



LISTING PROCEDURE AND  
RETAIL SALE OF ALCOHOLIC  
PREPARATIONS  
1 November 2022



## CHANGES IN LISTING PROCEDURE 1 NOVEMBER 2022

### **Retail sale of alcoholic beverages in Finland**

#### **Listing procedure**

*Text clarified:* 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 (e.g., packaging and marketing) are taken into consideration.

*New section added:*

#### **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](http://www.alko.fi).

#### **Responsible purchasing**

*Entire section updated:* 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.

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.

When entering into new business relationships, Alko requires the Seller to complete an online 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. More detailed instructions for online training and its completion can be found in the "For Suppliers" section of the alko.fi website. 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 Annex 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.

See also: The English version of the amfori BSCI Code of Conduct is legally valid, Annex 1

## **Product tenders and offering procedure**

### **Participation in product tenders**

#### ***Submitting offers***

*Added:* 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.

*Text clarified:* 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 online training course in Responsible purchasing.

*Updated:* For more details, see: The English version of the amfori BSCI Code of Conduct is legally

### **Trading conditions**

*Text is 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 Annex 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 actual costs.

### **Conditions for Responsible purchasing**

*Entire section updated:* In order to offer and supply products to Alko, Sellers must commit to compliance with amfori BSCI's values and Code of Conduct (Annex 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 an online training course in Responsible purchasing. This training ensures a sufficient understanding of the practical impacts of Responsible Procurement policies. Alko requires all Sellers to complete this training. If the Seller has an authorised representative (agent), this agent must also complete the training. More detailed instructions for online training and its completion can be found in the "For Suppliers" section of the alko.fi website. 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 "For Suppliers" section of the alko.fi website. Alko will monitor Sellers' participation in training, and any failure to comply may have consequences.

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. The grounds for case-by-case decision-making are given on Alko's website: [www.alko.fi/en/alko-inc/for-suppliers/responsibility-and-impartiality/responsibility/responsible-purchasing](http://www.alko.fi/en/alko-inc/for-suppliers/responsibility-and-impartiality/responsibility/responsible-purchasing). 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 full audit in total. If an audit has to be repeated due to deficiencies, the Seller must cover the costs of the follow-up 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.

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 (Annex 1).

## **ANNEX 2 - ALKO'S TERMS OF PURCHASE AND DELIVERY**

### **Termination**

*Text clarified:* 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 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

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## **RETAIL SALE OF ALCOHOLIC PREPARATIONS IN FINLAND**

### **Special position**

The Finnish alcohol legislation requires regulation of alcohol consumption to minimize its undesirable social, sociological and health-related effects. Alko Inc. is an independent government-owned company under the Ministry of Social Affairs and Health, and has by law the monopoly on the retail sale of alcoholic beverages and alcoholic preparations with certain exceptions. The most significant exception is retail sale of beverages and alcoholic preparations containing maximum 5.5 per cent of alcohol by volume.

### **Alcoholic preparation**

Alcoholic preparation stands for an alcoholic substance which is not an alcoholic beverage or spirit in accordance with the Alcohol Act (1102/2017). This listing instruction applies to a solid or solid-containing alcoholic preparation, which is intended to be consumed as such or which can be made into a drink by separation of ingredients or by adding liquid, and the alcohol content is over 5.5 per cent of volume.

### **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 (e.g., packaging and marketing) are taken into consideration.

Alko will only list alcoholic preparations which do not require cold storage or refrigerated transport.

### **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](http://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.

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.

When entering into new business relationships, Alko requires the Seller to complete an online 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. More detailed instructions for online training and its completion can be found in the "For Suppliers" section of the [alko.fi](http://alko.fi) website. 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 Annex 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.

For details, see also:

The English version of the amfori BSCI Code of Conduct is legally valid, [Annex 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](https://alko.fi/en/products).

### **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.

### **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 seasonal selection can be allocated to shops centrally according to estimated demand and customer's interest. The products in the seasonal selection are optional for the shops that are outside of central allocation.

### **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 the season, themes and customer demand in accordance with impartiality and non-discrimination.

## PLANNING OF SELECTION

The planning of selection for alcoholic preparations is based on the needs of different customer segments.

### Selection plans

#### Model for selection planning

Listing is based on systematic planning, which also provides a base for seasonal selection's tenders published separately on the page [alko.fi/forsuppliers](http://alko.fi/forsuppliers).

The evaluation of products purchased for a specific season or event is based on the particular demand of the season. When listing a seasonal product, an agreement is also made concerning its delisting and related actions. Seasonal products can be allocated and in this case they will have a minimum shop coverage as communicated in the tender and specified when purchased.

If a seasonal product has inventory at Alko when the season ends, Alko can sell the remaining inventory.

