

Alcohol Policy Reforms in Finland and Their Impact on Alko

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Why and how this
happened?

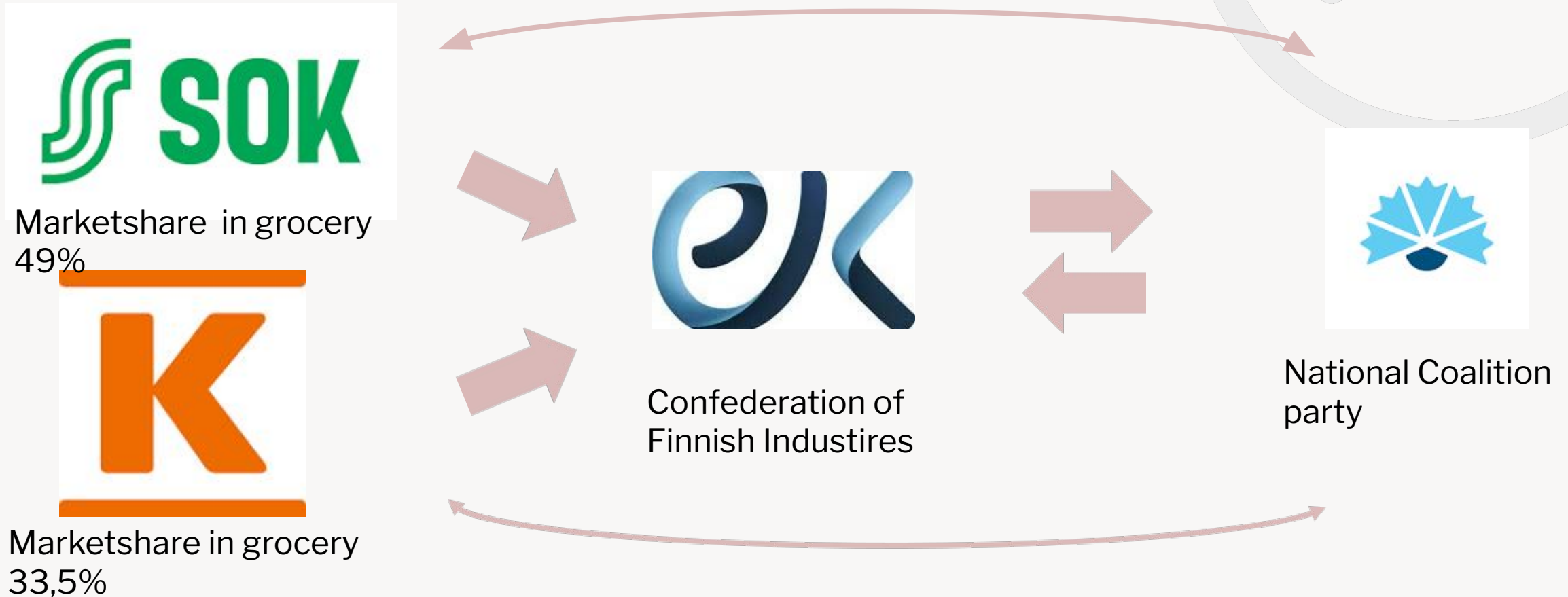
What Alko is doing?

Alcohol Policy in Finland: Public Health vs. Market Liberalisation

While most Finnish political parties have prioritised public health concerns over further market opening, the National Coalition Party has for decades been one of the strongest advocates of alcohol market liberalisation. There are also different fractions in other parties.



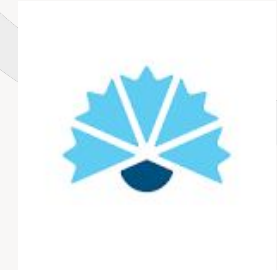
Lobbying efforts and political interests are closely aligned, pursuing the same goal.



“A strong and committed Finland” – Programme of Prime Minister Petteri Orpo's Government 2023

The final Government Programme struck a compromise of alcohol policy:

- Alko's public health mandate and monopoly status would remain “unchanged”
- The retail sales limit outside Alko would be increased from 5.5% to 8% ABV for fermented alcoholic beverages
- Alcohol home delivery and new retail concepts based on online ordering and pickup/delivery would be enabled, subject to age verification
- Cross-border distance sales rules would be clarified
- A study on allowing wines up to 15% ABV to be sold in grocery stores would be carried out before the mid-term policy review
- The National Coalition Party succeeded in securing several legislative reforms in the Government Programme that, taken together, gradually weaken Alko's mandate and position.



