



LISTING PROCEDURE AND
RETAIL SALE OF ALCOHOLIC
BEVERAGES THAT FALL WITHIN
THE SCOPE OF ALKO'S SPECIAL
STATUS 19 MARCH 2024



CHANGES IN LISTING PROCEDURE 19 MARCH 2024

The name of the document updated: Alko listing procedure and retail sale of alcoholic beverages that fall within the scope of Alko's special status 19 March 2024.

Updated for the entire instructions: The conditions and writings concerning products with a maximum of 5.5 % have been removed from the Alko listing procedure and retail sale of alcoholic beverages that fall within the scope of Alko's special status. The conditions for products outside of Alko's special status are separated into their own Supply Agreement.

Updated for the entire guide: The delivery clauses are updated from Finnterms (2001) to Incoterms (2020) starting from 1 June 2024. The Finnterms conditions apply until 31 May 2024. The delivery clauses will change both in the terms of direct distribution to Alko shops and in deliveries from Finland to Alko's central warehouse.

Retail sale of alcoholic beverages in Finland

Special position and the application of the procedure and its terms and conditions

Added: This procedure and its terms and conditions apply to alcoholic beverages, as defined in Section 3 of the Alcohol Act, that may not be sold under licence in grocery shops ("Products within the scope of Alko's special status"). The application of the contract in accordance with the Listing procedure for products up to 5.5 % ends on 19 March 2024, and they are automatically transferred without separate notice to the contract area of Alko's Supply Agreement (the contract also applies to alcoholic beverages sold in grocery shops subject to a license).

As an exception to this guideline and its terms: For products that, according to the Government's legislative preparation STM062:00/2023, become available for sale in grocery stores after the enactment of the law/laws specified, but not before that, the pricing periods for these products will end exceptionally upon the enactment of the aforementioned law. Simultaneously, the shop coverage for these products will no longer be implemented according to the Alko listing procedure and its terms. The application of the listing procedure for these products will cease, and they will transition under the Supply Agreement automatically without a separate notice.

Responsible purchasing (hereinafter Responsible purchasing)

Added: At Alko, responsible purchasing covers the following areas: climate emissions, biodiversity, the circular economy, ensuring the realization of human rights, competence development, product quality and safety, transparency and traceability, and ethical trading.

Clarified: Alko requires the Seller to complete a training course in Responsible purchasing. This will ensure that the Seller has a sufficient understanding of the obligations and practical impacts of Responsible purchasing policies. If the Seller has an authorised representative (agent), this agent must also complete the training. The link to the training can be found on the Supplier Portal. The Seller must ensure that everyone who works with products in Alko's selection has read and understood the amfori BSCI Code of Conduct. Alko also reserves the right to oblige the Seller's representative to participate in separately specified sustainability training courses and other events during their business relationship.

Added: The seller should make sure that the transport companies it uses employ targets and measures that are in line with the Paris Agreement (or the updated international agreement on climate change) and are therefore compatible with limiting global warming to 1.5 degrees Celsius.

Assortment management

Assortment allocation

Added: In 2025, wines and other wine products excluding sparkling wines that are part of the general selection and are sold in 0.75-litre packages for a maximum retail price of EUR 14.99 may only receive full shop coverage if they are packed in lower-emission packaging (glass bottles under 420g or beverage containers with a carbon footprint of maximum 525g CO₂e per litre). A review will be carried out at the end of the summer 2024 period. If the seller invokes the carbon footprint criterion, the seller must be able to prove it to Alko.

If a product would otherwise receive full shop coverage, but does not meet the above criterion, the product's shop coverage will be limited to a maximum of 75 per cent.

In 2026, wines and other wine products excluding sparkling wines that are part of the general selection and are sold in 0.75-litre packages for a maximum retail price of EUR 14.99 may only receive shop allocation if they are packed in lower-emission packaging (glass bottles under 420g or beverage containers with a carbon footprint of maximum 525g CO₂e per litre). A review will be carried out at the end of the summer 2025 period. If the seller invokes the carbon footprint criterion, the seller must be able to prove it to Alko. If a product's packaging is replaced with an alternative that is not lower-emission, the product will no longer be centrally allocated with immediate effect. Products that do not meet the above criteria may remain in the selection as non-allocated products.

The seller is responsible for the accuracy of its product information and for maintaining the beverage packaging information on the product card.

Discretion may be employed with regard to the above limits

- if the seller can prove that local legislation does not permit this kind of limitation
- if the seller can demonstrate that the carbon footprint of the beverage packaging is no more than 525 g CO₂e per litre in spite of its higher weight

Planning of selection

Selection plans

Updated: Selection plan schedule.

Seasonal selection products

Clarified: Particularly seasonal products may ensure place in the selection based on sales for the following corresponding period (e.g., mulled wine for the Christmas period), if

- the tender has identified the possibility of being re-elected for the following period based on sales in the previous period and
- the seasonal product is offered for a new seasonal tender and the criteria defined in the tender are met and
- sales in the previous period have exceeded 40,000 liters during the period and
- the seasonal product is identifiable to the customer as the same product (for example, in terms of product name and layout or labeling).

Product tenders and offering procedure

Clarified: A product, that is already in the general selection, can't be offered to a general selection tender. If a sale-to-order-selection product, seasonal selection product or specialty product is offered and listed to the general selection, Alko will close the product from shop orders and delist it from the previous selection category before its listing date into the general selection. The stock of Alko shops can be transferred to the new product number when necessary. A seasonal selection product

or a specialty product can be offered to a tender if the season or specialty period has ended. Products that are already in Alko's selection cannot be offered for inclusion in the sale-to-order selection or as smaller specialties. A product is considered to be in the selection when the purchase decision has been made.

Participation in product tenders

Offer forms

Updated: 1. Deliveries from Finland to Alko's shops (delivery terms TOP Alko's shops, Finnterms 2001) until 31 May 2024 / Domestic deliveries to Alko shops (delivery terms: DDP unloaded in the store's warehouse, Incoterms 2020) from 1 June 2024

2. Deliveries from Finland to Alko's central warehouse (delivery terms TOP Alko's central warehouse, Finnterms 2001) until 31 May 2024 / Domestic deliveries to Alko's central warehouse (delivery terms: DDP unloaded in the warehouse, Incoterms 2020) from 1 June 2024

Selecting and listing the products

Cancellations or delays in the listing procedure

The title and text are clarified: If a seasonal product or a larger specialty product is delayed from the delivery starting date or the product availability is not enough for the initial filling or the product is not saleable on the first day of sale, the charged cost is 1,250.00 euro (+ VAT) from the Seller.

Sale-to-order selection

Offering products to the sale-to-order selection

Modes of delivery

Clarified: The seller can offer products to Alko shops to be delivered either TOP Alko shops (Finnterms 2001) until 31 May 2024 / DDP unloaded in the store's warehouse (Incoterms 2020) from 1 June 2024 or to Alko's central warehouse to be delivered TOP Alko's central warehouse (Finnterms 2001) until 31 May 2024 / DDP unloaded in the warehouse (Incoterms 2020) from 1 June 2024.

Added: Alko has the right to cancel the order if the products are not delivered within the requested timeframe.

Information on sales

Clarified: Seller, producer or agent can have information about the sales of all monopoly products. Sale statistics are confidential and intended only for developing company's own business. The Seller can forward the information only to the product producer or brand owner. Sales statistics cannot be forwarded inside a corporation to corporation's sister companies which are not Alko's contractual partners. Reports are available on Supplier Porta for current suppliers who have made a contract with Alko, and for potential suppliers.

Trading conditions

Clarified: When a product is offered for the general selection, seasonal selection and specialties, direct distribution is possible only if the supplier meets Alko's volume and other requirements stated in Appendix 2C and has tested with Alko the electronic message flow covering the whole order-to-delivery process. The message flow is based on an international EDI standard and Alko's application instructions for each separate message: order, electronic dispatch list, invoice and amendments to delivery and invoice. The system comes to operation according to a timetable approved by Alko. Related to EDI testing and connection opening, the costs will be charged from the supplier according to the separately published charge list ("Supplier charges").

Conditions for Responsible purchasing

Clarified: Alko requires all Sellers to complete this training and its updates. If the Seller has an authorised representative (agent), this agent must also complete the training. The Seller's representative may also be obliged to participate in separately specified sustainability training (in human rights, for example). Any mandatory training will be noted in the Supplier Porta. Alko will monitor Sellers' participation in training, and any failure to comply may have consequences.

Added: Alko requires all of its partners to take measures aimed at achieving Alko's Responsible Procurement targets. Products whose sales exceed 15,000 litres per year are subject to special obligations if the seller's total deliveries to Alko exceed 250,000 litres per year.

For products whose sales exceed this limit in terms of litres, the seller is required to

- implement concrete and verifiable measures to support Alko's environmental and climate targets. An example of measures could be:
 - Climate targets and measures in line with the Paris Agreement's 1.5°C objective (in accordance with, for example, the Science Based Targets initiative)
 - Determining the carbon footprint of the product's value chain (or the seller's value chain) and reporting the proportion that is accounted for by deliveries to Alko.
- Reporting and producing information for Alko on the requested due diligence activities in its value chain, and responding to annual surveys.
- Providing Alko with separately defined responsibility and sustainability information about its supply chain to, for example, meet due diligence obligations and Corporate Sustainability (CSRD) reporting requirements.

If the supplier/seller does not provide adequate reports or fails to respond to queries in spite of receiving sufficient notification and a schedule from Alko, Alko will charge the seller 10 per cent of the monthly net sales of the product, but no more than EUR 10,000 per month per product, until adequate documentation has been provided.

Clarified: Alko will cover the costs of the first audit. If an audit has to be repeated due to deficiencies, the Seller must cover the costs of the audit in full. Refusing an audit may result in the immediate termination of all agreements and business relations between Alko and the Seller without liability for damages.

Added: If Alko receives information about a probable violation of the amfori BSCI Code of Conduct, Alko will initially require corrective measures to be taken. Alko may also commission an audit or other follow-up measures to ensure that the issue has been rectified. If a follow-up measure by Alko results in findings that are verified by a third party, the seller is obliged to cover the costs of the audit and follow-up measure.

Quality requirements

Best before marking

Clarified: Products must be marked with a Best Before label in accordance with legislative requirements. Products (excluding sahti) with a best before marking must have at least four months of sales time remaining when they are delivered to Alko's central warehouse, the online shop, or directly to shops.

Changes to price and to mode of delivery to listed products

Price list periods

Updated: Price list periods.

Maintaining product information and product changes to listed products

Clarified: If there is a relevant mistake in the product information from customer's point of view, a fee of 300.00 euro (+ VAT) will be issued for the supplier. Such a mistake can be e.g., anomaly in product's allergen markings or not updated EAN code.

Retail prices

Calculating the retail price

Clarified: The terms of delivery of a product have an influence on Alko's retail price. The domestic Seller can take care of product distribution to shops (TOP Alko shops, Finnterms 2001 until 31 May 2024) / DDP unloaded in the shop's warehouse (Incoterms 2020 from 1 June 2024) or choose Alko's storage and distribution service (delivery terms TOP Alko's central warehouse, Finnterms 2001 until 31 May 2024) / DDP unloaded in the warehouse (Incoterms 2020 from 1 June 2024). The foreign Seller can choose Alko's import service (delivery terms FCA, FOB or DAP, Incoterms 2020).

APPENDIX 2 - ALKO'S TERMS OF PURCHASE AND DELIVERY

Termination

Added: In addition, Alko has the right to terminate this agreement for an individual product, if the product is transferred to the agreement area of Alko's Supply Agreement (agreement also regarding alcoholic beverages sold under license in grocery shops) due to a change in the law. In the case of beverage products with at most 5.5 %, the Listing procedure is automatically terminated on 19 March 2024, and the products are transferred subject to Supply Agreement.

APPENDIX 2B - DELIVERIES FROM FINLAND TO ALKO CENTRAL WAREHOUSE

Updated:

Delivery clause (until 31 May 2024)

The delivery clause is TOP (delivered to) Alko's central warehouse Vantaa. Finnterms 2001 apply to domestic deliveries. The dispatch must take place from a tax-free warehouse.

Delivery clause (from 1 June 2024)

The delivery terms are DDP (unloaded in the warehouse). Incoterms 2020 apply to domestic deliveries. The dispatch must take place from a tax-free warehouse.

Volume and administrative requirements for Alko central warehouse

With the delivery terms TOP Alko's central warehouse (until 31 May 2024) / DDP (unloaded in the warehouse) (from 1 June 2024), the beverage supplier needs to have Valvira's granted alcohol wholesale license and other licenses for operation.

Terms of payment

The terms of payment are 30 days from the date of the invoice, which can be no earlier than the dispatch day. The invoice must be sent latest on the day following the dispatch day at the prices of the order date.

APPENDIX 2C - DIRECT DISTRIBUTION TO ALKO SHOPS (APPLICABLE TO DELIVERIES FROM FINLAND ONLY)

Updated:

Delivery clause (until 31 May 2024)

The delivery clause is TOP (delivered to) Alko Shops Finnterms 2001.

Delivery terms, mainland Finland (from 1 June 2024)

The delivery terms are DDP unloaded in the store's warehouse (Incoterms 2020).

Delivery terms, Åland Islands (from 1 June 2024)

The delivery terms are DDP unloaded in the store's warehouse (Incoterms 2020). As sales will be made within the Åland Islands, VAT will be included in the prices. The seller is responsible for excise duties and clearing the goods through customs in the Åland Islands.

Volume and administrative requirements for direct distributors

Updated: The building of the electronic message flow is done according to the schedule defined by Alko. If the connections can't be tested and approved at least one (1) month before the date set for starting deliveries of the new product, the deliveries will take place through Alko central warehouse. Supplier must then make a new offer by using delivery terms TOP Alko's central warehouse (until 31 May 2024) / DDP unloaded in the warehouse (Incoterms 2020) (from 1 June 2024) so that the retail price of the product must remain unchanged. After listing to the selection, changes of distribution and delivery terms can be made according to the normal price list period cycle.

Deliveries

Clarified: The Supplier should have the capacity to deliver orders to all shops at least once a week according to Alko's delivery calendar, and more often to big shops in accordance with the demand.

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RETAIL SALE OF ALCOHOLIC BEVERAGES IN FINLAND

Special position and the application of the procedure and its terms and conditions

The Finnish alcohol legislation requires regulation of alcohol consumption to minimize its undesirable social, sociological and health-related effects. Alko Inc. Alko Inc. ("Alko") is an independent, state-owned company that operates under the Ministry of Social Affairs and Health. Subject to certain exceptions, Alko has the exclusive right to engage in the retail sale of beverages containing alcohol. The most significant exception is the maximum limit for the licensed retail sale of beverages containing alcohol, which is specified in the Alcohol Act.

This procedure and its terms and conditions apply to alcoholic beverages, as defined in Section 3 of the Alcohol Act, that may not be sold under licence in grocery shops ("Products within the scope of Alko's special status"). The application of the contract in accordance with the Listing procedure for products up to 5.5 % ends on 19 March 2024, and they are automatically transferred without separate notice to the contract area of Alko's Supply Agreement (the contract also applies to alcoholic beverages sold in grocery shops subject to a license).

As an exception to this guideline and its terms: For products that, according to the Government's legislative preparation STM062:00/2023, become available for sale in grocery stores after the enactment of the law/laws specified, but not before that, the pricing periods for these products will end exceptionally upon the enactment of the aforementioned law. Simultaneously, the shop coverage for these products will no longer be implemented according to the Alko listing procedure and its terms. The application of the listing procedure for these products will cease, and they will transition under the Supply Agreement automatically without a separate notice.

Listing procedure

Alko is a specialist trading chain which operates responsibly, fairly and efficiently. Its network of shops covers whole Finland and offers a wide range of high-quality products. Alko has no own production or bottling.

Alko buys products from domestic and foreign Sellers of alcoholic beverages. Decisions on listing, delisting and pricing of products are made on impartial and non-discriminating grounds regardless of the nationality or domicile of the manufacturer or Seller. When making the listing decision, Alko will evaluate the product especially from the customer, quality, demand, current selection and responsibility point of view. Also, the requirements of the law and regulations (eg. packaging and marketing) are taken into consideration.

Compliance

The Seller undertakes to comply with all current legislation and regulations, and to conduct their business in an ethical manner.

The Seller undertakes to respect and keep abreast of the principles laid down in the Alko Listing Procedure, and to act in accordance with these principles, guidelines and requirements. The Seller is responsible for ensuring that the Seller's subcontractors and partners act in accordance with the amfori BSCI



Code of Conduct principles, guidelines and requirements specified in the Alko Listing Procedure. An infringement of the amfori BSCI Code of Conduct will always be considered a material breach of contract.

The Seller undertakes to comply with all current EU and UN sanctions, to act in accordance with EU anti-money laundering legislation, and to refrain from all forms of bribery in its business. The Seller must confirm that the Seller, the Seller's owners and any persons acting on behalf of the Seller are not listed on EU or UN sanctions lists and are not suspected or guilty of financial misconduct. The Seller undertakes to ensure that there are no sanctioned parties in the Seller's own supply chain. Infringements of the clauses in this section will always be considered a material breach of contract.

The Seller is obligated to report any misconduct or other activity that is in violation of the Code of Conduct. A whistleblowing channel can be found at <https://report.whistleb.com/fi/alkoexternal>. More information at www.alko.fi.

Responsible purchasing (hereinafter Responsible purchasing)

Alko's strategic aim is to be a forerunner in sustainability. Responsible purchasing seeks to create operating and monitoring models for beverage procurement that can promote not only Alko's own social and environmental responsibility, but also that of its contractual partners and the industry as a whole.

