



LISTING PROCEDURE AND
RETAIL SALE OF ALCOHOLIC
PREPARATIONS
15 July 2020



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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 suppliers. 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.

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

Responsible purchasing

In the field of responsible purchasing Alko works in collaboration with the other Nordic alcohol monopolies. The programme of responsible purchasing is based on the UN's compacts and initiatives as well as other relevant internationally recognized conventions and directives. With the focus on the procurement of alcoholic beverages and alcoholic preparations, the aim is to create operative and follow-up principles through which it is possible to influence ethical practices of the suppliers and draw attention to the principles of sustainable development.

Alko is a member of an international Corporate Social Responsibility (CSR) organization called amfori. It is a non-profit organization, the aim of which is responsible trading worldwide. This requires strong commitment from the

members and the companies that either belong to or participate in amfori BSCI committed companies' procurements supply chain.

All Alko's suppliers are to confirm their commitment to the ethical principles with their signatures and comply the principles accordingly. To ensure sufficient understanding of the effects of responsible purchasing in practice, Alko requires the seller to complete the e-learning material of ethical principles provided online by Alko. If the seller has an authorized representative (an agent), the agent is also required to complete the e-learning. Detailed instructions for the e-learning course on ethical principles as well as information on completing it can be found on page alko.fi/forsuppliers.

amfori BSCI Code of Conduct and its enclosures constitute a compact document which must be read and interpreted in its entity. The complete set consists of the following documents:

- amfori BSCI Code of Conduct
- Terms of Implementation for Participants (Alko)
- Terms of Implementation for Business Partners (Seller)
- Terms of Implementation for Business Partners to be involved in the
- amfori BSCI monitoring process (Producer, Manufacturer)
- amfori BSCI Glossary
- amfori BSCI Reference

The English version of the document is the legally binding one.

For details, see also:

[amfori BSCI Code of Conduct, Annex 1, separate attachments](#)

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.

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.

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 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) 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.

When submitting an offer, the seller confirms a commitment to follow the amfori BSCI Code of Conduct and Terms of Implementation for Business Partners*. Accordingly, the seller also confirms that the corporations and companies belonging to the same supply chain will abide to the obligations set by the Code of Conduct. Alko requires that both the seller and the possible agent have completed the e-learning material of ethical principles organized by Alko.

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:

[amfori BSCI Code of Conduct, Annex 1, separate attachments](#)

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

To be approved for offer-processing, an authorization of the producer or the owner of the trademark 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.

See also:

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

Authorization template, Alko's website 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.

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.

See also:

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

Conditions for responsible purchasing

When offering and delivering products to Alko, the seller is obliged to confirm the commitment to follow the amfori BSCI Code of Conduct*.

The central elements of the amfori BSCI operations model are the amfori BSCI Code of Conduct, Due Diligence and the requirement of strategic planning and practical measures for promoting social responsibility. The model of amfori BSCI responsible purchasing leans on the principle of continuing improvement, open cooperation and empowerment of parties operating in different supply chains.

By signing an offer or submitting an offer in the Partner Network, the seller guarantees that the seller and all the corporate bodies in the same supply chain will comply with the requirements set down in the Code of Conduct. Supply chain means all parties related to the production, transport and sales of the product and its packaging.

Alko offers an online e-learning material of ethical principles for the suppliers. With the e-learning material Alko ensures suppliers' sufficient understanding of the effects of responsible purchasing in practice. Alko requires that all the sellers complete the e-learning material. If the seller has an authorized representative (an agent), the agent is also required to complete the e-learning. More detailed instructions for the e-learning course on ethical principles and completing it can be found on the page [alko.fi/for suppliers](http://alko.fi/for_suppliers).

To make sure that the Code of Conduct is being followed in its supply chain, Alko may carry out or authorize a third party to carry out the follow-up activities e.g. audits or other evaluations, which are verifying the implementation of ethical principles in practice. In addition, Alko may require the parties of its supply chain to fill in a self-assessment form concerning the ethicality of their operations and to send the results to Alko for evaluation. Alko handles follow-up activity related documents confidentially but reserves the right to distribute them to the relevant parties against a confidentiality agreement (for example, the parties involved in the supply chain).

