted the sustainability areas with which we are currently working, or with which we plan to work, and which are important from a sustainability perspective. The aim of the materiality analysis was to identify and highlight significant and important areas with which Systembolaget should work with and on which it should report within the context of sustainable development. The starting point for the analysis was the GRI principle regarding significance. We use the term, significant, to refer primarily to areas and issues that are important in reflecting our more important economic, environmental and social spheres of impact.

The mapping was carried out by Systembolaget's CSR group, which comprises representatives of the marketing, finance, purchasing & supply chain management, and personnel departments, and the environmental and ethical working groups. The process began by compiling steering documents (including strategic plans, ethics plans, environmental plans, policies and guidelines) in order to pick up on all of the activities and areas of significance in terms of sustainable development. We then thinned out these steering documents, setting aside those with little impact on sustainable development. The final stage involved classifying the issues and resulted in the following sustainability areas.

The most significant sustainability areas from a sustainability perspective were placed in a matrix (see overleaf) in order to enable their identification. The matrix shows the degree of influence and control we have over the issues and whether the issue is operational or strategic in nature. The matrix was drawn up on the basis of the GRI delimitation protocol. The issues it was deemed most significant for reporting purposes are those that reflect our more important economic, environment and social impacts and are consequently deemed to have a high degree of influence on sustainable development. Systembolaget shall also be able to exert a high level of control over the issues in question and they shall be of an operational nature. These sustainability issues have, therefore, been matched up against GRI indicators.

The materiality analysis is a living document that we will review and update annually on the basis of changing conditions. We have engaged in stakeholder dialogues on the subjects of both our mandate and our CSR work for many years now, and in 2010, we will be conducting focus group interviews with all principal stakeholders in order to compare our prioritised CSR areas with those that our stakeholders consider important.

Fundamental systems

- Sustainability management
- Communication
- Skills

The mandate

- Commercial cost-effectiveness
- Indirect financial impact
- Social and environmental cost-effectiveness
- Product range – full
- Mandate compliance

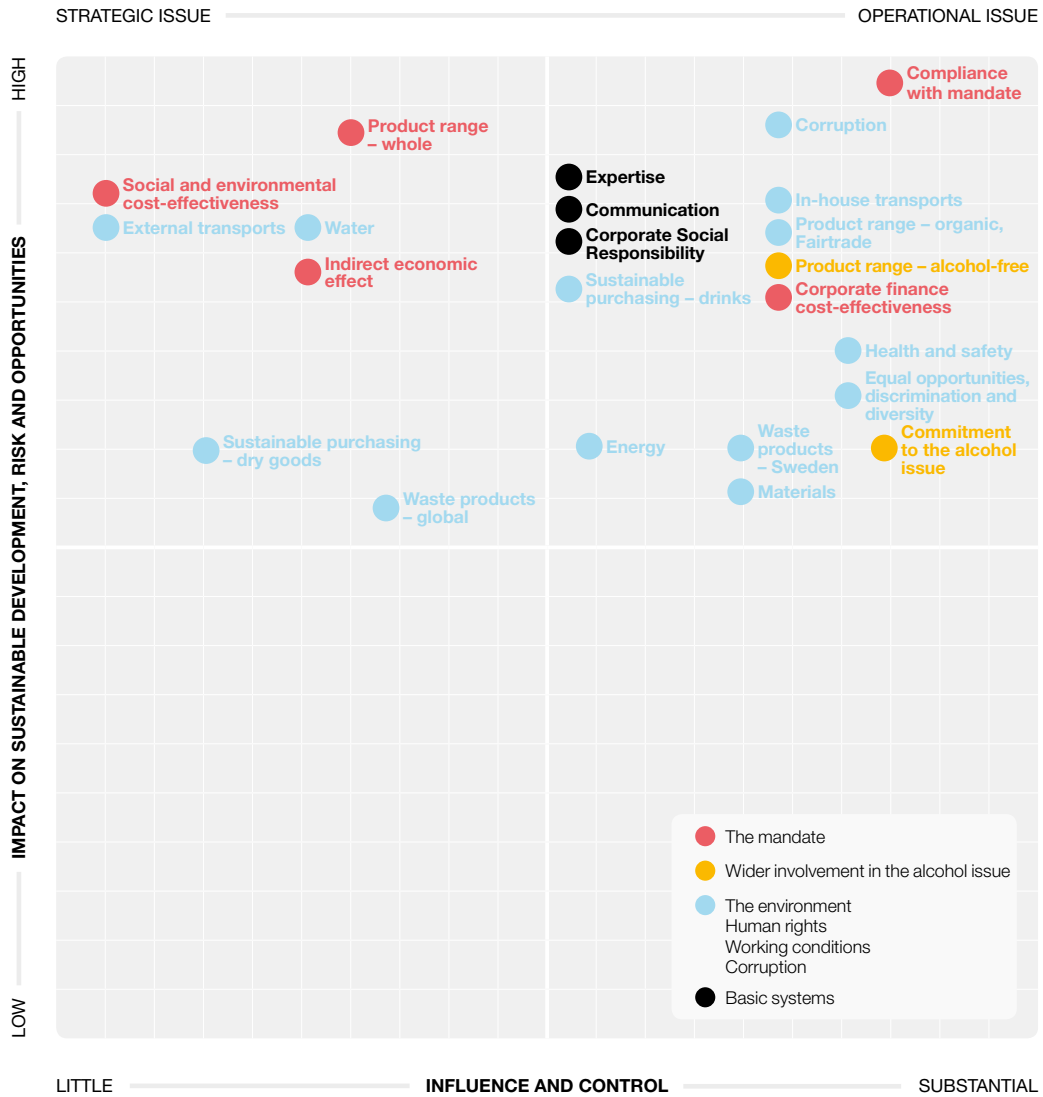
Increased involvement in the alcohol question

- Involvement in the alcohol question
- Product range – alcohol-free

Environment, human rights, labour conditions, corruption

- Internal transportation
- Energy
- External transportation
- Sustainable purchases – drinks
- Sustainable purchases – dry goods
- Health and safety
- Equal opportunities, discrimination and diversity
- Corruption
- Materials
- Waste products – global
- Waste products – Sweden
- Product range – organic, Fair trade-labelled
- Water

Mapping significant issues



The issues in the upper right corner have a considerable impact on sustainable development and are issues over which Systembolaget has considerable control. We work actively with these issues and continue to measure and follow up on them as the work progresses. Sustainability management, skill development, communication, sustainable purchasing, and climate control are all important issues and constitute the five focus areas for 2010–2013.