At Alko, responsible purchasing covers the following areas: climate emissions, biodiversity, the circular economy, ensuring the realization of human rights, competence development, product quality and safety, transparency and traceability, and ethical trading.

Alko is committed to respecting all internationally recognised human rights (including the ILO's international labour agreements, the UN Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, and other relevant internationally recognised agreements and guidelines). Alko's Responsible purchasing model is based on the OECD's Due Diligence Guidance for Responsible Business Conduct. The principle of due diligence applies to both social and environmental responsibility.

Alko uses amfori BSCI's operating model as a tool for Responsible purchasing. Amfori is an international Corporate Social Responsibility (CSR) initiative, of which Alko is a member. Amfori's mission is to ensure sustainable trade worldwide. All Sellers must commit to and comply with the amfori BSCI Code of Conduct. Sellers undertake to respect the following values in their activities: continuous improvement, cooperation, stakeholder consultation, transparency, and protecting the most vulnerable. In accordance with the principle of due diligence, Sellers must commit to the realisation of human rights and social and environmental responsibility by carrying out risk and impact assessments of the positive and negative impact of their activities; by proactively preventing the realisation of identified risks; by enabling the use of complaint mechanisms; by implementing corrective measures in situations where negative impacts have arisen; and by openly informing stakeholders about processes, operating models and results subject to due diligence. Upholding the principle of due diligence requires comprehensive stakeholder involvement and consultation.



Alko requires the Seller to complete a training course in Responsible purchasing. This will ensure that the Seller has a sufficient understanding of the obligations and practical impacts of Responsible purchasing policies. If the Seller has an authorised representative (agent), this agent must also complete the training. The link to the training can be found on the Supplier Portal. The Seller must ensure that everyone who works with products in Alko's selection has read and understood the amfori BSCI Code of Conduct. Alko also reserves the right to oblige the Seller's representative to participate in separately specified sustainability training courses and other events during their business relationship.

By offering a product for listing in Alko's selection, the Seller commits to compliance with amfori BSCI's values and Code of Conduct as laid down in Appendix 1. The latest version of the amfori BSCI Code of Conduct is always applicable to the business relationship between Alko and a Seller. No separate approval procedure is required when the Code is updated, as any changes will take automatic effect. Alko will undertake to inform the Seller within a reasonable time of becoming aware of any upcoming changes. If the Seller cannot comply with the changes, the Seller must notify Alko of the termination of their business relationship, in writing and without delay.

The seller should make sure that the transport companies it uses employ targets and measures that are in line with the Paris Agreement (or the updated international agreement on climate change) and are therefore compatible with limiting global warming to 1.5 degrees Celsius.

See also: The English version of the amfori BSCI Code of Conduct is legally valid, [Appendix 1](#)

SALES CHANNELS AND SELECTION CATEGORIES

Alko has two sales channels in Finland: Alko shops and Alko Online shop. The selections at Alko shops are determined by customer demand and local needs. Generally, all Alko's products will be on sale in the Alko Online shop. Information on the products is also given on page alko.fi/en/products.

General selection

The general selection is Alko's main product selection and consists of a wide range of alcoholic beverages from around the world. The general selection products form the base of the shop selection.

Seasonal selection

The products in the seasonal selection are purchased for a specific season or event and the selection is based on the particular demand of the season.

Specialties

The specialties are enriching Alko's product selection and are top class products especially for the enthusiasts who are interested of drinks and combining food and drinks. Most of the products are listed at the same time once in a month.



Sale-to-order selection

The products in the sale-to-order selection come from a variety of domestic importers and producers. The sale-to-order selection does not include products of general selection, seasonal selection or specialties. These products are mostly available in the Alko Online shop and are optional for the shops.

Special order products

Customers may also order products that are not included in Alko's selection by signing a special-order contract. The suppliers shall deliver the products according to the delivery terms indicated on the offer and Alko's order either via Alko's central warehouse or directly to an Alko shop. The minimum order depends on the supplier but is generally one case.

ASSORTMENT MANAGEMENT

Products in the general selection, seasonal selection and in the specialties can be allocated to shops centrally by product groups using selection profiles. The products in the sale-to-order selection are optional for the shops.

Category tree

The product assortment is allocated based on the Alko's category tree. In the category tree, the product categories are first divided into sub-categories and then into segments. Products in different segments are allocated to shops on the basis of their demand.

Each segment has an allotment of central allocation to each selection profile. The allotment is based on the analyzed customer demand in sub-categories and segments. Segment allocation places for the next year are always fixed at the end of the previous corresponding period, and they will be announced to suppliers in connection with the relevant cyclic monitoring.

The category tree is based on customer requirements and behavior as well as consumer demand analyzed by Alko. If changes occur in them, the structure of the category tree or the contents of the sub-categories or segments may change. Suppliers will be informed about the changes in good time, at minimum two price list periods before they become valid. The valid category tree can be found in the Selection plan.

Selection profiles and shop categories

Products in the general selection are allocated to shops by product groups using selection profiles. Selection profiles are a combination of the demand profile (Normal, Basic, Plus) and the shop size (6 size classes: XS – XXL), for example "normal-S". In addition, there are shops of type Joker. These shops have exceptional conditions, such as small shop surface or a demand that varies greatly depending on the season. As a result, there is no central allocation to the shop of type Joker.

Compared to shops with the sales profile Normal, the Plus type of shops have an emphasis on especially wine, beer and higher-priced products. In the Basic type shops, the sales on the other hand focuses more on strong beverages and on certain part of brewery products.



Alko has three shop categories (store concept) which are used in customer communication: premium store, specialist store and local store. From assortment management point of view these shop categories are separated by wideness of assortment. The premium stores have the widest assortment and those are mainly in the shop size XXL. The specialist stores have selection profile of XL or L. The local stores' shop sizes are XS-L. The specialty products are allocated to the premium and specialist stores.

Of all products in a shop, the maximum share of centrally allocated products is 90 percent whereas the average share is 70 percent. The premium and specialist stores have less centrally allocated products than average and the local stores have more centrally allocated products than average. In addition to the centrally allocated products, the shops complete their store selection with additional products chosen according to the local demand.

The selection profile or shop category of an individual shop may change due to a change in shop facilities, shop location, demand profile or the number of products within a shop. This also affects the assortment allocation.

Assortment allocation

Unless otherwise specified below, the largest products in the general selection in terms of volume will be directly allocated to all stores that fall within the scope of centralised product allocation. The monitoring of the biggest products is done annually, or more frequently if the demand structure changes exceptionally, however, no more than two times a year. The central allocation of the other main products in the general selection is based on the cyclic monitoring and done by price list periods. The cyclic monitoring of the products in each segment covers the sales from the previous period. Using a weighted distribution level calculation, the products in a segment are placed in the order of their size based on their turnover without tax.

In the cyclic monitoring the product is always monitored in the segment where it has been at the beginning of the price list period. The weekly reporting of the monitoring period starts always from the beginning of the price list period.

The best-selling products in segments have central allocation to a bigger number of shops than those with a lower ranking. Part of the products or segments may have no allocation at all. Based on the cyclic monitoring done by price list periods, products with very little amount of sales may be released from the allocation of a shop in which the sales have been limited. If, based on the coverage calculation, an exceptionally valuable product would have such a wide shop coverage that it would not be possible to cover it with the product's availability, the product's shop coverage can be reduced to a lower level by mutual agreement between Alko and the supplier.

In 2025, wines and other wine products excluding sparkling wines that are part of the general selection and are sold in 0.75-litre packages for a maximum retail price of EUR 14.99 may only receive full shop coverage if they are packed in lower-emission packaging (glass bottles under 420g or beverage containers with a carbon footprint of maximum 525g CO₂e per litre). A review will be carried out at the end of the summer 2024 period. If the seller invokes the carbon footprint criterion, the seller must be able to prove it to Alko.



If a product would otherwise receive full shop coverage, but does not meet the above criterion, the product's shop coverage will be limited to a maximum of 75 per cent.

In 2026, wines and other wine products excluding sparkling wines that are part of the general selection and are sold in 0.75-litre packages for a maximum retail price of EUR 14.99 may only receive shop allocation if they are packed in lower-emission packaging (glass bottles under 420g or beverage containers with a carbon footprint of maximum 525g CO₂e per litre). A review will be carried out at the end of the summer 2025 period. If the seller invokes the carbon footprint criterion, the seller must be able to prove it to Alko. If a product's packaging is replaced with an alternative that is not lower-emission, the product will no longer be centrally allocated with immediate effect. Products that do not meet the above criteria may remain in the selection as non-allocated products.

The seller is responsible for the accuracy of its product information and for maintaining the beverage packaging information on the product card.

Discretion may be employed with regard to the above limits

- o if the seller can prove that local legislation does not permit this kind of limitation
- o if the seller can demonstrate that the carbon footprint of the beverage packaging is no more than 525 g CO₂e per litre in spite of its higher weight.

Schedule for cyclic monitoring

The cyclic monitoring is always done at the end of a price list period, and the results will be published to suppliers. However, the results of the cyclic monitoring will not come into effect until the following price list period, i.e. six months from the notification. The deadline for notifying price changes is approximately two months before the price list period.

New products will have the distribution level indicated in the tender and corresponding to the selection profiles defined at the purchase stage. Allocation and coverage level of new products depend on the selection profile and estimated customer demand.

See also:
Selection profiles and monitoring periods in assortment management as well as the formula for calculating the turnover according to weighted distribution level, [Appendix 3](#)

Display of products at Alko shops

The meeting order of the product groups, locations of the product displays and the product placement in the shop are based on the Alko's shelf management guidance. Each product has a defined display group that determines where the product will be placed in the shop. Display group is always organized as a consistent entirety. In addition, there are special displays in Alko shops where the products can vary. The shops select the products placed on special display according to the season, themes and customer demand in accordance with impartiality and non-discrimination.



The shelf space at Alko shops is allocated to different products according to a shelf management tool. The shelf space is allocated between different layout categories and the products spacing takes into account the sales of the products within a shop. Consequently, the space planning is made independently based on shop-specific selection and sales information.

The main rule is that each product included in the shop selection has its own shelf space in the shop. There may be exceptions to this rule, like brewery products and such seasonal or volume products that are placed on special displays, e.g., dolly pallets.

PLANNING OF SELECTION

The planned selection consists of general selection’s main products, specialty products and seasonal selection’s products. The planning of selection is based on the customer-oriented category tree, according to which the demand and the existing selection is assessed in relation to the needs of different customer segments.

Selection plans

Model for selection planning

Listing is based on systematic planning, which also provides a base for a Selection plan published three times per year for the general selection, the specialties and the seasonal selection. The Selection plan is made available at alko.fi/forsuppliers.

Tenders	Estimated listing months of products
February 2024	August - November 2024
May - beginning of June 2024	December 2024 - March 2025
September - October 2024	April - July 2025

Possible additional tenders for selection plan as well as specialties’ and seasonal selection’s product tenders can also be published separately on the [website](#).

Main products of the general selection

General selection products are within the scope of central allocation monitoring. Their sales are monitored by price list periods. Based on the cyclic monitoring, part of the products will be allocated to shops and part will remain as non-allocated products.

Allocated products

Part of the general selection products will be centrally allocated to shops on the basis of the cyclic monitoring.

Non-allocated products

Part of the general selection products will be left without central allocation on the basis on the cyclic monitoring. The non-allocated products are optional products for the shops to complete their selections.

Novelties will be included in the cyclic monitoring after the first full monitoring period after the listing of the product has elapsed. The allocation of the novelty



after the first full cyclic monitoring period will be communicated in the context of periodic review. In practice, the new products will have a distribution level given in the tender for about 11 – 16 months depending on the listing date (guarantee coverage time) before the result of the cyclic monitoring will come valid.

The main product of the general selection can be transferred to sale-to-order selection after the guarantee coverage time has ended.

Seasonal selection products

The products in the seasonal selection are purchased for a specific season or event and the selection is based on the particular demand of the season. The tenders are published in the Selection plan or separately on Alko's webpage: alko.fi/forsuppliers. When listing a seasonal product, an agreement is also made concerning its delisting and related actions. Seasonal products are allocated to the shops according to the sales estimation, which is specified at the time of purchase.

Due to the seasonal demand for seasonal products, they cannot be transferred to the general selection after the season. After the season, the products can be offered to the sale to order selection. In this case, Alko will transfer the product stock for a new product number.

If a seasonal product is in Alko's stock after the season, Alko may change the product's lifecycle to be discontinued and sell the remaining volume through the sale to order selection.

Particularly seasonal products may ensure place in the selection based on sales for the following corresponding period (e.g., mulled wine for the Christmas period), if

- the tender has identified the possibility of being re-elected for the following period based on sales in the previous period and
- the seasonal product is offered for a new seasonal tender and the criteria defined in the tender are met and
- sales in the previous period have exceeded 40,000 liters during the period and
- the seasonal product is identifiable to the customer as the same product (for example, in terms of product name and layout or labeling).

Specialties

The monthly listed specialty products consist of larger and smaller specialties. The larger specialties have a wider demand and availability. The smaller specialties are top class products especially for the enthusiasts. The tenders for the specialties are published on Alko's webpage at alko.fi/forsuppliers three times per year as a part of the Selection plan or with separate tenders.

The larger specialties are in the selection and ordered by Alko shops for four months period from the date of listing (specialty period). The products are centrally allocated to the premium and specialist stores. For other Alko shops the products are optional. The smaller specialties are purchased in small batches and are sold in Alko flag ship store and Alko Online shop. Smaller specialties can also be sold in a limited amount of shops based on their demand profile.



Specialty products will be selected for a specific theme for a limited period of four (4) months. After the specialty period, the products cannot be transferred to the general selection. After the specialty period, the products can be offered to the sale to order selection if desired. In this case, Alko will transfer the product stock for a new product number.

If a specialty product is in Alko's stock after the specialty period, Alko may change the product's life cycle to be discontinued and sell the remaining volume through the sale to order selection.

If different vintages of the same product are tenders for specialties or other selection, each vintage must have a unique, readable code (e.g. EAN-code).

More information on smaller specialties and instructions for offering are published on Alko's webpages at alko.fi/forsuppliers. The purchase method of traditional Bordeaux 'en primeurs' is a part of the smaller specialties.

PRODUCT TENDERS AND OFFERING PROCEDURE

Importers, other suppliers, producers, manufacturers of alcoholic beverages as well as authorized representatives are entitled to submit offers to Alko's tenders. The offeror needs to have valid permits required for the respective activities. The offeror or the Seller must inform immediately any possible changes with the permits to Alko.

The offer processing starts from the ending date of the tender and finishes to the product's purchase decision. To be approved for offer-processing, the offer form must be correctly completed by the Seller or his authorized representative, and the terms of the tender must be followed. Changes cannot be made in offers that are under processing. If the information given in the offer is incorrect or the product cannot be delivered, the offeror is to ask for an annulment of the offer.

A product, that is already in the general selection, can't be offered to a general selection tender. If a sale-to-order-selection product, seasonal selection product or specialty product is offered and listed to the general selection, Alko will close the product from shop orders and delist it from the previous selection category before its listing date into the general selection. The stock of Alko shops can be transferred to the new product number when necessary. A seasonal selection product or a specialty product can be offered to a tender if the season or specialty period has ended. Products that are already in Alko's selection cannot be offered for inclusion in the sale-to-order selection or as smaller specialty product. A product is considered to be in the selection when the purchase decision has been made.

For wines specifically, the stock of Alko shops can be transferred to the new product number only when the product's vintage remains the same. In case the vintage is different, and the product has stock in Alko shops, the inventories need to be sold out before the new product is listed. Alternatively, the supplier needs to buy the remaining products back or ask for a disposal of the products. Alko will charge the costs according to the separately published charge list.

The same product cannot be taken into the selections from more than one Seller at a time.



Participation in product tenders

Submitting offers

The suppliers must make the offers using the tender numbers and timetables stated in the Selection plan.

The offers must be submitted in Alko's Partner Network. More information about having an account in Partner Network can be asked from Alko's Selections, Products and Quality department. The contact information is available at alko.fi/forsuppliers.

By delivering a product image to Alko with the offer the Seller approves that for the purchased product Alko can use, edit or possibly assign the image for example to the media. Seller also gives Alko the right to use the product information for the purchased product in Alko's communication.

The Seller is responsible for the accuracy, up-to-dateness and completeness of any requested information concerning the supply chain of a product, both when offering the product and throughout the duration of the product's listing in Alko's selection. The Seller understands that both incorrect information and failure to update information may cause damage to Alko.

Alko has the right to impose product search or trading conditions (relating to human rights, social responsibility, climate responsibility and environmental responsibility) on any new products offered to Alko. Changes in trading terms and conditions will be means-tested and implemented using a standard consultation procedure, with the aid of transitional periods.

A specialty product's offer forms have analysis values that need to be measured according to the Appendix 6 methods and the analysis certificate needs to be attached to the offer form. The analysis certificate submitted for specialty products must concern the vintage offered or the certificate must be no more than three years old. If the analysis certificate is not available, the product ending up in the purchase will be analysed in Alko at the offeror's expense according to the separately published charge list. If the analysis certificate cannot be delivered at the same time with the offer, the offeror must use the analysis service.

By making an offer, the Seller commits to compliance with amfori BSCI's values and Code of Conduct. The Seller is responsible for ensuring that any other organisations and companies operating in its supply chain also comply with the obligations arising from these principles. Alko also requires both the Seller and (if applicable) the Seller's agents to complete Alko's training course in Responsible purchasing.

Only product-specific certifications are accepted in tenders for ethically certified products.

In specialties and seasonal products Alko can choose not to buy a product if the announced availability is smaller than estimated demand in the tender.

