



Musti ja Mirri Group Oy

Global Compact – Communication on Progress (COP) 2013-2014

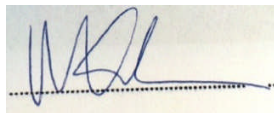
Statement of continued support

To our stakeholders

I am pleased to confirm that Musti ja Mirri Group Oy reaffirms its support of the 10 Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In our first annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Mika Sutinen

CEO, Musti ja Mirri Group Oy



Musti ja Mirri Group Oy ("Musti ja Mirri Group" or the "Company")

Musti ja Mirri Group is the leading pet specialty retailer in the Nordic countries. Musti ja Mirri Group's product assortment comprises a complete range of pet supplies and accessories related to the pets' well-being as well as pet food.

Musti ja Mirri Group was established in 1988 and today the Company has 220 stores in Finland and Sweden. Musti ja Mirri Group has ca. 900 employees (June 2015). The retail concept is based on a wide assortment of pet food and accessories in combination with a culture of dedicated, knowledgeable and service minded employees. The Musti ja Mirri Group head office is located in Vantaa, Finland.

Pro forma sales in the year to September 2014 amounted to EUR 81 million and pro forma EBITDA was EUR 7.6 million in the same period.

EQT Mid Market acquired Musti ja Mirri Group in December 2014. The management team of Musti ja Mirri Group has co-invested and partnered with EQT Mid Market to continue to drive the growth and development of the Company.

Musti ja Mirri Group is looking for growth through expansion of the store network across the Nordic region, further development of the online and omni-channel platform and continued expansion of adjacent pet related services.

Musti ja Mirri Group entered the Swedish market in 2012 through an acquisition of Grizzly Zoo, a Swedish retailer of pet food and accessories (founded in 2006 by two entrepreneurs still active in the business).

In 2015, Musti ja Mirri Group acquired Zoo Support, owner of Arken Zoo and DjurMagazinet franchise chains in Sweden from Braganza AB. Zoo Support is the largest pet care retail franchise chain in Sweden operating under the brands Arken Zoo and DjurMagazinet. Zoo Support has 91 stores across Sweden and offers a broad range of products for pets and pet owners, such as pet food and accessories. Many stores also offer adjacent pet care services such as dog grooming and claw clipping under the brand Trimmis and veterinary services under the brand Vettris.

The pet retail market is growing at a steady rate. The demand is mainly driven by pet owners seeking higher quality and better services for their pets, which are to an increasing extent considered as equal members of the family.

Musti ja Mirri Group's most important stakeholders are its owners and employees, customers, financiers, authorities, suppliers and media.

Musti ja Mirri Group is committed to abiding to international law and national legislation. Furthermore, Musti ja Mirri Group wants to be a responsible member of society, carrying its economic, environmental and social responsibility. Musti ja Mirri Group is committed to making a positive contribution to the environment and society by developing and implementing responsible business practices that allow Musti ja Mirri Group to deliver financial success while conducting its business strategy and operations in a responsible manner. Musti ja Mirri Group's strategy and values are highlighted in all the Company's activities.

Musti ja Mirri Group is a member of the United Nations Global Compact ("UN Global Compact"), which means that Musti ja Mirri Group is committed to supporting the UN Global Compact's 10 principles within four focus areas: Human Rights, Labour, Environment and Anti-Corruption.

In the beginning of 2015, building on the Company's culture of environmental and social responsibility, Musti ja Mirri Group initiated a project to further strengthen the practical implementation of the 10 UN Global Compact principles through the creation of a formalized responsibility framework. When the project is finalized, Musti ja Mirri Group's sustainability work will continue as part of everyday work with a view of continuous improvement.

