



ALTIA
RESPONSIBILITY REPORT
2013



Altia's Responsibility report 2013 shares the basis, impacts, and key targets for development of our corporate responsibility. Taking care of responsibility is fundamental for our operations in all market areas and at every stage of our value chain.

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We welcome your feedback on this report or our corporate responsibility. Please contact us at

responsibility@altiacorporation.com.

IMPORTANT STEPS FORWARD

The year 2013 was characterised by efficiency improvements in production, transition to recyclable PET bottles and the construction of a biomass power plant. We also reviewed the expectations of our stakeholders.

Responsibility is of special importance to Altia as a player in the alcoholic beverage business and as a State-owned company. Our key stakeholders – the owner as well as customers, partners and consumers – act as change drivers towards an even more responsible course of action. The critical review of our practices also helps us in our internal development.

In 2013, we made several concrete decisions that also impact our responsibility. The construction of a biomass power plant at Koskenkorva began and is proceeding according to schedule. At the end of the year, we started packaging the majority of spirits in recyclable plastic bottles (PET). The PET bottling line will also be used for packaging other alcoholic beverage products.

We made major decisions in order to enhance the efficiency of production, logistics and customer service. For instance, we integrated the production in Jaunalko, Latvia into the Tabasalu plant in Estonia, started the transfer of the wine and mulled wine or glögg production from Svendborg, Denmark to Rajamäki, Finland, and also consolidated the logistics operations in Sweden into the new logistics centre in Brunna. We extended our brand portfolio through acquisitions. Specifically, we acquired the traditional Danish Brøndums aquavit in June, and in August we bought France's Larsen S.A.S. and the Larsen cognac brand.

In terms of environmental targets, we managed to reduce the use of energy and water as well as improve the quality of wastewater at our largest plant in Rajamäki. The reduction in the use of energy mainly resulted from lowering the temperature at our logistics facilities.

We continued to work together with our personnel to develop Altia's culture. In 2013, the focus was on integrating the culture cornerstones into business through best practices and by sharing the personnel's own experiences. Culture development is supported by the employee survey conducted in October, which indicates that personnel perceive the atmosphere at work as relaxed and friendly. At the Rajamäki plant in Finland, a pioneering pilot initiative was launched to employ people with partial working capacity. The experiences from the project have been promising.

During the year, we had to make tough decisions as well. Co-operation negotiations were conducted in several locations, and redundancies could not be avoided. The actions resulted from weakening market prospects and the need to secure Altia's long-term competitiveness and profitability. Those made redundant were offered outplacement services, and also longer notice periods were applied in Svendborg in Denmark, where the number of redundancies was largest.

STAKEHOLDERS' EXPECTATIONS AS THE BASIS OF DEVELOPMENT

Our stakeholders' expectations on Altia's corporate responsibility were reviewed through an extensive survey conducted during the year. As a result, we gathered a lot of ideas and proposals for development, which can also be used in the future. Based on the survey results, the Executive Management Team identified the key responsibility topics and development areas for Altia. We divided the responsibility topics into four areas, which we refer to as the responsibility cornerstones of Altia: Altia & Customers, Altia &

Environment, Altia & Society and Altia & Personnel. We also launched an internal responsibility working group to monitor and develop our responsibility work. The group reports to the Executive Management Team.

As the next step, for each cornerstone, we will choose the topics that we want to address in our responsibility work in future years, and determine the actions to be carried out. The objective is to define concrete business-driven actions to enhance our responsibility. We cannot improve everything at once but the choices and priorities we set now are most essential.

The strategic goal of Altia includes realistic long-term growth and value creation within the challenging market situation. The foundation for long-term growth is laid by ensuring success in the short-term. Our focus is now on the current year, and we will concentrate on certain selected focus areas to achieve the expected upturn in the financial development of the company.

AUDITS HELP US DEVELOP THE SUPPLY CHAIN

When sourcing raw materials and products from all around the world, the supply chains are long and extend to countries that are considered risky in terms of responsibility. Our most important clients in the Nordic countries, the alcoholic beverage monopolies Alko, Systembolaget and Vinmonopolet, comply with the principles of responsible sourcing in their purchasing activities and are members of the Business Social Compliance Initiative (BSCI). As suppliers to the monopolies, Altia and its subsidiaries are committed to complying with the BSCI's ethical principles, which are based on international agreements such as the general agreement of the International Labour Organization and the UN Universal Declaration of Human Rights. The monopolies monitor the implementation of the principles within the supply chain through audits conducted by a third party, which began in 2013 according to the plan in Chile and Argentina.

CONSUMER BEHAVIOUR IS CHANGING

The major factors impacting the business environment and responsibility of Altia include climate change and shifts in consumer behaviour arising from demographic trends. These factors include both risks and opportunities for Altia. We are already experiencing increased volatility in raw material prices as an effect of climate change. Simultaneously, structural change in agriculture towards larger production units continues. The ageing of populations, urbanization and digitalization have already changed consumer habits, and these changes are likely to intensify in the upcoming years. Among the concrete consequences are a general decline in the consumption of spirits and a simultaneous success of certain spirits categories, development of the wine cul-



ture and transition to lighter beverages, willingness to try out new products and the growth of e-commerce.

Due to prolonged instability in the macroeconomic situation, the whole Nordic alcoholic beverage market is expected either to decline or grow very slowly. Tightening regulation also adds risks. Continuous increases in alcohol taxes create price pressures and increase cross-border trade through passenger imports. At Altia, we respond to these developments by investing in consumer research, launching new consumer products for travel retail and cross-border trade, expanding into new segments, ensuring the cost efficiency of our supply chain and emphasizing responsible operations, among other efforts.

Although the majority of the population use alcohol moderately, the misuse of alcohol is causing significant harmful effects to society. Through co-operation, the alcohol industry strives to prevent the use of alcohol by the underaged. Sales to consumers through alcoholic beverage monopolies and restaurants also means that sales are controlled.

DEVELOPING OUR REPORTING

We have developed our responsibility reporting in accordance with the State ownership policy and guidelines. In this report we also aimed at illustrating our impacts better than before and presenting concrete examples in accordance with the wishes expressed by our stakeholders. We will continue developing our responsibility reporting in the future based on the expectations and needs of our stakeholders.

Hannu Tuominen
Acting CEO

ALTIA IN BRIEF

Altia is the leading wine and spirits company offering quality brands in the Nordic and Baltic countries.

ALTIA X 6

- *Altia's business model is based on offering a strong portfolio of its own brands and a versatile range of international partner brands as well as providing partners with services, which utilize its production, packaging and logistics capacity.*
- *Altia is the market leader in spirits and wine in the Nordic and Baltic countries.*
- *Altia is a growing cognac house with production and aging inventories in Cognac, France.*
- *Altia has a strong sales network in the Nordic countries.*
- *Altia has one distillery, five bottling plants (three in 2014), warehouses and offices in seven different countries.*
- *Altia's most significant clients are the Nordic alcohol retail monopolies, international alcoholic beverage companies, alcoholic beverage wholesalers, travel retailers, grocery stores, importers operating in export markets as well as domestic feed and starch clients.*

475.8

In 2013 Altia's net sales totalled EUR 475.8 million.

1,074

In 2013 Altia employed on average 1,074 people.

100%

Altia is fully owned by the State of Finland.

112

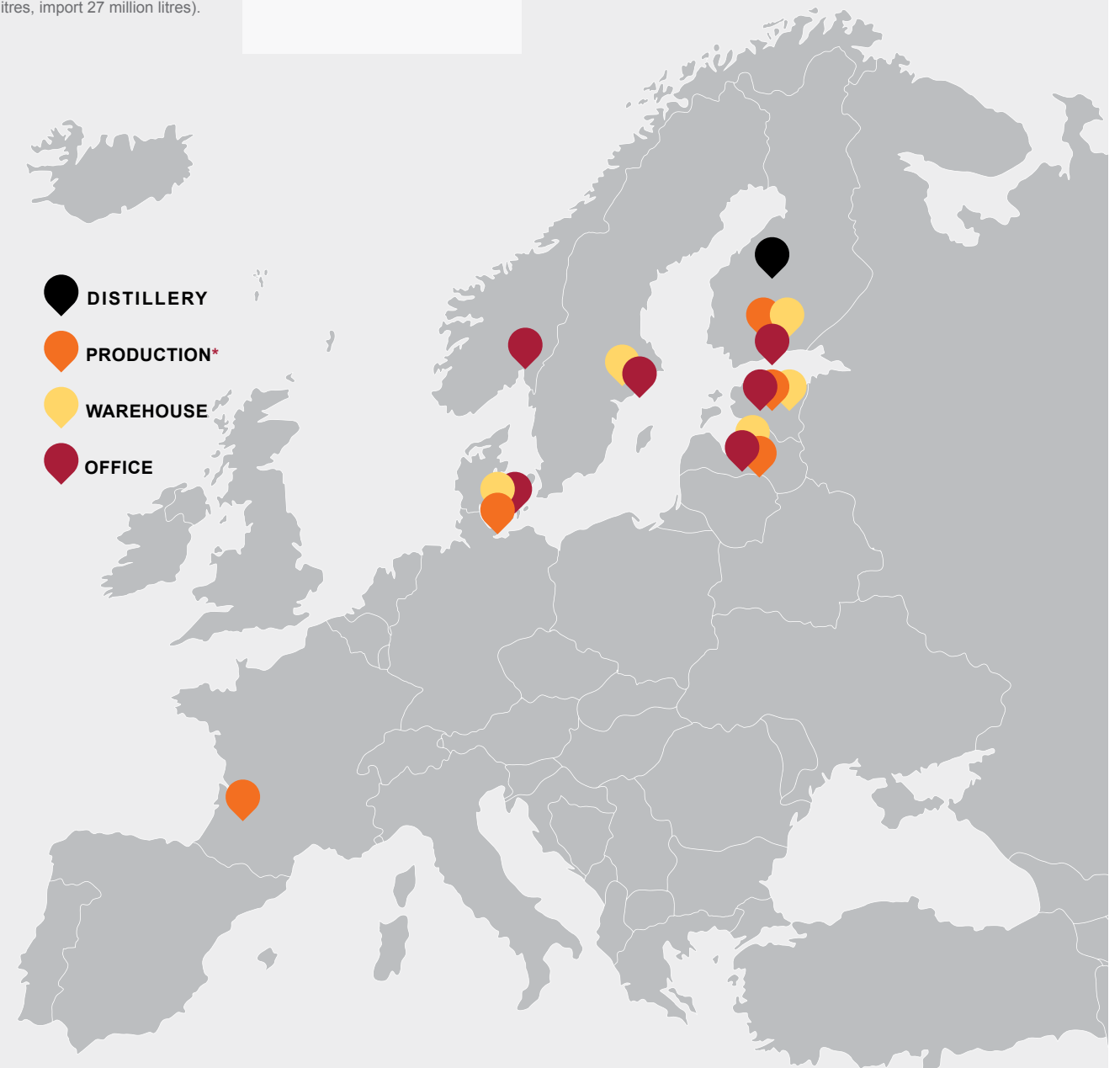
Altia produced or imported 112 million litres of beverages in 2013, part of which are exported (production 85 million litres, import 27 million litres).

173

Altia used 173 million kilos of Finnish barley in 2013.

85.5%

The average recycling rate of Altia's production plants in 2013 was 85.5 per cent.



* Production will be transferred from Denmark and Latvia to other production facilities in 2013–2014.

BUSINESS ENVIRONMENT

Our operations were affected by the continuing economic downturn, which was reflected in the consumption of alcoholic beverages. Consumption is expected to continue growing slowly or even to decrease in our current operating countries.

Trends affecting Altia's operating environment include the aging of populations, digitalization, urbanization and climate change. For Altia these trends imply both risks and opportunities. Along with the aging of populations the potential consumer base will decrease, but on the other hand this healthier and more affluent generation desires better quality products. The more urbanized consumers continuously seek new experiences, thus shortening products' life cycles. At the same time we can also see various consumer groups getting more fragmented.