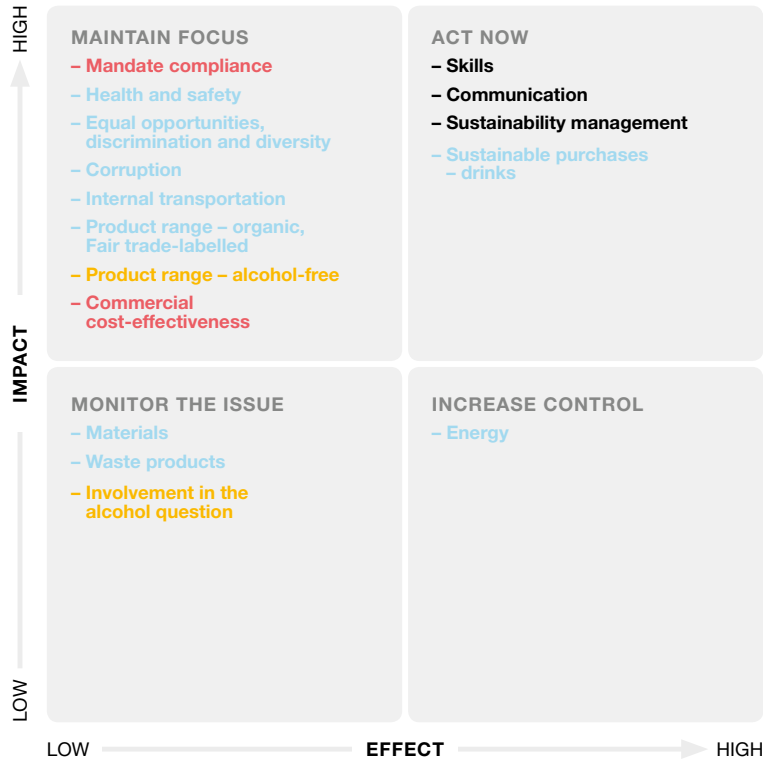
The issues in the top left hand corner also have a consider-

able impact on sustainable development, but are ones where it is currently harder for us to exert an influence. They are either outside our direct sphere of control and/or require strategic decisions before we can start working with them.

The issues in the lower half of the graphic have a low impact on sustainable development and we have consequently elected not to include them in our 2009 significance analysis.

The mapping and the analysis will be reviewed and updated annually in line with changing conditions.

Efficiency and impact model



The operating units presented in the materiality analysis' upper right quadrant have been analysed separately. The efficiency and impact model shows how the work on these issues should be broken down internally.

Stakeholder mapping

Systembolaget has carried out a stakeholder mapping process in the spring of 2009 with the aim of defining and identifying important stakeholder groups. This mapping process has been conducted in accordance with GRI guidelines.

The stakeholder mapping work was carried out by Systembolaget's CSR group, which based its work on the materiality analysis and the sustainability areas identified therein. Stakeholders known through Systembolaget's CSR work have been identified for each

area. The position in the pyramid below shows the degree of influence on Systembolaget of the identified stakeholders. This influence is relative to the position of the issue within the materiality analysis and to the degree of influence the stakeholders have on Systembolaget. The stakeholder mapping may change over time and new stakeholder groups may be added. The mapping will also be reviewed in 2010 as part of the work on a new social responsibility strategy.



Risks in the supplier chain

Systembolaget has conducted a risk analysis for the drinks supplier chain, in partnership with the other Nordic alcohol monopolies. The aim was to investigate in greater detail the social, economic and environmental risks inherent in the chain, with the emphasis on the production of wine, beer and spirits. The risk analysis formed the basis for developing the content of the Nordic alcohol monopolies' Code of Conduct and for the drawing up of CSR training courses for the monopolies' purchasing staff and suppliers. We have also, during the course of the year, produced a manual for our purchasing staff for use ahead of dialogues with suppliers and in the event of any incidents, and which is based on the risk analysis and the Code of Conduct.

The risk analysis focused on four areas: South America (Chile and Mexico), southern Europe (France, Italy, Spain), Australia and the USA (California). The selection criteria employed were the purchasing volume, the breadth of the wine, beer and spirits range, and the fact that the country in question is a known risk country from a sustainability viewpoint.

The main social, environmental and economic risks to emerge from the risk analysis were as follows:

Economic risks

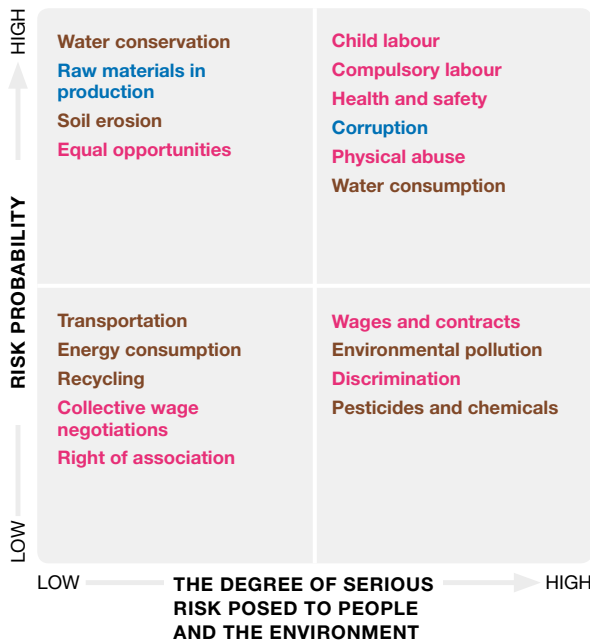
- The important and substantial economic influence of the monopoly on the drinks market
- Corruption associated with the production of the raw material, such as illegally obtaining a variety of permits/agreements

Environmental risks

- Causes soil erosion
- Use of pesticides and other chemicals
- Extensive water consumption and deficient water conservation

Social risks

- Substandard working conditions and trafficking of workers
- Deficient health and safety routines
- Use of child labour
- Various kinds of discrimination



The matrix to the left shows the risks that emerged from the analysis, based on probability and the degree of serious risk posed to people and the environment if it occurs.

