

SWEDISH MATCH SUSTAINABILITY REPORTING 2010 USING GRI METHODOLOGY

Date of issue: April 4, 2011

About this report

Successful sustainability activities require a methodical approach to reporting. In 2010, Swedish Match decided to work toward reporting the Company's sustainability performance according to the standards set forth by the Global Reporting Initiative (GRI) G3 guidelines.

Starting with the 2010 annual report and this GRI-reporting document for 2010, Swedish Match has for the first time reported its sustainability performance using the GRI methodology. Information from each of these two documents is to be used as a complement to the other; while the Annual Report includes general information about how Swedish Match works with sustainability, this reporting document focuses on Swedish Match sustainability reporting on chosen social, economic, and environmental indicators set forth by GRI.

Information provided in both the Annual Report and this reporting document is aimed at stakeholders with an interest in the Company's sustainability performance. Prioritized stakeholder groups include customers, consumers, employees, regulators and scientists, shareholders, and suppliers.

Swedish Match currently reports according to the GRI guidelines for level C (self-declared level).

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

All data reported covers the fully owned manufacturing facilities of Swedish Match, located in seven countries: Brazil, Bulgaria, the Dominican Republic, the Netherlands, the Philippines, Sweden, and the US. With regard to the environmental aspects of carbon dioxide emissions, numbers reported also include purchased transports and logistics for the entire Company. For social and economic aspects, all fully owned facilities - including sales and administrative offices - are covered. For partner and associated companies, as well as major suppliers, Swedish Match has established guidelines in its Code of Conduct, as well as supplier policies, which ensure that sustainability issues are being addressed.

All data in this report has been collected over the calendar years of 2008, 2009, and 2010. Swedish Match has since October 1, 2010 held a 49 percent ownership of Scandinavian Tobacco Group (STG) as a result of the Company contributing its US premium cigar business, its business for machine made cigars outside of the US, and its pipe tobacco business to the new STG. Data for 2010 does not cover this new STG.

For 2010, the average number of employees is stated under the structure post October 1, 2010, while certain data is for the full year, which for 9 months included employees now transferred, from October 1, to STG. As a result, certain figures per employee or per work hours are not comparable between 2009 and 2010.

In the US, most employees are not under contract, neither implied nor explicit.

This document reports under the following geographies, tied to production of the Company's main products: Sweden and Norway (primarily snus and matches), Brazil (Lighters and Matches), Bulgaria (Match related products), and the US/Dominican Republic. In the US, moist snuff, chewing tobacco pipe tobacco, and cigars are produced. In the Dominican Republic, cigars are also produced, primarily for the US market. For cigar production, the US and Dominican Republic production are combined, corresponding to the Companies production set-up.

Certain figures for economic performance indicators using GRI methodology differ from Swedish Match reported amounts in the 2010 Annual Report, which use IFRS methodology.

Contact details

You can read more about Swedish Match work within Sustainability on our website:
www.swedishmatch.com/en/Sustainability/ <http://www.swedishmatch.com/en/Sustainability/>

The Senior Vice President Corporate Communications and Sustainability, Emmett Harrison, is responsible for publishing the Swedish Match Annual Report as well as this GRI reporting document.

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GRI index 2010

Swedish Match reports its sustainability performance according to the Global Reporting Initiative guidelines (version G3).

The following index shows where the information can be found in the Swedish Match Annual Report 2010 as well as in the Swedish Match GRI reporting document.

Apart from the profile- and corporate governance information requested by GRI, the table includes all GRI core indicators as well as those additional indicators that Swedish Match has selected to report. All additional indicators are marked in italic.

The symbols show whether each indicator is being reported, partially reported, or not reported.

Reported: ●

Partially reported: ◐

Not reported: ○

AR refers to the Company's Annual Report 2010. GRI refers to the Company's GRI-reporting document published on the website: <http://www.swedishmatch.com/en/Sustainability/>.

Indicators		Reference	
1 Strategy and analysis			
1.1	CEO's comments	AR 24-25	●
1.2	Description of key impacts, risks, and opportunities		○
2 Organizational profile			
2.1	Name of the organization	AR Back Cover	●
2.2	Primary brands, products, and/or services	AR 2-3	●
2.3	Operational structure	AR 1, 112	●
2.4	Location of headquarters	AR 1	●
2.5	Countries where the organization operates	AR 74	●
2.6	Nature of ownership and legal form	AR 46	●
2.7	Markets served	AR 2-3	●
2.8	Size of the reporting organization	AR 1, 46-47, 62- 63, 74	●
2.9	Significant changes during the reporting period	AR 6-7, 46-47	●
2.10	Awards received in the reporting period	AR 25	●
3 Report parameters			
Report profile			
3.1	Reporting period	AR 26	●
3.2	Date of most recent previous report	AR 26	●
3.3	Reporting cycle	AR 26	●
3.4	Contact persons for questions regarding the report	AR 44, GRI 2	●
Report scope & boundaries			
3.5	Process for defining report content	AR 26-27	●
3.6	Boundary of the report	GRI 1-2	●
3.7	Specific limitations on the scope or boundary of the report	GRI 1-2	●
3.8	Basis for reporting on joint ventures, subsidiaries, etc.	AR 70	●
3.9	Data measurement and calculation principles		○
3.10	Comparability with previous reports	AR 26	●
3.11	Significant changes from previous reporting periods regarding scope, boundaries etc.	AR 26	●
GRI content index			
3.12	Table identifying the location of the Standard Disclosures in the report	GRI 3-4, AR 40-41	●
3.13	Policy and current practice regarding external verification of the report	AR 26	●
4 Governance, commitments, and engagement			
Governance			
4.1	Governance structure for the organization	AR 108-113	●
4.2	The role of the Chairman of the Board	AR 110	●
4.3	Independent and/or non-executive Board members	AR 112, 114-115	●
4.4	Mechanisms for shareholders and employees to propose recommendations, etc. to the Board	AR 108-113	●

Indicators		Reference	
4.5	Linkage between compensation for Board members, senior managers, and executives, and the organization's performance	AR 75-78	●
4.6	Processes in place for the Board to ensure conflicts of interest are avoided	AR 109-115	●
4.7	Process for determining the qualifications and expertise of the Board members	AR 109-117	●
4.8	Mission, values, Code of Conduct, etc.	AR 24-39	●
4.9	The Board's procedures for overseeing the organization's sustainability performance		○
4.10	Processes for evaluating the Board's own performance	AR 109-115	●
Commitments to external initiatives			
4.11	Explanations of if and how the precautionary principle is applied		○
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives	AR 24-39	●
4.13	Memberships in associations and/or national/international advocacy organization	AR 32-33	●
Stakeholder engagement			
4.14	List of stakeholder groups	AR 26	●
4.15	Basis for identification and selection of stakeholders with whom to engage	AR 26	●
4.16	Approaches to stakeholder engagement	AR 26	●
4.17	Key topics and concerns that have been raised through stakeholder engagement	AR 26-27	●
5 Economic performance indicators			
Disclosure on management approach		AR 4-5,108-113	●
Economic performance			
EC1	Economic value generated and distributed	GRI 6	●
EC2	Financial implications and other risks and opportunities due to climate change		○
EC3	Coverage of the organization's defined benefit plan obligations	GRI 7, AR 85-86	◐
EC4	Financial assistance received from government		○
Market presence			
EC6	Policy/practice regarding locally-based suppliers		○
EC7	Procedures for local hiring and proportion of senior management hired		○
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit		○