For details, see also: The English version of the amfori BSCI Code of Conduct is legally valid, [Appendix 1](#)



Giving price information on the offer

A product must be provided with both Alko's retail price and the corresponding Alko's purchase price. If the prices are in conflict with each other, the retail price is used for calculating the purchase price.

The prices cannot be changed in the middle of the offer process. However, if during timespan from the offer submission until the listing of the product changes occur in taxes, Alko's pricing factors or recycling or other environmental charges subject to the producer responsibility in Finland, the offeror may change the prices by the total of the changed factors at maximum. The change must be made within one week after Alko has informed the changed price of a product.

The offer must also give information about whether the product belongs to a deposit-paying recycling system (domestic deliveries). The deposit must not be included in the purchase price of the product.

When offering a multi-pack, the purchase price of the multi-pack needs to be a direct multiple of the purchase price of the single bottle or can. The retail price of the multi-pack is set as a multiple of the single bottle's or can's retail price.

The retail price can be calculated with a price calculator available in Partner Network and at alko.fi/forsuppliers

Offer forms

Offer forms are available for three different ways of delivery:

1. Deliveries from Finland to Alko's shops (delivery terms TOP Alko's shops, Finnterms 2001) until 31 May 2024 / Domestic deliveries to Alko shops (delivery terms: DDP unloaded in the store's warehouse, Incoterms 2020) from 1 June 2024

Offering products to Alko's shops requires the supplier (direct distribution) to have the valid licences for the operations. The deliveries can take place either from a tax-free or taxable warehouse (limitations, see Terms of direct distribution to Alko shops, [Appendix 2C](#)).

2. Deliveries from Finland to Alko's central warehouse (delivery terms TOP Alko's central warehouse, Finnterms 2001) until 31 May 2024 / Domestic deliveries to Alko's central warehouse (delivery terms: DDP unloaded in the warehouse, Incoterms 2020) from 1 June 2024

Offering products to Alko's tax-free central warehouse requires the supplier to have a duty-free warehouse in Finland and the valid permits required for the activities.

3. Deliveries by Alko's import service (delivery terms FCA, FOB or DAP, Incoterms 2020)

If the supplier wants to use Alko's import service, the products must be offered on an offer form specially intended for the service. Alko's import service is a logistical service.



A supplier who is acting as a Seller needs to choose the same delivery terms and the same supplying warehouse for all their supplied products to ensure the functionality of billing and data traffic.

See also:

Alko's terms of purchase and delivery, Appendixes [2](#), [2A](#), [2B](#), [2C](#)

Filling in an offer form and authorizations, [Appendix 4](#)

EAN codes, Valvira codes and the codes of transport packages, [Appendix 5](#)

Authorization and industrial rights

An authorization helps Alko to ensure adequate availability, origin and quality of the product, and a supplier's ability to comply with the principles of responsible purchasing defined by Alko.

To be approved for offer-processing, an authorization of the producer or the owner/holder of the trademark or alternatively other adequate explanation of the supply chain and origin of the product with a confirmation of product availability must accompany the offer. If there are unclarities in the product's industrial rights (e.g., trademark rights), Alko may exclude the product from the offer processing. Authorization is not required, if the offered product is the company's own trademark or if it is offered for a smaller specialties tender.

If the other explanation than authorization is used to verify the above, the offer can proceed only when the explanation and the information provided have been verified.

If several different offerors offer the same product for a product tender in accordance with the above conditions, the product with a lower price will be selected, provided, however, that the availability of the product is sufficient. If two products offered have the same price and adequate availability, the proceeding product is drawn.

See also:

Filling in an offer form and authorizations, [Appendix 4](#)

Authorization template in the Supplier Porta

Validity of offers

Offers must be valid for at least 12 months from the deadline of the tender, if no other offer validity date is mentioned in the tender request of the product.

Providing samples

Samples are allowed to be provided only by Alko's request with costs and taxes paid. The timetable for delivering the samples is stated in the tender request or is given in the sample request. More specific instructions for providing samples are given in the sample request. Possible reclamations concerning provided samples need to be done within seven days from delivering samples.

The samples must correspond to the final product and sales package. A preliminary design of packaging and appearance, a so-called mock-up, is accepted if the final packaging is not yet available. A mock-up needs to be clearly marked as a sample for assessing only the external appearance. It also needs to contain all the required package markings that are in line with tender



criteria. A possible sample of preliminary design of packaging and appearance is sent as an extra sample on top of the other samples requested. Separately delivered photo is not an acceptable packaging mock-up.

See also:

Instructions for sending samples and certificates, [Appendix 6](#)

Selecting and listing the products

Evaluation of the products offered

Products are chosen in an impartial manner based on the samples requested and using either blind and/or open evaluation. The goal is to find the best product from the offered products that meets best the customer needs and demand in relation to the existing selection. In addition to the product's quality, the evaluation pays attention to other aspects providing additional value to the consumers. When evaluating the price, the retail price stated in the offer is being used for the products. Also, in responsibility point of view, the factors relevant to the customer are taken into account when evaluating the products. These factors are for example belonging to the recycling system, organic, green choice-symbols. Also, other responsibility factors relevant to the consumer can be considered as an advantage in the evaluation. The reliability of the product's availability, the functioning of the material flow and space management related point of view of the package are also assessed in order to meet the customer service aspects.

Offerors will get the information of the evaluation's result as soon as possible after the evaluation. The chosen product will proceed in the process and following two products will be kept as secondary products. All other products offered for the tender are rejected. After the evaluation, the product chosen will be delivered to the Alcohol Control Laboratory (ACL) for analysis. If the chosen product is invalid to be listed into the selection the next secondary product will be chosen. When the chosen product is purchased, the secondary products are rejected.

When the number of offers is great, the amount of products to be evaluated can be limited utilizing the criteria announced in the tender.

Listing

A product can be purchased if it satisfies all statutory pre-requisites and limiting values related to the tender, and no other defect is detected in the quality of the product. The offeror must provide the requested documents, complete the product information requested and react to the messages sent by Alko within the timeframes given in Alko's messages.

The purchase of the product takes place 1 – 3 months after the ending of the tender period. The purchase of the specialty product takes place 1 – 2 months after the end of the tender period. After the purchase and before the product has been included in the selection, Alko will send the offeror a product information questionnaire. Product data based on the information received can be used presenting new products.

The listing of the product generally takes place after 2 – 4 months from the purchase of the product. Overall, the process from the ending of the tender



period to the listing of the product chosen takes approximately 3 – 7 months. This timeline can be longer for example for seasonal products.

The products can be listed weekly. The specialties are generally listed once per month.

Cancellations or delays in the listing procedure

If the Seller is unable, in spite of the offer, to deliver the product offered within the given timeline, Alko will cancel the listing and charge the Seller for the costs caused by the listing. The costs are charged according to the separately published charge list ("Supplier charges").

The listing is cancelled if the seasonal product is not available for deliveries to the guaranteed shop coverage within four months from the listing date.

If a seasonal product or a larger specialty product is delayed from the delivery starting date or the product availability is not enough for the initial channel filling or the product is not saleable on the first day of sale, the charged cost is 1,250.00 euro (+ VAT) from the Seller.

SALE-TO-ORDER SELECTION

Offering products to the sale-to-order selection

The sale-to-order products do not have a tender procedure. These products can be offered to the sale-to-order selection all the time, excluding alcohol-free products (0.0–1.2% by volume).

The sale-to-order selection products will be offered either to category T1 or to category T3:

- normal sale-to-order selection products (T1)
- locally available sale-to-order selection products (T3)

Category T3 is for microbreweries and other small producers, who can offer their products to this category for local distribution.

Self-service listing to the sale-to-order selection

The Seller offers the products to the sale-to-order selection independently and correctly filled without charge in Partner Network. More information about having an account in Partner Network can be asked from Alko's Selections, Products and Quality department. In addition to the product's basic information for example taste description, taste styles, food symbols and analysis must be indicated by the supplier with the offer. Also an image following Alko's specifications is to be sent together with the offer, otherwise Alko will request a sample and charges the supplier for the costs of photographing*. The fee is 40.00 euro (+ VAT). In addition to the product image, an image of the legally mandatory product package information shall be provided together with the offer, so that markings can be verified. Alko reserves a right to modify the given information.

If the required information has been correctly stated in the offer, the listing of the product will take about two weeks after submitting the offer. This schedule is possible if the offer contains all the



required information, a possible registration to the recycling system is valid and an image following Alko's specifications is attached to the offer.

Listing Service to the sale-to-order selection

When listing a product to the sale-to-order selection the Seller can use Alko's Listing Service. In this case the offers must be submitted in Alko's Partner Network. Alko sends the Seller a request for samples of the new product offered. The samples must be delivered within two weeks of the request and they must correspond to the final product. The deposit status of the products will be checked on the samples received.

For the Listing Service Alko charges a handling fee of 100.00 euro (+ VAT). An image following Alko's specifications is to be sent together with the offer, otherwise Alko will request a sample and charges the supplier also for the costs of photographing*. The fee is 40.00 euro (+ VAT).

Once the sample has arrived, the listing of the product will take about six weeks. During high seasons, the listing process may stretch out longer due to the great amount of offers. Listing process may also be delayed if the product image is not attached to the offer.

*See also:

Format for Alko product images, changes to listed products, [Appendix 8](#)

Take into consideration when making the offers

If the self-service listing offer has a maximum of 40 percent errors, the Seller has two months to correct the errors. If there are errors more than 40 percent of the information in the offer, the offer can be continued with the Listing Service for a fee, or a completely new offer will be made for the product. If the product group, delivery method or other significant pricing factor, such as deposit information, is selected incorrectly in the offer, a completely new offer is always required.

An authorization or alternatively other adequate explanation of the producer or the owner/holder of the trademark must accompany each offer of a new product. Authorization is not required, if the product is the offeror's own brand or manufacture.

Multi-packages of the same product can be offered to Alko's sale-to-order selection, if:

- single consumer package of the product with own product number is in the selection.
- and single consumer packages (e.g. a bottle or a can) are smaller than package sizes below:
 - o Wines, less than 0.75 liters
 - o Spirits, less than 0.2 liters
 - o Brewery products, less than 0.7 liters.

Alko encourages the use of environmentally friendly multi-packages instead of using plastic multi-package wrapper (so called shrink wrap).

A sale-to-order selection product's offer forms have analysis values that need to be measured according to the Appendix 6 methods and the analysis certificate needs to be attached to the offer form. The analysis certificate



submitted must concern the offered vintage or the certificate must be no more than three years old.

By delivering a product image to Alko the Seller approves that Alko can use, edit or possibly assign the image for example to the media.

Seller gives Alko the right to use the product information for the purchased product in Alko's communication.

By making an offer, the Seller commits to compliance with amfori BSCI's values and Code of Conduct. The Seller is responsible for ensuring that any other organisations and companies operating in its supply chain also comply with the obligations arising from these principles. Alko also requires both the Seller and (if applicable) the Seller's agents to complete Alko's training course in Responsible purchasing.

See also:

The English version of the amfori BSCI Code of Conduct is legally valid,

[Appendix 1](#)

Filling in an offer form and authorizations, [Appendix 4](#)

Authorization template in the Supplier Porta

Format for Alko product images, Requesting changes to listed products,

[Appendix 8](#)

Modes of delivery

The seller can offer products to Alko shops to be delivered either TOP Alko shops (Incoterms 2001) until 31 May 2024 / DDP unloaded in the store's warehouse (Incoterms 2020) from 1 June 2024 or to Alko's central warehouse to be delivered TOP Alko's central warehouse (Incoterms 2001) until 31 May 2024 / DDP unloaded in the warehouse (Incoterms 2020) from 1 June 2024.

A supplier who is acting as a Seller needs to choose the same delivery terms and the same supplying warehouse for all their supplied products to ensure the functionality of billing and data traffic. Deliveries require the use of Alko's network EDI application (BNP). Sellers who deliver the products directly to Alko shops can also use Alko's EDI message flow. Suppliers of T3 category products may for special reasons apply for exceptional delivery terms.

As Alko does not import sale-to-order products, the offeror must take care of the imports and have valid licences for the operations. Being the importer, the offeror also takes care of the customs clearance for products coming from abroad and of other duties related to imports.

The Seller will ensure that the product can be delivered according to his offer either to Alko's central warehouse within three working days or to Alko shops within five working days from the receipt of order.

Alko has the right to cancel the order if the products are not delivered within the requested timeframe.

Locally available sale-to-order selection products (category T3)

If the manufacturer of a product is a microbrewery (annual production maximum 15 million litres) or a small producer (annual production maximum 100,000 litres), the producer may list the product into the sale-to-order



selection as a locally available product (T3) delivered according to direct distribution terms (Appendix 2C). Hereby the producer can choose the shops (1-10 shops) to which the product can be delivered to the back door according to orders. In addition to the aforementioned, the producer may choose Alko Online shop for deliveries as well. The products to be sold through Alko Online shop are delivered to the Alko Online shop's warehouse. If the production limit is exceeded, the producer is liable to inform Alko accordingly.

The supplier may change the chosen delivery shops according to price list periods. However, if the amount of chosen delivery shops is less than 10, the supplier may choose more shops for the delivery at any point of the year until the maximum amount of 10+1 delivery shops is reached.

Listing of products to the sale-to-order selection

New products can be listed to the sale-to-order selection weekly.

Reasons related to customer service require that the product offered is available at the Seller's warehouse on the listing date and it is recommended that the product is also available at least for one month from the date of listing.

If a product offered to the sale-to-order selection has a limited availability, the Seller needs to announce the availability in sales units in the offer.

Product transfer from the sale-to-order selection to another selection

Transfer from the sale-to-order selection to the general selection is possible in two ways. A sale-to-order product can participate in a general selection product tender and may be purchased to the general selection or a product can transfer to the general selection on the basis of sales monitoring. Sale-to-order selection product can also be offered to the specialties or seasonal product tenders.

Participation in product tenders

If a sale-to-order-selection product is offered and listed to the other selection, Alko will close the product from shop orders and delist it from the sale-to-order selection before its listing date. In addition, the product needs to fulfill the criteria defined in the tender and quality of the product must be equal the offered sample for the transferring to be done.

For wines specifically, the stock of Alko shops can be transferred to the new product number only when the product's vintage remains the same. In case the vintage is different, and the product has stock in Alko shops, the inventories need to be sold out before the new product is listed. Alternatively, the supplier needs to buy the remaining products back or ask for a disposal of the products. Alko will charge the costs according to the separately published charge list.

On the basis of sales monitoring

The sales of the sale-to-order selection T1 category products will have a running monitoring on a monthly basis. If



- the sales of a product exceed 2000 sales units during a rolling 12-month period and come through a minimum of 20 shops,
- or**
- the turnover of the product during a rolling 12-month period exceeds 20 000 euros (without tax) and comes through a minimum of 20 shops, the product may transfer to the general selection, if the supplier wishes so. When monitoring sales and the criteria of a 20-shop minimum, the Alko Online shop's sales are always considered to the shop's sales which has been used as a pick-up point. Alko will inform suppliers when the condition is fulfilled. In case the supplier does not want to transfer the product to the general selection immediately when the condition is fulfilled, the transfer can be made afterwards upon supplier's request. This requires that the conditions of sales from last 12 months are still fulfilled.

If the Seller wishes to transfer a product from T1 category to the general selection, a change request must be made and three samples must be sent minimum two months before the desired validity date of the requested change. Possible peak times may lengthen the transferring process from one selection to another.

When transferring the product to the general selection, it will be characterized, analyzed and included in the quality control program. There will be a charge of 350.00 euro (+ VAT) for the transfer.

When transferred to the general selection the product will be first a so-called non-allocated product. The product receives a ranking position from the beginning of the period during which the transfer to the general selection has taken place if the product has been in Alko's selection on the first day of the period. In other cases, product will receive ranking position in sales monitoring from the beginning of the next price list period.

When multi-package is transferred to the general selection on the basis of sales monitoring, by default, it won't be allocated, but the sale of the multi-package will be counted to the sale of the single consumer package.

Because some products have a particularly seasonal demand (e.g., mulled wine) those products cannot be transferred from sale-to-order selection to the general selection. Also, packages that due to their shape or size are not suitable for Alko's normal space management or logistics, cannot be transferred to the general selection.

Sale-to-order selection products in Alko shop's selection

Shops can supplement optional products in their selections with an unrestricted amount of sale-to-order selection products of their choice as long as the shop's entire selection quantity stays below the maximum limit, which has been given to it because of capacity reasons. The sale-to-order selection products included in the shop selection are either local specialties or products that complement the general selection. Sale-to-order selection products cannot be in the special display of the shop, except for the local T3 order selection products, which the shop can bring to the special displays according to themes, if necessary.



DELISTING OF PRODUCTS

Seller is responsible for ensuring a continuous delivery of a product as stated in the tender and offer. The Seller is also obliged to notify Alko in writing if the product can no longer be delivered – e.g. the supplier runs out of product. The product will then be delisted from the selection.

In case a product of the general selection, which has stabilized its demand level, is closed for orders for over three months, the product will be delisted. Product's demand level is seen to be stabilized after six (6) months from the listing date. A sale-to-order selection product that is closed from orders for more than six (6) months in a rolling 12-month period will be removed from the selection.

A product can be delisted also for other reasons indicated in Alko's terms of purchase and delivery. More detailed list of the reasons in the [Appendix 2](#).

INFORMATION ON SALES

General sales figures are displayed on Alko's website at alko.fi/uutishuone. The statistics contain nationwide and regional information on sales in different product groups. The statistics are updated once a month or annually.

