1. PURPOSE

As part of our commitment to doing business with Demo Plastik, we expect our suppliers and sub-suppliers to implement this guideline and to commit to maintaining the same social, ethical, and environmental principles while conducting their business. In addition, we expect our suppliers to carry out their activities in accordance with generally accepted ethical principles.

The principles below are based on, but not limited to, human rights principles and specifications:

- **United Nations Universal Declaration of Human Rights**
- **Sullivan Global Social Responsibility Principles**
- **International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work**
- **OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises**
- **ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**
- **Other relevant local laws or regulations**

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2. RESPONSIBILITIES

Demo Plastik suppliers are obliged to fully comply with the local laws and regulations applicable to them and with Demo Plastik policies, and they obtain bids from their sub-suppliers accordingly. This document sets out Demo Plastik's expectations and serves as a warning to our suppliers about the importance of carrying out their activities in line with the principles stated in this standard.

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3. HUMAN RIGHTS AND WORKING CONDITIONS

3.1 HEALTH AND SAFETY

Ensure the health and safety of employees and visitors by providing awareness, support, and necessary tools to identify and reduce potential health hazards and risks, and ensure compliance with all applicable legal requirements.

3.2 CHILD LABOR AND FORCED LABOR

Child labor is not tolerated, and the legal minimum employment age in the country where the work is performed shall be taken into account. Except for situations compliant with local legislation, employing persons under the age of 15 is prohibited. Any form of physically abusive disciplinary practices is not tolerated. Any form of compulsory or forced labor, including human trafficking, is unacceptable.

3.3 FAIR WORKING CONDITIONS

Working conditions, working hours, and compensation must be fair and comply with the regulations of the country where the work is carried out. National preventions and agreements in force must be followed for the regulation of working hours, overtime compensation for mothers, and legally required rights.

3.4 NO HARASSMENT OR DISCRIMINATION

Harassment or discrimination is not tolerated in accordance with applicable laws and regulations, including but not limited to age, race, religion or personal belief, color, gender, disability, national origin, marital/parental status. Pregnancy status or any characteristic prohibited by law or unrelated to the position may not influence decisions regarding recruitment, promotion, transfer, dismissal, benefit rates, wage rates, or other forms of compensation or benefits.

3.5 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Employees' freedom to join or not join a union in accordance with local laws shall be recognized and respected. Rules of various union organizations representing employees must be recognized, such as the employee's right to be represented or not represented by unions or other representatives established in line with local law and practice.

3.6 CONFLICT MINERALS

In the extraction and trade of tantalum, tin, tungsten, and gold ores, sourcing from the Democratic Republic of Congo should be avoided if it involves unethical or illegal channels, as well as the purchase or use of materials obtained unlawfully.

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4. ENVIRONMENT AND SUSTAINABILITY

Conduct business in an environmentally friendly and responsible manner by taking precautionary approaches to environmental issues and by designing and developing products that consider environmental impact and the potential for reuse and recycling.

For a full environmental commitment, suppliers should implement an Environmental Management System preferably based on ISO 14001 and certified accordingly.

Key topics include:

- **Energy consumption and energy efficiency**
- **Measurement and reduction of carbon emissions**
- **Water management and recovery**
- **Waste reduction, recycling, and circular economy practices**
- **Safe management of hazardous chemicals**
- **Protection of biodiversity and prevention of deforestation**

5. BUSINESS CONDUCT AND ETHICS

A high standard of accuracy, integrity, honesty, and fairness is required in all business activities. The implementation of codes of conduct is strongly recommended for our suppliers. In any case, all activities must be carried out in accordance with all applicable laws and regulations.

5.1 ANTITRUST AND COMPETITION

Strictly comply with all applicable antitrust laws, fair trade practice laws, and other laws, rules, and regulations. Do not enter into agreements with competitors or others that could unfairly affect competition, including but not limited to price fixing or market allocation.

5.2 ANTI-BRIBERY AND ANTI-CORRUPTION

Do not allow or tolerate any corruption, bribery, theft, embezzlement, extortion, or illegal payments intended to influence decision-making processes or violate applicable laws. Do not offer bribes, illegal payments, kickbacks, rebates, incentives, gifts, hospitality, favors, or any benefit of value in any form in exchange for business opportunities related to Demo Plastik's commercial activities.

5.3 CONFLICT OF INTEREST

Disclose actual or potential conflicts of interest, including situations where a business partner is a close family member/relative of a Demo Plastik employee or a close friend employed by Demo Plastik. Suppliers must also disclose if a Demo Plastik employee has an ownership share in their company (except for holdings under 1% in securities of an issuer listed on a recognized stock exchange or actively traded on an over-the-counter market).

5.4 EXPORT CONTROLS

Comply with all applicable import and export control laws, including sanctions, embargoes, and other laws, regulations, government orders, and policies controlling the transmission or shipment of goods and technology.

5.5 DATA PROTECTION, CONFIDENTIAL INFORMATION, AND INTELLECTUAL PROPERTY

Comply with all data protection laws to ensure that confidential business information or trade secrets obtained through commercial activities with Demo Plastik are kept confidential and are not misused or disclosed to third parties. Ensure that Demo Plastik's intellectual property is properly protected in relation to others and respected.

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6. SUSTAINABLE PROCUREMENT

Systematic use of sustainability criteria in companies' procurement processes:

- **Supplier evaluation systems**

- **Performance scoring and improvement plans**
- **Continuous monitoring and auditing**
- **Local and diverse supplier development programs**

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7. COMPLIANCE

Suppliers must report any non-compliance with this policy to the relevant purchasing personnel. In the event of non-compliance with any of the principles stated above, Demo Plastik reserves the right to terminate the business relationship with any supplier early and/or to rank supplier performance and provide technical support to suppliers, as appropriate, to jointly define necessary remedies.

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8. IMPLEMENTATION OF SUPPLIER SUSTAINABILITY

8.1 DEFINING POLICIES AND EXPECTATIONS

The company announces the sustainability standards that suppliers must comply with through a clear "Supplier Sustainability Policy."

8.2 SUPPLIER SELECTION AND ONBOARDING

In selecting new suppliers, sustainability criteria are evaluated alongside price and quality. During onboarding:

- **Human rights commitments**
- **Environment and occupational safety compliance documents**
- **Ethical codes of conduct are signed.**

8.3 ASSESSMENT AND SCORING

Suppliers are evaluated periodically. Common methods include:

- **Questionnaires (self-assessment)**
- **ESG scoring systems**
- **Third-party audits (e.g., EcoVadis, etc.)**

8.4 IMPROVEMENT PLANS

For low-performing suppliers, "Corrective / Preventive Action Plans (CAPA)" are prepared together.

8.5 MONITORING AND CONTINUOUS IMPROVEMENT

Sustainability is not a "one-time check" but a process of continuous improvement. KPIs are monitored. Example KPIs for measuring success:

- **Supplier sustainability audit rate (%)**
- **Number of suppliers reporting carbon emissions**
- **Annual reduction rate of OHS (occupational health and safety) non-conformities**
- **Share of recycled / sustainable raw material usage**
- **Percentage of suppliers passing human rights audits**
- **Spending percentage with diverse/local suppliers**

CHALLENGES ENCOUNTERED

- **Different legal standards in different countries**
- **Difficulty in monitoring the sub-supply chain**
- **Resource constraints of small suppliers**
- **Lack of data verification and transparency**
- **Conflict between price pressure and sustainability goals**

These challenges can be overcome through training, cooperation, and incentive mechanisms.