Indicators		Reference	
6 Environmental performance indicators			
Disclosure on management approach		AR 36-39	●
Materials			
EN1	Materials used by weight or volume		○
EN2	Recycled input materials		○
Energy			
EN3	Direct energy consumption		○
EN4	Indirect energy consumption		○
Water			
EN8	Total water withdrawal by source	GRI 8, AR 36-39	●
EN9	Water sources significantly affected by withdrawal of water	GRI 9	●
Biodiversity			
EN11	Location/scope of land at organization's disposal in areas of biodiversity value		○
EN12	Impacts on biodiversity		○
Emissions, effluents, and waste			
EN16	Direct/indirect greenhouse gas emissions	GRI 9-10, AR 36-39	◐
EN17	Other relevant indirect greenhouse gas emissions		○
EN19	Emissions of ozone-depleting substances	GRI 11	●
EN20	NO, SO and other significant air emissions		○
EN21	Total water discharge		○
EN22	Total weight of waste	GRI 11-12, AR 36-39	●
EN23	Total number and volume of significant spills	GRI 13	●
EN25	Water bodies and related habitats affected by discharges of water and runoff	GRI 13	●
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services		○
EN27	Percentage of products sold and their packaging materials that are reclaimed by category		○
Compliance			
EN28	Fines and sanctions for non compliance with environmental laws and legislation		○
7 Social performance indicators			
LABOR PRACTICES AND DECENT WORK			
Disclosure on management approach		AR 32-35	●
Employment			
LA1	Total workforce	GRI 14-16	●
LA2	Number and rate of employee turnover		○
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements	GRI 17	●
LA5	Minimum notice period(s) regarding operational changes		○
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	GRI 17	●
LA7	Rates of injury, occupational diseases, lost days, absenteeism, work related fatalities	GRI 17-20	●
LA8	Programs in place to assist workforce members, their families, or community members regarding serious diseases		○
Training and education			
LA10	Average hours of training per year per employee		○
LA11	Programs for skills management and lifelong learning	GRI 21	●
LA12	Percentage of employees receiving regular performance reviews	GRI 21	●
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per category	GRI 21-22, AR 74, 114-117	◐
LA14	Ratio of basic salary of men to women by employee category		○

Indicators		Reference	
HUMAN RIGHTS			
Disclosure on management approach		AR 28, 32-33, Swedish Match Code of Conduct, available on the website	●
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements that have undergone human rights screening		○
HR2	Percentage of significant suppliers undergone screening on human rights	GRI 22	◐
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken		○
Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk		○
Child labor			
HR6	Operations identified as having significant risk for incidents of child labor	GRI 23, AR 32-33	●
Forced and compulsory labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor		○
SOCIETY			
Disclosure on management approach		AR 32-35	●
Community			
SO1	Nature, scope and effectiveness of programs and practices that assess and manage impacts of operations on communities		○
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption		○
SO3	Percentage of employees trained in anti-corruption policies	GRI 23	◐
SO4	Actions taken in response to incidents of corruption		○
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying		○
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		○
PRODUCT RESPONSIBILITY			
Disclosure on management approach		AR 33-34	●
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement		○
Product and service labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	GRI 24-25	◐
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product or service information and labeling	GRI 25	●
PR5	Practices related to customer satisfaction, including results of surveys	GRI 25	◐
Marketing communications			
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications	GRI 25-26	●
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	GRI 26	●
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning products and services		○

SWEDISH MATCH SUSTAINABILITY MATERIALITY MATRIX *

IMPORTANCE TO STAKEHOLDERS	High to very high Child labor issues Emissions to air and water (climate impact) Energy consumption Human right issues Occupational health and safety Waste management Workforce diversity and non-discrimination	Corporate governance and transparency Customer satisfaction Ethical business practices (corruption and fraud) Financial performance Open and honest communication Product quality and safety (harm reduction) Productivity in operations Responsible product labeling Talent attraction and retention Workforce training and development
	Medium to high Biodiversity and land use Community engagement / relations Environmental engagement Freedom of association and collective bargaining Transports (business travel / freight transport) Water consumption	Market presence (local priority on employees, suppliers) Public affairs and lobbying
	Medium to high	High to very high

* Please note that issues within each square are presented in alphabetical order.

ECONOMIC PERFORMANCE INDICATORS

EC1: Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and government

Payments to government by country are more relevant locally and Swedish Match does not collate global data on it.

Revenues and other economic data do not correspond to figures set forth in the Annual Report. This is due to definitions set forth by GRI which may differ from Swedish Match reporting under IFRS.

Direct economic value generated (MSEK)	2010	2009	2008
Revenues	14 277	14 300	12 849
Economic value distributed (MSEK)			
Operating costs	7751	8 287	7 612
Employee wages and benefits	2326	2 504	2 204
Payments to providers of capital	1679	1 553	1 481
Payments to government	649	613	342
Community investments	3	5	5
Total economic value distributed (MSEK)	12408	12962	11644
Economic value retained (MSEK)	1869	1338	1205

Economic value distributed (MSEK)	2010	2009	2008
Operating costs	62%	64%	65%
Employee wages and benefits	19%	19%	19%
Payments to providers of capital	14%	12%	13%
Payments to government	5%	5%	3%
Community investments	0%	0%	0%
Total economic value distributed (MSEK)	100%	100%	100%

EC3: Coverage of the organization's defined benefit plan obligations

The structure of retirement plans offered to Swedish Match employees are based on defined benefit plans and other types of benefits. For defined benefit plans, the employer's obligations to pay pensions under the plan are met – directly by the organization's general resources as well as through a fund held and maintained separately from the resources of the organization.

Estimated value of benefit plan's liabilities met by the organization's general resources (MSEK)	2010	2009	2008
Estimated value of benefit plan's liabilities met by the organization's general resources	811	814	745
Where a separate fund exists to pay the plan's pension liabilities...	2010	2009	2008
The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them	91%	95%	93%

The estimates above have been arrived at on the basis of the Project Unit Credit Method (IAS 19) on December 31, 2010, December 31, 2009, and December 31, 2008.

