June 2021

TIMBER AND PAPER POLICY IN S GROUP GROCERIES AND CONSUMER GOODS

SOK timber and paper policy is part of S Group's sustainability work aiming at strengthening biodiversity and preventing deforestation. The policy was introduced in June 2021.

The timber and paper policy sets out the following requirements for SOK/S Group sourcing:

S Group Groceries (food and daily non-food): Wood-based products and packaging

- All Private Label products made of paper, carton or other wood-based material must be certified and/or made from recycled raw materials by the end of year 2023. Accepted certifications are FSC, PEFC, EU Ecolabel and Nordic Swan Ecolabel. The requirement applies also to wood-based products intended for consumer use, purchased by SOK indirect sourcing.

- All Private Label products' consumer packaging (primary packaging) made of paper, carton or other wood-based material must be certified and/or made from recycled raw materials by the end of year 2023. Accepted certifications are FSC, PEFC, EU Ecolabel and Nordic Swan Ecolabel. The requirement also applies to wood-based consumer packaging (primary packaging), purchased by SOK indirect sourcing. In addition, the use of certified and/or certified raw material in Private Label products' shop unit packaging (secondary packaging) is recommended.

S Group Consumer Goods: Wood-based products and packaging

- Wood-based raw material must be certified by the end of year 2025 in all Private Label and directly imported wood and paper products. Accepted certifications are FSC, PEFC, EU Ecolabel and Nordic Swan Ecolabel. The requirement applies to all Private Label and directly imported wood and paper products containing over 50 % wood-based raw material. In building, construction, renovation, wood and timber category, the requirement applies to the entire category.

- In Private Label and directly imported textile products containing wood-based raw materials (such as viscose products), the use of sustainable wood-based raw material (such as FSC, PEFC or Lenzing Ecovero) is recommended as widely as possible.

- All Private Label and directly imported products' consumer packaging (primary packaging) made of paper, carton or other wood-based material must be certified and/or made from recycled raw materials by the end of year 2025. Accepted certifications are FSC, PEFC, EU Ecolabel and Nordic Swan Ecolabel.

Sourcing by S Groups' regional cooperatives

- Wood-based raw material in wood products in the building, construction, renovation, wood and timber category must be certified. Accepted certifications are FSC, PEFC, EU Ecolabel and Nordic Swan Ecolabel.

Additional information on the implementation of the policy

It is the supplier's responsibility to comply with all the requirements, principles, and approval processes of the certification standard in question and handle any potential related costs.

The correct certification logo and claim is labelled to the product and/or packaging, and it is the supplier's responsibility to ensure that all labelling meet the requirements of the certification standard in question.

When the raw material of the consumer packaging (primary packaging) is recycled, but not certified, the supplier must send to SOK for review a Letter of Conformity (LoC) or other equivalent documentation, that demonstrates the use of verified recycled raw material in the packaging.

More information on the certifications accepted by S Group in the timber and paper policy:

- FSC: https://fsc.org/en
- PEFC: https://www.pefc.org/
- EU Ecolabel: http://ec.europa.eu/ecat/
- Nordic Swan Ecolabel: https://www.nordic-ecolabel.org/

The requirements of the timber and paper policy are part of a wider S group deforestation policy that aims to ensure that S Group's actions do not contribute to deforestation. S Group also encourages all suppliers to take into consideration the impacts that their operations have on biodiversity and deforestation.