Seller, producer or agent can have information about the sales of all monopoly products. Sale statistics are confidential and intended only for developing company's own business. The Seller can forward the information only to the product producer or brand owner. Sales statistics cannot be forwarded inside a corporation to corporation's sister companies which are not Alko's contractual partners. Reports are available on Supplier Porta for current suppliers who have made a contract with Alko, and for potential suppliers.

The Seller and/or agent will have access to the more detailed sales figures of their own products by making a written contract with Alko. The reports for these products are available on Supplier Porta and contain e.g. weekly and monthly sales figures, distribution level and stock information as well as segment-specific ranking information. In addition, there is a list of all beverages by suppliers.

TRADING CONDITIONS

Alko's purchase and delivery terms in Appendixes 2A and 2B must be followed in trading.

If the Seller offers distribution to Alko's retail shops, the terms of direct distribution stated in Appendix 2C are also applied.

When a product is offered for the general selection, seasonal selection and specialties, direct distribution is possible only if the supplier meets Alko's volume and other requirements stated in Appendix 2C and has, in an acceptable manner, tested with Alko the electronic message flow covering the whole order-to-delivery process. The message flow is based on an international EDI standard and Alko's application instructions for each separate message: order, electronic dispatch list, invoice and amendments to delivery and invoice. The system comes to operation according to a timetable approved by Alko.



Related to EDI testing and connection opening, the costs will be charged from the supplier according to the separately published charge list ("Supplier charges").

The deliveries of sale-to-order products require the use of an Internet-based EDI application (BNP). Sellers delivering the products directly to Alko's shops can also use Alko's EDI message flow. The system comes to operation according to a timetable approved by Alko.

See also:

Alko's terms of purchase and delivery, Appendixes [2](#), [2A](#), [2B](#), [2C](#)

Conditions for Responsible purchasing

In order to offer and supply products to Alko, Sellers must commit to compliance with amfori BSCI's values and Code of Conduct (Appendix 1).

Amfori BSCI's sustainable procurement operating model is based on Due Diligence, the principle of continual improvement, open cooperation, and the authorisation of operators in the supply chain. When making an offer in the Partner Network, the Seller is responsible for ensuring that both the Seller itself and any other parties in its supply chain comply with the obligations of Responsible purchasing. Here, "supply chain" refers to all parties related to the manufacture, transport and sale of a product and its packaging.

Alko provides Sellers with a training course in Responsible purchasing. This training ensures a sufficient understanding of the practical impacts of Responsible purchasing policies.

Alko requires all Sellers to complete this training and its updates. If the Seller has an authorised representative (agent), this agent must also complete the training. The Seller's representative may also be obliged to participate in separately specified sustainability training (in human rights, for example). Any mandatory training will be noted in the Supplier Porta. Alko will monitor Sellers' participation in training, and any failure to comply may have consequences.

Alko requires all of its partners to take measures aimed at achieving Alko's Responsible Procurement targets. Products whose sales exceed 15,000 litres per year are subject to special obligations if the seller's total deliveries to Alko exceed 250,000 litres per year.

For products whose sales exceed this limit in terms of litres, the seller is required to

- implement concrete and verifiable measures to support Alko's environmental and climate targets. An example of measures could be:
 - Climate targets and measures in line with the Paris Agreement's 1.5°C objective (in accordance with, for example, the Science Based Targets initiative)
 - Determining the carbon footprint of the product's value chain (or the seller's value chain) and reporting the proportion that is accounted for by deliveries to Alko.
- Reporting and producing information for Alko on the requested due diligence activities in its value chain, and responding to annual surveys.



Providing Alko with separately defined responsibility and sustainability information about its supply chain to, for example, meet due diligence obligations and Corporate Sustainability (CSRD) reporting requirements.

If the supplier/seller does not provide adequate reports or fails to respond to queries in spite of receiving sufficient notification and a schedule from Alko, Alko will charge the seller 10 per cent of the monthly net sales of the product, but no more than EUR 10,000 per month per product, until adequate documentation has been provided.

In order to ensure that amfori BSCI's values and Code of Conduct are adhered to in the supply chain, Alko may engage in monitoring or preventive activities carried out by either Alko itself or a third party (such as audits, other assessments or projects) to verify the practical implementation of Responsible purchasing policies. Alko may also require parties in the supply chain to carry out self-assessments of their social and environmental responsibility, and to submit the results to Alko for evaluation. Alko treats all monitoring-related documents as confidential, but also reserves the right to disclose them to relevant parties under a non-disclosure agreement (for example, to other parties in the supply chain who are involved in a particular case). The Seller is obligated to proactively carry out its own monitoring activities in its supply chain, and to support the implementation of Alko's planned monitoring measures.

If a party in the supply chain of a product in Alko's selection refuses an audit or other procedure performed by either Alko or a third party and is otherwise demonstrably failing to comply with amfori BSCI's values and Code of Conduct or failing to implement corrective measures within the agreed timeframe, Alko may cancel both the product order and listing and issue a recall without any liability for damages on Alko's part. Here, "product" refers to all the products in Alko's selection in whose supply chain the said party is involved. If the said party is a subcontractor of the producer, Alko will assess the cancellation of the order and listing on a case-by-case basis. Alko is committed to cooperating with parties who respect BSCI's ethical principles and demonstrate a willingness to continuously develop their own operations in order to put these principles into practice.

Alko has the right to impose product search or trading conditions (relating to human rights, social responsibility, climate responsibility and environmental responsibility) on any product that is already listed in its selection. Changes in trading terms and conditions will be means-tested and implemented using a standard consultation procedure, with the aid of transitional periods.

Refusing to be audited will lead to the termination of cooperation. If the party who refuses to be audited is a subcontractor of the producer, Alko will consider the situation on a case-by-case basis before deciding whether or not to cancel the order and listing and recall the product. This deliberation will take into account an assessment of the supply chain's traceability (from producer to subcontractor), an assessment of the reliability of traceability data (up-to-dateness), an assessment of the structure of the subcontracting chain (number of operators and their roles), and fairness towards all the parties in the supply chain (compared to an outcome that is contrary to the objectives of the Responsible purchasing model).



Alko will cover the costs of the first audit. If an audit has to be repeated due to deficiencies, the Seller must cover the costs of the audit in full. Refusing an audit may result in the immediate termination of all agreements and business relations between Alko and the Seller without liability for damages.

If Alko receives information about a probable violation of the amfori BSCI Code of Conduct, Alko will initially require corrective measures to be taken. Alko may also commission an audit or other follow-up measures to ensure that the issue has been rectified. If a follow-up measure by Alko results in findings that are verified by a third party, the seller is obliged to cover the costs of the audit and follow-up measure.

Alko will ask the Seller for information about a product's supply chain in order to ensure transparency and traceability in the supply chain, and to carry out risk and impact assessments. If necessary, Alko may also request the Seller to disclose information about both its own activities and its contractual partners in the subcontracting chain. This information includes location data (such as production facilities and bottling plants), information about social responsibility (such as the number of employees) and environmental data (such as carbon footprints or other information about environmental impacts). The Seller is obliged to provide the requested information in the format required by Alko. The Seller affirms that it will provide the requested information, and is responsible for the accuracy, up-to-dateness and completeness of the information it provides. The Seller also affirms that the production of delivered products and/or provision of related services only occurs on the premises indicated to Alko. Alko will use the information provided by the Seller in its due diligence process or for another separately specified purpose for which Alko has obtained the Seller's express permission.

The Seller furthermore declares that it understands that failure to inform Alko of any of the aforementioned information about a product, part of a product and/or the provision of related services will constitute justifiable grounds for the immediate termination of all agreements and business relations between Alko and the Seller without liability for damages. Here, "Seller" refers to the contractual partner selling products to Alko.

See also:
The English version of the amfori BSCI Code of Conduct is legally valid,
[Appendix 1](#)

Dolly pallets

On certain conditions the Seller can offer a product for Alko's general selection or seasonal selection packed on a dolly pallet.

See the conditions for dolly pallets in [Appendix 9](#).

Quality requirements

Alko's quality requirements for alcoholic beverages follow the relevant Finnish regulations and EU directives. Products must also meet the legal provisions of the country of origin concerning alcoholic beverages. The products attached to the Palpa recycling system must meet Palpa's material requirements.

The producers and importers of alcoholic beverages are responsible for the quality and content of the alcoholic beverages they release for consumption



and for ensuring that the product and its labelling and other presentation conform to the provisions issued on them (Alcohol Act 1102/2017, section 30).

If an individual product receives an exceptionally large number of product returns made by customers for quality reasons, Alko reserves the right to charge the supplier for the costs of product returns.

Best before marking

Products must be marked with a Best Before label in accordance with legislative requirements. Products (excluding sahti) with a best before marking must have at least four months of sales time remaining when they are delivered to Alko's central warehouse, the online shop, or directly to shops.

Changes to price and to mode of delivery to listed products

Price list periods

Products' prices are revised two times a year according to the schedule below. Thus, increases and decreases in the purchase price as well as changes to the terms of delivery and modes of distribution may become effective two times a year. Sellers have a possibility to use Alko's price calculator, which is a tool for calculating a retail price when a purchase price and possible other pricing factors are changing.

Price list period	Change to be notified by
19 March 2024 to 23 September 2024	25 January 2024
24 September 2024 to 24 March 2025	1 August 2024
25 March 2025 to 29 September 2025	1 February 2025

If a pricing factor, like alcoholic beverage tax, some other tax or some other factor (independent from Alko) is changed and it is not possible for suppliers to respond to it within the limits of the Alko's normal price list period,

- Alko will reserve a right to provide an additional possibility for changing the purchase prices out of normal price list period cycle.
- Alko reserves a right to change the announced price list periods in such a manner, that the beginning of a price list period can be matched to the timing of the tax increase or other pricing factor change, as long as the beginning of the price list period will not change more than 40 days.
- Alko has the right to implement the effects of these factors to purchase and retail prices as a unilateral technical change out of normal price list period cycle.

New products

The purchase price of a new product cannot be changed for the first price list period after the product's listing date: it can only be changed for the price list period thereafter. However, a change in the mode of delivery makes an exception to the rule. If the delivery mode is being changed for the first price list period after the listing date, the purchase price has to be altered in a way that the retail price remains the same. The rules for new products apply to all selection categories.

Changes in prices of specialty products and seasonal products cannot be made.



Changes to price for the products in the selection

After the first price list period, a product's price can be changed according to the price list schedule. A product cannot be delisted and listed to the sale-to-order selection again with a different price in the middle of the price list period. Products' purchase price can be changed so, that the retail price changes 20 percent at the most (changes of 0.50 euros and below are always allowed). When the retail price changes between 10 and 20 percent up- or downwards the supplier has the obligation to clarify the reasoning of the change to Alko's respective Product Manager. In exceptional cases, which impact the market widely, larger changes can be allowed.

Products delivered via Alko's central warehouse

When products' prices are revised, the changes in import costs and volume classes of products delivered via Alko's central warehouse are taken into account, in addition to changes in purchase price and terms of delivery. Import costs are available at Supplier Porta. The costs are revised two times a year and the possible changes are notified by a month before the last day of price notifications at Supplier Porta.

Central warehouse and shop delivery costs are shown by volume classes at Supplier Porta. Volume classes are revised for each price list period. The revision is based on 12-month period that ends two months before the price notification date. The volume class of a product is always valid for the whole price list period at a time.

If the Seller wants the retail price of a product to remain unchanged even when import costs or volume classes change, the Seller must alter the purchase price accordingly.

End-of-life products

The purchase price of a product can be changed according to the end-of-life rules, if the product has been in Alko's selection for at least 12 months and the supplier has made a binding notification of the product's removal from the selection to Alko's respective Product Manager. In these cases, the product's purchase price can be changed according to the price list schedule with no limitations to the magnitude of the change. If the product's retail price changes more than 20 percent downwards the supplier is obligated to notify Alko's respective Product Manager with the remaining end-of-life quantity of the product to ensure good customer service and smooth operations.

Exceptionally big changes in prices must be discussed with the respective Product Manager in order to, for example, agree on the compensation for Alko's possible margin loss for the quantity in stock at the moment of the price change.

In special cases, such as the seasonal products, price reductions by lowering Alko's margin can be carried out using a different timetable than the above-mentioned schedule of price list periods. In case reduced margins have been agreed in a separate agreement, the Seller must refund Alko the lost margin based on the agreement.



Informing changes to price, delivery, and distribution clauses

Changes to price, delivery, and distribution clauses for general and sale-to-order selection products must be made in Partner Network. An authorization or alternatively other adequate explanation of the supply chain and origin of the product with a confirmation of product availability must also be enclosed, when needed. The change to distributor can proceed when the explanation and the information provided have been verified. When the alternative explanation is used, the distributor can be changed only when the new distributor offers a lower purchase price than the valid one. In addition, when the alternative explanation is used, an analysis certificate with analysis values measured according to the Appendix 6 methods is required for the product to validate the authenticity of the product.

If only the purchase prices of products are changed, they are informed by using the Purchase price notification functionality in the Partner Network. It is also possible to agree on submitting the information as an Excel file. The file needs to include at least the following information: Product number, product name, new purchase price and new retail price. The product number is determinant when prices are updated. In this case only the products with a change in purchase price are to be listed in the Excel sheet.

When informing a price for a multi-pack notice that a purchase price for a multi-pack needs to be a direct multiple of the purchase price of the single bottle or can.

Notice when transferring a distributor

When the product is transferred from Alko's central warehouse distribution to another distributor Alko will sell the remaining stock to the new distributor. Fetching the product batch from Alko's warehouse to the warehouse of the distributor is agreed on a case-by-case basis. Alko will carry the responsibility of the product and its distribution to the date when the change becomes effective.

If a product offered with Alko's import service is changed to be delivered directly to Alko shops before the product's listing date or before one month has passed from the product's listing date, Alko will charge the following costs from the new supplier: Palpa's registration fee (if the product has been registered to Palpa), the costs of the import logistics based on actual billed costs, a processing fee, and a warehouse handling cost per sales unit.

When the product is transferred from a direct distributor to Alko's central warehouse distribution, Alko will start buying it directly from the foreign supplier or from a new importer. Alko will carry the responsibility of the product and its distribution from the date when the change becomes effective.

To ensure a smooth change and flawlessness in EDI traffic, Alko will close the products, to which the change applies, from shop orders for two weekdays before the change becomes effective.

When the delivery mode is being changed the retail price of the new product cannot change for the first price list period after the original listing date.

See also:

Filling in an offer form and authorizations, [Appendix 4](#)

Changes of distribution and delivery terms, [Appendix 7](#)

Maintaining product information and product changes to listed products

The contract between Alko and the Seller concerns the offer and the offer sample approved by Alko. Supplier is responsible for keeping the product information and required documentation up-to-date for the products it represents. This is done through the product information sheet. The changes related to packaging, content, closure or appearance of label must be approved by Alko before the distribution of the product begins.

The condition for the approval is that the change:

- Is in accordance with the Consumer Protection Act, the Alcohol Act, and the guidelines issued by Valvira.
- Is, from a customer needs perspective, not turning the product into another product. The customer must be able to identify the product after the change as the same product.
- Complies with the original tender and offer according to the tender criteria and evaluation criteria for two years starting from the listing date. Price changes, product changes affecting product's appearance and vintage changes (wines) are still possible according to the normal product change instructions.
- After two years also the changes to product's attributes that are mentioned in the product's tender criteria and respectively in the offer are possible.
- Essential characters that cannot be changed during a product's life cycle are inter alia the product's segment (excluding wine taste style and price), maturing definitions (for example age statement in whiskies, "VSOP" in cognacs and "Crianza" in wines), and the country of origin in wines. As an exception, when product segments are changed in assortment management, Alko allows changes for products between segments for a limited time period. Changes can be made in accordance with the previous segmentation (for example changes in packaging type when different packages are separated in the new segmentation). The described product changes are allowed for two price list periods from the inception of the new segments.
- Functions effectively in Alko's logistics system, and is in accordance with both Alko's space management concept and also its principles for chain management and chain operability.

Product information is maintained through the product information card in Alko's Partner Network.

A product change leading to a change in the product's pricing (e.g. a change in the amount of excise duty) requires that the change request is made with the offer form. As an exception, when the product's recycling system is changed the resulting price change can be notified with an Excel file when the change is done according to the normal price list period cycle. If a plastic bottle or a can is changed from a non-recyclable product to a product which is part of the recycling system, the change request needs to be done always with the offer form.

If there is a relevant mistake in the product information from customer's point of view, a fee of 300.00 euro (+ VAT) will be issued for the supplier. Such a



mistake can be e.g., anomaly in product's allergen markings or not updated EAN code.

See also:
Changes to listed products, [Appendix 8](#)

RETAIL PRICES

Retail price is based on the product's price without tax at the back door of Alko shops. Apart from this back-door price (BDP), the retail price includes Alko's margin, possible deposit, alcoholic beverage tax, tax on retail containers as well as VAT. The pricing model for products within the scope of Alko's special status is public.

Taxation

In Finland, alcoholic beverages are subject to alcoholic beverage tax, environmental tax on retail containers, and general VAT.

The Act on the Alcoholic Beverage Tax defines an alcoholic beverage as a beverage for consumption if it contains over 1.2% ethyl alcohol by volume; beer is considered an alcoholic beverage if it contains over 0.5% ethyl alcohol by volume. Alcoholic beverages are divided in the tax act into beer, wine and other fermented alcoholic beverages, intermediate products and ethyl alcohol.

