

## Due Diligence 2024

### Introduction

MERCHYOU s.r.o. is committed to upholding the highest standards of responsible business and transparency. Our due diligence processes not only enable us to fulfill legal and ethical norms, but also to prevent risks that could jeopardize our reputation and long-term sustainability. Thanks to these principles, we can ensure that our activities and those of our suppliers are in accordance with proper procedures and standards.

### Examining the Supply Chain

#### Key Principles:

- **Supplier Selection and Evaluation:** Our suppliers must meet strict criteria focused on compliance with our standards and environmental-ethical principles. We regularly review and update these criteria to ensure their relevance.
- **Supplier Auditing:** We conduct regular audits, including unannounced inspections, to ensure that our suppliers adhere to our standards in the areas of ethics, social issues, and sustainability.

#### What We Expect from Our Suppliers:

- Valid certifications according to GOTS standards (note that the supplier does not necessarily need to be GOTS certified in all cases, but must meet the basic principles of our due diligence, which largely coincide with GOTS), or other relevant standards.
- Financial stability and the ability to fulfill long-term commitments.
- Good market reputation and positive references from previous customers.
- Policies and practices that support sustainability in production and operations.

### Social and Labor Aspects

#### Key Principles:

- **Compliance with Working Conditions:** Suppliers must comply with all relevant labor laws and standards, including minimum wage, working hours, workplace safety, and healthcare.
- **Anti-Discrimination Measures:** We are committed to a policy of equality and non-discrimination in the workplace.
- **Measures Against Forced and Child Labor:** Suppliers must have clear policies and procedures against the use of forced labor or child labor.

#### What We Expect from Our Suppliers:

- Implementation of policies to protect working conditions and ensure workplace safety.
- Providing regular training to employees on their rights and workplace safety.
- Transparent communication and cooperation during audits and inspections.

### Environmental Measures

#### Key Principles:

- **Emissions Management:** Our suppliers must have systems and technologies in place to reduce air emissions and minimize their carbon footprint.
- **Waste Management and Recycling:** Suppliers must effectively manage waste, including recycling and reducing waste generation.
- **Resource Efficiency:** Suppliers should have systems in place for efficient use of resources, including water and energy.
- **Biodiversity Protection:** Suppliers should take steps to protect and preserve biodiversity in their surroundings.

#### What We Expect from Our Suppliers:

- Valid environmental certifications, such as ISO 14001.
- Establishment and maintenance of waste management and recycling systems.
- Regular reviews and improvements of environmental practices.

### Audits and Certifications

#### Key Principles:

- **Regular Audits:** Suppliers must be regularly audited to ensure their compliance with quality, safety, environmental, and social standards.
- **Valid Certifications:** Suppliers must maintain valid certifications and renew them as needed.

#### What We Expect from Our Suppliers:

- Full cooperation during audits and providing transparent information.
- Maintaining complete documentation and records of audits and certifications.

### Intellectual Property and Data Protection

#### Key Principles:

- **Intellectual Property Protection:** Suppliers must have effective policies and procedures in place to protect intellectual property, including patents, copyrights, and trademarks.
- **Data Security:** Suppliers must have systems in place to secure data and protect personal and sensitive information.

#### What We Expect from Our Suppliers:

- Regular training of employees on intellectual property protection and data security.
- Compliance with data protection laws, such as GDPR in the EU or similar local regulations.

### Communication and Stakeholder Engagement

#### Key Principles:

- **Transparency:** Our suppliers must be open in sharing information and actively communicate any changes or difficulties that may impact their qualitative, financial, or socio-environmental outputs.
- **Active Participation:** We expect suppliers to actively engage in initiatives and activities organized by the company that promote mutual understanding and collaboration.

#### What We Expect from Our Suppliers:

- Regular updates on policies and changes through newsletters and emails.
- Participation in workshops and seminars focused on the importance of due diligence, data protection, compliance, and sustainability.

By requiring these principles, we ensure that our suppliers and business partners share our values and commitment to responsible business. Together, we can achieve sustainable development and a positive impact on our society and the environment.