The UN Global Compact¹

The UN Global Compact is a platform for business and non-business entities to proactively network and engage in areas of human rights, labour, environment, anti-corruption and contributing to UN goals in

¹ Source: Overview of the UN Global Compact (<https://www.unglobalcompact.org/aboutthegc/>)

order to achieve the common objectives of building a sustainable and inclusive global economy. With more than 10,000 participants spread across 145 countries, the UN Global Compact is constantly expanding its reach and enhancing opportunities for engagement.

The following four sections describe Musti ja Mirri Group's work towards embracing, supporting and enacting of the UN Global Compact's 10 principles within the Company's sphere of influence, according to the following format: Assessment, policy and goals; Implementation and Measurement of outcomes.



Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Assessment, policy and goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment)

Description of policies, public commitments and company goals on human rights

General

Musti ja Mirri Group operates in Finland and in Sweden. Both countries are among the low risk countries according to Maplecroft's Human Rights Risk Atlas 2015. Therefore the immediate risk for serious human rights offenses in Musti ja Mirri Group's main operating countries can be seen as reasonably low.

Musti ja Mirri Group, however, has an indirect impact on human rights through its supply chain, especially through sourcing. Some of the countries Musti ja Mirri Group is sourcing from are e.g. on Business Social Compliance Initiative's ("BSCI") list of risk countries, especially China. Therefore the inherent risk for human rights abuses in Musti ja Mirri Group's supply chain can be seen as considerable.

Own activities

It is the responsibility of each Musti ja Mirri Group's employee to follow the UN Global Compact principles in their daily duties and to keep themselves informed on any detailed instructions and guidelines related to the principles.

Employees can, at all times, report any misconduct to their supervisors or to Musti ja Mirri Group management. The Musti ja Mirri Group corporate culture emphasises trust between people and encourages employees to express and communicate their concerns openly to management. Musti ja Mirri Group also has a whistle blowing policy and practices in use.

The employees in Finland have all signed a document referring to the UN Global Compact principles document when Musti ja Mirri Group joined the UN Global Compact in 2013.

Musti ja Mirri Group's aim is to have also the supervised workers, the employees working at stores, the employees at franchised stores and all the employees in Sweden to sign the document referring to the UN Global Compact principles during 2015-2016. The aim is also to prepare related training material for employees during 2015-2016. This will further strengthen the implementation of the UN Global Compact principles and other corporate responsibility related viewpoints.

Supply chain

Musti ja Mirri Suppliers must comply with all national laws and regulations. In addition to meeting national legislation, all suppliers must meet the provisions of the Musti ja Mirri Group's Suppliers' Code of Conduct. According to Musti ja Mirri Group's Suppliers' Code of Conduct, suppliers are to at all times to respect the fundamental human rights and the dignity of the individual, according to the United Nations Universal Declaration of Human Rights.

The majority of Musti ja Mirri Group's suppliers have signed the Musti ja Mirri Group's Suppliers' Code of Conduct. The Suppliers' Code of Conduct is in accordance with the 10 principles of the UN Global Compact. By signing the Suppliers' Code of Conduct suppliers are committed to operating according to the UN Global Compact principles.

By signing the Musti ja Mirri Group's Suppliers' Code of Conduct, suppliers also confirm that they will take action if they observe any failure to comply with the principles and standards in the Suppliers' Code of Conduct and its appendixes among its sub-contractors.

In addition, the supplier will notify Musti ja Mirri Group immediately if any breach or misconduct appears. Suppliers must be able to document their compliance, and if any conflicts are detected, suppliers must inform Musti ja Mirri Group immediately.

Musti ja Mirri Group is entitled to conduct (announced) audits at the suppliers' sites either by themselves or through third parties in order to verify compliance with the Suppliers' Code of Conduct. In the event of non-compliance, Musti ja Mirri Group requires its suppliers to be committed and engaged in remedying the non-compliance issues within the time schedule set out in the corrective action plan.