Government parties 2023-2027

Alcohol Policy Reforms in Finland

1969 Beer Reform

Medium-strength beer introduced to grocery stores
Alcohol availability expanded significantly

2004 Alcohol Tax Cut 2008– Several Alcohol Tax Increases

2004: Alcohol taxes reduced by 33% following Estonia's EU membership
2008 - : Several tax increases
Finland has the highest alcohol taxes in Europe.

1995 – 1999 Membership

Alko's import, export, production and wholesale monopolies abolished
Alko sold its restaurant and hotell business
Retail monopoly retained on public health grounds
Ciders and long drinks allowed in grocery stores

EU

2018 Alcohol Act Reform

Grocery stores allowed to sell all beverages up to 5.5% ABV
Production-method restriction removed

2024 – 2027

Alcohol Act Reforms

2024: Grocery stores allowed to sell fermented alcoholic beverages up to 8% ABV
2026: Alko's opening hours (Sundays, public holidays)
2027: Alcohol home delivery, cross-border distance sales, strong alcohol digital marketing. The right of small producers to sell directly to consumers?



Key challenges and changes in Finland

Since July 2026, legislation has allowed Alko stores to have the same opening hours as grocery stores

- Saturday opening hours extended from 18:00 to 20:00/21:00
 - 108 stores
- Sunday 12:00–18:00
 - 55 stores
- Alko's limited opening hours are no longer a major factor in alcohol availability, as grocery retailers can already sell alcohol through around 4,000 outlets nationwide every day of the year, compared with Alko's 360 stores.

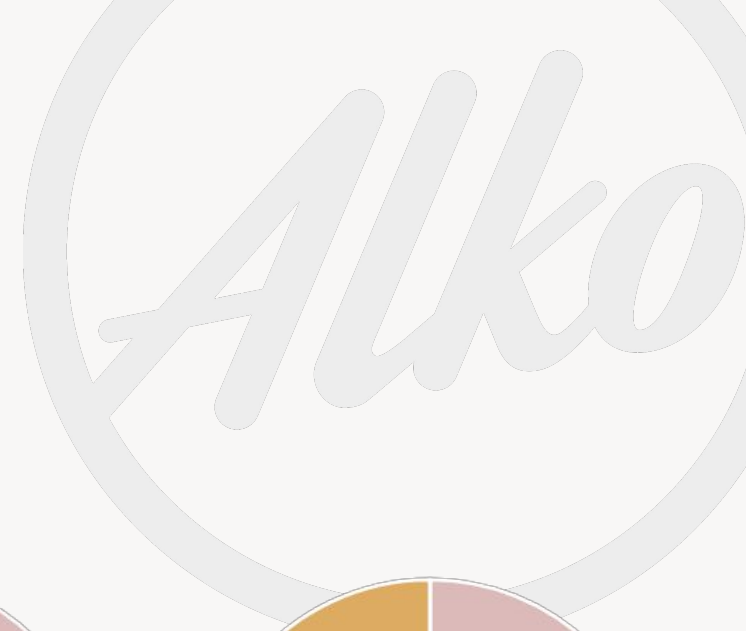


Foreign online alcohol purchases have a significant impact on both Alko's sales and Finland's tax revenues

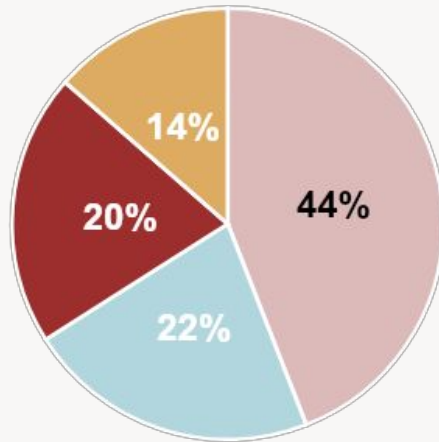
- **Finland has the highest alcohol tax rates in Europe.**
 - Price is by far the most important driver of online alcohol purchases.
- Finns purchase as **much as 46,2 million litres of alcoholic beverages** annually from foreign online retailers.
- According to the Finnish Tax Administration and Finnish Customs, Finnish alcohol taxes and charges are properly paid on **only 2% of the purchased online volume.**
- As a result of this tax gap, Finland is estimated **to lose €100-300 million in tax revenue each year.**



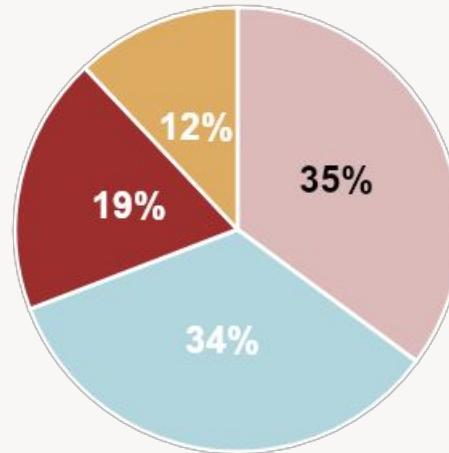
Alcohol consumption by channel (100% alcohol) = market shares.



