

# Annex to the 2011 Responsibility Report

This annex provides in-depth information on Systembolaget's sustainability work, based on the Global Reporting Initiatives guidelines.



# About the annex

The annex is a complement to Systembolaget's 2011 Responsibility Report and, at the same time, part of the company's Sustainability Report. The annex contains detailed information and is primarily intended for those requiring a comprehensive account of Systembolaget's sustainability work based on the Global Reporting Initiatives guidelines, GRI.

This is now the fourth year in succession that we are reporting in accordance with the GRI guidelines 3.0. The most recent previous report was published the 24th of March 2011. This year's Sustainability Report has been prepared in accordance with GRI level B+. It has been the subject of a review by Systembolaget's external auditors (see the Auditors'

Report on pages 82-83 of the Responsibility Report).

The annex provides more detailed explanations of the principles on which the Sustainability Report is based. It clarifies, amongst other things, the way in which the content has been decided upon and the boundary settings. Describing the way in which the sustainability work is managed was another priority area for 2011.

It is our hope that you, the reader, will gain a clearer picture of the way in which Systembolaget works to take responsibility for our impact on people and the environment, and the way in which we endeavour to integrate this sustainability work into our operations.

## Application level

The report has been prepared in accordance with the Global Reporting Initiative's (GRI) guidelines, level B+. It has been reviewed by an external reviewer.

Application level	C	B	A
GRI reporting requirements	C+ = with certifying report	B+ = with certifying report	A+ = with certifying report
Descriptions of the organisation 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 every indicator category	Not required.	Required for every indicator category.	Required for every indicator category.
Reporting core indicators	Report at least 10 indicators, including at least one from each of the following categories: social, economy and environment.	Report at least 20 indicators, including at least one from each of the following categories: economy, environment, human rights, labour, society and product responsibility.	Report all core indicators or explain why they are not reported with reference to the importance of every indicator.

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# Material issues

Systembolaget has always worked with what are nowadays known as sustainability issues. The first area we addressed was helping to limit the harmful effects of alcohol in society – the very reason why Systembolaget exists. As time has gone by, the scope of this work has been expanded to include issues in the field of employee wellbeing, the environment and anti-corruption, and the last few years have seen Systembolaget's sustainability work expand outside our walls, focusing, in particular, on the drinks supplier chain. There are a number of reasons why we work with the areas we do, including our own values, risks, trends, outside world events, and the requirements and viewpoints of our stakeholders. Sustainability work has been a long-term process for Systembolaget, and it is an ongoing one.






We have conducted an updated materiality analysis in order to check whether we are working with the right areas. Relevant areas with an effect on sustainability were listed and then prioritised on the basis of risk analyses and this year's environmental audit. The areas that Systembolaget classifies as significant, and hence works with and reports on, are those in which we have the greatest financial, environmental and societal impact. The materiality analysis confirmed that our focus areas are still relevant

and that the issues on which we report are significant in terms of Systembolaget's impact on sustainable development.

In 2011, we began working on a structure for monitoring our sustainability areas (see table overleaf). We have been working with many of these areas for some time now and have consequently established key performance issues for monitoring the energy, packaging, and ethics/anti-corruption areas in 2012.

Our choice of stakeholder groups is based on our strategic planning and the various perspectives of the balanced scorecard. These perspectives have changed over the years and now also match the way in which we present our Responsibility Report. We expect stakeholder groups from all five stakeholder perspectives to read our Responsibility Report. We also conduct ongoing dialogues with the owner, customers, employees and suppliers stakeholder groups and/or conduct questionnaire-based surveys at least once a year. We also conduct dialogues and surveys on the basis of requirements and specific subject areas. When such situations arise, we usually conduct some form of initial stakeholder mapping process to ensure we are focusing on the right stakeholders in this particular instance. The 2010 stakeholder dialogue from a CSR perspective was one such example.

## Sustainability management

Stakeholders	Sustainability area		Result 2011	Goal 2011	Goal 2012 <sup>1</sup>	GRI indicators
Society 	The mandate	OPI, %	68	66	68	SO1, EC9
		Age verification checking, %	94	94	94	
	Alcohol-free IQ	Alcohol-free sales, %	0.4	–	–	
		Alcohol index, Swedes' attitudes to alcohol <sup>2</sup>	62	62	63	
		Liking of IQ, % <sup>3</sup>	80	72	80	
Analysis & Research <sup>4</sup>						
Customers 	Communication	CSI	79	79	80	PR3, PR5, PR6, PR7
		Climate – energy <sup>4</sup>				EN5
	Climate – packaging <sup>4</sup>				EN22	
	Climate – pesticides & artificial fertilisers	Organic sales, %	3.2	4.0	4.5	EN26
Employees 	Work environment & Health	ESI	75	75	5	LA1, LA4, LA11, LA12, LA13, LA14, EC3, HR4
		Short-term absence due to sickness, %	2.4	2.3	2.3	LA7
		Staff turnover, %	17	–	–	LA2
	Ethics/Anti-corruption <sup>4</sup>					SO2, SO3, SO4
	Skill development, CSR <sup>4</sup>					HR3
Suppliers 	Sustainable purchases/ Code of Conduct <sup>6</sup>	LI	64	67	5	HR2
		Ethical labelling sales, %	0.48	–	–	
	Climate – transports					EN17, EN18
Owners 	Climate – water	Gross margin, %	21.7	22.5	22.5	EC1
		Return on shareholders' equity, %	7.6	6.6	8.5	

<sup>1</sup> The strategic plan for 2010-2013 contains long term goals for issues such as OPI, Age verification checks, ESI and CSI. The goals for 2013 were, in many cases, achieved by the end of 2011. The 2013 goals for the key performance indicators are no longer appropriate as the key performance issues are scheduled for revision. We have consequently not reported these goals for the period after 2012.