Musti ja Mirri Group seeks to continuously improve together with its suppliers and help them achieve compliance with the provisions of the Suppliers' Code of Conduct. Musti ja Mirri Group reserves the right to terminate any agreements should a supplier decide that compliance with the requirements of the Suppliers' Code of Conduct is impossible to obtain or the supplier shows repeated and / or serious disregard for the Suppliers' Code of Conduct.

If no solution can be agreed upon and implemented within a reasonable amount of time, Musti ja Mirri Group may choose to terminate the business relationship and / or suspend future contracts with a non-compliant supplier.

Implementation

Description of concrete actions to implement human rights policies, address human rights risks and respond to human rights violations.

Musti ja Mirri Group monitors its suppliers as part of the normal business related actions and cooperation. Musti ja Mirri Group's representatives regularly visit the suppliers' factories and premises to see that the suppliers are in compliance with Musti ja Mirri Group's requirements, which include respecting internationally recognised human rights.

A Musti ja Mirri Group representative has visited all dog food factories. So far the monitoring and factory audits have been mostly concentrating around food safety and quality viewpoints, but the general level of management and processes have also been checked. Visual checks, including product safety, quality and critical control points are always carried out. In a currently ongoing project, the product management process will be fully defined and documented, including the supplier acceptance phase.

Musti ja Mirri Group aims at knowing its suppliers well. As previously mentioned, the dog food factories' production facilities are always inspected. There are also only a limited number of pet food factories globally that can fulfil the strict requirements of top brands. Musti ja Mirri Group is sourcing from these

well-known suppliers, which have also been accepted by the global top-brands. New suppliers are always inspected for any alarming issues. Meetings with representatives of the existing larger suppliers are also held regularly.

At the moment audits and inspections are not covering a large variety of responsibility viewpoints, but Musti ja Mirri Group aims at making responsibility viewpoints a material part of the normal audit and inspection agendas and checklists.

Pet food traceability is a big part of product responsibility and safety. Traceability at Musti ja Mirri Group is developed through product traceability (traceability of product batches to customer level), product batch labelling (code / date on package), sales and delivery system. Every batch has a code and the code leads to the production line where the batch originated from. The factory laboratory has an obligation to store a sample of each batch.

The recall preparedness has to be of a high standard to be able to efficiently deal with potential problems regarding the quality and / or safety of pet food. Any problems are usually detected timely due to active customers and the short reaction time of the store personnel.

Measurement of outcomes

Description of how the company monitors and evaluates performance

At Musti ja Mirri Group human rights related performance is evaluated as part of the normal business practices. Musti ja Mirri Group does not at the moment have systematic processes or metrics in place to evaluate human rights related performance.

In case of any misconduct or non-compliance with the UN Global Compact principles, Musti ja Mirri Group management will take immediate action to deal with the situation and to assure future compliance with the UN Global Compact principles.

The responsibility work with suppliers is a continuous effort at Musti ja Mirri Group. Musti ja Mirri Group is planning to develop its responsible sourcing as part of its corporate responsibility framework, utilizing e.g. the BSCI list of risk countries (countries identified to have high risk for problems with e.g. working conditions).

In its own activities, Musti ja Mirri Group has not detected any indication that it would, directly or indirectly through its partnerships or associates, be complicit in activities in breach of the UN Global Compact Human Rights Principles.

In the beginning of 2015, building on the Company's culture and long history of environmental and social responsibility, Musti ja Mirri Group initiated a project to further strengthen the practical implementation of the 10 UN Global Compact principles through the creation of a formalized responsibility framework. The policies, processes and metrics to evaluate human rights related

performance will be developed as part of this project. When the project is finalized, Musti ja Mirri Group's sustainability work will continue as part of everyday work with a view of continuous improvement.



Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, policy and goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities)

Description of written policies, public commitments and company goals on labour rights

General

Musti ja Mirri Group's role as an employer is significant in the areas of operation. Musti ja Mirri Group has ca. 900 employees (June 2015), half of whom work in franchise stores. Over 80 % of Musti ja Mirri Group personnel are women and the typical person working at Musti ja Mirri Group is aged 29. The annual turnover of personnel at Musti ja Mirri Group is 8 %.

