

Systembolaget AB

Pilot study on Product Carbon Footprint of alcoholic beverages - cultivation and production

Spring 2024

Why are we performing this pilot study?

Systembolaget is performing a pilot study on collecting data related to activities and inputs, in cultivation and production of beverages, causing climate impacts.

The purpose of this pilot study is to take a first tangible step in collecting activity data for all products, to gain more experience and to find a well-functioning way of working together with our suppliers, producers and growers.

In the study, we will collect activity data and inputs such as: electricity, fuel, raw material input, waste, fertilizers, pesticides and additives. Collected data will be used to calculate a Product Carbon Footprint (PCF) from production and cultivation.

Today Systembolaget operates with default data (generic average data) on climate impact of the beverages. In order to push for improvements, stepwise reduced emissions, and enhance our industry's ability to contribute to the climate goal of halving emissions by 2030, more specific data is vital.

In the future, PCF of individual products will be a parameter in sourcing of products as well as guiding customers to informed choices.



We are looking for early adopters!

Participation is voluntary, however there is much to gain from being a part of the pilot study. This study is vital and in the forefront of climate data for beverages.

As we see it, reporting climate data will be normative for suppliers of Systembolaget in the coming years. Participants in this study are offered support from Systembolaget to an extent that we will probably not be able to provide later on. The collaboration also grants you the opportunity to have an impact on final methodology. You will also get access to a scientifically based method and model (see more information on Product Carbon Footprint, p. 4).

By being an early adopter, you will not only be prepared when product climate data is more regularly reported, but by the end of the study you get a calculated PCF for the product, in line with international standards and according to accepted practice, which you can use in several other contexts, internally and externally, for example your other customers.



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Global commitment sets the framework

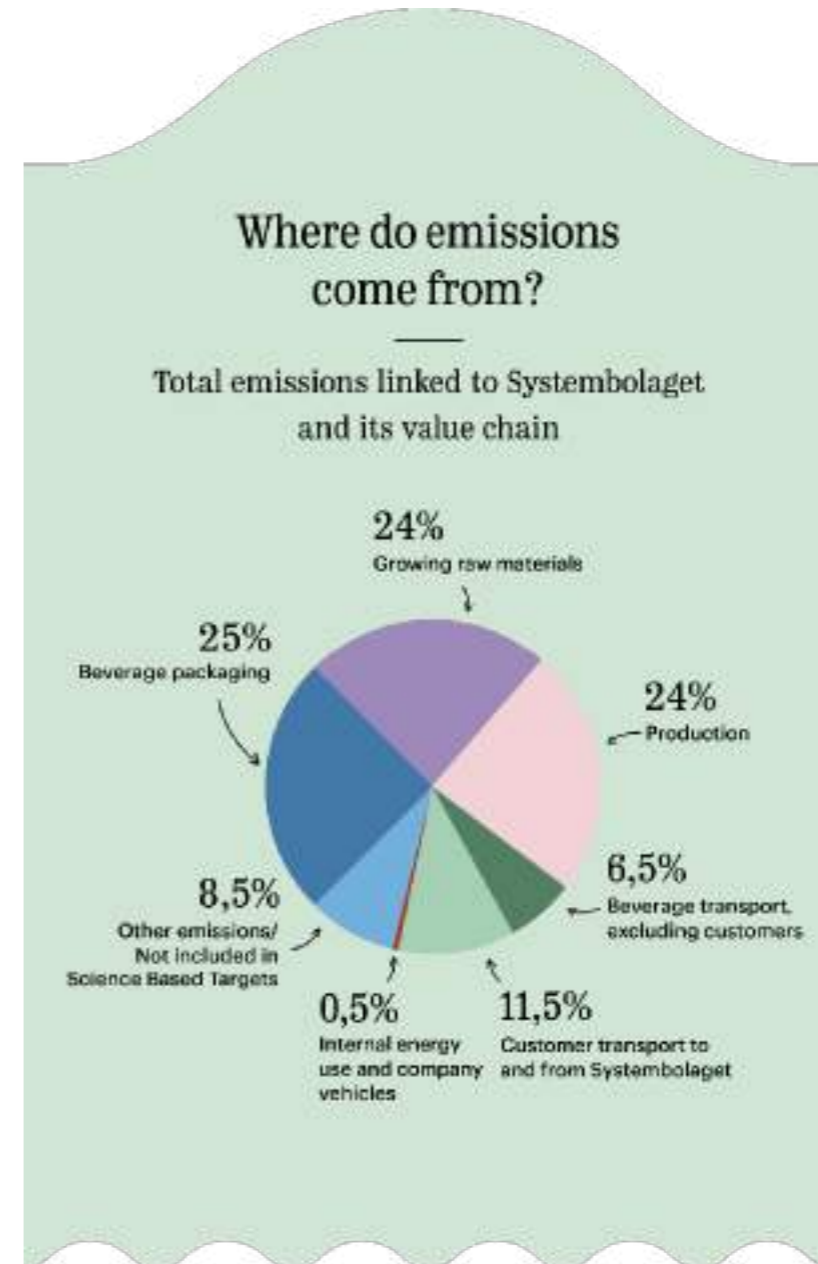
Systembolaget has set science-based targets by 2030, to reduce the climate impact of the entire value chain by 50% (base year 2019). The science-based targets are in line with what is considered necessary to reach the Paris Agreement's ambition to limit global warming to a maximum of 1.5 C. The scope of this commitment includes cultivation, production, beverage packaging, transportation and the journeys customers make to and from our stores.