<sup>2</sup> Overall index measuring how restrained Swedes' attitudes are to alcohol. For further information, see page 15 of the 2011 Responsibility Report.

<sup>3</sup> At least 500 people a month are asked to answer the following question: "IQ is an initiative designed to help establish a smarter approach to alcohol, to boost Swedes' IQ when it comes to drinking. What do you think about this?" The goal figure is the percentage of those answering this question with Very good or Fairly good.

<sup>4</sup> The key performance indicators are being drawn up.

<sup>5</sup> A review of the key performance indicator is in process.

<sup>6</sup> Sustainable purchases/Code of Conduct covers human rights, working conditions, and the environment.

# The Report's scope and boundaries

The Sustainability Report for the 2011 financial year comprises the Parent Company, Systembolaget AB and the wholly-owned subsidiary companies, IQ-initiativet, AB K14 Näckströmsgatan and Gamla Distribution i Jordbro AB<sup>1</sup> and the companies' operations in Sweden. 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 result indicators. Exceptions are reported under the respective indicator in the GRI table on pages 6-14.

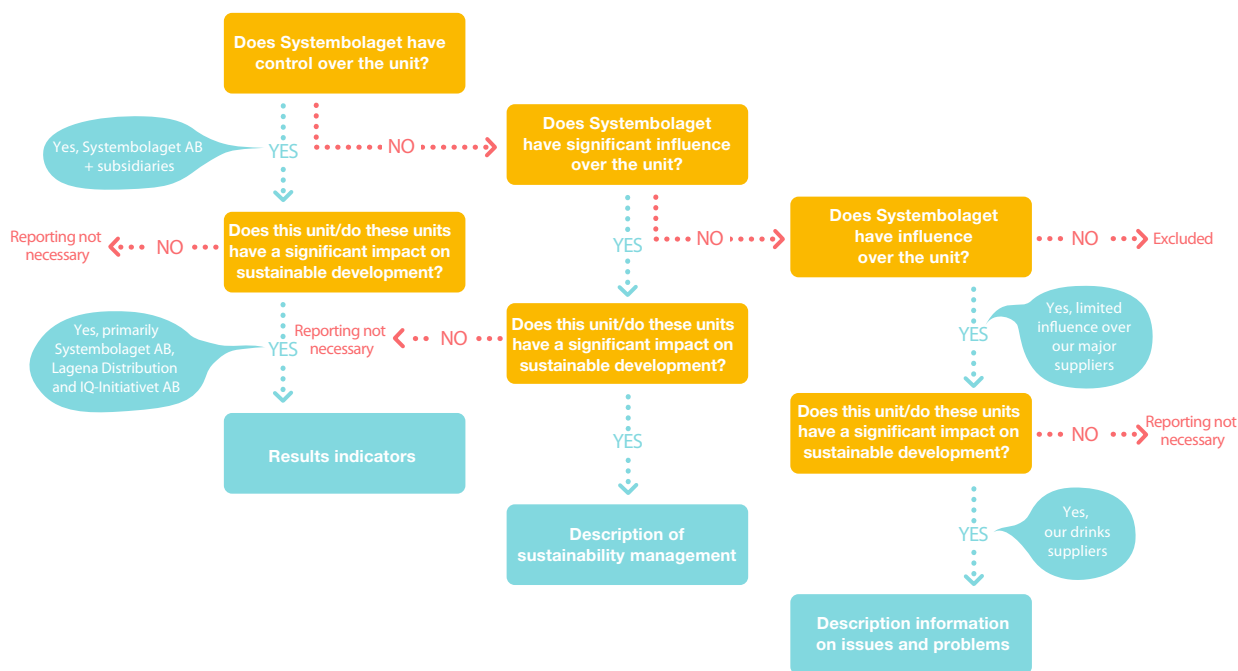
The report also contains a description of how our CSR work is governed within the supplier chain, which primarily covers our drinks suppliers that we are very likely to have a significant influence<sup>2</sup> on many of them.

The GRI indicators presented in the Sustainability Report are selected on the basis of the materiality analysis conducted during the year (taking the analysis conducted in 2009 as its starting point). The indicator selection has changed slightly in response to the update, and this year we have reported 27 indicators in six categories. Measurement and calculation methods are described, where relevant, in conjunction with the respective indicators. The compilation and quality assurance of the indicators was performed by Systembolaget's GRI Coordinator. Target figures and comparison figures are presented, where relevant. Where comparison figures from previous years' accounts have been amended as a result of changes to calculation methods, the amendment is noted under the indicator in question.

