



SUPPLIER EVENT



31.5.2017

A top-down view of numerous petri dishes arranged in a circular pattern. Each dish contains a different liquid, creating a variety of colors including bright yellow, deep red, orange, and clear. The liquids have different textures, some appearing smooth and others more viscous or bubbly. The lighting is bright, highlighting the circular shapes and the vibrant colors of the samples.

PROGRAMME:

9.30-10.30 SUPPLIER INFO

- Sales and selection
- Reforms and changes in daily work
- Current topics on responsible purchasing
- Alko Online shop news

10.45-12.30 WORKSHOPS

A top-down view of numerous petri dishes arranged in a circular pattern. Each dish contains a different liquid, creating a vibrant mosaic of colors including deep reds, bright yellows, oranges, and clear whites. The liquids have varying textures, some appearing smooth and others more viscous or bubbly.

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Sales in April 2017

PRODUCT GROUP	SALES IN LITRES		
	Million litres	+-% pr.y.	Share, %
Vodka and spirits	1,14	-4,8	13,9
Other spirits	0,62	-2,0	7,6
Fortified wines	0,18	-10,0	2,2
Red wine	2,20	11,3	26,9
White wine	1,90	3,6	23,1
Sparkling wine	0,72	-4,1	8,8
Rosé wine	0,07	2,1	0,9
Other wines	0,12	-10,1	1,5
Beer	0,68	-6,7	8,2
Long drink	0,47	-0,4	5,8
Cider	0,06	-11,4	0,7
Non-alcoholic beverages	0,04	-6,6	0,5
TOTAL	8,2	1,2 %	100 %

In April 2017 shops were open four days less than in year 2016 but Easter was in April in 2017 (in March in 2016).

Sales of weeks 1-21/2017

PRODUCT GROUP	SALES IN LITRES		
	Million litres	+-% pr.y.	Share, %
Vodka and spirits	5,24	-2,1	15,5
Other spirits	2,78	-1,2	8,2
Fortified wines	0,87	-5,7	2,6
Red wine	8,95	-2,2	26,5
White wine	7,75	0,3	23,0
Sparkling wine	2,02	-0,9	6,0
Rosé wine	0,29	4,2	0,8
Other wines	0,44	-8,2	1,3
Beer	3,04	-4,3	9,0
Long drink	1,96	1,3	5,8
Cider	0,23	-3,4	0,7
Non-alcoholic beverages	0,15	-5,2	0,5
TOTAL	33,7	-1,6 %	100 %

Holidays and opening days in the beginning of years 2017 and 2016 differ monthly more than usual.

The best view of development after January can be seen from the sum of sales of last 10 weeks.

Sales of last 10 weeks vs previous year

Product group	Litres (million)	Change pr.y. (%)
Brewery products	2,8	-2,4 %
Wines	10,7	-0,4 %
Spirits	3,9	0,0 %
Total	17,4	-0,6 %

Changes in Listing instructions 6 June 2017

Retail sale of alcoholic beverages in Finland

- The heading of Impartiality and non-discrimination has been changed to Listing procedure.
 - Added: When making the listing decision, Alko will evaluate the product and its package also from responsibility point of view.

Assortment management

- A new product's guarantee coverage time has been added to the paragraph.

Planning for the general selection

- A main product of the general selection can be transferred to sale-to-order selection after the guarantee coverage time has ended.
- The service product can be listed into the sale-to-order selection after three years or if the service product search is renewed.
- The request of the seasonal product to be transferred from one selection to another should be issued before the season is over.
 - Seasonal products are optional products for the shops.
 - Because some products have a particularly seasonal demand (e.g. mulled wine) those products cannot transfer into a main product of the general selection or to the sale-to-order selection after their season.
- Limited availability products cannot transfer to a main product of the general selection.
 - It is possible to offer the limited availability product to the sale-to-order selection when agreed purchased amount has been delivered to Alko and the product has been listed for at least four months.
 - In the hearing we got a feedback of a waiting period and its length.

