QUALITY AND SUSTAINABILITY APPENDIX PET FOOD AND SUPPLIES

Parties

	Supplier:	Buyer:
Name of company	(hereinafter the Supplier)	**SUOMEN OSUUSKAUPPOJEN KESKUSKUNTA** (hereinafter the Buyer or SOK)
Visiting address		FLEMINGINKATU 34, HELSINKI, FINLAND
Postal address		PO Box 1, 00088 S-GROUP
Business ID		0116323-1
VAT number		FI01163231

1 General Requirements

1.1 Supplier's responsibility

With respect to production and products, the Supplier shall comply with 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 shall not have the right to supply the Buyer with products that are contrary to the requirements of the applicable legislation.

For the sake of clarity, the Supplier shall know and answer for the entire supply chain of the raw materials with respect to all components.

1.2 Product information and due diligence

The Supplier shall provide the Buyer with all information and evidence that is necessary to fulfil the requirements of the applicable legislation and authority guidelines as well as the requirements of this agreement. Such information includes, for example: product markings, the classification in accordance with the EU Combined Nomenclature (hereinafter CN), maintenance, service and user manuals, certificates, the country of origin of the product and its raw materials, Declaration of Conformity and Declaration of Performance, information related to the disposal of the product, emission factors of the products, information related to the assessment and reduction of risks (e.g. environmental and human rights risks) and evidence and information of having exercised due diligence. Unless otherwise agreed, the information and evidence shall be submitted in compliance with the technical practices and guidelines determined by the Buyer. The Supplier shall allow the Buyer, an independent party or an authority to carry out the inspections and investigations required

by the applicable legislation and authority orders and provide the Buyer and/or authority with all necessary assistance to ensure that the products comply with the requirements.

The markings in products and their packaging shall be in Finnish and Swedish. 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 required for the Supplier's products. The Supplier is responsible for the correctness of the product information, including the origin and the classification in accordance with the EU's Combined Nomenclature. For the sake of clarity, the CN guides the legislative requirements directed at the Buyer.

The Supplier shall exercise due diligence before placing the products on the market or exporting them so that it can be verified that the products in question are in accordance with the applicable legislation. The Supplier has a due diligence system under the applicable legislation, in accordance with which the Supplier ensures that the products are in compliance with the requirements. The Supplier shall describe its due diligence system and provide the Buyer with the essential information of it upon request. In the event the applicable legislation requires giving a due diligence statement, the Supplier shall not place the products on the market or export them before submitting the due diligence statement.

In addition to the authority, the Supplier shall also immediately inform the Buyer if it observes substantiated concerns as set out in the applicable legislation that imply, for example, that there is a risk that a product placed on the market is not in accordance with the applicable legislation and authority guidelines.

The Supplier undertakes to without undue delay provide the Buyer with all information required by the legislation and authority guidelines applicable to the product and to assist the Buyer if a competent authority submits a request to the Buyer to receive the aforementioned information.

1.3 Use of subsuppliers

The Supplier is responsible for the operations and their lawfulness of the supply chain and all the subsuppliers it uses as well as for the compliance with the requirements of this agreement as for its own. The Supplier shall 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 sustainability 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.

2 Product Safety and Quality

2.1 Quality and quality systems

The Supplier shall ensure that the marketed products are safe. The supplies shall fulfil the requirements of the General Product Safety Regulation and the special legislation concerning the product when the products fall within the scope of application of the aforementioned regulations.

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

At the Buyer's request, the Supplier shall 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 in their own inspections, the Buyer may request the Supplier to order additional analyses from an accredited laboratory.

2.2 Chemicals

The Supplier is obliged to ensure that it meets the obligations of the EU REACH Regulation and the obligations of other applicable legislation related to the registration, evaluation, permit procedures and restrictions of chemicals as well as communication of information in the supply chain in accordance with its role. The Regulation applies to chemical substances as such, in mixtures or articles.