<sup>1</sup> The company was not operating during 2011.

<sup>2</sup> Significant influence based on the GRI Boundary Protocol and the assumption that Systembolaget has purchasing agreements that account for a large percentage of our drinks suppliers' sales.

## Report delimitations



# List of contents for GRI

Any complements to, deviations from and comments on the chosen GRI indicators in Systembolaget's Responsibility Report are listed below. References are made to the Responsibility Report and to the GRI annex (A). The report has been reviewed by Ernst & Young. Result indicators SO1, LA12 and EN26 have been audited.

**W** = Reported wholly  
**P** = Reported in part  
**N** = Not reported

STRATEGY AND ANALYSIS		Page reference
1.1	President's Statement.	<b>W</b> 4–5
1.2	Description of key impacts, risks and opportunities.	<b>W</b> 6–7, A4
ORGANISATIONAL PROFILE		
2.1	The name of the organisation.	<b>W</b> 49, A5
2.2	Primary brands, products and/or services.	<b>W</b> 2
2.3	Operational structure of the organisation.	<b>W</b> 89
2.4	Location of head office.	<b>W</b> 72
2.5	Countries in which the organisation operates.	<b>W</b> A5
2.6	Nature of ownership and legal form.	<b>W</b> 72
2.7	Markets served.	<b>W</b> 17, 18–19, 20
2.8	Scale of the reporting organisation.	<b>W</b> 1, 22, 46, 63, 64
2.9	Significant changes during the reporting period. No significant changes during the reporting period.	<b>W</b>
2.10	Awards received during the reporting period.  IQ was awarded gold in the Social information campaign category for their "Fyllefilter" [Drunk filter] at the annual Spinn Gala. IQ won the Big PR Prize with Fyllefilter [Drunk filter] and Kaloriprofilen [Calorie profile]. The prize is the brainchild of the Swedish PR companies in partnership with Mynnewsdesk and Dagens Media. IQ won the Society Information Prize, which is awarded by the Swedish Public Relations Association and rewards organisations that work strategically and consistently with communication and which can demonstrate inspirational and quantifiable results. In October, Systembolaget's advertising film, "Sanningen" [The Truth], won the prestigious Advertising Film of the Year prize at the Roy Gala.	<b>W</b>
REPORT PARAMETERS		
3.1	Reporting period.	<b>W</b> A5
3.2	Most recent previous report.	<b>W</b> A2
3.3	Reporting cycle.	<b>W</b> A5
3.4	Contact person for the report.	<b>W</b> A2
3.5	Process for defining report content.	<b>W</b> 6, A3
3.6	Boundary of the report.	<b>W</b> A5
3.7	Limitation of scope or boundary of report.	<b>W</b> A5
3.8	Reporting principles for joint ventures, subsidiaries, etc.	<b>W</b> A5
3.9	Data measurement techniques and bases for calculation.	<b>W</b> A5
3.10	Explanation of effect of re-statements of information provided in earlier reports.	<b>W</b> A5
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report. No significant changes during the reporting period.	<b>W</b>
3.12	Table identifying the location of the Standard Disclosures in the report.	<b>W</b> 84–85, A6–14
3.13	Policy and current practice for external assurance.	<b>W</b> 59, 82–83
GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure.	<b>W</b> 7, 53–54
4.2	The role of the Chairperson of the Board.	<b>W</b> 55
4.3	Independent or non-executive Board Member.	<b>W</b> 53, 86–87
4.4	Mechanisms for shareholders' and employees' to provide recommendations etc., for the Board.  Issues relating to the labour environment and employees' opportunities to engage in a dialogue with the company management are handled by the Work Environment 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 Work Environment Committee and the Cooperation Council.	<b>W</b> 53
4.5	Remuneration to senior executives.	<b>W</b> 57

	Page reference
<b>4.6</b> Avoiding conflicts of interest within the Board. Pursuant to the provisions of the Swedish Companies Act, ABL 8:23.	<b>W</b>
<b>4.7</b> Process for determining the qualifications of Board Members.	<b>W</b> 55, 57
<b>4.8</b> Mission or value statements, code of conduct, etc.	<b>W</b> 6, 34, 35
<b>4.9</b> The Board's monitoring of sustainability work.	<b>W</b> 56–57, 61
<b>4.10</b> Processes for evaluating the work of the Board.	<b>W</b> 57
<b>4.11</b> Application of the precautionary approach or principle.  Systembolaget does not use the precautionary approach or principle as a steering concept. Systembolaget does, however, in many cases, act in accordance therewith. Examples include the risk analyses (company-wide and within CSR in the supplier chain) and the follow-up and monitoring work done on these analyses. Another example is the age verification checking routines whereby sales personnel request proof of age ID from customers that they believe may be 25 years of age or younger, even though alcohol may be sold to anyone aged 20 or above.	<b>W</b>
<b>4.12</b> Externally developed statutes, principles and initiatives.	<b>W</b> 34
<b>4.13</b> Membership of organisations.  Systembolaget is, for strategic purposes, a member of BSCI, Svensk Handel (the employers' association for the entire trade and commerce sector), the Swedish Public Relations Association, IVA (the Royal Swedish Academy of Engineering Sciences) and the Association of Swedish Advertisers.	<b>W</b>
<b>4.14</b> Stakeholder group.	<b>W</b> 8–9
<b>4.15</b> Identification and selection of stakeholders.	<b>W</b> A3
<b>4.16</b> Approaches to stakeholder engagement.	<b>W</b> 8, 12, 16, 24, 26, 34–35, 38–39, A3
<b>4.17</b> Key topics and concerns arising through stakeholder engagement.	<b>W</b> 8, 12, 16, 24, 26, 34–35, 38–39

## MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

### Economic impact

#### Management approach

The indirect economic impact of which Systembolaget has the greatest knowledge is linked to alcohol-induced harm in society and the benefits of the monopoly as a sales channel for alcoholic drinks.