Emissions from cultivation and production have, as shown by the chart, a major impact on the total emissions linked to our value chain. To be able to reach the overall goal of halving the climate impact by 2030 it is essential to know more on the impact of cultivation and production of beverages, hence the focus for our study.

More information on our climate targets and work on reducing our climate impact, please look at: <https://www.omsystembolaget.se/english/sustainability/environment-climate/science-based-climate-targets/>

Product Carbon Footprint – an important concept

The concept of Product Carbon Footprint (PCF), i.e., the collection of activity data from cultivation and production, will be used to calculate the climate impact.



By aggregating each product's PCF the total climate impact from products sold by Systembolaget can be calculated in terms of tons CO₂e per year.

The method for calculating PCFs are in line with the standards ISO 14067 and PAS 2050, as well as the framework Greenhouse Gas (GHG) Protocol. More specifically, for emissions from the cultivation of raw materials, the latest draft of the GHG Protocols Land Sector and removals Guidance (LSRG) has been considered.



What will participation in the pilot study entail for producers and growers?

To participate in the study, producers will need to report data such as production volume, consumption of electricity, fuels, raw materials and additives. Activity data from cultivation of raw materials is reported - by producer or specified growers - where traceability and availability make it possible.

It is of essence that suppliers, producers and, where applicable, growers that are participating in the pilot study have an ongoing dialogue among themselves, especially when any question marks or challenges arise. A prerequisite to participate is that Systembolaget can have a direct contact and dialogue with all parties that are involved in the pilot study. This is crucial to ensure quality of data and to give support in the process.

The amount of time and work that participation will entail for the parties concerned (suppliers, producers, growers) will vary depending on different circumstances and conditions. For some it could take a couple of hours and for others it may mean several days of efficient work with several people involved.

Factors that influence the amount of work can be, but not limited to:

- If production data is accessible, like production volume, consumption of electricity, fuels, raw materials and other inputs
- If any climate calculation has been done before, related to the company or product
- If the company has a formal management system in place like ISO 9001 or ISO 14001
- If there is a sustainability certification in place. Many of these certifications and programs require the members to do climate calculations

The method for calculating the PCF used in this pilot study is characterized by the fact that it should be as simple as possible, require a limited effort for the actors concerned, but still be in line with relevant standards and scientific requirements. To underline this, please note that neither environmental or climate experts nor external consultants are needed. Companies that to some extent can recognize one or more of the bullets above are well prepared to join the pilot study, without any main obstacles down the road.

However, those who are not prepared to calculate the climate impact of their business or products should consider joining this pilot study as well, as it is a relatively feasible approach to map their climate impacts.

The conclusion of growing expectations from stakeholders and upcoming regulations from authorities is clear, that having this ability and knowledge in place will be a strategic business advantage in the near future.

Support from Systembolaget

We strive to make the survey as self-explanatory as possible, and we will include instructions and information in the survey. However, it is also necessary to keep the survey efficient to execute, so we will supplement with additional guidance separately, like:

- Manual, that further explains how and what data should be reported, the model and calculation of the PCF.
- FAQ-service. Participants can send their questions to lovisa.westman01@systembolaget.se. Questions will be answered in the order we receive them. We encourage you to start with the study as soon as it is distributed. We will anonymize questions and make available an updated FAQ compilation to all participants of the study.

The supplier portal of Systembolaget is limited to the importers. Supportive documentation will therefore be published on our website for producers (instructions will follow for applicants) to facilitate the active participation of producers, and where applicable involved growers.



For those familiar with Microsoft Teams there will also be a Team site for the pilot study where all supportive documentation can be found. Questions can also be posed using the chat interface in Teams. Please tag Lovisa Westman to direct questions. Please note that Teams is an open community for those who want to participate, sensitive business information should not be shared in Teams. We hope you see this as a possible platform to discuss and share experiences amongst yourselves and with us at Systembolaget.

Please do not hesitate to contact us with suggestions on how we can further facilitate your participation in the study, and we will try, to best of our ability and capacity, to accommodate. There may be periods of high pressure when our availability is limited, which is another reason to start the process of collecting data early.

Practical information

The study will be performed by using the survey solution Questback (www.questback.com for more information). Experiences from this study will also be important input to the design of future permanent software solution for PCF-data.