Small breweries that are juridically and financially independent from other companies in the same line of business are entitled to a lowered alcoholic beverage tax. Such breweries must send Alko reliable evidence, approved by the Tax Administration, of their right to the tax concession. This clarification must be sent each year by the end of February. If the clarification is not delivered to Alko in time, a possible concession earlier will not be taken into account in the pricing of the products. Clarifications approved by the Tax Administration are: producer's own notification or certificate issued by the customs, tax authorities or chamber of commerce of the producing country. For new products, the brewery must state the production volume on the offer form and attach either the producer's notification certifying the volume or a certificate issued by the customs of the producing country.

Tax on retail containers is levied for environmental reasons on some containers of beverages belonging to customs tariff group 22. If a small independent producer has maximum 70,000-litre beverage volume in beverage containers supplied for consumption during a calendar year, it is exempted from the tax. The producer must send Alko a clarification approved by the Tax Administration to certify its independence and the annual production volume. This clarification must be sent each year by the end of February. If the clarification is not delivered to Alko in time, a possible concession earlier will not be taken into account in the pricing of the products. Clarifications approved by the Tax Administration are: producer's own notification or certificate issued by the customs of the producing country.

A value-added tax is paid on all products sold in Finland. The tax is calculated on the VAT-free sales price.

See also:
Alcoholic beverage tax and tax on retail containers, [Appendix 11](#)



Calculating the retail price

The terms of delivery of a product have an influence on Alko's retail price. The domestic Seller can take care of product distribution to shops (TOP Alko shops, Finnterms 2001 until 31 May 2024) / DDP unloaded in the shop's warehouse (Incoterms 2020 from 1 June 2024) or choose Alko's storage and distribution service (delivery terms TOP Alko's central warehouse, Finnterms 2001 until 31 May 2024) / DDP unloaded in the warehouse (Incoterms 2020 from 1 June 2024). The foreign Seller can choose Alko's import service (delivery terms FCA, FOB or DAP, Incoterms 2020).

The retail price for the products can be calculated with a price calculator available in Partner Network or at alko.fi/forsuppliers. The pricing models for different terms of delivery can also be seen in the following table.

The retail price for products is calculated as follows:

TOP Alko shops (Finnterms 2001) until 31 May 2024 / DDP unloaded in the shop's warehouse (Incoterms 2020) from 1 June 2024: Alko buying from domestic Seller	Top Alko's central warehouse (Finnterms 2001) until 31 May 2024 / DDP unloaded in the shop's warehouse (Incoterms 2020) from 1 June 2024: Alko buying from domestic Seller	Alko's import service FCA, FOB tai DAP (Incoterms 2020): Alko buying from foreign Seller and acting as importer
The Seller distributes the products to shops Alko's purchase price includes alcoholic beverage tax and tax on retail containers, but no deposit	Products are stored and distributed to shops by Alko Alko's purchase price does not include alcoholic beverage tax, tax on retail containers or deposit	Products are stored and distributed to shops by Alko Alko's purchase price does not include alcoholic beverage tax, tax on retail containers or deposit
Alko's purchase price - alcoholic beverage tax - tax on retail containers - Palpa recycling fees**	Alko's purchase price + Alko's central warehouse and shop delivery costs*	Alko's purchase price + import costs* + EAN coding cost for the import service + Alko's central warehouse and shop delivery costs*
= Back-door price (BDP) excluding tax	= Back-door price (BDP) excluding tax	= Back-door price (BDP) excluding tax
x coefficient (Appendix 10) + deposit * + Palpa's recycling fee** + alcoholic beverage tax and tax on retail containers (Appendix 11)	x coefficient (Appendix 10) + deposit* + Palpa's recycling fee* + alcoholic beverage tax and tax on retail containers (Appendix 11)	x coefficient (Appendix 10) + deposit * + Palpa's recycling fee** + alcoholic beverage tax and tax on retail containers (Appendix 11)
x value added tax	x value added tax	x value added tax
= Retail price	= Retail price	= Retail price

*Import costs consist of freight, insurance, duties and import surcharge. Import surcharge includes insurance, handling costs and the overhead expenses. Import costs, deposits for beverage containers and Alko's central warehouse and shop delivery costs are shown at Supplier Porta.
 ** Palpa's recycling fees are shown on Palpa's website at www.palpa.fi.

Recycling system costs

Alko registers most of the glass bottles, cans and plastic bottles using Alko's import service in the deposit-based recycling systems (Palpa). However, products are not registered in Palpa's systems in the following cases: containers which do not meet the requirements of the recycling systems in relation to e.g. package size or material, containers which do not have an EAN-code required by the reverse vending machines, products ordered in small



quantities, such as specialty products. The costs incurred for being a part of a recycling system are taken into account by Alko in the pricing of products using the import service.

In the calculation of EAN-coding cost in Alko's import service, product registration fees and expenses from changing EAN-codes are taken into account. In the pricing of the products, EAN-coding cost is 1.41 cents per litre in 2024. The recycling fees are given in Palpa's price list available on their website at www.palpa.fi. Recycling fee for a refillable bottle is 0.0182 euro.

Alko's central warehouse and shop delivery costs

If the Seller uses Alko's central warehouse and shop delivery services, costs indicated on Supplier Porta's price list and tied to sales volumes, selection type or package type are applied in the retail price calculation.

The following cost classes are applied for new products:

- for general selection products, specialties and seasonal selection products, the cost of volume class corresponding to the estimated demand in the tender
- for sale-to-order selection products, the cost of the sale-to-order selection class
- for bag-in-boxes and liquid cardboard packages, always the cost of this class regardless the selection type.

The expenses arise from both the costs of storage facilities and services and the costs of deliveries to the shops. The expenses also accumulate from controlling material flows, maintenance of logistics-related data systems and administration.

The costs are based on an activity-based analysis of Alko's logistical material flow and a calculation of the prices and resources required for its various stages.

See also:

Alko's central warehouse and shop delivery costs, Supplier Porta

Pricing coefficients for products within the scope of Alko's special status

Alko's sales margin covers the expenses of retail sales and its administration as well as the company's operating profit. The sales margin is included in the product's retail price by using pricing coefficients. Pricing coefficients are calculated for five different pricing groups (see [Appendix 10](#)). It should be noted that Alko's pricing coefficient is not public for products outside the scope of Alko's special status.

Lower pricing coefficients

When the tax-free back-door price exceeds 19.50 euro per litre, retail price calculation applies coefficients that are lower than the normal pricing coefficients. Calculation of lower pricing coefficient is explained in [Appendix 12](#).

[Appendix 13](#) shows an example of retail price calculation by using the lower coefficient. This example is for calculating the retail price for wine.

**Minimum margin**

For pricing groups 1, 2 and 3 the minimum margin is 1.25 euros per litre, yet never less than 0.64 euros per bottle/can. For pricing groups 4 and 5 the minimum margin is 0.78 euros per litre, yet never less than 0.29 euros per bottle/can.

The minimum margin is applied, if the pricing coefficient gives the product smaller margin than the minimum margin.

As a tool for price estimates you can use the price calculator available at alko.fi/forsuppliers.

Rounding the retail price

The retail prices are indicated with an accuracy of one cent.

The total of cash purchase is rounded to the nearest 5 cents, which is the normal commercial usage in Finland.

APPEALING ALKO'S DECISIONS

In accordance with Section 80, Paragraph 2 of the Alcohol Act (1102/2017), revisions on Alko's decision on listing, delisting and pricing of alcoholic beverages can be appealed to the National Supervisory Authority for Welfare and Health (Valvira) as adjusted by the Administrative Act. On separate written request, Alko will deliver the rationale for decision and appeal instructions required for the appeal without delay. The demand for revision has to be presented to Alko within 30 days of the announcement of the original decision.

CHANGES TO CONTRACT TERMS OR RULES OF PROCEDURE

If the legislation or the decisions of the authorities concerning Alko or its operational environment change, including the legislation on alcoholic beverage taxes or other taxes, we reserve the right to make changes to our contract terms and/or rules of procedure in the way provided by the legislation in force.



APPENDIX 1 - AMFORI BSCI CODE OF CONDUCT (SEPARATE ATTACHMENTS)

APPENDIX 2 - ALKO'S TERMS OF PURCHASE AND DELIVERY

The following terms apply to all the purchases regardless of the delivery term or form. The delivery term is supplier-specific.

Placement of orders

Alko Inc. (Alko) places all orders directly with the Seller.

Only Alko's product numbers are used in orders. An order unit is always the same as the sales unit. It is also the minimum order batch if the shop so chooses.

Confirmation

The Seller must confirm the order before the dispatch and within two (2) working days from receiving the order at the latest. If Alko does not receive confirmation, or if the confirmation deviates from the order, the order is not binding on Alko.

Information of the Seller

If the Seller has not before delivered products to Alko, it is the Seller's responsibility before the first product's listing to send the information to Alko to ensure seamless billing. The needed information of the Seller is:

- Name of the company
- Address
- VAT-number (required by the billing system)
- Bank's name and address
- Bank account IBAN
- SWIFT

Price adjustments by the Seller

Price adjustments can be implemented according to the schedule of price and mode of delivery changes published in the listing instructions. Notice of adjustments must be submitted on specified form agreed with Alko.

Product specifications

The Seller is responsible for meeting product specifications as stipulated in the country of origin, in Finland and in EU legislation.

When submitting the offer in the Partner Network, the Seller guarantees that the Seller and all the corporate bodies in the same supply chain have carefully studied the BSCI Code of Conduct (Appendix 1) and will abide by the values and principles included therein for all parts.

The product must match the offer and sample approved by Alko and it must be free from quality defects. The Seller is responsible for the accuracy of the information maintained on the product information card. Any alterations to beverage containers, their content, closure or the appearance of labels must be agreed upon in advance with Alko.

In the case that a product/products does not fulfil the requirements mentioned above Alko will immediately withdraw the product/products or suspend their distribution for the duration of the investigation. The Seller will then be responsible for all the costs related to this. If the product/products does not meet the requirements set by Finnish and EU legislation or the permits required for the respective activities are not valid, Alko has the right to remove the product/products from the selection.



Product liability

The Seller is without exception liable for any direct or indirect harm, loss or damage to persons or property caused by the product. This applies also to residual or other taxes imposed on Alko as a result of the product not corresponding to the product information the Seller has given. The Seller is required to cover all additional costs or compensation to any party suffering loss or damage caused by a defective product. Under no circumstances is Alko to be held accountable. Should Alko be called upon to compensate damage incurred through the Seller's product, Alko is authorised to reclaim this sum and the expenses incurred from the Seller.

Industrial property rights

The Seller is responsible for ensuring that the products distributed to Alko are in the Seller's effective control and disposal in Finland as regards relevant industrial property rights (e.g. right to a trade mark).

Alko has the right to use trademarks or brands – either in part or in their entirety – or other information mentioned on the label or information given by the supplier in its price list or in-store marketing without providing additional compensation. Alko has the right in connection with this to add any information which is relevant to consumers – e.g. information about grape varieties.

By delivering a product image to Alko the Seller approves that Alko can use, edit or possibly assign the image for example to the media.

If any claims or demands are brought against Alko on the basis of industrial property rights, the Seller will be liable for any expenses – e.g. legal expenses, compensation and litigation incurred from violations against the above-mentioned rights. In such a case Alko also has the right to withdraw the product/products in question immediately, the Seller will be responsible for all the costs related to withdrawal. The Seller must provide Alko with any information needed to settle the case.

Labels and sales units

Labels and sales units must conform all the stipulations and regulations effective in the EU and Finland. Each product must be provided with a GTIN code (EAN or UPC). Exceptions to this rule are possible only when products with limited availability are concerned.

It is not allowed to use any loose elements in the sales packages (for example neck hangers). Acceptability of elements in Alko's selection is evaluated case by case considering the implementation style.

Alko has a right to charge possible costs of insufficient or not accepted product change markings or loose elements from the supplier. If necessary Alko will withdraw the product/products.

Cases

Products are to be packed in cases in a way that the products will withstand transportation. The size, material and weight of the cases must be suitable for handling the cases without special equipment in shops. Allowed maximum weight of an individual case is 25 kilos.

A bar code approved by Alko and identifying the case must be marked at least on the short side of the case. The Seller is liable for any additional costs incurred due to insufficient or incorrect case markings.

Loading pallets

The products must be packed carefully to withstand conventional transport. The pallets used for transportation must be approved by Alko. EUR pallet 800 x 1200 mm is recommended. A smaller capacity pallet (half a Euro pallet 800 x 600 mm) must be used for deliveries to shops with limited reception capacity designated by Alko.



Alko accepts those invoices for pallets that are in line with the pallet price list available on the Alko website. No disposable pallets are repaid. The pallets coming from outside the EU or from certain EU-countries specified by the authorities must be made in accordance with ISPM 15 standard.

Termination

In one or more of the following instances, Alko reserves the right to cancel even a confirmed order, suspend the sale of a product or remove a product from its selection by way of a written notice and without liability for damages:

- The Seller does not meet the terms and conditions set out in the section Product specifications.
- The Seller is declared bankrupt, makes arrangements with their creditors, is prohibited from engaging in business, goes into liquidation, or transfers their business to a third party.
- For one reason or another, the Seller is unable to supply a product in Alko's general selection as required by the agreement, or if a product with an established level of demand is closed for orders for three (3) months. A product's level of demand is considered to be established six months (6) after being listed in the selection. A sale-to-order selection product that is closed from orders for more than six (6) months in a rolling 12-month period will be removed from the selection.
- A party in the supply chain of a product in Alko's selection:
 - refuses an audit or other monitoring procedure performed by Alko or a third party
 - does not implement the required corrective measures within the agreed timeframe
 - has not provided or maintained information about a product's supply chain as requested, and has thereby harmed Alko's business or reputation
 - has not otherwise complied with amfori BSCI's values and Code of Conduct
 - has otherwise materially breached Alko's terms and conditions for purchase and delivery or has failed to meet the obligations of the Alko Listing Procedure.
- On the basis of discretion and for justifiable reasons, in situations in which the product originates from an area where the party responsible for governance has been in material breach of international law and has been condemned by Finland or the EU.

In the case that Alko is forced to cancel a confirmed order or withdraw product/products already in the shop based on aforementioned cancellation terms the Seller will be responsible for compensating Alko for the costs of shop withdrawal or any other activities related to the cancellation.

If not repeated, minor shortcomings in deliveries do not lead to the removal of the product from the selection.

The Seller must notify Alko immediately in cases of force majeure. If the disturbance persists for longer than 30 days, Alko may cancel the order without incurring expenses.

In addition, Alko has the right to terminate this agreement for an individual product, if the product is transferred to the agreement area of Alko's Supply Agreement (agreement also regarding alcoholic beverages sold under license in grocery shops) due to a change in the law. In the case of beverage products with at most 5.5 %, the Listing procedure is automatically terminated on 19 March 2024, and the products are transferred subject to Supply Agreement.

**Settlement of disputes**

Finnish law is applied to these terms of purchase and delivery. Disputes will be settled in the Helsinki District Court.



APPENDIX 2A - ALKO'S IMPORT SERVICE

Delivery clauses

When using Alko's import service, the product offered must be delivered by land or sea freight. The accepted delivery clauses are FCA supplier's warehouse, FOB port of shipment or FCA carrier's terminal. In the case of DAP deliveries, the delivery clauses are DAP Alko warehouse Vantaa for truck deliveries and DAP Vuosaari harbour for container deliveries. Incoterms 2020 apply to all deliveries. The dispatch must take place from a tax-free warehouse. If the product has been offered for delivery from a country for which there is no standard import cost specified by Alko, Alko reserves the right to check the import costs of the product for actual costs before making a purchase decision. The supplier has committed to keep the retail price of the product in line with what is offered, but if the actual cost of importing exceeds the cost used in the calculation, the offeror is entitled to withdraw the tender on this basis.

Alko takes care of customs clearance and other obligations relating to the imports of products including the registration of the product to the deposit-based recycling systems and takes care of deposit and recycling system costs related to them.

Volume and administrative requirements for import service

The seller must have the necessary license and capability for excise goods shipment e.g. in the EU, for electronic export covering letter (eAD) in the EMCS system.

The imported product is required to exceed 2,000 euros turnover (excluding tax) in a rolling 12-month period. The sales volume review is carried out after the end of the price list period and its final result is communicated to the beverage suppliers. The final result of the review will come into effect for the next price list period, i.e. six months after the announcement. If the product is changed to a direct delivery product in accordance with the following distributor change schedule, the product can continue to be in the selection. Otherwise, the product will be removed from the selection.

Documentation

A separate invoice must be drawn up for each order. The invoice must include the following information:

- name and address of Seller and Alko
- VAT-number of Seller and Alko (EU)
- date and number of invoice
- number of Alko order
- Alko product number
- trade name of product
- number of bottles, cases or pallets
- bottle size and alcohol content (% by volume)
- price per unit or case and total amount
- Seller's BIC-code and IBAN number
- delivery clause and terms of payment
- country of purchase and origin

Documents certifying the product's country of origin must be enclosed (e.g. EUR 1, VI 1, VI 2, form A). An original document of VI 1 must be addressed and sent to Alko immediately after the dispatch of the goods from the Seller's country.

All documents must be sent to Alko directly after the dispatch of the goods to ensure that they are at Alko's disposal at the time the consignment arrives. The Seller is liable for any additional costs incurred due to missing documents.

Terms of payment

The terms of payment are 30 days from the date the goods enter Finland. Invoices submitted to Alko must be denominated in euro (EUR).

Mode of transport

The container/truck must be sealed and Alko must be informed of the seal number. In the case of DAP deliveries, when Alko is requesting the Seller must arrange thermo



transportation, if the quality of the cargo, distance or weather conditions require so. The acceptable maximum height of a loaded pallet is 1800 mm.

Delivery arrangements

The date of delivery may not be altered without the approval of Alko. If the goods arrive ahead of schedule, Alko reserves the right to delay payment accordingly. Alko has the right to reclaim any costs incurred due to defects in delivery. On the day of the delivery, Alko must be provided with the following information: order number, name and number of the product, number of cases and pallets and date of dispatch.