### Economic performance indicators

**EC1.** Generated and distributed direct economic value. **W** 14

Systembolaget's day-to-day operations help create economic value for the company's various stakeholders. Systembolaget buys in drinks from suppliers (95 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, as are its salaries and social security contributions, and correspond to SEK 25.0 million (SEK 26.5 m).

#### Economic value by stakeholder \*

SEK m	Stakeholders	2011	2010	2009
<b>Value created</b>				
Income	Customers (primarily)	24,558	24,537	23,886
<b>Distributed value</b>				
Operating costs (goods and services)	Suppliers	22,513	22,354	21,686
Salaries and payroll overheads	Employees	1,444	1,456	1,440
Dividend	Owners (primarily)	367	403	253
Taxes	Society	147	158	53
Social investments	Society	5	4	4
<b>Remaining within the Group</b>		<b>82</b>	<b>161</b>	<b>451</b>

\* Based on the Consolidated Income Statement and the Statement of Cash Flow.

**EC3.** Coverage of the organisation's defined benefit plan obligations. **W** 75, 81, 88–91

**Indirect economic impact****EC9.** Description of significant indirect economic impacts, including the extent of impacts.**P** 10

There are a number of different research reports showing the indirect economic effects of alcohol consumption and the way in which alcohol is sold. We provide examples in the Responsibility Report and here, in the annex.

An international group of researchers, headed by Harold Holder at the Prevention Research Center in California, in response to a request by the Swedish National Institute of Public Health, studied what the effects would be if Systembolaget's monopoly were to be abolished. The group comprised experts from seven different research institutions in a range of countries and the starting point for the report was that Systembolaget's stores were replaced, either by sales in licensed stores that only sell alcoholic drinks, or by sales in food stores.

It is calculated that a scenario in which Systembolaget's 400 or so stores were to be replaced with 800 licensed stores would lead to an increase of approximately 17 per cent in alcohol consumption. This is, in turn, expected to lead to 770 more deaths per year, to 8,500 more cases of violence reported to the police, to 2,700 more cases of DUI (driving under the influence), and to 4.5 million more days of sick leave per year.

If alcohol were, instead, to be sold in all of Sweden's 8,000 food stores, the experts anticipate an increase in consumption of 37 per cent, with 2,000 new deaths, 20,000 more cases of violence reported to the police, 6,600 more cases of DUI, and 11 million more days of sick leave per year.

*Delimitation: Systembolaget delimits this indicator to apply to affects at national level.*

**Environmental impact***Management approach*

24–25, 40

**Energy****EN5.** Energy saved due to conservation and efficiency improvements.**W** 25**Emissions and discharges to air and water, and waste****EN17.** Other relevant indirect greenhouse gas emissions by weight.**P** 40–41

The reporting applies to the transports over which we believe we have control, i.e. both our personal transportation and the goods transports between our product depots, stores and agents, because they are initiated by us. Other transports are beyond Systembolaget's control.

**Other relevant indirect greenhouse gas emissions, by weight**

Greenhouse gas emissions, the Group	2011		2010		2009	
	Km	CO <sub>2</sub> , ton	Km	CO <sub>2</sub> , ton	Km	CO <sub>2</sub> , ton
Indirect greenhouse gas emissions (personal transportation)*	7,000,384	918	7,423,057	915	6,886,426	853
Indirect greenhouse gas emissions. (Systembolaget, depot-store, depot-agent, store-store)**	–	1,433	–	1,112	–	1,299
<b>Total indirect emissions</b>		<b>2,351</b>		<b>2,027</b>		<b>2,152</b>

\* The increase in comparison with 2009 is due, in part, to an increase in the number of trips by air and company car, and in part to the fact that we had no data for hire cars in 2009. The comparison figure from 2009 includes 15 tonnes of carbon dioxide emissions from Lagena.

\*\* The increase in 2011 is due to an increase in the number of bottles transported, both internally and to agents. The comparison figure from 2009 has been corrected in line with the new calculation method.