For more information about how Swedish Match works with benefit plans, please see the Annual Report 2010, note 26, Employee benefits, page 105.

ENVIRONMENTAL PERFORMANCE INDICATORS

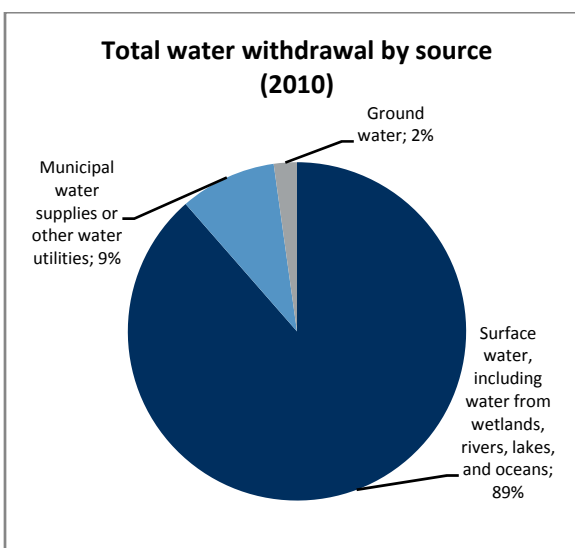
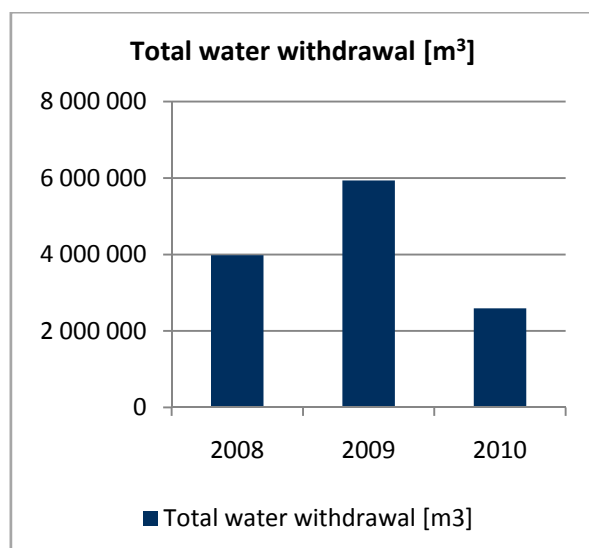
EN8: Total water withdrawal by source

Most of Swedish Match water withdrawals are taken from surface water, followed by municipal water supplies or other water utilities. A small amount is withdrawn from ground water. The big drop in water withdrawal from 2009 and 2010 refers to the poplar farms in Brazil; the amount of surface water for irrigation used in 2010 is significantly lower than 2009 due to natural differences in climate behavior. More rain in 2010 resulted in a lower water demand by Swedish Match forests than in 2009.

	2010	2009	2008
Total water withdrawal [m³]	2 591 220	5 934 474	3 980 577

Total water withdrawal by source [m³]	2010	2009	2008
Surface water, including water from wetlands, rivers, lakes, and oceans	2 294 810	5 640 617	3 713 058
Ground water	57 300	51 859	46 825
Rainwater collected directly and stored by the reporting organization	0	0	0
Waste water from another organization	0	0	554
Municipal water supplies or other water utilities	239 110	241 998	220 140
Total water withdrawal [m³]	2 591 220	5 934 474	3 980 577

Total water withdrawal by source [%]	2010	2009	2008
Surface water, including water from wetlands, rivers, lakes, and oceans	89%	95%	93%
Ground water	2%	1%	1%
Rainwater collected directly and stored by the reporting organization	0%	0%	0%
Waste water from another organization	0%	0%	0%
Municipal water supplies or other water utilities	9%	4%	6%
Total water withdrawal	100%	100%	100%



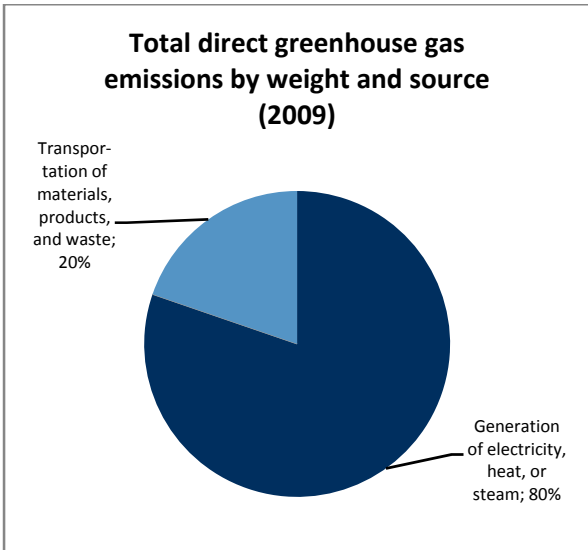
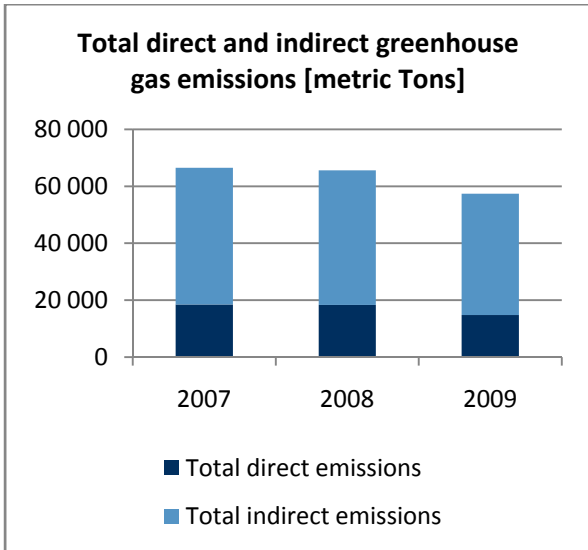
EN9: Water sources significantly affected by withdrawal of water

Swedish Match does not use water from any water source that is significantly affected by the water withdrawal, according to the definitions provided by GRI.

EN16: Total direct and indirect greenhouse gas emissions by weight

All CO₂ / Greenhouse gas reporting is according to CDP protocols. 2010 data will be available from mid-2011.

