



## QUALITY AND RESPONSIBILITY APPENDIX DAILY CONSUMER GOODS

### 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 sub-suppliers 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, chemical and cosmetics 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.

##### 2.1 Safety Data Sheet

The Supplier is obliged to provide the Buyer with Finnish-language safety data sheets for the products for which the European Union/European Economic Area require such data sheets. The Supplier is responsible for the notification to be made in the Poison Information Centres database (PCN, Poison Centres Notification) and provides the Buyer with a confirmation of such notification.

##### 2.2 Hazardous Substances

A filled-out hazardous substances appendix of product data form must be provided for all products categorised as hazardous by the European Union/European Economic Area regulation.



### 2.3 Substances Subject to a Permit

If the products to be delivered to the Buyer or the packaging thereof contain more than 0.1% of weight per item (product or its packaging) of substances of very high concern (SVHC), the following procedure must be followed with respect to such products:

- The Supplier undertakes to now and in the future provide the Buyer with a full list of the substances contained by such products. The list must contain at least the following information:
  - Substances subject to a permit
  - If a product or the packaging thereof contains substances of very high concern (SVHC) more than 0.1% of its weight, the Supplier undertakes to provide the Buyer with an up-to-date list of the substances and their amounts as well as instructions on the safe use and disposal of the product or the package thereof.
  - The Supplier provides the Buyer with a confirmation that the Supplier has made the appropriate notification to the SCIP database. (Substances of Concern In articles as such or in complex objects (Products)).

The European Chemicals Agency publishes on its website a regularly updated list of substances that may be included in Annex XIV of the REACH Regulation (the 'Candidate List'). Candidate List: <https://echa.europa.eu/candidate-list-table>

- In addition, if need be the Supplier must determine whether a product or package can be replaced with one that does not contain substances of very high concern.
- The Buyer must be informed immediately of changes to the aforementioned information.

### 2.4 Medical Devices

Medical devices must comply with the requirements of the European Union's legislation, harmonised or applicable standards of the European Union related to such devices (ISO / EN / IEC / SFS-standards) and the regulations of the Finnish authorities, which are applicable to the relevant product in question.

### 2.5 Items Processed with Biocidal Substance

The Supplier shall inform the Buyer of all biocidal active substances contained in the item if the product has been processed with such substances.

### 2.6 Products Containing Nanomaterials

The Supplier shall inform the Buyer if nanomaterials have been used in the product.



## **2.7 CE-marking**

The Supplier is responsible for taking care of the obligations related to the CE-marking of the products. Upon the Buyer's request, the Supplier shall provide the EU Declaration of Conformity or Declaration of Performance of CE marked products, as well as the related technical documents and other documents required by law.

## **3 Product Safety, Quality and Quality Standards**

The Suppliers must 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 Buyer requires that Suppliers of daily consumer goods employ procedures based on the GMP (Good Manufacturing Practise) principles.

At the Buyer's request, the Supplier must deliver 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.

The Supplier is obligated to ensure that it meets the REACH Regulation (2006/1907/EC) obligations in accordance with its role.

## **4 Environmental Responsibility**

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

The Supplier shall take adequate precautions 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.

The Supplier is expected to measure the greenhouse gas emissions of its operations. The S Group encourages suppliers to set targets for the reduction of greenhouse gas emissions, for example, in accordance with the Science Based Targets Initiative.

The Supplier is encouraged to give priority to the use of renewable materials, raw materials and energy sources, as well as to utilise circular economy operating models in which recyclability and reusability are carried out as well as possible.

Unnecessary packaging is avoided when packaging products. The Suppliers are recommended to use recyclable packages that are labelled with appropriate markings to facilitate recycling. The use of PVC plastic is not accepted in packaging. The use of oxo-degradable plastic in products or in their packaging is not accepted. It is forbidden to use bleaching methods based on elemental chlorine for the bleaching of materials used for packaging.

## 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 as 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 the 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 (UNGP) 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 subsuppliers and procurement of raw material. The Supplier must have a confidential channel in accordance with the UNGP 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 employees working in supply chains can also 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 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 imports or markets 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)
- SA8000
- SMETA (Sedex Members Ethical Trading Audit), 4-pillar (2-pillaris 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 a request by the Buyer, the Supplier must be able to provide the Buyer with information on the origin of the product and its raw materials as well as on the product's entire supply chain.

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

## **7 Organic Production Methods**

The Supplier is responsible for ensuring that 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 must prove that the requirements of organic production have been met. With respect to cosmetic products, the Supplier must, upon request, provide the Buyer with the products' organic cosmetics certificate in case the product has been certified.

## **8 Product Temperature Requirements**

Products are not permitted to freeze and melt at any point in the distribution chain.

The permitted temperature range for products is +2 – +25°C.

## **9 Genetically Modified Raw Materials**

If genetically modified raw materials have been used in a product, the Supplier must inform the Buyer thereof in writing in advance.

## **10 Products Manufactured or Produced in the Palestine or Israel**

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

## **11 Use of subsuppliers**

The Supplier is responsible for the performance of its subsuppliers as if it were its own. The Supplier must oblige its subsuppliers to comply with the terms of this agreement. Thus, the Supplier is obliged, inter alia, to ensure that its subsuppliers 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 subsuppliers. The Supplier is obliged to regularly monitor the activities of its subsuppliers.



## 12 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

---