2.2.1 Hazardous Substances

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

2.2.2 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, packaging or a part of product or packaging) of substances of very high concern (SVHC), the following procedure shall 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 shall contain at least the following information:
    - Substances Subject to a Permit
    - If a product or the packaging thereof or a part of a product or packaging 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. (**S**ubstances of **C**oncern **I**n articles as such or in complex objects (**P**roducts)).

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: http://echa.europa.eu/fi/candidate-list-table.

In addition, the Supplier shall determine whether a product or package can be replaced with one that does not contain substances of very high concern.

The Buyer shall be informed immediately of changes to the aforementioned information.

2.2.3 Classification, labelling and packaging, CLP

Products that fall within the scope of application of the EU Regulation on classification, labelling and packaging of chemicals shall fulfil the requirements for classification, labelling and packaging of products. Operators with a Finnish business ID shall ensure that a chemical notification is submitted to the Finnish authority. All operators shall observe the requirements of the Regulation in accordance with their roles.

2.2.4 Safety Data Sheets

The Supplier is obliged to provide the Buyer with safety data sheets (SDS) in Finnish and Swedish for the products for which the European Union/European Economic Area require such data sheets. The Supplier shall ensure that the SDS complies with the requirements of the legislation in force and provides the Buyer without delay with an updated SDS if the contents change.

2.2.5 Poison Centre Notifications and Unique Formula Identifier

The Operator is obliged to submit information on hazardous mixtures to poison centres (Poison Centre Notification, PCN) and to submit a confirmation of the notification to the Buyer.

UFI is a unique formula identifier for a mixture that is classified as hazardous for health or due to its physical effects, linking the information to a specific product. The UFI shall be shown on the product label or in its immediate vicinity.

2.2.6 Biocidal products and articles treated with a biocidal product

Biocides are used for protecting humans, animals, materials or articles against harmful organisms, such as pests or micro-organisms. In Finland, only biocidal products that fulfil the requirements of the Biocidal Products Regulation may be sold or used and they shall be approved by a national authority. The Supplier notifies the Buyer of all biocidal active substances in a biocidal product or article as well as all changes in the assessments or approvals concerning the active substance. The products shall be labelled and packaged in accordance with the CLP Regulation and the

Biocidal Products Regulation. In addition, the authorisation number of the biocidal product or the article treated with the biocidal product shall be notified to the Buyer.

2.2.7 Nanomaterial and articles treated with nanomaterial

The REACH Regulation and CLP Regulation also apply to nanomaterials. The Supplier shall inform the Buyer if nanomaterials or substances have been used in the product.

2.3 Cosmetics and detergents

Cosmetic products and cosmetics shall comply with the cosmetics legislation of the EU and Finland.

The Supplier shall ensure that products classified as detergents and cleaning products fulfil the requirements of the EU Regulation on detergents and the EU chemicals legislation.

2.4 Batteries and accumulators

Batteries and products including batteries shall fulfil the requirements of the EU Regulation concerning batteries and waste batteries and any other applicable laws.

2.5 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 and see to the type approval of the product, when necessary.

2.6 Requirements related to production and raw materials

2.6.1 Genetically Modified Raw Materials in Pet Food

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

2.6.2 Organic Production Methods

In accordance with legislation of the European Union/European Economic Area and Finnish legislation, a Supplier of organic food operating in the European Union shall be a member of a control system for organic products.

The Supplier shall provide the Buyer with a documented report of the Supplier's membership in the control system for organic products in accordance with European Union/European Economic Area and Finnish legislation and shall inform the Buyer of the name and identity code of the body monitoring the Supplier.

If the Buyer is an importer of organic products in accordance with European Union/European Economic Area and Finnish legislation, the Supplier is responsible for ensuring that imported organic products include an organic production inspection certificate (Certificate of Inspection for Products from Organic Production into European Community) prescribed in the European Union/European Economic Area and Finnish legislation in the TracesNT-system maintained by the Commission. The Supplier is responsible for ensuring that the requirements for importing the product are met.

The Supplier's risk assessment shall cover the supply chains of organic raw materials and the Supplier shall verify that no prohibited plant protection products or ingredients or production methods contrary to the requirements of organic production are used in organic products.

