



RESPONSIBLE PRODUCTION AND PURCHASING

**THE MAIN POINTS OF THE
E-LEARNING COURSE**



26.3.2019

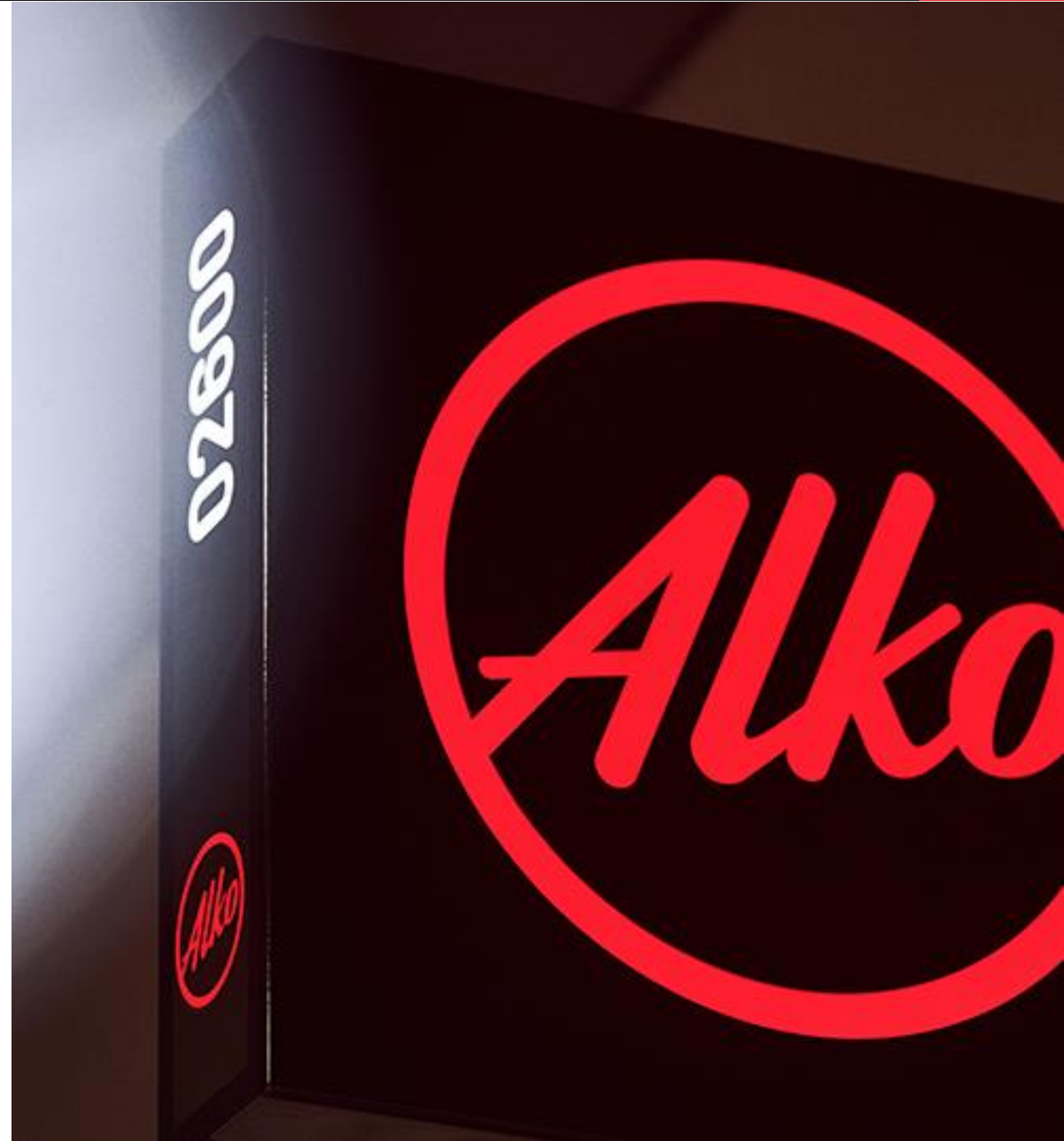
The e-learning course

- To ensure sufficient understanding of the effects of responsible purchasing in practice, Alko requires the seller to complete the e-learning course. If the seller has an authorized representative (an agent), the agent is also required to complete the course.
- The course includes Alko's vision about a socially and environmentally responsible supply chain, and the expectations Alko has.
- The course can be found here:
<https://sustainability-e-learning.alko.fi>



