



**ANNUAL REPORT AND  
SUSTAINABILITY REPORT**

**2023**

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**Alko – the home of responsibility and good service**



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**Alcohol is not an ordinary commodity**

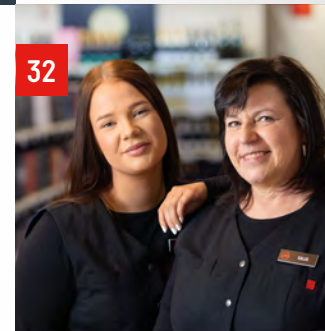


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**Alko's sustainability action revolves around topical wellbeing themes**



**A rapidly growing selection of alternative beverage packaging**



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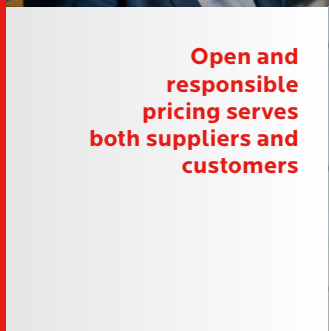
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**Climate roadmap guides procurement**



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**Genuine collaboration with customers helps us to improve our services**



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**Open and responsible pricing serves both suppliers and customers**



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**A basic AAPE degree in customer service provides a solid foundation for working at Alko**

# ALKO IN BRIEF

- Established 5 April 1932
- Head office in Helsinki
- 100% state-owned

Alko is a different kind of store. We are legally required to sell alcoholic beverages in a way that reduces the harmful effects of alcohol. Our role has remained the same since 1932.

Alcohol is not a ordinary commodity, as it has impacts on health, wellbeing and the economy. The alcohol monopoly system has proven to be an effective way of reducing both alcohol-related health and safety problems and the costs they incur.

We encapsulate our purpose in two words: Responsible enjoyment. For us, responsibility is the foundation of everything we do. It is also the justification for both our business and our entire existence. We do not seek to maximise sales, and no one is rewarded on the basis of sales.

We provide our customers with friendly and knowledgeable world-class service. We are helping to create a responsible food and drink culture, and are enabling our customers to make more sustainable choices. We are uncompromising when carrying out age-limit checks. We increase transparency in procurement, assure product safety, and implement projects that promote wellbeing.

We treat all of our stakeholders equally and transparently and without discrimination. We provide our suppliers with a platform for selling alcoholic beverages in Finland. Consumers see this as a diverse selection of more than 11,000 products.

We operate cost-effectively, and provide the State with more than EUR 1 billion euros in taxes and dividends each year.

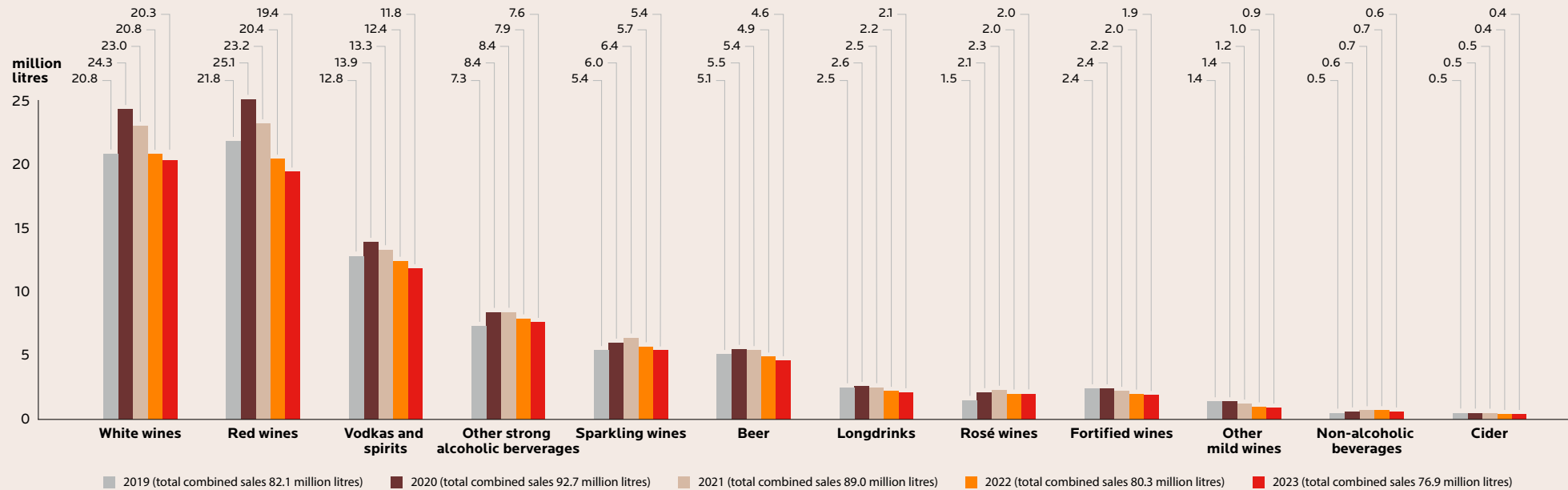
The National Institute for Health and Welfare (THL) conducts an annual survey of the public's Opinions on Alcohol Policy. 68 per cent (62%) of Finns consider the current restrictions imposed by alcohol policy to be suitable or would like to see tighter restrictions.

## KEY FIGURES 2023

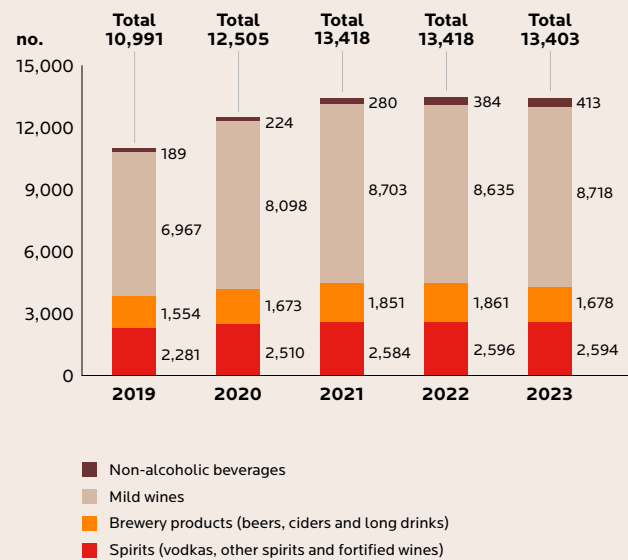
Average number of personnel <b>2,398</b> (2,436)	Stores <b>372</b> (373)	Pick-up points <b>126</b> (134)	Customer visits (million) <b>50.7</b> (52.1)	Products <b>11,200</b>	Beverage suppliers from <b>79</b> different countries	Sales in litres accounted for by Green Choice products* (per cent) <b>57.5</b> (52.3)
Success rate in age-limit mystery shopping <b>98.3</b> (97.3)	Total sales (million litres): <b>76.9</b> (80.3)	Taxable net sales (EUR million) <b>1,160.8</b> (1,187.3)	Profit for the financial year (EUR million) <b>35.7</b> (38.4)	Alcohol tax and VAT from sales (EUR million) <b>854.2</b> (884.8)	Equity ratio (per cent) <b>31.5</b> (32.3)	

\* Green Choice marking indicates the producer's commitment to environmental and sustainable development.

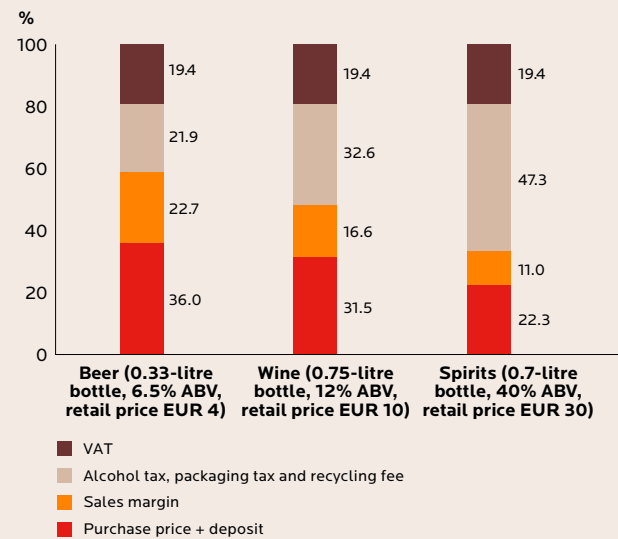
### SALES IN LITRES BY PRODUCT GROUP



### NUMBER OF PRODUCTS BY PRODUCT GROUP



### PRICE FORMATION FOR ALCOHOLIC BEVERAGES (EXAMPLE)



Sales in litres by region and country of origin can be found in [Alko's sales statistics](#).

# ALKO BY REGION, 2023

	Employees during the year	Number of stores	Customer visits (million)	Success rate in age-limit test shopping	Alcohol tax and VAT from sales (EUR million)	Change in online order pickups	Percentage of Alko's total sales in litres
1. Uusimaa	1,083	87	16.1	97.7%	206.9	-11.4%	31.7%
2. Southwest Finland	356	32	4.6	100.0%	65.5	-7.5%	9.4%
3. Satakunta	152	16	1.9	100.0%	29.5	-6.6%	3.8%
4. Kanta-Häme	153	13	1.6	96.2%	22.9	-8.9%	3.2%
5. Pirkanmaa	374	31	4.8	92.7%	65.6	-10.5%	9.4%
6. Päijät-Häme	162	17	2.0	100.0%	27.2	-7.6%	3.9%
7. Kymenlaakso	104	11	1.5	90.9%	21.9	-5.8%	3.1%
8. South Karelia	90	9	1.2	100.0%	16.8	-11.2%	2.4%
9. South Savo	121	14	1.4	100.0%	20.4	-11.0%	2.9%
10. North Savo	159	18	2.0	98.6%	23.2	-9.0%	4.5%
11. North Karelia	93	12	1.4	100.0%	19.7	-11.0%	2.7%
12. Central Finland	170	20	2.4	100.0%	34.1	-7.4%	4.7%
13. South Ostrobothnia	125	17	1.5	100.0%	22.4	-9.2%	2.8%
14. Ostrobothnia	124	9	1.2	100.0%	18.9	-2.8%	2.7%
15. Central Ostrobothnia	56	4	0.6	100.0%	8.8	-6.0%	1.1%
16. North Ostrobothnia	230	27	3.2	100.0%	45.9	-13.0%	5.9%
17. Kainuu	60	9	0.7	100.0%	11.0	-11.1%	1.4%
18. Lapland	164	24	1.9	100.0%	30.4	-14.0%	3.8%
19. Åland Islands	33	2	0.2	100.0%	3.4	-17.0%	0.6%

100.0%



# ALKO – THE HOME OF RESPONSIBILITY AND GOOD SERVICE

Owned by Finns, Alko is the fourth largest retail chain in Finland. During our 90-year-plus history, we've moved with the times, constantly improving our operations and meeting our customers' evolving needs. And that's what we did last year, too.

The cornerstones of our business are providing world-class omnichannel service, being a pioneer in responsibility and running cost-effective operations. In accordance with the Nordic wellbeing model, our mission is to promote a responsible drinking culture. The Government Programme has presented a number of changes to the sale of alcohol. Their effects on health and wellbeing, work, the national economy and industrial policy will be comprehensively assessed during the transition. The Government Programme also notes that Alko should retain its special position and public-health function. According to the World Health Organisation, the methods used in Finland, Sweden, Norway and Iceland – taxation, marketing regulations and limiting the availability of alcohol – effectively reduce the harmful effects of alcohol. Protecting public health is good for the national economy.

We sold 76.9 (80.3) million litres of alcoholic beverages. Product prices for our selection as a whole increased only slightly, by less than 3 per cent. Our net sales including alcohol tax totalled EUR 1,160.8 (1,187.3) million, with an operating profit of EUR 42.7 (49.9) million. Operational costs were kept under control in spite of inflation pressures. Costs rose considerably as a result of a pay settlement in the spring and pension liability index increases for employment contracts signed before 1992. With respect to other operating expenses,

rental costs rose by EUR 1.4 million, although we were able to keep all other items below the comparison figures. As a whole, other operating expenses remained below 2022 levels.

Our strategy is guided by our mandate to ensure "Responsible enjoyment", our customer promise of "World-class service" and a way of working that is "Worthy of trust". We have systematically put our strategy into practice with the help of our personnel. We have developed our business processes to streamline the way we work, thereby freeing up more time for customer service and ensuring cost-effective operations.

Our customers gave our selection a score of 8.58 (8.56) (using Finnish school grades 4–10). We maintained a high level of customer satisfaction with both our online shop (NPS\* 82.2) and our customer service centre (NPS 83.0). Further updates to our online shop and mobile services created an even smoother shopping experience in our digital channels.

We also strengthened our personnel's product and service expertise. Every Alko employee received an average of almost six days of training during the year. In order to boost workplace diversity, we expanded our model for employing special groups by recruiting more service assistants all across Finland. It's important for our employees to be healthy and happy, and to enjoy working at Alko.

Our responsibility efforts focus on reducing both the harmful effects of alcohol consumption and the climate impacts of our operations. The score for Mystery Shopping age-limit checks in our stores was excellent – 98.3 per cent – and we achieved



an all-time record of 100 per cent in Northern Finland. We ran a topical campaign on sleep and wellbeing that reached more than three million Finns. We will continue to reduce the environmental impacts of our operations to combat the climate crisis and preserve biodiversity in both our own operations and our value chain. Our customers are taking an increasing interest in the environmental impacts of products throughout the supply chain, and we are working to address this in our selection.

I would like to thank our personnel, customers, suppliers and other stakeholders for 2023! It's a delight to enhance our operations together – our world-class omnichannel service and the responsibility that is integral to everything we do. Alko is the home of responsibility and good service. Our goal is to remain worthy of trust.

**LEENA LAITINEN**  
President & CEO

\* NPS: the proportion of customers who would be willing to recommend a service



# ALKO'S STRATEGY

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# OUR STRATEGY: OUR SHARED ALKO

- Culture**
- Team spirit
  - Clarity
  - Impact

## Changes in our operating environment

- Declining alcohol consumption
- Changes in how we work
- Transformation and digitalisation of retail
- Individual customer needs
- Climate change
- Black swans

## STRATEGIC FOCUSES

**Purpose**  
Responsible enjoyment

- World-class service
- Our shared Alko, suitable for me
- Business on a sustainable footing

**Way of working**  
Worthy of trust

**Customer promise**  
World-class service



ALKO IS THE HOME OF RESPONSIBILITY



# RESPONSIBLE ENJOYMENT

Our mandate – to sell alcoholic beverages in a way that prevents harm – is encapsulated in our purpose: “Responsible enjoyment”. For us, responsibility is the foundation of everything we do. It is also the justification for both our business and our entire existence. We are creating a responsible food and drink culture, helping our customers to make good choices, buying and selling products responsibly, and reducing the harmful effects of alcohol consumption.

We talk about responsibility a lot, because that's what our existence and business is based on. Alcohol is not an ordinary commodity, which is why particular attention must be paid to its sale. Alko was established so that the harmful effects of alcohol consumption can be taken into consideration in the retail sale of alcoholic beverages. Total alcohol consumption and its harmful effects go hand in hand: the more that is drunk, the greater the harmful effects. That's why our primary mission is to sell alcohol responsibly, not to maximise sales of alcohol beverages.

The Alcohol Act governs our business with regard to things such as opening hours: our stores are shut on Sundays and public holidays. We do not market individual products or reward our staff on the basis of sales. Political decision-making steers the pricing of alcoholic beverages through taxation. For example, half of the EUR 10 price of a bottle of wine is tax.

We promote the wellbeing of people in Finland, and work with our partners to prevent phenomena such as social exclusion. When selling alcohol, we are uncompromising in our age-limit checks. Our stocking decisions and pricing policy are based on responsibility and the equal treatment of all producers and suppliers.

Alko Inc. is a limited company owned by the Finnish State. Alko is a State instrument for implementing alcohol policy, and its operations are regulated by Parliament through the Alcohol Act. By law, the company has the sole right to engage in the retail sale of beverages containing more than 5.5 per cent alcohol by volume, with the exception of microbrewery beers and Finnish farm wines. The Ministry of Social Affairs and Health is responsible for Alko's ownership steering and the National Supervisory Authority for Welfare and Health Valvira for its supervision.



“ Our primary task is to sell alcohol in a responsible manner. ”

# ALKO'S VALUE CREATION MODEL

Alko's value creation model illustrates how we create value for our stakeholders and society.

## THE BASICS

### 100% state-owned

**Ministry of Social Affairs and Health is responsible for ownership steering**

### A task mandated by the Alcohol Act

Preventing the harmful effects of alcohol

- Regulating the availability of alcohol
- Limited opening hours
- No sales maximisation
- No product advertising, bulk discounts or free gifts
- Equal and non-discriminatory treatment for all suppliers

## RESOURCES

### Multichannel service network

- 372 stores and 126 pick-up points from Hanko to Nuorgam
- 155,000 online shop orders

### Social capital

- 2,398 employees
- Other people work in the value chain in 79 countries of origin

### Intellectual capital

- Alko's special mandate makes our work meaningful
- Expertise
- Domestic and international partnerships

### Financial resources

- Sales revenue

### Natural capital

- The raw materials, energy and water reserves used in beverage production

## WAY OF WORKING

**PURPOSE:**  
**RESPONSIBLE ENJOYMENT**

**CUSTOMER PROMISE:**  
**WORLD-CLASS SERVICE**

Legislation defines our mandate as the retail sale of alcoholic beverages with the aim of reducing their harmful effects in society.

**Respectful customer service and promotion of the culinary arts and drinking culture**

**Uncompromising sales supervision and tools to prevent the harmful effects of alcohol**

**A diverse range of safe and high-quality products**

**Open product pricing and fair in-store display policies**

**Support for Finnish alcohol research**

**Communications about topics relating to alcohol and health**

**Alko's workplace culture**

**Partnerships and cooperation**

**Our work is guided by:**

- Corporate Governance
- Ethical Principles
- ISO 14001 Environmental Management System
- Human rights policy

## RESULTS

### Satisfied customers

- 50.7 million customer visits
- Customer Index Study (ASML): 82.5, second place, number one in the retail trade.

### The responsible sale of alcohol

- Success rate in age-limit test shopping: 98.3 per cent

**Action to prevent the harmful effects of alcohol and promote wellbeing in Finland**

- Financial support for action to prevent loneliness (for example, MIELI Mental Health Finland, HelsinkiMissio, the Youth Academy, the Kaveri app and Gubbe)
- Collaboration with the TAHTO Centre for Finnish Sports Culture on an exhibition about the relationship between alcohol and exercise
- FASD campaign for sobriety during pregnancy
- An Equal Sports Club grant for three parasports clubs

**Promoting the culinary arts and drinking culture**

- Almost 400 alcohol-free beverages
- About 100 ethically certified products
- About 5,000 Green Choice products

**Personnel wellbeing and meaningful work**

- Employee Satisfaction, "Our shared Alko, suitable for me" section in the Annual Pulse: 4.09
- A "Work to Belong"-certified workplace

**Responsibility in the supply chain**

- Reducing climate emissions throughout the value chain
- Promoting human and labour rights through competence development, themes include freedom of association
- Promoting transparency in product-specific supply chains

**Key financial figures**

- Alcoholic beverage tax: EUR 575.6 million, corporate tax: EUR 8.7million
- Dividend for the State: EUR 40.0 million
- Investments: EUR 6.9 million

## SOCIAL IMPACT

### Alko's approval rating

68 per cent of Finns consider the restrictions imposed by alcohol policy to be suitable (National Institute for Health and Welfare, Verian).

ESG sustainability index, average score: 3.51 (scale of 1–5)

Ninth-best company (TOP 10) in the Reputation&Trust survey

**Promoting wellbeing**

- Developing drinking culture
- Reducing loneliness in society (for example, about 950 Mahis young people and 96 Mahis groups, 17 Mahis and Fragile instructors, about 15,000 Kaveri app users, more than 500 Gubbe visits)
- Sustainability content received 9.3 million views in social media
- Our alcohol and sleep campaign reached nearly 700,000 Finns.
- Encouraging people to seek help, about 4,000 Care Cards handed out

**Reducing environmental impacts**

- Target for 2030: value chain emissions -50% vs. 2020
- More sustainable use of natural resources
- Beverage packaging emissions -2.7% CO<sub>2</sub>t per million litres vs. 2021

**Promoting human and labour rights**

- Practices that respect ethical principles
- Long-term efforts based on continuous improvement

**Cooperation with stakeholders both locally and globally**

# OPERATING ENVIRONMENT

Trends and phenomena that are affecting Alko's activities include the increasingly individual needs of customers, changes in working life, the growing importance of sustainability and wellbeing, the climate crisis, the challenges faced by the welfare society, the retail trade revolution, digitalisation, and alcohol-related items in the Government Programme.

## INDIVIDUAL CUSTOMER NEEDS

- Customers expect effortless, high-quality, safe and more personalised service in all channels. Almost fifty per cent of Finns are hybrid consumers who make their consumption decisions in different ways in different purchase situations.
- Consumers are still interested in local selections that are tailored to their specific needs.
- The health and wellbeing trend is still going strong, and is being reflected in people's drinking habits. That is, people may not give up alcohol completely, but are questioning their own habits.

## ALCOHOL-RELATED ITEMS IN THE GOVERNMENT PROGRAMME

- Preventing the harmful effects of alcohol is one of the Government Programme's goals. The programme also notes that Alko should retain its special position and public-health function.
- A government proposal was circulated for comment in autumn 2023. The proposed legislation would allow fermented alcoholic beverages of maximum 8 per cent alcohol by volume to be sold in grocery stores as of spring 2024. This change would affect beverages that account for four per cent of Alko's sales in litres.
- The Government Programme is also preparing to allow home deliveries of alcohol in autumn 2024.

## CLIMATE CHANGE AND SUSTAINABLE SUPPLY CHAINS

- Companies must reduce their climate emissions, use renewable energy, promote biodiversity, and enable consumers to make more sustainable choices.
- There are increasing requirements for transparency in supply chains.
- Customers need clarity and transparency in order to make responsible choices.

## CHALLENGES FACED BY THE WELFARE SOCIETY

- The challenges faced by the Finnish welfare society include mental health issues among young people, inequality, loneliness, GDP capacity, and the crisis in healthcare and social services.
- These welfare challenges are also largely a question of Finland's economic base and carrying capacity.

## CHANGES IN WORKING LIFE

- Different age groups have polarised attitudes and expectations with regard to work.
- In today's workplaces, diversity and equality are the norm.
- Employees are increasingly appreciative of flexibility in both their work and working hours.
- Technology and artificial intelligence are increasingly being used in sectors and tasks that have not previously been considered as technical.

## ALCOHOL TAX AND INFLATION

- Alcohol tax last rose at the beginning of 2021.
- Inflation has impacted the daily lives and finances of people living in Finland, and the significance of product and service prices has increased.
- In early 2024, the tax on wines and strong alcoholic beverages was increased and the tax on beer was reduced.

## BUSINESS SUSTAINABILITY AND IMPACT

- Advancements are being made in digitalisation and data utilisation.
- Sales channels are changing and digital services are becoming increasingly important.
- Sustainability-related regulation is increasing.

# ALKO IS A DIFFERENT KIND OF STORE

Alko has a mission that is laid down in law: to sell alcoholic beverages in such a way that we reduce the harmful effects of alcohol. Our strategy is guided by our purpose of ensuring "Responsible enjoyment", our customer promise of "World-class service" and a way of working that is "Worthy of trust". Our strategy is built on four cornerstones.

Alko's mission requires continuous renewal in tandem with the requirements of our operating environment. Our development and renewal efforts are based on continuous dialogue. We listen to what our customers and other stakeholders want from our services and activities.

Our strategy revolves around our purpose, way of working, customer promise, operational focuses, and corporate culture. Our purpose – "Responsible enjoyment" – is based on our mandate as laid down in law, and lets both consumers and society know why Alko exists.

Our strategic focuses are:

- World-class service
- Our shared Alko, suitable for me
- Business on a sustainable footing
- Responsibility is at home at Alko.

The cornerstones of our culture describe how we work at Alko, what characterises us, and what is important to us.

- Team spirit – Together we're more
- Clarity – Let's not make this too difficult
- Impact – We do what works.

## RESPONSIBILITY IS AT HOME AT ALKO

Responsibility is an integral part of everything we do. We have encapsulated our responsibility efforts into three areas: "community", "the environment" and "together".

Alko is a special shop with a unique function prescribed by law: to engage in the responsible sale of alcohol in a way that reduces its harmful effects. We carry out our mission by promoting the wellbeing of people, communities and society as a whole. We are uncompromising in our age-limit checks. Our communications convey the impacts of alcohol on health and wellbeing. Through coaching and discussion, we strengthen our employees' expertise and encourage them to talk about responsibility and sustainability.

We also encourage our customers to engage in more sustainable consumption for the good of the environment. In order to reduce climate emissions, we work with our partners to develop our operations throughout the value chain – all the way from a beverage's journey "from field-to-flagon" to the recycling of its packaging. We promote biodiversity and innovate, so as to create sustainable solutions such as packaging with lower environmental impacts.



Yet we cannot achieve our targets alone. We want to take effective action together with our employees and stakeholders. In the future, we will collect sustainability data in even more diverse ways and utilise it in both our local and global value chains.

**WORLD-CLASS SERVICE**

We want to provide our customers with friendly, professional and smooth service regardless of the service channel. In our stores and customer service, there is always an expert present who listens, makes suggestions, and makes customers happy by finding a beverage for every occasion. We are easily approachable and want to provide a world-class service experience.

We offer the whole world in a glass: a diverse and up-to-date selection that suitably combines chain management with a local approach. Our online shop offers a broad selection of more than 11,000 products. Our products are tested and proven safe, and are also customer-friendly in terms of prices. Our customers can influence the selection available at their local store through the Alkotoive (Alko wish) service. An extensive service network and service development in all channels are priorities.

**OUR SHARED ALKO, SUITABLE FOR ME**

We offer our personnel responsible and meaningful work. We will continue to develop our staff's profound expertise and

professional skills. When creating personnel development paths, we take omnichannel service and the needs of target groups into consideration. We aim for continual renewal, and want to be an evolving employer that enables flexible tasks and working models in a diverse workplace community.

**BUSINESS ON A SUSTAINABLE FOOTING**

We develop and streamline our operations in cooperation with our personnel. Standardising and clarifying our practices will enable efficient chain-level ways of working and the automation of background processes. We are investing in the deployment of new user-friendly digital solutions to enhance efficiency and facilitate day-to-day operations.

**COMMUNITY**  
**TAKING CARE OF WELLBEING**

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- Nearly 100 years of responsible alcohol sales – a unique special mandate
- Action to improve the wellbeing of individuals, communities and society
- Ensuring personnel are competent and have the courage to talk about responsibility

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- Indicator: Finns' support for the alcohol system, Kantar, TNS, THL
- Result: 68%, 61% (2022), 61% (2021)

**ENVIRONMENT**  
**SUSTAINABLE CONSUMPTION**

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- Making responsible choices – reducing emissions (CO<sub>2</sub>)
- Promoting biodiversity
- Innovating and promoting sustainable development in the sector

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- Indicator: Climate emissions from the value chain in 2030: -50% compared to 2020
- Result: [Read more ->](#)

**TOGETHER**  
**ACT AND MAKE A DIFFERENCE**

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- Effective actions with Alko employees and stakeholders
- Improved collection and utilisation of responsibility data in local and global value chains

---

- Indicator: ESG index, Reputation&Trust survey, T-Media Oy
- Result: 3.51; 3.49 (2022, perceived sustainability), 3.49 (2021, perceived sustainability)

We have encapsulated our responsibility efforts into three areas: "community", "the environment" and "together".



Our operating logic is unique – we do not seek to maximise sales of alcohol.

We are developing an even stronger culture of foresight, decision-making, and knowledge and data management.

The alcohol tax, VAT and dividends collected via Alko benefit everyone living in Finland.

**STRATEGY HONED TOGETHER WITH PERSONNEL**

Our current strategy was honed together with Alko personnel in small regional groups and online workshops that were open to all employees. Each small group discussed the central themes that had arisen during digital workshops in their region. Experts in a variety of fields gave their opinions on changes in both our operating environment and customer needs. Our new strategy was

approved in 2022, and we continued to actively integrate it into our operations during 2023.

**UN'S SUSTAINABLE DEVELOPMENT GOALS**

Alko's strategy promotes the following UN Sustainable Development Goals:

- 3. Good health and wellbeing**
- 8. Decent work and economic growth**
- 12. Responsible consumption**
- 13. Climate action**
- 17. Partnerships for the goals**

[Read more about sustainability management at Alko →](#)

**#ALKOTÄNÄÄN**

In order to bring our strategy alive and make it more visible, we created a new section on our website in 2023. The #alkotänään section takes a fresh approach to explaining why Alko is a special kind of store. It employs an easy-to-read and easy-to-understand micro-article format that summarises what Alko is doing these days – without forgetting its history and vision for the future.

[Visit the #alkotänään section of our website](#) (only in Finnish).

# ALCOHOL IS NOT AN ORDINARY COMMODITY

CASE  
2023

As the detrimental effects of alcohol pose both major social and economic problems, the sale and marketing of alcohol is regulated in Finland. The monopoly system removes any commercial interest in maximising sales of alcohol and thereby reduces its harmful effects.

Alcohol monopolies are part of the Nordic wellbeing model. Alcohol consumption in Sweden, Norway, Iceland and Finland is among the lowest in Europe.

**Heikki Pärnänen**, Director of Policy Affairs at the Finnish Medical Association, says that there are two exceptional commodities in Finland that should not be sold in grocery stores: alcohol and medicines. "If alcohol were invented now, it wouldn't get a sales permit," he says.

Alcohol poses a number of health risks. "Alcohol consumption is reflected in healthcare not only as alcohol-related diseases, but also as accidents. More than half – perhaps even two-thirds – of the patients who are admitted to emergency clinics at night are intoxicated, and some of them behave very aggressively. This also poses a safety risk from the perspective of both personnel and patients," says Pärnänen.

There is currently a great deal of debate about our new national disease, obesity, which also links to alcohol. Increasing mental health problems among young people is another example. People attempt to alleviate their anxiety with alcohol, even though alcohol can make depression worse in the long run.

Reducing and preventing the harmful effects of alcohol requires a large-scale cooperative effort. Education plays a key role in shaping attitudes among young people. Municipalities can influence behavioural models through, for example, cultural and leisure activities. Workplaces should consider the role played by alcohol in recreational activities.

Pärnänen thinks that it is difficult to change people's drinking habits. However, total consumption is something that we should be able to influence.

"The more easily available alcohol is, the more of it will be consumed. The number of sales points should not be increased, as more sales points mean greater availability, which will be directly reflected as an increase in harmful effects."

He sees Alko's investments in sales expertise and customer advisory services to be a positive thing.

"It's most expedient for Alko to be the main retailer of alcoholic products in Finland, whilst also providing education and advice, and restricting sales through its own measures, such as store opening hours, the number and location of sales points, and not marketing alcoholic products. Alko is a reliable and knowledgeable distribution channel for products that cause harm," says Pärnänen.

*Heikki Pärnänen retired from the Finnish Medical Association in March 2024.*

# EFFECTIVE ACTIONS TO PROMOTE WELLBEING

Preventing the harmful effects of alcohol consumption is Alko's mission and we do this in many ways, such as by supporting Finnish alcohol research, cooperating with organisations and other partners, and raising awareness of alcohol's impacts on health.

Although these projects vary in nature, they all share a common goal – to promote wellbeing in society. During the year, we invested about EUR 0.5 million in a variety of projects aimed at promoting wellbeing.

## PROTECTING PUBLIC HEALTH IS GOOD FOR THE NATIONAL ECONOMY

Alko, the Finnish Association for Substance Abuse Prevention (EHYT) and the Centre for Occupational Safety commissioned a report from Niilo Luotonen, a doctoral researcher at Aalto University, on the labour costs incurred by alcohol consumption in Finland. The report indicated that alcohol caused at least EUR 1.4 billion in costs during 2022. This figure includes the combined costs of deaths, disability, treatment periods and crimes caused by alcohol.

The value of the labour input lost to Finnish employers as a result of alcohol is estimated at no less than EUR 500 million. The high-risk use of alcohol in the workplace is associated with factors such as stress, poor management and peer drinking norms.

On average, there are fewer high-risk users and less alcohol dependency in workplaces with an anti-substance abuse programme. The report shows that workplaces can prevent the harmful effects of alcohol in a cost-effective manner.

## WELLBEING THROUGH PARTNERSHIPS

In 2023, we maintained our focus on preventing loneliness in our society by continuing the work we started in 2021. In our cooperation projects, we supported various means of reducing loneliness: tools for prevention, support for self-motivated change, and professional help for those who require it.

Once again, our main partners were HelsinkiMissio and MIELI Mental Health Finland. Our collaboration seeks to prevent and reduce the harmful effects of alcohol on society, to promote the wellbeing of people living in Finland, and to prevent social exclusion and loneliness.

MIELI's involvement in the crisis centre network strengthened the loneliness prevention efforts funded by Alko. The opening



Protecting public health is good for the national economy.



hours of Solmussa chat (a crisis hotline) were extended to 9 pm on one weekday evening, and loneliness prevention efforts were expanded in the format of 1–2 new crisis centres in Savonlinna and Mikkeli. All crisis centres provided the required training.