List of contents for GRI

Any complements to, deviations from and comments on the chosen GRI indicators in Systembolaget's 2009 Responsibility Report (RR) and the GRI annex (A) are listed below. The report has also been reviewed by Ernst & Young. Profile indicator 4.12 and result indicators EN26, LA2, SO1 and SO2 have been revised.

W = Reported wholly P = Reported in part N = Not reported
 ■ = Comments and complementary material to indicators and information.

	Page reference
PROFILE	
1 Strategy and analysis	RR
1.1 President's Statement.	W RR 2–5
1.2 Description of key impacts, risks and opportunities.	W RR 2–5, A 8
2 The organisational profile	
2.1 The name of the organisation.	W RR 84
2.2 Primary brands, products and services.	W RR 6, 14, 30
2.3 Operational structure of the organisation.	W RR 56, 59
2.4 Location of head office.	W RR 84
2.5 Countries in which the organisation operates.	W A 3
2.6 Nature of ownership and legal form.	W RR 59, 84
2.7 Markets served.	W RR 26–28
2.8 Scale of the reporting organisation.	W RR 30, 35, 52, 53
2.9 Significant changes during the reporting period.	W See below
2.9 <i>No significant changes in 2009.</i>	
2.10 Awards received during the reporting period.	W RR 27
2.10 <i>IQ's advertising film "Rus" [Booze], won a bronze in the international advertising competition, Epica Award, in November 2009. Olle Ljungström's recording of Bellman's "Vila vid denna källa" [Rest by this well] for IQ's advertising film, "Hur dricker du?" [How do you drink?] won the 2009 Best Advertising Song 2009 award in December 2009. The competition was organised by the Swedish advertising industry magazine, Resumé and ATV Music Publishing. IQ was one of three finalists in the MyNewsdesk best pressroom competition.</i>	
3 Report parameters	
Report profile	
3.1 Reporting period.	W A 3
3.2 Most recent previous report.	W A 3
3.3 Reporting cycle.	W A 3
3.4 Contact person for the report.	W RR Inside cover.
Scope and delimitations of the report	
3.5 Process for defining report content.	W A 3
3.6 Boundary of the report.	W A 3
3.7 Limitation of scope or boundary of report.	W A 3
3.8 Reporting principles for jointly owned companies, subsidiaries, etc.	W A 3
3.9 Data measurement techniques and bases for calculation.	W A 3
3.10 Explanation of effect of re-statements of information provided in earlier reports.	W A 3
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	W A 3
Review	
3.12 Table identifying the location of the Standard Disclosures in the report.	W RR 114–115
Certification	
3.13 Policy and current practice for external assurance.	W RR 65, 110
4 Governance, Commitments, and Engagement	
Governance	
4.1 Governance structure.	W RR 58, 59, 64
4.1 <i>The members of the coordinating groups for CSR, the environment and ethics are not part of the company management team, with the exception of one member of the Ethics Group.</i>	
4.2 The role of the Chairman of the Board.	W RR 61
4.3 Independent or non-executive Board Members.	W RR 54–55, 57, 60
4.3 <i>Independence in relation to the State is not reported, in accordance with the State's 2009 Ownership Policy.</i>	
4.4 Mechanisms for shareholders and employees to provide recommendations etc., for the Board.	W See below
4.4 <i>There are no minority shareholders.</i>	
4.4 <i>Issues relating to the labour environment and employees' opportunities to engage in a dialogue with the company management are handled, respectively, by the Health & Safety Committee and the Cooperation Council, which comprise representatives of both the company management and trade unions. The employee viewpoint is represented by six members of both the Health & Safety Committee and the Cooperation Council.</i>	
4.5 Remuneration to senior executives.	W RR 63, 64

		Page reference
4.6	Avoiding conflicts of interest within the Board.	W See below
4.6	Reference to the Swedish Companies Act, ABL 8:23.	
4.7	Process for determining the qualifications of Board Members.	W RR 60, 63
4.7	The nomination process for the Board of Directors is coordinated by a State ownership unit within the Ministry of Enterprise, Energy and Communications. The nomination process includes an analysis of the company's skill requirements based on the company's operations, situation and future challenges. A natural consequence of the owner's evaluation process is that those persons who are nominated as Members of the Board of Systembolaget AB are deemed to possess the requisite qualifications with regard to, amongst other things, economic, environmental and social issues. Dialogues are also conducted every year with the Chairman of the Board with regard to CSR issues, in accordance with the dialogue with the Owner.	
4.8	Mission or value statements, code of conduct, etc.	W RR 16, 17, 34, 42
4.9	The Board's monitoring of sustainability work.	W RR 62, 65, 67
4.9	Systembolaget is not party to any internationally agreed standards, codes of conduct or principles within CSR but uses Global Compact's principles as a framework.	
4.10	Processes for evaluating the work of the Board.	W RR 63
Commitments to external initiatives		
4.11	Application of the precautionary approach or principle.	W See below
4.11	Systembolaget does not use the prudence concept as a steering concept, other than with regard to financial reporting of income and expenses. Systembolaget does, nonetheless, operate in accordance with this concept in many respects. Examples include the risk analyses (company-wide and with regard to CSR in the supplier chain) and the follow-up work done on these analyses. Another example is the age verification checking routine whereby sales staff ask customers to produce proof of age ID when they believe the customer may be aged 25 or less, despite the minimum age for alcohol purchases being set at 20.	
4.12	Externally developed statutes, principles and initiatives.	W RR 42
4.12	For Systembolaget, "externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses" are equivalent to the Nordic CSR cooperation for a sustainable drinks supplier chain.	
4.13	Membership of organisations.	W See below
4.13	Systembolaget is, from a strategic viewpoint, a member of the Swedish Trade Federation, the Swedish Public Relations Association, the Royal Swedish Academy of Engineering Sciences (IVA), and the Association of Swedish Advertisers. Systembolaget is also a member of the Stockholm Chamber of Commerce. Systembolaget's President & CEO is a member of the Chamber of Commerce's Board of Directors.	
List of stakeholder groups		
4.14	Stakeholder groups.	W RR 18–19
4.15	Identification and selection of stakeholders.	W RR 18, B7
4.16	Approaches to stakeholder engagement.	W RR 20, 24, 34, 42, 43, 50
4.17	Key topics and concerns arising during dialogues with stakeholders.	W RR 22, 24, 30, 32, 34, 43, 50