Own activities

The labour practices at Musti ja Mirri Group are guided by the Musti ja Mirri Group values, management principles and the personnel plan. Continuously motivating employees and maintaining a high level of well-being at work are the human resources cornerstones of Musti ja Mirri Group.

The Musti ja Mirri Group personnel plan outlines the development initiatives and activities related to human resources. A training plan and equality plan are expected to be finished by the end of 2015 and then included in the personnel plan.

Musti ja Mirri Group also has an activity program for employee protection and safety as well as a plan for occupational health and safety. On a very practical level Musti ja Mirri Group has issued an 'Welcome to Musti ja Mirri Group' leaflet for new employees. The leaflet presents Musti ja Mirri Group's way of working and includes e.g. the organisation chart.

According to the Musti ja Mirri Group's way of working, all employees at Musti ja Mirri Group have the right to equal and fair treatment. Harassment or discrimination of any kind is not tolerated.

Musti ja Mirri Group respects the freedom of association and employees' rights to advocacy and collective bargaining. Musti ja Mirri Group considers safety as a matter of primary importance and promotes safety together with all its stakeholders.

Supply chain

According to Musti ja Mirri Group's Suppliers' Code of Conduct, Musti ja Mirri Group's suppliers should not practice or condone any form of discrimination in the workplace in terms of hiring, remuneration, overtime, access to training, promotion, termination or retirement based on race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital status, pregnancy status, physical appearance, HIV status, age, or any other applicable prohibited basis, such that all individuals who are "Fit for Work" are accorded equal opportunities and are not discriminated against on the basis of factors unrelated to their ability to perform their job.

Suppliers have to ensure that employees are not subjected to harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion or intimidation in any circumstances.

According to Musti ja Mirri Group's Suppliers' Code of Conduct, the supplier must not engage in or benefit from the use of child labour. The minimum age for fulltime employment has to be not less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by local laws in accordance with the International Labour Organization ("ILO") developing-country exception).

The supplier has to refrain from hiring workers under the age of 18 for positions that require hazardous work that could jeopardize their health, safety or morals. If any children are found to be in employment below the minimum age, suppliers will provide adequate support to enable them to attend and remain in school until no longer a child. Child labour remediation processes will include steps for the continued welfare of the child and consider the financial situation of the child's family.

According to Musti ja Mirri Group's Suppliers' Code of Conduct, all forms of forced labour, such as lodging deposits or the retention of identity documents from personnel upon commencing employment, are forbidden as is prisoner labour that violates basic human rights. Neither the supplier nor any entity supplying labour to the supplier should withhold any part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the supplier. Personnel shall have the right to leave the workplace premises after completing the standard workday, and be free to terminate their employment provided that they give reasonable notice to their employer.

According to Musti ja Mirri Group's Suppliers' Code of Conduct, suppliers will not prevent employees from associating freely. Where laws prohibit these freedoms, suppliers will support parallel means for independent and free association and bargaining. Suppliers will not prevent collective bargaining and will adhere to collective bargaining agreements, where such agreements exist.

The supplier must comply with applicable national laws on working hours and public holidays. The maximum allowable working hours in a week are as defined by national law but shall not on a regular basis exceed 48 hours and the maximum allowable overtime hours in a week shall not exceed 12 hours. An employee is entitled to at least one free day following six consecutive days worked. Suppliers will provide employees with all legally mandated leave, including maternity and paternity, compassionate and paid annual leave.

Suppliers will pay all employees a wage based on the higher of either, the applicable legal minimum wage plus associated statutory benefits, or the prevailing industry standards. Suppliers will make payment to the employee on a regular and pre-determined basis and will accompany all payments by a wage slip which clearly details wage rates, benefits and deductions where applicable.