2.6.3 Wild Oat and Pests

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

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

2.6.4 Product Temperature Requirements

In the handling and transport of products, the Supplier shall comply with the statutory temperature requirements applicable in the EU and Finland. Products are not permitted to freeze or melt during transport. The temperature of the products during transport shall be set according to the product in the same transport with the lowest temperature requirement. The control of temperature shall be ensured by self-monitoring on the part of the Supplier.

The Supplier is obliged to carry out shelf-life tests and to set the shelf-life period for the product in accordance with the sales temperature stated on the table.

If the maximum product temperature requirements are exceeded the product is deemed defective, unless the question is of a short deviation permitted by the regulations, which the Supplier shall verifiably demonstrate to the Buyer.

Pet food category	Maximum storage temperature of products in transportation and 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

2.6.5 Traceability of Products

Suppliers shall 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 shall be able to provide the Buyer information on the origin of the product and its raw materials as well as on the 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 have caused a health hazard, the Supplier shall give the Buyer the information on the batch in question immediately, and in other cases within 48 hours.

3 Sustainability

3.1 Human rights and environmental due diligence

The Supplier exercises due diligence in all its operations and strives to identify, prevent and mitigate the human rights and environmental impacts of its operations and its supply chain and to promote the realisation of human rights and protection of the environment.

Upon request, the Supplier shall demonstrate how it complies with the requirements of this agreement (e.g. the due diligence process concerning environmental and human rights matters) in its operations and supply chains, including risk assessment, risk reduction and corrective measures, among other things. 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.

The Supplier shall put the requirements of this agreement 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.

The Supplier shall inform the Buyer if concerns or deviations related to the environment or social responsibility arise in its due diligence process. The Supplier shall investigate and remedy any such deviations and report the revealed deficiencies and corrective measures to the Buyer.

3.2 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) and the OECD Guidelines to diligently identify, prevent, minimise and address human rights risks, as well as to a transparent mode of operation, and expects the same 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 fundamental principles and rights at work, the principles of the UN Declaration of Human Rights and the conventions on the rights of children and women, and the laws and collective agreements of the target country.

In addition, the S Group is committed to the international social and environmental 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, among other things, the following principles based on the principles of BSCI:

- The Supplier commits to adopt and publicly communicate a written human rights policy statement, in line with the Supplier's business operations and size of operations. The human rights policy statement shall be approved by the senior management.
- The workers have the right to freedom of association and collective bargaining.
- The Supplier is expected to take or promote specific steps, such as trainings, to ensure that workers are aware of their rights and responsibilities, with special attention to vulnerable persons, to involve and protect workers.
- Workers shall be treated equally without discrimination, harassment or violence. The wages and working conditions of foreign workers in Finland shall not be worse than the general conditions prevailing in the Finnish labour market.
- Workers shall be guaranteed the right to fair remuneration. Workers shall be paid salary of an amount at least at the level required by law and overtime work shall be compensated with overtime compensation, in minimum in accordance with national legislation.
- Decent working hours shall be guaranteed for workers by applying the national legislation, industry benchmark standards or collective agreements in accordance with the international framework set out by the ILO, and to promote working hour practices that enable a healthy work-life balance for workers shall be promoted.
- The workers shall be offered healthy and safe working conditions. Vulnerable persons, such as young workers, new and expecting mothers and persons with disabilities, need special protection.

- The Supplier commits to not employ children, directly or indirectly. The minimum working age cannot be lower than required by national legislation and the provisions of ILO Minimum Age Convention (ILO 138).
- The Supplier commits to ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, and development.
- The Supplier commits to ensure that work is performed on the basis of a recognised and documented employment relationship, established in compliance with relevant national legislations, custom or practice, or international labour standards, whichever provides greater protection for the worker. Before entering employment, workers shall be provided with understandable information in their own language and it shall be ensured that they are aware about their rights, responsibilities, and employment conditions, including working hours, remuneration and terms of payment in their own language.
- No slavery, forced labour or human trafficking. The employment relationship shall be voluntary, workers cannot be required to provide collateral, a payment for employment agency services or any other security in exchange for the employment relationship. Workers have the right to change employer. Workers shall have the liberty to leave the workplace at the end of their work shift. In particular migrant workers shall be guaranteed freedom of movement and the possibility to a safe return.
- The Supplier commits to implement a process- and risk-based environmental due diligence management system in their business practices, adjusted to the business model of the company.
- The Supplier commits to comply with the processes of ethical business behaviour and the related principles.