With Alko's support, HelsinkiMissio was able to acquire more resources for its loneliness prevention work. For example, the organisation ran a volunteer-staffed Friday Call service for Finns over the age of 18 who are experiencing loneliness.

We also continued our collaboration on communications and carried out expert exchanges with both of these main partners. These exchanges utilised the expertise of both parties, for example, in the production of content for communications.

Alko's corporate sponsorship of the Youth Academy's Mahis activities has already lasted for more than 20 years. Mahis is a model for group activities that is based on social reinforcement and promotes inclusion and wellbeing among young people. In the 96 groups that started up in 2023 with Mahis and Ystävä-Mahis funding, a total of 942 young people were able to receive peer support, attention from an adult, and the chance to take part in group activities. A total of 17 Mahis and Fragile training programmes were organised across the country. The mixture of online and in-person sessions strengthened instructors' skills in areas such as engaging with young people, enabling inclusion, and increasing emotional awareness and body consciousness.

Alko continued its partnership with the Kaveri app, which will be called Frenchie from the beginning of 2024, by providing support for the service's technical development. The Kaveri app is a free nationwide service for adults that helps people connect through everyday activities. Alko received a certificate

from the Kaveri app in recognition of our work to prevent loneliness and promote social wellbeing.

Gubbe is a comprehensive care service aimed at maintaining the wellbeing, functional capacity and health of senior citizens and people with disabilities. With Alko's support, ten seniors received assistance, 15 young people gained employment, and helpers made more than 500 visits and provided more than 1,000 hours of assistance, fun and company.

Alko has been working with the Finnish Association on Intellectual and Developmental Disabilities to raise awareness about FASD since 2015. The spectrum of fetal damage caused by alcohol is referred to using the acronym FASD (fetal alcohol spectrum disorders). The Federation of Mother and Child Homes and Shelters joined our FASD campaign in 2023 as a new partner. The Federation's Pidä kiinni® care system is targeted at expectant mothers and families with intoxicant abuse problems. Its employees piloted small information points in front of some Alko stores. The results were encouraging.

For the second year in a row, Alko cooperated with the Finnish Paralympic Committee to award grants to sports clubs that promoted equality in three categories: equality in instructor and management roles, equality in recreational activities and equality in competitive sports. A total of 93 sports clubs applied for our Most Equal Club of the Year grants. The 2023 grants were awarded to Aisti Sport ry, Dance Flow Kuopio ry and Tampereen Sisury.

A new exhibition on the human mind and body – Sweat, smiles and stamina – opened at the TAHTO Centre for Finnish Sports Culture in September 2023. In conjunction with this exhibition, Alko and TAHTO launched collaboration on



Communications about alcohol and health are just one of the methods we use to prevent the harmful effects of alcohol.

the relationship between sport, exercise and alcohol from the perspective of health and wellbeing in a sustainable and responsible manner. The exhibition will be open to the public until September 2024. Alko's communications will be advertising both the exhibition and its core message: "Alcohol and sports don't mix".

#### **BROAD REACH FOR COMMUNICATIONS ON ALCOHOL AND HEALTH**

Raising awareness of the impacts that alcohol has on health is an essential aspect of Alko's overall efforts to prevent the harmful effects of alcohol. People in Finland are increasingly interested in holistic wellbeing. Many glasses now contain less alcohol, sugar and calories – and also less volume – than before.

Communications about alcohol and health were visible in Alko's own channels and paid media. Responsibility topics garner a lot of interest in Alko's social media channels in particular. We collaborated with influencers on two themes during the year: "Alcohol and sleep" and "When there's cause for concern".

"Alcohol and sleep" was a reminder that alcohol is a hindrance to recovery. We also shared expert tips on mental and physical recovery, and what to do if you are concerned about your own or a loved one's alcohol consumption.

# WELLBEING LIES AT THE HEART OF ALKO'S RESPONSIBILITY WORK

CASE  
2023

"The obligations and purpose of Alko's mandate – Responsible enjoyment – are reflected in our sustainability strategy," says **Marja Aho**, Sustainability Manager at Alko.

"One of the areas we focus on is **community**. It involves taking care of people's wellbeing, which includes our employees, Finnish consumers and people working in the supply chain."

Public health issues are therefore very important to Alko, as they have been since 1932 when the company was established. Alko is a different kind of store, whose task is to both prevent and raise awareness of the harmful effects of alcohol. By investing in public health, we are also investing in the national economy, and fostering wellbeing is one aspect of this.

"Wellbeing has been integral to our business from the outset, even though our approach has moved with the times and responded to changes in our operating environment. Alko has always had its finger on the pulse – the wellbeing topics that speak to society are also key topics of discussion at Alko," says Aho.

Sleep was a topical issue in 2023, as its overall impact on wellbeing is now much better understood than before.

"There are many myths and beliefs surrounding alcohol and sleep, such as the concept of the nightcap. It's these myths that we want to debunk."

Other topics included alcohol consumption while on vacation and "When there's cause for concern", a theme that encourages people to directly address either their own or a loved one's concerns without apportioning blame.

Alko shared information on a variety of themes in its own channels, such as its website. This included comprehensive information about alcohol and health-related topics, including contact information for organisations that can provide help. Alko also organised webinars that were open to everyone. A social media influencer campaign was used to gain extra visibility for the "When there's cause for concern" theme. These campaigns were included in our in-store communications, which can also spark off discussions during customer encounters.

"The wellbeing trend and people's growing interest in their own health and wellbeing is reflected in the interest shown in Alko's related content, both on the website and in social media channels. It's clear that our content is also trusted. We maintain high quality standards for our website content and any information we post is based on expert sources."

Raising awareness of the impacts that alcohol has on health is an essential aspect of Alko's overall efforts to prevent the harmful effects of alcohol. Awareness leads to more careful consideration.

"Adults have the right to choose drinks containing alcohol. However, we hope that Alko customers will make conscious decisions."



Marja Aho, Sustainability Manager at Alko

# OPEN AND FACT-BASED DIALOGUE WITH OUR STAKEHOLDERS

Alko has numerous stakeholders, and we consult them in a variety of ways in order to develop our activities.

These activities are based on supporting social wellbeing, and we engage in continuous dialogue with a variety of stakeholders about our activities and our operating environment. This dialogue aims to inform others about our company's current topics and gain a deeper understanding of our society and the challenges it faces.

Our stakeholders are particularly interested in the implementation of Alko's responsibility-related mandate, the societal impacts of alcohol, and other aspects relating to alcohol consumption both in Finland and abroad. In recent years, a number of stakeholders have become increasingly interested in topics related to the environmental and social sustainability of the alcohol industry.

Our stakeholder cooperation is open, transparent and impartial. We use both Finnish and international research data. We are open about who we represent. Our catering

for meetings and events is within moderation. We also announce any relevant personal connections, and will excuse ourselves from any situations in which our presence would be deemed problematic.

The principles governing our stakeholder and advocacy work were updated in accordance with the Transparency Register legislation that will come into effect in 2024. From now on, Alko will also follow the Transparency Register Advisory Board's recommendations on lobbying. We will report our advocacy work to the Transparency Register as required, and provide a broader overview of our stakeholder work in our annual report.

Alko's stakeholders include our owner, national and local policymakers, our customers and employees, civic organisations, authorities, suppliers, the media and the research community.



## STAKEHOLDERS

STAKEHOLDER	FORMS OF COLLABORATION
<b>Owner</b>	Continuous dialogue, state ownership steering
<b>Decision makers</b>	Stakeholder events and visits, meetings, press releases and publications, sharing information
<b>Customers</b>	Customer encounters in various channels, collecting both spontaneous and systematic feedback, surveys and studies, communications in various channels, customer events
<b>Alko employees</b>	Recruitment, onboarding, multichannel workplace communications, management practices, surveys and studies
<b>Associations</b>	Partnerships and memberships, collaborative projects
<b>Authorities</b>	Continuous dialogue, memberships, meetings
<b>Suppliers</b>	Supplier events, supplier consultations, meetings, continuous dialogue
<b>The media</b>	Press releases, media events, media visits, meetings, interviews, statistics
<b>Research community</b>	Partnerships and memberships, joint projects, donations, thesis opportunities, visits

## DONATIONS AND COLLABORATION IN 2023

COLLABORATIVE PROJECTS (TAX-FREE)	EUR
HelsinkiMissio ry (loneliness prevention)	100,000
MIELI Mental Health Finland (loneliness prevention)	50,000
Kaveri app / Superlaiffi Oy (loneliness prevention)	30,000
Gubbe Sydänystävä Oy (loneliness prevention)	30,000
Youth Academy (loneliness prevention)	20,000
Sports Museum Foundation of Finland (exhibition collaboration)	20,000
National Institute for Health and Welfare (alcohol research, Yhteiskuntapolitiikka magazine)	15,000
Finnish Association for Substance Abuse Prevention ("The Numbers Speak for Themselves" study)	15,000
Finnish Paralympic Committee (loneliness prevention, equality in sports club activities)	12,500
Finnish Association on Intellectual and Developmental Disabilities (FASD cooperation)	10,000
Joulupuu ry (collection collaboration)	10,000
Platonic Partnership Oy (Lydia game development)	9,900
Helsinki Junior Chamber of Commerce (Police Officer of the Year)	3,500
Federation of Mother and Child Homes and Shelters (FASD cooperation)	1,344
The child behind glass (substance abuse prevention, children)	806
<b>Total</b>	<b>328,050</b>

DONATIONS (RESOLUTION OF THE AGM)	EUR
The Finnish Foundation for Alcohol Studies	180,000
Hotel and Restaurant Museum	25,750
Veikko ja Lahja Hurstin Laupeudentyö ry's Christmas for the homeless	10,000
Altia and Alko retirees	6,000
Operation Hunger Day collection	5,000
Välivesi donations	1,000
<b>Total</b>	<b>227,750</b>

# ALKO PERSONNEL'S MEMBERSHIPS IN ORGANISATIONS AND COMMUNITIES

Alko has representatives in numerous national and international associations and organisations. The most representative are listed here. The key positions of trust held by members of the Board of Directors are given in the [Governance section](#).

## ORGANISATION/COMMUNITY ALKO REPRESENTATIVE

- A-Clinic Foundation, Member of the Board:** Maritta Iso-Aho, Executive Vice President, Communications
- A-Clinic Foundation, Vice-Chair of the Board:** Maritta Iso-Aho, Executive Vice President, Communications
- The Finnish Foundation for Alcohol Studies, Member of the Board:** Iiris Ninikoski, Public Affairs Manager
- The Regional State Administrative Agency's working group for preventing the harmful effects of intoxicants and promoting of health:** Kimmo Mäkelä, Customer Service Director
- Confederation of Finnish Industries EK, Member of the Finance and Tax Committee:** Anton Westermarck, Executive Vice President, Finance
- The Confederation of Finnish Industries' Legal Affairs Committee:** Lotta Väisänen, Head of Compliance, Legal & Indirect procurement
- Helsinki Region Chamber of Commerce, member of the committee for trade and services:** Tatu Vanninen, Customer Service Director
- Hotel and Restaurant Museum Foundation, Member of the Supervisory Board:** Ilari Ceder, Director of Public Relations
- Hotel and Restaurant Museum Foundation, Member of the Board of Directors:** Sari Karjalainen, Marketing Manager
- Häme Chamber of Commerce, member of the committee for trade:** Pirjo Hirvonen, Customer Service Director
- Central Finland Chamber of Commerce, member of the committee for transport and regional structure:** Jari Hiekkataipale, Customer Service Director
- Kuopio Chamber of Commerce, Trade, Tourism and Services Committee:** Jari Hiekkataipale, Customer Service Director
- Lapland Chamber of Commerce, member of the committee for trade and services:** Kaija-Leena Kerkelä, Customer Service Director
- Finland's Central Union for Child Welfare, Chair of the Board:** CEO Leena Laitinen
- eu18 subdivision for wine and alcohol matters at the Ministry of Agriculture and Forestry:** Susanna Videnoja, Acting Laboratory Manager
- Pakka working group, Hämeenlinna:** Leila Patoila, Customer Service Manager
- Pakka working group, Kokkola:** Kaija Haldin, Customer Service Manager
- Pakka working group, Kuopio:** Jari Hiekkataipale, Customer Service Director
- Pakka working group, Lahti:** Pirjo Hirvonen, Customer Service Director
- Pakka working group, Lappenranta:** Harri Hokkanen, Customer Service Manager
- Pakka working group, Oulu:** Kaija-Leena Kerkelä, Customer Service Director
- Pakka working group, Helsinki Region:** Tatu Vanninen, Customer Service Director and Virpi Valtonen, Sustainability Specialist
- Pakka working group, Vaasa:** Seppo Metsola, Customer Service Manager
- Pakka working group, Varkaus:** Jari Hiekkataipale, Customer Service Director
- Palpa Lasi Oy, Member of the Board:** Tino Battilana, Supply Chain Manager
- The Finnish Association of Purchasing and Logistics, Member of the SCM Management Team:** Seppo Behm, Forecast and Replenishment Analyst
- Suomen Palautuspakkaus Oy, Member of the Board:** Tino Battilana, Supply Chain Manager
- Tampere Chamber of Commerce, member of the committee for trade:** Kimmo Mäkelä, Customer Service Director
- Turku Chamber of Commerce, member of the committee for trade and services:** Juha Laanti, Customer Service Director



Greater impact through cooperation between Nordic alcohol monopolies in the international supply chain

All of the Nordic alcohol monopolies in Finland, Sweden, Norway, Iceland and the Faroe Islands have been tasked by law with the same mandate: to reduce the harmful effects of alcohol consumption. This shared mission has for decades been the impetus for cooperation between the monopolies. Another objective that has been on their shared agenda since 2008 is to increase responsibility both in the supply chain and with regard to products in general.

Nordic cooperation is currently being promoted through three working groups: the alcohol policy, social responsibility and environmental responsibility working groups. We also work together to promote and assure product quality and safety. The CEOs approve the annual action plans for these working groups. Greater impact is achieved with the aid of a common goal for environmental and social responsibility and through communication with international parties in the supply chain. In 2022, roadmaps were published for both [environmental action](#) and [promoting social responsibility in supply chains](#).



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# OUR RESPONSIBILITY IN 2023

## JANUARY

Our "Quality is no accident" campaign reminded people that they can trust in the quality of products bought at Alko.

[Read more →](#)

## FEBRUARY

We updated the sales supervision passport, a course that every Alko employee must complete before their first shift at the cash register. This training prepares employees for everyday sales supervision work.

[Read more →](#)

## MARCH

"Alcohol and sleep – you can't rest while your body is burning alcohol": this webinar looked at sleep data and gave tips on how to get a good night's sleep. The "Alcohol and sleep" theme appeared in various channels during early 2023.

## APRIL

In the spring, we added information about suppliers to our product price tags. Consumers want an increasing amount of background information to help them decide which products to buy, and so Alko responded to this need.

Six of our stores recruited more service assistants. Service assistants have partial working ability, and have been hired as permanent Alko employees in appropriate roles.

AHTI released a song that reminds people about the importance of drinking water while drinking alcohol. The Vällivesi song was created in collaboration with Alko.

## MAY

We joined the UN Global Compact, the world's largest corporate responsibility initiative.

We were a Pride Week partner for the fifth year in a row. Alko employees took part in the Helsinki Pride Parade, and we had a Vällivesi water point in Kaivopuisto park during the event.

In our webinar "Alcohol and holidays – how do you ensure recovery and invigoration?", we listened to expert tips on mental and physical recovery and planning a successful holiday.

We released an updated version of Lydia, a game that looks at adult alcohol use through a child's eyes.

[Read more →](#)

## JULY

Interest in lighter and easily recyclable beverage packaging grew as expected over the summer. Our customers are increasingly choosing cartons, boxed wines, wine pouches and plastic bottles with a lower climate impact than traditional glass bottles.

## AUGUST

We started the "Science-based nature targets" programme run by UN Global Compact Network Finland. The programme will run until March 2024. During the programme, we develop our nature-related work in accordance with the Science Based Targets Network's framework.

## SEPTEMBER

On FASD day 9 September Alko stores opened their doors nine minutes later than usual. The campaign aims to raise awareness of the fact that alcohol and pregnancy don't mix.

[Read more →](#)

Alko and TAHTO launched cooperation on TAHTO's new exhibition, "Sweat, smiles and stamina", which explores the relationship between exercise and alcohol.

## OCTOBER

The campaign "Packaging isn't a matter of taste – it's a climate issue" was visible in Alko stores in October–November. The lighter and more recyclable the packaging, the smaller its climate impacts.

[Read more →](#)

Alko received recognition from the Kaveri app as an enabler of social wellbeing and loneliness prevention work.

In our webinar "When there's cause for concern – how do I talk about alcohol use?", experts gave advice on what to do when you are concerned about your own or a loved one's alcohol consumption.

## NOVEMBER

We joined the Science Based Targets initiative and set ambitious, science-based climate goals. They include not only our own emissions, but also those from our value chain.

[Read more →](#)

We joined the international Bottle Weight Accord, through which we have committed to reducing the average weight of the glass bottles in our selection.

[Read more →](#)

In our "When there's cause for concern" influencer communications campaign, we wanted to increase awareness of the Care Card and guide people to available help.

[Read more →](#)

According to the report "The Numbers Speak for Themselves", the harmful effects of alcohol cost employers at least half a billion euros a year. Alko was one of the organisations that commissioned this study from Niilo Luotonen, a doctoral researcher at Aalto University.

[Read more →](#)

Detective Sergeant Ismo Venäläinen, a criminal investigator, was chosen as Police Officer of the Year. Alko is one of the longest-standing partners to the Police Officer of the Year award.

## DECEMBER

Together with the Finnish Paralympic Committee, Alko awarded Most Equal Club of the Year grants to sports clubs. The recipients of the grants were Dance Flow from Kuopio, Aisti Sport from Vantaa and Tampereen Sisä.

The recipients of Alko's Christmas donations were Veikko ja Lahja Hurstin laupeudentyö ry and Junior Chamber International Finland's Joulupuu campaign. Some Alko stores served as collection points.

The full-year success rate in responsibility-related mystery shopping was 98.3 per cent for stores and 99.3 per cent for pick-up points.





# WE SELL ALCOHOL IN A RESPONSIBLE MANNER

Uncompromising sales supervision is part and parcel of everyday work at Alko. In our stores, the responsible sale of alcohol means more than just checking a customer's age - we also address suspected cases of misconduct in accordance with a clear set of rules. We achieved our goals and enhanced our operations.



## WHY THIS IS IMPORTANT TO US:

Our mission is to sell alcoholic beverages in a way that minimises their harmful effects. Alcohol consumption has an impact not only on a person's own health, but also on the wellbeing of their loved ones. Alcohol is not an ordinary commodity, as its economic, social and health-related impacts are reflected throughout society. We shoulder our responsibility.



## OUR APPROACH:

At Alko, responsibility is visible in the sales supervision that forms part of our world-class customer service. We carry out our important mandate by ensuring that we do not sell alcoholic beverages to minors, anyone who is intoxicated, or anyone who intends to hand over beverages to others. We are a different kind of store. We do not seek to increase sales or attract custom with discounts. We are continuously increasing our range of non-alcoholic and low-alcohol products and smaller package sizes. We also have the courage to talk about the harmful effects of alcohol consumption, and invest in staff training.



## OUR MAIN OBJECTIVES:

We want to be worthy of trust. Our customer promise of "World-class service" also includes our purpose of "Responsible enjoyment." We measure our success in checking the age of young customers with mystery shopping and a self-supervision monitoring system installed in our point-of-sale systems. The 2023 success rate target for in-store age-limit checks was 97 per cent.

Alko employees put our responsible sales principles into practice through everyday sales supervision, and thereby help to prevent the harmful effects of alcohol. Performing age-limit checks and addressing suspected cases of intoxication and handovers are part of our responsible customer service and every salesperson's daily work at Alko.

As uncompromising sales supervision is a matter of honour for us, we set high targets for our age-limit checks. In accordance with Alko's policy, we check the age of every customer who appears to be under 30 years old.

We monitor and verify the quality of age-limit checks with the aid of mystery shopping commissioned from an external operator. In mystery shopping, young people of legal age make test purchases from stores and pick-up points. Our age-limit supervision improved once again with a success rate of more than 98 per cent.

We clearly exceeded our 2023 target of 97 per cent, as the age of young-looking customers was checked during 98.3 per cent of mystery shopping test visits. This result was a further improvement on 2022 (97.3 per cent).

We also took part in the regional tests that are conducted annually in accordance with the Pakka operating model in which test purchases of alcohol are made all across Finland as part of the anti-substance abuse activities carried out by

cities and municipalities. Young-looking adult test shoppers see how easy it is for a young person to buy alcohol, tobacco or gambling games without an age-limit check. As in previous years, Alko stores stood out favourably among the test locations.

**A CLEAR SET OF RULES FOR SALES SUPERVISION**

The responsible sale of alcohol requires skilled personnel who are familiar with the rules. To ensure this, all Alko employees must obtain a Sales Supervision Passport before their first shift. This training teaches them how to carry out age-limit checks and address suspected cases of intoxication and handovers. Practical experience, coupled with the examples and support provided by colleagues, are also essential for competence development. The training material was updated in 2023 to better reflect the diversity of both our staff and customers.

All Alko employees must renew their sales supervision passports at three-year intervals. Staff at our pick-up points also receive onboarding that includes our sales supervision practices. The identity of every customer who picks up an online shop order will be verified, and their age will also be checked if they appear to be under 30. If it is suspected that a customer is either intoxicated or intends to illegally handover alcoholic beverages to someone else, the customer will not be allowed to pick up the order.

We require responsible operations in all of our channels, and have therefore invested in developing the skills of our pick-up point partners. Mystery shopping tests are a useful way of monitoring the success rate of age-limit checks at pick-up points. The result for 2023 was a success rate of 99.3 (87.3) per cent.

**4.6 MILLION AGE-LIMIT CHECKS**

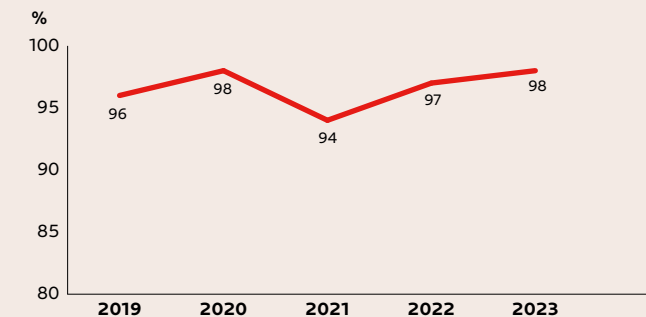
In addition to mystery shopping tests, in-store self-supervision plays an important role in monitoring the success of sales supervision. Sales supervision – both age-limit checks and measures related to suspected cases of intoxication and handovers – are entered into the point-of-sale system. We track both these records and our mystery shopping results at regional, store and salesperson level.

In 2023, we verified the age of young customers 4.6 million times (4.9 million) and carried out about 242,000 (almost 260,000) checks of suspected handovers and about 411,000 (almost 440,000) checks of suspected intoxication.

**RESPONSIBLE CUSTOMER SERVICE IN FIGURES**

	2019	2020	2021	2022	2023
Number of age-limit checks (million)	4.6	5.4	5.7	4.9	4.6
Suspected cases of intoxication (thousand)	522	511	472	437	411
Suspected cases of handover (thousand)	316	316	299	257	242
Number of purchase ban agreements	22	21	36	42	54

**STORES' SUCCESS RATE IN MYSTERY SHOPPING TEST VISITS\***



\* Alko commissions mystery shopping from a third party to measure its success in age-limit checks for young customers and their experience of service quality. In mystery shopping, test customers who are of legal age shop at stores and pick-up points.

### WHEN THERE'S CAUSE FOR CONCERN

The Care Card was developed at the request of our in-store staff. It is a tool that can be used when a customer raises concerns about their own or a loved one's alcohol use. The Care Card gives contact details for a number of organisations that provide help with substance abuse problems; dealing with crises, violence and loneliness; and substance abuse problems during pregnancy and early parenthood.

As well as being available to hand out in all Alko stores, the Care Card also acts as a tool for in-store staff when a customer needs help and raises a problem relating to either their own or a loved one's substance abuse, crisis, violence or loneliness. The Care Card helps Alko staff to provide assistance and the contact details of organisations that offer expert help.

By signing an Alko purchase ban agreement, customers can voluntarily restrict their ability to buy alcoholic beverages from one or more Alko stores. The agreement is always drawn up for a fixed term of up to 12 months at a time. The agreements are tailored to individual circumstances, and are signed at the initiative of either the customer themselves or a loved one. In addition to a full ban, customers can also limit the number of times they can shop or the number of drinks they can purchase, or restrict their purchases to a specific category of products. A total of 54 agreements were signed in 2023 (42 in 2022), all of which were total bans.

### 85% OF ALKO STORES ARE ACCESSIBLE

We continued to enhance our process for assessing and improving the accessibility of Alko stores and pick-up points, and in 2023 we streamlined both data processing and management. Analyses of our new and refurbished stores were made using an accessibility survey created – and adapted to Alko's needs – by the Finnish Association of People with Physical Disabilities. Physical accessibility was examined at Alko's stores and pick-up points. Approximately 85 per cent of Alko stores are accessible, and about half of all pick-up points.



Alko employees put the principles of responsible sales work into practice through daily sales supervision.

# ENVIRONMENTALLY FRIENDLY CHOICES

Our mission - the most responsible way to sell alcohol in the world - also includes environmental perspectives.



## WHY THIS IS IMPORTANT TO US:

We will continue to reduce the environmental impacts of our operations to combat the climate crisis and preserve biodiversity in both our own operations and our value chain. Our customers are also taking an increasing interest in the environmental impact of our products throughout the supply chain.



## OUR APPROACH:

The majority of our climate impacts are generated in our international supply chain, and particularly in beverage production and packaging manufacture. We are working with a variety of beverage industry operators to reduce these climate impacts. Our annually updated climate roadmap will steer us towards our goals of halving climate emissions and promoting biodiversity.



## OUR MAIN OBJECTIVES:

We have set ambitious targets for our environmental action, and we are working towards them through actions both large and small. By the end of 2030:

- together with the other Nordic alcohol monopolies, we are committed to reducing climate emissions from our operations by 50 per cent compared to 2020
- our long-term climate targets are aligned with the Science Based Targets initiative.



The majority of our emissions are generated in the product supply chain, with only about one per cent being direct emissions from Alko's own operations. This is why our climate and environmental action highlights both local and international cooperation with various operators in the sector.

The emission calculation development work that we carried out with Gaia Consulting in spring 2023 confirmed our findings from previous years. Our 2022 emissions study indicated that Alko's carbon footprint mainly consisted of beverage production, international transportation and beverage packaging. Our 2023 emissions calculations will be published on [our website](#) in spring 2024.

In autumn 2023, we continued to tell our customers about beverage packaging. Our campaign "Packaging isn't a matter of taste – it's a climate issue" was visible in our stores and other communication channels. Our customers' choices will play an important role in our efforts to reduce emissions from beverages, and this importance is also being highlighted in our stores. [Read more about beverage packaging →](#)

Mitigating climate change is not just a question of reducing emissions – we also need to promote biodiversity and the circular economy. In autumn 2023, Alko and about 15 other Finnish companies started UN Global Compact Network Finland's training programme on science-based nature goals. The programme will run until spring 2024, with the aim of helping companies to identify and find ways of limiting the environmental pressures of their activities.

**INTERNATIONAL COMMITMENTS SPUR ON ALKO'S CLIMATE WORK**

Alko's sustainability work took a major step forward in 2023 when we joined several international commitments.

Joining the international [Science Based Targets initiative](#) was a major impetus to our climate action. The initiative promotes climate action in the private sector by helping companies to set sufficiently ambitious science-based goals for their own activities. The next step is to submit our climate targets to Science Based Targets for verification. This will ensure that the targets are consistent with the latest climate research and that they will enable Alko to work towards the Paris Agreement's goal of limiting global warming to 1.5°C.

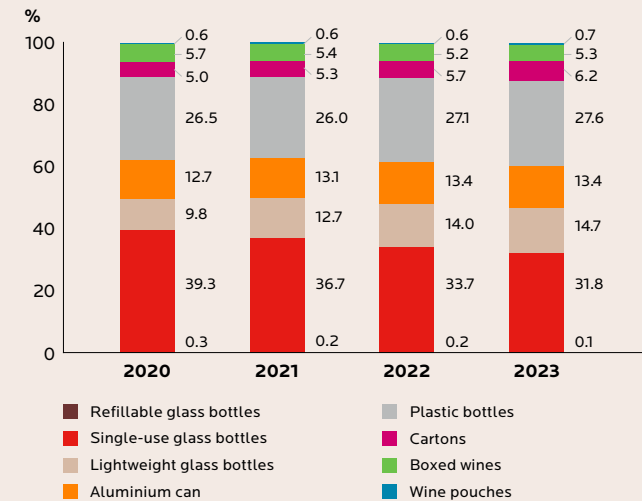
The Sustainable Wine Roundtable (SWR) is an international group that promotes responsibility in all aspects of wine production. Alko is one of the founding members of SWR. The company joined the Bottle Weight Accord commitment published by SWR in November 2023. The signatories of the Bottle Weight Accord commit to reducing the average weight of their 0.75L glass bottles of still wines to under 420 grams. The carbon footprint of these lightweight glass bottles is about 25 per cent smaller than those of traditional glass bottles. In addition to Alko, other major actors in the alcohol industry are also involved in the commitment.

In addition to climate commitments, Alko also joined the world's largest corporate responsibility initiative, the UN Global Compact, in May 2023. Companies and organisations that are committed to the initiative comply with international obligations on working conditions, human rights, the environment and anti-corruption in all the countries in which they operate. The initiative supports companies in their responsibility efforts through the 10 Global Compact principles and the UN Sustainable Development Goals.

[Read more about Alko's international commitments →](#)

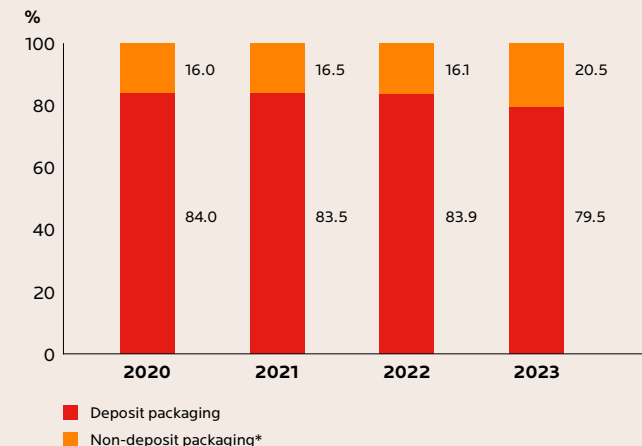
**TYPES OF BEVERAGE PACKAGES SOLD**

The percentage of Alko's total sales accounted for by each type of beverage packaging by sales unit



**PROPORTION OF DEPOSIT/NON-DEPOSIT PACKAGES SOLD**

The percentage of Alko's total sales accounted for by deposit and non-deposit beverage packages by sales unit



\* Non-deposit glass and plastic bottles, non-deposit aluminium cans, cartons, boxed wines, wine pouches and other non-deposit packaging

**CLIMATE ROADMAP SUPPORTS TARGET ATTAINMENT**

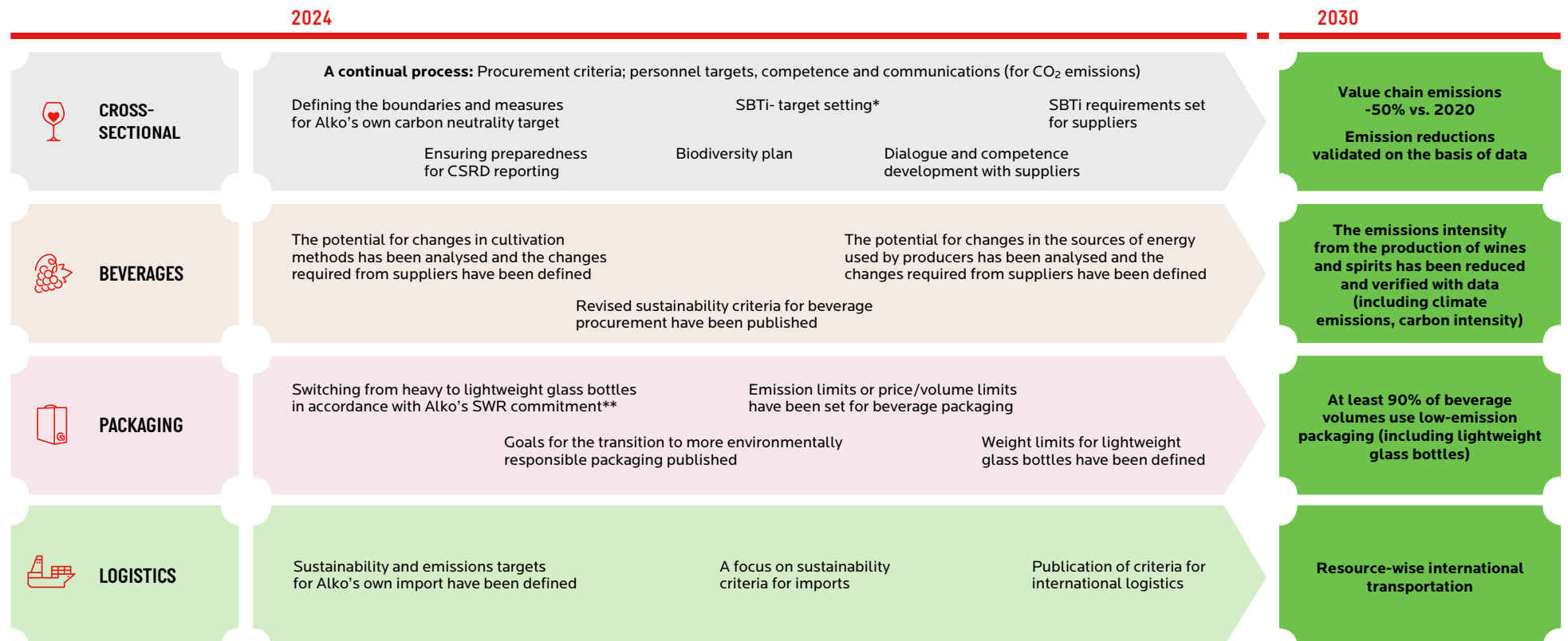
The climate report on 2022 emissions that was completed in spring 2023 supported our findings from earlier years. Our biggest sources of emissions are beverage production, international transport and product packaging. Emissions from our own operations (Scope 1 and Scope 2) account for about one per cent of our total carbon footprint.

