



QUALITY AND RESPONSIBILITY APPENDIX PET FOOD AND SUPPLIES

Parties

General Requirements

1 General

With respect to production and products, the Supplier shall observe the following Buyer's general requirements for Suppliers and products. The Supplier is responsible for ensuring that the products and the production and the products' placing on the market meet the requirements of the European Union/European Economic Area and the Finnish legislation. The Supplier is liable for the performances of the supply chain and all of its subcontractors and for the compliance of such performances with this agreement as for its own performance.

2 Product Information

At the Buyer's request, the Supplier shall provide the Buyer's representative with any information reasonably required by such representative on the Buyer's product due to this agreement. Unless otherwise agreed, the Supplier is responsible for all environmental and quality registrations and registrations of origin as well as other corresponding registration and notification procedures with the authorities and other relevant parties for the products under the Supplier's brand.

3 Product Safety, Quality and Quality Standards

The Suppliers shall ensure the safety of their products and compliance with the requirements of European Union/the European Economic Area and Finnish legislation. The Supplier is responsible for the performance of all its sub-suppliers as for its own performance.

The mode of operation set out in the HACCP principles must be observed in the production of food (the HACCP-Codex Alimentarius Principles).

At the Buyer's request, the Supplier shall provide documentation relating to product safety and quality assurance.

In the event the Buyer or the authorities notice deviations in the quality of the products, the Buyer may request the Supplier to order additional analyses from an accredited laboratory.



4 Environmental Responsibility

The S Group promotes the principles of UN's sustainable development and the S Group is in its own operations committed to mitigate the effects on climate and biodiversity. The Buyer encourages also its suppliers to take them into account in their own operations.

The Supplier shall take adequate measures to assess its environmental impacts and risks, and to prevent, minimise and remedy negative impacts. The Supplier shall have procedures for identifying environmental requirements and shall identify environmental impacts of its operations and make proactive efforts to reduce emissions into the atmosphere, soil and water as well as to utilise resources efficiently.

The Supplier shall identify the relevant environmental legislation applicable to its operations, act in accordance with it and be able to present evidence of conformity as required by such legislation. The Supplier shall have an environmental management system that takes into account the model for continuous improvement and describes the procedures for the treatment of waste, chemicals, emissions and sewage. The environmental management system must comply with the requirements of ISO 14001 or the EU Eco-Management and Audit Scheme (EMAS). The Buyer is entitled to perform an auditing or inspection visit to verify the aspects of environmental responsibility.

5 Social Responsibility and Human Rights

In its operations and in the procurement of products and services, the S Group is committed to social responsibility and to respect all internationally recognised human rights. In its human rights principles, the S Group is committed in accordance with the UN Guiding Principles on Business and Human Rights (UNGP) to diligently identify, prevent, minimise and address human rights risks, as well as to a transparent mode of operation, and expects the same also from its partners. In its operations and supply chains, the Supplier shall undertake to respect all internationally recognised human rights, the International Labour Organisation ILO's Minimum Standards for Working Life, the principles of the UN Declaration of Human Rights and the Convention on the Rights of the Child, and the laws and collective agreements of the target country.

In addition, the S Group is committed to the international social responsibility system amfori BSCI's (Business Social Compliance Initiative) Code of Conduct and to promote its principles in its operations and in all its procurement. The Supplier undertakes to get acquainted with amfori BSCI's Code of Conduct in force from time to time and the content and requirements of its appendices which are available at <https://s-ryhma.fi/en/for-suppliers/chain-supplier>. These documents form an integral part of this agreement. By signing this agreement, the Supplier undertakes to comply with the amfori BSCI's Code of Conduct and its appendices as in force from time to time. In its operations and supply chain, the Supplier undertakes to comply with and to promote the following principles based on the principles of BSCI:

- Employees are entitled to form associations and be members of a trade union.



- Employees must be treated equally. Foreign employees employed in Finland work with such wage and working conditions that are not worse than general conditions prevailing in the Finnish labour market.
- Employees must be paid salary of an amount at least at the level required by law and overtime work must be compensated with overtime compensation, at least in accordance with national legislation.
- Employees must be provided a safe working environment and harassment must not be allowed.
- The minimum working age cannot be lower than required by national legislation and the provisions of ILO Minimum Age Convention (ILO 138).
- The employment relationship must be voluntary, employees cannot be required to provide collateral, a payment for employment agency services or any other securities in exchange for the employment relationship. Employees must have the liberty to leave the workplace at the end of their work shift.
- Employees shall have valid work permits.
- All employees shall have been informed of the general terms and conditions of employment before the start of work.