In Altia's operating countries alcohol advertising is becoming more and more restricted, while on the internet alcoholic beverages are being marketed across borders. This exposes consumers more and more to the marketing of global brands.

For future consumer generations, climate change and environmentally friendly consumption choices will become commonplace. The extreme weather conditions caused by climate change affect vine and grain harvests and cause greater price fluctuations. In addition, mitigating climate change and meeting consumers' needs also requires us to make continuous efforts towards reducing our own impacts.

Legislation affecting our industry is changing. Alcohol taxes were raised in Norway, Denmark, Estonia and Latvia. In Norway the increase was two per cent and in Estonia it was 10 per cent in every category, namely,

spirits, wines, beer and intermediate products. In Latvia the increase targeted wines (13 per cent) and in Denmark intermediate products (55 per cent). During 2014 there will be more hikes in taxation in several countries. The tax increases and cross-border trade from Estonia influenced public discussion in Finland. Cross-border trade also has an effect on the competitive situation in Altia's other operating countries. Other laws and regulations that have an impact on our operations include the reform of alcohol legislation and changes in alcohol advertising in Finland, the labelling requirements set by the European Union, and the definition of Swedish aquavit and Finnish vodka, which are under discussion in Sweden and in Finland, respectively.

In the Nordic countries almost 90 per cent of Altia's products are sold through alcohol beverage monopolies. The percentage limits for monopoly sales vary from country to country, at 4.7 per cent in Finland, 3.5 per cent in Sweden and 4.75 per cent in Norway.

Altia is the market leader in spirits and wines in the Nordic countries as well as in the Baltic countries. Our competitors include global alcoholic beverage companies, Nordic companies and local importers. The global players focus on international brands, which creates business opportunities for local players. Altia's competitive advantages include market leadership, a product portfolio consisting of local brands with strong heritage and brands with

global potential, professional personnel, strong relationships with suppliers and partners, efficient production and logistics as well as a strong financial position. In the future competition is expected to become even tighter.

THE VALUE CHAIN OF ALTIA

The value chains of Altia's different operations pose a variety of challenges. In accordance with the procurement policies of monopolies, Altia and its subsidiaries are committed to complying with the principles of the Business Social Compliance Initiative (BSCI).

In grain-based spirits the supply chain is fully under Altia's control from field to bottle. In our production we use approximately 15 per cent of the Finnish annual barley harvest. The barley is produced in Finnish farms, the majority of which are located in Southern Ostrobothnia and in the provinces surrounding it. The grain spirit is mixed with other ingredients and packaged in our plants at Rajamäki, Svendborg and Tabasalu.

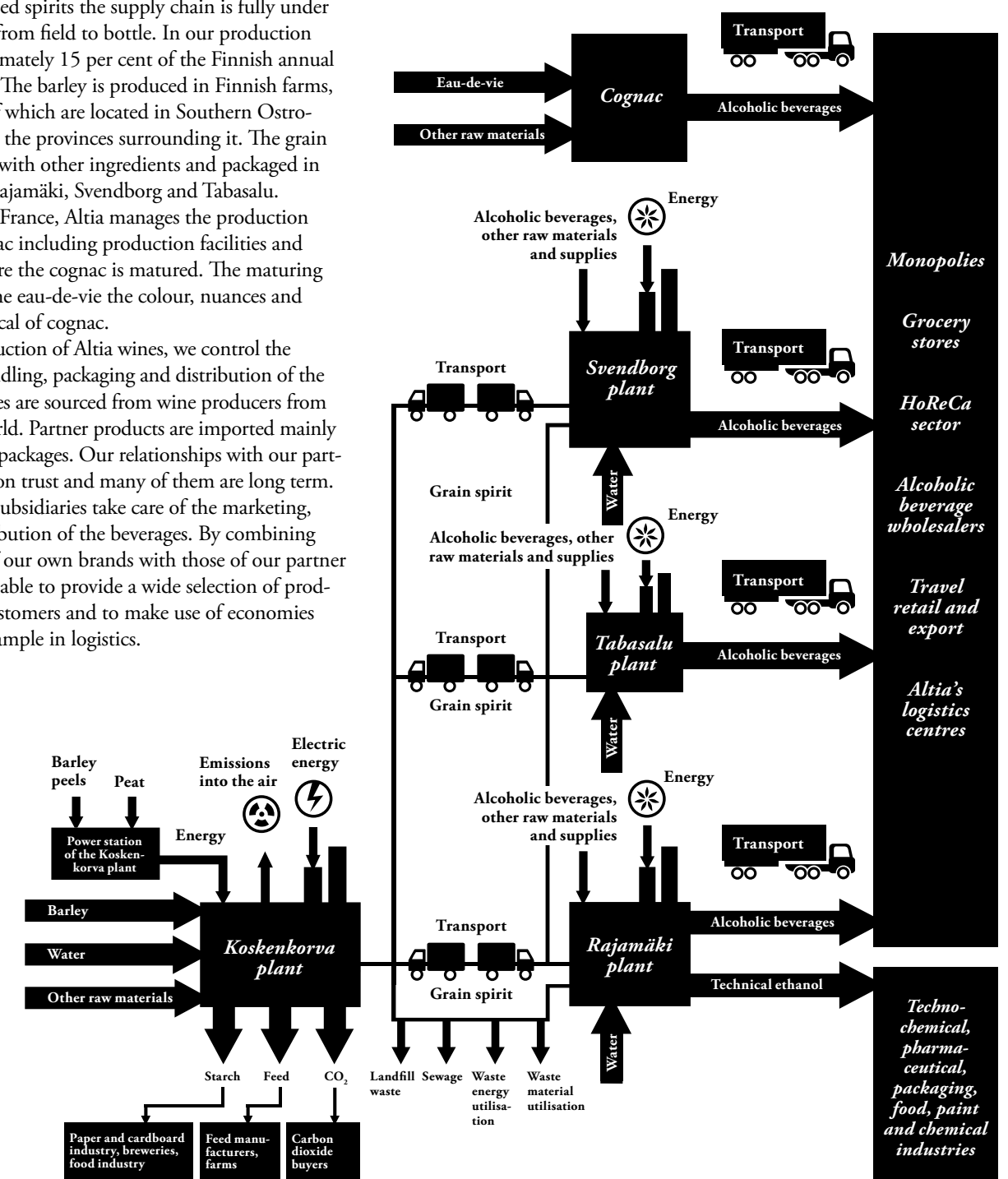
In Cognac, France, Altia manages the production chain for cognac including production facilities and the cellars where the cognac is matured. The maturing process gives the eau-de-vie the colour, nuances and the aroma typical of cognac.

In the production of Altia wines, we control the importing, handling, packaging and distribution of the products. Wines are sourced from wine producers from all over the world. Partner products are imported mainly as ready-made packages. Our relationships with our partners are based on trust and many of them are long term.

Altia or its subsidiaries take care of the marketing, sales and distribution of the beverages. By combining the volumes of our own brands with those of our partner brands, we are able to provide a wide selection of products for our customers and to make use of economies of scale, for example in logistics.

In addition, we offer contract services to our partners. These services can cover the whole supply chain from raw materials to the distribution of products, or only a part of the production chain like the bottling of products, for example.

THE VALUE CHAIN AND MATERIAL FLOWS OF ALTIA'S OWN PRODUCTION



MATERIALITY ANALYSIS AND STAKEHOLDER INTERACTION

All stakeholders value product
quality and safety.

The expectations of consumers and customers towards responsibly produced products have increased. This is reflected in the growing interest in organic, fair trade and ethically produced wines, as well as in environmentally friendly packaging and concern over the impacts of transportation, among other things. In addition, stakeholders are more and more interested in products' origin, ingredients and production conditions.

In order to get a better picture of our stakeholders' expectations on Altia with regard to corporate responsibility, we carried out a materiality analysis for the first time in 2013. The analysis consisted of a broad stakeholder survey, and an evaluation of Altia's performance in relation to competitors, as well as interviews of representatives of Altia's business areas.

The questionnaire was sent to almost 1,500 recipients representing the following stakeholder groups from all of Altia's operating countries: personnel, suppliers and contract farmers, partners, customers (monopolies and HoReCa sector), the owner and political decision makers, authorities, cities and municipalities, NGOs (non-governmental organizations), media and investors.

The views of consumers were gathered in a separate consumer research survey conducted in Finland and Sweden.

The response rate was 27 per cent, which is considered good for this type of survey, and shows stakeholders' interest in this topic. The most responses came from Altia's own personnel.

The responsibility topics that were considered most important in the questionnaire included product quality and safety, good leadership, occupational health and safety, well-being of employees, bribery-free business relations and using responsible raw materials. Product quality and safety were among the top priorities in each stakeholder category.

The least relevant topics for stakeholders included sponsorship and charity, low-alcohol products, health warning labels as well as financial support for local communities and also, quite surprisingly, the production and importing of organic products. However, on a scale of 1 to 5, with 1 representing the least important and 5 the most important, these topics still received an average score of 3.3.

Altia and its subsidiaries participate in industry co-operation and public discussion in all its operating countries through industry associations. Key associations in Finland include the Finnish Food and Drink Industries' Federation and its branch association the Alcoholic Beverages Industries Association as well as The Association of Finnish Alcoholic Beverage Suppliers. Associations in other countries include Sprit- och vinleverantörsföreningen in Sweden, Vin- og brennevinleverandørenes forening in Norway, Vin og Spiritus Organisationen i Danmark in Denmark, Alkoholitootjate ja Maaletoojate Liit in Estonia, Latvijas alkohola nozares asociācija in Latvia and the Bureau National Interprofessionnel du Cognac in France. The majority of these associations are members of the European spiritsEUROPE.

Stakeholders	Expectations	Interaction
The owner and political decision makers	<ul style="list-style-type: none">• creation of economic added value• managing administrative, social and environmental risks• well-being of employees (incl. good leadership, occupational safety, transparent remuneration)• compliance with international agreements and legislation, bribery-free relationships	<ul style="list-style-type: none">• reporting• direct contacts
Authorities	<ul style="list-style-type: none">• compliance with legislation, bribery-free relationships• responsible marketing• product quality, safety and traceability• responsible raw materials	<ul style="list-style-type: none">• audits• reporting• direct contacts
Customers	<ul style="list-style-type: none">• profitable business growth• long-term mutually beneficial business relationships• trustworthiness and delivery reliability• safe, high quality, traceable and interesting products• responsible sourcing• risk management related to supply chain	<ul style="list-style-type: none">• direct contacts• customer magazines, electronic channels• customer training
Personnel	<ul style="list-style-type: none">• occupational health and safety matters and well-being of employees• good leadership and clear target setting• development opportunities and career possibilities• company's ability to employ• product quality and safety	<ul style="list-style-type: none">• leadership communication• other internal communication• training• development discussions• co-operation and health and safety at work• presence of HR in management teams of business areas• cooperation groups developing culture and know-how• team practices• personnel information
Partners	<ul style="list-style-type: none">• profitable growth of business• long-term, mutually beneficial business relationships• promoting local procurement• reducing waste output and recycling• product quality and safety• good leadership	<ul style="list-style-type: none">• direct contacts• reporting• newsletters• tenders and contracts• fairs and other events
Farmers and material and raw material suppliers	<ul style="list-style-type: none">• long-term mutually beneficial business relations• product quality and safety• responsible raw materials• promoting local hiring and sourcing• sustainable agriculture• good leadership• occupational health and safety• reducing waste and recycling	<ul style="list-style-type: none">• fairs and other events• direct contacts• reporting• newsletters• tenders and contracts• farmer extranet
Media	<ul style="list-style-type: none">• product quality and safety• human rights in the supply chain• responsible raw materials• promoting diversity and equal opportunities• good leadership	<ul style="list-style-type: none">• external communication• direct contacts• events
Consumers	<ul style="list-style-type: none">• product quality and safety• reducing waste and recycling• occupational health and safety and well-being of employees• responsible raw materials• product information	<ul style="list-style-type: none">• marketing• external communication• questionnaires• products• fairs and other events• consumer feedback
NGOs	<ul style="list-style-type: none">• product quality and safety• responsible raw materials• responsible marketing• cooperation in supply chain and training of employees in order to promote responsibility	<ul style="list-style-type: none">• external communication• reporting• events

RESPONSIBILITY CORNERSTONES

We have built the basis of our responsibility on four pillars.