[Read more about Alko's carbon footprint →](#)

In late 2022, we published the first climate roadmap for our suppliers to use in 2023. The roadmap will be updated annually, and will guide us towards our 2030 climate targets. The climate roadmap contains measures to tackle major emission sources in our supply chain, and also highlights the important cross-sectional actions that we need to take with our stakeholders.

Beverage packaging will play an important role in reducing emissions, and our customers are also increasingly interested in lower-emission alternatives to glass bottles. We sold a total of 100.5 million (109.3) beverage packages in 2023. The proportion of sold packages accounted for by standard-weight glass bottles continued to decline, while the proportion of lightweight glass bottles has been rising. Interest in

**ALKO'S CLIMATE ROADMAP MEASURES 2024**



\* Science Based Targets (SBTi) is an international initiative that enables companies to set ambitious and science-based emission reduction targets in accordance with the Paris Agreement.

\*\* The Sustainable Wine Roundtable (SWR) is an international group that promotes responsibility in the wine industry.

alternative packaging has also increased and, for example, cardboard packaging has gained popularity among our customers. 79.5 per cent of sold packages (83.9%) were deposit packages.

**IMPROVING ENERGY CONSUMPTION AND LOGISTICS IN FINLAND**

Our environmental action in Finland is steered by our certified ISO 14001 environmental management system, which covers all of our stores and offices. The environmental management system will help us to achieve the 2030 environmental targets set for our domestic operations.

In Finland, we continued to improve the energy efficiency of deliveries in collaboration with our transport partners. Electronic vehicles accounted for an increased proportion of deliveries after we began piloting the use of electronic fleets in Tampere. Improvements were also made in online shop deliveries when gas-powered vehicles were introduced on northbound trunk lines. An operating model that optimises transport routes and cargo space usage was also extended to our 86 stores in Eastern Finland. We will continue to roll out the new model in 2024.

We began working towards the climate roadmap's targets and measures for international logistics by cooperating with our logistics partners and revising Alko's listing procedure.

A total of 3,072 tons of cardboard packaging waste and 69 tons of pallet plastic waste were generated in 2023.

The recycling of bag-in-box wines in Alko stores was discontinued in 2023, as the new Waste Act has improved opportunities for recycling different types of waste at source.

We imported the same volume of products into Finland through our own import service as we did in 2022: 1.42 million litres. This is slightly less than 2 percent of Alko's total sales. Emissions from our import service totalled 346 tCO<sub>2</sub> (393). Products from European countries are delivered by truck. Sea freight is used for products from Asia, South and North America, and Australia. Air freight is only used in individual cases.

We continued our work to improve in-store energy efficiency by renovating 26 stores during the year. In conjunction with these refurbishments, we are renewing store lighting with energy-efficient LED technology. We also assess space efficiency. Our electricity consumption totalled 9.79 GWh, which equates to 98.78 kWh per square metre of store floor area. Total electricity consumption decreased by 9.8 per cent.

	2020	2021	2022	2023
Cardboard packaging waste, tons	3,816	3,800	3,221	3,072
Plastic packaging waste, tons	86	86	72	69



“ Beverage packaging plays an important role in reducing emissions.”

# A RAPIDLY GROWING SELECTION OF ALTERNATIVE BEVERAGE PACKAGING

CASE  
2023

As part of its sustainability strategy, Alko has committed to halve its emissions by 2030. This also applies to emissions from beverage packaging, which make up about a fifth of Alko's emissions.

"It's a significant category, yet it's also one that Alko can effectively influence through its own actions," says **Senni Simola**, a Sustainable Development Specialist at Alko.

Weight and recyclability have a major effect on the climate impact of beverage packaging. There are already many low-emission alternatives to a traditional glass bottle: cartons, wine pouches, aluminium cans, plastic bottles, lightweight glass bottles and boxed wines.

Alko closely monitors developments and innovations in the packaging industry. Simola says that a lot of R&D is currently being carried out with regard to fibre-based packaging in particular. For example, gin is already available in cartons and Alko's selection now contains its first sparkling wine in a plastic bottle.

The selection of low-emission beverage packaging is growing rapidly and customers are also interested in these alternatives. This is confirmed by Shop Assortment Expert **Leena Uusimäki** and Customer Service Expert **Saija Uusitalo**, who work at Alko stores in Forssa.

"Smaller cartons and bottles have become popular, and the selection of one-litre cartons has also grown. For example, significantly more white wines are now sold in cartons than a couple of years ago. Sparkling wine bottles have also become lighter," say Uusimäki and Uusitalo.

Low-emission packaging has been well received among Alko's customers. In addition to environmental issues, there are also practical issues affecting their popularity: bottles that are lighter to carry and don't shatter are handy when holidaying in the countryside. These features are also praised by salespeople, as they make it easier to handle products during daily in-store work.

Uusimäki and Uusitalo say they are happy to discuss more responsible choices with their customers. "For example, when customers question the climate-friendliness of plastic bottles, we say it's because they're lightweight, which reduces the carbon footprint of their transport. It also takes a lot of energy to make glass."

The shelf life of beverages in alternative packaging is also something that customers sometimes ask about. "You can't store vintage wines in the cellar for years in plastic or cardboard packaging. However, this often doesn't matter, as most consumers buy beverages that will be consumed soon after purchase."

Alko wants to make it easier for consumers to make climate-friendly choices, and alternative packaging is increasingly being seen in product displays. In many stores, cartons were moved onto the same shelves as glass bottles during 2023.

"We've received very good feedback on this. Having different packages side-by-side on the shelf lowers the threshold for trying new alternatives," say Uusimäki and Uusitalo.

[Learn more about alternative packaging →](#)

Leena Uusimäki, Shop Assortment Expert, and Saija Uusitalo, Customer Service Expert at Alko



# WORKING TOGETHER FOR HUMAN AND LABOUR RIGHTS

Responsible procurement focused on a variety of competence development themes during 2023. We also prepared for changes in sustainability regulations. We will continue our systematic work in defence of human rights.



### WHY THIS IS IMPORTANT TO US:

Enabling our customers to make ethical and environmentally sustainable choices is important to us. Making a responsible purchasing decision should be easy and attractive. We want to be a forerunner in our sector, and make both our operations and our selection more sustainable.



### OUR APPROACH:

We develop our processes, identify the risks inherent in our industry, and try to prevent them from being realised in our supply chain. Our guiding principle is the amfori BSCI Code of Conduct, to which all of our suppliers are committed. Cooperation with suppliers, producers and other stakeholders is the cornerstone of effective action. The Nordic alcohol monopolies are working together to create socially responsible supply chains in accordance with the Nordic Alcohol Monopolies Social Roadmap.



### OUR MAIN OBJECTIVES:

Our goal is to improve supply chain transparency and raw material traceability. We are increasing the number of certified products in our selection, and particularly in regions where human rights violations are commonplace. Our goal is for products from these areas to be certified or otherwise verified by 2030.

Changes in sustainability regulation will have a significant impact on companies over the coming years. Although Alko has developed a responsible procurement model in accordance with the UN Guiding Principles on Business and Human Rights, we are preparing for these changes ahead of time. We want to maintain our position as a forerunner in sustainability in our industry.

#### **SUPPORT FOR OUR SUPPLIERS' SUSTAINABILITY EFFORTS**

We continued our competence development programme of the past few years. It is particularly important for us to support our suppliers' competence, so that they can continue to help their own business partners to operate sustainably.

We supported our suppliers in their sustainability efforts by, for example, organising four supplier events during the year. Three sustainability workshops were held in conjunction with these events: on topics in Alko's climate roadmap, environmental action in logistics, and sustainability reporting. A total of about 570 people registered for our supplier events and more than 110 people attended the workshops.

We also organised supplier briefings on topics such as sustainability visits in California and the situation in South Africa, and a workshop on the material aspects of sustainability reporting. We also conducted two sustainability-related surveys: a self-assessment sustainability survey for suppliers and a climate action survey. These surveys sought not only to gather information, but also to help suppliers and producers plan their own sustainability action.

We updated the content of our sustainability training for suppliers. The new training material now pays greater attention to the OECD Guidelines for Multinational Enterprises, and particularly the six-step process for due diligence. Our goal is to provide suppliers with guidelines on how to develop their own sustainability activities, identify risks and minimise negative impacts. This training is mandatory for all Alko suppliers.

#### **AMFORI BSCI CODE OF CONDUCT HIGHLIGHTS CONTINUOUS IMPROVEMENT**

The 2021 amfori BSCI Code of Conduct came into effect in September 2023. Substantial changes to the former code include an even greater focus on due diligence. Its main function is to ensure that adequate processes are in place to identify risks, to prevent and reduce the negative impacts of a company's own activities, and to implement corrective measures in the supply chain.

The new Code of Conduct also highlights equal treatment with regard to gender and reducing harassment and violence, and its principles include fair compensation for work and promoting a living wage for workers in the supply chain. Together with amfori BSCI, we hosted a webinar for our suppliers that covered the Code of Conduct's key content.



**Our goal is to improve supply chain transparency and raw material traceability.**

### TRAINING FOR RAW MATERIAL PRODUCERS AND OTHER PRODUCERS IN OUR SUPPLY CHAIN

During the year, we provided comprehensive training for raw material producers and other producers in our supply chain. Sector-specific training was offered in areas with the highest risk of human rights violations.

We participated in Stronger Together's country-specific programmes in Italy and South Africa. Stronger Together provides training services for responsible workforce recruitment and the prevention of labour exploitation in the agricultural sector. Stronger Together's training is targeted on winegrowing and the agricultural raw material supply chain, which are both particularly important to Alko. The feedback from participants was positive, and we will continue to work together in 2024. Stronger Together's training has been popular, and a total of about 250 people have taken part in it.

The Sustainable Wine Roundtable (SWR) held a series of three webinars on human and labour rights in late 2023 with a group of international industry influencers as guest panellists. SWR's webinars were held in cooperation with the Nordic alcohol monopolies.

We continued our "Water, Shade, Rest and Sanitation" training sessions for rum producers. Alko partnered with the other Nordic alcohol monopolies and Bonsucro to host three webinars targeting producers in South America, Asia Pacific, Central America and the Caribbean. This training sought to raise awareness of chronic kidney disease, which is prevalent in workers who harvest sugar cane. The training highlighted

solutions to prevent the disease: providing sufficient fluids, shade during rest periods and adequate breaks during physically demanding work. Molasses made from sugar cane is used as a raw material in rum. The training attracted a total of 135 participants.

### FOLLOW-UP MEASURES IN CALIFORNIA AND SOUTH AFRICA

Our sustainability visits to California began in 2022, and the last visits and final report were completed in early 2023. The most significant findings related to management and recruitment practices, and in particular to ensuring proper practices at recruitment agencies and the payment of appropriate wages.

In March, the civic organisation Finnwatch published a report on the realisation of human rights in Alko's South African beverage supply chain. The results of the report indicate sustainability issues in South African wine production, such as the failure to pay a living wage, deficiencies in health and safety, and problems with freedom of organisation.

We visited the areas covered by the report in April and focused on reviewing corrective measures. Representatives from local producers, Alko's suppliers and a local consulting firm accompanied us on these visits. Corrective measures have now been scheduled and their implementation will be monitored in 2024.

South Africa has long been recognised as one of the most challenging countries in the industry in terms of social responsibility. And Alko has therefore been engaging in long-term efforts to promote and develop social and environmental responsibility throughout the supply chain. We monitor the implementation of our ethical principles with the aid of third-party audits and sustainability visits. In South Africa, we have performed numerous producer audits, organised training and utilised certifications. We have also engaged in collaboration with local stakeholders.

### ADVOCACY IN SOUTH AFRICA

We made a stakeholder trip to South Africa in February 2023. This trip included a producer event, "Planning the Future", which was organised by Alko and Stellenbosch University in collaboration with local producers, certification bodies and other stakeholders.

We continued our collaboration with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) in South Africa. During the year, we heard of one case related to freedom of association at a vineyard in South Africa. This case is still ongoing, and is progressing under the direction of the IUF.

# CLIMATE ROADMAP GUIDES PROCUREMENT

CASE  
2023

99 per cent of Alko's emissions are generated in its international supply chain. As Alko does not produce beverages itself, supplier collaboration is key to achieving Alko's climate goals.

Beverages, their packaging and their logistics account for 95 per cent of the emissions in our supply chain. Which is why our development measures are focused on these three areas.

We are demanding increasingly responsible operations from our suppliers, including information about their supply chains, and we are tightening the environmental responsibility requirements for our major suppliers in particular. Achieving our climate goals will require cooperation, commitment and effective action from all parties in the value chain. These efforts are being supported by clear instructions, policies and rules.

We have to date made the most progress in beverage packaging, which already has its own [roadmap](#). This roadmap will help us see what actions must be taken each year in order to achieve our objectives. It will also help us to discuss and formulate a shared understanding of these issues with a variety of stakeholders.

"Traditional heavy glass wine bottles are a major source of packaging emissions. If we want to reduce emissions, we must set criteria for using glass bottles in our procurement terms and conditions," says **Marjo Pelkonen**,

Product Manager at Alko. "Our goal is for more wines – and, wherever possible, also other products in our selection – to be packed in lightweight glass bottles or other alternative packaging."

"Taking effective climate action means focusing on high-volume products that will be consumed shortly after purchase. Low-emission alternative packaging will not affect the quality of high-volume, fast-turnover wines. You can forget the myth that a glass bottle is the only proper container for wine."

Stakeholder collaboration is an important channel for making an impact. Alko hosted several climate-related workshops with suppliers and other partners during the year. Those discussions indicate that the entire industry has woken up to climate change, all the way down to primary producers.

"Mitigating climate change is a common goal for farmers, manufacturers and retailers alike. Farmers see the concrete impacts of climate change in their work. Extreme weather phenomena, such as frost, heavy rains and droughts, have increased and are having a very detrimental effect on farming," says Pelkonen.

Luckily, customers are increasingly interested in the low-emission packaging that will help us to achieve climate goals.



Marjo Pelkonen, Product Manager at Alko

# AN OMNICHANNEL APPROACH ENABLES PERSONALISED WORLD-CLASS SERVICE

During the year, we continued to prepare an omnichannel package that will ensure effortless shopping with personalised and responsible service.



## WHY THIS IS IMPORTANT TO US:

Alko's mission already requires us to provide world-class service. Responsibility is a key element of a good customer experience. Alko is a different kind of store – a specialty store that we all indirectly own together.



## OUR APPROACH:

We are continuously developing our staff's responsibility competence, and help our customers to make more responsible choices. We actively communicate themes related to alcohol and health, and are building a responsible food and drink culture. We help our customers to choose the most suitable option for different occasions. We treat all of our customers as individuals with individual needs. We take a comprehensive approach to developing our customer experience.



## OUR MAIN OBJECTIVES:

Our aim is to provide world-class customer service. We engage in genuine interactions with our customers according to their style and pace. Our customers receive knowledgeable and cheerful service.



Alko's customer experience consists of excellent customer service, profound and broad-ranging product knowledge, and the skill to recommend beverages to accompany different types of food. We want our customers to feel that they are getting excellent service when they shop with us – both in Alko stores and in our digital channels.

We continuously develop our operations by listening to and working with our customers. It is important for us to meet our customers' needs to the best of our ability. We utilise Alko's customer panel, the [Advisors](#), to help us develop our services.

The success of Alko's customer service is measured yearly in the Data & Marketing Association of Finland's Customer Index Study, which is Finland's most comprehensive annual study of Finnish companies in terms of customer experience and customer loyalty. In the autumn 2023 study, we came second in the customer experience category. Alko was praised for being a knowledgeable, responsible and reliable operator with friendly customer service.

Both customers who shopped in our online shop and those who called our customer service centre were also satisfied with the service they received. The online shop received a full-year NPS\* of 82.2 (80.2) and the customer service centre got 83.0 (83.0). These results are a great indication of what we are capable of at Alko in terms of world-class service.

### SEAMLESS SERVICE ACROSS ALL CHANNELS

Customers want to shop easily and effortlessly, and find products and content that interest them. We are building a strong foundation for omnichannel service, as we want to provide seamless service across all of our channels. This means that our stores and various digital services are being interwoven into a single service package, so as to ensure a smooth, easy and personalised shopping experience that helps customers to make more responsible choices.

During 2023, we continued to move towards our omnichannel goal by building solid foundations for the years to come. As a responsible operator, we are not going to create a loyalty system. We are simply ensuring that we can recognise our customers across different channels – if they so wish. This will enable us to provide even better and more personalised service, as well as completely new services.

Our omnichannel shopping experience is progressing step by step. Each new feature we develop adds to our omnichannel service experience. The new physical and digital gift cards that we launched in March 2023 are a good example of this. Our revamped gift cards can be purchased and used both in Alko stores and online.

Another example is customers using our mobile app to find more information about products whilst they are shopping in an Alko store. An upcoming omnichannel feature will enable in-store sales staff to recommend products based on a customer's favourites and previous purchases. Or, after chatting with the customer service centre, a customer could download a QR code that can be used to find recommended products in the online shop or an Alko store.



We want our customers to feel that they are getting excellent service when they shop with us.

This service package will be created gradually over the coming years, and will be introduced to our customers one section at a time. We are currently building technology that will enable all of Alko's different technical systems to talk to each other.

### STREAMLINING SAVES 1,000 HOURS OF WORK PER WEEK

We continued to streamline our in-store operations, so as to free up more time for in-store customer encounters. We are constantly rethinking our working methods to ensure that we can focus on customer service rather than time-consuming back-office work. Another reason for streamlining is to improve our employee experience by enabling certain tasks can be carried out more quickly and flexibly.

During the year, we organised Smooth Working Day training for Alko's customer service managers, customer service experts and shop assortment experts at 19 events all across Finland. During the training days, we went through the standardised procedures for goods flow management in Alko stores: placing orders, receiving deliveries, shelving products and making product returns. The goal was to ensure that personnel understood and followed our standardised procedures, and to create concrete practices for smoother goods flow management. Our streamlining activities have saved about 1,000 hours of work in our stores per week.

\* A Net Promoter Score (NPS) indicates how many customers would be willing to recommend a service.

One of the practices that is directly visible to customers is receipt-free shopping, which was introduced at Alko stores in June. Purchase receipts will no longer be automatically printed for customers, but are available on request. This change has been requested by both customers and Alko staff. It saves paper, reduces waste and gives customers the option of helping the environment in small everyday ways. About 75 per cent of customers do not want a receipt for their purchases.

**MORE THAN 50 MILLION CUSTOMER ENCOUNTERS**

At the end of the year, Alko had a network of 372 stores all across Finland. In smaller municipalities, it is supplemented by a service network of 126 pick-up points for online shop orders. Pick-up points are local Alko partners who are authorised to hand over online shop orders of alcoholic beverages during Alko opening hours.

We refurbished 25 stores in line with our new concept during the year, and 66 per cent of all Alko stores had been refurbished by the end of the year. Our store overhaul seeks to update and refresh the overall look and feel of Alko stores, and to make shopping easier with the aid of displays and other improvements.

In 2023, we added to our service network by opening a new store in the Kivistö district of Vantaa. We also closed two stores: one in the Itis shopping centre in Helsinki and one on Puutarhakatu in Tampere.

Customers made 50.7 million visits to our stores during the year (52.1 million in 2022) and our customer service centre received a total of about 70,000 customer contacts (80,000). Alko's customer service provides assistance via chat, phone and email.

**CUSTOMER EXPERIENCE AND SATISFACTION INDICATORS**

	2021	2022	2023
Checkout emotion meter: delighted and satisfied	94.5	95.8	98.2
Customer satisfaction with the online shop, NPS	76.5	80.2	82.2
Satisfaction with customer service, NPS	81.0	83.0	83.0
Customer Index Study	82.2	82.4	82.5
Mystery shopping service indicator: shopping experience (prior to 2022 <i>acknowledging customers on arrival</i> ), %	84.3	83.6	84.1
Mystery shopping service indicator: Did you feel welcome? (prior to 2022 <i>service atmosphere</i> ), %	91.8	88.2	90.4
Selection satisfaction survey, Finnish school grade 4–10	8.57	8.56	8.58



# DEVELOPING SERVICES IN COLLABORATION WITH OUR CUSTOMERS



Alko's updated strategy calls for even closer dialogue with our customers. So in spring 2023, we started working on a new customer engagement concept that will help Alko's services and operations better meet our customers' needs, both now and in the future.

"We want to be approachable, so that we can engage in genuine collaboration with our customers and read the unspoken signals in the customer experience. Our goal is to bring customers and Alko employees even closer together, and thereby increase our customer understanding," says **Päivi Kiiskinen**, a Customer Experience Specialist at Alko.

The new concept includes a variety of methods: digital inclusion, surveys, interviews, online workshops, events and customer observation. Digital services were one of the key focal areas for service development last year. We listened to our customers' opinions during the development of our e-service homepage and product cards.

Kiiskinen is delighted by how enthusiastic customers are to get involved. "In the spring, we conducted an in-store survey in which we asked customers for their opinion on how our product card information was presented. It was very well received and provided plenty of good ideas for future developments."

The Advisors are a group of almost 5,000 customers who provide invaluable help in developing Alko's business. In 2023, they were interviewed on topics such as digital service development. They have also been able to share their views on responsible beverages and future beverage trends.

Kiiskinen says that one Advisors' evening in November was so popular that all of the places were filled as soon as the invitations were sent. "That evening focused on providing feedback on our selection, and this is a topic that is close to many an Advisor's heart. Many of them are wine or beer enthusiasts."

**Jarmo Kulonen**, who attended the Advisors' evening, is a self-confessed wine enthusiast. He has been involved with the Advisors since 2019 and is glad that Alko wants take customers' opinions into account. "This brings Alko closer to its customers," says Kulonen.

He thinks that the best things about being an Advisor are having the opportunity to make a difference and feeling that the customer is important. Kulonen says that he willingly responds to Alko's surveys. He mentions one of last year's surveys about future beverage trends. "It's great that I can share my views on such an important topic."





# TOWARDS A MORE SUSTAINABLE SELECTION

We want our customers to feel that Alko's selection is perfect for them, no matter which channel they shop in. During the year, we continued our long-term efforts to build a more sustainable selection.



## WHY THIS IS IMPORTANT TO US:

In addition to customer service, our world-class selection is an essential element of Alko's customer experience. Customers' needs are continually changing and developing. Ensuring the diversity of our selection, a customer-oriented approach, and the responsibility, safety and high quality of our products are the cornerstones of our work in this area.



## OUR APPROACH:

We take a customer-oriented approach to planning our selection and listen to our customers' needs and requests. Alko's selection is put together by a team of passionate professionals who closely follow trends, phenomena and social changes. Store-specific selections are based on a combination of chain management in accordance with customer demand and local decisions made by the stores themselves. Decisions on the stocking, pricing and display of products are made in an impartial and non-discriminatory manner. Alko's entire selection is available nationwide via our online shop.



## OUR MAIN OBJECTIVES:

We want to offer our customers a comprehensive and high-quality selection of safe products. We engage in close cooperation with our suppliers, and seek to offer them a functional sales channel. We foster responsibility and high quality.



We provide our suppliers with a platform for selling alcoholic beverages in Finland. Our suppliers come from about 80 different countries. Our customers see this variety as an extensive selection of more than 11,000 products.

We design our selection with sustainability, customer requests and product safety in mind. Our customers' satisfaction with our selection is measured twice a year, and we received our highest ever score in 2023: 8.58 (8.56) using the Finnish school grade system.\* Our selection was considered to be good, broad-ranging and of high quality. This result indicates that we have succeeded in listening to our customers and offering them a comprehensive selection.

The sales prices of Alko products rose moderately during the year by an average of 2.7 per cent for the selection as a whole. By working with our suppliers, we have continued to maintain good product availability.

In spring 2023, we added information about suppliers to all product price tags in our selection. Until now, this information has only been available in product cards in our online shop. Consumers want an increasing amount of background information to help them decide which products to buy, and so Alko responded to this need.

Alko decided to stop selling products from Israeli settlement areas in early 2024. Over the years, Alko has discussed products from Israeli settlement areas with the authorities, suppliers and customers. The removal of these products is not related to Israel's current situation – Alko does not take political stands in its listing decisions. Kosher products will still be available in Alko's selection, and their availability will improve significantly in early 2024 with the introduction of four new Kosher products.

### SALES IN LITRES DECREASED BY 4.1 PER CENT.

Approximately 76.9 million litres of beverages were purchased from Alko in 2023, which was 4.1 per cent less than in the previous year.

In terms of litres, sales of wines decreased by 3.7 per cent on 2022. Sales of strong alcoholic beverages decreased by 4.4 per cent, brewery products by 6.2 per cent and non-alcoholic beverages by 7.7 per cent. Sales of red wines decreased by 5.0 per cent, white wines by 2.1 per cent and sparkling wines by 5.6 per cent. Sales of rosé wines remained almost unchanged with a slight increase of 0.2 per cent.

Wines account for 62 per cent of Alko's total sales in terms of litres, and Alko's selection contained more than 8,500 wines in 2023. Strong alcoholic beverages accounted for 28 per cent of sales in litres, brewery products for 9 per cent and non-alcoholic beverages for one per cent.

### SUSTAINABILITY AND LOCALNESS REFLECTED IN BEVERAGE CHOICES

The beverage trends of 2023 included wallet-friendly consumption, beverage packaging that considers climate impacts, and appreciation for local production and small producers. The trendiest drinks were locally produced beverages, flavoured beverages and spritzes. Consumers were also interested in low-alcohol and non-alcoholic products.

We had nearly 700 products from a total of 130 small producers in our standard and sale-to-order selections. Small producers offer a diverse range of everything from beers and wines to spirits. Small producers can get their products into Alko's selection either by submitting



We provide our suppliers with a platform for selling alcoholic beverages in Finland.

products to calls for our general selection or by freely listing their products in our sale-to-order selection.

More attention is now being paid to beverage packaging. Although ease of use is one reason for the increased popularity of new types of beverage packaging, many consumers also care about a product's carbon footprint. We are closely monitoring innovations in beverage packaging.

Environmental and ethical perspectives weigh heavily in consumers' minds. Alko customers have been keen to try out alternative packaging, such as cans, plastic bottles and boxed wines. There are many good reasons for this: they are ecological, lightweight, re-closable and do not break easily. When it comes to the environment, beverage packaging matters. Packaging manufacture accounts for a large percentage of a beverage's carbon footprint – so the lighter and more recyclable the packaging, the smaller its climate impact.

In 2024, we recommended that our suppliers stop using seasonal gift packaging, which has been quite common during the Christmas season. Separately sold gift bags and boxes are still available in our selection.

**CLIMATE ROADMAP SETS NEW PROCUREMENT REQUIREMENTS**

In order to reduce climate emissions, we are working with a number of stakeholders to develop operations throughout the value chain – all the way from a beverage's journey “from field-to-flagon” to the recycling of its packaging. This work is being carried out through the measures agreed upon in our [climate roadmap](#). Our climate roadmap will steer us towards halving our climate emissions and preventing other harmful impacts on nature.

As a result of stricter legislation, we are also tightening the environmental and social responsibility requirements for our major suppliers in particular. These requirements are linked to categories in our climate roadmap: beverage

production, packaging, logistics and common policies such as reporting. Suppliers will be required to operate in an even more sustainable manner and to provide information about their supply chain to ensure that their products meet emission and social responsibility requirements. These conditions must be met in order for their products to remain in Alko's selection. We went through and prepared for these stricter sustainability requirements during several supplier meetings that were held during the year.

A new EU regulation came into force in December 2023: the labels of wines and flavoured wine products must now include an ingredient list and nutritional information. This reform will apply to all of our suppliers and all beverages produced after 8 December 2023.

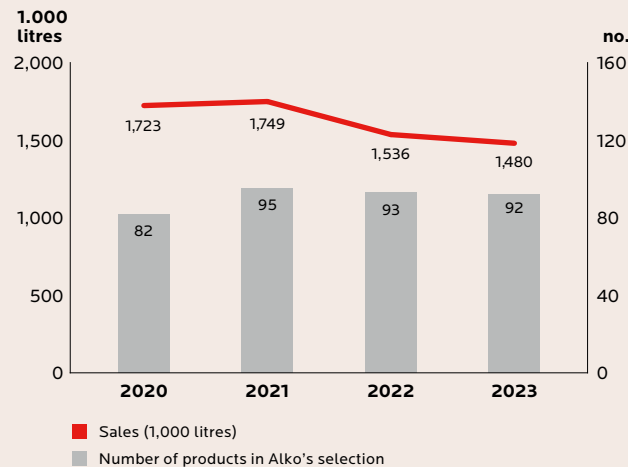
**OUR PRICING AND LISTING PROCEDURE IS TRANSPARENT AND IMPARTIAL**

The products sold at Alko are acquired through an open and impartial public selection procedure. We fulfil our customers' needs and requests with a comprehensive general selection that forms the backbone of our in-store range.

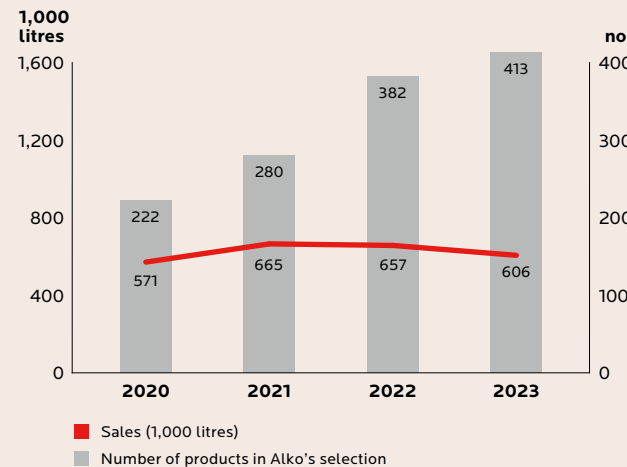
The general selection is then supplemented with seasonal products and special and limited editions. Suppliers can also offer their products freely and free-of-charge via Alko's sale-to-order selection. In 2023, about 2,500 new items were added to Alko's selection of more than 11,000 products.

Decisions on the listing, pricing, delisting and in-store display of products are made on impartial and non-discriminatory

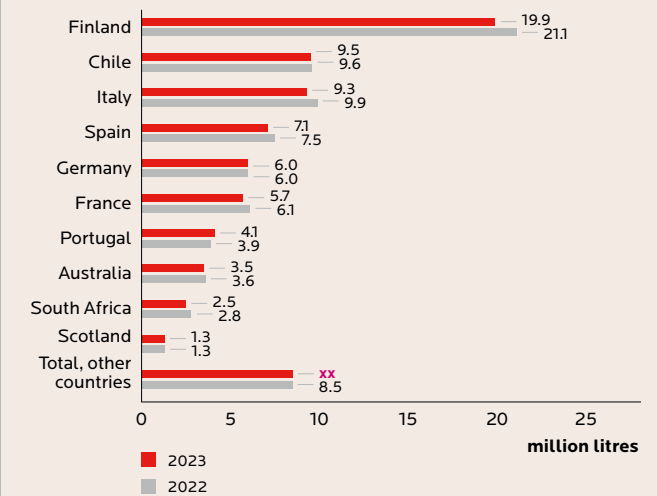
**ETHICALLY CERTIFIED PRODUCTS – SALES TREND AND NUMBER OF PRODUCTS**



**NON-ALCOHOLIC PRODUCTS – SALES TREND AND NUMBER OF PRODUCTS**



**SALES BY COUNTRY OF ORIGIN**



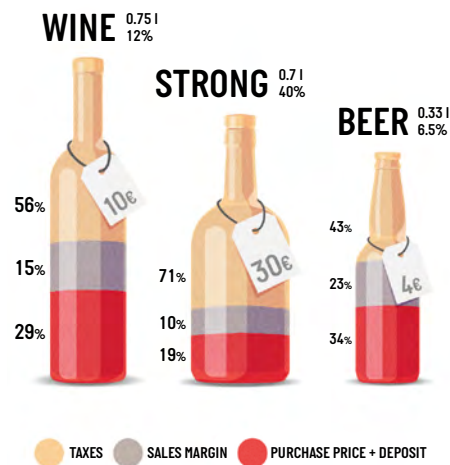
grounds. The listing and pricing of products is based on legislation and public guidelines. Products containing more than 5.5 per cent alcohol by volume are priced in accordance with the fixed coefficients set for each product group, and these coefficients are openly available to our suppliers.