## PRODUCT SEARCHES AND OFFERING PROCEDURE

Importers, other suppliers, producers, manufacturers of alcoholic preparations 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 Seller must immediately notify Alko of any changes to the permits.

The offer processing starts from the deadline date of the tender and finishes on the product's purchase decision. To be approved for offer-processing, the offer form must be correctly completed by the Seller or their authorized representative, and the terms of the tender must be followed.

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

### Participation in product searches

#### *Submitting offers*

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

The offers must be delivered via email ([offer@alko.fi](mailto:offer@alko.fi)) or by mail using the offer form for alcoholic preparations.

Seller 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.

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 online training course in Responsible purchasing.

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

If Alko has informed the estimated demand in the tender 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, [Annex 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 product is subject to alcoholic beverage tax, the amount of alcoholic beverage tax in euros per sales package must be stated in the offer.

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.

### ***Delivery way options for offers***

Offeror can choose from three different ways of delivery:

1. Deliveries from Finland to Alko's shops (delivery terms TOP Alko's shops, Finnterms 2001)

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, [Annex 2C](#)).

2. Deliveries from Finland to Alko's central warehouse (delivery terms TOP Alko's central warehouse, Finnterms 2001)

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 within European Union (delivery term DDP, Incoterms 2020)

Alko's import service is a logistical service.

See also:

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

Filling in an offer form; authorizations, [Annex 3](#)

GTIN codes, Valvira codes and the codes of transport packages, [Annex 4](#)

### **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 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.

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 11 Listing Procedure and Retail Sale of Alcoholic Beverages 5 October 2021 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; authorizations, [Annex 3](#)

Authorization template, Alko's website [alko.fi/forsuppliers](http://alko.fi/forsuppliers)

### **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 on Alko's request. The instructions and timetable for delivering the samples is stated in the tender. The samples should be marked with the tender request's number. The required number of samples as well as delivery instructions are stated in the tender or in a separate message. The samples are to be sent with costs and taxes paid.

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 search 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, [Annex 5](#)

## **Selecting and listing the products**

### ***Evaluation of the products offered***

Products are chosen in an impartial manner based on the samples requested. The goal is to find the best product from the offered products that meets best the customer needs and demand. In addition to the product's quality, the evaluation pays attention to price and other aspects providing additional value to the consumers. Product's responsibility, conformity to alcohol law and factors related to these are also a part of the evaluation. 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 organic and ethical certifications.

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 after the evaluation. After the evaluation, the product chosen will be delivered for analysis. The final decision of listing the product is made after the analysis results.

### ***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 or in the responsibility 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.

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.

### ***Cancelling the listing***

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 list of supplier charges published at [alko.fi/forsuppliers](http://alko.fi/forsuppliers).

The listing is cancelled if the product is not available for deliveries to the guaranteed shop coverage within one month from the listing date.

## **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.

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 [Annex 2](#).

## **TRADING CONDITIONS**

Alko's purchase and delivery terms in Annexes 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 Annex 2C are also applied.

When offering a product, direct distribution is possible only if the supplier meets Alko's volume and other requirements stated in Annex 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 actual costs.

See also:

Alko's terms of purchase and delivery, Annexes [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 (Annex 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 an online training course in Responsible purchasing. This training ensures a sufficient understanding of the practical impacts of Responsible Procurement policies. Alko requires all Sellers to complete this training. If the Seller has an authorised representative (agent), this agent must also complete the training. More detailed instructions for online training and its completion can be found in the "For Suppliers" section of the alko.fi website. 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 "For Suppliers" section of the alko.fi website. Alko will monitor Sellers' participation in training, and any failure to comply may have consequences.

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. The grounds for case-by-case decision-making are given on Alko's website: [www.alko.fi/en/alko-inc/for-suppliers/responsibility-and-impartiality/responsibility/responsible-purchasing](http://www.alko.fi/en/alko-inc/for-suppliers/responsibility-and-impartiality/responsibility/responsible-purchasing). 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 full audit in total. If an audit has to be repeated due to deficiencies, the Seller must cover the costs of the follow-up 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.

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, [Annex 1](#)

## Quality requirements

Alko's quality requirements for products follow the relevant Finnish regulations and EU directives. Products must also meet the legal provisions of the country of origin. The producers and importers are responsible for the quality and content of the products they release for consumption and for ensuring that the product and its labelling and other presentation conform to the provisions issued on them.

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

**Best before marking**

Alcoholic preparations must have best before marking (EU 1169/2011). Concerning the best before dated products being delivered directly to Alko shops, the products must be delivered to shops and Alko Online shop at least two months before the date. The products being delivered to Alko's central warehouse must be delivered at least four months before the best before date.

**Changes to listed products****Changes to price**

If a pricing factor, like alcoholic beverage tax, some other tax or some other factor (independent from Alko) is changed:

- Alko will reserve a right to provide an additional possibility for changing the purchase prices.
- Alko has the right to implement the effects of these factors to purchase and retail prices as a unilateral technical change.