All workers must be provided with a written, understandable and legally binding labour contract. Provisions for non-permanent and seasonal workers should be no less favourable than for permanent workers. Suppliers will maintain appropriate employee records, including records of piece rate and wage payments as supplier as working hours, for all staff employed, whether on a full time, part time or seasonal basis.

Suppliers will provide safe and healthy working conditions for all employees in accordance with applicable law and other relevant industry standards, including, but not limited to, protection against fire, accidents and toxic substances.

The supplier should also formulate and maintain health and safety plans that clearly set out the measures to be taken to safeguard employees and others affected by its activities. The supplier should be expected to progressively identify and eliminate or control hazards that present a risk to employees and other persons present on its sites and to the environment.

The supplier must provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water, which meets the needs of its employees and is adequate for its employee numbers. Accommodation, if provided by the supplier, must satisfy the same requirements, including the general provisions on health and safety listed above.

Suppliers will provide employees with the necessary health and safety training and / or education and will secure that adequate systems to detect and avoid potential threats and to help continuously improving health and safety are put in place.

Appropriate procedures must be in place to prevent accidents and injury to health arising from, or linked to, the course of work-related activities and operations at a facility. Suppliers will establish emergency procedures and evacuation plans for all reasonably foreseeable emergencies. Suppliers will ensure that the procedures and plans are accessible or clearly displayed throughout their facilities.

The supplier must provide its employees with the protective equipment and training necessary to perform their tasks safely. The supplier must develop and maintain effective systems for informing and consulting employees on relevant health and safety matters. Through these systems the supplier must keep accurate records of accidents, injuries and known exposure to health and safety risks at work according to local legislation.

Implementation

Description of concrete actions to implement labour policies, address labour risks and respond to labour violations

Occupational health and safety

Musti ja Mirri Group offers employees occupational health services above the legal minimum requirements. The services are arranged by an external health services provider.

There has not been any serious work related accidents within Musti ja Mirri Group's own operations (office, stores, warehouse, logistics). Musti ja Mirri Group pays special attention to work safety and assures that e.g. safety equipment is used. It is obligatory to use safety shoes when working at the

Musti ja Mirri Group's warehouse. The Musti ja Mirri Group warehouse in Finland is regularly visited by the warehouse shelves supplier to inspect e.g. the safety of the shelves fittings.

Working hours and work contracts

Musti ja Mirri Group's employees are extremely committed. The challenge is to maintain work life balance since there is a heavy work load at the moment due to Musti ja Mirri Group's fast growth. Musti ja Mirri Group level organisation is also relatively thin, but the aim is to strengthen the group organisation to ensure work life balance for employees at the group level.

When it comes to Musti ja Mirri Group's supervised workers, the discussion around the so called 'zero-hour contracts' has been active in the media lately. These contracts tie the employee to the employer but the employer has no obligation to offer the employee any work hours. Musti ja Mirri Group has identified this issue as a potential risk and has been actively changing the 'zero-hour contracts' to frame contracts, where neither party of the contract is tied before the certain work shifts have been concretely agreed upon. There are no 'zero hour contracts' in use at Musti ja Mirri Group. The workers union in Finland has not given negative feedback on the currently prevailing frame agreement practice.

Employee well-being

Musti ja Mirri Group aims at being a fair employer and is strongly in favour of employee well-being and discussion on what it means in practice to be a fair employer. At Musti ja Mirri Group an employee job satisfaction survey is conducted annually. Year 2014 was the first year when the survey was conducted also in Sweden. The aim is to develop Musti ja Mirri Group's approach towards the Great Place to Work concept. The results of the survey have always been good, the general level of job satisfaction being at the level of 4.5 on a scale from 1 to 6.

Training and learning at work

Education, training and learning at work are highly appreciated at Musti ja Mirri Group and training opportunities are actively offered to its employees.