Suppliers can change the prices of the products they sell through Alko twice a year. Prices rose by an average of 2.7 per cent in 2023.

The Finnish Government decided to increase the tax on wines and strong alcoholic beverages as of 1 January 2024. At the same time, the tax on beer of over 3.5% alcohol per volume was lowered.

### ALCOHOLIC BEVERAGE TAX ACCOUNTS FOR A LARGE PROPORTION OF THE PRICE OF ALCOHOLIC BEVERAGES

See how the prices of our beverages are formed: [alko.fi/pricing](https://alko.fi/pricing)



\*Dagmar Drive Oy in May and August–September 2023 (N=1,610).

### QUALITY IS NO ACCIDENT

Every product that goes on sale in Alko's general selection or as a special edition has passed a stringent screening process that gives us a good understanding of the products we sell. Product evaluation enables us to ensure the safety and high quality of our products and meet customer needs. The safety and flawless quality of the products in our general selection received an excellent full-year average Finnish school grade of 9.04 (9.14) out of ten in a selection satisfaction survey.\*

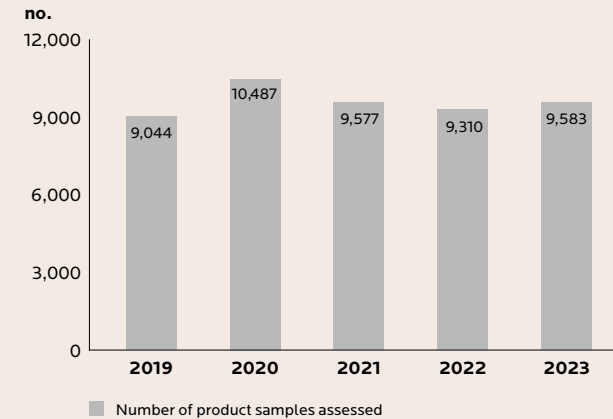
Products chosen during Alko's calls for new products undergo a two-step assessment: several specialists conduct a sensory evaluation and laboratory tests are also carried out, mainly by Alko's Alcohol Control Laboratory (ACL). In addition to testing new products, we also test any alterations in existing products, such as changes of vintage. We tested 9,580 new product samples, which was slightly more than in the 2022 (9,310). The ACL's team of experts examined about 3,500 samples in 2023, carrying out a total of more than 60,000 analyses.

We characterise products during sensory evaluations. Where applicable, beverages are defined according to taste style. Their flavours and bouquets are described, and they are given suitable symbols for accompanying food. Our customers can see these characterisations on the product cards displayed on store shelves, and this helps them to pair beverages with food.

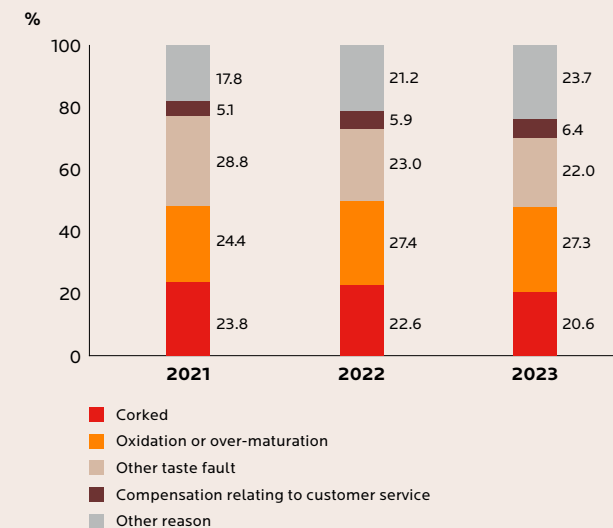
[Read more about Alko's quality control →](#)

[Read more about the ACL →](#)

### ASSESSING PRODUCT SAMPLES OF BEVERAGES OFFERED FOR ALKO'S SELECTION



### REASONS FOR PRODUCT RETURNS



# OPEN AND RESPONSIBLE PRICING SERVES BOTH SUPPLIERS AND CUSTOMERS

CASE  
2023



Unlike most other retailers, Alko's pricing strategy is completely open for alcoholic beverages of more than 5.5 per cent alcohol per volume.

Alcohol tax accounts for a significant portion of the price of alcoholic beverages. This is set by the Government and Parliament, but the rest of Alko's pricing model is based on pricing coefficients and factors.

"The product group-specific coefficients are fixed and public. They're based on our calculations – in practice, how much work and resources are needed for each group's products in the supply chain," says **Anu Koskinen**, Executive Vice President, Assortment and Procurement at Alko.

A ten-euro bottle of wine will leave Alko with a sales margin of about EUR 1.70. Tax accounts for about half of the price of a ten-euro bottle. "We treat all suppliers equally in terms of pricing. Suppliers do not pay us for product visibility or shelf positions. Alko's margin within a product group is the same and does not vary by, for example, sales volumes."

Alko aims to price its products so that they cover their own costs. Alko does not sell products at a loss or increase sales volumes through discounts.

Clear and fair pricing is part of a sustainability approach that lies at the heart of everything we do at Alko. A product's retail price will be determined by the supplier, who is entitled to change its prices twice per year. A pricing calculator helps suppliers determine their prices.

"Suppliers can use the calculator to determine at what price they need to sell their products to Alko. For example, to reach a ten-euro retail price after taxes, other fees and Alko's margin."

Our equal treatment of suppliers is also reflected in how shelf space is divided using a purely mathematical model. If a particular product group sells well, it will get more shelf space and vice versa.

Alko's prices are the same for everyone everywhere, both in stores and online. Koskinen stresses that high-quality products can be found in all Alko price groups. "All of our products go through a strict screening process regardless of their price."

# OUR SHARED ALKO, SUITABLE FOR ME

As an employer, we want to provide a workplace in which as many people as possible will feel at home. During the year, we created a new vision for working at Alko that will help us cooperate with personnel to find suitable work models for the future.



## WHY THIS IS IMPORTANT TO US:

The way we work is undergoing a major shift due to changes in the labour market. We want to promote and improve our employee experience, personnel's wellbeing, employee retention and workforce availability. We will continue to develop our business in order to provide a good employee and customer experience, while also ensuring profitable operations.



## OUR APPROACH:

The expertise of Alko staff enables the responsible sale of alcohol and world-class customer service. We are looking for future work models, suitable job descriptions and the right compensation system. We are also seeking solutions to workforce availability and retention, shift planning, the continuous development of competence and leadership, and ways of promoting wellbeing. We believe that by finding the right solutions in these areas, we can enhance and support our employee experience, culture and employer image.



## OUR MAIN OBJECTIVES:

Our goal is to have an excellent employee experience. We are proud of our personnel's expertise, and our successes are achieved by working together. We invest in promoting equality, equity and diversity in the workplace. We make sure that our staff have a safe working environment. The cornerstones of our culture – working together, clarity and impact – are reflected in our everyday work.



During the year, we created a new vision for future in-store work models, a variety of job descriptions and our compensation system. We modernised our payroll processes and revised our diverse recruitment practices. Our updated working capacity management model focuses more strongly on maintaining working capacity and wellbeing at work, and on lengthening careers. We employ a service design approach and tools to improve our operations and employee experience.

### A FOCUS ON WORKING CAPACITY MANAGEMENT

We have clarified and revised our working capacity management model. Rather than focusing on a reactive model, we are investing more heavily in prevention and in ensuring that working capacity management practices, roles and responsibilities are understood and used in our workplaces.

Our working capacity management model recognises that people of all ages are able to work at Alko and that work can be adjusted to suit individual capabilities and limitations. Providing supervisors with training on the new model will play an important role in its successful implementation.

Preparatory work was carried out during the year, and the model will be gradually put into practice during 2024. Personnel representatives, our pension company and our occupational healthcare team were all involved in revising the working capacity management model.

### TOWARDS AN INCREASINGLY DIVERSE CULTURE

Our work is guided by Alko's diversity plan, whose themes include non-discriminatory recruitment, equal pay, a good work-life balance, and a safe workplace. Our diversity team met regularly during the year to plan and implement measures to strengthen diversity.

Service assistants are one way in which diversity is reflected in our daily lives. Alko stores recruited their first service assistants through a pilot in 2022. We will build on the positive experiences gained through this pilot by expanding the operating model and doubling the number of service assistants, from twelve to twenty-four, by the end of 2025.

Service assistants belong to special groups that would otherwise find it difficult to find employment. They have permanent part-time contracts, and help out with in-store tasks such as shelving products and unloading deliveries. Service assistants have received a warm welcome in our stores and have become an integral part of the workplace community. Alko is a forerunner in the employment of people with partial working ability in Finland.

Our partner in the recruitment of service assistants is Kiiipula Vocational College, a vocational special education school. Kiiipula is also helping us to design training for workplaces that hire service assistants. This training focuses on encountering diversity and onboarding people who require special support.

Alko was a Pride partner for the fifth time. We want to support change towards greater equality and diversity in both the workplace and the world. A group of Alko employees marched in the Pride parade for the second time.

Over the coming years, we will also build a more diverse workplace community from a language perspective. In 2023, we conducted a preliminary study on multilinguality and organised workshops on the theme. In light of labour market changes and workforce availability, we want to develop our capacity to employ people who do not speak Finnish as their native language. This supports our goal of being a responsible and diverse employer.



We also want to take diversity into account in customer encounters. More than 500 people have taken our Diversity in Customer Service training. We will continue to plan ways in which diversity could be reflected in onboarding Alko employees in the future.

### PERSONNEL COMPETENCE IS ONE OF ALKO'S CORNERSTONES

We invest in our employees' expertise. Alko employees received an average of about six days training during the year. This training was aimed at both new and experienced employees, and included self-study e-learning courses. Our e-learning environment contains all of Alko's voluntary and mandatory training. There are approximately 200 courses on everything from products to customer service.

Alko's basic degree in customer service (AAPE) and Product Knowledge Day are two of the most notable training packages for in-store employees. Almost 1,200 AAPE graduates attended Product Knowledge Day at more than 70 training sessions. The topics included classic beer styles and their modern challengers, whiskies from around the world and how to combine them with food, and advanced studies in professional tasting.

In-store tastings are an important part of the learning process, as store employees gain an understanding of our various product groups by tasting products and analysing their taste. Comments on all of the tasted products are noted in Taste Deposit, a shared database that enables everyone to benefit from others' tasting experiences in their own customer service. Alko employees taste products professionally, which means that they always spit out the alcoholic beverages they taste.

Our two-year leadership coaching programme ended in June 2023. This coaching revolved around strengthening

supervisors' self-knowledge and identifying different kinds of management scenarios. The participation rate for leadership coaching was very high (98%) and the overall package received good feedback. There has been a perceivable improvement in the quality of leadership during the coaching period and the scores for leadership-related Pulse questions have risen steadily between 2021 (rated 3.97 on a scale of 1–5) and 2023 (rated 4.10).

The coaching package "An Expert at Alko" supported our experts' competence development. Communications, a coaching approach, project management, change management and self-management skills were studied during the year. Just over 100 experts attended the training, which will continue in 2024.

Store groups and head office continued to play a mobile strategy game in 2023. The game was designed by a cross-disciplinary team and is based on our strategic focus areas. The goal was to get all Alko personnel to understand the important role they play in implementing our strategy through gamification. Feedback indicates that the game concretises our strategic goals and strengthens the link between strategy and daily work at Alko. During the games played at head office, employees also appreciated the chance to network with people from other units and learn about their work.

### EMPLOYEE EXPERIENCE RATING: 4.07

Alko's Annual Pulse studied leadership and the implementation of our strategic goals. Respondents were also asked to identify areas in which we have succeeded and areas in which there is still room for improvement. The response rate for the Annual Pulse has been rising year after year, and the response rate for the 2023 survey was good at 75.4 per cent.



In addition to our permanent staff, Alko recruits seasonal employees for the summer and Christmas seasons. Almost a thousand seasonal employees were hired during the year.





**PERSONNEL IN FIGURES**

	2021	2022	2023
The result for the "Our shared Alko, suitable for me" section in the Annual Pulse	3.96	4.04	4.09
Voluntary turnover	15.8%	18.6%	15.8%
Total absences due to sickness	4.7%	5.2%	4.53%
Accidents at work	49	91	111
Retirement age (retirement pensions)	60.8	61.6	61.6
No. of employees per supervisor (stores) – all	16.7	15.4	15.6
No. of employees per supervisor(stores) – permanent	14.4	13.7	13.8
Person work years	1,957	2,105	1,834
No. of permanent contracts at year-end	2,166	2,195	2,178
Average number of employees with permanent contracts during the year	2,211	2,199	2,178
Average number of employees with fixed-term contracts during the year	256	229	228
Average number of leased employees during the year	152	166	132

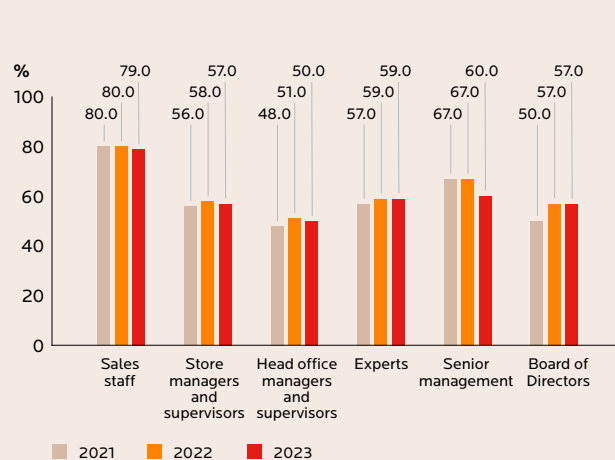
**EMPLOYMENT CONTRACTS BY REGION**

	2022	2023
<b>Permanent (%)</b>		
Northern Finland	12	11
Western Finland	14	14
Southwest Finland	13	13
Eastern Finland	15	15
Southern Finland	16	16
Capital city region	22	22
Head office	8	9
<b>Fixed-term (%)</b>		
Northern Finland	16	18
Western Finland	15	16
Southwest Finland	22	24
Eastern Finland	19	15
Southern Finland	15	15
Capital city region	11	13
Head office	2	1

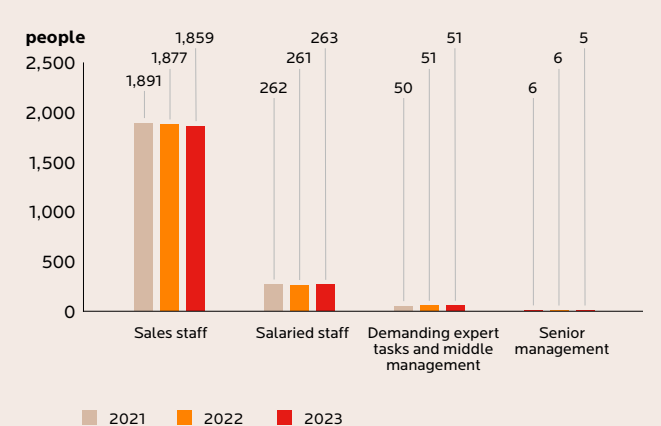
**AGE DISTRIBUTION OF PERSONNEL, %**

%	18–25	26–35 years	36–45	46–55	56 and over
Regional offices	0.0	0.0	29.0	43.0	29.0
Stores	27.0	25.0	18.0	16.0	15.0
Head office	1.0	12.0	42.0	30.0	15.0
Total	25.0	24.0	19.0	17.0	15.0

**PROPORTION OF WOMEN BY TYPE OF POSITION**



**NO. OF PERSONNEL BY PERSONNEL GROUP, PERMANENT CONTRACTS**



The results for each category either remained on par with the previous year or improved. Sixteen of the eighteen statements saw an improvement. The most improved scores were for questions about experimenting with smoother working methods and the sensible use of resources and funding. The company's strategy and vision were praised in the free-form comments section. The overall score for Alko's employee experience was 4.07 (on a scale of 1–5).

We also monitor our employee experience all year round with quarterly pulses. The Quarterly Pulse indicator has a team-level focus, and its results are tracked in teams, regionally and at company level.

### RESPONSIBLE COMPENSATION FOR STAFF

Alko's monetary compensation consists of a basic salary, personnel benefits and a strategy incentive scheme that covers all personnel. Personnel receive incentives for achieving the key objectives in Alko's strategy. Remuneration is not based on sales growth or the company's financial result, but on the strategic objectives derived from the company's special mandate.

A Government Resolution on State Ownership Policy was issued on 8 April 2020 and entered into force at Alko at the beginning of 2021. The resolution lays down remuneration guidelines for special assignment companies, and Alko's incentive scheme was updated on the basis of these guidelines. [Read more about remuneration →](#)

Incentives are based on the company's strategic objectives and their indicators. The strategy incentive earned by staff in 2023 may be a maximum of 6–16 per cent of their annual salary, and a maximum of 30 per cent of annual salary for senior management and the CEO. The Board of Directors

will decide on the Personnel Committee's proposal on the strategy incentive scheme, indicators, objectives and incentives to be paid to the CEO, management and staff.

We modernised our payroll administration by changing both our payroll computation system and our payroll partner. Payroll processes were streamlined and digitised, data security has been improved and the amount of manual work has decreased. We introduced a new mobile app for our staff, which allows them to send digital certificates for sickness absences. Smoother processes for handling tax cards and a variety of absences has made daily life easier for many Alko employees. The quality and accuracy of our payroll services remained good after the changes.

### A SAFE WORKING ENVIRONMENT IS A FUNDAMENTAL RIGHT

We develop occupational safety by identifying and assessing risks, and monitoring the effectiveness of any measures that are taken. We provide in-store personnel with training on safe working methods.

Reporting safety observations is an essential aspect of safety at work. Safety observations should be made for exceptional circumstances, threatening situations, accidents and shoplifting. In order to ensure safety at work, personnel receive induction in risk assessment and every Alko workplace assesses its safety risks on a quarterly basis.

Supervisors are responsible for enhancing safety at work and minimising factors that undermine occupational safety. The occupational protection organisation investigates any workplace accidents that are reported by business locations. All of our employees are covered by statutory occupational healthcare and an occupational health and safety organisation.



# A BASIC DEGREE IN CUSTOMER SERVICE PROVIDES A SOLID FOUNDATION FOR WORKING AT ALKO

CASE  
2023

World-class service starts with expert staff, which is why the AAPE degree was born. All new Alko employees must complete this basic degree in customer service after onboarding. It is a comprehensive training package designed and implemented by Alko, and its eight modules provide a solid foundation for working in customer service.

“The degree gives Alko employees a solid foundation for service expertise. During the training, they learn about our product expertise and world-class customer service, practice their tasting skills, and learn how to combine food and drink,” says **Mikko Lehtiniemi**, a Training Manager at Alko.

The degree is based on a 2020 study that examined what kind of learners and learning requirements were to be found at Alko. “This information was used to create a training package that would best serve learners’ needs without forgetting business perspectives,” says Lehtiniemi.

The AAPE degree can be completed in six months, but it can also be split over a year or two. Studying at a more leisurely pace makes it easier to integrate training into everyday life and creates time for simultaneous on-the-job learning. The degree can also be completed in Swedish, and more experienced employees can take the training to practice their customer service in Swedish.

Since its launch in 2021, the AAPE degree has established itself throughout our organisation. Three hundred Alko employees completed their degrees in 2023. One of them is **Lassi Myllyharju**, a Tampere-based employee who only has good things to say about the training.

“The training was excellent, broad-ranging and very hands-on. I take my hat off to all the AAPE organisers – not many workplaces offer such good training,” says Myllyharju.

Myllyharju is not alone in his opinion: most people have been satisfied with the programme’s content and design. The in-person training sessions, in which participants come together to taste products and share their experiences, have been firm favourites. The section on combining food and drink stuck in Myllyharju’s mind in particular.

“It was interesting to learn how different flavours, such as citrus and salt, can completely change how a wine tastes. I was immediately able to put the things I learnt into practice with my customers.”



Lassi Myllyharju, salesperson at Alko

# STRONG PERFORMANCE IN A CHALLENGING COST ENVIRONMENT

Our net sales were close to 2022 levels and profitability remained good in spite of cost pressures. We recognise that our activities have a broad economic impact on our stakeholders and society as a whole.



## WHY THIS IS IMPORTANT TO US:

Alko has broad-ranging impacts on society. We develop our operations in a way that ensures efficiency and profitability, so that we can meet our stakeholders' needs and fulfil our social obligations. As a state-owned company, we feel that it is particularly important for Alko's business to be financially responsible.



## OUR APPROACH:

Alko operates transparently. We make sure that our business processes are reliable and financially sustainable. We seek opportunities to streamline and improve our processes systematically, so that smoother in-store work creates more time for customer service. We develop our operations to meet customer needs and target our investments on strategic projects. Effective working methods help us to meet expectations in a changing operating environment.



## OUR MAIN OBJECTIVES:

We want to ensure that our business remains financially sustainable – both now and in the future. Our areas for development are operational efficiency, personnel competence and meeting evolving customer needs. We are strengthening our ability to respond to changes in both buying behaviour and our operating environment by, for example, bolstering our digital services.



2023 was the first full year that was free from coronavirus restrictions since the beginning of the pandemic. Travellers' private imports saw a clear increase – this sales channel accounted for more than 40 per cent of alcohol sales in terms of litres. The purchase of alcohol from foreign online stores was very low, most likely due to enhanced monitoring by Customs, and decreased by almost 70 per cent in terms of litres. Our estimates indicate that total consumption of alcohol decreased during 2023.

Alko's 2023 sales developed almost in line with our forecast. The estimated reduction in total consumption was reflected as a decline in Alko's sales in litres (-4.1 per cent compared to 2022). Declining sales have required careful cost management. In terms of managing other operating expenses, we were highly successful considering the very challenging cost inflation environment. Other operating expenses decreased by 0.9 per cent on the comparison year. However, personnel expenses increased by 8.5 per cent due to a non-recurring item and higher general wage increases than in previous years. Average product prices excluding alcohol tax increased by 3.9 per cent, while net sales excluding taxes were only 0.4 per cent less than in 2022.

**ENHANCED AND STREAMLINED**

The project that had the greatest streamlining impact on in-store work in 2023 was the Smooth Working Day tour. The tour sought to provide insights and concrete practices for more efficient goods flows in our stores, as smoother working days free up more time for customer service.

During the tour, about 400 Alko experts were given training in Alko's standardised procedures for managing goods flows. The results have been excellent. Stockturn improved in spite of declining sales, and the use of automatic order recommendations was taken to a whole new level. Thousands more hours have been available for customer encounters

at chain level, and a significant amount of working capital has been freed up.

**SIGNIFICANT TAX REVENUES FOR SOCIETY**

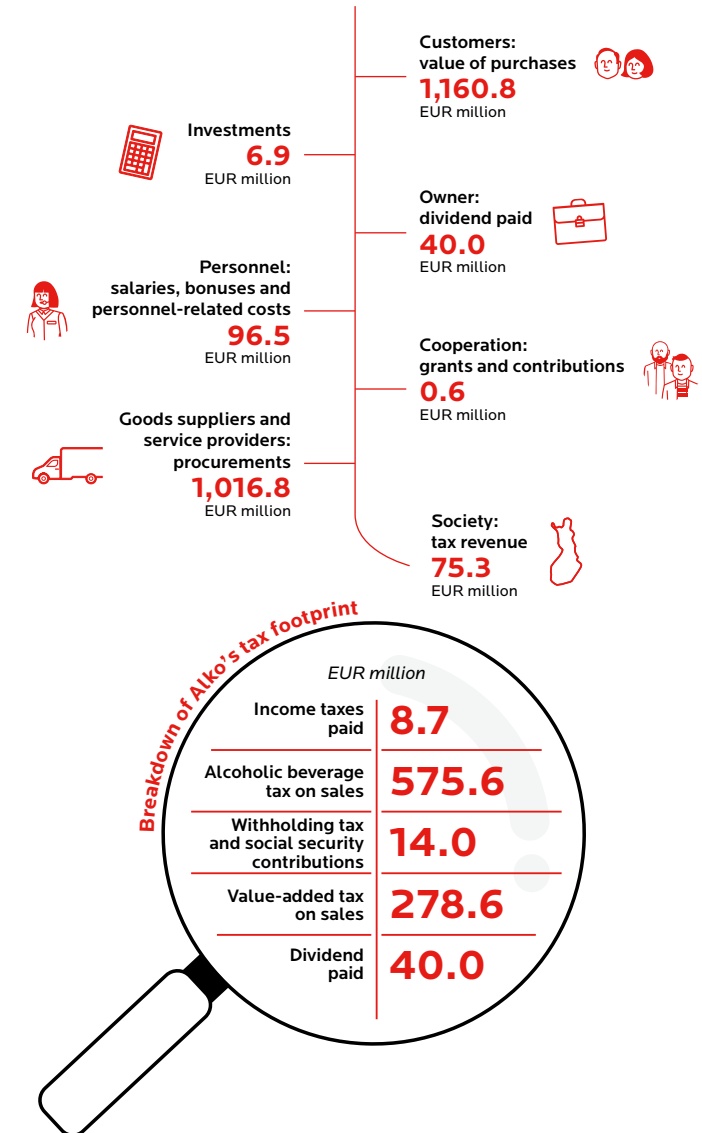
Alko's business operations accrue considerable tax revenue for society. In 2023, sales generated EUR 575.6 (599.8) million in revenue from alcohol tax and EUR 278.6 (285.0) million in VAT. Our suppliers pay the majority of the alcoholic beverage tax on products sold by Alko directly to the state.

Salaries and fees paid to personnel, including associated expenses, totalled EUR 96.5 million (89.0 million). Personnel expenses increased significantly as a result of higher general wage increases and a non-recurring item in the autumn. A simultaneous increase in pension indexes also required a very high payment for old supplementary pensions. Alko paid a total of EUR 8.7 (10.7) million in corporate tax.

Our tax affairs are headed by the Executive Vice President, Finance, who reports to the Board of Directors and its Audit Committee. In situations subject to interpretation, tax consultation services can be purchased from an external tax expert or the tax authorities can be requested to provide an advance decision. Alko does not engage in tax planning or channel its funds into foreign accounts, but instead pays taxes on all its earnings and product sales in accordance with Finnish law.

Alko cooperates with several associations and organisations. The impact of grants and contributions on full-year profit came to EUR 0.6 (0.8) million. Alko did not give grants or subsidies to political parties. Collaboration is primarily based on joint projects whose objectives are specified in cooperation agreements and action plans. Alko's Annual General Meeting decides on the recipients and maximum sum of Alko's annual donations.

**ECONOMIC ADDED VALUE RECEIVED BY VARIOUS STAKEHOLDERS FROM ALKO'S OPERATIONS IN 2023**





# GOVERNANCE

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# CORPORATE GOVERNANCE

Alko Inc. is a limited company owned by the Finnish State. Alko Inc.'s business activities are based on the Alcohol Act [1102/2017], the Government Decree on Implementation of the Alcohol Act [151/2018], the Decree of the Ministry of Social Affairs and Health on Enforcement of the Alcohol Act [158/2018], the Companies Act [624/2006], and Alko Inc.'s Articles of Association.

## OWNERSHIP AND CORPORATE GOVERNANCE

According to the Alcohol Act, Alko Inc.'s mandate is to undertake, with certain exceptions, the retail trade of alcoholic beverages prescribed exclusively for it, while aiming to reduce the adverse effects of alcohol consumption on those who consume it, other people and society as a whole.

Due to the special mandate assigned to Alko Inc., the Ministry of Social Affairs and Health is responsible for the ownership, steering and supervision of Alko Inc. Alko Inc. does not seek to make a profit or to compete with private companies. In accordance with its mandate, its mission is to reduce the harmful health and social impacts caused by alcohol.

The Ministry of Social Affairs and Health adheres to the Ownership Steering Act (1368/2007) and cooperates with the Ownership Steering Department of the Prime Minister's Office. [Alko's Corporate Governance principles are available on the company's website.](#)

## ETHICAL PRINCIPLES

Openness and transparency are the basis for all of Alko Inc.'s operations. Our Ethical Principles guide every Alko employee's ethical and responsibility-related activities in

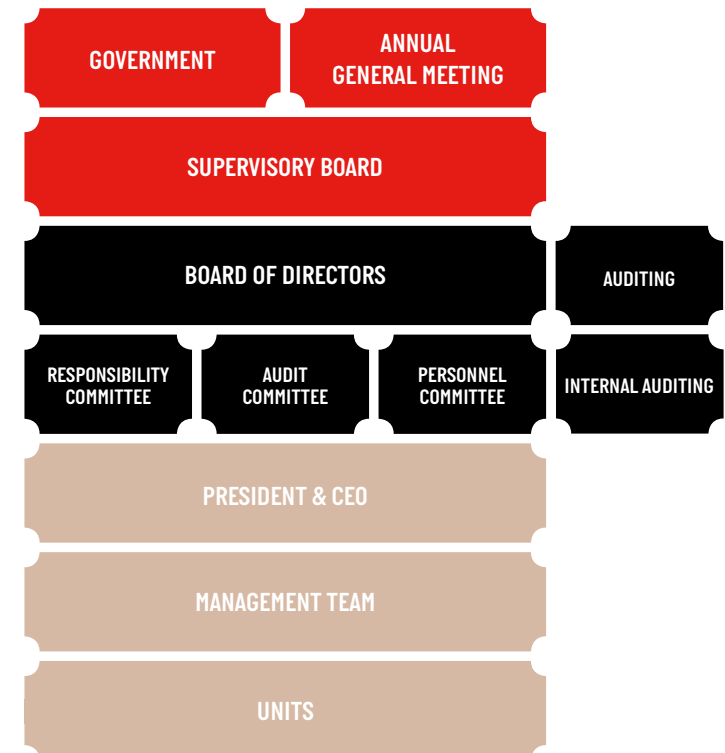
accordance with the company's values and principles. The key principles are integrity and legality, responsibility, a functional workplace community, transparency and equality, and a customer-oriented approach.

All personnel complete online training in Alko's Ethical Principles at regular intervals. The Ethical Principles are also included in the company's induction programme. Any changes to these principles are approved by the Board of Directors.

In accordance with our [ethical principles](#), Alko personnel may not accept or give any direct or indirect gifts or benefits that could be considered to be bribery or corruption, attempts to exert inappropriate influence, or contrary to the principles of equity. Alko Inc. requires all personnel to comply with the Ethical Principles and promote their realisation.

Alko's [Whistleblowing channel](#) provides another avenue for promoting responsible corporate culture. This channel can be used to report (anonymously if desired) any suspected violations of the law, official regulations, Alko's Ethical Principles or the amfori BSCI Code of Conduct. During 2023, there were no corruption-related legal cases in which Alko Inc. was the defendant.

## ALKO'S ORGANISATION



## AGM AND SUPERVISORY BOARD

### ANNUAL GENERAL MEETING

Alko Inc.'s Annual General Meeting must take place once a year before the end of June. The Ministry of Social Affairs and Health appoints a representative to the Annual General Meeting. The Annual General Meeting decides, in accordance with the Companies Act, on such matters as adoption of the financial statements, profit distribution, exemption from liability, the fees of members of the Supervisory Board, the election and fees of members of the Board of Directors, the election and fees of the auditors, and on whether to amend the Articles of Association. According to the Government Resolution on State Ownership Policy issued on 8 April 2020, state-owned companies must report the following to the Annual General Meeting: climate targets and any measures taken towards achieving them, and the achievement of significant social responsibility objectives and the measures taken towards achieving them. They must also describe their remuneration policy and justify any performance-related incentives that have been paid.

Alko Inc.'s Board of Directors elects to convene the Annual General Meeting. Notice of the meeting and its agenda are sent at least one week prior to the meeting.

### SUPERVISORY BOARD

Alko Inc.'s Supervisory Board consists of twelve members, which the Government appoints for four calendar years at a time. The Government also appoints the Chair and the Vice-Chair. The Supervisory Board's tasks are defined in the Alcohol Act and Alko Inc.'s Articles of Association.