**EN18.** Initiatives to reduce greenhouse gas emissions and reductions achieved.**W** 40**EN22.** Total weight of waste by type and disposal method.**W**

Waste product management, the Group	2011		2010		2009*	
	Hazardous waste, tonnes	Other waste, tonnes	Hazardous waste, tonnes	Other waste, tonnes	Hazardous waste, tonnes	Other waste, tonnes
<b>Composted</b>	0	0	0	0	0	482
<b>Reused</b>	0	0	0	0	0	0
<b>Recycled</b>						
Corrugated cardboard	0	5,429	0	4,992	0	5,535
Paper	0	122	0	141	0	149
Glass	0	82	0	150	0	157
Plastic	0	256	0	239	0	304
Metal	0	13	0	19	0	19
Other	4	0	3	0	3	0
<b>Total recycled</b>	<b>4</b>	<b>5,902</b>	<b>3</b>	<b>5,541</b>	<b>3</b>	<b>6,164</b>
Incineration (energy extraction)	0	93	0	94	0	608
Landfill	0	0	0	0	0	37
Other, unspecified disposal method**	0	4	0	53	3	0
<b>Total waste, tonnes</b>	<b>4</b>	<b>5,999</b>	<b>3</b>	<b>5,688</b>	<b>6</b>	<b>7,291</b>

\* Refers to mixed waste that is recycled, from which energy is extracted, or which is sent to landfill.

\*\* Of which, Lagena accounted for 2 tonnes of hazardous waste and 1,551 tonnes of other waste. There has been virtually no change in the amount of waste, excluding Lagena, in comparison with 2009.

*Delimitation: the reporting is limited and excludes household waste that is processed by the relevant local authority. There are currently no plans to start measuring household waste by weight.*



**Products and services****EN26.** Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. **W** 24

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 stipulated 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.

**Societal impact****Labour practices and decent work***Management approach*

26–33

**Employment****LA1.** Total workforce by employment type, employment contract and region. **W** 26**Conditions of employment, 2011\***

	Total number	Permanent employees		Fixed period employees		Full-time employees		Part-time employees	
		Number	%	Number	%	Number	%	Number	%
<b>Systembolaget</b>	<b>4,834</b>	<b>4,121</b>	<b>85</b>	<b>713</b>	<b>15</b>	<b>1,249</b>	<b>26</b>	<b>3,585</b>	<b>74</b>
Sales staff	3,986	3,298	83	688	17	466	12	3,520	88
Store managers	434	431	99	3	1	426	98	8	2
Caretakers	39	35	90	4	10	0	0	39	100
HQ	375	357	95	18	5	357	95	18	5
<b>IQ</b>	<b>4</b>	<b>3</b>	<b>75</b>	<b>1</b>	<b>25</b>	<b>4</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>Total, the Group</b>	<b>4,838</b>	<b>4,124</b>	<b>85</b>	<b>714</b>	<b>15</b>	<b>1,253</b>	<b>26</b>	<b>3,585</b>	<b>74</b>

\*Refers to all employees as of 31/12.

**Conditions of employment, 2010\***

	Total number	Permanent employees		Fixed period employees		Full-time employees		Part-time employees	
		Number	%	Number	%	Number	%	Number	%
<b>Systembolaget</b>	<b>4,825</b>	<b>3,996</b>	<b>83</b>	<b>829</b>	<b>17</b>	<b>1,176</b>	<b>24</b>	<b>3,649</b>	<b>76</b>
Sales staff	3,980	3,175	80	805	20	415	10	3,565	90
Store managers	429	429	100	0	0	417	97	12	3
Caretakers	57	51	89	6	11	0	0	57	100
HQ personnel	359	341	95	18	5	344	96	15	4
<b>IQ</b>	<b>3</b>	<b>2</b>	<b>67</b>	<b>1</b>	<b>33</b>	<b>3</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>Total, the Group</b>	<b>4,828</b>	<b>3,998</b>	<b>83</b>	<b>830</b>	<b>17</b>	<b>1,179</b>	<b>24</b>	<b>3,649</b>	<b>76</b>

\*Refers to all employees as of 31/12.

**Conditions of employment, 2009\***

	Total number	Permanent employees		Fixed period employees		Full-time employees		Part-time employees	
		Number	%	Number	%	Number	%	Number	%
<b>Systembolaget</b>	<b>4,744</b>	<b>3,917</b>	<b>83</b>	<b>827</b>	<b>17</b>	<b>1,114</b>	<b>23</b>	<b>3,630</b>	<b>77</b>
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
<b>IQ</b>	<b>3</b>	<b>3</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>Lagena</b>	<b>152</b>	<b>152</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>152</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>Total, the Group</b>	<b>4,899</b>	<b>4,072</b>	<b>83</b>	<b>827</b>	<b>17</b>	<b>1,269</b>	<b>26</b>	<b>3,630</b>	<b>74</b>

\*Refers to all employees as of 31/12.

The large numbers of fixed period and part-time employees is due to the fact that we experience sales peaks at the end of the week and are unable to occupy the number of staff needed at weekends throughout the rest of the week. These conditions are common within the retail trade sector.

*Delimitation: GRI stipulates that a breakdown by region should be made and that the number of contracted personnel should be reported. There is currently no natural regional breakdown for us and Systembolaget cannot see any additional value in generating such a breakdown. Systembolaget reports the total number of employees as of 31st December 2011, i.e. the number of permanent employees, fixed period employees, those employed on a trial basis, temporary staff and contractors. Systembolaget delimits the indicator to exclude information regarding contractors due to a lack of data in this respect.*

LA2. Total number and rate of employee turnover by age group, gender and region.