The purchase price of the product listed for a season must remain unchanged for this selected season. Alko can carry out retail price reductions after the season. In separately agreed cases, Alko and the Seller agree compensation for loss of margin under separate terms. During the season the product's terms of delivery or distributor cannot be changed.

See also:

Filling in an offer form; authorizations, [Annex 3](#)

**Product changes**

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. 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.
- Complies with the original search and offer according to the search criteria.
- 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.

Making of a product change requires to contact Selections, Products and Quality department.

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.

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, not updated product image or vintage.

See also:

Contact information, [Annex 6](#)

## RETAIL PRICES

Retail price is based on the product's price without tax at the back door of Alko shops. The pricing model is public for products with over 5.5% alcohol.

## Taxation

A value-added tax is paid on all products sold in Finland.

Seller must note that alcoholic preparations are subject to alcoholic beverage tax. Excluded from the alcoholic beverage tax are filled or other foodstuff products with an alcohol content of maximum 8.5 litres of pure alcohol per 100 kilograms of chocolate or 5 litres of pure alcohol per 100 kilograms of other preparation. The Seller must state if the product is subject to alcoholic beverage tax.

## 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 (delivery term TOP Alko shops, Finnterms 2001) or choose Alko's storage and distribution service (delivery term TOP Alko's central warehouse, Finnterms 2001). The foreign Seller can choose Alko's import service when the Seller's warehouse is within European Union (delivery term DDP, Incoterms 2020).

The pricing models for different terms of delivery can also be seen in the following table.

*The retail price is calculated as follows:*

<b>TOP Alko shops</b> (Finnterms 2001): Alko buying from domestic Seller	<b>Top Alko's central warehouse</b> (Finnterms 2001): Alko buying from domestic Seller	<b>Alko's import service</b> (DDP, Incoterms 2020): Alko buying from foreign Seller and acting as importer
<ul style="list-style-type: none"> <li>The Seller distributes the products to shops</li> <li>Alko's purchase price includes alcoholic beverage tax</li> </ul>	<ul style="list-style-type: none"> <li>Products are stored and distributed to shops by Alko</li> <li>Alko's purchase price does not include alcoholic beverage tax</li> </ul>	<ul style="list-style-type: none"> <li>Products are imported, stored and distributed to shops by Alko</li> <li>Alko's purchase price does not include alcoholic beverage tax</li> </ul>
Alko's purchase price – alcoholic beverage tax	Alko's purchase price  X Logistical coefficient (Alko's central warehouse and shop delivery costs)	Alko's purchase price  X Logistical coefficient (Alko's central warehouse and shop delivery costs)

= Back-door price (BDP)	= Back-door price (BDP)	= Back-door price (BDP)
x coefficient	x coefficient	x coefficient
+ alcoholic beverage tax	+ alcoholic beverage tax	+ alcoholic beverage tax
x value added tax	x value added tax	x value added tax
= Retail price	= Retail price	= Retail price

### ***Alko's central warehouse and shop delivery costs***

If the Seller uses Alko's central warehouse and shop delivery services, the logistical coefficient is used in calculating the retail price. The logistical coefficient is announced in the tender if it differs from the otherwise used logistical coefficient of 1.10.

### **Pricing coefficients for products with over 5.5% alcohol**

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. The pricing coefficient for chocolate containing alcohol is 1.70 and for other alcoholic preparations is 1.80. Different pricing coefficient can be also announced in the tender.

### **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 and alcoholic preparations 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.

## **ANNEX 1 - AMFORI BSCI CODE OF CONDUCT (SEPARATE ATTACHMENTS)**

### **ANNEX 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 listing instructions.

#### **Product specifications**

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

The Seller is responsible for ensuring that the product and its packaging do not require cold storage or refrigerated transport.

When signing the offer, the Seller guarantees that the Seller and all the corporate bodies in the same supply chain have carefully studied the amfori BSCI Code of Conduct (Annex 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 product information. Any alterations to product's 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. 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 trademark).

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).

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 Seller. 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 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.

### **Settlement of disputes**

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

## **ANNEX 2A - ALKO'S IMPORT SERVICE**

### **Delivery clauses**

The accepted delivery clause is DDP Alko's central warehouse Vantaa. Incoterms 2020 apply to all deliveries. The dispatch must take place from a tax-free warehouse.

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

### **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 products, cases or pallets
- product's sales package 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

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 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.

## **ANNEX 2B - DELIVERIES FROM FINLAND TO ALKO CENTRAL WAREHOUSE**

### **Delivery clause**

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.

### **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 products, cases or pallets
- product's sales package 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.