#### The Supervisory Board's tasks are:

- to ensure that the company's affairs and administration are handled according to sound business principles, with an eye to profitability, and to ensure compliance with legislation, the provisions of the Articles of Association, the decisions of the Annual General Meeting and other approved instructions
- to give instructions to the Board of Directors in far-reaching matters of fundamental importance
- to monitor alcohol-related trends both in Finland and abroad and, on the basis of this, to issue general guidelines on how to develop the alcohol company's operations
- to ratify an action plan to reduce the harmful effects of alcohol (as specified in Section 1 of the Alcohol Act), and to issue a report on the company's retail sales (as specified in Section 24 of the Alcohol Act) and the measures taken to reduce the harmful effects referred to in the aforementioned Section
- to give the Annual General Meeting a statement concerning the company's financial statements and auditors' report

Alko Inc.'s Supervisory Board for the 2020–2023 term consisted of Arja Juvonen (Chair) and Hannakaisa Heikkinen (Vice-Chair) and, as members, Outi Alanko-Kahiluoto, Kim Berg, Petri Honkonen, Pauli Kiuru, Ari Koponen, Mats Löfström, Jari Myllykoski, Tom Packalén, Sari Sarkomaa and Tuula Väättäin. MP Jari Myllykoski requested to be released from his duties as a member of the Supervisory Board on 20 August 2021. On 24 August 2021, the Ministry of Social Affairs and Health appointed MP Aino-Kaisa Pekonen to replace Myllykoski for the remainder of his term of office. MP Petri Honkonen requested to be released from his duties as a member of the Supervisory Board on 21 April 2022. On 2 June 2022, the Ministry of Social Affairs and Health appointed MP Hannu Hoskonen to replace Honkonen for the remainder of his term of office.

Director Jari Keinänen has been representing the Ministry of Social Affairs and Health on the Supervisory Board. Representation of the Ministry of Social Affairs and Health on the Supervisory Board is decreed by Section 24 of the Alcohol Act. In addition, in accordance with the Government Resolution on State Ownership Policy given on 8 April 2020, personnel representatives participate in meetings of the Supervisory Board. The Supervisory Board meets approximately five times a year.



# BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors' task is to manage the company and its operations in an appropriate manner in accordance with legislation and the company's Articles of Association, the decisions of the Annual General Meeting, and the instructions issued by the Supervisory Board.

The Annual General Meeting elects the Chair and Vice-Chair of the Board plus a minimum of three and a maximum of six members. The composition of the Board takes the requirements placed on the company's activities into account. Some of its elected members work in leadership or managerial positions in sectors such as alcohol policy, wellbeing at work, and social and healthcare policy.

Prospective Board members must have the required competence, sufficient and diverse expertise, and complementary experience and knowledge of the sector.

Both genders are represented on the Board. The term of office for Board members lasts from their election until the end of the following Annual General Meeting. According to the Government Resolution on State Ownership Policy, the goal is to aim for a term of five, but no longer than seven, years. Two personnel representatives take part in the meetings without the right to vote. The Board of Directors is convened at the invitation of the Chair or Vice-Chair of the Board. The principles adhered to by the Board of Directors in their work are contained in the Board's approved rules of procedure.

## The key tasks of the Board of Directors include:

- to direct and oversee the company in accordance with the decisions of the Annual General Meeting, the Companies Act and Alko's Articles of Association
- to direct and oversee the company in accordance with alcohol-related statutes
- to approve the company's strategy
- to approve the annual budget and oversee its realisation
- to approve significant investments and the acquisition and sale of real-estate shares
- to approve the principles of internal monitoring and supervise their implementation and adequacy
- to approve risk management principles
- to approve the internal audit directive and the annual plan
- to supervise the independence and work of the auditors
- to prepare a proposal on the election of the auditors for the Annual General Meeting
- to review and approve the financial statements, annual report and half-year report
- to decide on the company's organisational structure and management system

- to appoint the President & CEO, Deputy CEO and other members of the Management Team, and to relieve them of their duties
- to decide on the salaries and other benefits of the President & CEO and other members of the Management Team
- to approve an incentive scheme for management and personnel
- to decide on strategic HR policies as part of the company's overall strategy
- to consider the results of the company's personnel surveys
- to approve the company's corporate governance and rules of procedure for the Board of Directors and its committees, and to review their contents annually
- to consider reports from Board committees
- to consider matters presented by Board members or the President & CEO
- to address issues related to regulatory control.

The Annual General Meeting of 3 April 2023 elected Laura Raitio as Chair of Alko's Board of Directors and Kirsi Varhila as Vice-Chair. Carolina Bade, Mikko Forsell, Antti Koivula,

Pekka Perttula and Ulrika Romantschuk were elected as Members of the Board. The previous Board consisted of Laura Raitio (Chair), Kirsi Varhila (Vice-Chair), Mikko Forsell, Kirsi Paakkari, Pekka Perttula, Markku Tervahauta and Ulrika Romantschuk Personnel representatives Riina Väntsi (Chair, Alkoholialan Toimihenkilöt ry) and Antti Turunen (Chair, ALV Union) attend the Board of Directors' meetings without the right to vote.

The Board of Directors met eight times during the year. The members of the Board of Directors are independent of the company, and the majority are independent of the company's owner. Antti Koivula is Director General of the Finnish Institute of Occupational Health and Kirsi Varhila is the Director of Satakunta Wellbeing Services County. Alko's President & CEO Leena Laitinen attends Board meetings, along with the Executive Vice President, Finance (Anton Westermarck) and Legal Counsel (Jonna Björklund) as Secretary.

## COMMITTEES OF THE BOARD OF DIRECTORS

Alko's Board of Directors has three committees: the Auditing, Personnel and Responsibility Committees. The Board appointed the current chairs and members of these committees at its meeting on 19 April 2023. The Board has established rules of procedure for each committee, and these include its key tasks and principles.

### AUDIT COMMITTEE

It is the Audit Committee's task to assist the company's Board of Directors in ensuring that the company's accounting

and financial administration is appropriately arranged, and that internal control, risk management, auditing and internal auditing are arranged in compliance with legislation, regulations and the policies approved by the company's Board of Directors.

The committee consists of a minimum of three and a maximum of five members of the Board of Directors. The committee's Chair must have adequate knowledge of accounting practices. The Audit Committee meets five or six times a year.

The Audit Committee consists of Mikko Forsell (Chair) and members Carolina Bade and Ulrika Romantschuk. The President & CEO (Leena Laitinen) and the Executive Vice President, Finance (Anton Westermarck) act as the committee's presiding officers, while the Head of Internal Audit (Sirkku Karjalainen) or the Executive Vice President, Finance (Anton Westermarck) acts as secretary for the committee. Lotta Väisänen, Head of Compliance, Legal and Indirect Procurement, also attends the meetings.

### PERSONNEL COMMITTEE

The Personnel Committee assists the Board of Directors in supervising and preparing the company's personnel policies and practices, and in organisational development. It also assists the Board in all tasks related to remuneration schemes and employment relationships.

The committee consists of at least three members of the Board of Directors. The Personnel Committee convenes approximately four times a year.

The Personnel Committee consists of Laura Raitio (Chair), Antti Koivula and Kirsi Varhila. Its Presiding Officer is Leena Laitinen (President & CEO) and its Secretary is the Executive Vice President, Human Resources.

### RESPONSIBILITY COMMITTEE

The Responsibility Committee assists and supports the company's Board of Directors and senior management in an advisory role in order to achieve social and health policy objectives in accordance with the Alcohol Act and to attain the company's other strategic targets for responsibility.

The committee consists of three or four members of the Board of Directors. Experts from the Ministry of Social Affairs and Health also attend committee meetings when necessary. The Responsibility Committee convenes four or five times a year.

The Responsibility Committee consists of Ulrika Romantschuk (Chair), Pekka Perttula and Antti Koivula. An expert from the Ministry of Social Affairs and Health also attends by invitation. Leena Laitinen (President & CEO) is the Committee's presiding officer and Maritta Iso-Aho (Executive Vice President, Communications) is its secretary.

# MEMBERS OF THE BOARD OF DIRECTORS



## LAURA RAITIO

b. 1962

Chair of the Board, Chair of the Personnel Committee  
Licentiate in Technology  
Member of the Board since 2021,  
Chair since 6 May 2022

### Positions of trust:

Raute Corporation, Chair of the Board (Member 2017–, Chair 2019–)  
Solidium Oy, Board Member (2019–)  
The Helsinki Deaconess Institute Foundation,  
Chair of the Board (2018–)  
Securities Market Association,  
Board Member (2019–)  
Unikie Oy, Board Member (2022–)  
Brita Maria Renlunds Minne sr,  
Board Member (2024–)



## KIRSI VARHILA

b. 1961

Vice-Chair of the Board  
Master of Political Science  
Director, Satakunta Wellbeing Services County  
Member of the Board 2014–2019,  
and again as of 1 June 2022

### Positions of trust:

Turku University Foundation,  
Member of the Supervisory Board (1 Jan 2020–)  
Turku University Foundation,  
Member of the Advisory Board (1 Mar 2021–)  
Member of the Advisory Board of the National Audit  
Office (1 Jun 2023–)

Maakuntien tilakeskus, Board Member (2023–)  
Hyvinvointialueyhtiö Hyvil Oy,  
Board Member (1 Dec 2022–1 Aug 2023)



## CAROLINA BADE

b. 1979

Member of the Board  
Master of Science (Economics)  
Vice President, Marketing, Fazer Confectionery  
Member of the Board since 2023

### Positions of trust:

Ab Shift Actions Oy, Board Member (2023–)



## MIKKO FORSELL

b. 1974

Member of the Board, Chair of the Audit Committee  
Master of Science (Technology),  
Master of Science (Economics)  
Verkkokauppa.com Oyj, CFO  
Member of the Board since 2022

### Positions of trust:

Haka Wood Oy, Board Member (2018–)



**ANTTI KOIVULA**

b. 1969  
 Member of the Board  
 Professor, Doctor of Science (Technology)  
 Director General, Finnish Institute of Occupational Health  
 Member of Alko Inc.'s Board since 2023

**Positions of trust:**  
 Hansel Oy, Board Member (2020–)  
 University of Jyväskylä,  
 Chair of the Board (2022–)  
 Parliamentary Social Security Committee, permanent expert member (2020–)  
 Partnership for European Research in Occupational Safety and Health (PEROSH), member of executive committee (2015–)  
 Committee of Director Generals of Government Agencies and Institutions, Member (2015–)  
 Ministry of Social Affairs and Health,  
 Member of the Group Management Team (2015–)  
 The Association for Finnish Work,  
 Member of the Board of Governors (2023–)  
 Finnish Partnership for Research Institutes (TULANET),  
 Board Member (2018–)  
 Advisory Board on Occupational Healthcare, Member (2021–)  
 State Treasury of Finland, Member of the Board of Advisors (2021–)



**PEKKA PERTTULA**

b. 1960  
 Member of the Board  
 Doctor of Political Science  
 Member of the Board since 2018

**Positions of trust:**  
 Maahenki Oy, Chair of the Board (2019–)  
 Foundation of the Joint Agricultural Committee, Board Member (1995–)  
 Alli Paasikivi Foundation,  
 Chair of the Board (Member 2014–, Chair 2022–)  
 Representative of the Maaseudun säätiö foundation (2023–)



**ULRIKA ROMANTSCHUK**

b. 1966  
 Member of the Board,  
 Chair of the Responsibility Committee  
 Bachelor of Political Science  
 Nordea Bank Plc, member of the Group Leadership Team, Head of Brand, Communications and Marketing  
 Member of the Board since 2017

**Positions of trust:**  
 Circus Helsinki, Chair of the Board (2014–)  
 Nordea Art Foundation Finland, Board Member (2023–)



**ANTTI TURUNEN**

b. 1974  
 Personnel representative  
 Salesperson  
 Chair of the ALV Union

**Positions of trust:**  
 Regional employee representative for the Helsinki Metropolitan Area, 2021–2024



**RIINA VÄNTSI**

b. 1973  
 Personnel representative  
 Customer Service Manager  
 Chair of Alkoholialan Toimihenkilöt ry

**Positions of trust:**  
 Trade Union PRO, Member of the Representative Assembly (2021–2024)  
 Trade Union PRO, Deputy Member of the Board of the Unemployment Fund (2021–2024)

# MANAGEMENT TEAM

The Management Team assists the President & CEO in leading the company and achieving its strategic and operational objectives.

## MANAGEMENT TEAM

Alko's Board of Directors appoints the President & CEO, the President & CEO's deputy, and the other members of the Management Team. The Management Team assists the President & CEO in leading the company and achieving its strategic and operational objectives. The Team also prepares the company's strategy and budget, and any other matters that need to be presented to the Board of Directors. The task of the Management Team is to monitor financial performance, business operations and the implementation of operational decisions, and to ensure competence development and an excellent employee experience.

The following were members of the company's Management Team in 2023: Leena Laitinen (President & CEO), Kari Pennanen (Deputy CEO and Executive Vice President, Stores and Facilities), Maritta Iso-Aho (Executive Vice President, Communications), Heli Hassinen-Biberger (Executive Vice President, Human Resources) until 7 August 2023, Anu Koskinen (Executive Vice President, Assortment and Procurement), and Anton Westermarck (Executive Vice President, Finance). Kari Pennanen was Acting Executive Vice President, Human Resources from 7 August to 31 December 2023. Anu Nurro was appointed Executive Vice President, Human Resources as of 1 January 2024. The Management Team meets regularly, on average twice a month.

All the members of the company's Management Team and any other persons who have been authorised to represent the company have fully declared their commitments. On the basis of these declarations, all of the aforementioned members and representatives are independent of the company's stakeholders.

## PRESIDENT & CEO

It is the task of the President & CEO to manage the company's business operations in accordance with legislation, the company's Articles of Association, and the instructions issued by the Board of Directors. The CEO also ensures that decisions taken by the Annual General Meeting, Supervisory Board, and Board of Directors are carried out. A deputy CEO has been appointed.

The terms and conditions of the President & CEO's service are specified in a written service contract approved by the Board of Directors. The CEO's pension benefits are determined in line with the Employees Pensions Act (TyEL). The period of notice for termination of the President & CEO's service contract is six months.



# MANAGEMENT TEAM MEMBERS



## LEENA LAITINEN

b. 1970  
 Master of Science (Economics)  
 President & CEO  
 Joined Alko in 2017

### Principal employment history:

Snellman Group, CEO (2013–2017)  
 SOK, Executive Vice President, Consumer Goods (2009–2013)  
 SOK, Prisma, Chain Director (2007–2009)  
 SOK, Managing Director, Estonia (2006–2007)  
 SOK, AS Prisma Peremarket, Managing Director, Estonia (2004–2006)  
 Keskimaa OSK, Prisma Manager (2000–2004)  
 Osuuskauppa PeeÄssä, Prisma Manager (1997–2000)  
 Osuuskauppa PeeÄssä, Customer Service Manager (1996–1997)

### Current positions of trust:

Ilmarinen Mutual Pension Insurance Company, Board Member (2018–)  
 Service Sector Employers PALTA,  
 Member of the Electoral Committee (1 Jan 2022–)  
 Suomen Viljava Oy, Chair of the Board (Member 2021–, Chair 2022–)  
 Atria Plc, Board Member (2021–)  
 Finland's Central Union for Child Welfare,  
 Chair of the Board (1 Jan 2022–)  
 Children's Day Foundation, Chair of the Delegation (1 Jan 2022–)



## MARITTA ISO-AHO

b. 1964  
 Master of Administrative Sciences, eMBA  
 Executive Vice President, Communications  
 Joined Alko in 2008

### Principal employment history:

Eurest Finland Oy, Chief Operating Officer (2007–2008)  
 Silta Oy, Director of Sales and Marketing (2006–2007)  
 Fazer Amica Oy, Director of Marketing and Vice Managing Director (2004–2006)  
 Confederation of Finnish Industries, Economic Policy Officer (2002–2004)  
 Amica Ravintolat Oy, Administrative Manager, Administrator, Head of Development (1994–2002)  
 Kulinaari Ravintolat Oy, Administrator (1990–1993)

### Current positions of trust:

Katri Antell Oy, Board Member (2011–)  
 A-Clinic Foundation, Board Member (2009), Vice-Chair (2022–)  
 A-Clinic Ltd, Board Member (2022–)



## ANU KOSKINEN

b. 1972  
 Master of Science (Economics)  
 Executive Vice President, Assortment and Procurement  
 Joined Alko on 1 July 2020

### Principal employment history:

Oy Transmeri Ab, Director (2016–2020)  
 Lumene Oy, Director, Skincare Business (2013–2016)  
 Lumene Oy, Head of Product Portfolio (2011–2013)  
 GlaxoSmithKline Oy, Business Manager (2010–2011)  
 L'Oréal Finland Oy, Marketing Manager (2007–2010)  
 L'Oréal Finland Oy, Sales Director (2003–2007)  
 L'Oréal Finland Oy, Marketing Manager (2000–2003)  
 L'Oréal Finland Oy, Product Manager (1998–2000)  
 Procter & Gamble Finland Oy, Product Specialist (1997–1998)

### Current positions of trust:

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**KARI PENNANEN**

b. 1964

Master of Social Science, eMBA, Certified Real Estate Manager  
 Vice President, Stores and Online, and Acting Executive Vice President,  
 Human Resources 7 August – 31 December 2023  
 Joined Alko in 1989

**Principal employment history:**

Alko Inc., District Manager (1997–2003)  
 Alko Inc., Shop Manager (1992–1997)  
 Alko Inc, Supervisor Preparation Trainer (1989–1991)  
 Kesko Corporation, Marketing Consultant (1988–1989)

**Current positions of trust:**

Kiinteistö Oy Arkadiantalo, Board Member (2020–)



**ANTON WESTERMARCK**

b. 1968

Master of Science (Economics)  
 Executive Vice President, Finance, IT and Supply Chain  
 Joined Alko in 2014

**Principal employment history:**

Oy Gustav Paulig Ab, Finance Director (2012–2014)  
 Novo Nordisk, Regional Finance Director (2006–2012)  
 Novo Nordisk, Controlling Manager (2002–2006)  
 Novo Nordisk, Business Development Director (2002)  
 Siemens Building Technologies, Finance & Admin Manager (1999–2002)  
 France Telecom/Global One, Country Controller (1995–1999)  
 ISS Servisystem Oy, Finance Manager (1993–1995)  
 ISS Servisystem Oy, Financial Assistant (1991–1993)

**Current positions of trust:**

Kiinteistö Oy Arkadiantalo, Chair of the Board (2014–)  
 Leijona Catering Oy, Board Member and Chair of the Auditing  
 Committee (4/2018–)  
 Confederation of Finnish Industries EK,  
 Finance and Tax Committee member (2019)

# SALARY AND REMUNERATION REPORT 2023

## SUPERVISORY BOARD

The 2023 Annual General Meeting decided on the following fees for members who were present at Supervisory Board meetings:

- Chair of the Supervisory Board EUR 1,000 per meeting
- Vice-Chair of the Supervisory Board EUR 800 per meeting
- Member of the Supervisory Board EUR 700 per meeting

In accordance with the decision made at the Annual General Meeting of 3 April 2023, members of the Supervisory Board who attend Board meetings via telecommunication connections and technical means (Teams/remotely) will be paid meeting fees as follows:

- Chair of the Supervisory Board EUR 500 per meeting
- Vice-Chair of the Supervisory Board EUR 400 per meeting
- Member of the Supervisory Board EUR 350 per meeting

The Supervisory Board convened five times in 2023.

Meetings – attendance rates and fees paid:

Member of the Supervisory Board	Attendance at meetings, %	Fees, EUR
Arja Juvonen, Chair	100%	5,000
Hannakaisa Heikkinen, Vice-Chair	100%	4,000
Outi Alanko-Kahiluoto, member	100%	3,500
Kim Berg, member	100%	3,500
Hannu Hoskonen, member	0%	0
Pauli Kiuru, member	100%	3,500
Ari Koponen, member	80%	2,800
Mats Löfström, member	100%	3,150
Tom Packalén, member	80%	2,800
Aino-Kaisa Pekonen, member	100%	3,500
Sari Sarkomaa, member	100%	3,150
Tuula Väättäin, member	80%	2,450
<b>Total</b>		<b>37,350</b>

Fees for 2023 are reported in accordance with the number of meetings held during the year.

## BOARD OF DIRECTORS

The 2023 Annual General Meeting decided on the following fees for members of the Board of Directors:

- Chair of the Board EUR 2,750 per month
- Vice-Chair of the Board EUR 1,300 per month
- Member of the Board EUR 1,100 per month

In addition, an attendance fee of EUR 600 per meeting was paid to all Board members who attended Board meetings and an attendance fee of EUR 600 per meeting was paid to all committee members who attended Board Committee meetings.

The Board of Directors convened eight times in 2023. The committees convened a total of 14 times.

Meetings – attendance rates and fees paid:

Member of the Board	Attendance at Board meetings, %	Monthly fees, EUR	Board meeting fees, EUR	Committee meeting fees, EUR	Fees in total, EUR
Laura Raitio, Chair	100%	33,000	4,800	3,000	40,800
Kirsi Varhila, Vice-Chair	100%	15,600	4,800	2,400	22,800
Carolina Bade, member as of 3 April 2023	100%	9,900	3,600	2,400	15,900
Mikko Forsell, member	100%	13,200	4,800	3,000	21,000
Antti Koivula, member as of 3 April 2023	100%	9,900	3,600	3,000	16,500
Kirsi Paakkari, member until 2 April 2023	100%	3,300	1,200	1,800	6,300
Pekka Perttula, member	100%	13,200	4,800	3,000	21,000
Ulrika Romantschuk, member	100%	13,200	4,800	6,000	24,000
Markku Tervahauta, member until 2 April 2023	100%	3,300	1,200	2,400	6,900
<b>Total</b>		<b>114,600</b>	<b>33,600</b>	<b>27,000</b>	<b>175,200</b>

Fees for 2023 are reported in accordance with the number of meetings held during the year.



## REMUNERATION FOR THE PRESIDENT & CEO AND THE MANAGEMENT TEAM

Alko's monetary compensation consists of a basic salary, personnel benefits and a strategy incentive scheme that covers all personnel. Personnel receive incentives for achieving the key objectives in Alko's strategy. Remuneration is not based on sales growth or the company's financial result, but on the strategic objectives derived from the company's mission.

Strategy-related remuneration adheres to the Government Resolution of 8 April 2020. Incentives are based on the company's strategic objectives and their indicators. The 2022–2023 strategy incentives for staff were a maximum of 6–16 per cent of their annual salary (depending on their job description), and a maximum of 30 per cent of annual salary for senior management and the CEO. The strategy incentive for 2022 was paid to staff and management in spring 2023, and the strategy incentive for 2023 will be paid in spring 2024. The Board of Directors will decide on the Personnel Committee's proposal on the strategy incentive scheme, indicators, objectives and incentives to be paid to the CEO, management and staff.

The aspects and indicators of the strategy incentive scheme (STI) for the CEO, Management Team and staff in 2023:

Strategic priority	Indicators
World-class service Weighting 25–40%	Data & Marketing Association of Finland's Customer Index Study (customer experience), company level Customer satisfaction, company level
Alko is the home of responsibility Weighting 25–45%	ESG, company level Carbon footprint, company level Reputation survey, company level
Business on a sustainable footing Weighting 10–15%	Costs/net sales
Weighting 10–40%	Unit-specific strategic objectives

In addition to the short-term strategy incentive scheme (STI), the CEO and Management Team also had long-term incentive schemes (LTI) in 2019–2021 and 2020–2022. Both of these long-term incentive schemes ended on 31 December 2020 in accordance with the Government Resolution on State Ownership Policy of 8 April 2020. The indicators for the long-term incentive scheme were Taloustutkimus Oy's National Customer Service Feedback Survey (KAP) and the reputation index in T-media Oy's Reputation&Trust survey. These indicators have not been simultaneously set as indicators for the CEO and Management Team's STIs. The last incentives for LTI schemes were paid in 2023.

Incentives totalling EUR 2.50 (2.28) million were paid to personnel and management in 2023, which accounted for 3.4 (3.2) per cent of personnel costs.

# REMUNERATION PAID TO THE PRESIDENT & CEO AND THE MANAGEMENT TEAM IN 2023

## SALARIES AND WAGES

EUR	Total salary, including benefits in kind			Short-term incentive (STI)			Long-term incentive (LTI)*		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
President & CEO	347,792	353,193	356,157	86,244	15,401	52,686	53,998	28,064	14,170
Other members of the Management Team	850,850	836,763	816,226	185,329	58,748	123,777	81,766	49,985	30,224
Total	1,198,642	1,189,956	1,172,384	271,573	74,149	176,463	135,764	78,049	44,394

\*LTI schemes ended on 31 Dec 2020. The last incentives for LTI schemes were paid in 2023.

## PENSIONS AND NOTICE PERIODS

	Retirement age	Pension benefits	Period of notice
President & CEO	Retirement age in line with earnings-related pension scheme legislation (TyEL)	Pension in line with earnings-related pension scheme legislation (TyEL)	By the President & CEO 6 months, and by the company 6 months
Other members of the Management Team	One member 61 years  One member: Retirement age is in line with earnings-related pension scheme legislation Three members: Retirement age in line with earnings-related pension scheme legislation (TyEL)	Pension equivalent to 66% of annual wages  TyEL insurance and additional pension based on 10% of annual salary  Pension in line with earnings-related pension scheme legislation (TyEL)	By Management Team Member 3 months and by the company 4–6 months

## ANNUAL PAYMENTS OF ADDITIONAL PENSIONS

EUR*	2021	2022	2023
President & CEO	-	-	-
Other members of the Management Team	109,078	118,955	163,697
Total	109,078	118,955	163,697

\* Does not include potential refunds

# INTERNAL CONTROL AND RISK MANAGEMENT

We employ effective internal controls and risk management to prepare for both strategic and operational risks.

## CONTROL

The Ministry of Social Affairs and Health supervises compliance with the Alcohol Act and the rules and regulations issued under it. The National Supervisory Authority for Welfare and Health (Valvira) makes an annual report to the European Commission on the extent to which Alko Inc., as the holder of the sole right to sales of alcoholic beverages in Finland, has observed the required impartiality and transparency in its relations with suppliers. This report also takes account of a statement made by the Finnish Competition Authority. The National Supervisory Authority for Welfare and Health Valvira supervises the alcohol company's retail sales. In issues concerning Alko's decisions on the stocking, destocking and pricing of alcoholic beverages, appeals may be made to Valvira, the Administrative Court and the Supreme Administrative Court.

It is the Board's responsibility to approve the principles of internal control and supervise its implementation and adequacy. Operative management is responsible for the organisation, steering and practical arrangement of internal controls. Alko's internal control system seeks to ensure the appropriate organisation of operations, efficiency, reliable financial and operative reporting, and compliance with regulations and operating principles.

## RISK MANAGEMENT

Alko's Board of Directors approves the company's risk management policy and supervises the adequacy and effectiveness of its risk management measures. The President & CEO is, with the assistance of the Management Team, responsible for risk management policy and its enforcement, and also for ensuring that risk management is appropriately arranged. Alko's risk management is based on systematically

and proactively analysing and managing the threats and opportunities related to its activities. These risks are classified as strategic and operational risks.

The Management Team regularly assesses risks that may impact on its future development and profitability. Named persons are then assigned to manage these risks by defining preventative measures and ensuring their implementation.

## THE MOST CRITICAL RISKS

- A change in Alko's position as a result of alcohol legislation.
- A weakening in Alko's service, so that it no longer meets customer needs.
- Alko's special mandate is not clear to consumers and stakeholders.
- Operational responsibility: selling alcohol to minors or intoxicated people in violation of the principles of responsible customer service, environmental and social responsibility risks in the alcoholic beverage supply chain.
- Employee retention, the availability of new personnel, and competence development.
- Business interruptions caused by disruptions in ICT services and cybercrime.

The company's reporting is based on Finnish Accounting Standards (FAS) and accounting guidelines and financial rules governing internal reporting. Alko's Finance Unit is responsible for the financial reporting process and the development of its supervision practices, and also for ensuring compliance with financial reporting legislation and regulations. The Executive Vice President, Finance reports on the company's financial results and forecasts at meetings of the Audit Committee and Board of Directors.

## COMPLIANCE

Compliance works with management and the company's internal control, business and support functions to ensure that Alko operates in accordance with both the law and its internal guidelines. Its task is to coordinate, develop and monitor the risk management system. It is also Compliance's responsibility to analyse and monitor the overall risk picture and bring any required measures to management's attention for discussion and decision-making. The compliance function ensures that both the Board of Directors and operative management receive comprehensive and clear reports about risks. Compliance makes reports on its activities and observations to both the Management Team and Audit Committee.

## INTERNAL AUDITING

The internal audit audits the company's governance and stores, and reviews the findings with senior management. Using these results, the internal audit evaluates the company's risk management, operational standards, management processes, and the adequacy and effectiveness of its internal controls in accordance with the operating principles approved by the Board of Directors. Internal auditing is an independent function that administratively falls under the authority of the President & CEO and reports to the Board of Directors.

## AUDITING

The company has one auditor, which must be a firm of authorised public accountants approved by the Central Chamber of Commerce in Finland. The auditor's term of office is one financial year and the auditor's work ends upon completion of the next Annual General Meeting following its election. In spring 2023, the Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of Authorised Public Accountants, as the company's auditor with Tiina Puukkoniemi, Authorised Public Accountant, as chief auditor.

## Auditor

Tiina Puukkoniemi  
b. 1982  
Chief Auditor, Authorised Public Accountant,  
PricewaterhouseCoopers Oy

# ALKO'S MATERIALITY THEMES

Alko's materiality assessment seeks to identify the most significant aspects of responsibility for Alko and its stakeholders. Taking stakeholders' expectations into consideration is an important element of both our management system and drawing up our strategy and action plans. We engage in continual dialogue with our stakeholders in order to gain a deeper understanding of our society and the challenges it faces. Alko also engages in dialogue not only with organisations but also with customers, personnel, suppliers, political decision-makers and the media. In addition to suppliers, a significant role is played by companies, organisations, associations and other influential parties who operate either directly or indirectly in the international supply chain. For example, local associations in the beverage industry are important partners in terms of the effectiveness of our activities.

## ALKO'S MATERIALITY ASSESSMENT WAS UPDATED IN 2023

Alko updated its materiality assessment in summer 2023. The previous update was in 2021.

Stakeholder studies and other materials that were prepared for use in Alko's strategy work were used as a basis for the update. Representatives of Alko's key stakeholders were also interviewed and a workshop was held for suppliers. Alko's material aspects were determined in collaboration with FitComm and Prior Konsultointi. The material aspects of Alko's responsibility efforts are described in the [materiality matrix](#).

Our material aspect management follows Alko's responsibility management model. Alko sets clear annual targets for both responsible operations and their development. The responsibility working group handles the development projects and measures relating to responsibility. The Management Team reviews responsibility issues that are of key relevance to the strategy and action plan.

The leader of each business unit and support function bears responsibility for operational management. Alko's Board of Directors regularly reviews the key responsibility measures that are prepared by the Board's Responsibility Committee. The Supervisory Board approves the annual plan for responsibility measures and presents a report on the actions carried out during the previous year. The President & CEO reports on the implementation of the responsibility plan to Alko's General Meeting. The AGM decides on the maximum amount of donations to be granted by the company.

The assessment identified the following material themes for Alko:

1. Preventing and reducing the harmful effects of alcohol
2. Mitigating climate change
3. Ensuring human and labour rights in the production chain
4. Responsible selection
5. Responsible employer

6. Safeguarding biodiversity
7. Ethical, transparent operations and financial responsibility
8. Promoting the circular economy

In addition to these identified materialities, the report also contains other information about sustainable development that is of interest to Alko's stakeholders. The aspect boundaries for the identified materialities were assessed with regard to their financial, social and environmental impact on Alko's value chain.

Material aspects	Aspect boundary
Preventing and reducing the harmful effects of alcohol	Alko, society
Mitigating climate change	Alko, supply chain
Ensuring human and labour rights in the production chain	Alko, supply chain
Responsible selection	Alko, supply chain
Responsible employer	Alko, society
Safeguarding biodiversity	Alko, supply chain
Ethical, transparent operations and financial responsibility	Alko, supply chain

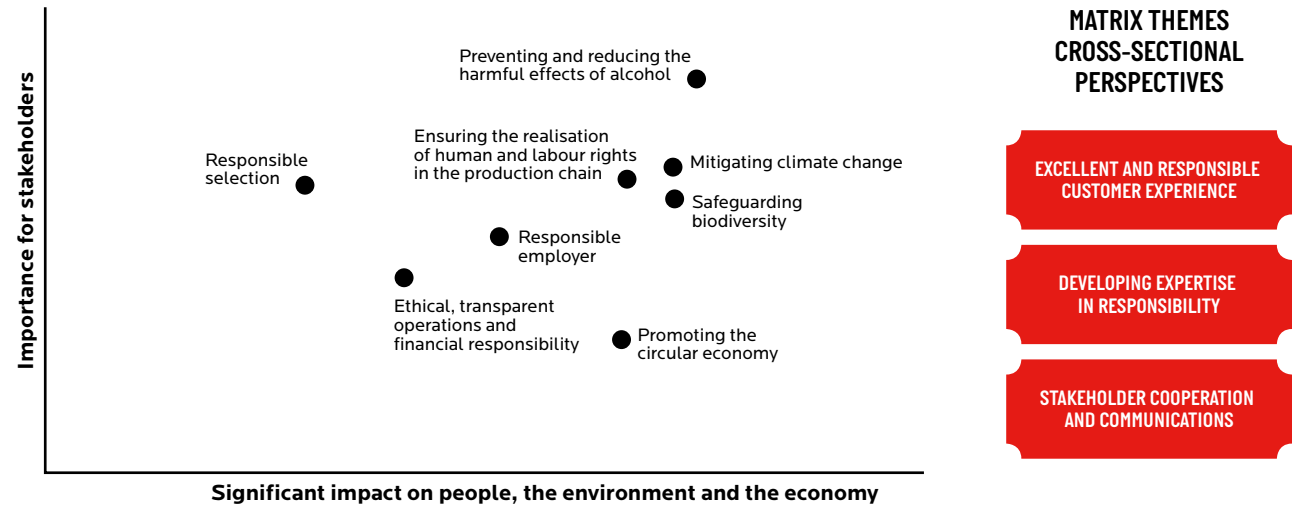
# REPORTING PRINCIPLES

Alko has published an annual report in accordance with international Global Reporting Initiative (GRI) Standards since 2004. As the GRI reporting guidelines changed on 1 January 2023, we will be reporting in accordance with these GRI Standards from 2022 onwards. Alko also complies with the Ministry of Health and Social Affairs' ownership steering strategy; the Government Resolution on State Ownership Policy (8 April 2020); the Non-Financial Reporting Directive; and the Guidelines for the Reporting of the Country-Specific Taxes of Majority State-Owned Companies (2022). The report is published in Finnish and English, and is only available as a PDF. The report has not been externally assured.