INDICATORS

5 Economic Performance Indicators

Details of sustainability management		RR 16–17	
<p>Market presence. Our choice of suppliers is determined by a combination of price and quality and of other criteria such as environmental and social responsibility, service and flexibility. Our purchasing policy states that our purchasing shall be characterised by being businesslike, and by good business ethics, social responsibility and environmental consideration.</p> <p>Indirect economic impact. The indirect economic impact of which we have the greatest knowledge is linked to alcohol-induced harm in society and the benefits of the monopoly as a sales channel for alcoholic drinks. We currently have no overall strategy for indirect economic impact, but any such strategy would include not only alcohol-induced harm, but the effect on local communities of our stores' and agents' opening hours and the ways in which we affect local producers.</p>			
Economic performance indicators			
EC1. Generated and distributed direct economic value.		W RR 22	
EC1. Systembolaget's day-to-day operations help create economic value for the company's various stakeholders. We buy in drinks from suppliers (94 per cent of operating costs) and the drinks are sold in stores to our customers. Salaries are disbursed to employees, the owner (the State) receives dividends, society receives taxes, and the banks receive interest income.			
Systembolaget's subsidies of alcohol research benefit society, as does the IQ initiative. The investments in IQ's operations are part of the Group's operating costs, and correspond to SEK 24.0 million (SEK 22.6 m).			
EC1. Economic value by stakeholder *			
SEK m	Stakeholders	2009	2008
Value created			
Income	Customers (primarily)	23,886	22,400
Distributed value			
Goods and services	Suppliers	21,686	19,858
Salaries and payroll overheads	Employees	1,440	1,418
Dividend	Owners (primarily)	253	929
Taxes	Society	53	70
Social investments	Society	4	4
Remaining within the Group		451	121
* Based on the Consolidated Income Statement and Statement of Cash Flow.			

		Page reference
EC2.	Financial implications and other risks and opportunities, due to climate change.	N
EC3.	Coverage of the organisation's defined benefit plan obligations.	W RR 87, 93, 99
EC4.	Significant financial assistance received from the government.	N
Market presence		
EC5.	Standard entry level wage compared to local minimum wage at significant locations of operation.	N
EC6.	Policy, practices and proportion of spending on locally-based suppliers.	N
EC7.	Procedures for local hiring and proportion of senior management hired from the local community.	N
Indirect economic impacts		
EC8.	Investments in infrastructure and services for public benefit.	N
EC9.	Description of significant indirect economic impacts, including the extent of impacts.	P RR 8, 10–11
EC9.	<i>Systembolaget delimits this indicator to apply to affects at national level. Our description of the consequences if Systembolaget did not exist are based on the so-called Holder Report. To calculate production losses, we use a number of additional days of sick leave at 2006 levels for men in accordance with the Holder Report's scenario of sales in food stores: 10,700,000. Converted into months of sick leave, the future yielded is 355,230. Months' sick leave are multiplied by the average monthly salary for men (source: SCB –Statistics Sweden) plus employers' contributions for national social security purposes. 355,230 x (27,100 x 1.3228) = 12,734,251,971:83.</i>	

6 Environmental Performance indicators

Details of sustainability management	RR 16–17, 32–33
<i>The questions of water and biological diversity are not something that Systembolaget prioritises at the level of Group operations within Sweden in that this was not considered to be significant in conjunction with the environmental audit conducted in 2001. The question of water is, however, included in our sustainable drinks supplier chain work. For details of emissions into air and discharges into water, and of waste, see EN16, EN17 and EN18.</i>	

Materials

EN1.	Materials used by weight of volume.	N
EN2.	Percentage of materials used that are recycled input materials.	N

Energy

EN3.	Direct energy consumption by primary energy source.	W	See below
EN4.	Indirect energy consumption by primary energy source.	P	RR 33
EN3.	<i>We only report electricity, as we have not been able to obtain data on heating and cooling. Nor do we report the amount of energy used to produce the energy we have consumed, as that information was unavailable.</i>		
EN4.	<i>We use the phrase, energy consumed, to refer to electricity used for lighting, washing and dishwashing machines, air heaters, water heaters and fans.</i>		

The Group's electricity consumption is reported for 80 per cent of the total number of business units defined as stores, head offices, training centres and subsidiary companies. There is no effective method of measuring other consumption. The calculations for the electricity consumption key performance indicator (kwh/m²) are based on 80 per cent of Systembolaget's stores and are calculated as a mean value. The Group's electricity consumption reporting contains a small degree of uncertainty due to the timing of electricity metre readings and deficient system support. Incorrect sources of information where levels of uncertainty are greatest have been excluded from the bases for electricity consumption calculations (kwh/m²).

EN3 & EN4.	2009		2008	
	Indirect energy consumption. Electricity (MWh)	Direct energy consumption, Fuel (MWh) Lagena's own trucks	Indirect energy consumption. Electricity (MWh)	Direct energy consumption, Fuel (MWh) Lagena's own trucks
Energy consumption, Group* MWh				
Non-renewable energy				
Fuel from crude oil (e.g. diesel, petrol)	0	1,565	0	1,360
Nuclear power	0		0	
Non-renewable, source unspecified	2		3	
Renewable energy				
Solar power	0		0	
Wind power	753		0	
Hydroelectricity	28,625		25,615	
Biofuels	753		1,348	
Renewable, source unspecified	2		2	
Source unspecified	2,573		2,739	
Total	32,709**	1,565	29,707	1,360

* Refers to energy consumed (indirect energy consumption) and energy consumption from fuel consumption (direct energy consumption)

** The increase is largely attributable to the increase in energy consumption in comparable self-service stores and to the fact that the energy consumption calculations for 2009 are based on a greater number of business units than in 2008.

EN5.	EN5. Energy saved due to conservation and efficiency improvements.	W	RR 33
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Water

EN8.	Total water withdrawal by source.	N
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Biological diversity

EN11.	Location and size of land used in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	N
EN12.	Significant impacts on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	N

Emissions, effluents and waste

EN16. Total direct and indirect greenhouse gas emissions by weight.