Alko can cancel the purchasing and listing of a product and make the withdrawal without any kind of compensation responsibility as a result if a party in the supply chain of a product in Alko's selection refuses an audit made by Alko or a third party, does not provably follow the amfori BSCI ethical values and principles, or does not complete corrective actions pointed to the party in agreed time. A product in this case means any product in Alko's selection in the supply chain of which the party is involved with. If the party is a producer's subcontractor Alko will evaluate the cancelation of the product's purchasing and listing case by case.

Additional information about the auditing process is available at [alko.fi/forsuppliers/responsible purchasing](http://alko.fi/forsuppliers/responsible_purchasing).

To guarantee the transparency of the supply chain, the seller assures that Alko is notified of all the locations of seller's or subcontractors' premises including e.g. packaging and logistic services. The seller also assures that the production of goods and/or delivery of services for Alko are carried out exclusively at the locations the seller has indicated to Alko. To ensure the transparency of its supply chain, Alko may call for information collected by the suppliers on their subcontractors and partners in the supply chain when necessary. The seller understands that a failure to inform Alko of the locations where work for its products or parts of them and/or services are carried out is an adequate justification for immediate termination of all business and contractual relationships without any compensation responsibility for Alko.

In this connection seller means the contractual party selling goods to Alko.

*See also:

[amfori BSCI Code of Conduct, Annex 1, separate attachments](#)

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.

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:

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

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. 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

By submitting written notification, Alko may cancel a confirmed order, without incurring expenses, and delist the product from the selection in any of the following cases:

- a) the Seller fails to meet the provisions indicated under Product specifications;
- b) the Seller goes bankrupt, begins credit restructuring, has ban on business operations, is placed in liquidation or sells out to a third party;
- c) the Seller for some reason proves unable to deliver product as agreed.
- d) a party in the supply chain of a product in Alko's selection refuses an audit made by Alko or a third party, does not provably follow the amfori BSCI ethical values and principles, or does not complete corrective actions pointed to the party in agreed time.

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. 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's Material Flow Control Centre forthwith about a temporary shortage of a product and tell when the product will be available again. The Supplier must send the information in EDI-form separately agreed with Alko or by email to mok@alko.fi or by updating the information to the extranet application if an agreement has been made about its use with Alko. When email is being used, a summary about products arrived or finished must be delivered on Fridays as well.

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 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.

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.
- If the producer/trademark owner has authorized several different companies to represent the same products and Alko therefore receives several different offers of the same products from different suppliers within the same search, all such offers received will be rejected for clashing with each other.

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

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

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.

For the sake of functionality on scanners, the following forms of bar codes are recommended:

- 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) 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:

- 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.

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.

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 www.alko.fi

Ms Anu Koskinen *Executive Vice President,
Assortment and Procurement* tel. +358 20 711 5762

Spirits and alcoholic preparations

Ms Marjo Pelkonen *Category Manager* tel. +358 20 711 5635

Accessories and alcoholic preparations

Ms Kristiina Lilienkampff *Product Manager* tel. +358 20 711 5642

Quality Control

Mr Juha Viikari *Quality Control Manager* tel. +358 20 711 5959

Assortment Management

Mr Jussi Tan *Head of Process Development* tel. +358 20 711 5858

Mr Mika Tiilola *Controller* tel. +358 20 711 5693

Ms Johanna Hallberg *Purchasing Specialist* tel. +358 20 711 5322

Mr Tuomas Patronen *Assortment Planner* tel. +358 20 711 5423

Supply Chain

Ms Mervi Orpana *Supply Chain Coordinator* tel. +358 20 711 5809

Ms Minna Suomi *Supply Chain Coordinator* tel. + 358 20 711 5273

Ms Pia Luostarinen *Supply Chain Coordinator* tel. + 358 20 711 5715

Material Flow Control mok@alko.fi tel. +358 20 711 5678

**Service phone for product groups,
weekdays from 9 am to 5 pm** tel. +358 20 711 5885
purchasinghelp@alko.fi

Alko's central warehouse

Address Alko Oy/Posti Group
Tikkurilantie 148, gate 1, doors D 18 – 21
01530 Vantaa, Finland

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