## ASPECT BOUNDARIES

The Alko Group consists of Alko Inc. (the parent company) and three subsidiaries (joint-stock property companies) that are specified in the Notes to the Financial Statements. The information presented in the report is based on statements made in support of the company's operational activities and the figures from the audited accounts and financial statements. The report covers all of Alko's operations.

The information on economic responsibility is based on Alko's financial reports, accounts and adopted financial statements. The indicators for social responsibility are drawn from HR systems, payroll systems, service providers and accounts. The figures for environmental responsibility are largely drawn from our own systems and service providers. Personnel figures are calculated according to the Accountancy Board's general guidelines for the preparation of annual reports.



The materiality matrix describes the most material themes in Alko's responsibility efforts from the perspective of both stakeholders and Alko itself.

The Corporate Governance section adheres to the applicable sections of the Finnish Corporate Governance Code.

The financial statements were prepared in accordance with Finnish Accounting Standards (FAS).

## CALCULATION PRINCIPLES FOR ALKO'S CORPORATE RESPONSIBILITY INDICATORS

### Own aspect: climate friendly packaging materials, material efficiency and recycling

Alko's indicator of sales of packages is the percentage of sales accounted for by different package types and materials. The quantities of beverage packages sold by Alko are obtained from Alko's Data Platform using the Power BI reporting system, which provides sales statistics by package type.

### Own aspect: carbon dioxide emissions from beverage packaging

The indicator for carbon dioxide emissions from beverage packaging is tons per million litres of beverages sold (tCO<sub>2</sub>/million litres of beverages sold). The quantities of beverage packages sold by Alko are obtained from Alko's Data Platform using the Power BI reporting system, which provides sales statistics by package type. Emissions from beverage packaging are calculated using the climate analysis tool created for Alko by Gaia Consulting.

### Own aspect: supporting informed purchase decisions

Environmental product information (aka Green Choice labelling) is based on information from Alko's product management system: biodynamic, certification of sustainable development, organic and environmentally responsible packaging. Sales and statistics for these products are reported

using the Power BI reporting system, which retrieves data from Alko's Data Platform. Indicators are used to track both the number of Green Choice products sold and their share of total sales in terms of litres.

#### **TOTAL ELECTRICITY CONSUMPTION IN STORES AND AT HEAD OFFICE**

Data on electricity consumption is automatically received from the electricity vendor or property system, or is calculated retrospectively using invoices in the property management system (Granlund Manager). There is no consumption data available for about 15 stores, either because the landlord does not invoice on the basis of consumption or invoices an estimated amount due to faulty measurements. In the absence of exact consumption data, we use an estimate based on the type and size of the store, lighting technology and other in-store equipment. Emissions from electricity consumption are calculated using the climate analysis tool that was created for Alko by Gaia Consulting.

#### **CARBON DIOXIDE EMISSIONS FROM IMPORTS**

These figures are obtained by collating data from the emission reports supplied by our import partners.

#### **CARBON DIOXIDE EMISSIONS FROM DOMESTIC DISTRIBUTION TO STORES**

These figures are obtained by collating data from the emissions reports supplied by the transport companies that Alko uses.

#### **PACKAGING WASTE**

Data for this indicator (packaging materials collected from Alko stores with return transports) is compiled from the Power BI system by outputting all store warehouse events (returns) for received products. The weights of cardboard and plastic have been measured for each transport unit, such as a pallet or mini dolly. The volumes of each packaging material delivered to a store are added up and multiplied by the assumed weight, and the figures for each material are added together.

#### **CHECKS OF AGE LIMITS AND SUSPECTED CASES OF INTOXICATION AND HANDOVERS OF ALCOHOLIC BEVERAGES**

Each time a salesperson checks whether the customer is legally allowed to buy alcohol, they enter the check in the point-of-sale system with a shortcut key. This information is stored in Alko's Data Platform and is reported on using the Power BI reporting system.

#### **MYSTERY SHOPPING**

Alko measures the annual success of age-limit checks using mystery shopping, in which age-limit supervision is tested with visits by test customers aged 18–23.

#### **MEASURES TO ENSURE RESPONSIBLE PROCUREMENT**

Alko monitors compliance with ethical operating principles in the supply chain with the aid of amfori BSCI audits and other third-party sustainability visits, and also through collaboration with its contractual partners. Data on audit results is collected from amfori BSCI's database. In order to formulate an

overview of the situation, Alko receives reports on other visits made by external parties in accordance with the agreed principles, usually as a combination of site-specific reports and region-specific summaries. The figures for training, workshops or other similar forms of cooperation are obtained from Alko's own systems, service providers and partners.

#### **STAKEHOLDERS FOR THIS REPORT**

The most important stakeholders for this report include our owner, national and local policymakers, our customers and employees, civic organisations, authorities, suppliers, the media and the research community.

#### **REPORTING PERIOD AND CONTACT INFORMATION**

This report presents the results of our corporate social responsibility efforts in 2023. The 2022 report was published in April 2023.

For additional information, contact Alko's communications unit:

Virpi Valtonen, Sustainability Specialist  
([virpi.valtonen@alko.fi](mailto:virpi.valtonen@alko.fi)) or

Emilia Jantunen, Communications Specialist  
([emilia.jantunen@alko.fi](mailto:emilia.jantunen@alko.fi)).

# MANAGING MATERIAL ASPECTS OF RESPONSIBILITY

Responsibility aspect	Impacts on the environment, people and the economy	Policies and commitments	Measures and impacts	Links
<b>Preventing and reducing the harmful effects of alcohol</b>	Preventing the harmful effects of alcohol in society, in communities and at individual level; promoting a responsible drinking culture in accordance with Alko's statutory special mandate	The Alcohol Act, Alko's strategy, responsibility action plan, rules for sales supervision	Championing wellbeing through collaborative projects, uncompromising sales supervision, donations to alcohol research, communications that promote a responsible drinking culture, an anti-substance abuse programme for Alko staff	<a href="#">Social role</a> <a href="#">Harmful effects of alcohol in daily life</a> <a href="#">Communications about topics</a>
<b>Mitigating climate change, safeguarding biodiversity, promoting the circular economy</b>	Climate study: beverage production, beverage packaging manufacture and international logistics account for a significant proportion of emissions in the value chain; in addition to reducing emissions, preventing biodiversity loss and promoting the circular economy will help to mitigate climate change	Environmental policy, Nordic environmental roadmap, Sustainable Wine Round Table and Bottle Weight Accord, Global Compact	ISO 14 001 environmental system, targets in line with the Science Based Targets initiative, measures in line with Alko's climate roadmap, Green Choice products, participation in the Global Compact Science Based Targets for Nature	<a href="#">Climate roadmap</a> <a href="#">Environmental responsibility</a> <a href="#">Beverage packaging roadmap</a> <a href="#">Green Choice</a> <a href="#">International commitments to climate action</a>
<b>Ensuring human and labour rights in the production chain</b>	Human rights management, human rights impact assessments, preventing human rights risks, and in particular during seasonal work and the primary production of the main raw materials for beverages in the supply chain	Human rights policy, Alko's strategy, responsibility action plan, amfori BSCI membership and the amfori Code of Conduct, declaration of human rights, UN Guiding Principles on Business and Human Rights, NAM HRDD roadmap, operating model for responsible procurement, membership in the Global Compact.	Operating model for responsible procurement, competence development measures in the supply chain (such as responsibility training), follow-up measures in the supply chain, Nordic HRDD cooperation, and other stakeholder cooperation with, for example, trade organisations	<a href="#">Human rights in Alko's supply chain</a> <a href="#">Roadmap for promoting social responsibility in the supply chain</a>
<b>Responsible employer</b>	Health, wellbeing and competence	Alko's strategy, HR policy, Alko's Ethical Principles, Global Compact	Occupational health and safety, competence management, personnel surveys, diversity programme, diversity working group and survey, service assistants, accessibility analysis (including head office)	<a href="#">Accessibility</a>
<b>Responsible selection</b>	Enabling customers to make responsible choices	The Alcohol Act, Alko's strategy, selection strategy	Selection of non-alcoholic beverages, selection of different package sizes, Green Choice and Ethical concepts in product communications, product information	<a href="#">Green Choice symbols</a> <a href="#">Ethical symbols</a>
<b>Ethical, transparent operations and financial responsibility</b>	Openness and transparency of operations	Corporate Governance, Ethical principles, human rights policy, risk management, Global Compact	Strategy, good governance, Financial Statements, ethical principles as part of onboarding and online training in ethical principles	<a href="#">Corporate Governance</a> <a href="#">Ethical Principles</a>

# GRI INDEX 2023

Statement on the application of GRI Standards: Alko Inc. has reported on the information specified in this GRI content index for the period 1 January–31 December 2022 in accordance with GRI Standards.

GR 1 Applying the reporting principles: GRI 1: Reporting principles 2021

Key figure	GRI content	Location	Additional information	Version
	<b>GRI 2: General disclosures</b>			<b>2021</b>
2-1	Organisational details	<a href="#">Alko in brief, Back cover</a>		
2-2	Entities included in the organisation's sustainability reporting	<a href="#">Reporting principles</a>		
2-3	Reporting period, frequency and contact point	<a href="#">Reporting principles</a>		
2-4	Restatements of information		No significant changes. Any adjustments have been reported in conjunction with the tables.	
2-5	External assurance		The sustainability information contained in the report has not been verified by an independent external party. The quality and reliability of corporate responsibility information is monitored with internal controls and reporting processes. Alko is preparing to verify its sustainability information in accordance with future EU reporting requirements.	
2-6	Activities, value chain and other business relationships	<a href="#">Alko's value creation model</a> , <a href="#">Operating environment</a> <a href="#">Effective action to promote wellbeing</a>	Alko's supply chain consists of thousands of operators on different continents. In addition to beverage suppliers, it contains producers, farmers, cooperatives, industry associations and other organisations and stakeholders. Of the almost 943 beverage suppliers who operate through Alko, 277 are domestic and 666 are international. Beverages are usually purchased through beverage suppliers, but Alko also imports some beverages itself. Supply chains extend from the store shelf all the way to primary production in the production chain. Partnerships with a variety of parties support Alko's mission and strategic targets. No significant changes occurred in the company's operations, value chain or partner network during the year.	
2-7	Personnel		Average number of personnel during the year: 2,398. Average number of employees with permanent contracts during 2023: 2,178. Women 1,677 (77%), men 501 (23%). Average number of employees with fixed-term contracts during 2023: 228. 178 (78%) women, 50 (22%) men. No employees had contracts with variable working hours (aka zero hour contracts) in 2023. There were no significant changes in the number of employees during 2023.	
2-8	Workers who are not employees		In addition to its own personnel, Alko's operations are supported by other people in a variety of positions. A total of 132 people (women 76%, men 24%) did work for Alko in 2023. These people worked in a variety of positions within the store network.	
2-9	Governance structure and composition	<a href="#">Corporate Governance</a> <a href="#">Board of Directors and committees</a> <a href="#">Members of the Board of Directors</a>		
2-10	Nomination and selection of the highest governance body	<a href="#">Board of Directors and committees</a>	The Annual General Meeting elects the Chair and Vice-Chair of the Board plus a minimum of three and a maximum of six members. The composition of the Board is prepared by the Ministry responsible for the company's ownership steering. The election of the Board members adheres to the guidelines of the Government Resolution on State Ownership Policy, which also include compliance with equality objectives and the diversity of the Board of Directors. The composition of the Board takes the requirements placed on the company's activities into account. Some of its elected members work in leadership or managerial positions in sectors such as alcohol policy, wellbeing at work, and social and healthcare policy. Prospective Board members must have the required competence, sufficient and diverse expertise, and complementary experience and knowledge of the sector. Both genders are represented on the Board. The term of office for Board members lasts from their election until the end of the following Annual General Meeting. Two personnel representatives take part in the meetings without the right to vote. The Board of Directors is convened at the invitation of the Chair or Vice-Chair of the Board. The principles adhered to by the Board of Directors in their work are contained in the Board's approved rules of procedure.	
2-11	Chair of the highest governance body		The Chair of the Board of Directors is not a member of senior management.	



Key figure	GRI content	Location	Additional information	Version
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Internal control and risk management, Board of Directors and committees</a>	The Responsibility Committee of Alko's Board assists and supports the company's Board of Directors and senior management in an advisory role in order to achieve social and health policy objectives in accordance with the Alcohol Act and to attain the company's other strategic targets for responsibility. Alko's Board of Directors approves the company's risk management policy and monitors that risk management measures are adequate and effective. The Board of Directors examines sustainability impacts as part of its supervisory role. The Board of Directors' duties and corporate governance are described in more detail in Alko's <a href="#">Corporate Governance 2023</a> .	
2-13	Delegation of responsibility for managing impacts	<a href="#">Alko's materiality themes, Corporate Governance, Board of Directors and committees</a>	The responsibility working group handles the development projects and measures relating to responsibility. The Management Team reviews responsibility issues that are of key relevance to the strategy and action plan. The leader of each business unit and support function bears responsibility for operational management. Alko's Board of Directors regularly reviews the key responsibility measures that are prepared by the Board's Responsibility Committee. The Supervisory Board approves the annual plan for responsibility measures and presents a report on the actions carried out during the previous year. The President & CEO reports on the responsibility actions at Alko's Annual General Meeting. According to the Government Resolution on State Ownership Policy issued on 8 April 2020, state-owned companies must report the following to the Annual General Meeting: climate targets and any measures taken towards achieving them, and the achievement of other quantifiable social responsibility objectives.	
2-14	Role of the highest governance body in sustainability reporting	<a href="#">Corporate Governance, Board of Directors and committees</a>	Alko's Board of Directors regularly discusses key responsibility measures, such as the most important aspects of responsibility as identified by the Board's Responsibility Committee on the basis of the materiality analysis. The Supervisory Board approves the annual plan for responsibility measures and presents a report on the actions carried out during the previous year. The President & CEO reports on the implementation of the responsibility plan to Alko's General Meeting. Alko's Board of Directors approves Alko's ethical principles (and any amendments to them), the Financial Statements, the Report of the Board of Directors, and the half-year report. The Annual Report contains information about Alko's most significant impacts on the environment, economy and people, as well as information about its responsibility efforts and responsibility management. Half-year reports cover progress in responsibility work.	
2-15	Conflicts of interest	<a href="#">Corporate Governance</a>	Alko has ethical principles for preventing conflicts of interest. All employees and all members of Alko's Board of Directors and Management Team must comply with these principles. The interests of Board and Management Team members are reviewed every six months.	
2-16	Communication of critical concerns	<a href="#">Corporate Governance</a>	Alko's Whistleblowing channel provides another avenue for promoting responsible corporate culture. All reports of suspected misconduct that are made through the whistleblowing channel are reported to the Board of Directors' Audit Committee. The Audit Committee handles all cases regardless of their criticality. None of the cases reported via the whistleblowing channel in 2023 were classified as critical. The internal audit also evaluates the company's risk management, operational standards, management processes, and the adequacy and effectiveness of its internal controls in accordance with the operating principles approved by the Board of Directors. Internal auditing is an independent function that administratively falls under the authority of the President & CEO and reports to the Board of Directors.	
2-17	Collective knowledge of the highest governance body		In addition to regularly discussing responsibility measures, the Board of Directors is provided with periodic reviews of the material aspects of Alko's responsibility work. The Board also discusses responsibility topics at more informal meetings. The criteria for appointing members of the Board of Directors is described in Alko's <a href="#">Corporate Governance 2023</a> .	
2-18	Evaluation of the performance of the highest governance body		Regular discussion of responsibility measures is one of the duties of Alko's Board of Directors. Every year, the Board assesses the independence of its members, evaluates the effectiveness of its activities and procedures, and judges its success in accomplishing its task. The duties of Alko's Board of Directors are described in more detail in the company's <a href="#">Corporate Governance 2023</a> .	
2-19	Remuneration policies	<a href="#">Remuneration Report, Our shared Alko, suitable for me</a>	Alko's monetary compensation consists of a basic salary, personnel benefits and a strategy incentive scheme that covers all personnel. Personnel receive incentives for achieving the key objectives in Alko's strategy. The strategic incentive scheme has targets related to responsibility. According to the Government Resolution on State Ownership Policy given on 8 April 2020, state-owned companies must describe their remuneration policy to the Annual General Meeting and justify any performance-related incentives that have been paid.	
2-20	Process to determine remuneration	<a href="#">Remuneration report</a>	No external remuneration consultants have been used to determine remuneration.	
2-22	Statement on sustainable development strategy	<a href="#">President and CEO's review, Alko is a different kind of store</a>		

Key figure	GRI content	Location	Additional information	Version
2-23	Policy commitments	<a href="#">Working together for human and labour rights, Managing material aspects of responsibility</a>	Alko is committed to all international declarations of human rights and complies with the UN Guiding Principles on Business and Human Rights. Alko is a member of the international organisation amfori BSCI, and the company's operating model is based on amfori's Code of Conduct. These ethical principles are operating principles that guide all Alko personnel in accordance with the current values and principles for responsible operations that have been approved by Alko's management. They cover the entire company, from store level right up to senior management, and everyone must comply with and promote these principles on a practical level. The Ethical Principles are available on Alko's <a href="#">website</a> .	
2-24	Embedding policy commitments	<a href="#">Working together for human and labour rights, Managing material aspects of responsibility</a>		
2-25	Processes to remediate negative impacts		Alko Inc. is a limited company owned by the Finnish State. Alko is a State instrument for implementing alcohol policy, and its operations are regulated by Parliament through the Alcohol Act. The Ministry of Social Affairs and Health is responsible for Alko's ownership steering. Responsibility for its external supervision lies with the National Supervisory Authority for Welfare and Health Valvira, the Finnish Competition and Consumer Authority, and the Regional State Administrative Agency. Valvira also reports to the EU Commission.	
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Corporate Governance</a>		
2-27	Compliance with laws and regulations		No legal sanctions were placed on Alko's operations during 2023.	
2-28	Membership associations	<a href="#">Open and fact-based dialogue with our stakeholders</a>		
2-29	Approach to stakeholder engagement	<a href="#">Open and fact-based dialogue with our stakeholders</a>		
2-30	Collective bargaining agreements		Alko adheres to two collective agreements: The collective agreement for store personnel signed by the ALV Union and Service Sector Employers PALTA, and the collective agreement for salaried personnel signed by Alkoholilain Toimihenkilöt ry and Service Sector Employers PALTA. Alko adheres to these collective agreements in all employment contracts, except those in which a person's terms and conditions of employment have been agreed on using an executive employment contract. 99.8% of Alko employees are covered by collective agreements.	
<b>GRI 3: Material topics</b>				<b>2021</b>
3-1	Process to determine material topics	<a href="#">Alko's materiality themes, Reporting principles</a>		
3-2	List of material topics	<a href="#">Alko's materiality themes, Reporting principles</a>		
<b>ECONOMIC TOPICS</b>				
<b>GRI 201: Economic performance</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
201-1	Direct economic value generated and distributed	<a href="#">Strong performance in a challenging cost environment</a>		
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Internal control and risk management, Environmentally friendly choices</a>	Risks and opportunities have not been reported in terms of monetary estimates or actual figures.	
201-4	Financial assistance received from government		Alko does not receive financial assistance. Alko is owned by the Finnish government.	
<b>GRI 203: Indirect economic impacts</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
203-2	Significant indirect economic impacts	<a href="#">Strong performance in a challenging cost environment</a>		
<b>GRI 205: Anti-corruption</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Corporate Governance</a>		
205-3	Confirmed incidents of corruption and actions taken	<a href="#">Corporate Governance</a>		
<b>GRI 206: Anti-competitive behaviour</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		There were no legal actions, fines or other consequences arising from competition regulations in 2023.	

Key figure	GRI content	Location	Additional information	Version
<b>ENVIRONMENTAL IMPACTS</b>				
Own aspect: climate-friendly packaging materials, material efficiency and recycling	Own aspect: climate friendly packaging materials, material efficiency and recycling	<a href="#">Environmentally friendly choices</a>		
Own aspect: carbon dioxide emissions from beverage packaging	Own aspect: carbon dioxide emissions from beverage packaging	<a href="#">Environmentally friendly choices</a>		
Own aspect: supporting informed purchase decisions	Own aspect: supporting informed purchase decisions	<a href="#">Alko in brief</a> <a href="#">Towards a more sustainable selection</a> , <a href="#">Environmentally friendly choices</a>		
<b>GRI 302: Energy</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
302-1	Energy consumption within the organisation	<a href="#">Environmentally friendly choices</a>		
<b>GRI 305: Emissions</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Environmentally friendly choices</a> , <a href="#">Reporting principles</a>		
<b>GRI 306: Waste</b>				<b>2020</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
306-1	Waste generation and significant waste-related impacts	<a href="#">Environmentally friendly choices</a> , <a href="#">Reporting principles</a>		
306-2	Management of significant waste-related impacts	<a href="#">Environmentally friendly choices</a> , <a href="#">Reporting principles</a>		
306-3	Waste generated	<a href="#">Environmentally friendly choices</a> , <a href="#">Reporting principles</a>		
<b>SOCIAL IMPACTS</b>				
Own aspect: The responsible retail sale of alcohol	Own aspect: The responsible retail sale of alcohol	<a href="#">We sell alcohol in a responsible manner</a>		
<b>GRI 401: Employment</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
401-1	New employee hires and employee turnover	<a href="#">Our shared Alko, suitable for me</a>	Turnover 2023: 15.8%	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Our shared Alko, suitable for me</a>	The type of employment contract has no effect on how employee benefits are determined.	
<b>GRI 402: Labour/management relations</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
402-1	Minimum notice periods regarding operational changes	<a href="#">Our shared Alko, suitable for me</a>	Change negotiations on employee reductions comply with the minimum notification period (five days) and negotiation period (14 days/six weeks) specified in the Cooperation Act. The cooperation agreements are attached to both collective agreements. They specify the purpose and objectives of the cooperation to be complied with at Alko and the parties involved. The cooperation agreements also specify the regulations governing the consultative committee. Alko's consultative committee comprises both employer representatives and representatives from both personnel organisations.	
<b>GRI 403: Occupational health and safety</b>				<b>2018</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
403-1	Occupational health and safety management system	<a href="#">Our shared Alko, suitable for me</a>	All employees are covered by an occupational safety organisation. We comply with the Occupational Health and Safety Act and the Occupational Healthcare Act.	

Key figure	GRI content	Location	Additional information	Version
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Our shared Alko, suitable for me</a>	Each Alko location assesses occupational safety risks on a quarterly basis as set out in the annual calendar. Any deficiencies identified during risk assessment are assigned to a supervisor who is responsible for development measures to eliminate occupational safety hazards and to develop occupational safety. Carrying out risk assessments is part of the employee induction programme. Workplace accidents reported by the business locations are investigated by the occupational protection organisation. Accidents that occur during work commutes are not investigated – it is more challenging to influence them, as we cannot affect the environment outside our own locations.	
403-3	Occupational health services	<a href="#">Our shared Alko, suitable for me</a>	Alko's occupational healthcare services have been organised at a national level and cover all personnel. Occupational healthcare plays an important role in preventing and combating health hazards caused by work and working conditions, and in promoting and protecting employees' health, safety and working capacity. Occupational healthcare conducts regular workplace surveys.	
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Our shared Alko, suitable for me</a>	The collective agreement includes an occupational safety agreement. Alko has a company-level occupational safety committee that includes representatives of personnel groups. Consists of: 6 representatives of waged staff/salespeople, 3 representatives of salaried staff, 3 representatives of the employer.	
403-5	Worker training on occupational health and safety	<a href="#">Our shared Alko, suitable for me</a>	Employees are given induction in occupational health and safety issues. In addition, all employees receive safety training and online training on topics related to health and working capacity. Regular training on working capacity management is also organised for supervisors. Subcontractors are responsible for this with regard to their own employees in cooperation with Alko.	
403-6	Promotion of worker health	<a href="#">Our shared Alko, suitable for me</a>	In addition to statutory occupational healthcare, Alko provides extensive occupational healthcare services, medical treatment, specialised medical treatment and wellbeing services.	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Working together for human and labour rights</a>	Alko's goods suppliers commit to Alko's responsibility requirements by approving amfori BSCI's Code of Conduct and the principle of due diligence contained therein.	
403-8	Workers covered by an occupational health and safety management system	<a href="#">Our shared Alko, suitable for me</a>	Everyone working for Alko is covered by its occupational health and safety management system.	
<b>GRI 404: Training and education</b>				<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
404-1	Average hours of training per year per employee	<a href="#">Our shared Alko, suitable for me</a>	Average hours of training per employee in 2023: 34.6 hours. This information cannot currently be reported by gender or role. We are enhancing our reporting to address this issue.	
404-2	Programmes for upgrading employee skills and transition assistance programmes	<a href="#">Our shared Alko, suitable for me</a>	Coaching is provided as required during transitions, and supervisors are offered support for managing transitions. No significant transitions occurred in 2023. The company does not have transition training programmes for retirement.	
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Our shared Alko, suitable for me</a>	Target and competence discussions are held regularly at Alko, 1–2 times a year. All personnel take part in these discussions.	
<b>GRI 405: Diversity and equal opportunity</b>				<b>2016</b>
3-3	3-3 Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
405-1	405-1 Diversity of governance bodies and employees	<a href="#">Our shared Alko, suitable for me</a> <a href="#">Board of Directors and committees,</a> <a href="#">Management Team</a>	The diversity of personnel groups is shown in the Personnel in figures section of the Annual Report.	
405-2	405-2 Ratio of basic salary and remuneration of women to men		Basic salaries for store staff are determined in accordance with the salary tables contained in the applicable collective agreement. The remuneration system for store staff is skill-based, and Alko compensates staff for both demonstrable expertise and competence development. The competence assessment process is an integral part of the remuneration system, and every salesperson's competence is assessed annually. Basic salaries for employees in expert and supervisory positions are determined on the basis of position-specific competence requirements, actual competence and performance. The HAY System's classifications and contractual salary grades are applied to office staff. The classification factors are divided into know-how, accountability and problem-solving. Store group supervisors are covered by a contractual salary system in which their minimum salary is determined on the basis of the store group's net sales and customer numbers. In 2023, Alko conducted a salary analysis as part of its diversity plan, and determined the basic salary level for men and women working in the same position or comparable positions (tasks within the same competence classification). The grounds for remuneration are the same, regardless of gender. The salary analysis did not detect any significant differences in the remuneration paid to employees working in the same or comparable positions.	

Key figure	GRI content	Location	Additional information	Version
	<b>GRI 406: Non-discrimination</b>			<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
406-1	Incidents of discrimination and corrective actions taken		No reported cases in 2023.	
	<b>GRI 407: Freedom of association and collective bargaining</b>			<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Working together for human and labour rights</a>		
	<b>GRI 414: Supplier social assessment</b>			<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
414-1	New suppliers that were screened using social criteria	<a href="#">Working together for human and labour rights</a>	All of Alko's product suppliers sign a Code of Conduct and receive responsibility training when they offer products for the selection. Suppliers and producers of beverages in Alko's general selection are subject to assessment. Information about the product supply chain is collected, and measures are mainly targeted at high-risk areas in terms of social responsibility. Producers are audited on the basis of risks. The company has not kept any statistics on the percentage accounted for by new suppliers with respect to these risks.	
	<b>GRI 415: Public policy</b>			<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
415-1	Political contributions	<a href="#">Strong performance in a challenging cost environment</a>		
	<b>GRI 416: Customer health and safety</b>			<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Towards a more sustainable selection</a>	Products in the general and seasonal selections and large special editions undergo sensory evaluation. All products must be laboratory tested before being included in the selection. In the case of the general and seasonal selections, this testing is always performed at Alko's own laboratory. In addition, product quality is monitored with a risk-based quality control programme and customer feedback.	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There were no public consumer recalls of products in 2023.	
	<b>GRI 417: Marketing and labelling</b>			<b>2016</b>
3-3	Management of material topics	<a href="#">Managing material aspects of responsibility</a>		
417-1	Requirements for product and service information and labelling		A total of 1,941 (1,863) label mark inspections were performed.	



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# 2023 REPORT OF THE BOARD OF DIRECTORS

Alko Inc. is a wholly state-owned company with a special mandate to sell alcoholic beverages responsibly and to serve customers and the Finnish welfare society in an optimal manner. The company's service network consists of 372 stores, an online shop, a mobile app and 126 pick-up points for online orders.

Alko's strategy is steered by the company's purpose ("Responsible enjoyment"), its customer promise ("World-class customer service") and its way of working ("Worthy of trust"). Alko is a different kind of store, as it seeks to operate cost-effectively rather than to maximise sales. Personnel wellbeing and continual competence development are integral to Alko's activities. Our good employee experience is reflected in our excellent and responsible customer service.

Alko is a platform through which approximately 940 beverage suppliers (of which more than 200 are Finnish) can sell alcohol. Each Alko store will stock between 300 and 3,000 products depending on the size of the store. 80 per cent of a store's selection is controlled at chain level, while the remaining 20 per cent can be freely selected to suit the local customer base. The full selection of more than 1,000 products is available to customers nationwide via the Alko online shop.

According to the Opinions on Alcohol Policy survey carried out by the National Institute for Health and Welfare and Verian, Finns took a tougher stance on alcohol policy during 2023. 68 (62) per cent of Finns consider the restrictions imposed by alcohol policy to be suitable or would like to see tighter restrictions, while 26 (29) per cent would like to relax the restrictions. Only 21 (25) per cent want to see wines in grocery stores if that would also mean that spirits could be sold in grocery stores. Respondents considered Alko to be the second most reliable social operator after the police.

## FINANCIAL DEVELOPMENT

There were no coronavirus restrictions in place during 2023, and this had an impact on alcohol sales channels. Traveller's private imports rose by more than 40 per cent in terms of litres, while purchases from foreign online shops decreased by nearly 70 per cent. This fall is most likely a result of Customs' enhanced monitoring of online alcohol sales. 76.9 million litres of beverages were purchased from Alko, which was 4.1 per cent less than in the previous year. The long-term downswing in total alcohol consumption was forecast to continue in 2023. The National Institute for Health and Welfare will publish consumption statistics later in the spring.

Net sales including alcohol tax decreased by 2.2 per cent to EUR 1,160.8 (1,187.3) million. Net sales excluding tax

were almost on par with the comparison year, decreasing by 0.4 per cent to EUR 585.0 (587.3) million. The average price of products sold at Alko increased by 3.9 per cent on the previous year. The tax on alcoholic beverages did not increase during 2023, which means that tax-inclusive net sales fell slightly more than tax-exclusive net sales. Tax-inclusive sales fell in all main product groups.

Fixed costs were equivalent to 26.9 per cent of net sales. The costs/net sales indicator increased by 1.2 percentage points on 2022, mainly on the back of an increase in personnel expenses. Personnel costs increased by 8.5 per cent on the comparison year. Part of this increase was due to a general salary settlement in which personnel were paid a non-recurring payment in addition to a general wage increase. This increased personnel expenses by almost EUR 2 million. A significant pension liability index increase also affected Alko's supplementary pension obligations for the second year in a row with regard to employment contracts signed before 1992. This increased personnel expenses by EUR 4 million. Indirect personnel costs also increased. However, careful use of HR resources has controlled the impact of general increases in personnel costs.

Other operating expenses decreased by 0.9 per cent on the comparison year, and totalled EUR 54.0 million. Rents

## KEY FIGURES

	2021	2022	2023
Net sales, EUR million	1,290.3	1,187.3	1,160.8
Operating profit, EUR million	67.6	49.9	42.7
Proportion of net sales, %	5.2	4.2	3.7
Profit before appropriations and taxes (EUR million)	69.3	48.3	44.5
Proportion of net sales, %	5.4	4.1	3.8
Return on equity, %	49.6	39.0	41.7
Return on investment, %	62.1	49.0	51.9
Equity ratio, %	37.5	32.3	31.5
Current ratio	1.3	1.2	1.2
Gross investments in fixed assets, EUR million	5.1	7.4	6.9
Proportion of net sales, %	0.4	0.6	0.6
Average number of personnel during the financial year	2,472	2,436	2,398

accounted for more than 40 per cent of other operating expenses. Alko mainly operates in rented premises and most rental contracts are tied to the cost of living index. Rents increased by EUR 1.4 million. The proactive management of other operating expenses generated consistent savings across all expense categories compared to 2022.