W 27, 31

**Staff turnover 2011\***

	Number of employees		Number who have left		Women		Men		Full-time		Part-time		aged <30		aged 30–50		aged >50		
	Number	Number	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%
<b>Systembolaget</b>	<b>4,054</b>	<b>680</b>	<b>17</b>	<b>448</b>	<b>16</b>	<b>232</b>	<b>18</b>	<b>76</b>	<b>7</b>	<b>604</b>	<b>21</b>	<b>307</b>	<b>31</b>	<b>250</b>	<b>12</b>	<b>123</b>	<b>12</b>		
Sales staff	3,231	620	19	407	18	213	22	30	7	590	21	306	31	211	14	103	13		
Store managers	431	14	3	8	3	6	3	14	3	0	0	0	0	13	4	1	1		
Caretakers	50	13	26	13	29	0	0	0	0	13	26	0	0	5	28	8	27		
HQ personnel	342	33	10	20	10	13	9	32	10	1	8	1	17	21	9	11	11		
<b>IQ</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total, the Group</b>	<b>4,057</b>	<b>680</b>	<b>17</b>	<b>448</b>	<b>16</b>	<b>232</b>	<b>18</b>	<b>76</b>	<b>7</b>	<b>604</b>	<b>21</b>	<b>307</b>	<b>31</b>	<b>250</b>	<b>12</b>	<b>123</b>	<b>12</b>		

**Staff turnover 2010\***

	Number of employees		Number who have left		Women		Men		Full-time		Part-time		aged <30		aged 30–50		aged >50		
	Number	Number	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%
<b>Systembolaget</b>	<b>3,927</b>	<b>588</b>	<b>15</b>	<b>402</b>	<b>15</b>	<b>186</b>	<b>15</b>	<b>73</b>	<b>7</b>	<b>515</b>	<b>18</b>	<b>256</b>	<b>27</b>	<b>195</b>	<b>10</b>	<b>137</b>	<b>13</b>		
Sales staff	3,131	531	17	368	16	163	18	30	8	501	18	253	28	166	12	112	13		
Store managers	421	17	4	8	4	9	4	17	4	0	0	0	0	10	3	7	7		
Caretakers	60	12	20	9	17	3	38	0	0	12	20	1	50	3	14	8	22		
HQ personnel	315	28	9	17	9	11	9	26	9	2	15	2	20	16	8	10	11		
<b>IQ</b>	<b>3</b>	<b>1</b>	<b>33</b>	<b>1</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total, the Group</b>	<b>3,927</b>	<b>588</b>	<b>15</b>	<b>401</b>	<b>15</b>	<b>186</b>	<b>15</b>	<b>73</b>	<b>7</b>	<b>515</b>	<b>18</b>	<b>256</b>	<b>27</b>	<b>195</b>	<b>10</b>	<b>137</b>	<b>13</b>		

**Staff turnover 2009\***

	Number of employees		Number who have left		Women		Men		Full-time		Part-time		aged <30		aged 30–50		aged >50		
	Number	Number	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%	Left	%
<b>Systembolaget</b>	<b>3,864</b>	<b>536</b>	<b>14</b>	<b>349</b>	<b>13</b>	<b>187</b>	<b>16</b>	<b>67</b>	<b>6</b>	<b>469</b>	<b>17</b>	<b>200</b>	<b>24</b>	<b>171</b>	<b>9</b>	<b>165</b>	<b>15</b>		
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		
Caretakers	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		
<b>IQ</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total, the Group, ex. Lagena</b>	<b>3,864</b>	<b>536</b>	<b>14</b>	<b>349</b>	<b>13</b>	<b>187</b>	<b>16</b>	<b>67</b>	<b>6</b>	<b>469</b>	<b>17</b>	<b>200</b>	<b>24</b>	<b>171</b>	<b>9</b>	<b>165</b>	<b>15</b>		
<b>Lagena</b>	<b>227</b>	<b>75</b>	<b>33</b>	<b>13</b>	<b>6</b>	<b>62</b>	<b>27</b>	<b>75</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>64</b>	<b>28</b>	<b>11</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*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.

*Delimitation: GRI stipulates that a breakdown by region should be made. There is currently no natural regional breakdown for us and Systembolaget 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.*

LA4. Percentage of employees covered by collective bargaining agreements.

W 27

See LA1 for the number of employees.

**Health and safety at work.**

LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.

P 30–31

Absence due to sickness	2011		2010		2009	
	Number of employees	Absence due to sickness, %	Number of employees	Absence due to sickness, %	Number of employees	Absence due to sickness, %
<b>Systembolaget</b>	<b>4,834</b>	<b>4.6</b>	<b>4,825</b>	<b>4.9</b>	<b>4,744</b>	<b>5.1</b>
Sales staff	3,986	5.1	3,980	5.3	3,930	5.6
Store managers	434	3.5	429	3.3	419	2.8
Caretakers	39	10.2	57	10.2	71	7.4
HQ personnel	375	2.7	359	4.2	324	3.2
<b>IQ</b>	<b>4</b>	<b>2.7</b>	<b>3</b>	<b>1.2</b>	<b>3</b>	<b>2.6</b>
<b>Lagena*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>8.6</b>
<b>Total, the Group</b>	<b>4,838</b>	<b>4.6</b>	<b>4,828</b>	<b>4.9</b>	<b>4,899</b>	<b>5.3</b>

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

The total absence due to sickness rate has fallen by 0.3 percentage points in 2011, primarily as a result of a reduction in long-term absence due to sickness. The structured support for managers provided by the occupational healthcare service is having beneficial effects on our work with long-term sickness.