	2009	2008	2007
Total greenhouse gas emissions by weight [metric Tons]	57 421	65 602	66 525
<hr/>			
Total greenhouse gas emissions by weight and direct/indirect [metric Tons]	2009	2008	2007
Total <u>direct</u> greenhouse gas emissions	14 785	18 349	18 485
Total <u>indirect</u> greenhouse gas emissions	42 636	47 253	48 040
Total <u>direct and indirect</u> greenhouse gas emissions	57 421	65 602	66 525
<hr/>			
Total greenhouse gas emissions by weight and direct/indirect [%]	2009	2008	2007
Total <u>direct</u> greenhouse gas emissions	26%	28%	28%
Total <u>indirect</u> greenhouse gas emissions	74%	72%	72%
Total <u>direct and indirect</u> greenhouse gas emissions	100%	100%	100%
<hr/>			
Total direct greenhouse gas emissions by weight and source [metric Tons]	2009	2008	2007
Generation of electricity, heat, or steam	11 868	14 032	14 071
Other combustion processes such as flaring	-	-	-
Physical or chemical processing	-	-	-
Transportation of materials, products, and waste	2 917	4 317	4 414
Venting	-	-	-
Fugitive emissions	-	-	-
Total direct greenhouse gas emissions by weight and source [metric Tons]	14 785	18 349	18 485
<hr/>			
Total direct greenhouse gas emissions by weight and source [%]	2009	2008	2007
Generation of electricity, heat, or steam	80%	76%	76%
Other combustion processes such as flaring	-	-	-
Physical or chemical processing	-	-	-
Transportation of materials, products, and waste	20%	24%	24%
Venting	-	-	-
Fugitive emissions	-	-	-
Total direct greenhouse gas emissions by weight and source [%]	100%	100%	100%



All calculations are based on site specific data, and conversion methodologies based on The Greenhouse Gas Protocol (GHG) Initiative are used in order to calculate the amount of greenhouse gas emissions per source.

The following conversion methodologies have been used:

Fuel type	Conversion factors
Petrol	2.3 ton CO ₂ /m ³
	72.6 g/MJ
Diesel	2.7 ton CO ₂ /m ³
	75.3 g/MJ
Fuel oil #1	2.7 ton CO ₂ /m ³
	3.2 ton CO ₂ /ton
	75.3 g/MJ
Fuel oil #2-5	3.0 ton CO ₂ /m ³
	3.1 ton CO ₂ /ton
	76.2 g/MJ
Coal	2.4 ton CO ₂ /ton
	90.7 g/MJ

Fuel type	Conversion factors
Natural Gas	0.0022 ton CO ₂ /m ³
	2.9 ton CO ₂ /ton
	56.5 g/MJ
Butane, LPG	3.0 ton CO ₂ /m ³
	65.1 g/MJ
City gas	0.0013 ton CO ₂ /m ³
	2.2 ton CO ₂ /ton
	77.5 g/MJ
Peat	1.4 ton CO ₂ /ton
Pellet	115,5 g/MJ
House hold waste	0 g CO ₂ /ton
	0.20 ton CO ₂ /ton
	26,2 g/MJ

EN19: Emissions of ozone-depleting substances by weight

Swedish Match has a very small amount of emissions of ozone-depleting substances. The emissions originate in the Company's mass market cigars factories in Dothan, the US, and Santiago, Dominican Republic.

Swedish Match does not have any emissions of specific ozone-depleting substances of CFC-11 equivalent.

	2010	2009	2008
Total emissions of ozone-depleting substances [metric Tons]	0,96	0,90	0,93

EN22: Total weight of waste by type and disposal method

In 2010, 95% of Swedish Match waste has been identified as non-hazardous.

The disposal method most commonly used is incineration, followed by landfill, and recycling. Small amounts of waste are being reused. Nearly all reported incinerated waste comes from the Company's match factories in Sweden, where splint waste (pure wooden waste) is used for incineration to generate district heating for the local community.

The method of disposal has primarily been determined by information provided by the local waste disposal contractors, and in some cases also what is disposed directly by Swedish Match.

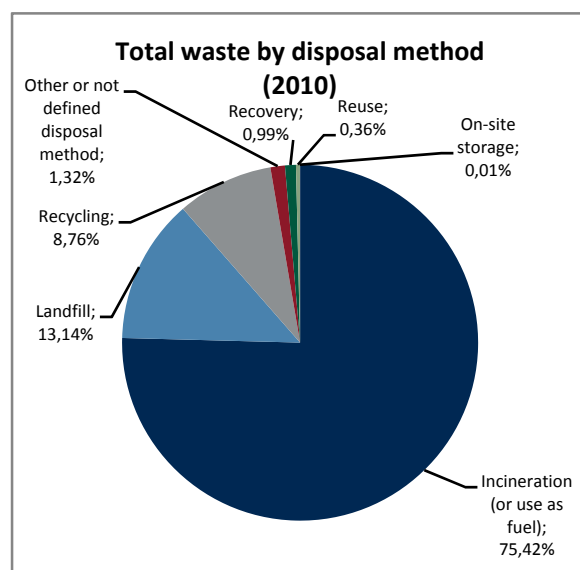
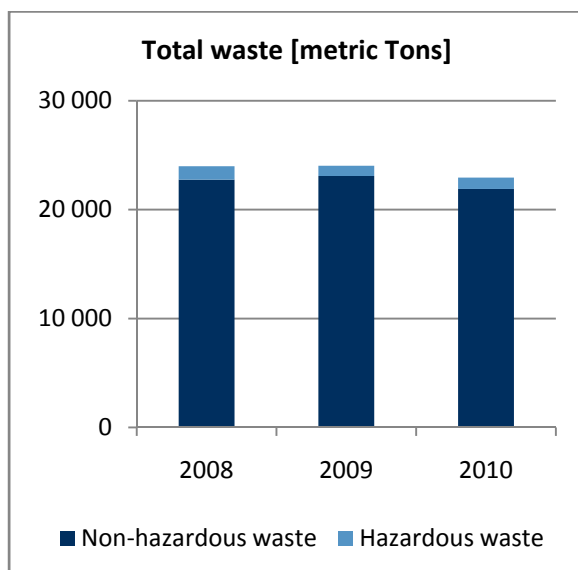
	2010	2009	2008
Total waste [metric Tons]	22 940	24 038	23 986

Total waste by type [metric Tons]	2010	2009	2008
Non-hazardous waste	21 905	23 086	22 757
Hazardous waste	1 035	951	1 229
Total waste [metric Tons]	22 940	24 038	23 986

Total waste by type [%]	2010	2009	2008
Non-hazardous waste	95%	96%	95%
Hazardous waste	5%	4%	5%
Total waste [%]	100%	100%	100%

Total waste per disposal method [metric Tons]	2010	2009	2008
Composting	0	0	0
Reuse	83	116	145
Recycling	2 009	1 343	1 968
Recovery	226	224	235
Incineration (or use as fuel)	17 302	18 181	19 337
Landfill	3 015	2 462	1 996
Deep well injection	0	0	0
On-site storage	2	1	8
Other or not defined disposal method	303	1 710	296
Total waste [metric Tons]	22 940	24 038	23 986

Total waste per disposal method [%]	2010	2009	2008
Composting	0,00%	0,00%	0,00%
Reuse	0,36%	0,48%	0,60%
Recycling	8,76%	5,59%	8,21%
Recovery	0,99%	0,93%	0,98%
Incineration (or use as fuel)	75,42%	75,63%	80,62%
Landfill	13,14%	10,24%	8,32%
Deep well injection	0,00%	0,00%	0,00%
On-site storage	0,01%	0,01%	0,03%
Other or not defined disposal method	1,32%	7,12%	1,23%
Total waste [%]	100,00%	100,00%	100,00%



EN23: Total number and volume of significant spills

During 2008 to 2010, there have been a total number of seven significant spills within Swedish Match factories. All seven have been in the Dominican Republic. In 2008, the spill concerned paste. The four cases of spills in 2009 and the two cases in 2010 concerned gas, oil, and paste.