Compliance with social responsibility requirements

The Supplier must have procedures in accordance with UN Guiding Principles on Business and Human Rights (UNGPR) to identify, reduce and remedy human rights risks. Procedures shall include processes to identify, minimise, prevent and remedy detrimental human rights impacts, both in the company's own operations and in the supply chain of the products and services, including potential sub-suppliers and procurement of raw material. The Supplier must have a confidential channel in accordance with the UNGPR to which employees can anonymously report labour and human rights violations, abuses and corruption.

The Supplier must inform employees about the S Group's anonymous reporting channel <https://report.whistleb.com/fi/sgroup>, where also employees working in supply chains can report violations of labour and human rights.

The Supplier shall put the expectations into practice with its suppliers, that produce raw materials or components for the products to be delivered to the Buyer and monitor their implementation in the supply chains. In supply chains where the Supplier does not have a direct business link to all stages of the supply chain and where human rights risks have been identified, the Buyer expects the Supplier to strive for continuous improvement and to increase its possibilities to influence, in order to minimise the identified risks.

Upon request, the Supplier shall demonstrate how it complies with the requirements set out in this agreement in its operations and supply chains. The Supplier undertakes that the Buyer's representative or a person authorised by it, has access to the production facilities and relevant documentation to assess conformity with the requirements.



In case shortcomings or defects are noted with respect to the working conditions in the supply chains of products or services delivered to the Buyer, the Supplier must investigate and remedy any such defects as well as report the revealed deficiencies and corrective measures to the Buyer.

Auditing the social responsibility

For Suppliers whose production or whose subsupplier's production is located in a risk country, or who import or market products manufactured in risk countries, the Buyer requires that the production facility located in a risk country has a valid Amfori BSCI audit or that an equivalent social responsibility audit process, accepted by the Buyer, has been carried out by a third party. Otherwise, BSCI or an equivalent audit shall be arranged immediately upon the commencement of the cooperation. The Supplier is responsible for all costs related to the audit. Upon request, the Supplier shall provide the Buyer with a copy of the certificate or the audit report.

The social responsibility audits carried out by third parties approved by the Buyer are:

- Amfori BSCI (Business Social Compliance Initiative)
- SA 8000
- SMETA (Sedex Members Ethical Trading Audit), 4-pillar (2-pillar is accepted as first audit)
- FLA (Fair Labour Association)
- FWF (Fair Wear Foundation)
- ICTI (International Council of Toy Industries)
- WRAP (Worldwide Responsible Accredited Production)
- RBA (Responsible Business Alliance)
- SIZA (Sustainability Initiative of South Africa),
- GLOBALG.A.P GRASP

Audits must be carried out by third parties, and they must be either unannounced or semi-announced.

The list of countries at risk of social responsibility in force at the time: <https://s-ryhma.fi/en/for-suppliers/chain-supplier> Responsible procurement: Amfori BSCI Countries' Risk Classification.

6 Traceability of Products

Suppliers must have a functioning and described traceability system with which raw material batches and packaging used in the manufacturing of products and the suppliers thereof can be identified.

Upon the request of the Buyer, the Supplier must be able to provide the Buyer information on the origin of the product and its raw materials as well as on the product's entire supply chain (names of



manufacturing plants and packagers) all the way to primary production (information on primary producer).

In case a product has caused or is suspected to cause health hazards, the Supplier must give the buyer the information on the consignment in question immediately, and in other cases within 48 hours.

7 Organic Production Methods

The Supplier is responsible for ensuring that the plant-based and animal-based agricultural raw materials used in products sold or marketed as organic products have been produced organically and that the production has been monitored in accordance with a private or national standard. Upon request, the Supplier shall be able to demonstrate that the requirements of organic production have been met.

8 Product Temperature Requirements

As regards the temperatures applicable to products, the Supplier is required to comply with the statutory temperature requirements applicable in the EU and Finland or other valid temperature requirements applicable to those handling foods prior to retail. The Supplier is obliged to carry out shelf life tests on the product and to set the shelf life period stated on the product label in accordance with the sales temperature applied in Finland.