Transport insurance

Alko is responsible for the transport insurance, according to delivery clause.

Costs

All additional expenses, for example costs incurred from export formalities as well as export duties, taxes and other official costs in the Seller's country are taken to be included in the price. The Seller is not entitled to charge Alko for these expenses. Both the Alko and the Seller cover their own bank charges.



APPENDIX 2B - DELIVERIES FROM FINLAND TO ALKO CENTRAL WAREHOUSE

Delivery clause (until 31 May 2024)

The delivery clause is TOP (delivered to) Alko's central warehouse Vantaa. Finnterms 2001 apply to domestic deliveries. The dispatch must take place from a tax-free warehouse.

Delivery clause (from 1 June 2024)

The delivery terms are DDP (unloaded in the warehouse). Incoterms 2020 apply to domestic deliveries. The dispatch must take place from a tax-free warehouse.

Volume and administrative requirements for Alko central warehouse

With the delivery terms TOP Alko's central warehouse (until 31 May 2024) / DDP (unloaded in the warehouse) (from 1 June 2024), the beverage supplier needs to have Valvira's granted alcohol wholesale license and other licenses for operation.

A general selection product in Alko's central warehouse distribution is required to exceed 1,000 euros turnover (excluding tax) in a rolling 12-month period. The sales volume review is carried out after the end of the price list period and its final result is communicated to the beverage suppliers. The final result of the review will come into effect for the next price list period, i.e. six months after the announcement. If the product is changed to a direct delivery product in accordance with the following distributor change schedule, the product can continue to be in the selection. Otherwise, the product will be removed from the selection.

Documentation

A separate invoice must be drawn up for each order. The invoice must include the following information:

- name and address of Seller and Alko
- VAT-number and business-ID of Seller and Alko
- date and number of invoice
- number of Alko order
- Alko product number
- trade name of product
- net and gross weight
- number of bottles, cases or pallets
- bottle size and alcohol content (% by volume)
- price per unit or case and total amount with VAT-specification
- Seller's bank and account number
- delivery clause and terms of payment
- country of origin

The Seller is liable for any additional costs incurred due to missing documents.

Prices

For deliveries to Alko's central warehouse the prices must be quoted without tax. Importer takes care of customs clearance and other obligations relating to the imports of products. The Seller is in charge of the product's possible registration to the deposit-based recycling system and fees related to the registration. Alko is in charge of the deposit and recycling payments related to the deposit-based recycling system, and notifications related to the payments in question to the recycling system's administrator.

Terms of payment

The terms of payment are 30 days from the date of the invoice, which can be no earlier than the dispatch day. The invoice must be sent latest on the day following the dispatch day at the prices of the order date.

Alko reserves the right to receive an electronic invoice from the Seller if the invoicing company's turnover exceeds EUR 10,000. The electronic invoice means only invoices



sent in digital, structured form, from one electronic invoicing system to another. For example, a PDF invoice sent by email is not an electronic invoice.

Mode of transport

The Seller must arrange thermo transportation, if the quality of the cargo, distance or weather conditions require so. The acceptable maximum height of a loaded pallet is 1800 mm.

Delivery arrangements

The date of delivery may not be altered without the approval of Alko. Alko reserves the right to reclaim any costs incurred due to defects in delivery.



APPENDIX 2C - DIRECT DISTRIBUTION TO ALKO SHOPS (APPLICABLE TO DELIVERIES FROM FINLAND ONLY)

Delivery clause (until 31 May 2024)

The delivery clause is TOP (delivered to) Alko Shops Finnterms 2001.

Delivery terms, mainland Finland (from 1 June 2024)

The delivery terms are DDP unloaded in the store's warehouse (Incoterms 2020).

Delivery terms, Åland Islands (from 1 June 2024)

The delivery terms are DDP unloaded in the store's warehouse (Incoterms 2020). As sales will be made within the Åland Islands, VAT will be included in the prices. The seller is responsible for excise duties and clearing the goods through customs in the Åland Islands.

Prices

Quoted prices must include alcoholic beverage tax and tax on retail containers.

Terms of payment

The terms of payment are 30 days from the date of the invoice, which can be no earlier than the dispatch day. The invoice must be sent latest on the day following the dispatch day. When the goods are delivered directly to Alko shops, Seller must send Alko a day specific joint invoice with the prices of the ordering date. The joint invoice must include specifications by shops.

Alko reserves the right to receive an electronic invoice from the Seller if the invoicing company's turnover exceeds EUR 10,000. The electronic invoice means only invoices sent in digital, structured form, from one electronic invoicing system to another. For example, a PDF invoice sent by email is not an electronic invoice.

When sending invoices more than 6 months old, the seller must include an explanation of the delay and sufficient information for Alko's case-by-case processing, for example at least the order number, the amount of the original invoice, the amount of the corrective invoice, Alko's product number and quantity.

Volume and administrative requirements for direct distributors

The direct distributor needs to have Valvira's granted alcohol wholesale license and other licenses for operation. A direct distributor must have such capabilities for entire message flow of an electronic order-delivery process that are tested and approved by Alko. In addition, a yearly volume of a million sales unit is required from a direct distributor (except for sale-to-order selection T3 category and sahti) either as a single operator or as a partner of a so-called contract warehouse model that meets the sales requirement. In the latter case, at least the order and dispatch advice messages must go through the contract warehouse.

The building of the electronic message flow is done according to the schedule defined by Alko. If the connections can't be tested and approved at least one (1) month before the date set for starting deliveries of the new product, the deliveries will take place through Alko central warehouse. Supplier must then make a new offer by using delivery terms TOP Alko's central warehouse (until 31 May 2024) / DDP unloaded in the warehouse (Incoterms 2020) (from 1 June 2024) so that the retail price of the product must remain unchanged. After listing to the selection, changes of distribution and delivery terms can be made according to the normal price list period cycle.

Order to supplier

Shop orders are sent to the Supplier, in all cases, via Alko's order system in electronic form.

The delivery day on which the order is dated should be consistent with a pre-planned transport schedule.



Basic orders are sent from a shop by 12 noon, two (2) working days before the agreed delivery time. Sale-to-order selection products must be delivered within five (5) days from order at maximum. The Alko Online shop makes an exception to this as the products must generally be delivered within one (1) workday from the order.

Reliability of deliveries

The number of erroneous delivery lines must remain below 0.5 percent of the total number of delivery lines. Alko has the right to charge the Supplier for all the costs caused by defects in delivery.

Notification about temporary shortage of a product

The Supplier has to inform Alko forthwith about a temporary shortage of a product and tell when the product will be available again. The information will be submitted using Product availability application in Supplier Porta.

Deliveries

The Supplier should have the capacity to deliver orders to all shops at least once a week according to Alko's delivery calendar, and more often to big shops in accordance with the demand.

Distribution must take place in accordance with a shop-specific delivery plan. A delivery plan means an agreement between Alko and the Supplier about a delivery schedule which applies to the delivery address, day and hour. A deviation of +/- 30 minutes at most is allowed in the agreed delivery time. A delivery plan is made jointly by Alko, the shop, the Supplier and the transport company. Alko's Material Flow Control Centre is responsible for maintaining the delivery plans.

Deliveries that differ from a fixed delivery plan must be agreed upon with Alko. A need for a typical delivery may arise, e.g., during times of high demand or when the delivery day is dropped due to a public holiday. Alko's Material Flow Control Centre creates separate delivery plans six (6) weeks before Christmas, New Year, Easter, May Day and Midsummer Day.

The entire batch of products delivered to the Alko Online shop has to be from the same manufacturing batch (vintage, label, bottle closure, best before date, etc.).

Loading terms

EUR pallets are used for loading of goods. Other separately agreed and generally well-known loading platforms can be used as well. Use of a differing platform must always be agreed on with Alko. To some shops, products can be delivered only in roller cages or pallets that are smaller than normal. Alko informs the Supplier about these shops separately.

Products must be carefully packaged to make them endure the strain associated with standard transport modes. The maximum height of a delivery is 1600 mm. Loading of two (2) pallets on top of each other is not allowed, and the delivery cannot exceed the external dimensions of the loading platform.

Deliveries must be put together in such a way that the shop's acceptance check is effortless and safe. Products with the same product number are recommended to be stacked in piles on the same pallet. Cases must be placed on the loading platform in such a way that the carton barcodes or the product numbers can be seen as easily as possible.

The Supplier must use transport equipment with which loading and unloading are effortless in all conditions. In cold weather (frost periods) goods must not be left on a shop's unheated unloading pocket or intermediate terminals.

Acceptance

The driver or some other representative of the Supplier unloads the goods to a place indicated and prepared by the shop. Before a receipt for the delivery is given, the



number of cases and pallets are compared with driver's handheld device or the freight information declaration while the driver is present.

Possible delivery reclamation messages or information is sent to the Supplier within five (5) weekdays from the receipt of the delivery.

Freight declaration and freight list

The number of pallets and cases must be entered in the freight declaration; the address of the shop and the delivery date must be marked on the pallets. Attached to the freight declaration or, when requested, delivered electronically, there must be a freight list, which corresponds to the physical delivery and which also shows Alko's product number, the name of the product and the number of bottles, a total number of all bottles as well as all packages with deposit (cages, pallets, honeycomb boards etc.). In the freight list, the products must be in the order of Alko's product numbers.

Returns

Alko and the Supplier agree case by case on returning or destroying of major faulty deliveries or unsalable products in shops. Also, a separate agreement is made for the return of empty bottles, deposit-paying transport accessories and other material.

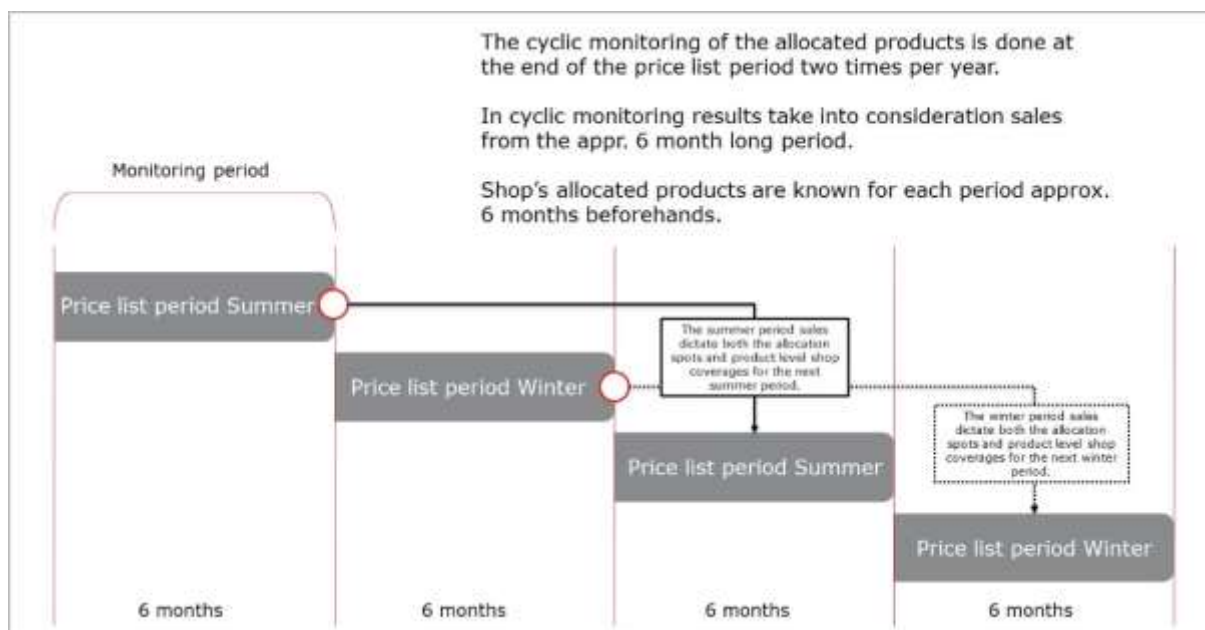


APPENDIX 3 - SELECTION PROFILES AND MONITORING PERIODS IN ASSORTMENT MANAGEMENT AS WELL AS THE FORMULA FOR CALCULATING THE TURNOVER USED IN SALES MONITORING

Size class		Demand profile		
		Basic	Normal	Plus
XS	average # of skus 350-	Basic-XS	Normal-XS	Plus-XS
S	average # of skus 600-	Basic-S	Normal-S	Plus-S
M	average # of skus 920-	Basic-M	Normal-M	Plus-M
L	average # of skus 1300-	Basic-L	Normal-L	Plus-L
XL	average # of skus 1670-	Basic-XL	Normal-XL	Plus-XL
XXL	average # of skus 2000-	Basic-XXL	Normal-XXL	Plus-XXL
Joker				

The length of the **monitoring period** is approximately six (6) months. The shop coverage for products is always bound to the shops' sizes and sales profiles. Changes in shops' sizes and profiles can cause small deviations to communicated shop coverages before and during the price list period.

The assortment calculation monitoring periods for products are depicted in the picture below. For these products the shop coverages are confirmed always during the first weeks of the previous price list period, i.e. approximately six (6) months beforehand.



**Calculation of the turnover used in sales monitoring****Distribution level****coefficient =**
0.8 + 0.2Turnover (without tax) of the shops where the product was sold x

Turnover (without tax) of all shops

With the help of the distribution level coefficient, the absolute tax-free turnover of the segment's products is made comparable despite the fact that the sales of the products come from different shops. Therefore, the products in a segment can be placed in order according to the size. The calculation is done in the way that the distribution level coefficient is always 0.2 at minimum. This limits the sales weighting based on distribution level to 5-fold at maximum.

The sales of a product through the Alko Online shop will be credited as unweighted turnover to the shop where the order will be picked up

Turnover used in calculation and based on weighted distribution level coefficient =Turnover (without tax) of the product – turnover exceeding the one-off purchase limiter
Distribution level coefficient

In the calculation of turnover based on weighted distribution level coefficient, purchases differing from normal purchase rhythm are not taken into account. With the use of the one-off purchase limiter, unusually big one-off purchases differing from the normal purchasing rhythm are left out. In the calculation of the weighted distribution level coefficient, the maximum to be taken into account is the value of the tax-free turnover per purchase, corresponding to the limiter amount.

CALCULATION EXAMPLETotal turnover (without tax)
of the shops selling the product = 100,000,000 euro

Turnover (without tax) of all shops = 600,000,000 euro

Turnover (without tax) of the product = 50,000 euro

Turnover (without tax) exceeding the
one-off purchase limiter = 5,000 euroDistribution level coefficient = $((100,000,000/600,000,000) \times 0.8) + 0.2 =$
0.33Turnover corresponding to the weighted
distribution level coefficient,
used in calculation = **$(50,000 - 5,000)/0.33 = 136,363.64$**



APPENDIX 4 - FILLING IN AN OFFER FORM; AUTHORIZATIONS

Product information

Name of the product must be given as it is on the label. The producer must also be given in accordance with the label. In addition, the details requested about the production plant (brewery, distillery, winery) must be given in the field reserved for this information.

If the product is organic, it must be declared by ticking the corresponding box in the form. If the product has an official ethical certification, this must also be indicated on the form specifying what kind of certification is in question. If the product is offered as vegan friendly, natural wine, or with a local certification, these must be confirmed in the labelling or in the packaging.

Information on price, amount, packaging and delivery

Both Alko's retail price and the corresponding purchase price to Alko, based on delivery terms, must be indicated for an offered product. The retail price must be given in euro/sales unit.

When using Alko's import service, the delivery clause must be written in the order: postal code and locality or port. Pre-priced collection locations, ports of departure and delivery terms are shown at upplier portal. Locations that are not mentioned on the list will be priced separately case by case.

Additional details/label

Instructions for giving additional information:

- Additional details required by the tender must be stated on the offer. In the additional information field, also other essential product information can be disclosed.
- The product's label/image can be put in the field reserved for it or, alternatively, in a separate attachment. An image is compulsory if it has been requested in the tender, and it is recommended in any case. The image quality must be readable and clear. An image that is delivered electronically must be as an attachment in the jpg, pdf or Power Point format.

Offer signature

Offers having an original signature can be approved when sent in Partner Network, by post or by e-mail as a scanned copy (pdf-format). If the offer is sent by e-mail, only one offer document per e-mail message is most desirable way. The tender, for which the offer is intended, must be indicated in the message title. The text must be easily readable. In addition, the original offer document must be sent of a product that is purchased if the offer has been a scanned document or a copy sent by post.

Authorizations

An authorization of the producer or the owner/holder of the trademark or alternatively other adequate explanation of the supply chain and origin of the product with a confirmation of product availability must accompany each offer



for a new product. No authorization is, however, required if the offered product is of a brand to which the offeror has the right of ownership or use, or if it is offered for a smaller specialties tender. Authorization template is available at Supplier Porta.

Things to be observed:

- Offerors who make their offers on the Partner Network must provide the authorization as an attachment to the offer, e.g., in a pdf format.
- The authorization must clearly indicate the role/roles for which the offeror is empowered.
- Authorizations should clearly indicate those products or product series and producers that occur in the corresponding offers as well as the connection between the product and the assignor (principal), if it is not clear on the basis of the product name, for example.
- If the producer indicated on the offer and corresponding to the label has a different name from that of the assignor (principal), the connection between these must be clarified in the authorization.
- The authorization should be effective preferably until further notice or at least for as long as the offer is valid.
- The text, date and signature must be clearly readable. The authorization must also carry a clarification of the signatory name and the company position entitling him to sign the offer.