W RR 46

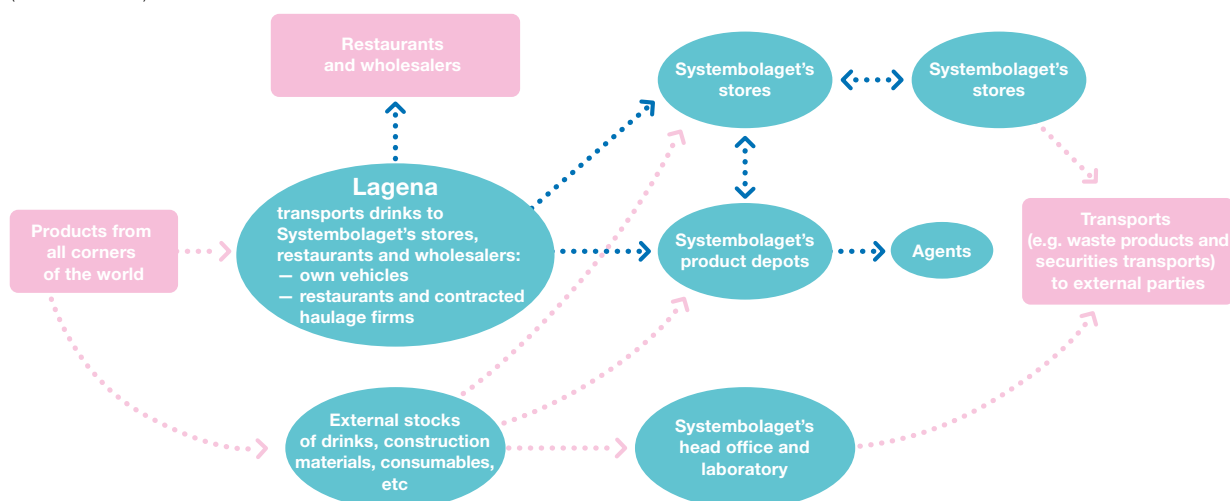
EN17. Other relevant indirect greenhouse gas emissions by weight.

P RR 46

EN16 & EN17. We have extended our reporting unit for emissions, effluents and waste indicators to apply to the transports over which we believe we have control, i.e. both transportation by the subsidiary company, Lagena Distribution, and the goods transports between our product depots, stores and agents, because they are entirely initiated by us. Other transports are, in our opinion, beyond Systembolaget's control. This is illustrated in the model below.

Transport delimitations

(EN16 and EN17)



EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved.

W RR 46

EN22. Total weight of waste by type and disposal method.

W RR 32, 33

EN22. The reporting is delimited and excludes household waste, which is processed by the local authority in question. Systembolaget currently does not plan to start weighing its household waste. There may be a degree of uncertainty in the information provided for this indicator in that the waste management company used by Systembolaget has changed its accounting system during the year.

EN22. Waste product management, the Group, tonnes	2009		2008	
	Hazardous waste, tonnes	Other waste, tonnes	Hazardous waste, tonnes	Other waste, tonnes
Composted	0	482	0	342
Reused	0	0	0	0
Recycled				
Corrugated cardboard	0	5,535	0	7,605
Paper	0	148	0	183
Glass	0	157	0	70
Soft plastics	0	304	0	388
Plastics, Hdpe	0	0	0	0
Metals	0	19	0	4
Other	3	0	1	22
Total recycled	3	6,164	1	8,271
Incineration (energy extraction)	0	609	0	115
Landfill	0	37	0	28
Other (fluorescent tubes, light bulbs, batteries, electronics)	4	0	8	0
Total	7	7,291	9	8,756

EN23. Total number and volume of significant spills.

N

Products and services

EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. **W** RR 32, 33

EN26. *The measures that Systembolaget takes on an ongoing basis in order to reduce the environmental impact of the products that Systembolaget sells include offering drinks where the raw material has been organically grown. The EU's requirements for organic cultivation stipulates that it must have occurred without the use of chemical additives and pesticides and without the use of artificial fertiliser. Limited use of copper sulphate and sulphur dioxide is, however, permitted, in wine production. This reduces the impact on biological diversity, for example, in comparison with conventional cultivation.*

The measurements we carry out every quarter are based on our goals with regard to the percentage of organic sales and the number of organic items in the range. This is the measurement we use to evaluate our measures aimed at reducing the environmental impact of our products.

Comparison figures (2007 and earlier) for the percentage of organic products have been adjusted for the products that have switched from conventional to organic cultivation during the year in question.

We are aware that our efforts to reduce the environmental impact of products do not include materials usage, discharges to water, noise or waste. Water usage and transportation (emissions to air) are included in the Nordic alcohol monopoly partnership aimed at promoting a sustainable drinks supplier chain, which is described on page 42. The work we conduct within the transport sphere in Sweden is described on pages 46–49. Both of these work areas fall outside our delimitation of the data to be reported as a result indicator.

EN27. Percentage of products sold and their packaging materials that are reclaimed by category. **N**

Compliance

EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. **N**

7 Social Performance indicators**Conditions of employment and labour conditions**

RR 16–17, 34

Details of sustainability management

Employment. *Systembolaget complies with applicable legislation and regulations. No special goals have been set with regard to conditions of employment and labour conditions over and above those comprised by some other aspect, such as Relationships between management and employees or Diversity and Equal opportunities.*

Relationships between management and employees. *The general conditions of employment agreement, including salary agreement that is being rolled out now, and which was concluded in April 2007, is valid up until 30th September 2010. This agreement was concluded between Almega (employer and trade organisation for the Swedish service sector) and HTF (the Salaried Employees' Union)/SACO (the Swedish Confederation of Professional Associations) and between Almega and the Swedish Building Maintenance Workers' Union.*

LA1. Total workforce by employment type, employment contract and region. **W** RR 35

LA1. *GRI stipulates that a breakdown by region should be made. There is currently no natural regional breakdown for us and we cannot see any additional value in generating such a breakdown. Systembolaget reports the total number of employees as of 31st December 2009, i.e. the number of permanent employees, fixed period employees, those employed on a trial basis, and temporary staff. GRI also stipulates that the number of contract personnel should also be reported. Systembolaget delimits the indicator to exclude information regarding contractors, due to the complexity of producing data on this subject.*

LA1.	Conditions of employment 2009*									
	Total number	Permanent employees		Fixed period employees		Full-time employees		Part-time employees		
		Number	%	Number	%	Number	%	Number	%	
Systembolaget	4,744	3,917	83	827	17	1,114	23	3,630	77	
Sales staff	3,930	3,124	79	806	21	396	10	3,534	90	
Store managers	419	419	100	0	0	409	98	10	2	
Caretakers	71	61	86	10	14	1	1	70	99	
HQ personnel	324	313	97	11	3	308	95	16	5	
IQ	3	3	100	0	0	3	100	0	0	
Lagena	152	152	100	0	0	152	100	0	0	
Total, the Group	4,899	4,072	83	827	17	1,269	26	3,630	74	

* Refers to all employees as of 31/12.