	2010	2009	2008
Number of significant spills	2	4	1
Volume of significant spills [metric Tons]	0,02	0,09	0,04

EN25: Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff

Swedish Match does not have any water bodies significantly affected by Swedish Match water discharges, according to the GRI definitions.

SOCIAL PERFORMANCE INDICATORS

Labor practices

On October 1, 2010, with the creation of the new Scandinavian Tobacco Group (STG), approximately 6,500 employees, primarily producing hand rolled and machine made cigars, as well as local individuals in local sales companies, were transferred to STG.

Due to differences in methodologies, totals may not correspond to workforce breakouts in the Annual Report.

LA1: Total workforce by employment contract, employment type, and region

Total workforce	2010	2009	2008
Number of employees excluding temporary workers	3 961	7 986	8 638
Number of temporary workers	374	972	1 290
Total workforce (employees + temporary workers)	4 335	8 958	9 928
Total workforce [%]	2010	2009	2008
Percentage of employees excluding temporary workers	91%	89%	87%
Percentage of temporary workers	9%	11%	13%
Total workforce (employees + temporary workers)	100%	100%	100%
Employment contract	2010	2009	2008
Number of employees with an indefinite/permanent contract	2 196	2 176	2 111
Number of employees with a fixed term/temporary contract	123	155	199
Number of employees not under contract (the US)	2 016	6 627	7 618
Total workforce (employees + temporary workers)	4 335	8 958	9 928
Employment contract [%]	2010	2009	2008
Percentage of employees with an indefinite/permanent contract	51%	24%	21%
Percentage of employees with a fixed term/temporary contract	3%	2%	2%
Percentage of employees not under contract (the US)	46%	74%	77%
Total workforce (employees + temporary workers)	100%	100%	100%

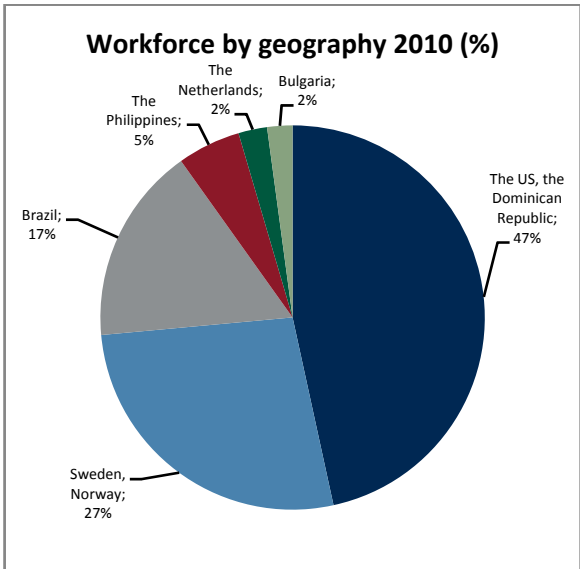
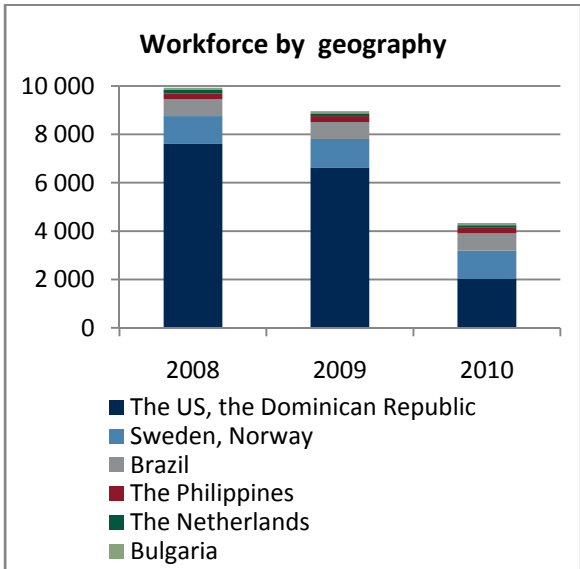
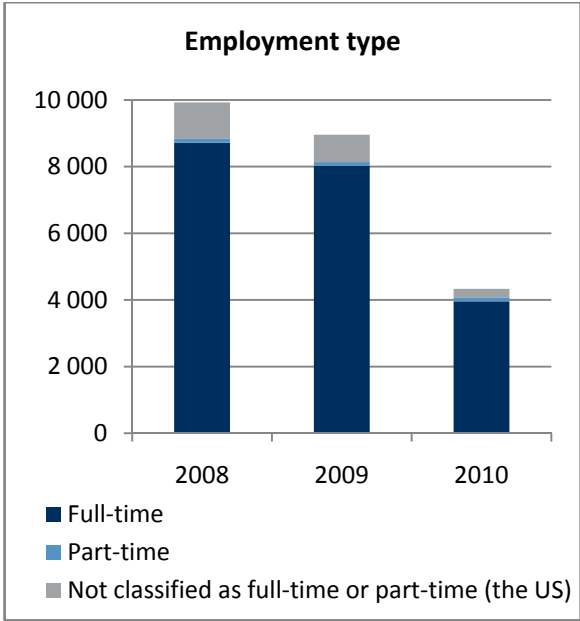
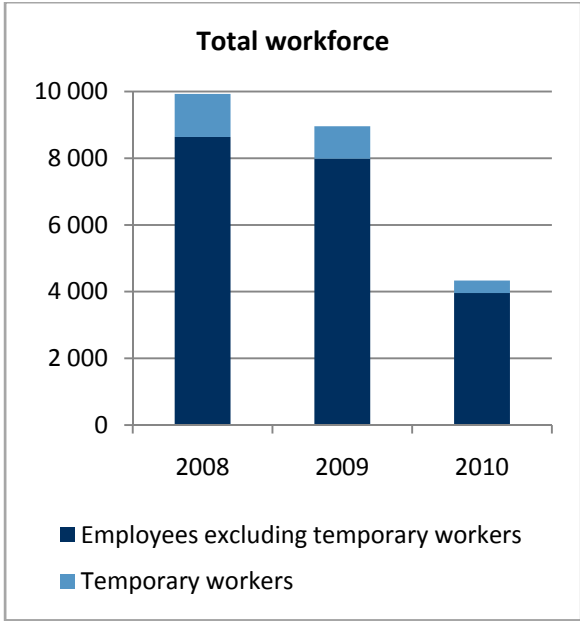
Employment type	2010	2009	2008
Number of employees working full-time	3 960	8 021	8 717
Number of employees working part-time*	121	117	117
Number of employees not classified as working full-time or part-time (the US)	254	820	1 094
Total workforce (employees + temporary workers)	4 335	8 958	9 928