The chain director is responsible for training and human resources development (HRD) regarding Musti ja Mirri Group's stores. Musti ja Mirri Group's store employees receive regular e.g. business training. The store employees usually have deep knowledge and good competences on pet care, however could often benefit from more training on business related skills. The Musti ja Mirri Group store managers also receive regular business and human resources related training. The store employees are highly appreciated at Musti ja Mirri Group due to their unique knowledge on pet care and deep understanding of customer expectations.

The training for the supervised employees at the warehouse has been mainly concentrating on practical issues, such as first-aid training. In addition, job rotation at the warehouse offers supervised employees an opportunity to learn new skills and to advance in their careers. The employees are in general offered e.g. manager training.

At Musti ja Mirri Group it has always been important to put effort on employees' vocational education and systematic work has been done to promote education that aims for a diploma or a degree. Musti ja Mirri Group also cooperates with vocational education institutions to ensure the supply of high quality work force in the future. The managers are studying to receive e.g. a degree in business administration (upper secondary education) and the regional managers to receive a JET leader diploma (management diploma).

Benefits and remuneration

In addition to the basic monthly salary, a performance based incentive system has been launched at Musti ja Mirri Group. According to the rules of the program, the employees have the opportunity to a performance based bonus quarterly. At the moment, the incentive program applies to the store and warehouse employees.

Recruitment

The recruitment process at Musti ja Mirri Group is fair and treats all candidates in a respectful and equal manner.

The recruitment process for Musti ja Mirri Group store personnel has been documented and there are instructions for hiring in the recruiting handbook. The store managers are responsible for recruiting and can seek support from Musti ja Mirri Group's human resources manager. The vacancies are always advertised internally before being communicated externally. Musti ja Mirri Group orientation guidelines for store personnel already exist and the orientation guidelines for store managers are expected to be finalised during 2015.

There is no need for actual recruitments at Musti ja Mirri Group warehouse since some of the temporary employees employed through a labour leasing agency are made permanent on a regular basis. This practice meets the needs of the warehouse for new employees.

The recruitment process for other employees is run by the individual functions according to their needs. The human resources manager checks all the work contracts and the issues related to collective agreements.

Measurement of outcomes

Description of how the company monitors and evaluates performance

At Musti ja Mirri Group labour principles related performance is evaluated as part of the normal business practices. Musti ja Mirri Group does not at the moment have systematic processes or metrics in place to evaluate labour principles related performance.

In case of any misconduct or non-compliance with the UN Global Compact principles, Musti ja Mirri Group management will take immediate action to deal with the situation and to assure future compliance with the UN Global Compact principles.

The responsibility work with suppliers is a continuous effort at Musti ja Mirri Group. Musti ja Mirri Group is planning to develop its responsible sourcing as part of its corporate responsibility framework, utilising e.g. the BSCI list of risk countries (countries identified to have high risk for problems with e.g. working conditions).

In its own activities, Musti ja Mirri Group has not detected any indication that it would, directly or indirectly through its partnerships or associates, be complicit in activities in breach of the UN Global Compact Labour Principles.

In the beginning of 2015, building on the Company's culture and history of environmental and social responsibility, Musti ja Mirri Group initiated a project to further strengthen the practical implementation of the 10 UN Global Compact principles through the creation of a formalized responsibility framework. The policies, processes and metrics to evaluate labour related performance will be developed as part of this project. When the project is finalized, Musti ja Mirri Group's sustainability work will continue as part of everyday work with a view of continuous improvement.



Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Assessment, policy and goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities)

Description of policies, public commitments and company goals on environmental protection

General

Musti ja Mirri Group acts responsibly and continuously aims to improve its environmental performance. Musti ja Mirri Group respects the needs of future generations and aims at carrying its environmental responsibility by decreasing its own environmental impact. Environmental responsibility and improving environmental performance are key areas of Musti ja Mirri Group's responsibility work.