The Objectives of the E-learning Course

1. Explain the ways responsible supply chains add business value.
2. Describe the essence of the amfori Code of Conduct and commit to it.
3. Explain the steps of building a socially and environmentally responsible supply chain.
4. Take action and start developing your own responsible supply network.



amfori BSCI

- amfori BSCI (Business Social Compliance Initiative) is an initiative for companies committed to improve social performance in their supply chain.
- Alko has been the member since 2011.
- Alko endorses the amfori Code of Conduct and expects that from all business partners, their suppliers and subcontractors, too.

Benefits (source: <https://www.amfori.org/content/amfori-bsci>)

- Improve the social performance of supply chain.
- Reduce costs and increase efficiency.
- Have a clear and consistent approach that highlights best practices.
- Improve the resilience of business to industry and market changes.
- Improve reputation by meeting the expectations of customers and stakeholders.

amfori BSCI Principles

Zero tolerance



No Bonded
Labour



Occupational
Health and
Safety



Ethical Business
Behaviour



No Child Labour



Special
Protection for
Young Workers



No
Discrimination



No Precarious
Employment



The Rights of
Freedom of
Association and
Collective Bargaining



Fair
Remuneration



Decent Working
Hours



Protection of the
Environment

- Zero tolerance issues: immediate remediation is required if any violations are recognized.

amfori BSCI Approach

- Code Observance
- Workers' Involvement and Protection
- Supply Chain Management and Cascade Effect
- Grievance Mechanism

More info about the amfori BSCI principles and approach:

<https://www.amfori.org/sites/default/files/Amfori%20BSCI-CoC%20Poster-ENG.pdf>



Common challenges in alcohol industry

According the statistics, there are some common violations of Code of Conduct issues related to alcohol industry.

- Occupational health and safety
 - Storage of chemicals
 - Lack of emergency eye wash and/or showers
 - Emergency lighting
 - Blocked emergency exits
 - Lack of education or evacuation exercises
 - Indecent living conditions in worker houses
- Supply Chain Management and Cascade Effect
 - The absence of an effective management system for the implementation of the amfori Code of Conduct
- Fair remuneration
 - Remuneration that does not allow workers to meet a decent living standard
- Decent working hours
 - Insufficient records of working hours
- No bonded labour
 - Verbal abuse and harassment by the management

Alko wants to be a forerunner in terms of sustainable products and responsible purchasing by the 2025.

Social goals

- Together with business partners Alko wants to have positive impact on people.
- Alko continuously seeks ways to improve by evaluating operational environment and supply chain.
- Alko conducts audits and follow-up actions to ensure the exchange on information and increase transparency.
- Alko offers capacity building opportunities for our business partners to help plan and execute the improvements.

Environmental goals

- Alko wants to increase the share of environmental friendly products to 40% of product range by 2020.
- Alko wants to replace all single-use plastic products with products made of sustainable materials and/or introduce more durable products in accessories range by 2020.
- Alko informs customers of the products' ecological credentials by using Eco symbols and continues to expand the ecological aspects that the symbols cover.

LINKS

- Alko's Responsible production and purchasing e-learning course: <https://sustainability-e-learning.alko.fi>
- amfori BSCI: <https://www.amfori.org/content/amfori-bsci>
- Alko and responsible purchasing <https://www.alko.fi/en/alko-inc/for-suppliers/responsibility-and-impartiality/responsibility/responsible-purchasing>