3.2.1 Compliance with social responsibility requirements

The Supplier shall have procedures in accordance with UN Guiding Principles on Business and Human Rights (UNGP) to identify, reduce and remedy human rights risks. Such 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 shall have a confidential channel in accordance with the UNGP to which workers can anonymously report labour and human rights violations, abuses and corruption.

The Supplier can use the S Group's whistleblowing channel (https://report.whistleb.com/fi/sgroup) for reporting concerns related to the supply chain. Workers working in supply chains can also report violations of labour and human rights. The Supplier shall inform workers about the anonymous reporting channel that is used by the Buyer or managed by a third party (e.g. amfori's Speak for Change channel, the S Group's whistleblowing channel).

3.2.2 Auditing the social responsibility

For a Supplier 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)
- SA8000
- 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 shall be carried out by third parties, and they shall be either unannounced or semi-announced.

The valid risk country list can be found herein https://s-ryhma.fi/en/for-suppliers/chain-supplier Responsible procurement: List of risk countries, source: Amfori's Risk Compass tool.

3.3 Animal Welfare

The Buyer requires that the primary production, transport, handling, and slaughter of farm animals is carried out without unnecessary suffering. The Supplier shall 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 shall 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 shall be assessed and documented by a veterinarian. The Supplier shall 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.

3.4 Fish Policy

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

3.5 Products Manufactured in 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'.

3.6 Environment and climate

In its operations the S Group promotes the principles of UN's sustainable development and the S Group is committed in its own operations and in its supply chain to mitigate the effects on climate and biodiversity. The S Group's central goal is to mitigate climate change by observing the reduction pathway of 1.5°C degrees defined in the Paris Agreement and in the Science Based Targets initiative. The Buyer also expects suppliers to take those into account in their own operations.

The S Group is committed to the international environmental and social responsibility system amfori BEPI'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 BEPI'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 BEPI's Code of Conduct and its appendices as in force from time to time. The Supplier undertakes to comply with and promote the following operating models and practices described in the BEPI principles in its

own operations and in its supply chain and to implement risk and impact assessment and reduction in accordance with the due diligence obligation in the following fields:

- Energy and climate
- Emissions into air
- Water and sewage
- Waste
- Biodiversity
- Chemicals
- Other material environmental impacts

The Supplier shall have procedures in accordance with OECD Guidelines and UN Guiding Principles on Business and Human Rights (UNGP) to identify, reduce and remedy environmental risks. Such procedures shall include processes to identify, minimise, prevent and remedy detrimental environmental 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 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 includes environmental impact assessment, the model for continuous improvement and describes the procedures for the administration and management of material environmental matters with respect to waste, chemicals, emissions and sewage, among other things. Accounting for the nature of the Supplier's operations, the environmental management system shall 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. A Supplier that supplies its products for more than EUR 10 million to companies in the S Group shall commit to setting its own science based targets (e.g. SBTi). This means that by the end of 2025 at the latest, the Supplier has submitted its commitment letter for setting its science based climate targets. The Supplier commits to provide the Buyer with the necessary emission factors concerning the Supplier's products for the Buyer's emission calculation.

The Supplier is expected to pay special attention to the production and acquisition of raw materials and products causing deforestation and to prevent the adverse impact related to these.

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 Supplier is 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.

4 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]	[Place and date]
Supplier	Supplier
[Company name]	[Company name]
[Department]	[Department]
[Name in print]	[Name in print]
[Position]	[Position]
[Place and date]	[Place and date]
Buyer	Buyer
Suomen Osuuskauppojen Keskuskunta	Suomen Osuuskauppojen Keskuskunta
Groceries & Consumer Goods	Groceries & Consumer Goods