Altia's objective as the leading player in our operating area is to meet our stakeholders' expectations, including those relating to responsibility. In addition, the State ownership policy requires us to operate in a socially and economically sustainable manner that acknowledges various interest groups. We want to promote responsibility throughout the value chain. To do this, we continuously develop our operations.

During the reporting period, we took big steps forward in developing our responsibility. The materiality analysis executed incorporated the results of a wide stakeholder survey, an assessment of Altia's performance

in relation to competitors, and interviews of various business representatives. These results were discussed by our Executive Management Team. Based on them, the Executive Management Team identified key topics for Altia's responsibility work in future years. We divided the topics into four focus areas, which we refer to as responsibility cornerstones: Altia & Customers, Altia & Society, Altia & Personnel and Altia & Environment. In 2014, we will continue working to define more specific objectives and action plans for each of the focus areas.

ALTIA & CUSTOMERS

- Product quality and safety
- Traceability of products
- Water as a raw material
- Utilising responsible raw materials
- Organic products

ALTIA & SOCIETY

- Responsible marketing
- Advocating responsible consumption
- Taxation
- Human rights in the supply chain

ALTIA & PERSONNEL

- Good leadership
- Well-being of employees
- Occupational health and safety
- Remuneration

ALTIA & ENVIRONMENT

- Environmental criteria in the supply chain
- Waste
- Energy efficiency
- Recycling
- Utilising eco-design
- Water
- Sustainable agriculture
- Transport & logistics

EVENTS IN 2013

JANUARY

A decision was made to build a biomass power plant at the Finnish Koskenkorva plant, which is fully suitable for burning agricultural biomass.

FEBRUARY

Altia was fined EUR 5,000 for a work-related accident that took place at the Koskenkorva plant in 2011.

APRIL

The operations of SIA Jaunalko, located in Latvia, were transferred to the Tabasalu plant in Estonia. The aim was to form one efficient production unit in the Baltic countries.

Café Cornerstone

Internal personnel development portfolio, Café Cornerstone, was launched in all of Altia's operating countries.

JUNE

A broad stakeholder survey, an evaluation of Altia's performance in comparison to competitors, and interviews of representatives of Altia's different business areas were carried out to support the materiality analysis of the company's corporate responsibility topics.

Altia acquired the traditional Danish aquavit brand Brøndums. Along with the acquisition Altia gained a significant share of the Danish aquavit market.

AUGUST

The Executive Management Team held a workshop to review the materiality analysis of corporate responsibility topics and the priorities of Altia's corporate responsibility work.



Altia acquired Larsen S.A.S. and the Larsen cognac brand. Along with the acquisition Altia obtained significant aging inventories in France and became the sixth largest cognac house in the world.

SEPTEMBER



The foundations for the biomass power plant were laid at Koskenkorva.

OCTOBER

A gradual shift towards using recyclable plastic bottles (PET) was started for the majority of the spirits sold in Finland, reducing Altia's carbon footprint.



Altia decided to transfer its wine and glögg production from the

Danish Svendborg plant to the Finnish Rajamäki plant. The transfer increases volumes and efficiency at Rajamäki.

According to the Altia Tasting personnel survey carried out in all countries, employees find their jobs purposeful and the working atmosphere relaxed and friendly. Room for improvement was seen especially in the communication of strategy and objectives.

NOVEMBER



The logistics center in Brunna, Sweden began operating. The new center combined the operations of two separate locations into a single 21,000 square meter space located near Stockholm. The Brunna logistics center handles 140,000 orders annually and about 40 trucks are loaded there daily.

DECEMBER

The Executive Management Team decided to launch a roadshow to communicate the company's strategy for a number of reasons, including as a response to the results of the personnel survey.

FINANCIAL RESPONSIBILITY

In 2013 Altia accounted for excise taxes totaling EUR 497 million. The majority of this was paid to Finland.

ADDED VALUE FOR STAKEHOLDER

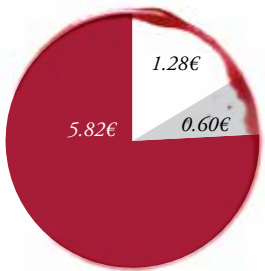
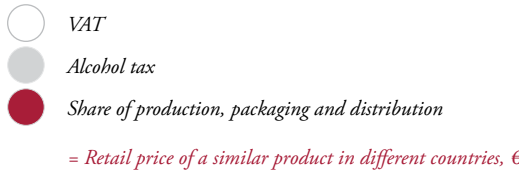
Direct effect	2013 (2012)	Indirect effect
Customers: Altia receives revenues from the sales of alcoholic beverages as well as industrial services, feed, starch, technical ethanol and carbon dioxide.	EUR 475.8 million (EUR 483.3 million)	Customers: Altia offers to its customers a unique and the most comprehensive product range in its operating area.
Employees: Altia pays salaries, commissions and other indirect costs.*	EUR 68.2 million (EUR 65.2 million)	Employees: Altia builds a corporate culture which helps support work-related well-being for its personnel of more than 1,000 people.
Suppliers: Altia buys raw material, goods and services from local and international suppliers.	EUR 297.5 million (EUR 299.0 million)	Suppliers: Altia creates added value for suppliers by working with them to develop varieties of grain, packaging solutions and flavors for its products.
Public sector: Altia pays excise and income taxes to society. Excise taxes are not included in turnover.**	EUR 504.5 million (EUR 534.9 million)	Public sector: Altia takes financial responsibility by taking care of taxes and social contributions and creating jobs at Altia and for suppliers.
Investments	EUR 59.9 million (EUR 27.6 million)	
Dividends to shareholders***	EUR 7,192 million (EUR 7,192 million)	

* Altia paid a total of EUR 34.0 (34.2) million to its partner farmers for barley.
** Taxes paid in Finland amounted to EUR 200.9 (232.0) million.
*** The Board of Directors proposes to the General Meeting that Altia does not pay dividends from the net income in 2013.

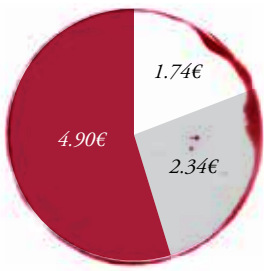
Grants and donations: Altia does not give grants or donations with the exception of small-scale participation in events in the plant locations amounting to EUR 0.2 (0.2) million. Grants and donations are not distributed to any political parties or actors.

TAXATION OF ALCOHOL VARIES BY COUNTRY

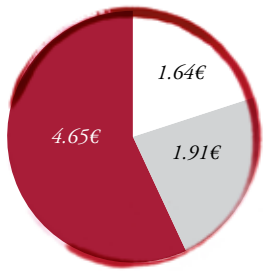
Wines



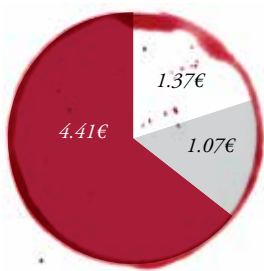
Estonia
7.70€



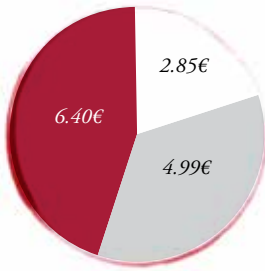
Finland
8.98€



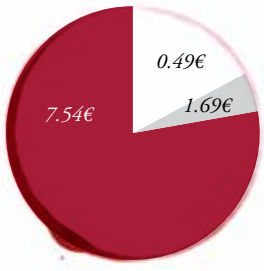
Sweden
8.20€



Denmark
6.85€

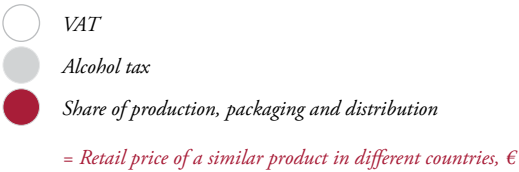


Norway
14.24€



Latvia
9.72€

Spirits



Estonia 11.73€
Finland 21.20€
Sweden 22.04€
Denmark 19.45€
Norway 33.25€
Latvia 13.68€

Price differences are among the main reasons for growth in cross-border trade.

Alcohol tax is fixed for all wines with an alcohol content of between 8 and 15 per cent (EUR/litre), but the amount varies by country. In the case of spirits, the tax is calculated based on the absolute amount of alcohol in a bottle, hence the tax amount varies based on both alcohol content and bottle size. A 0.7 litre bottle with an alcohol content of 37.5 per cent is used in the example. VAT is calculated based on the retail price of the product.

The figures used in the examples are based on taxes and retail prices in 2013. In 2014 the tax rates will rise in Finland, Sweden, Denmark, Norway and Estonia, which in turn will be reflected as rising retail prices.

POINT OF VIEW /

QUALITY IS A CONTINUAL PROCESS

Quality is very important to Altia and the brands we represent: both those the company owns and those of our partners. Disappointing a single consumer is simply unacceptable.

Juha Kahima**Wine Quality Master, Altia**

"Even in the world of wines, where varieties and vintages are incredibly diverse, our aim is for consumers to recognise high quality from a bottle or package's label alone, hopefully inspiring repeat business and a degree of brand loyalty. Particularly in the monopoly markets we serve, if relationships like these can be forged and upheld, we believe they can be relied upon in the long term. Strong quality control processes, in this respect, are key.

Wine production is a long and complex process, and the journey from the vineyard to the table can involve a number of different parties with as many distinct roles. At Altia, we define our work with wine as 'treating and handling': we source wines from a number of different producers to suit our product range and brand family, before importing, bottling and packaging them for our various markets. We also actively follow interesting wine producers and carefully monitor consumer trends in order to respond to market demand with new products in an agile manner.

While Altia does not grow grapes or own vineyards, we do place enormous importance on our selection of

producers. Our buyers visit vineyards and winemaking facilities and influence quality at various production stages including grape selection and blending. All our products are the result of a combination of winemaking expertise on the part of both our suppliers and our own personnel. We have the final responsibility to guarantee quality, of course, and we pride ourselves on supplying exactly what our customers want.

One might imagine "bottling" to mean simply transferring the liquid from a large container to a sales package, but the reality is rather different. In fact bottling is subject to several stages, each of which fulfils a different function in terms of quality control. These components of the process are vital to ensure consumers can enjoy the consistent quality they have come to expect from our brands.

THE JOURNEY BEGINS

Before the wine leaves the supplier, it is filtered to eliminate the presence of harmful microorganisms, guaranteeing its stability for safe transport. When Altia purchases wine from a supplier, this is the first stage of quality control, and the onus is on the supplier to guar-

antee its cleanliness during transportation. This usually takes place in stainless steel containers suitable for the storage of foodstuffs, or flexi-bags, purposely designed containers for the transportation of liquids, which typically have a volume of 16,000 to 26,000 litres.

Upon arrival at our bottling plant in Rajamäki, the seals of these containers are checked to ensure that no oxidation has taken place. The slow introduction of oxygen to a wine, over the course of years, is one reason for the popularity among connoisseurs of certain vintages, but sudden exposure to a great deal of oxygen turns wine into vinegar, and preventing this throughout the supply chain is vital.