*Delimitation: 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. GRI stipulates that a breakdown by region should be made. There is currently no natural regional breakdown for us and Systembolaget 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.*

### Training

- LA11.** Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. **W** 28

KORUS comprises a combination of both internal and external training.

When an employee leaves the company without personally having initiated his/her departure, Systembolaget can, in certain cases, offer external help in finding new employment outside Systembolaget. In cases where employees are given notice of termination due to lack of work, they are covered by the transition agreement and are hence entitled to support from the Swedish Employment Security Council. 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). There are no special programmes for planning, assistance and support in conjunction with retirement.

- LA12.** Percentage of employees receiving regular performance and career development reviews. **W** 28

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.

### Diversity and equal opportunities

- LA13.** Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. **W** 31, 86-88

Breakdown of employees by gender, age group and ethnic origin						
	2011					
	Number of employees	Percentage, women	Percentage, men	Percentage aged <30	Percentage aged 30-50	Percentage aged >50
<b>Systembolaget</b>	<b>4,834</b>	<b>67</b>	<b>33</b>	<b>34</b>	<b>46</b>	<b>20</b>
Sales staff	3,986	69	31	41	40	19
Store managers	434	54	46	5	76	19
Caretakers	39	82	18	8	38	54
HQ personnel	375	60	40	5	71	24
<b>IQ</b>	<b>4</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>75</b>	<b>25</b>
<b>Total, the Group</b>	<b>4,838</b>	<b>67</b>	<b>33</b>	<b>34</b>	<b>46</b>	<b>20</b>
	2010					
	Number of employees	Percentage, women	Percentage, men	Percentage aged <30	Percentage aged 30-50	Percentage aged >50
<b>Systembolaget</b>	<b>4,825</b>	<b>67</b>	<b>33</b>	<b>34</b>	<b>45</b>	<b>21</b>
Sales staff	3,980	69	31	41	39	20
Store managers	429	53	47	4	76	20
Caretakers	57	86	14	7	39	54
HQ personnel	359	59	41	5	70	25
<b>IQ</b>	<b>3</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>67</b>	<b>33</b>
<b>Total, the Group</b>	<b>4,828</b>	<b>67</b>	<b>33</b>	<b>34</b>	<b>45</b>	<b>21</b>
	2009					
	Number of employees	Percentage, women	Percentage, men	Percentage aged <30	Percentage aged 30-50	Percentage aged >50
<b>Systembolaget</b>	<b>4,744</b>	<b>68</b>	<b>32</b>	<b>34</b>	<b>44</b>	<b>22</b>
Sales staff	3,930	70	30	40	39	21
Store managers	419	50	50	3	77	20
Caretakers	71	86	14	8	41	51
HQ personnel	324	62	38	6	67	28
<b>IQ</b>	<b>3</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>67</b>	<b>33</b>
<b>Lagena</b>	<b>152</b>	<b>18</b>	<b>82</b>	<b>9</b>	<b>69</b>	<b>22</b>
<b>Total, the Group</b>	<b>4,899</b>	<b>62</b>	<b>38</b>	<b>33</b>	<b>45</b>	<b>22</b>

**LA14.** Ratio of basic salary of men to women by employee category.

**P** 31

Pay conditions *	Median salary 2011		Median salary 2010		Median salary 2009	
	Women	Men	Women	Men	Women	Men
<b>Systembolaget</b>	**	**	**	**	**	**
Sales staff	101	98	101	97	101	97
Store managers	96	106	95	107	95	106
Caretakers	102	93	100	96	100	99
Head Office	**	**	**	**	**	**
<b>IQ</b>	***	***	***	***	***	***

\* Refer to the median salary for the group/median salary for both groups key performance indicator.

\*\* Not reported as HQ comprises far too large a variation in positions for the reporting to be meaningful.

\*\*\* Not reported because the company has too few employees.

*Delimitation: GRI stipulates that the reporting shall be based on the basic salary, Systembolaget calculates on the basis of the median salary. See indicator LA13 for details of the number of employees and gender breakdown.*

## Human rights

### Management approach

34–35

Systembolaget has been working closely in partnership with the alcohol retail monopolies in Norway, Finland, Iceland and the Faeroes on CSR issues since 2008. The partnership is based on a shared, 5-year Nordic development strategy. The work is conducted in phases over time (development ladder from p.11, AR 2010.)



### Investment and procurement routines

**HR2.** Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

**W** 34–35

Systembolaget divides its suppliers into two groups: one for drinks suppliers (wet products) and one for other suppliers (dry goods). Systembolaget currently has twenty-two drinks suppliers who account for approximately 80 per cent of sales volumes. These twenty-two suppliers should be regarded as the most significant. We currently have no comprehensive picture of whether any of our subcontractors are significant. The likelihood is, however, that none of our subcontractors can be regarded as significant and this indicator is consequently only reported on the basis of significant suppliers. Systembolaget will be making demands of its drinks suppliers according to plan, in 2012.