Changes in Listing instructions 6 June 2017

Selecting and listing the products

- Announcing the result of the offered products' evaluation will be faster.
- The product offered for the product search will get the information of the evaluation's result as soon as possible after the evaluation.
- The chosen product will proceed in the process and following two products will be kept as secondary products. All other products offered for the search are rejected.
- If the chosen product is invalid to be listed into the selection the next secondary product will be chosen. While the chosen product is purchased, the secondary products are rejected.

Sale-to-order selection

- When monitoring sales and the criteria of 20 shops minimum, the Alko Online shop's sale is considered always to the shop's sales which has been used as a pick up point.
- The heading of Display of sale-to-order selection products at Alko shops has been changed to Sale-to-order selection products in Alko shop's selection.
- From September 1st 2017 onwards the limitation of 10 products of sale-to-order selection per shop is removed.
- Sale-to-order selection products cannot be in the special display of the shop.

Changes in Listing instructions 6 June 2017

Trading conditions

- Conditions for listing and delisting of a product is clarified.

Price list periods have been updated

- If only the purchase prices of products are changed, it is possible to submit the information as an Excel file.

Alko's terms of purchase and delivery (updated Annex 2)

- Labels and sales units : It is not allowed to use any loose elements in the sales packages (for example neck hangers).
- Termination: Terms are updated to section d) BSCI ethical values and operating principles.

Direct distribution to Alko shops (updated Annex 2C)

- The direct distributor needs to have Valvira's granted alcohol wholesale license and other licenses for operation.

GTIN codes (updated Annex 5)

- Sale-to-order selection products can also have GTIN code made of Alko's product number with a separate approval.
- GTIN code in a product needs to fulfill the requirements from Palpa if the product is registered in Palpa's recycling system.

Changes in Listing instructions 6 June 2017

Instructions for sending samples and certificates (updated Annex 6)

- When starting the deliveries of the purchased product, only one sales package must be delivered as a sample of the first batch that has arrived in Finland and will be distributed to shops.

Changes to listed products (updated Annex 8)

- When using temporary marketing markings (e.g. metals, product reviews, marketing arguments, stickers etc.) in the bottles / packages the marking needs to have clear reference to e.g. special competition or the paper and time. The marking needs to include enough information for the reader to verify the statement with reasonable effort (e.g. internet page).
- In the hearing we got a feedback to reform the sentence.