### **Terms of payment**

The terms of payment are 30 days from the date of invoice. The invoice must be sent latest on the day following the dispatch day. The invoice cannot be dated earlier than the dispatch day.

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.

## **ANNEX 2C - DIRECT DISTRIBUTION TO ALKO SHOPS (APPLICABLE TO DELIVERIES FROM FINLAND ONLY)**

### **Delivery clause**

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

### **Prices**

Quoted prices must include alcoholic beverage tax.

### **Terms of payment**

The terms of payment are 30 days from the date of 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.

### **Volume and administrative requirements for direct distributors**

The direct distributor needs to have all possible 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 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 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 listing instructions.

### **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. The Alko Online shop makes an exception to this as the products must generally be delivered within one (1) working day 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 Alko's Extranet application if an agreement has been made about its use with Alko. In other case the notification has to be done by email to [tilausvalikoima@alko.fi](mailto:tilausvalikoima@alko.fi).

### **Deliveries**

The Supplier should have the capacity to deliver orders to all shops at least once a week, 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 (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 the freight declaration while the driver is present.

Possible delivery reclamation messages or information is sent to the Supplier within four (4) days 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 products, a total number of all products. 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 deposit-paying transport accessories and other material.

## **ANNEX 3 - 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 factory 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 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. The retail price must be given in euro/sales unit. If the product is subject to alcoholic beverage tax, the amount of alcoholic beverage tax in euros per sales package must be stated in the offer.

### **Additional details/label**

Instructions for giving additional information:

- Additional details required by the search 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 search, 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 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 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 Seller offers a brand to

which he has the right of ownership or use. Authorization template is available at [alko.fi/forsuppliers](http://alko.fi/forsuppliers).

Things to be observed:

- 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 the e-learning material of ethical principles provided online 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.

## **ANNEX 4 - GTIN 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](#)).

### **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, 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](mailto: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, 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.

## **ANNEX 5 - INSTRUCTIONS FOR SENDING SAMPLES AND CERTIFICATES**

### **Delivery of samples and certificates requested by Alko**

The samples must be delivered to Alko latest on the due date indicated in the tender 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 [alko.fi/tavarantoimittajille](http://alko.fi/tavarantoimittajille).

If the samples are delivered by courier service, they must be sent on delivery term 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. If a preliminary design of the packaging and appearance (a so-called 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 samples is:

- at least 800 grams and two (2) sales packages of offered preparation.

Sample amounts are given in Alko's tender request or in the separate sample request.

After the original samples 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 of the first batch that will be distributed to shops. The sample must be accompanied by Alko's form "cover note for delivery starting sample". This covering note must be signed by the offeror.

### **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.

## ANNEX 6 - 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	<a href="http://www.alko.fi">www.alko.fi</a>	
<i>Ms Anu Koskinen</i>	<i>Executive Vice President, Assortment and Procurement</i>	<i>tel. +358 20 711 5762</i>
<b>Accessories and alcoholic preparations</b>		
<i>Ms Kristiina Lilienkampff</i>	<i>Product Manager</i>	<i>tel. +358 20 711 5642</i>
<b>Quality Control</b>		
<i>Mr Juha Viikari</i>	<i>Quality Control Manager</i>	<i>tel. +358 20 711 5959</i>
<b>Assortment Management</b>		
<i>Mr Jussi Tan</i>	<i>Head of Process Development</i>	<i>tel. +358 20 711 5858</i>
<i>Mr Mika Tiilola</i>	<i>Controller</i>	<i>tel. +358 20 711 5693</i>
<b>Supply Chain</b>		
<i>Ms Mervi Orpana</i>	<i>System Specialist</i>	<i>tel. +358 20 711 5809</i>
<i>Ms Pia Luostarinen</i>	<i>Supply Chain Coordinator</i>	<i>tel. + 358 20 711 5715</i>
<b>Material Flow Control</b>	<a href="mailto:mok@alko.fi">mok@alko.fi</a>	<i>tel. +358 20 711 5678</i>
<b>Service phone for product groups, weekdays from 9 am to 5 pm</b>		<i>tel. +358 20 711 5885 purchasinghelp@alko.fi</i>
<b>Alko's central warehouse</b>		
Address	Alko Oy/Posti Group Tikkurilantie 148, gate 1, doors D 18 - 21 01530 Vantaa, Finland	
<b>National Supervisory Authority for Welfare and Health (Valvira)</b>		
Address	Ratapihantie 9 POB 43, FI-00521 Helsinki +358 29 520 9111	
Telephone exchange		
Website	<a href="http://www.valvira.fi">www.valvira.fi</a>	
<b>Customs Information Service</b>		
Address	Erottajankatu 15 - 17 A POB 512, FI-00101 Helsinki +358 295 5202	
Telephone exchange		
Website	<a href="http://www.tulli.fi">www.tulli.fi</a>	