

MERCHYOU®

**CODE OF  
CONDUCT**

2021



# Purpose and aims

## of our Code of Conduct

This Code of Conduct defines our basic values and principles of production and ethical approach in relations with our stakeholders. It covers topics such as fair dealings, responsible choice of our business partners, ethical and sustainable standards in the field of employment and the environment, personal information and company's intangible assets security, communication of our principles and regular revision. Our Conduct can be also used as a useful reference point for creating individual conduct.



**Drahoš**

**Šišovič**

**co-founder**

We at MERCHYOU aim to conduct business to the highest standards of honesty and integrity, respecting our business partners as well as colleagues and the environment. From the very beginning, we have been working towards being as environmentally friendly as possible in every aspect of our production process. Because we are eco-conscious in our daily lives, it is indeed natural to do business this way as well.

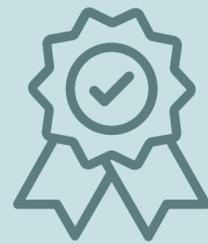
As a business, we always strive to offer the very best solutions to our business partners and customers. As a team, we work in accordance with the principles and values that are included in this Code of Conduct.





# Our values

## Maximum quality



We strive to provide the highest quality of our products and service for the customer. We perceive quality as a contribution of every employee. Responsible approach and reliability are essential. We work to the best of our knowledge and ability, we put the seal of quality on each of our activities.

## Improvement and sustainability



We are constantly learning, developing and looking for a more efficient and more sustainable solutions that will provide the best quality with regard to our principles of sustainability and ethics.

## Teamwork



We truly enjoy our work and the creation process with our customers. We are a team working together and supporting each other.



# Our mission

Our mission at MERCHYOU is to provide the best quality printed and other branded textile products and service, to produce ecologically and ethically in the most sustainable way possible, with consideration of all needs of our stakeholders. We aim to lead the change in the printed textile market to make it more sustainable as the technologies evolve. And we promise to keep changing it for better future.





# Commitment

Who does our Code apply to?



Our Code sets out our minimum standards and expectations for all MERCYOU employees and management, business partners and suppliers.

MERCYOU employees are individually responsible for acting in accordance with our values and principles every day to protect the company's reputation.

MERCYOU management is responsible for the creation, communication, implementation, regular review and continuous improvement of the environmental and ethical standards. Management expands corporate values by its own example through appropriate leadership.

We strive to ensure that our business partners and suppliers share our standards and values. We therefore expect that any other cooperating party will adhere to the principles of our Code and other agreements.





# Ethical Behaviour

Applying ethical business, marketing and advertising practices with honesty and integrity and ensuring the quality and reliability of the products provided is the basis for us.

## Law, standards and regulations

We comply with the law, standards and regulations and requirements for transparency and fair trading related to our business. We pay levies and taxes properly. We use the provided information and technical equipment in accordance with the law and business agreements. Each employee complies with the relevant legislation and internal company regulations.

## Fair dealings

We do not engage in, tolerate or support any anti-social activities, corrupt practices, embezzlement, cartels, extortion or any other methods of unfair business dealings.

We do not give or accept any form of bribery or other benefits that goes beyond the ethical framework.





# Ethical Behaviour



## Competition

We are committed to providing customers with excellent service and products and to constantly improve in the field of our competition, but always with respect and fairness.

## Sustainability

We are responsible for the impact of all our activities, which is why an ethical and sustainable approach in our company is one of the basic values.



**In case of any breach of our values, business requirements and specifics set out in the business and employment contracts and their non-remediation in a timely manner, we terminate the business relationship.**





# Ethical Behaviour

## Friendliness and respect for customers and stakeholders

We value every customer and stakeholder, their satisfaction is paramount for us. We do our best to accommodate new requirements and offer new solutions. We value partnerships based on mutual respect and responsibility not only in external relations but also within the company.

We communicate openly, truthfully and honestly. We respect the opinions and needs of each employee and create space for their decent and open expression and we listen carefully. We give regular feedback and we consult. We make sure we understand each other.

We respect membership in organisations that represent and protect employees' rights and interests.

### **We respect each other**



Our partners - customers, business partners, suppliers and others

Our team members - colleagues, supervisors.





# Ethical Behaviour



Equality, diversity and worker rights

We are a fair and equal employer that celebrates diversity and inclusion. It does not matter the age, gender, race, ethnic origin, nationality, religion, sex, sexual orientation, marital or health status.

We do not tolerate child labour, any form of slavery, extortion or forced labour. Discrimination, bullying and harassment and other unethical examples of behaviour have no place at MERCHYOU in all company structures, positions and processes. On the contrary, our goal is to strengthen our employees through respect for their uniqueness, support and inclusion.

Our aim is to maintain a safe working environment. If we witness unreasonable or offensive behaviours towards someone, we will speak up.





# Ethical Behaviour

Equality, diversity and worker rights



At MERCHYOU, we adhere to all International Labour Organization standards in accordance with fundamental human rights. We are responsible for providing safe and decent working conditions for our employees at all levels of the company. We expect our business partners and suppliers to share our high standards.



Working hours meet industry standards and comply with legislative requirements, including conditions for overtime pay, work on weekends or holidays, etc.