LA1.	Conditions of employment 2008*									
	Total number	Permanent employees		Fixed period employees		Full-time employees		Part-time employees		
		Number	%	Number	%	Number	%	Number	%	
Systembolaget	4,746	3,840	81	906	19	1,089	23	3,657	77	
Sales staff	3,935	3,047	77	888	23	396	10	3,539	90	
Store managers	406	405	100	1	0	394	97	12	3	
Caretakers	83	77	93	6	7	1	1	82	99	
HQ personnel	322	311	97	11	3	298	93	24	7	
IQ	3	3	100	0	0	3	100	0	0	
Lagena	221	203	92	18	8	221	100	0	0	
Total, the Group	4,970	4,046	81	924	19	1,313	26	3,657	74	

* Refers to all employees as of 31/12.

LA2. Total number and rate of employee turnover by age group, gender and region. **W** RR 35

LA2. GRI stipulates that a breakdown by region should be made. There is currently no natural regional breakdown for us and we cannot see any additional value in generating such a breakdown. Staff turnover is calculated on the basis of the number of permanent employees and those employed on a trial basis who left Systembolaget during the year in relation to the number of permanent employees and those employed on a trial basis as of 31st December. GRI stipulates that the calculation should be made as of 31st December, but Systembolaget believes that a calculation as of 1st January gives a more accurate result.

LA2.	Staff turnover 2009 *																	
	Number of employees		Number who have left		Women		Men		Full-time		Part-time		Aged <30		Aged 30-50		Aged >50	
	Number	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%
Systembolaget	3,864	536	14	349	13	187	16	67	6	469	17	200	24	171	9	165	15	
Sales staff	3,070	475	16	319	14	156	18	27	7	448	17	196	24	149	11	130	15	
Store managers	410	19	5	7	4	12	6	17	4	2	17	0	0	5	2	14	14	
Janitors**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Office cleaners	75	15	20	11	17	4	44	0	0	15	20	2	40	4	16	9	20	
HQ personnel	309	27	9	12	7	15	12	23	8	4	27	2	17	13	7	12	13	
IQ	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lagena	227	75	33	13	6	62	27	75	33	0	0	64	28	11	5	0	0	
Total, the Group	4,094	611	15	362	9	249	6	142	4	469	12	264	6	182	4	165	4	
	Staff turnover 2008*																	
	Number of employees		Number who have left		Women		Men		Full-time		Part-time		Aged <30		Aged >30 år***			
	Number	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%		
Systembolaget	3,821	539	14	350	13	189	16	74	7	465	17	224	28	315	10			
Sales staff	3,036	460	15	315	14	145	17	17	4	443	17	221	29	239	11			
Store managers	396	20	5	8	4	12	6	19	5	1	8	1	8	19	5			
Janitors**	10	10	100	3	100	7	100	0	0	10	100	0	0	10	100			
Office cleaners	78	9	12	8	11	1	13	0	0	9	12	1	25	8	11			
HQ personnel	301	40	13	16	9	24	19	38	14	2	9	1	10	39	13			
IQ	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Lagena	202	89	44	18	9	71	35	89	44	0	0	50	25	39	19			
Total, the Group	4,026	628	16	368	9	260	7	163	4	465	12	274	7	315	8			

* Refers to the number of permanent employees and those employed on a trial basis as of 1st January. The percentage who have left is calculated on the basis of the number within the respective category.

**The position of janitors was wound up in 2008.

*** Only two age categories were reported in 2008.

LA4. Percentage of employees covered by collective bargaining agreements. **W** RR 35

LA4. The statement that all employees of Systembolaget are covered by collective bargaining agreements refers to the entire Group.

LA5. Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements. **N**

LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region. **P** RR 38, 39

LA7. GRI stipulates that a breakdown by region should be made. There is currently no natural regional breakdown for us and we cannot see any additional value in generating such a breakdown. GRI stipulates that contractors should be reported, but due to the complexity of obtaining available data, Systembolaget delimits the indicator from this information. Reporting the number of work-related fatalities is not relevant for Systembolaget. Systembolaget only reports absence due to sickness. No statistics are kept regarding occupational injuries, work-related diseases and lost days.

Absence due to sickness is calculated by dividing the number of hours of absence due to sickness by the number of actual hours worked.

LA7.	2009				2008			
	Number of employees	Absence due to sickness, %	Number of employees	Absence due to sickness, %				
Systembolaget	4,744	5.1	4,746	5.8				
Sales staff	3,930	5.6	3,935	6.5				
Store managers	419	2.8	406	3.6				
Caretakers	71	7.4	83	7.9				
HQ personnel	324	3.2	322	3.2				
IQ	3	2.6	3	5.1				
Lagena*	152	8.6	221	NIA				
Total, the Group	4,899	5.3	4,970	NIA				

* Lagena's absence due to sickness figures are calculated on the basis of an average number of employees per year, 2009 (174 employees).

LA8. Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases. **N**

LA10. Average hours of training per year per employee by employment category. **N**

LA11. Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. **P** RR 37, 41

LA11. The Swedish Employment Security Council works with what is known as transition assistance, which entails the provision of advice, support and guidance in conjunction with termination of employment due to a lack of work. Those whose employment has been terminated due to lack of work can, in some cases, receive income protection in the form of severance pay (AGE).

LA12.	Percentage of employees receiving regular performance and career development reviews.	W	RR 37
LA12.	<i>For the number of employees, please see LA1. The figure for the number of performance and career development reviews is based on Systembolaget's ESI survey. It is, in other words, the employees themselves who have been asked to say whether they have had a performance and career development review with their manager during the year.</i>		
LA13.	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	P	RR 54, 55, 57, 94