Samples are taken to ensure that no such problems have occurred during transportation, but this is very rarely the case. This is in compliance with the ISO-9001 quality management system, a multi-industry standard under which our plants are certified. Following approval, the wine is then pumped up to the facility's sixth floor, with a protective gas preventing the liquid from coming into contact with oxygen. Here it will wait until further tests have been made to assess its quality.

Microbiological purity is the main objective at this stage, so the sampling must take place in sterile bottles suitable for purity analysis. This is where the 10 distinct examinations required by EU legislation are performed, which refer to alcohol content, weight by volume, density, sugar content, volatile acids, bacteria, total acidity, and sulphur dioxide levels.

PRESERVING TASTE AND COLOUR

Provided all these properties match the specifications provided by the supplier, the next step is to balance free sulphur dioxide, a natural additive which has, in the applied dosage, no effect on the taste or flavour, but fulfils the important function of protecting the wine against microbiological growth and the formation of aldehydes, which can affect aging and colour stability.

With sulphur dioxide balanced, the wine is then pre-filtered, which is done in preparation for any storage time necessary before bottling. This transitional period depends only on the production schedule of our bottling plant and rarely amounts to more than a week or two. The pre-filtering is a precaution against further microbiological activity. During the time the liquid is stored, the container's headspace is filled with a protective gas such as nitrogen, to prevent any exposure to oxygen throughout.

With the bottling or packaging program scheduled, the final process of filtering takes place – this time with a membrane filter of 0.45–0.65 microns in order to guarantee the wine's microbiological stability. Following all these steps, bottling or packaging is ready to begin.

In addition to the tests referred to above, which relate only to the wine itself, several other criteria have an effect on the customer experience, and for these we require additional checks on the part of our suppliers. The upholding of safety standards on their side is also very important to guarantee the quality of the final product.

CASE / *Geothermal fluids from ethanol*

In addition to being an alcoholic beverage house, Altia is the market leader in producing and selling geothermal fluids in Finland, with a market share of up to 80 per cent.

Altia has produced Naturet, an ethanol-based geothermal fluid, domestically through its technical ethanol business located in Nurmijärvi, Rajamäki, Finland for almost 30 years. The main component of the geothermal fluid is strongly denatured ethanol, a biodegradable and easily-vaporizing fluid.

"Naturet geothermal fluid is used in geothermal heat pumps for transferring the

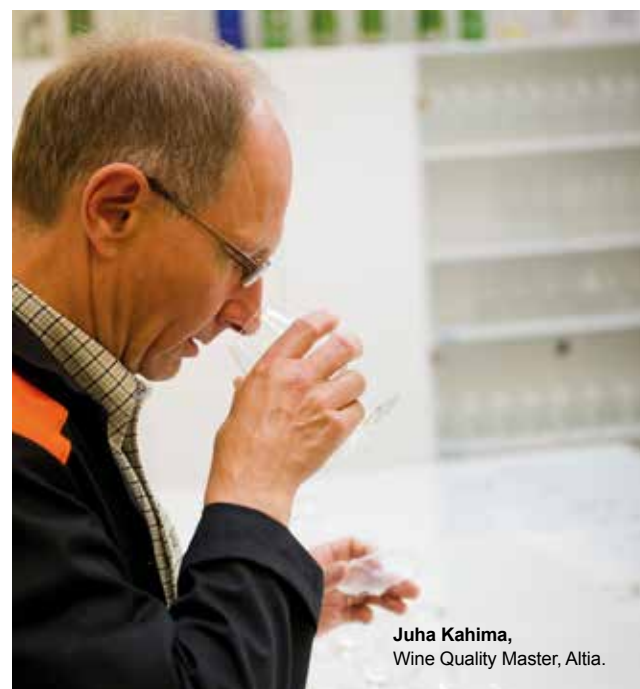
natural heat from soil, rock or water bodies to heat energy for facilities and water," says **Kari Nieminen**, Altia's Business Unit Manager.

In 2013 there were a total of 12,300 geothermal heat pumps installed in Finland. Almost 70 per cent of them were installed in single-family detached homes and terraced houses.

Over the past few years, the volume of construction has declined. This trend is reflected by the sales of geothermal heat pumps. According to the statistics gathered

by Suomen Lämpöpumppuyhdistys ry (The Finnish Heat Pump Association), overall sales have decreased by approximately five per cent in comparison to the previous year.

"Despite this negative trend, the sales of geothermal fluids grew by two per cent. This has happened because more and more, geothermal fluid is being used in large construction sites," says Nieminen.



Juha Kahima,
Wine Quality Master, Altia.

"All our products are the result of a combination of winemaking expertise on the part of both our suppliers and our own personnel."

For example, the presence of air bubbles in glass bottles would pose a significant safety threat were a thin layer of glass to break on the inside of a bottle. To prevent such occurrences, we select our suppliers very carefully, and insist that they follow all the legal standards that relate to their area of production.

Through stringent quality control, Altia has the opportunity to provide consumers with a reliable service leading to a huge range of enjoyable wine and spirit experiences.

While our wine-related processes are designed to preserve the original properties of the products we import, in our production of other drinks ranging from liqueurs to ready-made cocktails we employ remarkable amounts of different components, from colourings and flavourings to pre-prepared alcoholic ingredients like vodkas and whiskies themselves. The range of raw materials is huge, and as you may imagine, the various checks and samplings needed to control quality in production of recipes like these could comprise an entire book of stories in themselves. What makes our treatment and handling of wine so distinct, though, is that the end result is absolutely faithful to the best product our suppliers can provide us with. All we are doing is helping to bring it to your table.

THE IMPORTANCE OF FEEDBACK

Despite our best efforts, when distributing wine in quantities like 100 million units per year, it isn't possible to check each and every individual package.

At Altia, we aim for our products to arrive on the shelf 100% free of defects, but this isn't always possible.

On the infrequent occasions when we receive negative feedback from our customers, we take this very seriously. The only way we can achieve perfection in our processes is by listening to our customers very closely, and we value their input as it represents our best guidance towards improvement.

For this reason, Altia has a customer care centre, which handles all feedback centrally, and our recently upgraded complaint handling process ensures that it reaches the ears of all concerned parties along the supply chain. We make sure that each communication from both customers and end consumers is replied to.

In our dialogue with customers and consumers, we also pledge not to repeat our errors or product faults, and take this pledge very seriously. We go to great lengths to determine the chain of cause and effect that has given rise to a particular problem. In certain cases, we may even ask for a bottle to be returned to us for sensory checking and analysis to determine what has occurred and how to avoid similar cases in future. All in all, however, it should be noted that the number of such instances is very low indeed when put in context with the number of units we supply to our varied markets. This is the true measure of how effective our quality control processes must be."

TASTING THE RESPONSIBILITY IMPACTS OF OUR PRODUCTS

Pure raw materials

The production of ethanol at the Koskenkorva plant uses *nearly 200 million kg of barley* each year, representing almost *15% of the total* crop in Finland. The barley comes from *1,500 farms* in the vicinity of the plant. The water for the spirit drinks is *naturally pure spring water* from Rajamäki. The water is filtered by moraine to the extent that *no further chemical purification* is needed.

Reducing emissions

Over 95% of the impact of the spirit drinks' production process on climate comes from the production of ethanol. At the Koskenkorva distillery, *all carbon dioxide from the process is captured*. A new biomass power plant is being constructed, which will *use barley husks* from the process as fuel and once becoming operational end of 2014, will *reduce our carbon emissions* from the steam production *to almost a half* of the 2012 level.

Lighter packages and transportations

With choices related to packaging we reduce our environmental footprint. In 2013 Altia started packing the majority of its spirits in *recyclable PET bottles*, reducing the weight of transportations by *4 million kilograms* in Finland only. Also the closures are plastic instead of aluminum, ensuring *full recyclability*. The wines for Altia's proprietary brands are imported in large quantities and *packed close to consumers*, making transportations more efficient and lighter.

Careful selection

The selection of producers to supply wines for Altia's proprietary brands is done carefully to *ensure quality wines* both for our existing portfolio and for new products that correspond to consumers' wishes. All suppliers we work with are invited to answer a questionnaire about their *policies for environmental and social issues*. Producers can be *audited* by the retail monopolies to ensure good working conditions. The audits are focused on risk countries.

Informed choices

The information on labels is regulated in detail to ensure sufficient information to support consumers' choices. For example, *substances causing allergies*, such as milk or sulphites, *are mentioned* on the label.

Less additives

Compared to foodstuffs, wines contain very *few additives or residues* from substances used in production. For example, the pesticide residues found in some wines only amount to about *a hundredth of the levels allowed in fresh grapes*, at the maximum.



POINT OF VIEW /

THE SUPPLY CHAIN REACTION

Supply chain professionals discuss the ways social responsibility is reshaping the industry.

The importance of the supply chain cannot be understated when it comes to Altia's commitment to its customers and the end consumer. We strive to produce and provide high quality beverages consistent with all the industry expectations in relation to social responsibility. To make this concrete, we asked three supply chain experts – two from within the organisation and one from the customer side – to describe their work and the way recent developments in the field of social responsibility affect it.

Tarja Jukkara

Director, Product Development & Sourcing, Altia

"Sourcing always starts from the customer need. When we have established the customer demand for an end product, we begin a process of discovering what is required to produce it. Then our focus moves to product development, who will specify the raw materials that we will need – a recipe – and then the final element is the packaging.

Along the way, it becomes necessary to obtain ingredients or components from suppliers, and our sourcing managers have to engage with the market to select the best fits for the needs that have emerged.

We do have overall guidelines for selecting suppliers, but the working process varies a little, depending on the precise element we are sourcing. For example, in distillation, we have made a strategic decision that we will only use Finnish barley. Now that's a customer promise – so again, our sourcing needs always link back to the customer somehow.

When dealing with packaging needs, we usually look to our existing supplier base. Are there suppliers who can

deliver the type of product or service we're looking for? Do their capabilities, knowledge, and industry expertise meet our requirements? If we don't have an existing partner in mind, who do we need to start talking to? What defines the pool of suppliers that could help us? How are their audit standards? What is their reputation? Are there risks that may emerge? And perhaps most importantly, can they provide the quality we insist upon?

This rigorous approach also provides the foundation for our corporate responsibility survey, which makes the requirements specified by our monopoly customers clear to all the agents within our supply chain. When we look outside our own area of production, and more into wine sourced from flagged risk countries, social responsibility issues come into play to a greater extent.