Own activities

Musti ja Mirri Group always seeks ways to recycle e.g. the packaging materials. Musti ja Mirri Group plans to offer training and education to its employees to help them to further understand the importance of environmental work and to deepen their knowledge on how to minimize the environmental impact.

Supply chain

Musti ja Mirri Group expects a positive attitude towards environmental responsibility also from its business partners and suppliers.

According to Musti ja Mirri Group's Suppliers' Code of Conduct, Musti ja Mirri Group's suppliers must comply with all relevant national environmental legislation. The suppliers must maintain awareness of current environmental legislative requirements relevant to the environmental impacts of its activities, products and services, and ensure legal compliance through training, awareness, operational control and monitoring.

Suppliers will, wherever appropriate, introduce management and operating systems to minimize the detrimental environmental impacts of its business practices.

Suppliers must not manufacture, trade, and / or use chemicals and hazardous substances subject to international bans due to their high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential for depletion of the ozone layer.

According to Musti ja Mirri Group's Suppliers' Code of Conduct, suppliers must dispose of waste substances in compliance with applicable law. Where applicable law does not exist, prevailing international standards will be adopted. Suppliers must seek to decrease emissions to air, water and land relative to production output.

Suppliers must also seek to ensure the efficiency of their business operations in terms of consumption of natural resources including, but not limited to, water and energy.

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents

Business travel

Musti ja Mirri Group welcomes the possibilities of new technologies and applies e.g. video conference facilities to reduce the amount of business travel. New video conference facilities have been installed in the offices in Finland and Sweden making it easier to organise internal meetings between the two countries. There is also a guideline for store personnel regarding their business travel.

Waste and recycling

Musti ja Mirri Group has initiated a collection and recycling of empty pet food bags at some of its stores. Recycling is an important environmental theme at the stores and the aim is to increase the amount of empty bags collected and recycled and also to apply the initiative to all Musti ja Mirri Group stores.

Another example of recycling at Musti ja Mirri Group is the reuse of packaging material at the warehouse.

Energy

To reduce its electricity consumption Musti ja Mirri Group is planning to fit all new stores with energy efficient LED-lighting.

Products

Musti ja Mirri Group has identified some potential environmental issues in its product selection and aims at discussing and addressing these issues in its future corporate responsibility program.

The issues have to do e.g. with packaging materials (tin cans vs. paper / cardboard bags), the amount of meat in pet food, the origin of protein in pet food, the carbon footprint of a pet, the durability of pet toys and also the opportunities to promote local or domestic supplier of pet food or accessories.

Logistics and transport

The environmental viewpoints are not taken into account at the moment when planning logistics. The aim is to discuss the opportunities to include environmental criteria into the evaluation and selection process of logistics suppliers. The criteria could include also e.g. the readiness of the supplier to report its own Green House Gas ("GHG") emissions footprint to Musti ja Mirri Group.

Industry initiatives

Musti ja Mirri Group is a member in a joint pet industry research project called Petnets. The project aims at finding ways to improve communication between pet owners and sellers of products and services, and thus improve customer service, identify new service business opportunities, and encourage people to become more responsible pet owners. The goal of the project is to create new service business models for Finnish pet industry. The project financiers are Tekes (the Finnish Funding Agency for Technology and Innovation), Aalto University and University of Helsinki along with corporate partners.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance

At Musti ja Mirri Group environmental performance is evaluated as part of the normal business practices. Musti ja Mirri Group does not at the moment have systematic processes or metrics in place to evaluate environmental performance.

In case of any misconduct or non-compliance with the UN Global Compact principles, Musti ja Mirri Group management will take immediate action to deal with the situation and to assure future compliance with the UN Global Compact principles.

The responsibility work with suppliers is a continuous effort at Musti ja Mirri Group. Musti ja Mirri Group is planning to develop its responsible sourcing as part of its corporate responsibility framework.

In its own activities Musti ja Mirri Group has not detected any indication that it would, directly or indirectly through its partnerships or associates, be complicit in activities in breach of the UN Global Compact Environmental Principles.