Operating profit totalled EUR 42.7 (49.9) million, representing 7.3 per cent of net sales exclusive of alcohol tax. In spite of falling sales volumes, Alko's operating profit was better than in 2019, the last pre-pandemic year (EUR 40.7 million).

Changes in the interest rate environment strengthened financial income. Financial income and expenses totalled EUR 1.7 (-1.6) million. Income from bond funds was clearly positive. The profit before taxes for the financial year was EUR 44.5 (48.3) million.

The introduction of standardised procedures for store order and delivery processes significantly boosted working capital management during the year. This improvement was particularly evident in inventories, whose value decreased by an average of EUR 7.0 million, and stockturn improved by 1.4 units. At year-end, the equity ratio stood at 31.5 per cent, representing a fall of 0.8 per cent on the comparison period.

Investments totalled EUR 6.9 (7.4) million. The largest investments were made in developing the store network, enhancing the product information management system and modernising payroll administration.

### OPERATING ENVIRONMENT AND IMPACT ON OPERATIONS

Trends and changes in Alko's operating environment that are affecting Alko's activities include the increasingly individual needs of customers, the growing importance of wellbeing, the challenges faced by the welfare society, the fight

against climate change and biodiversity loss, ensuring financial sustainability, and alcohol-related items in the Government Programme.

### Individual customer needs

Customers expect effortless, high-quality, and more personalised service in all channels. Alko is developing its service in an omnichannel direction. The Alko mobile app has already been downloaded more than 288,000 times and about 20 per cent of online orders are being made via the app. Consumers are interested in local selections that are tailored to their specific needs. The Alkotoive (Alko wish) service enables customers to request their local Alko store to stock products from the company's full selection of more than 11,000 products.

The health and wellbeing trend is still going strong, and is being reflected in a greater interest in non-alcoholic and low-alcohol beverages. Alko offers more than 350 non-alcoholic beverages and an increasing number of both low-alcohol beverages and smaller package sizes.

### Challenges faced by the welfare society

The challenges faced by the Finnish welfare society include inequality, loneliness, the crisis in healthcare and social services, and a level of social exclusion among young people. Alcohol has a major impact on the aforementioned challenges, as it causes society annual costs of about EUR 1.6 billion. In accordance with its mandate, Alko prevents



the harmful effects of alcohol and promotes a responsible drinking culture. According to a statement from the World Health Organisation, the methods employed in the Nordic model – taxation, marketing regulations and limiting the availability of alcohol – effectively reduce the harmful effects of alcohol.

#### **Fighting climate change and biodiversity loss**

Action to mitigate climate change requires input from all parties in the value chain. Alko is taking action to reduce climate emissions throughout the value chain in cooperation with its suppliers and the other Nordic alcohol monopolies. Alko has committed to climate targets (such as Science Based Targets) and has set stricter sustainability requirements for its suppliers. Our aim is to work with our suppliers to increase the proportion of products in Alko's selection that are packed in lightweight and low-emission packaging. In autumn 2023, Alko launched a programme to analyse the overall impacts of its operations on nature in more detail. Conserving biodiversity and promoting the circular economy will continue to be important themes in our environmental action alongside emission reductions.

#### **Changes in working life**

Different age groups have polarised attitudes and expectations with regard to work. In today's workplaces, diversity and equality are the norm. Employees are increasingly appreciative of flexibility in both their work and working hours. The use of technology and artificial intelligence is also increasing in the service sector. Alko has launched a strategic project, Evolving Work, in which we will cooperate with personnel to find solutions to the changes occurring in working life.

#### **Business sustainability and impact**

The importance of both digital services and data utilisation is growing. Sustainability-related regulation is increasing.

Alko's digital services are being further developed and data is being utilised more effectively in order to manage business operations and sustainability, and to improve the effectiveness of our development measures.

#### **Alcohol-related items in the Government Programme**

In early 2024, the tax on wines and strong alcoholic beverages was increased and the tax on beer was reduced. The Government Programme notes that Alko should retain its special position and public-health function. In line with its programme, the Government presented a legislative proposal to Parliament on 14 February 2024. The proposed legislation would allow fermented alcoholic beverages of maximum 8 per cent alcohol by volume to be sold in grocery stores. This change would affect products that account for about four per cent of Alko's sales in litres, and would reduce Alko's sales. The Government is also preparing to allow home deliveries of alcohol in autumn 2024. In accordance with the Government Programme, a joint report from the Ministry of Social Affairs and Ministry of Economic Affairs and Employment on derestricting the sale of wines of 15 per cent alcohol by volume will be published in time for the Government's spring budget proposal. Alko's Board of Directors has reviewed various scenarios and assessed their impact on Alko's business and finances.

#### **OUR STRATEGY: OUR SHARED ALKO**

The strategy "Our shared Alko" has been systematically implemented after being approved by the Board in autumn 2022. This strategy has also been continuously assessed and has proven to be effective. Alko's strategy is steered by its purpose ("Responsible enjoyment"), its customer promise ("World-class customer service") and its way of working ("Worthy of trust"). Our strategy's four focus areas are: 1. World-class service in all channels, 2. Our shared Alko, suitable for me, 3. Business on a sustainable footing, and 4. Responsibility in everything we do.

#### **World-class service in all channels**

Alko continued to develop its service network and digital customer experience with the aim of providing even smoother omnichannel service. In 2023, Alko's service network consisted of 372 (373) stores, 126 (134) pick-up points, the online shop and the mobile app. A new store was opened in the Kivistö district of Vantaa during the year. Two stores were closed: Helsinki Itis Stockmann and Tampere Puutarhakatu.

A total of 50.7 (52.1) million customers shopped at Alko. At the end of the year, the online shop had a total of 269,000 (243,000) registered customers and the mobile app had 288,000 (232,000) users. The number of online orders rose by 10 per cent compared to the previous year. Through the Alkotoive (Alko wish) service, customers can request a product – either from Alko's selection or otherwise – to be stocked by a specific store. 31,000 requests were made during 2023, of which about 44 per cent were fulfilled.

Alko's service is assessed in the Customer Index Study, which is drawn up by the Data & Marketing Association of Finland and conducted by nSight Oy. This study compares the customer experience of companies operating in Finland. In 2023, Alko was ranked second in the comparison of all companies, and number one in the retail sector. Alko's average score was 82.5 (82.4, maximum 100).

The Net Promotor Score (NPS) for online customer satisfaction rose to 82 (80.1). The number of contacts received by the customer service centre fell by 5.7 (-6.0) per cent on the previous year. The customer service centre received a total of 70,000 (80,000) customer contacts in 2023 and an NPS of 83 (82).

#### **The world in a glass**

Alko's selection featured drinks from 79 (80) countries. The company bought beverages from 943 (919) suppliers.

Alko's sales (in litres) consisted of 13,403 (13,476) different products in 2023. Stores carry an average selection of 1,100 products. The smallest Alko store has 340 products and the largest 3,500 products.

We list new products for sale on a weekly basis. Including seasonal products and special editions, 666 (648) new products were added to the general selection in 2023. 1,451 (1,589) new products were added to the sale-to-order selection. Alko's selection had 413 (382) non-alcoholic beverages at the end of the year.

We measure customer satisfaction with Alko's selection twice a year using a Selection Satisfaction Survey (carried out by Dagmar Drive). Selection satisfaction was high, with a score of 8.58 out of 10 (2022 score 8.56).

Alko is preparing for an amendment to the Alcohol Act in which the maximum alcohol content of beverages that can be sold in grocery stores will rise from 5.5% to 8%. This amendment will increase the number of products than fall outside Alko's special mandate. As a speciality store for alcoholic beverages, Alko wants to continue to be relevant shop for all product groups and will therefore be enhancing its selection of brewery products in accordance with customer feedback and requests.

A new supplier portal was opened in autumn 2023. All of the information and services required by suppliers are now available via a single log-in. Updates to our product information management system are currently ongoing.

#### **Alko is the home of responsibility**

At Alko, responsibility management is goal-oriented and strategy-driven. Responsibility is managed through three areas: Community: Taking care of wellbeing, Environment: Sustainable Consumption and Together: Act and make a

difference. These areas cover all of Alko's operations based on our primary role as a responsible retailer of alcohol.

Alko aims to be a forerunner in sustainability, and our ESG success is assessed in the Reputation&Trust survey. The average index value of Alko's three assessments was 3.51 (3.49) on a scale of 1–5), which is well above the average of 3.32 for Finnish companies.

#### **Key policies and commitments**

The key policies and principles that steer Alko's operations include corporate governance; environmental, risk management, information security, data protection and human rights policies; responsible procurement principles; and climate targets for sustainable development.

Since 2012, we have been involved in amfori BSCI, a responsible procurement organisation whose responsible procurement policy is followed at Alko. Alko joined the Science Based Targets (SBT) initiative and committed to a science-based climate-emission target that is in line with the Paris Agreement. Alko's aim is to halve emissions from its entire value chain by 2030. A target of zero emissions has been set for 2050.

To support our SBT commitment, we also signed the Sustainable Wine Roundtable's Bottle Weight Accord to help us reduce the average weight of glass wine bottles to 420 grams, the limit for a lightweight bottle. A lightweight glass bottle generates about 25 per cent fewer emissions than a traditional glass bottle.

Alko is committed to respecting all internationally recognised human rights in accordance with the UN Guiding Principles on Business and Human Rights. Alko also joined the UN Global Compact to help us manage our responsibility

more effectively. Alko's human rights policy was approved in December.

#### **Our mission is to reduce the harmful effects of alcohol**

Alko's mission to prevent the harmful effects of alcohol is reflected throughout the company's operations. In accordance with its annually approved sustainability plan, Alko supports alcohol-related research and collaborates with organisations and other partners. Financial support for research, projects and donations totalled approximately EUR 0.6 million.

Our efforts to prevent loneliness continued in collaboration with our main partners, HelsinkiMissio and MIELI Mental Health Finland. Loneliness prevention services were organised and developed with financial support from Alko. Alko awarded grants to three equal sports clubs in collaboration with the Finnish Paralympic Committee. Alko and the TAHTO Centre for Finnish Sports Culture launched a partnership aimed at addressing the relationship between sport, exercise and alcohol from the perspective of health and wellbeing.

Communications about alcohol and health were circulated in Alko's stores and digital channels. "Alcohol and sleep" was a reminder that alcohol is a hindrance to recovery. We also shared expert tips on mental and physical recovery, and what to do if you are concerned about your own or a loved one's alcohol consumption Wellbeing themes reached over three million Finns through a variety of channels.

In customer service, our mission to prevent the harmful effects of alcohol was reflected in our uncompromising sales supervision. Our goal is to ensure that alcoholic beverages are not sold to minors, anyone who is clearly intoxicated or behaving in a disruptive manner, or anyone who intends to hand over beverages to someone else. We ensure that our

targets are achieved by means of mystery shopping carried out by external parties and by registering checks of age limits and suspected cases of intoxication and handovers in our POS system. Our success rate in age-limit mystery shopping was excellent. The combined score for all stores was 98.3% (97.3%, target 97%). The result for pick-up points – age-limit check and identity verification on collection – was 99.3% (87.3%, target 100%). Successful sales supervision requires continuous competence development and skills updates. 54 (42) purchase ban agreements were signed and 4,600 (3,820) Care Cards were distributed in stores. (Care Cards contain contact information for anti-substance abuse services.)

#### **Climate and nature action is progressing**

Alko's climate action progressed according to the plan, that is, as per our climate roadmap. Our target for 2023 was to reduce emissions from domestic logistics, electricity and district heating (actual emissions) and emissions from beverage packaging (calculated emissions, Gaia Consulting) by 3 per cent (tCO<sub>2</sub>e per million litres of beverages sold). Emissions decreased by approximately 3.1 (-2.7) per cent.

Supplier and producer events covered a broad range of climate action themes, such as future sustainability criteria in Alko's listing procedure, through presentations and workshops. During the spring event, a climate agenda was created for suppliers in order to support emission reductions in the supply chain. We also analysed our supply chain baselines with the aid of a climate and environmental survey of our suppliers. An analysis of climate emissions from global logistics was also carried out.

Draft legislation relating to the EU Green Deal was published during 2023, and cited the need for both individuals and companies to make systemic changes in order to prevent climate change. One of the key elements in this legal

package is the Green Claims Directive, which will change how environmental claims may be represented in the marketing of products and services. In light of this upcoming regulation, Alko's Green Choice concept was updated by, for example, removing the carbon-neutral product symbol. We have also launched a complete overhaul of the concept.

#### **Human and labour rights in the supply chain**

Alko respects human rights in its own activities and expects the same from its partners. All suppliers must commit to and comply with the amfori BSCI Code of Conduct. The amfori Code of Conduct was revised in 2023, and the new version places particular emphasis on gender equality, preventing harassment and violence, fair compensation for work, and promoting the payment of a living wage.

Alko's goal is to ensure that its contractual partners have adequate processes in place to identify human rights risks, reduce the negative impacts of their own activities and take corrective measures in the supply chain. Alko organised training for both producers and the company's contractual partners.

In March, the civic organisation Finnwatch published a report on the realisation of human rights in Alko's South African beverage supply chain. The results of the report indicate sustainability issues in South African wine production, such as the failure to pay a living wage, deficiencies in health and safety, and problems with freedom of organisation. South Africa has long been recognised as one of the most challenging countries in the industry in terms of social responsibility. Alko has therefore been engaging in long-term efforts to promote and develop social and environmental responsibility throughout the supply chain. This determined work is ongoing. The shortcomings identified in the report have been addressed with suppliers representing the production facilities in question. Corrective measures have

now been scheduled, and their successful implementation will be monitored during 2024.

In February, Fairtrade and Fairtrade Africa held a round table event in Stellenbosch, South Africa to discuss working conditions, living wages, and working together to improve the position of workers throughout the wine production chain. In addition to producers, we met with a broad range of stakeholders during the year, from local trade associations to trade unions. Our goal is to identify tools and operating models that can better ensure sustainable procurement practices from the perspective of all parties in the value chain. We therefore launched a project to support the development of Alko's own procurement. This project will continue in 2024.

#### **Product quality assurance**

A combination of sensory evaluations and laboratory tests ensures both the quality and safety of products sold at Alko. Large special editions and products in our general and seasonal selections are listed on the basis of sensory evaluations. 31 Alko experts carried out these tests during 2023. The safety and legality of new products was separately verified through laboratory testing. Laboratory testing also supports Alko's climate targets, as bottle weights are also determined for all products that are analysed.

#### **Our shared Alko, suitable for me**

Alko's goal as an employer is to provide a workplace in which as many people as possible will feel at home. During the year, we created a new vision for working at Alko. This vision will help us cooperate with personnel to find suitable work models for the future.

Long-term competence development ensures that Alko employees have the skills to provide responsible and world-class customer service. Alko employees received an average

of about six days of training during the year. This training was aimed at both new and experienced employees, and also included self-study e-learning courses. Our e-learning environment offers about 200 courses on topics ranging from products to customer service.

The leadership coaching programme that began in autumn 2021 ended in April 2023. We continued to provide our basic degree in customer service (AAPE), a development programme for customer service manager candidates, and our "An Expert at Alko" coaching programme. We also continued to mobilise our strategy within store groups and at head office through, for example, a mobile strategy game.

Our diversity action is guided by Alko's diversity plan, whose themes include non-discriminatory recruitment, equal pay, a good work-life balance, and a safe workplace. Alko has been employing service assistants since 2022. Service assistants belong to special groups that would otherwise find it difficult to find employment. They have received a warm welcome in our stores and have become an integral part of the workplace community. Alko launched cooperation with a vocational special education school, Kiiipula Vocational College, in 2023. Our goal is to develop a training model for workplace communities that employ special groups.

Alko's working capacity management model was revised. Rather than focusing on a reactive model, we are investing more heavily in prevention and in working capacity management practices that will ensure that roles and responsibilities are understood and used in our workplaces.

We modernised our payroll administration by changing both our payroll computation system and our payment service partner. Payroll processes were streamlined and digitised, data security has been improved and the amount of manual work has decreased.

Alko's monetary compensation consists of a basic salary, personnel benefits and a strategy incentive scheme that covers all personnel. Personnel receive incentives for achieving the key objectives in Alko's strategy. Remuneration is not based on sales growth or the company's financial result, but on the strategic objectives derived from the company's special mandate.

Alko employed an average of 2,398 (2,436) people in 2023.

Personnel turnover stood at 14.9 (18.6) per cent in 2023.

Alko received about 9,400 applications for seasonal jobs in 2023, of which approximately 500 seasonal employees were hired for both the summer and Christmas seasons all across Finland.

#### **Business on a sustainable footing**

Alko's goal is to run its business on a sustainable footing, ensuring cost-effective operations and allocating investments to areas that will optimise strategy implementation.

In 2023, our streamlining efforts focused on in-store order and delivery processes. Alko employees received coaching on how to streamline processes and in-store operations with the aid of data-driven examples. The results are already visible at company level. For example, stockturn has improved and there is now 10–15 per cent less working capital tied up in inventories. We have, however, ensured the in-store availability of products in spite of this planned fall in inventories. We will continue to improve our in-store process efficiency with the aid of automation and artificial intelligence.

Alko has long been investing in leadership culture and we actively monitor trends in key indicators at, for example, expert level. We invest in high-quality data in order to ensure that our decisions are based on reliable information and

to enable smooth business development. We regularly make near- and long-term forecasts to better anticipate future opportunities and challenges, and to allocate resources accordingly.

Alko will report in accordance with the Corporate Sustainability Reporting Directive (CSRD) as of 2025. Preparations for CSRD-compliant reporting are currently ongoing.

#### **SHARES AND SHAREHOLDERS**

Alko Inc. has one series of shares (10,000,000 shares). The Government owns Alko's entire share capital.

#### **GOVERNANCE**

The Annual General Meeting elected Laura Raitio as Chair of Alko's Board of Directors and Kirsi Varhila as Vice-Chair. Carolina Bade, Mikko Forsell, Antti Koivula, Pekka Perttula and Ulrika Romantschuk were elected as Members of the Board.

Personnel representatives Riina Väntsi (Chair, Alkoholialan Toimihenkilöt ry) and Antti Turunen (Chair, ALV Union) attend the Board of Directors' meetings without the right to vote.

The Board of Directors has three committees, namely the Audit, Personnel and Responsibility Committees.

Pricewaterhouse Coopers Oy, a firm of Authorised Public Accountants, was appointed as the company's auditor, with Tiina Puukkoniemi, Authorised Public Accountant, as chief auditor.

The taxonomy assessment criteria that have been published by the EU Commission to date do not include the retail sector. Alko's operations did not, therefore, fall within the scope of the taxonomy classification system in 2023.

Alko has Ethical Principles that have been approved by the Board of Directors. All personnel take online training in Alko's Ethical Principles at regular intervals. Our ethical principles guide each and every employee in accordance with the current values and principles for responsible operations that have been approved by the company's management. The ethical principles are discussed and approved by the company's Board of Directors on an annual basis.

Alko personnel may not accept or give any direct or indirect gifts or benefits that could be considered as bribery or corruption. Alko requires every employee to comply with and promote its ethical principles. In order to safeguard equality in our cooperation with suppliers, a set of rules has been drawn up for dealings between procurement personnel and suppliers, and likewise for dealings between stores and suppliers.

In 2021, the company introduced a whistleblowing channel in accordance with the EU Whistleblower Protection Directive. All reports made through the whistleblowing channel are handled internally by a dedicated team and are reported to the Board of Directors' Audit Committee. During 2023, there were no ongoing legal cases or investigations into non-competitive behaviour involving Alko.

**RISK MANAGEMENT**

Alko's Board of Directors approves the company's risk management policy and monitors that risk management measures are adequate and effective. The President & CEO is, with the assistance of the Management Team, responsible for risk management policy and its enforcement, and also for ensuring that risk management is appropriately arranged. Alko's risk management is based on systematically and proactively analysing and managing the threats and opportunities related to its activities. These risks are classified as strategic and operational risks.

Alko's Compliance team is responsible for analysing and monitoring the company's overall risk map, and for raising any necessary measures for discussion by management.

The Management Team regularly assesses risks that may impact on its future development and profitability. Units assess operational risks in their own areas of responsibility in accordance with the annual calendar for risk management. When risk assessments are performed, named persons are assigned to manage these risks by defining preventative measures and ensuring their implementation.

The most critical risks are:

- a change in Alko's position as a result of alcohol legislation
- a weakening in Alko's service, so that it no longer meets customer needs
- Alko's special mandate is not clear to consumers and stakeholders
- operational responsibility: selling alcohol to minors or intoxicated people in violation of the principles of responsible customer service, environmental and social responsibility risks in the alcoholic beverage supply chain.
- employee retention, availability of new employees, and competence development
- business interruptions caused by disruptions in ICT services and cybercrime.

**EVENTS AFTER THE END OF THE FINANCIAL PERIOD**

In early 2024, the tax on wines and strong alcoholic beverages was increased and the tax on beer was reduced.

The Government presented a legislative proposal to Parliament on 14 February 2024. The proposed legislation would allow fermented alcoholic beverages of maximum 8 per cent alcohol by volume to be sold in grocery stores as of spring 2024.

**OUTLOOK FOR 2024**

In terms of litres, sales of alcohol via Alko are expected to decrease on the previous year due to tax increases and changes in alcohol legislation.

Alko will implement measures in line with its strategy. In order to ensure operational efficiency, Alko continually enhances its processes, its business forecasting and the effectiveness of its measures.

**THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS**

The parent company's distributable funds at 31 December 2023 totalled EUR 66,680,504.52 (EUR 70,743,205.64), of which EUR 35,736,695.44 (EUR 38,425,284.51) is profit for the financial year.

The Board proposes that the company's distributable funds be used as follows:

• distributed as a dividend	40,000,000.00 EUR
• retained under equity	26,680,504.52 EUR
	66,680,504.52 EUR

No substantial changes have taken place in the company's financial situation since the end of the financial year. Alko's liquidity is good and, in the Board's opinion, will not be jeopardised by the proposed distribution of profits.

# INCOME STATEMENT AND BALANCE SHEET

## ALKO GROUP

INCOME STATEMENT, FAS* MEUR	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
<b>NET SALES</b>		<b>1,160.8</b>	<b>1,187.4</b>
Other operating income	2.1	2.0	2.3
Materials and services	2.2	-962.8	-988.9
Personnel costs	2.4	-96.5	-89.0
Depreciation and write-downs	2.6	-7.2	-9.6
Other operating expenses	2.8	-53.8	-54.4
<b>OPERATING PROFIT</b>		<b>42.5</b>	<b>47.8</b>
Financial income and expenses	2.9, 2.10	1.7	-1.6
<b>PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES</b>		<b>44.3</b>	<b>46.2</b>
Income taxes	2.11	-8.6	-9.5
<b>PROFIT/LOSS FOR FINANCIAL YEAR</b>		<b>35.7</b>	<b>36.7</b>

\* FAS = Finnish Accounting Standards

BALANCE SHEET, FAS MEUR	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	3.1, 3.4	5.7	3.8
Tangible assets	3.2, 3.5	37.5	39.3
Investments	3.3, 3.6	2.8	3.0
<b>NON-CURRENT ASSETS</b>		<b>46.0</b>	<b>46.2</b>
<b>CURRENT ASSETS</b>			
Inventories	4.3	66.7	73.7
Non-current receivables	4.4	0.1	0.1
Deferred tax assets		1.2	1.1
Current receivables	4.6	20.1	18.5
Cash and cash equivalents	4.1	132.4	134.1
<b>CURRENT ASSETS</b>		<b>220.5</b>	<b>227.5</b>
<b>ASSETS</b>		<b>266.5</b>	<b>273.7</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		16.8	16.8
Other funds		0.0	0.2
Retained profit		31.3	34.4
Profit/loss for financial year		35.7	36.7
<b>SHAREHOLDERS' EQUITY</b>	<b>5.1</b>	<b>83.9</b>	<b>88.2</b>
<b>OBLIGATORY PROVISIONS</b>	<b>6.1</b>	<b>0.0</b>	<b>0.0</b>
<b>LIABILITIES</b>			
Non-current non-interest-bearing liabilities	7.1	0.0	0.0
Deferred tax liability		0.9	1.0
Current non-interest-bearing liabilities	7.3	181.6	184.5
<b>LIABILITIES</b>		<b>182.6</b>	<b>185.5</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>266.5</b>	<b>273.7</b>

# CASH FLOW STATEMENT

## ALKO GROUP

CASH FLOW STATEMENT, FAS MEUR	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	CASH FLOW STATEMENT, FAS MEUR	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
<b>CASH FLOW FROM OPERATIONS</b>			<b>CASH FLOW FROM INVESTMENTS</b>		
Profit/loss for financial year	35.7	36.7	Investments in tangible and intangible assets	-7.2	-7.5
<b>ADJUSTMENTS</b>			Income from the surrender of tangible and intangible assets	0.1	0.1
Depreciation and write-downs	7.2	9.6	Acquisition of subsidiaries	0.0	0.0
Capital gains (-) and losses (+) on non-current assets	-0.1	-0.1	Divested shares in associated companies	0.0	0.0
Financial income and expenses	-1.7	1.6	Other investments	0.0	0.0
Income taxes	8.6	9.5	Income from the surrender of other investments	0.0	0.0
Other adjustments	1.2	-1.0	<b>CASH FLOW FROM INVESTMENTS</b>	<b>-7.1</b>	<b>-7.4</b>
Cash flow before change in working capital	50.8	56.3	<b>CASH FLOW FROM FINANCIAL OPERATIONS</b>		
<b>CHANGE IN WORKING CAPITAL</b>			Dividends paid	-40.0	-60.0
Increase(-)/decrease(+) in inventories	7.0	5.0	<b>CASH FLOW FROM FINANCIAL OPERATIONS</b>	<b>-40.0</b>	<b>-60.0</b>
Increase (-) /decrease (+) in current non-interest-bearing accounts receivable	-1.5	-6.0	<b>CHANGE IN FINANCIAL POSITION</b>	<b>-1.7</b>	<b>-20.5</b>
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-2.9	2.7	Financial resources at the beginning of the year	134.1	154.7
Change in provisions	0.0	0.0	Change in financial position	-1.7	-20.5
Cash flow from operations before financial items and taxes	53.5	58.0	Financial resources at the end of the year	132.4	134.1
Interest paid on operations	-0.1	-0.5			
Dividends received from operations	0.0	0.0			
Interest received from operations	0.7	0.2			
Other financial items from operations	0.0	0.0			
Direct taxes paid	-8.7	-10.7			
<b>CASH FLOW FROM OPERATIONS</b>	<b>45.4</b>	<b>46.9</b>			

# INCOME STATEMENT AND BALANCE SHEET

## ALKO INC.

INCOME STATEMENT, FAS* MEUR	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
<b>NET SALES</b>		<b>1,160.8</b>	<b>1,187.3</b>
Other operating income	2.1	2.0	2.3
Materials and services	2.2	-962.8	-988.9
Personnel costs	2.4	-96.5	-89.0
Depreciation and write-downs	2.6	-6.8	-7.4
Other operating expenses	2.8	-54.0	-54.5
<b>OPERATING PROFIT</b>		<b>42.7</b>	<b>49.9</b>
Financial income and expenses	2.9, 2.10	1.7	-1.6
<b>PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES</b>		<b>44.5</b>	<b>48.3</b>
Income taxes	2.11	-8.7	-9.9
<b>PROFIT/LOSS FOR FINANCIAL YEAR</b>		<b>35.7</b>	<b>38.4</b>

\* FAS = Finnish Accounting Standards

BALANCE SHEET, FAS MEUR	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	3.1, 3.4	5.7	3.8
Tangible assets	3.2, 3.5	10.2	11.9
Investments	3.3, 3.6	30.0	30.2
<b>NON-CURRENT ASSETS</b>		<b>45.8</b>	<b>45.9</b>
<b>CURRENT ASSETS</b>			
Inventories	4.3	66.7	73.7
Non-current receivables	4.4	0.1	0.1
Current receivables	4.6	20.0	18.5
Cash and cash equivalents	4.1	132.4	134.0
<b>CURRENT ASSETS</b>		<b>219.3</b>	<b>226.3</b>
<b>ASSETS</b>		<b>265.2</b>	<b>272.2</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		16.8	16.8
Other funds		0.0	0.2
Retained profit		30.9	32.3
Profit/loss for financial year		35.7	38.4
<b>SHAREHOLDERS' EQUITY</b>	<b>5.1</b>	<b>83.5</b>	<b>87.8</b>
<b>OBLIGATORY PROVISIONS</b>	<b>6.1</b>	<b>0.0</b>	<b>0.0</b>
<b>LIABILITIES</b>			
Non-current non-interest-bearing liabilities	7.1	0.0	0.0
Current non-interest-bearing liabilities	7.2, 7.3	181.6	184.4
<b>LIABILITIES</b>		<b>181.7</b>	<b>184.5</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>265.2</b>	<b>272.2</b>



# CASH FLOW STATEMENT

## ALKO INC.

CASH FLOW STATEMENT, FAS MEUR	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	CASH FLOW STATEMENT, FAS MEUR	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
<b>CASH FLOW FROM OPERATIONS</b>			<b>CASH FLOW FROM INVESTMENTS</b>		
Profit/loss for financial year	35.7	38.4	Investments in tangible and intangible assets	-6.9	-7.4
<b>ADJUSTMENTS:</b>			Income from the surrender of tangible and intangible assets	0.1	0.1
Depreciation and write-downs	6.8	7.4	Divested shares in associated companies	0.0	0.0
Capital gains (-) and losses (+) on non-current assets	-0.1	-0.1	Other investments	0.0	0.0
Financial income and expenses	-1.7	1.6	Income from the surrender of other investments	0.0	0.0
Income taxes	8.7	9.9	<b>CASH FLOW FROM INVESTMENTS</b>	<b>-6.8</b>	<b>-7.4</b>
Other adjustments	1.2	-1.0	<b>CASH FLOW FROM FINANCIAL OPERATIONS</b>		
Cash flow before change in working capital	50.6	56.2	Dividends paid	-40.0	-60.0
<b>CHANGE IN WORKING CAPITAL:</b>			<b>CASH FLOW FROM FINANCIAL OPERATIONS</b>	<b>-40.0</b>	<b>-60.0</b>
Increase(-)/decrease(+) in inventories	7.0	5.0	<b>CHANGE IN FINANCIAL POSITION</b>	<b>-1.6</b>	<b>-20.6</b>
Increase (-) /decrease (+) in current non-interest-bearing accounts receivable	-1.5	-6.0	Financial resources at the beginning of the year	134.0	154.7
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-2.8	2.7	Change in financial position	-1.6	-20.6
Change in provisions	0.0	0.0	Financial resources at the end of the year	132.4	134.0
Cash flow from operations before financial items and taxes	53.3	57.8			
Interest paid on operations	-0.1	-0.5			
Dividends received from operations	0.0	0.0			
Interest received from operations	0.7	0.2			
Other financial items from operations	0.0	0.0			
Direct taxes paid	-8.7	-10.7			
<b>CASH FLOW FROM OPERATIONS</b>	<b>45.2</b>	<b>46.7</b>			

# 1 NOTES TO THE ACCOUNTING PRINCIPLES USED IN THE CONSOLIDATED FINANCIAL STATEMENTS

## ACCOUNTING PRINCIPLES AND SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Alko Group consists of Alko Inc. (business ID: 1505551-4) as the parent company and three real estate companies as subsidiaries: Puolangan Keskus (50.48%), Raahen Asemakatu 12 (57.9%) and Kiinteistö Oy Arkadiantalo (100%).

The Consolidated Financial Statements include Kiinteistö Oy Arkadiantalo. Other subsidiaries have no material effect in the result or the financial position.

## INTERNAL SHAREHOLDINGS

The Consolidated Financial Statements have been prepared using the purchase method. Depreciation is carried out according to the depreciation plan for non-current assets.

## INTER-COMPANY TRANSACTIONS AND MARGINS

Intra-Group transactions, unrealised margins on internal deliveries, internal receivables and payables, as well as internal profits, are eliminated.

## MINORITY INTERESTS

There are no minority interests.

## COMPARABILITY OF THE FINANCIAL STATEMENTS

The financial statements are comparable.

## VALUATION PRINCIPLES

### Net sales

Net sales include excise taxes.

### Fixed asset valuation

Fixed assets are stated at cost minus planned depreciation. Planned depreciation has been calculated on a straight-line basis over the useful life of the item in question. Depreciation begins from the month when the item was first used. The depreciation plan is the same as in the previous year.

Depreciation periods:	years
Buildings	25–40
Structures	20
Machinery and equipment	5
Transport equipment	5
Computer hardware	3
Computer software	3–5
Renovation of store premises	5

### Valuation of inventories

Inventories have been valued at their average acquisition price. Store inventories include excise duty. The central warehouse in Voutila, Vantaa is excise duty free.

### Valuation of financial assets

Financial securities are valued at historical cost or, if lower, at the likely price of surrender.

### Items denominated in foreign currencies

Any receivables and liabilities denominated in foreign currencies are converted into euros at the rate on the last day of the financial year.