LA13.	Breakdown of employees by gender, age group and ethnic origin.							
	2009							
	Number of employees	Percentage, women	Percentage, men	Percentage aged < 30	Percentage aged 30–50	Percentage aged > 50	Extra-Nordic origin*	
<i>Systembolaget</i>	4,744	68%	32%	34%	44%	22%	NIA	
Sales staff	3,930	70%	30%	40%	39%	21%	NIA	
Store managers	419	50%	50%	3%	77%	20%	NIA	
Caretakers	71	86%	14%	8%	41%	51%	NIA	
HQ personnel	324	62%	38%	6%	67%	28%	NIA	
<i>IQ</i>	3	100%	0%	0%	67%	33%	NIA	
<i>Lagena</i>	152	18%	82%	9%	69%	22%	NIA	
Total, the Group	4,899	62%	38%	14%	60%	26%	NIA	
	2008							
	Number of employees	Percentage, women	Percentage, men	Percentage aged < 30	Percentage aged 30–50	Percentage aged > 50	Extra-Nordic origin*	
<i>Systembolaget</i>	4,746	69%	31%	33%	44%	24%	5.8%	
Sales staff	3,935	71%	29%	38%	39%	23%	NIA	
Store managers	406	48%	52%	3%	72%	25%	NIA	
Caretakers	83	86%	14%	11%	40%	49%	NIA	
HQ personnel	322	60%	40%	7%	65%	28%	4.7%	
<i>IQ</i>	3	100%	0%	0%	67%	33%	NIA	
<i>Lagena</i>	221	NIA	NIA	NIA	NIA	NIA	NIA	
Total, the Group	4,970	63%	37%	16%	56%	28%	NIA	

* Surveys of extra-Nordic origin amongst Systembolaget's employees are carried out at 2-yearly intervals. No data is available for 2009.

LA14.	Ratio of basic salary of men to women by employee category.	P	RR 39
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Human rights

Details of sustainability management		RR 16–17, 42–43	
<i>The freedom of association and right to collective bargaining agreements, the prohibition on child labour, the prevention of forced labour and compulsory labour, together with respecting the rights of aboriginal peoples are all included in the investment and procurement routines aspect. They are covered in the Nordic Code of Conduct and during internal training provided for our purchasing staff and Category Managers, during external training of our suppliers, and in conjunction with our work on the dry goods supplier chain. This is, furthermore, an area touched on in the Nordic risk analysis of the supplier chain.</i>			
HR1.	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	N	
HR2.	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	P	RR 42, 44, 47
HR2.	<i>Systembolaget divides its suppliers into two groups: one for drinks suppliers and one for other suppliers (dry goods). Systembolaget will, be making demands of its drinks suppliers, according to plan, in 2012. We provide a summary overview of our requirements for other suppliers in procurement documentation generated during the year. The description for other suppliers currently only comprises Systembolaget AB. CSR work in relation to our suppliers is a priority area and we will be able to report this indicator in full in a few years' time, according to our plans for the drinks supplier chain and the dry goods supplier chain.</i>		
HR3.	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	P	RR 42
HR4.	Total number of incidents of discrimination and actions taken.	W	See below
HR4.	<i>We have had no significant cases of discrimination in 2009.</i>		
HR5.	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	N	
HR6.	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	N	
HR7.	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	N	

Society

Details of sustainability management

RR 6, 16–17

Society See SO1

Ethics policy. Systembolaget's mandate is to sell alcoholic drinks in a way that ensures that the harm caused by alcohol consumption is avoided wherever possible.

Successfully living up to our mandate demands that we always act in an ethically responsible way, and these already stringent demands are further reinforced by our position as a monopoly. This also imposes a special responsibility on managers and employees of our company in their interactions with each other and with customers, suppliers and the outside world.

Systembolaget's vision is to create a good drinking culture in which everyone can enjoy our drinks without harming either themselves or others.

The company's core values are consideration, expertise and inspiration. These core values are fundamental to the description of the values that must guide us in our mandate as managers and employees of Systembolaget.

The challenge entails ensuring that discussions of ethics are a living thing.

Vision – loyalty to the company's vision and values shall characterise both our management and the interaction with our customers and with each other.

Our corporate culture is created in the interaction between managers and employees who are aware of their responsibility, and is based on respect for human worth and dignity, openness and honesty.

Responsibility – Systembolaget shall conduct its operations involving the purchase and sale of alcoholic drinks in an impartial and brand-neutral way and without interest in encouraging added sales. This imposes special demands on the company's managers and employees.

All employees and managers represent the company and shall, both at work and in their free time, conduct themselves professionally, with a high degree of personal integrity, and shall not allow themselves to be improperly influenced.

Managers have a special responsibility to communicate values and principles, guidelines and rules, and to ensure compliance therewith.

This means that:

- all managers and employees shall treat each other with respect, openness and consideration;
- we must always maintain our fundamental values and principles to ensure that they permeate every aspect of our work;
- our ethical values shall be clearly apparent, both externally and internally, with regard to recruitment, employee development and termination of employment;
- we shall examine, on a case-to-case basis, whether incidental occupations are in accord with our ethical values and principles;
- external contacts shall be conducted in accordance with our regulations.

Politics. Systembolaget does not promote any political issues. Promotion of political issues is not part of our mandate. We are, however, actively involved, virtually on a day-to-day basis, in a variety of political contexts, such as committees and meetings.

Compliance. Our strategy is to comply with applicable legislation and regulations.

SO1. Nature and scope of the routines that assess the impacts of operations on communities, including entering, **W** RR 10, 14, 15, 20, 50 operating and exiting.

SO1. The programmes we have put in place to assess the impact of our operations on local communities correspond for us, with regard to Sweden as a whole, to our efforts to evaluate Systembolaget's mandate and monopoly. This is done by means of, amongst other things, the Holder report, and on an ongoing basis through our age verification checks, and OPI Opinion Index (which asks the public whether they could like to retain Systembolaget and the monopoly on the sale of alcoholic drinks).

Details of how data is collected or which stakeholders shall be asked are defined with regard to OPI and age verification checking.

The programmes comprise Systembolaget AB's operations in Sweden.

Systembolaget's operations in Sweden have, as determined by the Holder report, worked well and thereby counteracted any negative social impact. The report also contains details of the number of people who would be negatively affected if Systembolaget did not exist.

With regard to age verification, a total of 6,300 control purchases are carried out every year (5,700 in stores and 600 from agents). The results are presented to the stores and Area Managers in question on a rolling basis. All Area Managers receive a complete presentation of results for the company every week, in which the areas are also ranked against one another. The results form the basis for measures designed to increase ID checks in stores or the area. The store which, the reports show, requested ID in 100 per cent of cases of control purchases made over a combined total of 12 months is rewarded.