Products may not freeze or melt during transport. The temperature of the products during transport must be set according to the product in the same transport with the lowest temperature requirement. The temperature control shall be handled by self-monitoring on the part of the Supplier.

If no temperature requirements are set for the product by legislation or by directives given by the Finnish Food Authority, the temperature stated in the table below or in the product's specifications must be complied with (marked with #).

If the maximum product temperature requirements are exceeded the product is deemed defective.

Pet food category	Maximum temperature of products during transportation and at reception	Sales temperature of products surrounding temperature
Frozen food	a maximum of -18 °C	a maximum of -18 °C
Perishable pet food sold cold [#]	+6 °C or in accordance with specification/product information	+6 °C or in accordance with specification/product information
Other food [#]	+2 – +25 °C	+2 – +25 °C



9 Animal Welfare

The Buyer requires that the primary production, transport, handling, and slaughter of farm animals is carried out without unnecessary suffering. The Supplier must have procedures in place to ensure that the supply chain of animal products complies with the principles and species-specific criteria of the S-Group's Animal Welfare Policy, the animal welfare regulations in force from time to time, and respects the natural and species-specific needs of the animals. The current version of the S Group Animal Welfare Policy is available at <https://s-ryhma.fi/en/for-suppliers/chain-supplier>.

Routine use of antibiotics in animal production, e.g. for preventive or growth promotion purposes, is prohibited, regardless of whether the medication is prescribed by a veterinarian or not.

All antibiotic treatment must be prescribed by a veterinarian and documented, including antibiotics given with animal feed and water. Records relating to the use of antibiotics shall be made available to a veterinarian, if necessary. If antibiotics are used for the whole animal group or, for example, for all animals of the same age, the reason must be assessed and documented by a veterinarian. The Supplier must have a plan to address the underlying cause of the use of antibiotics.

In particular, the use of antibiotics that are critical for the treatment of humans, such as third or fourth generation cephalosporins and fluoroquinolones, should be avoided.

10 Fish Policy

The Supplier must have procedures in place to ensure that the supply chain of fishery products complies with the principles of the S Group's selection and procurement of fish products, species-specific criteria and regulations on fishing in force at the time in question. The current S Group fish policy is available at <https://s-ryhma.fi/en/for-suppliers/chain-supplier>.

The origin of the fishery products must be known, and the origin of the fish in the products offered (fishing areas or farming country) and the types of fishing methods used must be indicated by region of origin in the product information.

11 Genetically Modified Raw Materials in Pet Food

If genetically modified raw materials have been used in pet food, the Supplier must inform the Buyer thereof in writing in advance

12 Wild Oat and Pests

Seeds and seed mixes for feeding birds outdoors must not contain seeds of wild oat (*Avena fatua*, *Avena ludovicina* and *Avena sterilis*).

The product must not contain viable pest insect eggs or live pest insects or other living pests.



13 Products Manufactured or Produced in the Palestine or Israel

A product can only be marked as originating from Israel if it has been manufactured or cultivated in the territory of the state of Israel as determined by the United Nations in 1948. If a product has been manufactured or cultivated in the so-called Occupied Palestinian Territories, the Supplier will mark the product as 'manufactured in the Occupied Palestinian Territories' or 'produced in the Occupied Palestinian Territories'.

14 Use of sub-suppliers

The Supplier is responsible for the performance of its sub-suppliers as if it were its own. The Supplier must oblige its sub-suppliers to comply with the terms of this agreement. Thus, the Supplier is obliged, inter alia, to ensure that its sub-suppliers also comply with the Buyer's quality and responsibility requirements in their own activities and the Supplier shall remain responsible for compliance with these requirements by its own sub-suppliers. The Supplier is obliged to regularly monitor the activities of its sub-suppliers.



15 Date and Signatures

This agreement has been executed in two identical counterparts, which have been reviewed, approved and signed by each party. Each party has received one original counterpart signed by both parties.

[Place and date]

Supplier

[Company name]

[Department]

[Place and date]

Supplier

[Company name]

[Department]

[Name in print]

[Position]

[Name in print]

[Position]

[Place and date]

Buyer

Suomen Osuuskauppojen Keskuskunta

S Group Retail Business

[Place and date]

Buyer

Suomen Osuuskauppojen Keskuskunta

S Group Retail Business