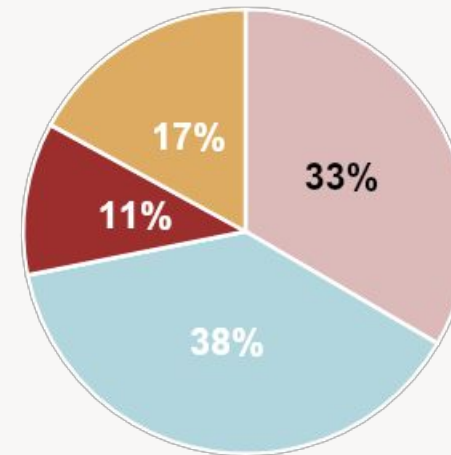
- Alko
- Off premise retail sales
- On-premise sales
- Unrecorded



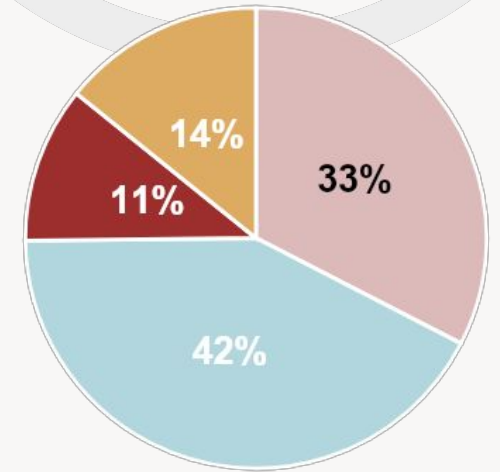
Year 1990



Year 2000



Year 2015



Year 2023

Political discussion and interests shifting: public health vs. "freedom" and consumer

- **Alko's defensive position:** many politician highlight the idea of consumer freedom – public health and harm prevention is getting smaller
- Most of political parties still support Alko. So does a vast majority of Finnish people.
- "Total consumption has been declining in Finland" - public discourse over many years.
False.
 - Distance sales and passenger import figures show our total consumption is significantly higher than we knew.
 - Can this rhetoric still be used as an argument for liberalisation? We'll see.

Customer's perspective: Alko is highly trusted and appreciated

Alko has maintained **exceptionally high customer satisfaction**, combining market-leading service, highly valued assortment and best-in-class digital customer experience.



Customer Service Excellence

Alko has consistently ranked among Finland's customer experience leaders, holding the #1 position in retail for over a decade and ranking among the very best organizations nationwide.



Assortment Satisfaction (Dagmar)

Customer satisfaction with Alko's assortment has continued to improve and is now at an all-time high.

2020: 8.56
2025: 8.66



Online Store Net Promoter Score (NPS)

Since its launch in 2016, Alko's online store has continuously improved its customer experience, achieving year-on-year growth in customer satisfaction.

2017: 60
2020: 74.3
2025: 81.3



Reputation & Trust Index (Reputation & Trust Analytics)

Alko consistently ranks among Finland's top 10 most reputable companies.

Alko's actions



Next Parliamentary Election 18 April 2027



What we do?

- Meeting with MPs, ministers and special advisors
- Mapping future key stakeholders and forming close relationship
- We always offer solutions: especially to help with Finland's state financial struggles – goals obviously align with ours through sales and alcohol harm prevention
- We gather allies all the time: harm prevention, private sector and national politics field

Alko's Policy Objectives for the next Government Programme

1. **Alko's special role** to prevent alcohol related harms and exclusive retail rights are maintained.
2. The corrections needed to ensure Finnish **tax duties of alcohol distance sales** – "let's fix the tax base".
3. **Structural reform** of alcohol taxation is initiated – tax more what is consumed more.
4. **Inconsistency** between Section 25 of the Alcohol Act and the Competition Act is addressed. Section 25 of the Alcohol Act is amended to explicitly refer to alcoholic beverages covered by the monopoly.
5. The Act on the Openness of Government Activities is not extended to apply to Alko Ltd. - **"We are a company, not a government/public office."**

Thank you!