SO2. Percentage and total number of business units analysed for risks related to corruption. **W** RR 72, 73

SO2. In the winter of 2006/2007, the company management conducted a risk analysis with the aid of external consultants. The analysis identified corruption, amongst other things, as a key risk in terms both of significance and probability. The risk analysis was comprehensive and included the entire Systembolaget corporate group. The risk analysis forms one of the bases that, within the framework of internal audits, enables the reviews to focus on the most critical risk areas. Reviews focusing on corruption risks were conducted, and follow-up work carried out, in 2007 and 2008.

The review of corruption risks in 2009 has focused on product supply, with particular emphasis on locally produced articles and local selections. The compliance of existing guidelines with Systembolaget's mandate with regard to brand name neutrality and compliance with said guidelines, has been evaluated. No deviations from guidelines were identified in conjunction with the comprehensive review of the product supply process. The same was true in conjunction with the review of local choices. The four deviations that were identified referred to locally produced articles, e.g. a random sample of ten articles found one article which was not, by mistake, being sold in the geographically closest store. Another example was that awareness of the regulations varies within the organisation. Systembolaget has addressed these deviations by clarifying work instructions and, in the latter case, training purchasing personnel in the way in which work instructions are to be interpreted and applied in conjunction with purchasing. A total of 10 (10) stores were covered by the review, which means that 2.4 per cent (2.4%) of the stores have been reviewed. The purpose is not to conduct a comprehensive review of all operations; rather that the selection of stores for review is adjudged to provide a reliable picture of the way in which work is carried out within Systembolaget.

A new risk analysis was carried out in 2009 by the company management with the aid of external consultants. It is clear, from this analysis, that corruption or compliance, as the risks are referred to in the analysis, are still high priority risks.

SO3. Percentage of employees trained in organisation's anti-corruption policies and procedures.

W RR 40, 41

SO3. Percentage of employees who have had a dialogue* concerning anti-corruption work	2009		2008	
	Number of employees (see LA1)	Percentage of employees informed	Number of employees (see LA1)	Percentage of employees informed
<i>Systembolaget</i>	4,744	2,932	4,746	2,705
Store personnel	4,001	2,281	4,018	2,192
Store managers	419	365	406	286
HQ personnel	324	286	322	227
<i>IQ</i>	3	0	3	0
<i>Lagena</i>	152	0	221	0
Total, the Group	4,899	2,932	4,970	2,705

One of the dialogue areas during performance and career development reviews is that of Systembolaget's ethical programmes and guidelines for external contacts. The percentage who have had a dialogue figure refers to the "Number of employees who have stated that they have had a performance and career development review during the period." Receipt of the relevant information is checked during the review.

SO4. Actions taken in response to incidents of corruption.

W See below

SO4. *No incidents where action has been taken due to corruption have occurred in 2009.*

SO5. Public policy positions and participation in public policy development and lobbying.

N

SO8. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

N

Product responsibility

Details of sustainability management information

RR 14, 16-17

PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures.

N

PR2. Total number of incidents on non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

W

See below

PR2. *No incidents in 2009.*

PR3. Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.

W

RR 31

PR3 Product information requirement**Does our process for checking information on and labelling of alcoholic drinks include the following information requirements**

	Yes	No	Percentage of alcoholic drinks comprised by the process	Checking of compliance
The country of origin of the content of alcoholic drinks	X		49%	100%
Alcohol content*	X		100%	100%
Safety when using the product**		X		
Scrapping of the product and environmental impact, and social impact thereof***		X		
Organic labelling	X		1.91%	100%
Fair trade labelling	X		0.43%	100%

* GRI stipulates that we shall provide information on substances that can have an environmental impact, or social impact.

We have assumed that refers primarily to information on the alcohol content of our products.

** We do not demand that our products are labelled with regard to safety. Our mandate does, however, include providing information on the risks associated with alcohol. This is done by means of signage and brochures in our stores, for example, and information campaigns on our website, TV and in the cinema.

*** Systembolaget's general purchasing terms include requirements that packaging is recyclable and that it should be labelled with sorting instructions.

We provide information on the way in which the various types of packaging shall be sorted at source on our website.

- The table refers to the reporting for 2009. The rules governing information on and labelling of products does not change very frequently that it justifies comparison years. What may change from one year to another is the percentage of sales in the various categories. The aim is not, however, to show the sales percentage but rather what percentage of the product range is included in the labelling checks. This is not determined by the sales percentage and we hence can see no value in comparisons between different years.

- The most significant product or service category is alcoholic drinks. Alcohol-free drinks, gift items, wine tasting services etc., are, therefore, not reported in this indicator.

- Systembolaget does not carry out its own labelling. Our responsibility consists, rather, of checking compliance with laws and regulations. This is done in conjunction with purchase for all alcoholic drinks.

PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

W

RR 24

PR5. *We have delimited this indicator to comprise the Systembolaget group's end customers, i.e. the people who shop in our stores. The method used for the Customer Satisfaction Index (CSI) survey is based on a cause and effect connection. The customers rate their perception of the company's/store's various quality areas (e.g. product range, personnel and social responsibility). The effect of each quality area on the CSI is then calculated using structural equations (PLS). The CSI improved in 2009 for the fifth year in succession, to a figure of 78. Systembolaget is able, on the basis of this weighted result, to prioritise the measures that must be taken in order to influence customer behaviour, e.g. an increased support for the monopoly.*

			Page reference
PR6.	Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	W	See below
PR6	<p><i>Systembolaget's market communication is steered by applicable legislation, such as the Swedish Marketing Practices Act and the Swedish Alcohol Act, and by Systembolaget's agreement with the State and the company's own internal guidelines for market communication in relation to alcoholic products. The guidelines mean that active marketing designed to increase sales of Systembolaget's alcoholic products is not permitted. When producing market communication, and before publication occurs, the communication is checked against applicable guidelines and regulations. Systembolaget's Communications & Information Director is ultimately responsible for this work.</i></p> <p><i>Systembolaget does not sell in markets where alcoholic products are prohibited. Alcoholic products in Sweden are, however, the subject of questions from stakeholders and for public debate. Providing information on the risks associated with alcohol is an important part of Systembolaget's mandate. We do this by means of, amongst other things, in-store information (e.g. the "Facts, tips and myths about Alcohol & Health" brochure), Systembolaget's website, and incoming calls from customers to our Customer Services department. It also takes the form of the participation of key individuals (primarily the President & CEO) in public debate forums.</i></p>		
PR7.	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communication, including advertising, promotion, and sponsorship by types of outcome.	W	See below
PR7	No cases in 2009.		
PR9.	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	N	