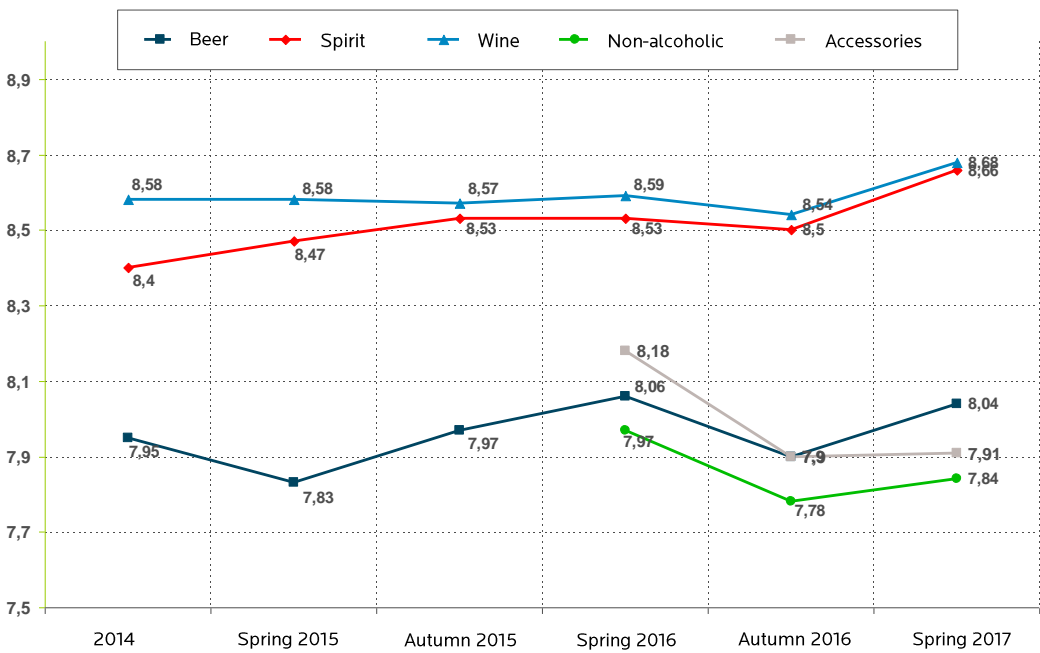
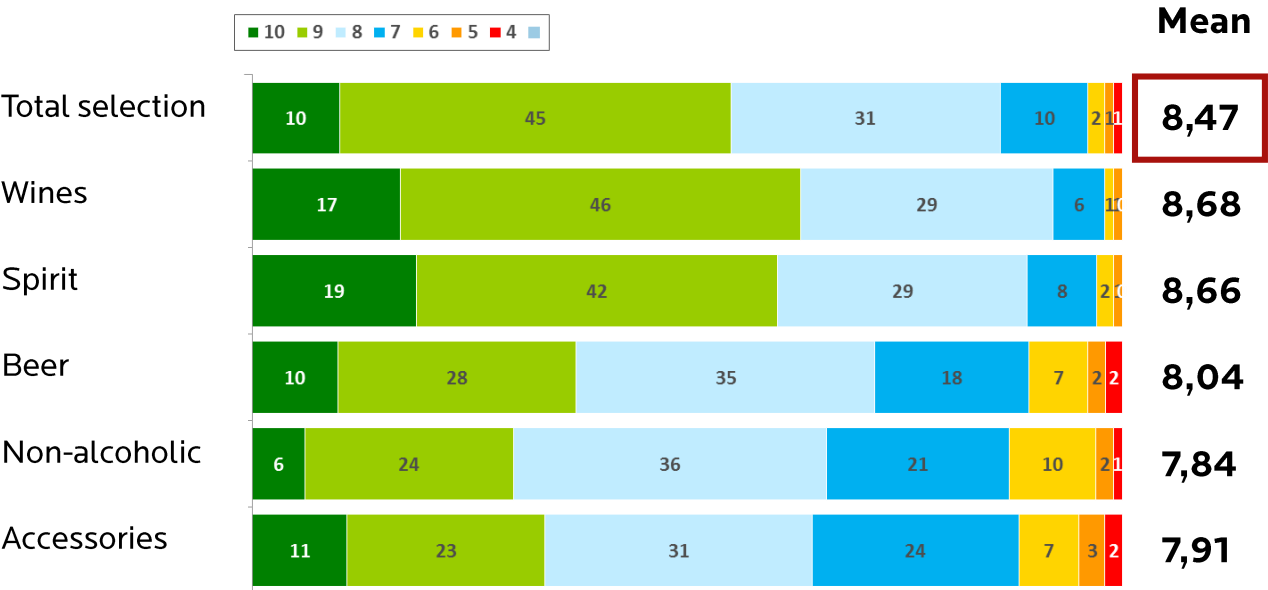
Dolly pallets (updated Annex 9)

- The offering of dolly pallets during seasons has been made more flexible than before. Sales limits have been removed from seasonal dolly pallets.
- Seasonal dolly pallets for the main products in the general selection
 - The specified times for seasonal dolly pallets for sparkling, red and white wines can be found in the Annex.
- Dolly pallets for the seasonal products
 - All seasonal products which have been selected to Alko's selection via seasonal product search can also be delivered on a supplier-packed dolly pallet.
- Dolly calendar has been updated.

Satisfaction for Alko's selection has risen

School grade for selections

Which school grade would you give to Alko's selections at the moment? How satisfied are you with Alko's beer/spirit/wine selections at the moment measured with school grade?



Satisfaction to total selection has been asked from all the respondents (n=1010). The satisfaction of the product groups has been asked the respondents who bought the products in those product groups in Alko shop (wine n=980, spirit n=914, beer n=518, non-alcoholic n=183, accessories n=681).