Employment type [%]	2010	2009	2008
Percentage of employees working full-time	91%	90%	88%
Percentage of employees working part-time*	3%	1%	1%
Temporary workers in the US not classified as full-time or part-time employees	6%	9%	11%
Total workforce (employees + temporary workers)	100%	100%	100%

* A number of employees working part time in Sweden are full time employed, but work part time according to the Swedish Parental Leave Act (Föräldradighetslagen).

Total workforce by geography	2010	2009	2008
The US, the Dominican Republic	2 019	6 630	7 621
Sweden, Norway	1 169	1 178	1 133
Brazil	720	705	706
The Philippines	230	246	233
The Netherlands	105	106	139
Bulgaria	92	93	96
Total workforce (employees + temporary workers)	4 335	8 958	9 928

Total workforce by geography [%]	2010	2009	2008
The US, the Dominican Republic	47%	74%	78%
Sweden, Norway	27%	13%	11%
Brazil	17%	8%	7%
The Philippines	5%	3%	2%
The Netherlands	2%	1%	1%
Bulgaria	2%	1%	1%
Total workforce (employees + temporary workers)	100%	100%	100%



LA4: Percentage of employees covered by collective bargaining agreements

In total, 54 percent of Swedish Match employees were covered by collective bargaining agreements in 2010.

Employees covered by collective bargaining agreements	2010	2009	2008
Number of employees covered by collective bargaining agreements	2337	2447	2411
Percentage of total employees covered by collective bargaining agreements	54%	27%	24%
Percentage of total employees not covered by collective bargaining agreements	46%	73%	76%

LA6: Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs

70 percent of the Swedish Match total workforce (excluding temporary workers) is represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.

The committees operate at different levels: company, regional, divisional, function or facility level.

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

	2010	2009	2008
A) Total number of working hours per year	8 337 371	17 512 100	20 014 453
B) Calculated number of total working days per year	1 042 171	2 189 013	2 501 807

	2010	2009	2008
C) Total number of injuries/accidents excluding minor (first-aid level) injuries/accidents	67	69	77
D) Total number of occupational illnesses	72	79	76
E) Total number of lost days due to occupational illnesses/injuries/accidents	3 578	3 878	3 837
F) Total number of absentee days	34 089	34 289	35 496
G) Total number of fatalities due to occupational illnesses/injuries/accidents	3	1	0

	2010	2009	2008
Injury rate = C / A * 200 000	1,68	0,80	0,77
Occupational diseases rate = D / A * 200 000	1,73	0,90	0,76
Lost days rate = E / A * 200 000	85,83	44,29	38,34
Absentee rate = F / B	3,3%	1,6%	1,4%

In accordance with the GRI protocol, the factor 200,000 is used so that the resulting rate is related to the number of employees, not the number of hours. The factor 200,000 is derived from 50 working weeks at 40 hours per 100 employees.

To calculate the total number of working hours per year, the following calculation method has been used:

$$\text{Average number of employees per year} \times \text{Average numbers of hours worked per year}$$

To calculate the total number of working days per year, the following calculation method has been used:

$$\text{Calculated days} = \text{Total working hours} / 8$$

The systems of rules are applied from national law in different countries.

By geography:

US and the Dominican Republic	2010	2009	2008
Total number of working hours per year	4 260 000	13 300 000	15 800 000
Calculated number of total working days per year	532 500	1 662 500	1 975 000

	2010	2009	2008
Total number of injuries/accidents excluding minor (first-aid level) injuries/accidents	37	37	34
Total number of occupational illnesses	2	1	6
Total number of lost days due to occupational illnesses/injuries/accidents	407	109	92
Total number of absentee days	4 472	6 335	6 471
Total number of fatalities due to occupational illnesses/injuries/accidents	0	0	0

	2010	2009	2008
Injury rate	1,74	0,56	0,43
Occupational diseases rate	0,09	0,02	0,08
Lost days rate	19,11	1,64	1,16
Absentee rate	1%	0%	0%

The Philippines	2010	2009	2008
Total number of working hours per year	423 200	572 688	542 424
Calculated number of total working days per year	52 900	71 586	67 803

	2010	2009	2008
Total number of injuries/accidents excluding minor (first-aid level) injuries/accidents	0	1	0
Total number of occupational illnesses	0	0	0
Total number of lost days due to occupational illnesses/injuries/accidents	0	7	0
Total number of absentee days	223	565	541
Total number of fatalities due to occupational illnesses/injuries/accidents	0	1	0

	2010	2009	2008
Injury rate	0,00	0,70	0,00
Occupational diseases rate	0,00	0,00	0,00
Lost days rate	0,00	2,44	0,00
Absentee rate	0%	1%	1%

The Netherlands	2010	2009	2008
Total number of working hours per year	183 712	181 994	226 688
Calculated number of total working days per year	22 964	22 749	28 336

	2010	2009	2008
Total number of injuries/accidents excluding minor (first-aid level) injuries/accidents	3	1	3
Total number of occupational illnesses	0	0	0
Total number of lost days due to occupational illnesses/injuries/accidents	14	3	13
Total number of absentee days	1 259	4 964	6 234
Total number of fatalities due to occupational illnesses/injuries/accidents	0	0	0

	2010	2009	2008
Injury rate	3,27	1,10	2,65
Occupational diseases rate	0,00	0,00	0,00
Lost days rate	15,24	3,30	11,47
Absentee rate	5%	22%	22%

Brazil	2010	2009	2008
Total number of working hours per year	1 433 199	1 391 202	1 444 572
Calculated number of total working days per year	179 150	173 900	180 572

	2010	2009	2008
Total number of injuries/accidents excluding minor (first-aid level) injuries/accidents	11	13	18
Total number of occupational illnesses	1	1	1
Total number of lost days due to occupational illnesses/injuries/accidents	1 908	2 386	2 320
Total number of absentee days	5 505	2 465	2 858
Total number of fatalities due to occupational illnesses/injuries/accidents	0	0	0