**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.

**W**

See LA1 for details of the number of employees. No dedicated training in human rights has been provided during the year. A theme meeting for all employees has, however, been held, with the aim of increasing employees' knowledge and understanding of CSR issues, including human rights.

### Non-discrimination

**HR4.** Total number of incidents of discrimination and actions taken.

**W**

We have had no legally confirmed cases of discrimination in 2011.

**The organisation's role in society***Management approach*

2, 12–15, 32–33

**Society**

- SO1.** Nature and scope of the routines that assess the impacts of operations on communities, including entering, operating and exiting. **W** 1–2, 12–13, 17, 42–43

The programmes we have put in place to assess the impact of our operations on local communities correspond, for us, to our efforts to evaluate Systembolaget's mandate and monopoly. This is done by means of, amongst other things, the Holder report, Age verification, and OPI (Opinion Index). The programmes comprise Systembolaget AB's operations in Sweden. In the Holder report, researchers have evaluated the consequences if Systembolaget were no longer to exist (see additional information under indicator EC 9). With regard to age verification, a total of 6,172 control purchases are carried out every year (5,606 in stores and 566 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. Systembolaget measures the Opinion Index (OPI) every month in order to monitor Swedes' support for Systembolaget and the retail monopoly. The average of the year's measurements are the basis for our OPI strategic key performance indicator.

**Corruption**

- SO2.** Percentage and total number of business units analysed for risks related to corruption. **W** 52

The company management established the annual risk analysis in December 2011. The risk analysis covers the entire sphere of operations and hence comprises the entire Systembolaget corporate group, i.e. stores, head office, and subsidiary companies. A review programme has been set up, based on the risk analysis carried out in 2010, in which the risks adjudged to be most significant have been reviewed in greater depth in 2011. A number of reviews have been carried out during the year, but the risk of corruption examined most closely in 2011 was that of compliance with Systembolaget's general purchasing terms and conditions. The review comprised an evaluation of the way in which existing guidelines corresponded with Systembolaget's mandate, with regard to brand neutrality and compliance with the guidelines for the area. The purchasing terms are drawn up and followed up centrally for all stores' purchases and the same applies to follow-ups of improper contacts with suppliers and supporting purchases. The department reviewed is responsible for 100 per cent of all drinks, real estate and fixtures and fittings purchases and for 97 per cent of Systembolaget's total purchases and the review can, therefore, be said to have comprised all of Systembolaget's units. No significant observations were made. Systembolaget's rules and guidelines, and its methodology, were adjudged to be adequate and its personnel were adjudged to comply with them.

- SO3.** Percentage of employees trained in organisation's anti-corruption policies and procedures. **W** 32–33

Systembolaget's management groups conducted 52 ethics dialogues during the year – a figure corresponding to 68 per cent of the 76 target figure.

Percentage of employees who have had a dialogue* concerning anti-corruption work	2011		2010	
	Number of employees	Percentage of employees who have had a dialogue	Number of employees	Percentage of employees who have had a dialogue
<b>Systembolaget</b>	<b>4,834</b>	<b>81 %</b>	<b>4,825</b>	<b>74 %</b>
Store staff	4,025	78 %	4,037	70 %
Store managers	434	91 %	429	94 %
HQ personnel	375	89 %	359	85 %
<b>IQ</b>	<b>4</b>	<b>0 %</b>	<b>3</b>	<b>0 %</b>
<b>Lagena</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total, the Group</b>	<b>4,838</b>	<b>81 %</b>	<b>4,828</b>	<b>74 %</b>

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 information is checked during the review.

- SO4.** Actions taken in response to incidents of corruption. **W**

There have been no incidents of corruption in 2011.

**Product responsibility***Management approach*

16–17, 23

**Labelling of products and services**

- PR3.** Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements. **W** 23

The table refers to the reporting for 2011. The rules governing information on and labelling of products does not change very frequently that it justifies comparison 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.

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		42%	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		3.23%	100%
Fairtrade	X		0.48%	100%

\* GRI stipulates that we shall provide information on substances that can have an environmental 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 percentage of alcoholic drinks comprised by the process is calculated on the basis of sales volumes in litres.

- PR5.** Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. **W** 16, 42

**Market communication**

- PR6.** Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship. **W**

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.

Systembolaget's internal guidelines prohibit the use of active marketing designed to promote additional sales of Systembolaget's alcoholic drinks products. 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, Systembolaget's website, our Customer Services department, communication activities by the IQ subsidiary company and TV advertising. Systembolaget's compliance with the relevant regulations in this area is ensured by reconciling all market communication against applicable standards and codes before publication. Checks are also made to ensure that we do not promote additional sales in our stores. Customers are asked, in conjunction with our customer interaction surveys, whether it was the customer's perception that the sales staff attempted to sell more than the customer had intended to buy. The customer interaction surveys are carried out continuously and summarised monthly. We also carry out checks of product displays to ensure that no product is over-exposed or favoured in comparison with other items. These store visits are made as required, and 74 were made in 2011.

- 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**

No cases have been reported in 2011.