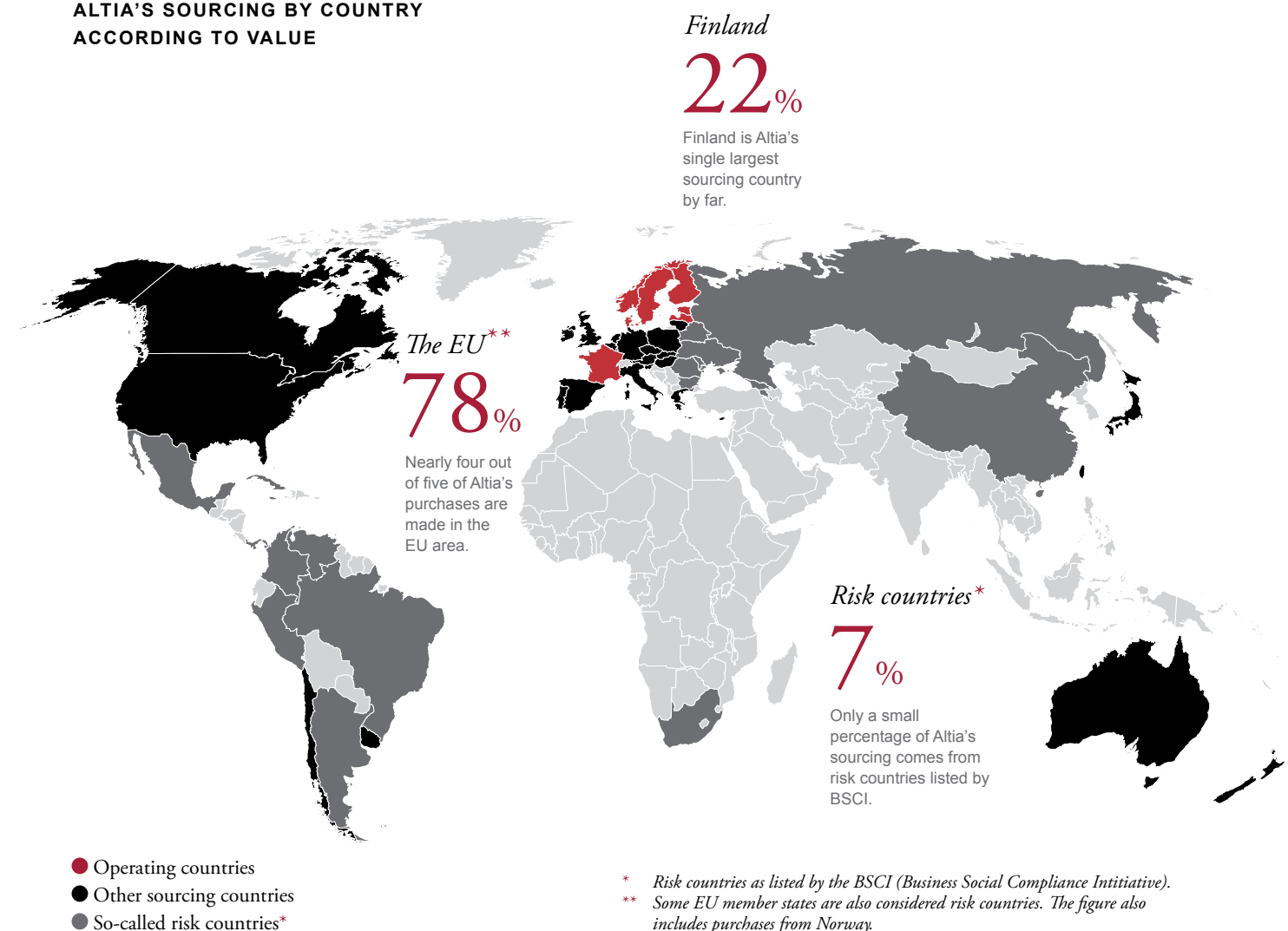
There are a huge number of issues to be considered when choosing a totally new supplier, and we take each of them very seriously. This is how we come full circle, serving that customer need that started the whole process, and doing so in a way that will satisfy them both in terms of providing a quality product and meeting their approval in terms of the partners and processes we employ."

Markus Hannula

Business Development and Sourcing Manager, Altia

"My work is in wine sourcing, and the thing we look for most in this respect is a really strong quality-to-price ratio. This, in many ways, is no different from sourcing in any other enterprise, but the difference with our job is that we are working to a large extent with monopolies. Their offering is huge, and the stiff competition means that quality has become even more important than price,

ALTIA'S SOURCING BY COUNTRY ACCORDING TO VALUE



as a very high standard indeed is necessary to achieve a listing. So the starting point is quality, and the search for suppliers who can deliver it.

The best practices we have here are bound up with the long-term relationships we've forged: all of the sourcing managers here in the wine department have their own contacts. We keep tabs on new players, of course – there are plenty of suppliers, but not that many who can supply internationally. Nevertheless, we maintain a constant search on the Internet, visit fares, and travel in our own allotted countries. And, of course, we use our brokers, who know what we demand from a supplier.

Social responsibility is quite a new subject in the wine business, and as such, the relevant measures are evolving and improving all the time. Our main role here is to follow our suppliers carefully, using a questionnaire derived from the BSCI code of conduct, and to audit them in collaboration with our monopoly customers.

Thus far, no dramatic supplier-related decisions have been made on the basis of sustainability, as our partners have met the requirements set for them. I would mainly put this down to the fact that the bulk of our supply chain is founded on those long-term relationships. And in the so-called risk areas – in the South American countries, for example – here we make frequent use of large-scale brokers based in the United States. They know our social responsibility requirements and would not even suggest cooperation with a winery that they suspected of breaching them."

Göran Klintberg

Purchaser, Supply Chain Management, Systembolaget AB

"Our activities, along with Altia's and all the other social responsibility work in the distribution and sale of wine in the Nordic countries, is based on the BSCI code of con-

duct. We adapted the code to suit our industry in 2012 together with the other Nordic alcohol monopolies.

We perform audits of our suppliers, including Altia, as instructed by the code, and those studies done during 2012 and 2013 have been according to what is termed the 'industrial methodology'. What this means is that our focus is on the production facility which is, of course – in our business – the winery. There's a distinction to be made there, as we have not been auditing in the vineyards: at least not yet.

Overall, we are quite satisfied with the BSCI code and the way the audit questionnaires have been formed. There are still some peculiarities to the wine industry which perhaps could be covered better, though. BSCI originally began in reference to the textile industry and now we have members working with fresh foods, fruit and vegetables, and other agricultural products, so it's still a very dynamic situation.

For example, we'd like to see the code become more aspirational when it comes to remuneration. It's currently set with the minimum wage in each country as a basis – and that's fine – but we believe that the audits should also direct attention to what we call the living wage: to encourage companies that we put into the auditing cycle to raise the wages of the people who work for the lowest pay.

There are other more specific details too. For example, the employee housing situation in South Africa, where many workers live on the privately owned farms they work for, creating a conflict of interest. Because it's a situation peculiar to South Africa, the auditing system did not encompass that, but now we have worked it into the audits so it will be covered in future.

But all in all, aspects of the code are becoming more relevant and more deeply engaged with our work each

CASE / *European cooperation in promoting responsible drinking*

The EU spirits industry representative body spiritsEUROPE and its member associations have made a commitment to promote responsible consumption in accordance with the "Roadmap 2015" publication. Altia Group is also voluntarily committed to the Roadmap's principles. To raise awareness of responsible drinking, each national member association has in cooperation with the local industry published websites, which provide information about responsible consumption, harmful effects of alcohol abuse as well as the effects and risks for different consumer groups.

The websites have already been published in Sweden, Estonia and Latvia, and during spring 2014 a similar website will be published in Finland. Follow the links below to find your national website.

www.responsibledrinking.eu
www.nautikohtuudella.fi
www.drinkwise.se

www.jootargalt.ee
www.dzeratbildigi.lv

year. It's a long process of listening and adapting for each of the parties concerned: ourselves, the other monopolies, Altia, all our suppliers and theirs, and the BSCI itself."

CASE / *The BSCI Code of Conduct*

The Business Social Compliance Initiative (BSCI) Code of Conduct sets out the values and principles which participants in the BSCI organisation strive to implement in their supply chains. The code is based on international conventions relating to the improvement of working conditions in the supply chain. Each member endorses the Code of Conduct when they join the initiative and must make explicit the ways in which it will be instituted in their own operations.

The code, to which the alcohol monopolies of Sweden and Finland are signatories, requires the auditing, over a two year period, of suppliers representing two thirds of production located in so-called "risk countries" (see illustration on the page 21). As suppliers to the monopolies, Altia and its sales companies are also committed to the principles of the code. In 2012 Alko and Altia conducted a pilot project in Chile with the aim of gaining experience for the audits that commenced in 2013. During 2013 two

of Altia's suppliers were audited, one in Chile and one in Argentina, both with good results. The first audit of 2014 will take place in South Africa.

The code has clear criteria of compliance. Any instances of non-compliance are the focus of a 12-month corrective action plan followed by a re-audit, a rule incorporated in the monopolies' legally binding purchasing conditions.

ALTIA AS AN EMPLOYER

The year 2013 was characterised by changes in the operating environment, restructuring of the organization and personnel changes in every country and in all personnel groups.

CULTURE DEVELOPMENT WITH OUR PERSONNEL CONTINUED

In 2012 we started a project to develop our Altia culture. As part of the project we defined four themes as culture cornerstones: *effective leadership, strategic impact, successful collaboration* and *customer-centricity*. In 2013 we continued the culture journey by conducting workshops with discussions on how the culture could be developed locally. Local management committed to the implementation of the initiatives.

To support the culture-related initiatives, learning solutions have been developed based on principles such as diversity of training opportunities, freedom of choice and sharing best practices. Traditional training, virtual networking, team development and mentoring have also been offered. Individuals and teams can choose the solutions that fit their needs from the development menu of Altia's culture café, Café Cornerstone. Training programmes, including Increasing Your Strategic Impact have received highly positive feedback from participants.

"I got so much energy out of the day, also simple tools have helped me manage my actions in the office more effectively."

In addition to the Café Cornerstone, and as a response to changes in the organization, separate discussion sessions have been arranged for personnel to share their experiences. Management have been present at Open House events to speak with personnel. Best practices have been shared through the company's own culture magazine.

OUR PERSONNEL SURVEY HELPS US CREATE A BETTER PLACE TO WORK

Every Altia employee had the chance to express their opinion on Altia as a workplace through the personnel survey conducted in October. The response rate for the survey was 70.5 per cent.





According to the results, Altians consider their work purposeful and see the working environment as relaxed and friendly. The feedback also indicates that there is room for improvement in the communication of strategy and objectives. Hence the Executive Management Team chose internal communication as its own development area for the year 2014.

Every Altian is invited to take part in discussions concerning their own team's results and to examine the areas of development together. Development plans for the teams will be implemented during 2014.

The culture cornerstones and the results of the personnel survey also guide leadership development, which has focused on coaching. In 2013 three open training programmes were arranged for managers from different parts of the company. The training will continue in 2014.

"It's nice to see that I'm not alone in my managerial challenges."

Every member of Altia's personnel regularly participates in development discussions. The objective of the process is to guide progress towards common targets by listening to individuals and conducting honest dialogue. The development discussions for white-collar employees include two meetings during the year, and for blue-collar employees, there is one meeting annually. On top of the conventional goal setting and development planning, everyone discusses their actions in light of the culture cornerstones with their manager. The cornerstones will be integrated into other personnel processes in 2014.

REMUNERATION AND REWARDS IN ACCORDANCE WITH THE CULTURE

In addition to financial rewards, Altia strives to develop other ways to reward employees. These include commendation, celebrating accomplishments together, sharing best practices, including key talents in strategy and development work, as well as offering small tokens in recognition of jobs well done. For example, in Estonia, personnel select the colleague of the year annually. The chosen person also receives a small present for their accomplishments.

Financial rewards at Altia include short-term and long-term performance-based bonuses. Decisions concerning the programmes are made annually. The

short-term bonuses are paid once a year or more often as production or sales bonuses. The objectives are to support strategy implementation, reward personnel for good results, and share Altia's financial success. The company's short-term performance bonus programmes apply to all personnel, except for workers on short, fixed-term contracts. The long-term incentive plan for 2012 to 2014 applies to key company personnel. The plan has been executed in accordance with the guidance on management remuneration for state-owned companies. Further information on Altia's remuneration policies can be found at: <http://www.altiacorporation.com/en/Altia/Corporate+Governance/Remuneration+Statement/>

ON-GOING EFFORTS TOWARDS IMPROVING ABILITY TO WORK, OCCUPATIONAL SAFETY AND WELL-BEING AT WORK

The main objectives for the years 2013 to 2015 include decreasing the absences due to sickness and lowering accident rates, decreasing costs incurred from occupational healthcare and pension contributions as well as reducing early retirement. In addition, we take care of the implementation of statutory health check-ups and develop the active use of the early support model. Other initiatives include supporting the employment of persons with partial work capacity as well as monitoring occupational diseases and early responses to them.

The action plan for occupational healthcare is prepared in three year cycles. The target is a healthy and properly functioning working community, where knowledge of the organization, ability to anticipate and manage change and receiving support to overcome those changes are key. Surveys assessing the working environment are conducted regularly. On top of statutory occupational healthcare, personnel in nearly all Altia operating countries have comprehensive insurance for medical expenses and enjoy other benefits promoting well-being and work ability, such as sport benefits.