Questback will be used for the following surveys:

- Application to participate in the study
- Registration of activity data on production and, if possible, cultivation
- Evaluation of participation - lessons learned

A summary and schedule of the pilot study can be found in the table at the side.

Data management

Activity data and contact information gathered in this study will not be shared with other suppliers, producers or growers, industry organisations, trade associations etc. Handling of data will be done by a small project group that will carry out PCF-calculations and analysis. Members of project group have NDAs.

However, one of the purposes of the study is to gather and share knowledge, we will therefore afterwards present conclusions and lessons learned. Any data presented will be anonymized or presented at an aggregated level.

	Description	Organisation	Timeline	Place
1	Applications for participation in the study.	Suppliers	February	Link to application survey at supplier portal
2	Survey for production and cultivation is distributed	Systembolaget	March	Questback
3	Knowledge/support information is distributed	Systembolaget	March	Web for participants Teams E-mail
4	Study is open for registration of activity data	Producers and growers	March- mid-April	Survey in Questback
5	Calculation of PCF based on registered activity data	Systembolaget	Mid-April- May	PCF calculator
6	Evaluation of the study	Suppliers, producers and growers	May	Survey in Questback
7	Analysis of surveys. Recommendations for future roll-out of PCF	Systembolaget	June	
8	Feedback to participants	Systembolaget	June- August	

Should you like to get more information on the technical and organizational measures for data protection of Questback, please read more on: https://www.questback.com/wp-content/uploads/2022/09/Questback_Essentials_Technical_and_Organizational_Measures_v1.71.pdf





How to participate in the pilot study?

As above mentioned, registration will be performed in the online survey tool Questback. A link to the registration survey is to be found by suppliers (importers/agents in Sweden) in our supplier portal.

In the survey we will ask you as a supplier to register your contact information, but also contact information for the producer. We will also ask you to provide further information on the type of beverage you register for the pilot study. It is of essence that the study incorporates a diverse representation of the assortment of Systembolaget. Categories we aim to include in the study are shown below, in the appendix.

Should you wish to register more than one product, it is possible to register multiple answers, simply use the link again and complete the registration form.

The participation survey will be open for registration throughout February. More information will follow when the registration period is closed.

Questions?

Please do not hesitate to contact:

Lovisa Westman

Project manager

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Appendix: Categories for the pilot study

Beer

Ale: Belgium, dark, strong

Ale: Belgium, light

Ale: USA, double IPA

Lager: Czech Republic, light

Lager: Germany, light

Lager: Italy, light

Lager: Sweden, light

Lager: Sweden, light, stronger

IPA: UK

IPA: Sweden

Porter/stout: international origin

Wheat beer: Germany

Spirits

Avec: bitter, international origin

Avec: bitter, Italy

Avec: dark rum, South America/Caribbean

Avec: dark rum, long barrel aging, South America/Caribbean

Avec: cognac, France

Drinks & cocktails: gin, UK

Drinks & cocktails: light rum, international origin

Drinks & cocktails: vodka, international origin (non Swedish)

Drinks & cocktails: vodka, Sweden

Liqueur: cream liqueur, Ireland

Liqueur: other liqueur, international origin

Snaps: aquavit, Sweden

Whisky: blended, Canada

Whiskey: blended, Ireland

Whisky: blended, UK

Whiskey: bourbon, USA

Whisky: malt whisky, UK

Wine

Sparkling wine: France, Champagne

Sparkling wine: France, tank fermentation method

Sparkling wine: Italy, tank fermentation method

Sparkling wine: France, traditional method

Sparkling wine: Spain, traditional method

Red wine: Bulgaria, bulgarian wine

Red wine: Italy, italian wine

Red wine: South Africa, south african wine

Red wine: Argentina, geographical indication

Red wine: Australia, geographical indication

Red wine: Chile, geographical indication

Red wine: South Africa, geographical indication

Red wine: USA, geographical indication

Red wine: France, protected designation of origin

Red wine: France, protected geographical indication

Red wine: Italy, protected geographical indication

Red wine: Portugal, protected geographical indication

Red wine: Spain, protected geographical indication

White wine: France, french wine

White wine: Germany, german wine

White wine: South Africa, south african wine

White wine: Spain, spanish wine

White wine: Australia, geographical indication

White wine: Hungary, geographical indication

White wine: New Zealand, geographical indication

White wine: South Africa, geographical indication

White wine: Austria, protected geographical indication

White wine: France, protected geographical indication

White wine: Germany, protected geographical indication

Other wine: Finland, Aperitif

Other wine: Portugal, Madeira

Other wine: international origin, mulled wine

Other wine: Portugal, Port

Other wine: Spain, Sherry

Other wine: international origin, Vermouth

Cider

Cider: sweet, strong, Sweden

Cider: dry/semi-dry, France

Cider: dry/semi-dry, international (non-Swedish, non-French) origin

Mixed drinks: sweet, Sweden

Mixed drinks: sweet, international (non-Swedish) origin





Thank you!

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