	2010	2009	2008
Injury rate	1,54	1,87	2,49
Occupational diseases rate	0,14	0,14	0,14
Lost days rate	266,26	343,01	321,20
Absentee rate	3%	1%	2%

Bulgaria (Details on parameters below are currently not available).	2010	2009	2008
Total number of working hours per year	156 968	157 058	162 970
Calculated number of total working days per year	19 621	19 632	20 371

Sweden and Norway	2010	2009	2008
Total number of working hours per year	1 880 292	1 909 158	1 837 799
Calculated number of total working days per year	235 037	238 645	229 725

	2010	2009	2008
Total number of injuries/accidents excluding minor (first-aid level) injuries/accidents	16	17	22
Total number of occupational illnesses	69	77	69
Total number of lost days due to occupational illnesses/injuries/accidents	1 249	1 373	1 412
Total number of absentee days	22 630	19 960	19 392
Total number of fatalities due to occupational illnesses/injuries/accidents	3	0	0

	2010	2009	2008
Injury rate	2,02	1,78	2,39
Occupational diseases rate	7,34	8,07	7,51
Lost days rate	132,85	143,83	153,66
Absentee rate	10%	8%	8%

LA11: Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Employee training takes place at the local level, and is catered to the needs of the individual and to organizational needs. Employees are offered opportunities for both onsite and offsite education and training, dependent upon future needs of the Group, thus helping to ensure sustainability in its workforce. In some cases, the Company accepts the provision of sabbatical periods with guaranteed return to employment.

For more information, please see the Swedish Match Annual Report 2010, page 29-31.

LA12: Percentage of employees receiving regular performance and career development reviews

The Group promotes an active dialogue between managers and employees which helps to create an attractive and motivating workplace. An annual employee career development evaluation is the single most important tool for maintaining this dialogue and for drafting targets on an individual level.

	2010	2009	2008
Total number of employees (including temporary workers) receiving a formal performance appraisal and review	2329	2699	2876
Percentage of employees (including temporary workers) receiving a formal performance appraisal and review	54%	30%	29%
Percentage of employees (including temporary workers) not receiving a formal performance appraisal and review	46%	70%	71%

LA13: Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity

In 2008 and 2009, full detail on gender classification for temporary employees was not available for the US.

Employees by gender	2010	2009	2008
Total number of female employees	1 658	4 038	4 331
Total number of male employees	2 677	4 100	4 503
Total number of temporary employees not classified as female or male (the US)	0	820	1 094
Total workforce (employees + temporary workers)	4 335	8 958	9 928

Employees by gender [%]	2010	2009	2008
Percentage of female employees	38%	45%	44%
Percentage of male employees	62%	46%	45%
Percentage of temporary employees not classified as female or male (the US)	0%	9%	11%
Employees by gender [%]	100%	100%	100%

Board members by gender	2010	2009	2008
Total number of female board members	4	4	4
Total number of male board members	6	6	6
Total number of board members	10	10	10

Board members by gender [%]	2010	2009	2008
Percentage of female board members	40%	40%	40%
Percentage of male board members	60%	60%	60%
Board members by gender [%]	100%	100%	100%

Swedish Match does not collate global data per age groups or minority groups.

Due to differences in methodologies, totals may not correspond to workforce break outs in the Annual Report 2010, note 7 Personnel, page 74.

Human Rights

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

Swedish Match is a small actor when purchasing tobacco, buying less than one percent of the world's production. Swedish Match does not perform social audits, but all suppliers are informed about the Company's Code of Conduct and are requested to sign and return the contract - "*Social commitment for suppliers to Swedish Match*" - as well as fill out an agronomy questionnaire.

Although no social audits are performed by the company, the tobacco purchasers visit the Company's suppliers each year to show that social commitment is of great importance to the Group and to discuss local social activities, such as issues of child labor, human rights, and other important matters.

During 2010, fifteen out of the Company's eighteen significant suppliers were asked to complete the "*Social commitment for SM suppliers*" contract. For others, the Company has seen documentation which indicates that they would have fulfilled the contract. This means that 83 percent of the Company's significant suppliers have completed the contract. Swedish Match has defined a significant supplier as a supplier of tobacco, from whom the Company purchases more than 100,000 USD per year.

HR6: Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor

Swedish Match does not tolerate child labor and our view on this issue follows the UN Convention on the Rights of the Child, Article 32.1. The Company does not have any operations considered to have significant risk for incidents of child labor, as Swedish Match does not have its own tobacco handling operations.

Even though Swedish Match does not have its own tobacco handling operations, the Company manufactures tobacco products and therefore continually works with its suppliers to ensure that the issue of child labor is being addressed.

Swedish Match is on the Board of the ECLT Foundation (Eliminating Child Labour in Tobacco-growing). ECLT is a foundation that works actively together with tobacco buying companies and professional representatives with the aim of eliminating child labor on tobacco fields. ECLT believes that eliminating child labor in tobacco is an issue that is better handled in a joint effort between trade unions, the corporate sector (manufacturing industry), and the tobacco growers ITGA (International Tobacco Growers' Association). The tobacco suppliers of Swedish Match are also members of the ECLT Foundation, and have in many cases programs of their own to help enable young people to receive education.

Society

SO3: Percentage of employees trained in anti-corruption policies

Swedish Match has a Code of Conduct which consists of a number of policies related to employees and workplace practices, social responsibility, and the environment. Corruption and fraud is being addressed within the Code's chapter on business ethics (Group Policy on Fraud Response). All Swedish Match employees are required to maintain a culture of honesty and opposition to fraud and corruption. Any concerns about suspected fraud, corruption or violation of laws, rules and regulations are to be reported to an appropriate manager. Fraud or violation may also be reported, anonymously, to the Chairman of the Audit Committee (whistleblower).

The Code of Conduct is applicable to all employees in the organization and the implementation phase covers communication to all employees. Swedish Match has an internal process where the Code of Conduct, along with all other Group policies, is distributed to managers in the countries where we operate. The managers have to confirm that they have read, understood and implemented the policies.

The Code of Conduct is monitored and reviewed in the business units every other year. The reviews are intended to ensure that employees and other stakeholders affected by the Code of Conduct are aware of, understand and work in accordance with its content. Swedish Match has engaged AON, an international risk management company to conduct these external audits. Based on the results, the external partner presents recommendations if needed. Areas for improvement are reevaluated the following year.

Product Responsibility

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

The US (snus, moist snuff, chewing tobacco and cigars)

With respect to product labeling for snus, moist snuff and chewing tobacco, Swedish Match US operations must comply with the provisions of the Family Smoking Prevention and Tobacco Control Act which is enforced by the Food and Drug Administration (FDA). The act requires that Swedish Match place certain health warnings on the two principal display panels on all packaging. The health warnings shall comprise 30 percent of the area of the display panels. Swedish Match is also required to put the designated name of the product, the weight, the percentage of domestic tobacco, the name and place of business of the manufacturer as well as the following statement “*Sale only allowed in the United States*” on the packaging.