Shop stewards in particular have taken a strong role in issues relating to work ability, and their responsibilities in the fields of occupational safety and well-being have been increased. The shop stewards are also responsible for the equal distribution of timeshares available to personnel. The personnel and equality plans are updated annually and their implementation is monitored together with the shop stewards.

LOCAL PLANS TO REDUCE SICKNESS ABSENCES AND ACCIDENTS

Altia's work, health and safety system has been certified in accordance with the OHSAS 18801:2007 certification. The certificate covers the Koskenkorva plant, the Rajamäki alcoholic beverage plant, and the technical ethanol business operations, as well as the operations of the head office in Helsinki. The objectives include the

reduction of sickness absence rates and the number of absences caused by accidents. In order to achieve these objectives, a total of 47 actions have been determined for various locations. Of these, 32 (68 per cent) were implemented in 2013. Examples of actions include improving ergonomics, training the members of the occupational safety committee, speeding up work rotation, emphasising the use of safety equipment, planning of forklift and walking routes, conducting surveys concerning well-being at work, tracking long-term illnesses and increasing risk assessments.

The accident rates and sickness absence rates are monitored in all Altia's operating countries. In 2013 the sickness absence rate was 3.3 per cent. The logistics center in Sweden had the highest rate (6.0%), while the head office had the lowest (1.0%). The accident rate* for those accidents requiring at least one day of absence was 12. There were very few or no accidents in other locations than Rajamäki, where we enhanced the analysis of accidents and near misses and developed evasive actions. No work-related mortal accidents were recorded in 2013.

* The ratio of number of accidents to million working hours.

TERMINATIONS OF EMPLOYMENT WERE UNAVOIDABLE, BUT SUPPORT OFFERED EXCEEDED LEGAL REQUIREMENTS

In 2013, changes in Altia's business, streamlining of operations, and the pursuit of cost efficiency led to unfortunate changes in personnel, where a portion of personnel were outsourced and some were made redundant.

Terminations of employment took place in Finland, Sweden, Denmark and Latvia. In Finland a total of 24 employees were dismissed as an outcome of statutory co-operation negotiations. In Sweden there were seven dismissals, and in Denmark 80. In addition to complying with the requirements set by law and collective agreements, Altia offered outplacement services to the employees in these locations, involving, for example, group meetings and personal development trainings. In Svendborg, Denmark, where the number of dismissals was the largest, longer notice periods were also applied. In Latvia approximately 30 employees were dismissed from SIA Jaunalko, a company whose production operations were transferred to Tabasalu, Estonia in accordance with Altia's business strategy.

CASE / Opportunities for persons with partial work capacity

In 2013, Altia commenced a ground-breaking project to employ persons with partial work capacity at its Rajamäki plant in Finland. The project is part of the Finnish Ministry of Social Affairs and Health's programme for persons with partial work capacity.

By employing people with partial work capacity the company has been able to provide an interesting, diverse and rehabilitative work place to suit different individuals' capabilities and interests. A team made up of employees with partial work capacity handles the Svenska Nubbar bottling line in Rajamäki, which previously operated two to three days a week. Now the work has been spread out over the whole week, lightening the daily workload. At the same time, employees with full work capacity are now better able to concentrate on their own tasks.

The strain related to the given tasks has been evaluated by occupational healthcare professionals, and a personalized work program was created for each of the employees. Special tools designed in collaboration with the persons working on the line were added in order to facilitate the work. Job rotation reduces the repetitiveness of the task and also provides the employees with diverse duties ranging from assembling gift packages or maintaining the spare part inventory to laboratory work.

The objective of the programme is to prolong working careers and promote the employees' well-being at work. Although the project has required education and training at the plant, the results of the program have been promising.



Matias Salminen,
Supervisor, Supply Chain,
Material Warehouse

STRONG ENVIRONMENTAL RESPONSIBILITY

Altia’s key environmental impacts arise from the operations of the Koskenkorva distillery as well as those of the alcoholic beverage plants in Rajamäki and Svendborg in Denmark.

The Koskenkorva plant, which is Finland’s largest user of barley, used 173.2 (169.6) million kilos of domestic barley in 2013 to produce 21.0 (23.2) million kilos of grain spirit, 51.1 (42.4) million kilos of starch and 57.2 (58.4) million kilos of feed measured in dry matter. The Rajamäki plant produced 51.3 (49.0) million litres of alcoholic beverages, the Svendborg plant in Denmark 32.1 (35.4) million litres and the Tabasalu plant in Estonia 3.3 (4.0) million litres. In 2013, Altia decided to relocate the wine and mulled wine or glögg production from the Svendborg bottling facility to the Rajamäki plant in spring 2014. The logistics centre in Svendborg continues to operate, and contract manufacturing at the plant continues until the beginning of 2015.

Environmental management systems at the Koskenkorva and the Rajamäki plants and in the support functions, sales and marketing at the Helsinki headquarters have been accredited according to the ISO 14001 standard. Due to the relocation decision, the Svendborg plant will give up its ISO 14001 certificate in 2014. The Tabasalu plant complies with applicable Estonian environmental standards and regulations.

Product safety at the Rajamäki plant was further enhanced by the renewal of the HACCP-based self-monitoring plan and further development in the methods and practices related to ensuring product safety, acknowledging ISO 22000 requirements.

Environmental systems are developed through regular audits and common practices, such as harmonisation of the assessment of environmental considerations. Energy and environmental considerations are taken into account

in planning and executing production processes and investments in production.

The results of efforts to reduce energy and water use improved from 2012 levels and the target for 2013 was reached. The Rajamäki plant achieved the greatest reductions in its energy consumption, and the Koskenkorva plant’s consumption was below the targeted limit. In water consumption, the Rajamäki plant improved its performance most significantly, but the result may be affected by changes in the calculation.

In raising the quality of wastewater (COD kg/m³ of product), results improved in comparison to 2012 and the target for 2013 was reached. In Svendborg, the key ratio indicating wastewater quality declined due to increased washes. Rajamäki was below the targeted limit.

Reduction in the amount of waste material is being applied as a new key ratio and thus historical information cannot be provided. Target levels that were set based on forecasts were not fully appropriate, and thus were revised at the beginning of 2014.

The target level for reduction in the amount of disposable alcohol was exceeded at the Altia group level. Rajamäki ended up below the target level. Svendborg exceeded the target level to a large extent. This results from wine, which is a significantly more sensitive product with a shorter shelf life than spirits. The ratio concerning reduction in the amount of disposable alcohol is also new and cannot be supported with historical information.

The Rajamäki plant was most successful in meeting environmental targets, reaching all of its goals and achieving the greatest improvements in energy and water

consumption as well as in the quality of wastewater among Altia’s plants.

ENVIRONMENTAL TARGETS FOR THE PERIOD 2014–2015

Altia has defined environmental targets for the period of 2013–2015. Due to the upcoming closure of the Svendborg plant, the environmental targets were reset for the years 2014–2015. The Svendborg plant will no longer be included in the environmental targets.

PROGRESS IN ENERGY SAVING

In 2013 the energy costs of Altia’s plants, excluding logistics centres and office space, amounted to over EUR 7 million. Energy saving measures are a major development area for Altia both in terms of profitability and environment.

The target level for reduction in energy use is based on the voluntary energy efficiency agreement of the Confederation of Finnish Industries (EK), and the State of Finland. In accordance with the energy efficiency program, Altia is committed to reducing its energy use by 9 per cent from 2005 levels by 2016. In 2013, energy

saving amounted to 8,348 MWh, or 4 per cent compared to 2012 levels, and 37,385 MWh, or 15.8 per cent compared to 2005 levels.

ENVIRONMENT-RELATED CAPITAL EXPENDITURE AND DEVELOPMENT OF OPERATIONS

In 2013, environment-related capital expenditures made in the Rajamäki plant amounted to EUR 0.5 million. The most significant project was the refurbishment of chemical containers in the wastewater pump house. This eliminated the need to shuffle separate chemical containers at the wastewater pump house. The new containers are located in the cellar of the wastewater pump house, eliminating the need to pump sulphuric acid and lye, and significantly decreasing the risk of leakages.

The unsound bottoms of the sewage wells in one drain line were renewed. A valve was added to the drain line, which can be used to close the drain in case of problems.

We also invested in a new bottling line, which is more energy efficient and enables us to collect waste alcohol more thoroughly.

RESULTS OF THE ENVIRONMENTAL TARGETS 2012–2013

Environmental target	Outcome 2012	Outcome 2013
Reduction in the use of energy (MWh/m ³ of product)*	0.74	0.70
Reduction in the use of water (m ³ /m ³ of product)*	3.49	3.19
Improvement in the quality of waste water (kg COD/m ³ of product)	2.39	2.27
Reduction in the amount of waste material (kg/m ³ of product)	–	28.7
Reduction in the amount of disposable alcohol, end product (kg/m ³ of delivered product)	–	3.46

The key ratios of environmental targets are calculated for the Koskenkorva distillery as well as for the Rajamäki, Svendborg and Tabasalu bottling facilities (bottling facility + logistics centre). The key ratios related to the reduction in the amount of waste material and disposable alcohol are calculated for the bottling facilities (Rajamäki, Svendborg and Tabasalu). Actions to reach the environmental targets are defined in the environmental programs prepared on an annual basis.

** The figures for 2012 and 2013 for Rajamäki only acknowledge the energy and water used by the alcoholic beverage plant, whereas the earlier figures included the usage of the whole plant area. The figures of 2012 were adjusted to comply with the calculation method of 2013 and thus those figures deviate from the corresponding figures in 2012 the responsibility report.*

CASE / Biomass power plant construction continues

The construction of a steam power plant, which will use agricultural biomass as fuel, commenced in the beginning of the summer at the Koskenkorva plant in Finland. Piling work was done during the summer, and in autumn the main components of the boiler were installed. The construction work as well as the installation of the boiler and the fuel system continued throughout the winter. Testing of the equipment will begin in summer 2014. The work has progressed on time and the power plant will be put into service by the end of 2014.

In terms of the technology and fuels to be used, the 10-megawatt power plant is the first of its kind in Finland. The power plant’s fuel will consist mainly of barley peels, which are separated in the production process. In addition, the use of other materials such as wood chips will also be possible. In the future Altia will also examine the possibilities of utilizing thatch as a fuel. Through the power plant, Altia will radically reduce its use of peat as fuel and halve the Koskenkorva plant’s carbon dioxide emissions from 2012 levels.

The planning, construction and roll out of the biomass power plant are being carried out by STEP Ltd.



The use of recyclable plastic bottles (PET) increased during the year 2013. PET bottles are 89 per cent lighter than glass bottles. They will lighten our transports by more than 4 million kilos, when calculated based on average bottle weight and including freight for both empty bottles and end products. Washing instructions at the bottling facility were updated, and the collection of waste alcohol was enhanced.

New steam indicators were installed at Rajamäki plant, which help direct energy consumption and monitor it more carefully. The temperature of the logistics centre was lowered by approximately 4°C, which made a major impact on heating energy consumption. Continuously heated car heaters at the plant’s parking lot were replaced with timed ones.

Waste treatment was further enhanced by preparing instructions for subcontractors and by improving internal guidelines.

<i>Environmental target**</i>	<i>Change 2013–2015</i>
Reduction in the use of energy (MWh/m³ of product)	-2.4
Reduction in the use of water (m³/m³ of product)	-0.2%*
Improvement in the quality of waste water (kg COD/m³ of product)	+3.2%*
Reduction in the amount of waste material (kg/m³ of product)	-14.4%
Reduction in the amount of disposable alcohol (kg/m³ of product)	-2.1%

* The key ratio will remain the same or increase during the period under review due to production and product changes.
** The environmental target levels are calculated as for the changes in the sum of the key ratios of separate plants, meaning that the change (as a percentage) is not based on the key ratio calculated for the whole of Altia. The key ratios for 2012 and 2013 are calculated for the whole of Altia as a separate key ratio.

also improved by insulating hot-water pipes and improving the insulation of the office building.