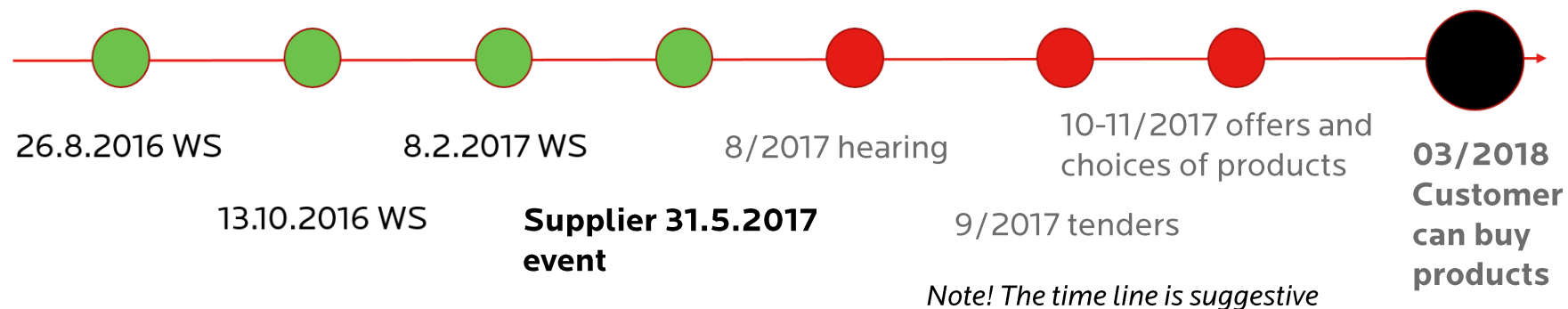
News regarding the selection for year 2018

- **The Purchase Plan H1/2018 is responding widely to demand, trends and selection feedback.**
 - The new price group is entry-level: lower price points have been ensured in every product group.
 - The amount of wine tenders has been risen a bit. There are less brewery product tenders and the focus is on special beers.
 - Limited edition renewal in year 2018 will rise premium and super premium products' selection (Note! The tenders for the limited editions are not in the Purchase Plan).
 - Things to notice e.g. organic, low alcohol content, natural wines, small bottle sizes, bag-in-boxes, special beers, spirit with lower alcohol content (15-22 %), vegans...
- **Alko's goal is to be a special service shop with the top customer experience on multichannel.**
 - The sale-to-order selection products as optional products will be released to the shops in Autumn.
 - New store concept: premium stores, specialist stores and local stores.
 - Alko Online shop is developed constantly.



Limited availability products are renewed to the limited editions

- Monthly set of specialties and rarities for customers.
 - More novelties and more wider and interesting entirety with a theme at one time.
 - Products have more wider shop coverage than before: over 70 top and special shops.
 - Products will be on their own special displays in the shops for four months from the listing date onwards.
 - Products are available in Alko Online shop. All customers have a possibility to buy the products.
- The first tenders for limited editions are planned to be released beginning of September 2017 and the listing is on March to May 2018.
 - Several products are selected from the one tender.
 - The product has a possibility to transfer to the general selection or the sale-to-order selection.
- The renewal has got positive feedback (supplier workshops and shop personnel). The implementation requires the hearing on August 2017.



A top-down view of numerous petri dishes arranged in a circular pattern. Each dish contains a different liquid, creating a vibrant mosaic of colors including deep reds, bright yellows, oranges, and clear whites. The liquids have varying textures, some appearing smooth and others more viscous or bubbly.

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Shop personnel's Expert roles will renew from 1st of October

SHOP ASSORTMENT EXPERT



- Controls the shop's assortment, specifies ordered products and renews the assortment.
- Selects products for the specific themes and collaborates with Supply chain department.
- Implements the planning and documentation of space management with price list periods.
- Informs and develops product knowledge.
- Meets the suppliers.

CUSTOMER SERVICE EXPERT



- Listens, registers, communicates and reacts to the customer feedback.
- Develops the service and sales skills and attitude. Is the mentor of customer service in his/her group of shops.
- Plans the seasons and organizes the implementation: themes, special displays, display of seasonal material and customer service highlights.