With respect to product labeling for mass market cigars, the Swedish Match US operations must comply with the provisions of a consent decree it signed with the Federal Trade Commission. The act requires that the Company places certain health warnings on all products, labeling the size of which depends upon the size of the product. In addition, Swedish Match is required to put the name and place of business of the manufacturer, the number of cigars, and the country of origin on the packaging.

Compliance with these mandated requirements are continuously reviewed via the Company’s marketing approval policy. A marketing approval sheet is attached to all product labeling and is circulated to all persons required for final approval of the piece. The purpose of this approval process is to ensure that all legal requirements are met and that the brand teams and factory are satisfied with the product labeling.

Scandinavia (snus)

With respect to product labeling for snus in Sweden and Norway, Swedish Match must comply with the regulations concerning labeling of tobacco products and the legislation concerning food stuffs.

The legislation requires placement of a health warning on the most visible side of the snus packaging which shall comprise 30 percent of the area of the display panel. There is also a requirement to print the designated name of the product, ingredients, weight, best before date, and name and place of business of the manufacturer on the packaging.

The compliance with these requirements are reviewed and safeguarded by the Brands & Marketing Department and the Chemical Analysis Department of the appropriate operating unit.

International - outside of Brazil (lighters and matches)

Swedish Match manufactures its lighters to be in compliance with ISO 9994 (safety specification) and EN 13869 (Child resistance). This is mandatory in the EEC. In many other countries outside the EEC, local regulations are comparable with ISO 9994. In the USA, Canada, Australia, and New Zealand, child resistance is also mandatory. Both standards are unique for lighters.

Section 6 of the ISO 9994 standard describes the instructions and warnings. Local regulations about how to label differ by country, and all Cricket lighters sold in a country have labeling that complies with local regulations. While EN13869 prescribes no warning labeling, Cricket voluntarily applies the “Child resistance logo” on the packaging.

Compliance with these requirements are reviewed and safeguarded internally, through the methodology of ISO reporting systems, and through the Product and Process Integrity department of

Cricket (Assen, NL), as well as externally, through reviewing and certifying bodies for ISO 9994, ISO 9001, and ISO 14001.

Matches produced in Sweden comply with the voluntary EN 1783:1997 match standard. This standard covers performance, safety, and classification requirements. For matches exported to some countries outside of EU, compliance to the EN 1783:1997 standard is mandatory. Warning labels on pre-mix (pre-mix of dry chemicals for match head composition) bags are mandatory in the EU according to the CLP-regulation (Regulation (EC) No 1272/2008). Compliance to the EN 1783:1997 match standard is reviewed through control and testing at a third party body (e.g. the National Standard Institute) in the country requesting fulfillment of the standard.

Brazil (lighters and matches)

The Swedish Match procedures for product information and labeling require information about the sourcing of components if the products are imported (country of origin, producer); information about content in general (however no specific link to environmental or social impact); information about safe use of the lighters and matches. Information about disposal of the products is not required.

PR4: Total number of incidents of non-compliance with regulations (product information/labeling)

Swedish Match has had no incidents of non-compliance during the reporting period of 2010.

PR5: Practices related to customer satisfaction, including results of surveys

Swedish Match works to maintain high levels of customer satisfaction. In Sweden, customer satisfaction is measured every 18 months through a standardized survey process. Recent results are stable, showing a slight increase in customer satisfaction regarding the sales force and promotional material.

In the US, this process is not yet standardized as it is in Sweden, but carried out on a case by case basis.

PR6: Programs for adherence to laws, standards and voluntary codes related to marketing communications

The US (snus, moist snuff, chewing tobacco and cigars)

With respect to marketing communications for snus, moist snuff and chewing tobacco, the Swedish Match US operations must comply with the provisions of the Family Smoking Prevention and Tobacco Control Act which is enforced by the Food and Drug Administration (FDA). The act requires that Swedish Match places certain health warnings on all of the Company's communications that comprise 20 percent of the total area of any of its communications. Swedish Match is also required to put the designated name of the product on the communication. In addition, the Company is prohibited from making health related claims and from making any false or deceptive statements. The Company's marketing communications are also subject to review by the Federal Trade Commission.

With respect to marketing communications for mass market cigars, the Swedish Match US operations must comply with the provisions of a consent decree it signed with the Federal Trade Commission. The act requires that the Company places certain health warnings on all of its communications the

size of which depends upon the size of the communications. In addition, the Company is prohibited from making health related claims and from making any false or deceptive statements.

Compliance with these mandated requirements are continuously reviewed via the Company's marketing approval policy. A marketing approval sheet is attached to all marketing communications and is circulated to all persons required for final approval of the piece. The purpose of this approval process is to ensure that all legal requirements are met and that the brand teams are satisfied with the message of the piece.

Scandinavia (snus)

With respect to marketing communications for snus in Sweden, Swedish Match must comply with the provisions of the Swedish Tobacco Act (Tobakslagen) and the Marketing Law which are enforced by Sweden's Consumer Agency/Consumer Ombudsman. The legislation regulates to what extent marketing of tobacco products is allowed. Before publishing, all marketing communications shall be reviewed by the Legal Department and thereafter approved by the Marketing Department taking into account a written opinion from the Legal Department.

With respect to marketing communications for snus in Norway, Swedish Match must comply with the provisions of the Norwegian Act on protection against harm or disease caused by smoking (Lov om vern mot tobakksskader) and a regulation on prohibition against marketing of tobacco which are enforced by the Norwegian Directorate of Health. According to the Norwegian legislation there is a general ban on marketing of tobacco products including a ban on visible exposure of tobacco products in stores. This means that only the sale of tobacco products is allowed and that the exposure of advertising material and other marketing activities related to tobacco products is banned in general. There is a very few limited exceptions from this which concerns the communication of e.g. price lists. To the extent that marketing communication concerning snus in Norway is allowed at all, such communication shall be reviewed and approved by the Legal Department before implementation.

International - outside of Brazil (lighters and matches)

Swedish Match "Lights" products (lighters, matches, and fire products) do not need to comply with any specific regulations/laws related to Marketing communications other than the general legislation relating to the marketing of consumer products.

Brazil (lighters and matches)

There is a vast legislation applicable to the business activities (e.g. Consumer Code), however there are no specific marketing codes that must be adhered to for lights products. Any codes employed are voluntary.

PR7: Total number of incidents of non-compliance with regulations concerning marketing communications

Swedish Match has had no incidents of non-compliance during the reporting period of 2010.