Things considered when using other product-specific explanation than authorization:

- Product availability is expected to be at least 12 months (for seasonal products and specialties, the duration of the period or theme indicated in the tender) compared either to the verified demand or sales estimation of the product (e.g., explanation of product's inventory balance in the supplier's warehouse and delivery capability).
- Supplier can provide a reliable report of the origin of the product and its supply chain which can be traced to the production plant, as well as the necessary contact details from the parties in the supply chain to verify the information (name, e-mail address, telephone number).
- The supplier confirms to commit to Alko's responsible purchasing principles and has completed training course in Responsible purchasing provided by Alko.
- If the offeror has previously supplied products to Alko's selection, the proven ability of the offeror to supply the products will be taken into account as either a factor that strengthens or undermines the reliability of documents. If the offeror has previously offered a product and given either false or misleading availability or origin, Alko will not take any other product to the selection from the offeror based on a product-specific explanation instead of the authorization of the producer or the owner of the trademark.



APPENDIX 5 - GTIN CODES, VALVIRA CODES AND THE CODES OF TRANSPORT PACKAGES

GTIN codes

A product purchased must have a bar code readable with the bar code readers that are being used in Alko shops. Alko approves the following types of bar codes:

- EAN-13, which is the most common bar code in Finland (13 digits)
- EAN-8, which is a shorter code for small-sized products (8 digits)
- UPC-A, which is a US equivalent of EAN code (12 digits)
- UPC-E, which is a US equivalent of EAN-8 code (8 digits)

Sales package's bar codes that begin with numbers 20-25 are not accepted. These code types are reserved for itemization of products with variable length record that are used only in closed system ([GS1 Global standards](#)).

Sale-to-order selection products can also have GTIN code made of Alko's product number with a separate approval. Then also a code provided by Valvira must be sought for the product but it must not be used as a bar code on the label.

Alko's information system requires a code that has 13 digits. For this reason, the users of the Partner Network, when offering a product, must add zeros in front of shorter codes to create a code that has 13 digits.

Importers must provide The National Supervisory Authority for Welfare and Health (Valvira) the same GTIN code information as they provide Alko. Otherwise the sales information that Alko sends to Valvira does not match with the product information in Valvira's system.

The bar code requirement is not categoric in all cases of products in the smaller specialties, but then a Valvira's code must be sought for the product. However, all exceptional cases must be separately agreed upon with the respective product manager at Alko. The codes provided by Valvira are of the form of 64192941XXXXX, and they must not be used as a bar code on the label.

A GTIN code in a product needs to fulfil the requirements from Palpa if the product is registered in Palpa's recycling system.

Marking of transport packages

The following forms of bar codes are to be used:

- ITF-14, which is also known as a DUN code.
- EAN-13, but when using this code, it must differ from the EAN code of the consumer package (e.g. bottle), because the scanner concludes from this code also the quantity of consumer packages.

Other forms of bar codes can also be acceptable, but their functionality must be separately checked out. This can be done by sending an original size scanned image of the code to Alko's Material Flow Control Centre (mok@alko.fi) for checking. The scanners at Alko shops recognize with certainty only the bar codes with numbers, so letters and special characters (including the brackets) should be avoided.

If the transport package has no pre-printed bar code, then the cartons must be

provided with a bar code sticker before delivering them to the shops. If ITF-14 code is used on the stickers, then the code can be formed for example as follows:

- The first number of the code shows the number of consumer packages inside the transport package:
 - 1= 6 bottles/packages
 - 2= 10 bottles/packages
 - 3= 12 bottles/packages
 - 4= 20 bottles/packages
 - 5= 24 bottles/packages
 - 8= dolly (regardless of the number of bottles/packages)
 - 9= other than above mentioned package size
- The next 12 numbers come from the first 12 numbers of the EAN code of the consumer package that is inside the transport package so that the last number of the EAN code (control number) is left out.
- The last digit is a control number that will be calculated automatically based on the code's earlier digits.

An example of ITF-14 code:



Also take note of these when using bar codes:

- The leading zeros have to be notified and entered into the system as it requires them.
- If the carton has several different bar codes, all of them can be linked to the product which facilitates the work at the shops.
- If the package size changes e.g. from six (6) bottles to 12 bottles, then also the DUN code must be changed, because the system recognizes also the package size by a bar code.
- The recommended color of the bar code is black. Also blue, green and dark brown are acceptable. Red should never be used because the scanner has a red beam and then the contrast is insufficient.
- For the background color it's recommended to use white, yellow, orange or red. Never use blue, green, brown or gold as a background color.

The requirement of using a bar code which identifies the transport package does not concern packages where the product code can be scanned directly from the consumer package. Such packages are e.g. cages, dollies or shrink-wrapped products. But even on these packages it is permitted and recommended to use a separate transport package identification bar code.

If possible, the transport package code should be indicated already on the offer, for the code to be included automatically into all Alko's systems.

Marking the transport packages with Alko's product number is recommended, but not obligatory.



APPENDIX 6 - INSTRUCTIONS FOR SENDING SAMPLES AND CERTIFICATES

Delivery of samples and certificates requested by Alko

The samples must be delivered to Alko as soon as possible after receipt of a sample request, and latest on the due date indicated in the sample request. The time for bringing the samples to Alko's central warehouse is between 9.00 in the morning and 15.00 in the afternoon on working days. It is recommended to attach a "goods received note" to the sample delivery. This note is available in Finnish at Supplier Porta.

If the samples are delivered by courier service, they must be sent on delivery terms DDP Incoterms 2020 to the following address:

Alko Oy/Posti Group
Tikkurilantie 148
Portti 1, ovet D 18-21
01530 Vantaa, Finland

The samples delivered must correspond to the final sales package and be stable. The preliminary design of the packaging and appearance (a so-called mock-up) needs to contain all the required package markings that are in line with regulations and the criteria stated in the tender. If a mock-up has been sent together with the samples and the product proceeds to the purchasing stage, the supplier must send a suitable packaging sample for photographing at one's earliest convenience.

General and seasonal selection and specialties samples

Number of offer samples

Generally, the number of sample bottles is:

- two (2) bottles of wines and spirits
- four or five (4/5) bottles of brewery products

Sample amounts are also given in Alko's sample request. All the sample bottles must be products indicated in the offer.

After the actual sample request Alko may request additional samples. Additional samples must be from a production batch that is congruent with the original samples. Additional samples must be delivered within two (2) weeks from the request of additional samples.

Delivery starting samples

When starting the deliveries of the purchased product, one (1) sales package must be delivered as a sample from the first batch that has been delivered to the distributing warehouse and will be distributed to shops. The sample must be accompanied by Alko's form "cover note for delivery starting sample". The form is in Supplier Porta. This covering note must be signed by the offeror. Delivery starting samples are not required for products that belong to specialties nor for products transferring to general selection from sale-to-order selection.



Certificates for the samples

After the product has been chosen to be purchased, certificates of e.g. organically and ethically certified products are requested to be sent in an electronic format when necessary. A new product can be made available for orders only after the required certificates are delivered to Alko.

Sale-to-order selection's Listing Service samples

When using Listing Service two (2) samples must be delivered of the new sale-to-order selection products (T1 and T3). The certification documents of an organically/ethical certified products and certification document for a small producer concession (last year's production volume in thousand litres) must be submitted on the offer form. No delivery starting samples needs to be delivered of the sale-to-order selection products.

If the Seller wishes to transfer a product from T1 category to the general selection after the product has attained the requirements explained earlier, he must fill in a product request form and send three (3) samples minimum two (2) months before the desired validity date of the requested change.

In the case of product changes Alko may request separate samples.

Analysis methods used

When offering specialties and sale-to-order selection products the supplier needs to announce the analysis values of the product which are based on measured results. The analysis tools and methods used in the measurements must be validated as applicable to the analytics of the drink type in question. The analysis certificate must state the method of measurement, the time when the measurement was performed, the tested product lot, the party performing the testing, and the product name that can be used to connect the analysis to the offered product.



APPENDIX 7 - CHANGES OF DISTRIBUTION AND DELIVERY TERMS

Things to be observed, when distributor or delivery terms of a product change:

- A new offer for the product must be made in Alko's Partner Network. Copies of the new authorization and cancellation of the old one must be attached to the offer. Alternatively, the new distributor may provide an adequate explanation of the supply chain, origin and confirmation of product availability of the product offered. In cases where there are several potential suppliers for the product, Alko will choose the supplier that offers the lower purchase price. If the price is the same, Alko will continue with the current supplier. In addition, when the alternative explanation is used, an analysis certificate with analysis values measured according to the Appendix 6 methods is required for the product to validate the authenticity of the product.
- An offer for a new product must be valid till at least the beginning of the price list period which comes after the change date.
- The documents must be delivered to the respective product manager at the latest on the day of notification shown in the schedule. The changes will take effect on the following possible effective date that is mentioned in the table on page 21. (E.g., as a new authorization comes into effect on 19 March 2024, the validity of the old authorization will be marked as ended on the same day, 19 March 2024).
- Templates of authorization and cancellation of authorization as well as the product managers' areas of responsibility are all available at Supplier Porta.
- The responsibility for functioning of material and message flows is transferred to a new distributor from the beginning of the effective date for the change.
- Changes of distribution and delivery terms cannot be made to the offers that are under offer processing.
- When a change of distributor is made, all offers made by the earlier authorization holder will be annulled from the offer processing in the case that the offered products and the new authorization of distribution change are conflicting.
- In special occasions changes of distribution and delivery terms can be made with schedule which differs from the announced delivery schedule:
 - In cases of an acquisition, merger or asset deal. In these cases, retail price must remain the same.
 - A change or ending of a representation agreement (change of agency) for products in Alko's selection, no change to Alko's contract partner.
 - When a sale-to-order selection product produced by a microbrewery or a small producer can be transferred to the general selection on the basis of the sales monitoring. In this case, only the delivery term can be changed. The retail price must remain the same.



APPENDIX 8 - CHANGES TO LISTED PRODUCTS

Product changes

A product change that requires a new offer

A new offer must be made of the product in the following cases:

1) A change in the excise duty

The product undergoes a change which alters the amount of excise duty on it, for example a change in the alcoholic strength of ethyl alcohol-based drinks, i.e. wines (taxation threshold 8%, 15%), ciders (taxation threshold 5.5 %) and brewery products or a change in the package size.

2) A change in the recycling system registration within a price period

The deposit changes have to be approved by Alko and Palpa if a non-deposit package joins a recycling system or deposit-paying package departs from a recycling system. It is not possible to change a product from a deposit-paying package to a non-deposit package without changing the GTIN code of the product.

If the product joins or departs from a recycling system outside the normal pricing schedule, the supplier must make an M202X offer for general selection products and a new offer for sale-to-order selection products. The product will get a new product number and the change may also require a new GTIN code for the product.

If the GTIN code is wanted to remain the same when deposit change is made, an agreement must be made with Palpa. A new GTIN code for a deposit-paying package must be registered to the Palpa's recycling system.

3) A change in price, distribution or delivery terms

More information in Retail prices section and Appendix 7.

Making a new offer

In product changes that require a new offer, an annually changing tender number must be used (2024=M2024, 2025=M2025 etc.). Before making an offer, possible change should be discussed with the respective product manager at Alko.

Product changes that require a change notification

Product information change process is mainly done electronically by using Alko's Partner Network. Change notification must be made for each product change and when necessary, samples must be sent, and a new product image provided when product's appearance is changing.

Example cases, when product information must be updated:

1) Updating the appearance and the change of bottle closure



When the product appearance changes, a new product image must be attached to the product change request.

When making changes, the continuing recognizability of the product must be ensured. It is recommended that when dealing with significant changes to product appearance, intermediate stages are used to ensure that consumers continue to recognize the product. It is recommended that a change be made no earlier than six (6) months after the product's listing date.

For significant changes, the manufacturer must submit their reasons for the change along with an estimate of the change's effect on the product's existing consumer group. The recognizable elements with regards to the previous appearance must also be included in the reasons submitted.

It is recommended that not more than two (2) changes can be made in 12 months period. For different kinds of themed appearance changes (e.g. spring/summer and autumn/winter) the transition period should be well planned, with the goal being that differently packaged products would not be on sale at the same time.

2) Vintage and/or production plant change

For specialty products, vintage changes are not possible. The vintage of a specialty product must correspond with the sample provided for the tender.

For seasonal products vintage changes are possible before the listing date, unless the tender states specifically otherwise. The vintage at product launch and deviate from the sample provided, if the vintage is more recent. The possible change of vintage before the sales start needs to be informed in the offer. The new vintage has to be available according to the preliminary listing schedule announced in the tender. Alko will evaluate the new vintage, and to be approved it needs to stylewise correlate with the provided sample. This will be verified with Alko's sensory evaluation and quality control process. Sending samples of the new vintage needs to be agreed with the Product Manager.

For general selection products at least the channel fill from launch has to be the same vintage as the sample provided for the tender. After this a vintage change is allowed.

If one (1) vintage or more is missing between a new and the old vintage, the product change request must be accompanied by the producer's explanation.

3) A change in the recycling system registration according to normal pricing schedule

The deposit changes have to be approved by Alko and Palpa if a non-deposit package joins a recycling system or deposit-paying package departs from a recycling system. It is not possible to change a product from a deposit-paying package to a non-deposit package without changing the GTIN code of the product.

If the joining or departing from a recycling system is made according to the normal pricing schedule: The product number remains the same; To ensure



that the invoicing messages are processed correctly, Alko will close the orders for two (2) weekdays before the change becomes effective; The price changes are submitted in Partner Network or as a predetermined Excel file with the deposit changes highlighted separately.

If the GTIN code is wanted to remain the same when deposit change is made, an agreement must be made with Palpa. A new GTIN code for a deposit-paying package must be registered to the Palpa's recycling system.

- 4) Use of temporary additional markings (e.g. medals, product reviews, marketing arguments, stickers etc.) on bottles/packages for sales promotional purposes.

Such additional markings are approved that refer to e.g. the product's performance in an official competition (e.g. a medal position), or the product's long history in the market.

The marking needs to have clear reference to e.g. special competition or the paper and time. The marking needs to include enough information for the reader to verify the statement with reasonable effort (e.g. internet page). When referring to competition or judgement the additional marking needs to be aimed at the specific product and its content (e.g. the specific vintage in wines). Added markings should be kept reasonably small so the focus stays in the product.

By making the product change request well in advance, the Seller will receive Alko's approval or rejection before the change is actually made/attached to the package.

The product image with temporary additional markings will not be updated for customer communication.

- 5) Product selection changes, e.g., transferring from sale-to-order selection to the general selection.
- 6) In addition to above mentioned product changes, more information can be found at Supplier Porta.

Maintaining product information

- Product information changes will be made in Partner Network's product information card.
- Product information change notification must be made without delay and the product must not be distributed before approval.
- Only information that is to be changed must be filled in the "Details to be changed" field. More than one change can be recorded at the same time if the changes become effective on the same date.
- Also, after product information change, supplier is responsible for the product's quality and correct package markings. Alko will test the product after the change is accepted and if necessary, takes appropriate action in case of anomalies.



Delivering samples

By default, product change samples must not be sent. Exceptions are products transferred from sale-to-order selection (3 samples) to general selection and products that need to be photographed by Alko (1 sample). In these cases, filled and printed product change form must be sent as a covering letter with the samples.

The samples are delivered to the following address:

Alko Oy/Posti Group
Tikkurilantie 148
Portti 1, ovet D 18-21
01530 Vantaa, Finland

Delivering a product image when product appearance changes

A product image showing the new appearance must also be sent together with the product change request concerning both general selection and sale-to-order selection products. (For more detailed specifications for the image, see below.) If the product has a permanent gift box, a separate image of the gift box must also be sent.

If an image meeting Alko's specifications is not sent along with the product change request, Alko will charge the supplier for this (40.00 euros + VAT).

If a separate image of a permanent gift box is not enclosed to the product change request or alternatively the actual box has not been sent together with the samples, the gift box can't be considered in the process by Alko.

The product image is sent together with the product change request via the Alko's Partner Network. If one does not have the Partner Network in use, the product image can be sent as an email attachment to: laatupalaute@alko.fi (general selection) or tilausvalikoima@alko.fi (sale-to-order selection).

By delivering a product image to Alko the Seller approves that Alko can use, edit or possibly assign the image for example to the media.

Format for Alko product images:

- File format: JPG, PDF, PNG or TIFF
- File size: max. 3000 Kb (3 MB)
- Picture background: pure white (R255 G255 B255), no other shades of colour, no other elements added.
- Image resolution: recommendation 300 pixels/inch
- There should be only 'clipped' product against white background in the final image.
- The product must be in the image in its entirety.
- Photo taken directly from the front, not from an upward or downward angle.
- The label of the product needs to be sharp and visible in its entirety for the text in the label to be readable in the image.
- The product image has to be identical with the unit for sale.
- Separate objects, like neck hangers, are forbidden.
- Extra enhancing elements or reflections added, such as drops etc., are forbidden.

APPENDIX 9 - DOLLY PALLETS

All below instructions and requirements concern also minidollies. In those parts where the instructions are divergent between dolly pallets and minidollies, it is mentioned separately.

When supplied on dolly pallets, the minimum bottle size for products other than brewery products is 50 cl. The maximum height of a dolly pallet is 138 cm. The design of a dolly pallet (spacers, base) must be neutral and it may not contain any advertising. The edges of spacers (cardboard, plastic) must be coloured in accordance with the colour world of Alko shops. The dolly pallet must be stable, and the products packed on the dolly pallet must not exceed the edges of the dolly pallet.