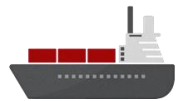
Essential links for the suppliers' daily operation:

- Shop Assortment Expert is taking care of shop's assortment and meets / coordinates suppliers' visits to the shop. The shop's email address is still the contact channel.
- Experts are one per group of shops (total 133). The visit should concern the whole group of shops and then the visit time is suggested to be 30 minutes.

Regards from ACL and Quality control



Numeric value of beer colour is no longer one of the announced facts in our product information. Because of this we don't require this analysis value anymore after 16 June.



The product samples to Alko must be send on delivery terms DDP Incoterms 2010. There is a risk that samples will stop in the customs and are returned to the sender if sample deliveries from outside of Europe have been send with some other delivery terms.



The package information announced in the tender needs to be verifiable from the product sample. Marking of "when purchase is completed the product has all the mandatory markings" is not enough to announce these mandatory markings for the information that has been announced in the tender.

Things that are insignificant to the evaluation of the tender e.g. allergy or importer markings can be absent from the product sample.

Referral of sample

- New referral of samples for use of ACL customers when delivering samples. Release and guidance in 16 June.
- Purpose to connect analysis orders to ease the process and expedite the start of the work.
- The form directs to the right choices. The laboratory helps when needed.



ALKOHOLINTARKASTUSLABORATORIO

✉ acl@alko.fi ☎ 0207115808

Näytelähete

Asiakas:		Laskutustiedot:
Osoite:		
Yhteyshenkilö:		
Puh.nro:		
Email:		
Lisätiedot:		

NÄYTETIEDOT			
Nimi (tai nimet):			
Eränumero:			
Alkoholipitoisuus % (jos tiedossa):			
Tulosten normaali toimitusaika juomanäytteille on 2 viikkoa näytteen saapumisesta (alempana mainitut analyysit). Viikon toimitusaikaa toivottaessa perimme kiirelisän +20%. Erikseen sovittaessa joillekin näytteille on mahdollista toimittaa tulokset vuorokaudessa (+30%).			
Näytteen kiireellisyys:	<input type="checkbox"/> Normaali	<input type="checkbox"/> Viikossa +20%	<input type="checkbox"/> Vuorokaudessa +30%

Olut <input type="checkbox"/>	Viini <input type="checkbox"/>	Tislattu juoma <input type="checkbox"/>	Likööri <input type="checkbox"/>	Siideri <input type="checkbox"/>
<input type="checkbox"/> Ensivalvonta (Valvira) tiheys, ominaispaino, alkoholipitoisuus, näennäinen ja todellinen uutos, kantavierre, näennäinen ja todellinen käymisaste, pH	<input type="checkbox"/> Ensivalvonta (Valvira) tiheys, ominaispaino, alkoholipitoisuus, uutos, pH, kokonaishapot, haittavat hapot, sorbiinihappo, rikkidioksidi, sitruunahappo, sokeripitoisuus	<input type="checkbox"/> Ensivalvonta (Valvira) tiheys, ominaispaino, alkoholipitoisuus, metanolipitoisuus, uutos	<input type="checkbox"/> Ensivalvonta (Valvira) tiheys, ominaispaino, alkoholipitoisuus, uutos, sokeripitoisuus, metanolipitoisuus	<input type="checkbox"/> Ensivalvonta (Valvira) tiheys, ominaispaino, alkoholipitoisuus, uutos, pH, kokonaishapot, rikkidioksidi, sokeripitoisuus
<input type="checkbox"/> Alkon tilausvalikoiman analyysit (alkoholipitoisuus, kantavierre, katkeroainepitoisuus EBU)	<input type="checkbox"/> Alkon tilausvalikoiman analyysit (alkoholipitoisuus, sokeripitoisuus, kokonaishapot, rikkidioksidi)	<input type="checkbox"/> Alkon tilausvalikoiman analyysit (alkoholipitoisuus, uutos, metanolipitoisuus, sokerit jos uutos >1 g/l)	<input type="checkbox"/> Alkon tilausvalikoiman analyysit (alkoholipitoisuus, uutos, metanolipitoisuus, sokerit jos uutos >1 g/l)	<input type="checkbox"/> Alkon tilausvalikoiman analyysit (alkoholipitoisuus, sokerit)
<input type="checkbox"/> Pelkkä alkoholipitoisuus	<input type="checkbox"/> Sitruunahappo	<input type="checkbox"/> Pelkkä alkoholipitoisuus	<input type="checkbox"/> Pelkkä alkoholipitoisuus	<input type="checkbox"/> Pelkkä alkoholipitoisuus
<input type="checkbox"/> Katkeroainepitoisuus (EBU)	<input type="checkbox"/> Sorbiinihappo	<input type="checkbox"/> Sokeripitoisuus	<input type="checkbox"/> Sokeripitoisuus	<input type="checkbox"/> Sokeripitoisuus
<input type="checkbox"/> Muu, mikä:	<input type="checkbox"/> Muu, mikä:	<input type="checkbox"/> Muu, mikä:	<input type="checkbox"/> Muu, mikä:	<input type="checkbox"/> Muu, mikä:

22.5.2017

Reforms of Partner Network

1. **Seasonal gift boxes** are not offered via the tender forms anymore. The offers are made in Partner Network's Product change section.
 - More specific guidance can be found on Alko's webpage: Tenders for Seasonal Products.
 - The dead line for offers is 2 June 2017.
2. **Results of evaluation** are announced right after the evaluation from beginning of June.
 - 1-2 products will be kept as secondary products from the evaluations.
 - Other products will be rejected automatically.
 - Messages will also contain information if a sample has had a quality fault (e.g. cork taint).

Reforms of Partner Network

3. **We are extending** our range of symbols to cover **vegan** products, local **eco certificated** products, **natural wines** and **lighter** glass bottles (<420g).
 - Information will be collected from suppliers in June and new symbols will be released on 3 October 2017.
 - Status for vegan and natural wine should appear in a package.
 - More detailed guidance will be published in June.
 4. **Price calculator** counts the price of the transport package automatically based on the price of the single product multiply with the size of the transport package.
- **Alko webpage's** For suppliers section is developed constantly. Survey of page's functionality and improvement ideas is released in few weeks for suppliers.

Other current news and things to notice



Products from outside of Europe usually are imported via United Kingdom. The suppliers are requested to be prepared to the changes that need to be done because of **Brexit**.



Suppliers' **professional training events** should be agreed with **Taina Vilkuna**. When the guidance is not followed there are easily duplications and confusions.



Alko is considering to **give up the verifying of the suppliers' authorizations**. The suppliers would have the responsibility exclusively in the future. The possible addition and time schedule will be informed separately.

Other current news and things to notice



When using Alko's import service the product is registered to **Palpa recycling system**. The supplier needs to take that into account when pricing the product.



Newsletter for suppliers is available on Alko webpage's For suppliers section. The newsletter includes news and information for suppliers, tenders and current information from newsroom (only in Finnish) that have been published during the week.

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Changes in Listing instructions 6 June 2017

Conditions for responsible purchasing

Conditions for listing and delisting of a product is clarified:

- Alko can cancel the purchasing and listing of a product 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 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.
- In the case by case evaluation all parties will be treated equally. The evaluation will secure fairness to all parties in the supply chain of the product. Criteria of decision making is clarified by the publication time of Listing procedure and retail sale of alcoholic beverages' June version.

For information: Criteria of decision making has been published on 4 May 2017

https://www.alko.fi/INTERSHOP/static/WFS/Alko-OnlineShop-Site/-/Alko-OnlineShop/en_US/for%20suppliers/Muut/Responsible%20purchasing%20-%20subcontractor.pdf

Principles for the case by case evaluation when a producer's subcontractor is not respecting the Conditions for responsible purchasing

Alko has committed to collaboration with the parties who respect the BSCI ethical values and shows the willingness for improving their own operations constantly according to these principles.