## 2 NOTES TO THE INCOME STATEMENT, FAS

MEUR	ALKO GROUP		ALKO INC.		ALKO GROUP		ALKO INC.		
	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	
<b>2.1 OTHER OPERATING INCOME</b>									
Rental income	1.4	1.5	1.4	1.5					
Other operating income	0.6	0.8	0.6	0.8					
Profit on the sale of fixed assets	0.0	0.0	0.0	0.0					
<b>Total other operating income</b>	<b>2.0</b>	<b>2.3</b>	<b>2.0</b>	<b>2.3</b>					
<b>2.2 MATERIALS AND SERVICES</b>									
Purchases during the financial period	-951.1	-979.1	-951.1	-979.1					
Increase/decrease in inventories	-7.1	-4.8	-7.1	-4.8					
Materials, consumables and supplies	-958.2	-983.9	-958.2	-983.9					
Outsourced services	-4.6	-4.9	-4.6	-4.9					
<b>Total materials and services</b>	<b>-962.8</b>	<b>-988.9</b>	<b>-962.8</b>	<b>-988.9</b>					
<b>2.3 AVERAGE NUMBER OF PERSONNEL DURING THE FINANCIAL YEAR</b>	<b>2,398</b>	<b>2,436</b>	<b>2,398</b>	<b>2,436</b>					
<b>2.4 PERSONNEL COSTS</b>									
Wages, salaries and remuneration	-74.8	-72.1	-74.8	-72.1					
Pension expenses	-18.6	-14.2	-18.6	-14.2					
Other personnel-related expenses	-3.1	-2.7	-3.1	-2.7					
<b>Total personnel costs</b>	<b>-96.5</b>	<b>-89.0</b>	<b>-96.5</b>	<b>-89.0</b>					
					<b>2.5 SALARIES, REMUNERATION AND BENEFITS PAID TO MANAGEMENT</b>				
					President & CEO	0.4	0.4	0.4	0.4
					Members of the Board of Directors	0.2	0.2	0.2	0.2
					Supervisory Board wages, salaries and remuneration	0.0	0.1	0.0	0.1
					<b>Total salaries, remuneration and benefits paid to Management</b>	<b>0.7</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>
					Incentive bonuses are included in salaries on an accrual basis.				
					<b>2.6 DEPRECIATION AND WRITE-DOWNS</b>				
					Depreciation according to plan	-6.8	-9.6	-6.3	-7.3
					Depreciation according to plan on non-current assets and goodwill	-6.8	-9.6	-6.3	-7.3
					Reversed impairment on non-current asset items	-0.4	-0.1	-0.4	-0.1
					<b>Total depreciation and write-downs</b>	<b>-7.2</b>	<b>-9.6</b>	<b>-6.8</b>	<b>-7.4</b>
					<b>2.7 AUDITOR'S FEES</b>				
					PricewaterhouseCoopers Oy as of 6 May 2022				
					Auditing	0.1	0.1	0.1	0.1
					Other fees	0.0	0.0	0.0	0.0
					<b>Total auditor's fees</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

Alko personnel whose employment contract started before 31 December 1991 are covered by the supplementary pension system. Their retirement age varies between 58 and 63, and their pension is 66% of the retirement salary.

The OP-Life group pension insurance chosen by the parent company has an additional insurance fund as at 31 December 2023: EUR 10.1 million (EUR 15.7 million). The parent company is obliged to take out insurance to cover annual increases in supplementary pensions in accordance with TyEL indexes. The additional insurance fund is used to prepare for future increases. Contributions made to the additional insurance fund are treated as personnel expenses in the year of payment. EUR 6.0 (2.0) million was paid into the fund during the 2023 financial year.

MEUR	ALKO GROUP		ALKO INC.	
	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
<b>2.8 OTHER OPERATING EXPENSES</b>				
Rents	-21.9	-20.6	-22.8	-21.4
Voluntary personnel-related expenses	-2.5	-2.6	-2.5	-2.6
Capital losses on non-current assets	0.0	0.0	0.0	0.0
Support given	-0.2	-0.4	-0.2	-0.4
Energy	-1.4	-1.5	-1.2	-1.2
Work outfits and equipment	-1.4	-1.8	-1.4	-1.8
Construction and repair services	-0.8	-0.9	-0.7	-0.8
IT services	-11.4	-11.5	-11.4	-11.5
Other outsourced services	-4.9	-5.0	-4.9	-5.0
Communications and marketing	-2.7	-3.1	-2.7	-3.1
Telecommunications	-0.9	-1.0	-0.9	-1.0
Credit card commissions and cash handling	-4.3	-4.4	-4.3	-4.4
Other expenses	-1.3	-1.5	-1.0	-1.2
Total other operating expenses	-53.8	-54.4	-54.0	-54.5
<b>FINANCIAL INCOME AND EXPENSES</b>				
<b>2.9 FINANCIAL INCOME</b>				
Dividends from others	0.0	0.0	0.0	0.0
Income from holdings	0.0	0.0	0.0	0.0
Other interest and financial income from others	0.8	0.2	0.8	0.2
Other financial income	0.8	0.2	0.8	0.2
Total financial income	0.8	0.2	0.8	0.2

MEUR	ALKO GROUP		ALKO INC.	
	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
<b>2.10 FINANCIAL EXPENSES</b>				
Impairment on investments in non-current assets	-0.2	0.0	-0.2	0.0
Other financial expenses	1.2	-1.7	1.2	-1.7
Total other interest and financial expenses	1.0	-1.7	1.0	-1.7
Total financial expenses	1.0	-1.7	1.0	-1.7
Total financial income and expenses	1.7	-1.6	1.7	-1.6
Profit/loss from exchange rates	0.0	0.0	0.0	0.0
Total profit/loss from exchange rates	0.0	0.0	0.0	0.0
<b>2.11 DIRECT TAXES</b>				
Income tax on operations	-8.7	-9.9	-8.7	-9.9
Changes in deferred tax liabilities and assets	0.2	0.4	0.0	0.0
Income tax on operations	-8.6	-9.5	-8.7	-9.9

# NOTES TO THE BALANCE SHEET

## 3 NON-CURRENT ASSETS

MEUR	ALKO GROUP		ALKO INC.	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>3.1 INTANGIBLE ASSETS</b>				
Other capitalised expenditures	2.9	2.4	2.9	2.4
Advance payments on intangible assets	2.8	1.4	2.8	1.4
Total intangible assets	5.7	3.8	5.7	3.8
<b>3.2 TANGIBLE ASSETS</b>				
Land and water areas	13.9	13.9	0.0	0.0
Buildings and structures	13.4	13.5	0.0	0.0
Machinery and equipment	10.1	11.9	10.1	11.9
Other tangible assets	0.0	0.0	0.0	0.0
Advance payments for ongoing acquisitions	0.0	0.0	0.0	0.0
Total tangible assets	37.5	39.3	10.2	11.9
<b>3.3 INVESTMENTS</b>				
Holdings in Group companies	0.1	0.1	27.2	27.2
Holdings in associated companies	0.5	0.6	0.5	0.6
Other shares and holdings	2.3	2.3	2.3	2.3
Total investments	2.8	3.0	30.0	30.2
Total non-current assets	46.0	46.2	45.8	45.9

## 3.4 INTANGIBLE ASSETS

### ALKO GROUP

INTANGIBLE ASSETS 2022	MEUR	Other capitalised expenditures	Advance payments	Total
Acquisition cost, 1 January		31.8	0.7	32.5
Increase		0.1	2.2	2.3
Decrease		-2.5		-2.5
Transfers between items		1.5	-1.5	0.0
Acquisition cost, 31 December		30.9	1.4	32.3
Accumulated depreciation, 1 January		-29.2		-29.2
Accumulated depreciation on decreases and transfers		2.5		2.5
Depreciation for the financial year		-1.8		-1.8
Write-downs for the financial year				0.0
Accumulated depreciation, 31 December		-28.5		-28.5
<b>Book value, 31 December</b>		<b>2.4</b>	<b>1.4</b>	<b>3.8</b>

INTANGIBLE ASSETS 2023	MEUR	Other capitalised expenditures	Advance payments	Total
Acquisition cost, 1 January		30.9	1.4	32.3
Increase		0.2	3.9	4.1
Decrease				0.0
Transfers between items		2.5	-2.5	0.0
Acquisition cost, 31 December		33.6	2.8	36.4
Accumulated depreciation, 1 January		-28.5		-28.5
Accumulated depreciation on decreases and transfers				0.0
Depreciation for the financial year		-1.7		-1.7
Write-downs for the financial year		-0.4		-0.4
Accumulated depreciation, 31 December		-30.7		-30.7
<b>Book value, 31 December</b>		<b>2.9</b>	<b>2.8</b>	<b>5.7</b>

### ALKO INC.

INTANGIBLE ASSETS 2022	MEUR	Other capitalised expenditures	Advance payments	Total
Acquisition cost, 1 January		31.8	0.7	32.5
Increase		0.1	2.2	2.3
Decrease		-2.5		-2.5
Transfers between items		1.5	-1.5	0.0
Acquisition cost, 31 December		30.9	1.4	32.3
Accumulated depreciation, 1 January		-29.2		-29.2
Accumulated depreciation on decreases and transfers		2.5		2.5
Depreciation for the financial year		-1.8		-1.8
Write-downs for the financial year				0.0
Accumulated depreciation, 31 December		-28.5		-28.5
<b>Book value, 31 December</b>		<b>2.4</b>	<b>1.4</b>	<b>3.8</b>

INTANGIBLE ASSETS 2023	MEUR	Other capitalised expenditures	Advance payments	Total
Acquisition cost, 1 January		30.9	1.4	32.3
Increase		0.2	3.9	4.1
Decrease				0.0
Transfers between items		2.5	-2.5	0.0
Acquisition cost, 31 December		33.6	2.8	36.4
Accumulated depreciation, 1 January		-28.5		-28.5
Accumulated depreciation on decreases and transfers				0.0
Depreciation for the financial year		-1.7		-1.7
Write-downs for the financial year		-0.4		-0.4
Accumulated depreciation, 31 December		-30.7		-30.7
<b>Book value, 31 December</b>		<b>2.9</b>	<b>2.8</b>	<b>5.7</b>

## 3.5 TANGIBLE ASSETS

### ALKO GROUP

TANGIBLE ASSETS 2022 MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost, 1 January	13.9	18.8	97.7	0.0	130.4
Increase		0.0	5.2		5.2
Decrease			-39.1		-39.1
Advance payments					0.0
Transfers between items		0.0			0.0
Acquisition cost, 31 December	13.9	18.8	63.8	0.0	96.5
Accumulated depreciation and write-downs, 1 Jan	0.0	-3.0	-85.4	0.0	-88.4
Accumulated depreciation on decreases and transfers			39.1		39.1
Depreciation for the financial year		-2.3	-5.5		-7.8
Write-downs for the financial year			-0.1		-0.1
Accumulated depreciation and write-downs, 31 Dec	0.0	-5.3	-51.9	0.0	-57.1
<b>Book value, 31 December</b>	<b>13.9</b>	<b>13.5</b>	<b>11.9</b>	<b>0.0</b>	<b>39.3</b>

TANGIBLE ASSETS 2023 MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost, 1 January	13.9	18.8	63.8	0.0	96.5
Increase		0.3	2.8		3.2
Decrease			-2.6		-2.6
Advance payments					0.0
Transfers between items					0.0
Acquisition cost, 31 December	13.9	19.1	64.0	0.0	97.0
Accumulated depreciation and write-downs, 1 Jan	0.0	-5.3	-51.9	0.0	-57.1
Accumulated depreciation on decreases and transfers			2.6		2.6
Depreciation for the financial year		-0.4	-4.6		-5.0
Write-downs for the financial year			0.0		0.0
Accumulated depreciation and write-downs, 31 Dec	0.0	-5.7	-53.9	0.0	-59.6
<b>Book value, 31 December</b>	<b>13.9</b>	<b>13.4</b>	<b>10.1</b>	<b>0.0</b>	<b>37.5</b>

## ALKO INC.

<b>TANGIBLE ASSETS 2022</b>	<b>MEUR</b>	<b>Land and water areas</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Total</b>
Acquisition cost, 1 January		0.0	0.1	97.7	0.0	97.8
Increase				5.2		5.2
Decrease				-39.1		-39.1
Transfers between items						0.0
Acquisition cost, 31 December		0.0	0.1	63.8	0.0	63.9
Accumulated depreciation and write-downs, 1 Jan		0.0	-0.1	-85.4	0.0	-85.4
Accumulated depreciation on decreases and transfers				39.1		39.1
Depreciation for the financial year				-5.5		-5.5
Write-downs for the financial year				-0.1		-0.1
Accumulated depreciation and write-downs, 31 Dec		0.0	-0.1	-51.9	0.0	-51.9
<b>Book value, 31 December</b>		<b>0.0</b>	<b>0.0</b>	<b>11.9</b>	<b>0.0</b>	<b>11.9</b>

<b>TANGIBLE ASSETS 2023</b>	<b>MEUR</b>	<b>Land and water areas</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Total</b>
Acquisition cost, 1 January		0.0	0.1	63.8	0.0	63.9
Increase				2.8		2.8
Decrease				-2.6		-2.6
Transfers between items						0.0
Acquisition cost, 31 December		0.0	0.1	64.0	0.0	64.1
Accumulated depreciation and write-downs, 1 Jan		0.0	-0.1	-51.9	0.0	-51.9
Accumulated depreciation on decreases and transfers				2.6		2.6
Depreciation for the financial year				-4.6		-4.6
Write-downs for the financial year				0.0		0.0
Accumulated depreciation and write-downs, 31 Dec		0.0	-0.1	-53.9	0.0	-53.9
<b>Book value, 31 December</b>		<b>0.0</b>	<b>0.0</b>	<b>10.1</b>	<b>0.0</b>	<b>10.2</b>



## 3.6 INVESTMENTS

### ALKO GROUP

INVESTMENTS 2022 MEUR	Holdings in Group companies	Holdings in associated companies	Other shares and holdings	Total
Acquisition cost, 1 January	0.9	1.9	3.2	6.0
Increase			0.0	0.0
Decrease	-0.5		-0.1	-0.6
Acquisition cost, 31 December	0.4	1.9	3.0	5.3
Accumulated write-downs and capital adjustments, 1 January	-0.8	-1.3	-0.8	-2.9
Accumulated write-downs on decreases and transfers	0.5		0.1	0.6
Accumulated depreciation				0.0
Accumulated depreciation, 31 December	-0.3	-1.3	-0.7	-2.3
<b>Book value, 31 December</b>	<b>0.1</b>	<b>0.6</b>	<b>2.3</b>	<b>3.0</b>

INVESTMENTS 2023 MEUR	Holdings in Group companies	Holdings in associated companies	Other shares and holdings	Total
Acquisition cost, 1 January	0.4	1.9	3.0	5.3
Increase				0.0
Decrease		-0.1		-0.1
Acquisition cost, 31 December	0.4	1.8	3.0	5.2
Accumulated write-downs and capital adjustments, 1 January	-0.3	-1.3	-0.7	-2.3
Accumulated write-downs on decreases and transfers		0.1		0.1
Accumulated depreciation	0.0	-0.1	-0.1	-0.2
Accumulated depreciation, 31 December	-0.3	-1.3	-0.7	-2.4
<b>Book value, 31 December</b>	<b>0.1</b>	<b>0.5</b>	<b>2.3</b>	<b>2.8</b>

## ALKO INC.

INVESTMENTS 2022 MEUR	Holdings in Group companies	Holdings in associated companies	Other shares and holdings	Total
Acquisition cost, 1 January	28.0	1.9	3.2	33.1
Increase			0.0	0.0
Decrease	-0.5		-0.1	-0.6
Acquisition cost, 31 December	27.5	1.9	3.0	32.4
Accumulated write-downs and capital adjustments, 1 January	-0.8	-1.3	-0.8	-2.9
Accumulated write-downs on decreases and transfers	0.5		0.1	0.6
Accumulated depreciation				0.0
Accumulated depreciation, 31 December	-0.3	-1.3	-0.7	-2.3
<b>Book value, 31 December</b>	<b>27.2</b>	<b>0.6</b>	<b>2.3</b>	<b>30.2</b>

INVESTMENTS 2023 MEUR	Holdings in Group companies	Holdings in associated companies	Other shares and holdings	Total
Acquisition cost, 1 January	27.5	1.9	3.0	32.4
Increase				0.0
Decrease		-0.1		-0.1
Acquisition cost, 31 December	27.5	1.8	3.0	32.3
Accumulated write-downs and capital adjustments, 1 January	-0.3	-1.3	-0.7	-2.3
Accumulated write-downs on decreases and transfers		0.1		0.1
Accumulated depreciation	0.0	-0.1	-0.1	-0.2
Accumulated depreciation, 31 December	-0.3	-1.3	-0.7	-2.4
<b>Book value, 31 December</b>	<b>27.2</b>	<b>0.5</b>	<b>2.3</b>	<b>30.0</b>

## 3.7 SHARES

### ALKO INC.

	Parent company holding (%)	Percentage of shareholders' equity (EUR 1,000)	Shareholders' equity (€)	Number of shares	Nominal value (EUR/share)	Nominal value of shares/holdings, 31 Dec 2023 (EUR 1,000, total)	Book value, 31 Dec 2023 (EUR 1,000)	Profit/loss according to the latest financial statements (EUR 1,000)
<b>HOLDINGS IN GROUP COMPANIES</b>								
Kiinteistö Oy Arkadiantalo, Helsinki	100.00						27,141	
Kiinteistö Oy Puolangan Keskus, Puolanka	50.48	187	371,176.35	275	56.00	15	0	1
Kiinteistö Oy Raahen Asemakatu 12, Raahе	57.90	251	433,508.43	14,476	17.00	246	80	0
<b>TOTAL HOLDINGS IN GROUP COMPANIES</b>		<b>438</b>					<b>27,221</b>	
<b>HOLDINGS IN PARTICIPATING INTEREST COMPANIES</b>								
Kiinteistö Oy Enon Kauppakeskus, Eno	37.00	170	460,320.89	259	5.05	1	14	0
Asunto Oy Juvan Myllynkerä, Juva	31.50	134	425,149.40	3,150	0.25	1	35	13
Kaavin Yrittäjätalo Oy, Kaavi	23.20	69	297,098.12	348	16.82	6	10	2
Kiinteistö Oy Kannuksen Torinkulma, Kannus	46.03	327	711,282.49	2,900	1.68	5	40	-3
Kiinteistö Oy Mantsintie 1-3, Ilomantsi	28.19	113	401,622.87	311	50.46	16	10	1
Kiinteistö Oy Nilsianportti, Nilsia	31.49	444	1,409,043.16	1,606	16.82	27	20	-6
Asunto-osakeyhtiö Pieksälä, Pieksämäki	26.82	189	703,997.66	54,800	1.68	92	15	-29
Kiinteistö Oy Saarijärven Paavonaukio, Saarijärvi	29.58	233	786,386.35	392	168.19	66	15	0
Asunto Oy Sandelsinkatu 4, Helsinki	24.85	54	217,290.79	6,835	0.34	2	251	10
Kiinteistö Oy Savitaipaleen Torinkulma, Savitaipale	23.00	191	829,449.57	2,300	0.34	1	20	14
Kiinteistö Oy Urpala, Rantasalmi	36.88	293	794,808.90	2,950	0.34	1	15	0
Kiinteistö Oy Äänekosken Torikatu 5, Äänekoski	36.29	314	864,325.17	450	16.82	8	15	0
<b>TOTAL HOLDINGS IN PARTICIPATING INTEREST COMPANIES</b>		<b>2,530</b>					<b>460</b>	

## ALKO INC.

	Parent company holding (%)	Percentage of shareholders' equity (EUR 1,000)	Shareholders' equity (€)	Number of shares	Nominal value (EUR/share)	Nominal value of shares/holdings, 31 Dec 2023 (EUR 1,000, total)	Book value, 31 Dec 2023 (EUR 1,000)	Profit/loss according to the latest financial statements (EUR 1,000)
<b>OTHER SHARES AND HOLDINGS</b>								
Asunto Oy Helsinginkatu 15, Helsinki	15.32			1,532	1.68	3	369	
Kiinteistö Oy Karakeskus, Kouvola	4.60			5,013	0.17	1	7	
Kiinteistö Oy Keritori, Kerimäki	9.76			332	1.68	1	5	
Kiinteistö Oy Kolarin Ylläs Chalets VII				122			244	
Kontulan Ostoskeskus Oy, Helsinki	9.46			745	68.62	51	300	
Asunto Oy Nilsin Tahkovouri Chalets B				1,805			178	
Kiinteistö Oulun Kirkkokatu 14, Oulu	1.43			500	16.82	8	17	
Kiinteistö Oy Pyhäsalmen Liiketalo, Pyhäsalmi	16.00			288	1.68	0	15	
Savonlinnan Linja-autoasema Oy, Savonlinna	10.47			1,540	168.19	259	40	
Tahko Golf Club Aoy, A 597							9	
Tahko Golf Club Aoy, A 1044							9	
Asunto Oy Vuorimiehenkatu 33, Helsinki	15.41			4,445	16.82	75	228	
Vierumäki Golf Garden Oy							488	
Vierumäki Golf Garden Oy							38	
Vierumäki Chalets							298	
Suomen Luotto-osuuskunta				1			0	
Suomen Palautuspakkaus Oy	12.50			150			25	
Palpa							8	
Suomen Pakkaustuottajat Oy				13,200	0.10	1	1	
Other non-itemised shares and holdings (in telephone companies)							3	
<b>TOTAL OTHER SHARES AND HOLDINGS</b>							<b>2,284</b>	
<b>TOTAL SHARES</b>							<b>29,965</b>	

## 4 CURRENT ASSETS

MEUR	ALKO GROUP		ALKO INC.	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>4.1 CASH AND CASH EQUIVALENTS</b>				
Store cash registers	9.8	10.2	9.8	10.2
Bonds	0.0	3.9	0.0	3.9
Funds	70.5	53.3	70.5	53.3
Bank accounts	52.1	66.7	52.1	66.6
Total cash and cash equivalents	132.4	134.1	132.4	134.0
<b>4.2 DIFFERENCE IN THE MARKET AND BOOK VALUES OF BONDS</b>				
Market value of financial securities	0.0	3.9	0.0	3.9
Book value of financial securities	0.0	3.9	0.0	3.9
Difference	0.0	0.0	0.0	0.0
<b>4.3 INVENTORIES</b>				
Finished products and goods	66.3	73.4	66.3	73.4
Advance payments on inventories	0.5	0.3	0.5	0.3
Total inventories	66.7	73.7	66.7	73.7
<b>4.4 OTHER NON-CURRENT RECEIVABLES</b>				
Other	0.1	0.1	0.1	0.1
Total other non-current receivables	0.1	0.1	0.1	0.1

MEUR	ALKO GROUP		ALKO INC.	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>4.5 CURRENT RECEIVABLES FROM GROUP COMPANIES</b>				
Current accounts receivable			0.0	0.0
Current prepaid expenses and accrued income			0.0	0.0
Total current receivables from Group companies			0.0	0.0
<b>4.6 CURRENT RECEIVABLES</b>				
Accounts receivable	18.6	17.4	18.6	17.4
Current prepaid expenses and accrued income (from others)	1.5	1.1	1.5	1.1
Other	0.0	0.0	0.0	0.0
Total current receivables	20.1	18.5	20.0	18.5
<b>CURRENT RECEIVABLES</b>	<b>20.1</b>	<b>18.5</b>	<b>20.0</b>	<b>18.5</b>
<b>4.7 MAJOR ITEMS IN PREPAID EXPENSES AND ACCRUED INCOME</b>				
Income tax receivables	0.0	0.0	0.0	0.0
KELA compensation for occupational health care	0.6	0.6	0.6	0.6
Interest receivables	0.1	0.0	0.1	0.0
License and maintenance fees for next financial year	0.6	0.4	0.6	0.4
Other prepaid expenses and accrued income	0.2	0.1	0.2	0.1
Total	1.5	1.1	1.5	1.1

## 5 SHAREHOLDERS' EQUITY

### 5.1 STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

#### ALKO GROUP

CHANGE IN SHAREHOLDERS' EQUITY 2022 MEUR	Share capital	Other funds	Profit funds	Total
<b>EQUITY, 1 JAN</b>	16.8	0.8	93.8	111.4
Distribution of dividend			-60.0	-60.0
Transfers between items, fund for wellbeing at work		-0.6	0.6	0.0
Profit for financial year			36.7	36.7
<b>TOTAL EQUITY, 31 DEC</b>	<b>16.8</b>	<b>0.2</b>	<b>71.1</b>	<b>88.2</b>

CHANGE IN SHAREHOLDERS' EQUITY 2023 MEUR	Share capital	Other funds	Profit funds	Total
<b>EQUITY, 1 JAN</b>	16.8	0.2	71.1	88.2
Distribution of dividend			-40.0	-40.0
Transfers between items, fund for wellbeing at work		-0.2	0.2	0.0
Profit for financial year			35.7	35.7
<b>TOTAL EQUITY, 31 DEC</b>	<b>16.8</b>	<b>0.0</b>	<b>67.1</b>	<b>83.9</b>

#### ALKO INC.

CHANGE IN SHAREHOLDERS' EQUITY 2022 MEUR	Share capital	Other funds	Profit funds	Total
<b>EQUITY, 1 JAN</b>	16.8	0.8	91.7	109.3
Distribution of dividend			-60.0	-60.0
Transfers between items, fund for wellbeing at work		-0.6	0.6	0.0
Profit for financial year			38.4	38.4
<b>TOTAL EQUITY, 31 DEC</b>	<b>16.8</b>	<b>0.2</b>	<b>70.7</b>	<b>87.8</b>

CHANGE IN SHAREHOLDERS' EQUITY 2023 MEUR	Share capital	Other funds	Profit funds	Total
<b>EQUITY, 1 JAN</b>	16.8	0.2	70.7	87.8
Distribution of dividend			-40.0	-40.0
Transfers between items, fund for wellbeing at work		-0.2	0.2	0.0
Profit for financial year			35.7	35.7
<b>TOTAL EQUITY, 31 DEC</b>	<b>16.8</b>	<b>0.0</b>	<b>66.7</b>	<b>83.5</b>

Alko Inc. has one series of shares (10,000,000 shares).

### 5.2 DISTRIBUTABLE EARNINGS

MEUR	ALKO GROUP		ALKO INC.	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Retained profit			30.7	31.7
Profit/loss for financial year			35.7	38.4
Transfer from other funds			0.2	0.6
Total adjustments			0.2	0.6
<b>Distributable earnings</b>			<b>66.7</b>	<b>70.7</b>

## 6 OBLIGATORY PROVISIONS

MEUR	ALKO GROUP		ALKO INC.	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>6.1 OBLIGATORY PROVISIONS</b>				
Rent liability for vacant premises	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

## 7. LIABILITIES

MEUR	ALKO GROUP		ALKO INC.	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>7.1 NON-CURRENT NON-INTEREST-BEARING LIABILITIES</b>				
Other non-interest-bearing non-current payables	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0
<b>7.2 CURRENT LIABILITIES TO GROUP COMPANIES</b>				
Accounts payable to Group companies			0.0	0.0
Accrued expenses and deferred income to Group companies			0.0	0.0
			0.0	0.0
<b>7.3 CURRENT LIABILITIES</b>				
Accounts payable	144.6	149.1	144.5	149.1
Accrued expenses and deferred income	20.4	19.8	20.4	19.8
Other liabilities	16.3	15.3	16.3	15.3
Advances received	0.3	0.2	0.3	0.2
Total	181.6	184.5	181.6	184.4
<b>CURRENT LIABILITIES</b>	<b>181.6</b>	<b>184.5</b>	<b>181.6</b>	<b>184.4</b>
<b>7.4 MAJOR ITEMS IN ACCRUED EXPENSES AND DEFERRED INCOME</b>				
Accrual of salaries, including social insurance costs	17.2	16.4	17.2	16.4
Accrual of employer insurance contributions	0.8	0.7	0.8	0.7
Employees Pensions Act (TyEL) debt	1.5	1.5	1.5	1.5
Accrual of income tax	0.1	0.1	0.1	0.1
Accrual of bank charges and credit card commissions	0.5	0.6	0.5	0.6
Deliveries from abroad	0.2	0.2	0.2	0.2
Invoices to be recognised in next financial period	0.0	0.2	0.0	0.2
Other current accrued expenses and deferred income	0.2	0.2	0.1	0.2
Total	20.4	19.8	20.4	19.8

## 8 OTHER NOTES

Securities given, contingencies and other liabilities

Other securities given

MEUR	ALKO GROUP		ALKO INC.	
	2023	2022	2023	2022
<b>8.1 LEASING LIABILITIES</b>				
Payable the following year	0.8	0.8	0.8	0.8
Payable later	0.8	1.2	0.8	1.2
Total	1.6	2.0	1.6	2.0
<b>8.2 RENT LIABILITIES</b>				
Payable the following year	13.9	14.3	13.9	14.3
Payable later	0.4	0.6	0.4	0.6
Total	14.2	15.0	14.2	15.0



# KEY FIGURES

	ALKO GROUP					ALKO INC.				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Net sales, EUR million	1,160.8	1,187.4	1,290.4	1,296.8	1,144.1	1,160.8	1,187.3	1,290.3	1,296.7	1,144.0
Operating profit, EUR million	42.5	47.8	67.6	65.0	40.7	42.7	49.9	67.6	64.8	40.1
Percentage of net sales, %	3.7	4.0	5.2	5.0	3.6	3.7	4.2	5.2	5.0	3.5
Profit before appropriations and taxes	44.3	46.2	69.4	64.0	40.7	44.5	48.3	69.3	63.8	40.0
Percentage of net sales, %	3.8	3.9	5.4	4.9	3.6	3.8	4.1	5.4	4.9	3.5
Return on equity, %	41.5	36.8	48.8	48.6	35.0	41.7	39.0	49.6	49.2	34.6
Return on investment, %	50.9	45.7	60.3	61.2	43.5	51.9	49.0	62.1	62.1	44.0
Equity ratio, %	31.5	32.2	37.7	36.9	35.7	31.5	32.3	37.5	36.8	35.5
Current ratio	1.2	1.2	1.3	1.3	1.2	1.2	1.2	1.3	1.3	1.2
Gross investments in fixed assets, EUR million	7.2	7.5	5.7	6.8	8.4	6.9	7.4	5.1	6.1	7.6
Percentage of net sales, %	0.6	0.6	0.4	0.5	0.7	0.6	0.6	0.4	0.5	0.7
Average number of personnel during the financial year	2,398	2,436	2,472	2,454	2,466	2,398	2,436	2,472	2,454	2,466

## FORMULAS FOR THE KEY FIGURES

Return on equity (%)	$\frac{\text{(Profit before appropriations and taxes - income tax on ordinary operations)}}{\text{Equity (average*)}} \times 100$
Return on investment (%)	$\frac{\text{(Profit before appropriations and taxes + financial expenses for current liabilities)}}{\text{Balance sheet total (average*) - non-interest-bearing liabilities (average*)}} \times 100$
Equity ratio (%)	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - advances received}} \times 100$
Current ratio	$\frac{\text{Inventories + Financial assets}}{\text{Current liabilities}}$

\* Average figures have been calculated as averages for the beginning and end of the period.

# THE BOARD OF DIRECTORS' PROPOSAL ON THE DISTRIBUTION OF PROFIT

The parent company's distributable funds at 31 December 2023 totalled EUR 66,680,504.52 (EUR 70,743,205.64), of which EUR 35,736,695.44 (EUR 38,425,284.51 is profit for the financial year.

The Board proposes that the company's distributable funds be used as follows:

• distributed as a dividend	EUR 40,000,000.00
• retained under equity	EUR 26,680,504.52
	<u>EUR 66,680,504.52</u>

No substantial changes have taken place in the company's financial situation since the end of the financial year. Alko's liquidity is good and, in the Board's opinion, will not be jeopardised by the proposed distribution of profits.

# SIGNATURES TO THE FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS

Helsinki, 20 March 2024  
Board of Directors

Laura Raitio

Kirsi Varhila, Chair

Carolina Bade

Mikko Forsell

Antti Koivula

Pekka Perttula

Ulrika Romantschuk

Leena Laitinen  
President & CEO

# AUDITOR'S REPORT

A report has been given today on the audit carried out.

Helsinki, 20 March 2024

PricewaterhouseCoopers Oy  
Authorised Public Accountants

Tiina Puukkoniemi,  
Authorised Public Accountant

# STATEMENT BY THE SUPERVISORY BOARD

The Supervisory Board of Alko Inc. has studied the company's financial statements and auditors' report for 2023 and proposes to the 2024 Annual General Meeting that the company's income statement and balance sheet for the 2023 financial year be approved. The Supervisory Board supports the Board of Directors' proposal for the disposal of the profits.

Members of the Supervisory Board Mikko Lundén, Aino-Kaisa Pekonen, and Tuula Väättäinen recused themselves from the decision-making concerning Alko Inc.'s financial statements due to their other affiliations.

Helsinki, 4 April 2024

Juho Eerola

Eeva Kalli

Sanna Antikainen

Kim Berg

Eeva-Johanna Eloranta

Saara Hyrkkö

Pauli Kiuru

Sari Sarkomaa

Oskari Valtola



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