All-year products in the dolly pallets

Product sales are reviewed two (2) times a year according to the below timetable. The review uses the sales data from the last 12 complete months. In addition, Alko has the right to conduct dolly pallet sales reviews more frequently, if a specific product category or sub-category has extraordinary changes in its demand pattern.

The right to both normal and mini dolly is subject to

- a volume of 200,000 sales units for other than bag-in-boxes over a rolling 12-month period.
- for bag-in-boxes, a volume of 200,000 liters over a rolling 12-month period.

The right for mini dolly only is subject to

- turnover without tax of 600,000 euros and a volume of more than 50,000 sales units over a rolling 12-month period for other than bag-in-boxes.
- turnover without tax of 600,000 euros for bag-in-boxes for a rolling 12-month period.

In sales reviews, online shop sales are being ignored. Suppliers are notified of products which exceed the requirement and of products that have fallen below the requirement.

	Dolly calendar	Notification to suppliers	Offer deadline	Shop deliveries
All-year products	1st review	week 2-3	week 6	starting week 11
	2nd review	week 30-31	week 34	starting week 38

Seasonal dolly pallets for the main products in the general selection

The following guidelines are for the dolly pallets of the main products in the general selection which can be delivered to shops during a limited and specified time of the year. The possible delivery weeks are specified in the timetable below.

Sparkling wine (bottle size 0.75 litres), Red wine, White wine and Rosé wine (package size 0.75 litres – 1.00 litres) can be sold seasonally in supplier-packed mini dolly pallets, if the product has been sold in the previous year-round sales review:



- 300,000 euros without taxes during a running 12-month period (excluding sales from Alko Online shop) when the retail price of the product is less than 12 € at the time of review.
- 200,000 euros without taxes during a running 12-month period (excluding sales from Alko Online shop) when the retail price of the product is 12 € or higher at the time of review.

Sparkling wine (bottle size 0.75 litres), Red wine, White wine and Rosé wine (package size 0.75 litres – 1.00 litres) can be sold seasonally in supplier-packed dolly pallets, if the product has been sold in the previous year-round sales review:

- 350,000 euros without taxes during a running 12-month period (excluding sales from Alko Online shop) when the retail price of the product is less than 12 € at the time of review.
- 250,000 euros without taxes during a running 12-month period (excluding sales from Alko Online shop) when the retail price of the product is 12 € or higher at the time of review.

	Dolly calendar	Notification to suppliers	Offer deadline	Shop deliveries
Seasonal dollies	Red wine (Easter)	week 2-3	week 6	weeks 10-13 / 2024
	Sparkling wine (Summer)	week 2-3	week 6	weeks 14-30
	White wine (Summer)	week 2-3	week 6	weeks 14-30
	Rosé wine (Summer)	week 2-3	week 6	weeks 14-30
	Red wine (Christmas)	week 30-31	week 34	weeks 44-51
	White wine (Christmas)	week 30-31	week 34	weeks 44-51
	Sparkling wine (Christmas)	week 30-31	week 34	weeks 44-52

The supplier always needs to offer to deliver the product also in cases in addition to the dolly pallet. The shop can decide which delivery mode of the product they are using.

Dolly pallets for the seasonal products

All seasonal products which have been selected to Alko’s selection via seasonal product tender can also be delivered on a supplier-packed dolly pallet. These products are e.g. for the summer season, mulled wine and other Christmas season products. The supplier must always make a separate offer for the seasonal product dollies by the deadline. The deadline is week 6 for summer seasonal products and week 34 for Christmas seasonal products.

The supplier always needs to offer to deliver the product also in cases in addition to the dolly pallet. The shop can decide which delivery mode of the product they are using.



APPENDIX 10 - ALKO'S PRICING COEFFICIENTS FOR PRODUCTS WITHIN ALKO'S SPECIAL STATUS

Pricing group	Product group in Alko statistics	Pricing coefficient
1	Vodka and spirits ≥15% (Unflavoured vodka, Flavoured vodka, Unflavoured spirits, Flavoured spirits, Gin and geneva, Aquavit, Aniseed spirits)	1.56
2	Other strong beverages ≥15% (Cognac VS, Cognac VSOP, Cognac XO and other cognacs, Other wine brandies, Scotch blended whisky, Scotch malt whisky, Irish whiskey, Canadian whisky, American whiskey, other whiskies, White rum, Dark rum, Tequila, Mezcal, Calvados and other fruit brandies, Grappa, Berry liqueurs, Fruit liqueurs, Spice liqueurs, Coffee liqueurs, Herbal liqueurs, Salmiac liqueurs, Cream and other liqueurs, Bitter)	1.50
3	Fortified wines (Vermouth, Port wine, Madeira, Sherry, Strong (fortified) mulled wine, Other fortified wines)	1.54
3	Red wine	1.54
3	White wine	1.54
3	Rosé wine	1.54
3	Sparkling wine (Sparkling wine, Champagne)	1.54
3	Other wine (Fruit wine, Aromatized wine, Mulled wine)	1.54
3	Cider	1.54
4	Mixed drink	1.67
4	Beer	1.67



APPENDIX 11 - ALCOHOLIC BEVERAGE TAX AND TAX ON RETAIL CONTAINERS

Alko will inform about any possible changes at alko.fi/forsuppliers.

Alcoholic beverage taxes 1 January 2024

Tax category	Alcohol content, per cent by volume	Tax amount
Beer*	over 0.5 – maximum 3.5	28.35 cents/centilitre of ethyl alcohol
	over 3.5	36.20 cents/centilitre of ethyl alcohol
Wine and other fermented alcoholic beverages	over 1.2 – maximum 2.8	36.00 cents/litre of alcoholic beverage
	over 2.8 – maximum 5.5	198.00 cents/litre of alcoholic beverage
	over 5.5 – maximum 8.0	308.00 cents/litre of alcoholic beverage
	over 8.0 – maximum 15.0	456.00 cents/litre of alcoholic beverage
Wine	over 15.0 – maximum 18.0	456.00 cents/litre of alcoholic beverage
Intermediate products	over 1.2 – maximum 15.0	568.00 cents/litre of alcoholic beverage
	over 15.0 – maximum 22.0	863.00 cents/litre of alcoholic beverage
Ethyl alcohol: – products defined under customs tariff item 2208 – other beverages	over 1.2 – maximum 2.8	30.90 cents/centilitre of ethyl alcohol
	over 2.8	54.80 cents/centilitre of ethyl alcohol
		54.80 cents/centilitre of ethyl alcohol



* If a taxpayer presents a reliable clarification of the fact that the beer has been produced by a brewery that is juridically and financially independent from other companies in the same line of business and whose production during a calendar year does not exceed 15,000,000 litres, the alcoholic beverage tax levied on beer is lowered as follows:

- 1 by 50 per cent for up to 200,000-litre quantity of beer produced by the company within a calendar year
- 2 by 30 per cent, for over 200,000 but maximum 3,000,000-litre quantity of beer produced by the company within a calendar year
- 3 by 20 per cent for over 3,000,000 but maximum 5,500,000-litre quantity of beer produced by the company within a calendar year
- 4 by 10 per cent for over 5,500,000 but maximum 10,000,000-litre quantity of beer produced by the company within a calendar year.

Notice of the production volume must be sent to Alko each year by the end of February. If it is not delivered to Alko in time, a possible concession earlier will not be taken into account in the pricing of the products. For new products, production volume must be indicated on the offer and the microbrewery certificate must be attached to the offer. A microbrewery is responsible for notifying Alko immediately if the amount of beer produced within a calendar year exceeds 10,000,000 litres.

Excise tax of retail containers

The taxes for different container types are:

- 1 If the beverage container is disposable and does not belong to any deposit-based recycling system in operation and approved in Finland, a tax of 51 cents per litre must be paid.
- 2 If the beverage container belongs to a deposit-based collection system approved in Finland or if it is made of liquid-packaging board or if its volume is over five (5) litres, the tax is 0 cent per litre.

No tax is levied on beverage containers produced by a company that is juridically and financially independent from other companies in the same line of business and whose production does not exceed 70,000 litres during a calendar year. The company must send Alko a clarification approved by the Tax Administration to certify the production volume. This clarification must be sent each year by the end of February. Clarifications approved by the Tax Administration are: producer's own notification or a certificate issued by the customs, tax authorities or chamber of commerce in the producing country. If a clarification is not delivered to Alko in time, a possible concession earlier will not be taken into account in the pricing of the products.



APPENDIX 12 - CALCULATION OF THE LOWER PRICING COEFFICIENT

When the back-door price without tax exceeds a certain euro amount, retail price calculation applies coefficients that are lower than normal coefficients.

Pricing group 1:

The group includes the Alko statistics product group "Vodka and spirits $\geq 15\%$ " (see [Appendix 10](#))

If the back-door price of a product, calculated per litre, exceeds 19.50 euros, lower coefficients than those given in Appendix 10 are used to calculate the retail price. The new, lower coefficient is calculated using the following formula:

$$\text{New coefficient} = 1.56 - 0.56 \times [(BDP/\text{bottle size} - 19.50)/(\text{BDP}/\text{bottle size})] \times 0.40$$

where

- BDP = back-door price without tax*
- 1.56 = the normal pricing coefficient for pricing group 1
- 0.56 = the normal pricing coefficient for pricing group 1 minus one
- bottle size = the size of the product's sales unit in litres

The new coefficient is rounded to three decimals.

Pricing group 2:

The group includes the Alko statistics product group "Other strong beverages $\geq 15\%$ " (see [Appendix 10](#)).

If the back-door price of a product, calculated per litre, exceeds 19.50 euros, lower coefficients than those given in Appendix 10 are used to calculate the retail price. The new, lower coefficient is calculated using the following formula:

$$\text{New coefficient} = 1.50 - 0.50 \times [(BDP/\text{bottle size} - 19.50)/(\text{BDP}/\text{bottle size})] \times 0.40$$

where

- BDP = back-door price without tax*
- 1.50 = the normal pricing coefficient for pricing group 2
- 0.50 = the normal pricing coefficient for pricing group 2 minus one
- bottle size = the size of the product's sales unit in litres

The new coefficient is rounded to three decimals.

Pricing group 3:

The group includes the Alko statistics product groups "Red wine", "White wine", "Rosé wine", "Sparkling wine", "Other wine", "Fortified wine" and "Cider" (see [Appendix 10](#)).



If the back-door price exceeds 19.50 euros a coefficient lower than the coefficients in Appendix 10 is used to calculate the retail price. The new coefficient is calculated by using the following formula:

$$\text{New coefficient} = 1.54 - 0.54 \times \left[\frac{(\text{BDP}/\text{bottle size} - 19.50)}{(\text{BDP}/\text{bottle size})} \right] \times 0.40$$

where

- BDP = back-door price without tax*
- 1.54 = the normal pricing coefficient for pricing group 3
- 0.54 = the normal pricing coefficient for pricing group 3 minus one
- bottle size = the size of the product's sales unit in litres

The new coefficient is rounded to three decimals.

Pricing group 4:

The group includes the Alko statistics product groups "Beer" and "Mixed drink" (see [Appendix 10](#)).

If the back-door price exceeds 19.50 euros a coefficient lower than the coefficients in Appendix 10 is used to calculate the retail price. The new coefficient is calculated by using the following formula:

$$\text{New coefficient} = 1.67 - 0.67 \times \left[\frac{(\text{BDP}/\text{bottle size} - 19.50)}{(\text{BDP}/\text{bottle size})} \right] \times 0.40$$

where

- BDP = back-door price without tax*
- 1.67 = the normal pricing coefficient for beer
- 0.67 = the normal pricing coefficient for beer minus one.
- bottle size = the size of the product's sales unit in litres

The new coefficient is rounded to three decimals.

*BDP (Back-door price without tax) is defined on [Calculating the retail price](#) page.



APPENDIX 13 - CALCULATION OF THE LOWER COEFFICIENT AND ITS USE IN CALCULATING THE PRICE

Example: wine distributed directly to Alko shops and belonging to Palpa's recycling system

Data required for calculation:

Product group:	pricing group 3
Alcohol content by volume:	11
Bottle type:	recyclable glass bottle
Bottle size:	0.75 l
Purchase price:	20.00 €
Supplier is registered in Palpa's recycling system:	yes
Storage and shop deliveries:	direct supplier

Initial data:

Pricing coefficient =	1.54
Back-door price (BDP)* of the product without alcoholic beverage tax and recycling fee =	$20.00 \text{ €} - 3.1575 \text{ €} - 0.1102 \text{ €}$ $= 16.7323 \text{ €}$
Back-door price (BDP) per litre of the product =	$16.7323 \text{ €} / 0.75 = 22.31 \text{ €}$ > 19.50 €/litre; new coefficient is calculated
Bottle deposit (VAT 0%) =	$0.10 / 1.24 = 0.0806 \text{ €}$
Alcoholic beverage tax =	$0.75 \times 4.21 \text{ €} = 3.1575 \text{ €}$
Tax on retail containers =	0.0 €
Palpa's recycling fee (VAT 0%) =	0.1102 €

Calculation of new coefficient:

New coefficient =
 $1.54 - 0.54 \times [(16.7323 / 0.75 - 19.50) \text{ €} / (16.7323 / 0.75) \text{ €}] \times 0.40 = 1.513$

Calculation of retail price:

Retail price =
 $(16.7323 \times 1.513 + 0.0806 + 0.1102 + 3.1575) \text{ €} \times 1.24 = 35.5437 \text{ €}$

The price is rounded to 35.54 €.

*BDP (Back-door price) is defined on [Calculating the retail price](#) page.

**APPENDIX 14 - CONTACT INFORMATION**

Address	Arkadiankatu 2 POB 99, FI-00101 HELSINKI	
Telephone exchange	+358 20 711 11	
E-mail	first name.last name@alko.fi	
Website	www.alko.fi	
<i>Ms Anu Koskinen</i>	<i>Executive Vice President, Assortment and Procurement</i>	<i>tel. +358 20</i>
<i>711 5762</i>		
Wines		
<i>Ms Marjo Pelkonen</i>	<i>Category Manager</i>	<i>tel. +358 20 711 5635</i>
<i>Ms Kirsi Erme</i>	<i>Product Manager</i>	<i>tel. +358 20 711 5695</i>
<i>Ms Karina Tiihonen</i>	<i>Product Manager</i>	<i>tel. +358 20 711 5314</i>
<i>Mr Timo Tossavainen</i>	<i>Product Manager</i>	<i>tel. +358 20 711 5786</i>
<i>Ms Reija Niemi</i>	<i>Product Manager</i>	<i>tel. +358 20 711 5218</i>
<i>Ms Anne Högman</i>	<i>Purchasing Coordinator</i>	<i>tel. +358 20 711 5395</i>
<i>Ms Miia Koivisto</i>	<i>Purchasing Coordinator</i>	<i>tel. +358 20 711 5262</i>
Brewery Products and Spirits		
<i>Mr Kasper Kukkonen</i>	<i>Category Manager</i>	<i>tel. +358 20 711 5413</i>
<i>Mr Timo Vallo</i>	<i>Product Manager</i>	<i>tel. +358 20 711 5215</i>
<i>Mr Anton Rantajärvi</i>	<i>Product Manager</i>	<i>tel. +358 20 711 5475</i>
<i>Ms Mari Raunio</i>	<i>Purchasing Coordinator</i>	<i>tel. +358 20 711 5404</i>
<i>Ms Heini Tahvanainen</i>	<i>Purchasing Coordinator</i>	<i>tel. +358 20 711 5811</i>
Accessories and alcoholic preparations		
<i>Ms Kristiina Lilienkampff</i>	<i>Product Manager</i>	<i>tel. +358 20 711 5642</i>
Quality Control		
<i>Mr Juha Viikari</i>	<i>Quality Control Manager</i>	<i>tel. +358 20 711 5959</i>
Assortment Management		
<i>Mr Ari Hyvönen</i>	<i>Head of process development</i>	<i>tel. +358 20 711 5764</i>
<i>Mr Mika Tiilola</i>	<i>Controller</i>	<i>tel. +358 20 711 5693</i>
<i>Ms Kati Jalkanen</i>	<i>System specialist</i>	<i>tel. +358 20 711 5406</i>
Supply Chain		
<i>Ms Miira Karppinen</i>	<i>System specialist</i>	<i>tel. +358 20 711 5638</i>
<i>Ms Pia Luostarinen</i>	<i>Supply Chain specialist</i>	<i>tel. +358 20 711 5715</i>
<i>Ms Jenni Nieminen</i>	<i>Supply Chain specialist</i>	<i>tel. +358 20 711 5715</i>
Material Flow Control	mok@alko.fi	<i>tel. +358 20 711 5678</i>
Customer service phone for product groups, weekdays from 9 am to 5 pm	purchasinghelp@alko.fi	<i>tel. +358 20 711 5885</i>
Alko's central warehouse		
Address	Alko Oy/Posti Group Tikkurilantie 148, gate 1, doors D 18 – 21 01530 Vantaa, Finland	
Alcohol Control Laboratory (ACL)		
Address	Arkadiankatu 2 POB 99, FI-00101 Helsinki	
Telephone exchange	+358 20 711 11	
Telephone (office)	+358 20 711 5808	
National Supervisory Authority for Welfare and Health (Valvira)		
Address	Ratapihantie 9 POB 43, FI-00521 Helsinki	
Telephone exchange	+358 29 520 9111	
Website	www.valvira.fi	
Customs Information Service		
Address	Erottajankatu 15 – 17 A POB 512, FI-00101 Helsinki	
Telephone exchange	+358 295 5202	
Website	www.tulli.fi	
Suomen Palautuspakkaus Oy – PALPA (recycling systems)		
Address	Pasilanraittio 9 B PL 119, FI-00241 Helsinki	
Telephone exchange	+358 9 868 9860	
Website	www.palpa.fi	