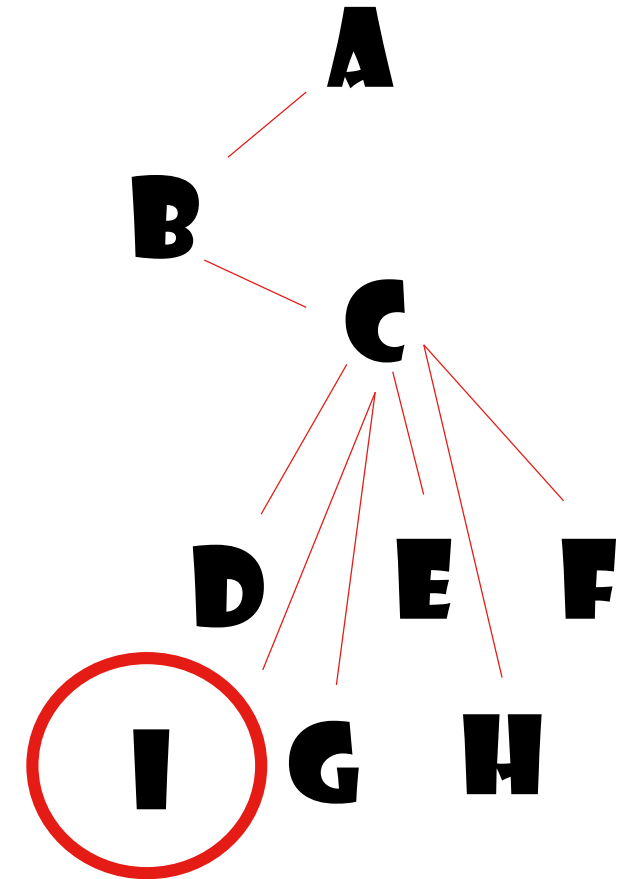
- **Refusing an audit will end the collaboration.**

When the party, who has refused the audit, is a producer's subcontractor Alko will evaluate the cancelation of the product's purchasing and listing case by case before Alko makes a decision for the cancelation of purchase and listing as well as for the withdrawal.

In the case by case evaluation following is to be taken into consideration:

- **Evaluation of traceability of the supply chain** (from the producer to the subcontractor)
- **Evaluation of reliability of the traceability information** (timeliness)
- **Evaluation of structure of producers supply chain** (amount of actors and their role)
- **Fairness to all parties in the supply chain** (vs. the result which is not in line with the target of responsible purchasing)

Alko is treating all parties equally and transparently.



Sustainable Wine Program

- **All-round industry information available**
 - Targets to improvement from audit statistics
 - Sharing of best practices
 - Support by local partners to implement BSCI principles to business practice
 - Training by local partners and FTA Academia
- **Alko does not audit SWP members**
 - Joining to SWP proves enough commitment to BSCI principles
 - Developing is monitored via results of self evaluation or with producer drawn audit results
 - Possible cost savings when developing own process happens voluntarily and not drawn by Alko e.g. with paid re-audits.

Benefits for the producer

- Better understanding of BSCI Code of Conduct and how to apply this in their own operations
- Unique opportunity to participate in **training that is tailored on the wine industry** (for no other product, so far, BSCI has planned such level of fine-tuning)
- Unique opportunity to be trained by **industry experts** from their own countries, with recognized sector experience (wine experts) and therefore enjoying higher recognition by producers
- Training tailored on the 4 key goals of the SWP** that will help them focus their remediation efforts and prepare for audits. The topics of the training are decided by BSCI in close consultation with the buyers that take part in the SWP to meet your and your producers needs.
- Increased capacity to **communicate to buyers on existing sustainability effort** (e.g. certifications) –BSCI will provide buyers with overview of existing national sustainability certificates (end-goal avoid duplicating audits)
- Program is free of charge.