EFFORTS TO PROTECT GROUNDWATER AND SOIL
Clean groundwater is a central raw material for producing alcoholic beverages, therefore protecting groundwater and soil is important to Altia. We protect our water abstraction facilities in Finland mainly through ownership of the land in groundwater areas of the pumping stations. At the Svendborg plant in Denmark, Altia uses municipal water which meets the standards for drinking water as well as regulatory requirements. In 2013, the Svendborg plant received a local environmental certificate from MiljøForum Fyn for its efforts in environmental protection.

The Kurkisuo area located near the Rajamäki plant’s water abstraction area is a nature conservation area, of which Altia owns 144.1 hectares. In Petkelsuo in Hyvinkää, Altia also owns the private, 7.5-hectare large Kaunissyrtjä conservation area, which is part of the national swamp protection programme. Altia’s operations do not affect the protected areas or the high-biodiversity areas surrounding them.

CONFORMING WITH ENVIRONMENTAL COMMITMENTS
For the most part the Rajamäki, Koskenkorva, Svendborg and Tabasalu plants fulfilled their environmental

The most significant action relating to the use of energy at the Koskenkorva plant was the commencement of the construction of a biomass power plant for steam production. In terms of energy savings, the use of stone peelers purchased in the previous year was optimised as were procedures at the start of the ethanol process. A more energy efficient water cooling system was installed, and the dry matter content of starch was increased, resulting in decreasing the amount of energy used in drying.

The quality of wastewater was improved by renewing the washing system of centrifuges, among other things. Efforts were made to improve security by testing the replacement of poisonous sulphur dioxide with less destructive sodium metabisulfate.

Actions implemented at the Svendborg plant reduced the use of water and detergents. This had an impact both on energy use and wastewater quality. Energy use was

commitments as well as the target levels set by the municipality in 2013. An exception to this was Rajamäki’s exceeding of the BOD (1 pc) and solids (2 pcs) amounts in its wastewater. The wastewater sample represents the whole plant area of Rajamäki where several companies operate, therefore accountability for exceeding the limits cannot be determined. The Koskenkorva plant had minor deviations in the quality of its wastewater.

Environmental accidents and deviations are recorded in deviation reports and corrective measures are regularly monitored. In 2013, a minor environmental incident occurred at the Rajamäki plant when 20 cubic metres of vinegar leaked into the sewer due to a pipeline break. The Klaukkala refinery was informed about the occurrence and the discharge was handled in a controlled and problem-free manner. In addition, small amounts of ethanol were discharged to the sewer a few times at the Rajamäki plant.

As a result of a pipeline break at the Koskenkorva plant, a small amount of soil was excavated and sent to a toxic waste disposal plant for cleaning. There were no environmental incidents at the Svendborg and Tabasalu plants.

Environmental concerns brought forward by external stakeholders included the following: A complaint regarding a salmon pond drying in Rajamäki, near the Nopo spring; two complaints regarding the smell of wastewater; and one complaint concerning noise made by a jackdaw repeller in Koskenkorva.

No penalties were paid for exceeding permit provisions or neglecting environmental laws or regulations during the reporting period.

DISTILLING REQUIRES ENERGY
Distilling is an energy intensive activity. Approximately 75 per cent of the total energy used in Altia’s production is used in the distillery of the Koskenkorva plant.

Emission allowances Altia received in 2013 amounted to 29,533 CO₂ tonnes, and the actual emissions amounted to 37,505 CO₂ tonnes. The total amount of unused emission allowances at the end of 2013 was 51,379 CO₂ tonnes. The allowances had been granted for the period of 2008–2012. The emission allowances and the actual emissions of 2013 are estimates which will be adjusted in spring 2014. Altia will continue participating in emissions trading for the period between 2013 and 2020.

WASTE RECYCLING
The waste recycling rate at Altia’s plants was high in 2013. The average waste recycling rate and utilisation as energy was 85.5 per cent at Rajamäki, Koskenkorva, Svendborg and Tabasalu. Reductions in the amount of disposed packaging material are sought for example by replacing reusable bottles with PET or single-use glass bottles, enabling the reutilisation of the raw materials. In addition, products that do not meet quality requirements, for example products removed from flawed packaging, are distilled for use in technical applications.

<i>Unit</i>	<i>Recycling and other utilisation -%</i>
Koskenkorva	83.5%
Rajamäki	95.2%
Svendborg	99.5%
Tabasalu	88.6%

Thus far, consistent information on measures to reduce greenhouse emissions, or on environmental impacts of transportation of products and materials or commuting, is not available at Altia.

PACKAGING TAKES PLACE NEAR END-CONSUMERS
Many of Altia’s wine products are transported in large batches to be packaged by Altia at the bottling plant in Svendborg (in Rajamäki as of 2014), which is located near end consumers. Operating in this way improves the efficiency of transportation and reduces emissions as heavy bottles do not have to be transported from the countries of origin.

ENHANCEMENTS IN MATERIAL EFFICIENCY
The main indicator for material efficiency is cents per litre, and at the Koskenkorva plant cents per tonne of grain spirit. Efficiency improvement work is carried out in all process phases. Indicators and their utilisation in business operations will be developed further.
Material efficiency is at its peak in the utilisation of our valuable raw material, barley seed, at the Koskenkorva plant. Barley seeds are used in their entirety to produce grain spirit, starch and feed. Remaining peels are burned in the power station of the Koskenkorva plant. In 2013, Altia’s use of materials and raw materials was as follows:

<i>Liquids</i>	Liquid raw material, beverages (m³)	85,091
	Liquid raw material, technical products (m³)	18,250
<i>Materials</i>	Barley (t)	173,000
	Packaging material (t)	47,009
	Raw materials of products (t)	4,718
<i>Trading products</i>	Liquids (m³)	27,076
	Packaging material (t)	8,122

Personnel’s environmental awareness is developed and maintained through the Intranet, environmental targets and follow-up meetings, bulletin boards at the plants and environmental audits.

CASE / *PET bottles reduce the weight of shipments by four million kilos*

In 2012 Altia started utilizing environmentally friendly plastic bottles, or PET bottles, in its production. In two years the number of plastic bottles used has doubled. Already in 2013, Altia had shipped over 20 million PET bottles all over the world.	Altia’s international brands and marketing. Altia has used recyclable bottles for certain white and dark rum products for years, but consumers have not paid attention to this until recently.	they are making an environmentally friendly decision in choosing recyclable plastic bottles.
“PET bottles reduce Altia’s carbon footprint. They are nearly 90 per cent lighter than glass bottles; hence shipping them is both cheaper and more environmentally friendly,” according to Arja Liimatainen , director of	“In every instance where we have replaced a glass bottle with a recyclable plastic one, the product has seen an increase in sales,” says Liimatainen.	“The weight of our annual transports will be approximately four million kilos lighter. Consumers appreciate the handy and ecological packaging,” says Liimatainen.
	In addition to appreciating the handier, lighter and more durable material, customers know	In the future, the majority of Altia’s spirits will be bottled in plastic instead of glass bottles.
		“If the popularity of plastic bottles continues to be so strong, it’s unlikely that we will revert to glass bottles,” says Liimatainen.

REPORTING FRAMEWORK

This is Altia's sixth responsibility report. It has been prepared in accordance with the reporting guidelines of the Global Reporting Initiative (GRI) G3.1. The guidelines have been taken into account as best as possible.

Information on responsibility and the related indicators are disclosed for the whole Group, based on its structure at the beginning of the year 2013. Therefore, the operations Altia acquired from Cognac, France in August 2013 are not included in the report, with the exception of some individual indicators. With regard to the indicators relating to personnel, the accident rate and the sickness absence rate for Sweden covers only the Supply Chain personnel. For environmental responsibility, the indicators cover the environmental impacts of Altia's own production, which relate to our operations at the Koskenkorva, Rajamäki, Svendborg and Tabasalu plants. The figures for the Koskenkorva plant also include the maintenance operations transferred to YIT Teollisuus Ltd during the year 2013 as well as the steam production operations, which were transferred to

Suomen Teollisuuden Energiapalvelut STEP Oy. For the logistics centers and office locations, only the figures related to electricity usage are reported.

Altia's previous responsibility report was published at the same time as its financial report and annual magazine in 2012. Altia will continue to publish its responsibility reports as part of its annual reporting in the future. Corporate responsibility is reported using corresponding indicators as in the previous reports. Some additional indicators, for example, related to personnel, have been added to this report.

Parties that are most likely to utilize the report include Altia's most relevant stakeholders, namely, the owner and political decision makers, authorities, investors, customers, personnel, partners, farmers, and suppliers of raw materials.

The results of the stakeholder survey and the materiality analysis carried out in the reporting period have been taken into account in planning the report's content and presentation.

ALTIA'S QUALITY, SAFETY AND ENVIRONMENTAL PRINCIPLES

- *In developing our operations and products, we pay attention to the wishes and needs of our clients and partners. We produce added value by providing profitable, high-quality products and services while taking into consideration the safety of the environment and our employees.*
- *We ensure the safety of our own products and products marketed by us, when used in moderation. We use first-class groundwater and other high-grade raw materials in our production process.*
- *We particularly invest in:*
 - *the effectiveness of our business processes*
 - *efficient use and recycling of energy, natural resources and materials*
 - *preventing environmental degradation*
 - *improving work safety, preventive occupational health care and reporting close calls*
- *Our marketing strategies comply with the guidelines published by spiritsEUROPE.*
- *We value an honest and open relationship with our stakeholders.*
- *Complying with relevant laws, decrees and authority regulations are at the core of our operations.*
- *Each one of us promotes activities in accordance with quality, safety, and environmental policies in our work and at our workplace.*

BUSINESS PRINCIPLES

Standard of Conduct

We operate honestly, with integrity and openly.

Legality

We comply with the laws, regulations and industry codes of the countries in which we operate.

Employees

We respect and promote basic human rights and international labour standards in accordance with the United Nation's Universal Declaration of Human Rights and the most central agreements of the International Labour Organization. We respect diversity and promote equal treatment and equal possibilities in recruitment, employment, personnel development and career advancement independent of race, religion, political opinion, gender, age, nationality, sexual orientation, marital status and disabilities. We do not employ child labour or forced labour.

We hire, employ and promote employees based solely on the competence and skills required to handle the tasks. We strive to offer all our employees safe and healthy working conditions. We are committed to working with employees to develop and enhance each individual's skills and capabilities. We respect individual privacy and the confidentiality of private information, as well as our employees' freedom of association.

We are committed to responsible alcohol consumption and behave accordingly. We acknowledge responsibility for the company's success and reputation.

Consumers

We offer products and services, the price and quality of which generate value for consumers. The products are safe when used responsibly. All Altia companies observe the guidelines of responsible marketing published by spiritsEUROPE.

Shareholders

We operate according to the accepted principles of corporate governance.

Business Partners

Altia maintains mutually beneficial relationships with its suppliers, customers and business partners. Our business relationships are based on honesty and trust. We guarantee the confidentiality of ours and our

business partners' business secrets, as well as preserve all confidential information that we acquire in our operations. We expect our business partners to observe principles consistent with our own.

Environment

We take care of the environmental impacts of our operations and strive to reduce the environmental impacts of our operations as part of our sustainable business.

Competition

We believe in tough but fair competition and support the development of appropriate competition legislation. We observe the principles of fair competition and all applicable regulations in our operations.

Business Integrity

We do not offer or accept, whether directly or indirectly, bribes or other improper benefits for business or financial gain. Similarly, we may not offer or accept any gifts or payments, which can be perceived as bribing. We do not support, whether directly or indirectly, political parties or organisations. We also do not participate in financing individual candidates' election campaigns.