In the beginning of 2015, building on the Company's culture and history of environmental and social responsibility, Musti ja Mirri Group initiated a project to further strengthen the practical implementation of the 10 UN Global Compact principles through the creation of a formalized responsibility framework. The policies, processes and metrics to evaluate environmental related performance will be developed as part of this project. When the project is finalized, Musti ja Mirri Group's sustainability work will continue as part of everyday work with a view of continuous improvement.



Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, policy and goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment)

Description of policies, public commitments and company goals on anti-corruption

General

In the Transparency International's Corruption Perceptions Index 2015, Finland and Sweden rank extremely well, Finland 3rd and Sweden 4th out of 175 countries. Therefore the immediate risk for corruption in Musti ja Mirri Group's main operating countries can be seen as reasonably low.

Own activities

In 2013, Musti ja Mirri Group joined the UN Global Compact initiative which forms a basis for Musti ja Mirri Group's management practices.

According to Musti ja Mirri Group's way of working, Musti ja Mirri Group or its employees never give or receive money or gifts that could be interpreted as bribes. Musti ja Mirri Group employees are not allowed to use their position, their access to information or Company funds to pursue personal interests. Musti ja Mirri Group sells and markets products in an ethically sound manner and according to good business practices. Musti ja Mirri Group treats its business partners in an equal and honest manner.

Supply chain

According to the Suppliers' Code of Conduct, the suppliers are not to engage in any form of bribery, corruption, extortion or embezzlement in any business practices and transactions carried out by them or on their behalf by business partners. Suppliers are not allowed to offer, accept or countenance any payments, gifts in kind, hospitality, expenses or promises as such that may compromise the principles of fair competition or constitute an attempt to obtain or retain business from any person or to influence the course of the business or governmental decision-making process.

The supplier is also to refrain from offering funding, donations, lavish gifts and extravagant entertainment to any employee of Musti ja Mirri Group or any other counterparts in Musti ja Mirri Group in an attempt to influence business decisions.

According to Musti ja Mirri Group's Suppliers' Code of Conduct, suppliers must maintain financial accounts of all business transactions where required by applicable law and in accordance with national or international accounting standards.

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents

Musti ja Mirri Group's work contract for store managers categorically forbids accepting any gifts or benefits without the employer's (Musti ja Mirri Group's) written approval. The sourcing department also informs its employees to reject any gifts and other benefits offered by business partners. Musti ja Mirri Group aims at having and implementing clear and documented policy and guidelines on ethical and responsible behaviour targeted to all employees as part of its corporate responsibility program. Musti ja Mirri Group also has a whistle blowing policy and practices in use.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance

At Musti ja Mirri Group anti-corruption related performance is evaluated as part of the normal business practices. Musti ja Mirri Group does not at the moment have systematic processes or metrics in place to evaluate anti-corruption related performance.

In case of any misconduct or non-compliance with the UN Global Compact principles, Musti ja Mirri Group management will take immediate action to deal with the situation and to assure future compliance with the UN Global Compact principles.

In its own activities, Musti ja Mirri Group has not detected any indication that it would, directly or indirectly through its partnerships or associates, be complicit in activities in breach of the UN Global Compact Anti-Corruption Principles.

The responsibility work with suppliers is a continuous effort at Musti ja Mirri Group. Musti ja Mirri Group is planning to develop its responsible sourcing, including corruption prevention, as part of its corporate responsibility framework.

In the beginning of 2015, building on the Company's culture and history of environmental and social responsibility, Musti ja Mirri Group initiated a project to further strengthen the practical implementation of the 10 UN Global Compact principles through the creation of a formalized responsibility framework. The policies, processes and metrics to evaluate anti-corruption related performance will be developed as part of this project. When the project is finalized, Musti ja Mirri Group's sustainability work will continue as part of everyday work with a view of continuous improvement.