4 KEY GOALS



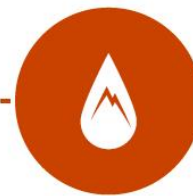
Workers' empowerment, with special attention to seasonal workers



Strengthening of wine cooperatives



Improved Occupational Health and Safety



Water and soil management

MORE INFORMATION Sustainability Manager Marja Aho,
040-7091200, Marja.aho@alko.fi

Improvement of supply chain's transparency

- On Thursday 11 May a group of Alko's suppliers that are committed to improve responsible purchasing gathered to workshop to ponder **how the transparency of rum's supply chain can be improved.**
- The goal of workshop was to commit and to participate Alko's partners to improve their action with sharing good practices at the same time.
- Why rums?
 - **International supply chains of rums are long, often very spalled and visibility to primary production sugar cane plantation does not exist in practice.**
 - Lack of transparency adds more risk to violation of human rights and failures of reasonable working conditions.
 - The same theme has been on international media.
- **There is common commitment to improving the transparency.** To make an action plan support is needed from NGO's as well as from other Nordic Alcohol Monopolies.

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Shopping in Alko Online shop has continued the same

Approx.

30 000
visits daily
on alko.fi

Registered
customers
over

20 000

Thousands
of orders
every
month

Promise of
service has
kept **98 %**
of orders





Alko Online shop is developed constantly according to customer feedback

- Order confirmation not needed when picking up
- Buy order on behalf of other user or as a gift
- Email notification after arrival
- Drink calculator
- Rough quantity filter
- Filtering a recipe with food symbols
- PDP updates (e.g. supplier, gift package, accessories)
- Producer should be indexed in search
- Availability in shops
- Evaluation of customer experience
- Feedback on every page

Alko Online shop is one part of customer experience – we are developing the experience as a whole

VERSITILE AND HIGH QUALITY PRODUCTS

Vision of 10 000 products selection



IN SHOPS

Wide covered shop network

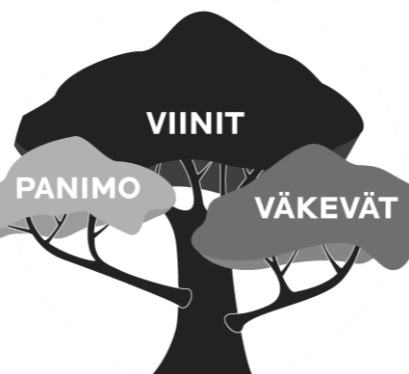


PROFESSIONAL PERSONNEL

Over 7 600 days of training per year

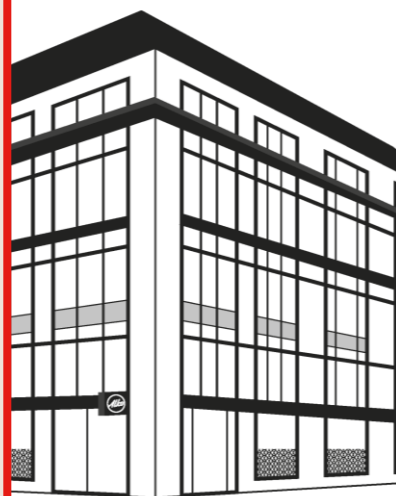
THE BEST CUSTOMER EXPERIENCE

Easy to purchase and top customer experience in all channels

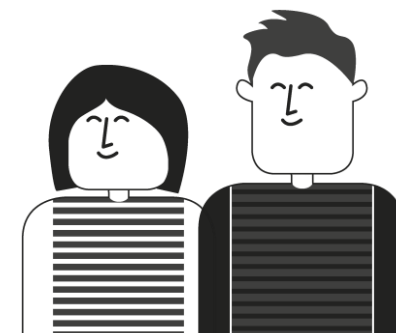


ALKO.FI ONLINE SHOP 24/7

Chat service on Mon–Fri 9–20, Sat 9–18



SERVICE AND COMMUNICATION on multichannel



A top-down view of numerous petri dishes containing liquids of various colors including yellow, orange, red, and clear. The liquids are arranged in a dense, overlapping pattern, creating a vibrant, abstract background.

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Workshops

- **Workshop 1: How to manage the availability of products with spontaneous demand**
- **Workshop 2: Taste styles for whiskies**
- **Workshop 3: Taste styles for sparkling wines**
- **Workshop 4: How to notice quality issues in products (product withdraws)**