Conflicts of Interest

We avoid tasks or financial interests which could conflict with our responsibilities to the company. We may not misuse our position to gain an advantage for ourselves or others.

Observance – Monitoring – Reporting

Altia's Board of Directors has approved these Business Principles which are part of our corporate culture. Compliance with the business principles is an essential element in the success of our operations. It is the task of Altia's Executive Management Team to ensure that all employees know, understand and observe these principles. Day to day responsibility is delegated to the management of the operating companies and functions. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs.

If we consider that our operations may not be in line with the Business Principles or if we suspect any irregularities, we will consult our supervisor or his/her supervisor.

AVERAGE NUMBER OF PERSONNEL BY COUNTRY 2013

persons



● Finland 505
● Denmark 167
● Sweden 172
● Latvia 106
● Estonia 73
● Norway 40
● France 11

PERSONNEL BY BUSINESS AREA 2013

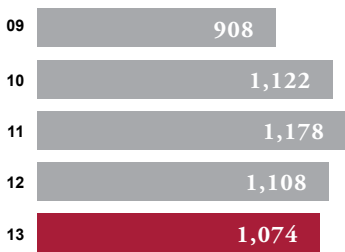
persons



● Altia Brands (previously Brands) 208
● Partner Brands (previously Trading) 102
● Industrial Services 24
● Supply Chain and Support Functions 740

DEVELOPMENT OF THE NUMBER OF PERSONNEL 2009–2013

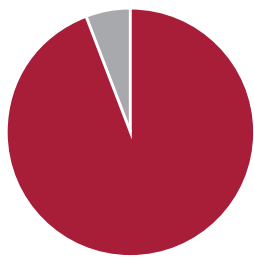
persons



Average age of personnel
42.5 years

TYPE OF EMPLOYMENT 2013*

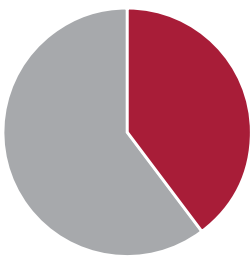
%



● Permanent 94.2
● Fixed-term 5.8

PERSONNEL BY GROUP 2013*

%



● Workers 39.8
● Clerical employees 60.2

DURATION OF EMPLOYMENT*

%



● Less than 1 years 11.7
● 1–4 years 23.9
● 5–9 years 23.4
● 10–20 years 25.6
● Over 20 years 15.4

* The figures do not include the business functions in France bought by Altia in August 2013.

¹ The 30 employees of SIA Jaunalko were not included in the total number of Altia personnel.

² Situation on 31 December 2013.

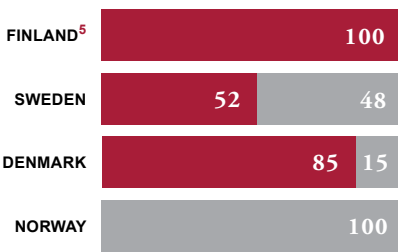
³ Does not include EMT members.

⁴ Estonia and Latvia are not included, because in these countries there are no collective agreements.

⁵ Excluding CEO

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS^{4,*}

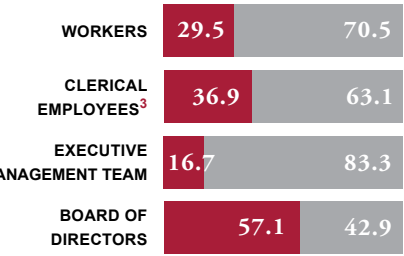
%



● Covered by collective agreements
● Not covered by collective agreements

GENDER DISTRIBUTION^{2,*}

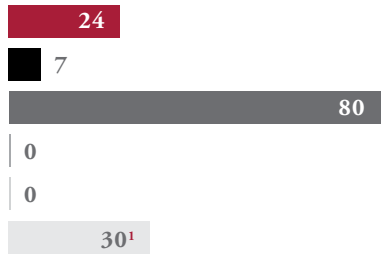
%



● Women
● Men

NUMBER OF TERMINATED EMPLOYMENTS*

number



● Finland
● Sweden
● Denmark
● Norway
● Estonia
● Latvia

KEY ENVIRONMENT FIGURES OF PRODUCTION 2013

Environment information	2013
Use of barley (million kg)	173.2
Indirect utilizes	
Steam consumption (GWh) indirect, non-renewable	0.4
Steam consumption (GWh) indirect, renewable	19.3
Electricity consumption (GWh) indirect, non-renewable	40.7
Electricity consumption (GWh) indirect, renewable	12.7
Used fuels	
Natural Gas (GWh) direct	5.4
Peat, direct (GWh) direct	114,453.0
Cereal straws direct (GWh) direct	24.4
Fusel oil and waste ethanol (GWh) direct	8.0
Light Fuel Oil consumption (GWh) direct	0.0
Green house gases	
CO ₂ emissions / non-renewable (t) direct	38,650.9
CO ₂ emissions / non-renewable (t) indirect	10,480.9
CO ₂ emissions / renewable (t) direct	10,638.0
CO ₂ emissions / renewable (t) indirect	12,881.0
NO_x-, SO_x- and other significant air emissions	
SO ₂ emissions into air non-renewable (t) direct	31.2
SO ₂ emissions into air non-renewable (t) indirect	3.6
SO ₂ emissions into air renewable (t) direct	14.5
SO ₂ emissions into air renewable (t) indirect	0.0

Environment information	2013
NO _x emissions into air non-renewable (t) direct	9.8
NO _x emissions into air non-renewable (t) indirect	0.6
NO _x emissions into air renewable (t) direct	4.1
NO _x emissions into air renewable (t) indirect	30.0
VOC emission (t) direct	7.2
VOC emission (t) in direct	0.0
Particle emissions into air (t) direct	6.4
Particle emissions into air renewable (t) indirect	8.9
Particle emissions into air non-renewable (t) indirect (3)	0.2
Water	
Water consumption (1,000 m ³)	1,087.4
Amount of wastewater (1,000 m ³)	411.0
Waste amounts (t)	
Hazardous waste	24.2
Dump waste	1,996.0
Recycled waste	
Utilized as energy	6,965.1
Other utilization	4,976.2
Environmental expenses (EUR million)	
Environment investments	5.3
Environment costs	1.6
Environment income	0.9

COMPARING THE REPORT TO THE RECOMMENDATION BY GLOBAL REPORTING INITIATIVE G 3.1

	Included	Page	Remarks and additional information
1. Strategy and analysis			
1.1 CEO's statement	Yes	4–5	
1.2 Key impacts, risks and opportunities	Yes	5, 8	
2. Background description of the organisation			
2.1 Name of the organisation	Yes	35	
2.2. Primary brands, products and/or services	Yes	FS 4	
2.3 Operative structure of the organisation	Yes	FS 9–11, 61	
2.4 Location of the organisation's headquarters	Yes	FS 24	
2.5 Number and names of countries where the organisation operates	Yes	7, FS 37	
2.6 Nature of ownership and legal form	Yes	FS 84	
2.7 Market areas	Yes	FS 6–7, 24	
2.8 Scale of the reporting organisation	Yes	FS 5–6	
2.9 Significant changes in the organisation	Yes	FS 15	
2.10 Awards received in the reporting period	Yes		No awards were received in 2013.
3. Report parameters			
REPORT DESCRIPTION			
3.1 Reporting period	Yes	30	
3.2 Date of most recent previous report	Yes	30	
3.3 Reporting cycle	Yes	30	
3.4 Contact point for ordering the report and making related questions	Yes	35	
SCOPE AND LIMITATIONS OF THE REPORT			
3.5 Report content specification	Yes	5, 30	
3.6 Boundary of the report	Yes	30	
3.7 Any specific limitations on the scope or boundary of the report	Yes	30	
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities	Yes	30	
3.9 Data measurement techniques and bases of calculations	Partly	27–28	
3.10 Explanation of re-statements	Yes	27–28	
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods	Yes	27–28, 32–33	The reporting on pages 32–33 is more extensive than previously for indicators relating to personnel.
GRI CONTENT INDEX			
3.12 GRI content index	Yes	34	
4. Governance, commitments and engagement			
GOVERNANCE			
4.1 Governance structure of the organisation	Yes	FS 84–88	
4.2 Indicate whether the Chair of the highest governance body is also an Executive Officer	Yes	FS 94	The Chairman of the Board is not part of the executive management.
4.3 Number of members of the Board who are independent and/or non-executive members	Yes	FS 94–95	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Yes	34, FS 95	A representative of the owner acts as a member of the Board.
4.8 Internally developed statements of mission or values, codes of conduct and principles	Yes	30–31	
COMMITMENTS TO EXTERNAL INITIATIVES			
4.12 Externally developed economic, environmental and social charters, principles and other initiatives	Yes	22, 27	
4.13 Memberships in associations (such as industry associations) and/or national and international advocacy organizations	Yes	10	
STAKEHOLDER ENGAGEMENT			
4.14 List of the organisation's interest groups	Yes	11	The selection is based on an internal questionnaire.
4.15 Interest group determination and selection basis	Partly	34	
4.16 Approaches to stakeholder engagement	Yes	11	
4.17 Key topics and concerns raised through stakeholder engagement	Partly	11, 28	
Economic performance indicators			
EC1 Direct economic value generated and distributed	Yes	14	
EC2 Financial implications and other risks and opportunities due to climate change	Yes	8	
EC3 Coverage of defined benefit plan obligations	Yes	24, FS 90–91	
Environmental indicators			
EN1 Materials used by weight or volume	Yes	29, 33	
EN3 Direct energy consumption by primary source	Yes	33	
EN4 Indirect energy consumption by primary source	Yes	33	
EN5 Energy saved due to conservation and efficiency improvement	Yes	27	
EN7 Initiatives to reduce indirect energy consumption and reductions achieved	Partly	27	
EN8 Source-specific overall consumption of water	Yes	33	
EN11 The location and size of owned, leased and controlled land in conserved areas or their vicinity as well as in high biodiversity areas outside conserved areas	Yes	28	
EN12 The key impacts of the organisation's operations, products and services on conserved areas and high biodiversity areas outside the conserved areas	Yes	28	
EN13 Habitats protected or restored	Yes	28	
EN16 Direct and indirect overall greenhouse gas emissions by weight	Yes	33	
EN17 Other relevant indirect greenhouse gas emissions by weight	Yes	33	
EN20 Nitrogen and sulphur dioxide emissions (NO and SO emissions) and other significant emissions into air, by type and weight	Yes	33	
EN21 Total water discharge by quality and destination	Partly	33	
EN22 Overall weight of waste by type and disposal method	Yes	33	
EN23 Total number and volume of significant spills	Yes	28	
EN24 As regards waste that has been classified as hazardous in Appendices I, II, III and VIII of the Basel Convention Annex, the weight of transported, imported, exported or treated waste and the relative proportion of waste shipped internationally	Partly	33	
EN28 Regarding the neglect of environmental legislation and regulations, the monetary value of the significant fines imposed and the overall number of other penalties	Yes	28	
EN30 Environment protection's overall expenses and investments by type	Partly	27–28	
Social indicators			
LA1 Total workforce by employment type, employment contract and region	Yes	32	
LA3 Benefits provided for full-time employees that have not been provided temporary or part-time employees	Yes	24	
LA4 Percentage of employees covered by collective agreements	Yes	33	
LA7 Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Yes	35	
LA11 Programs for skills management and life-long learning	Yes	23–24	
LA12 The percentage of employees with whom regular performance and career development reviews are carried out	Yes	24	
LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other diversity indicators	Partly	33	
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Yes	14, 31	
SO7 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	Yes	34	No legal proceedings or other actions regarding restrictions on competition took place.
SO8 Monetary value of significant fines and number of non-monetary sanctions for non-compliance with laws and regulations	Yes	13	

FS = financial statements

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