**At MERCHYOU, we support personal and collective responsibilities for creating a healthy and safe work environment, including mental health and well-being in the workplace.**





# Ethical Behaviour



Equality, diversity and worker rights

## Fair and living wages



We value the time, knowledge and skills of each employee. Employees are paid fair wages above the average of the region that are adequate for the performance of individual positions. All employees are informed of their payment terms before starting the work.

## Health and Safety



We provide a safe and healthy working environment in accordance with the legislative requirements. We follow policies and principles that analyse and take into account safety and health risks in the manufacture of our products. Employees are properly trained and they follow them in their work in order to prevent accidents. If there is danger, every employee is obliged to notify his co-workers and supervisors. Management shall take immediate action to eliminate safety and health hazards.





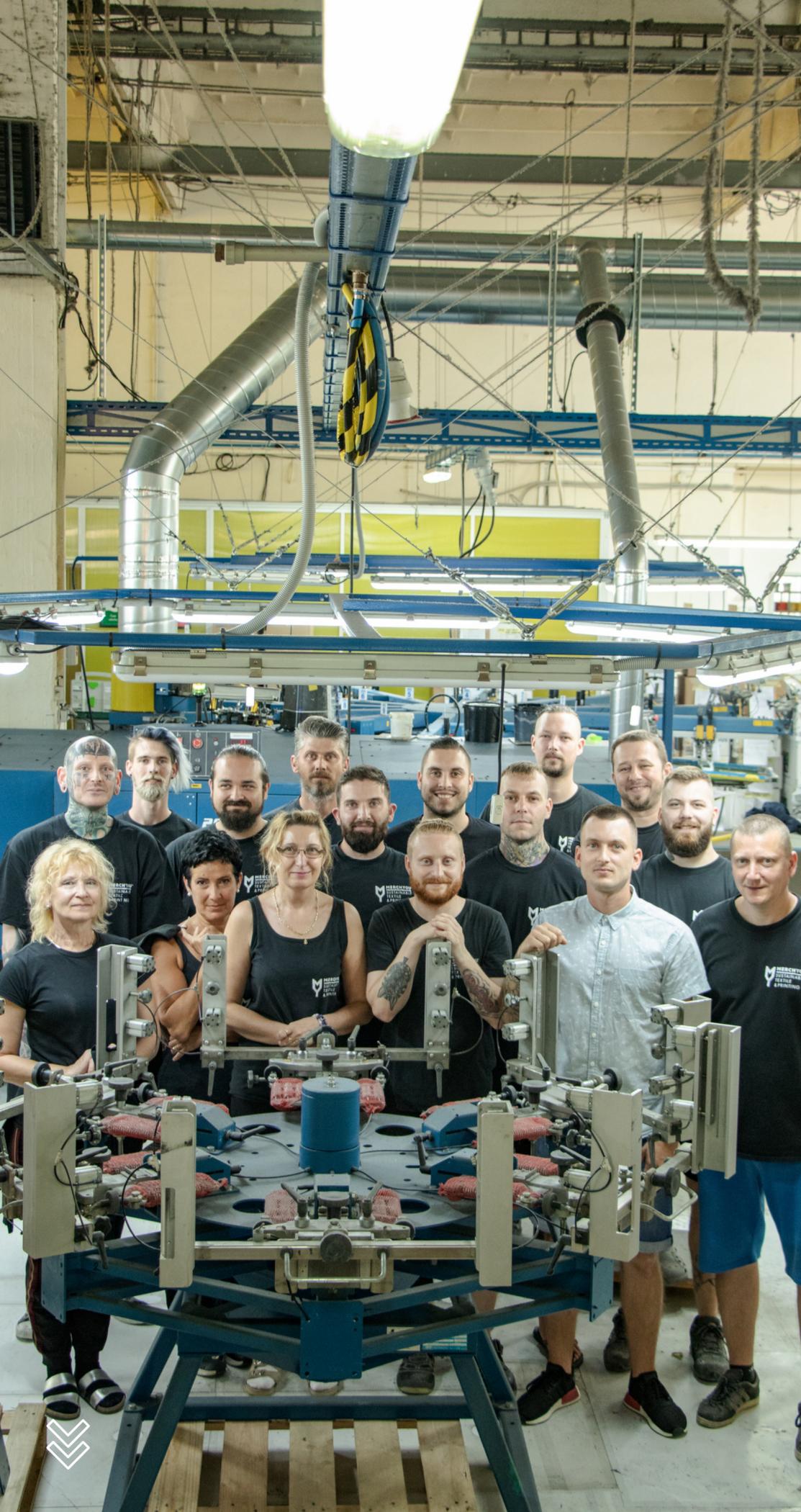
# Management support



In our work environment, at all levels and positions, we do not tolerate any manifestation of physical, mental, sexual or verbal violence. If an employee feels such pressure, they shall contact their manager, who will immediately take confidential steps to prevent further pressure and determine the consequences of violating our policies.

**We not only respect all the basic rights of employees, but we also monitor the maintenance of ethical working conditions and compliance with GOTS standards. Our production and working conditions are regularly inspected by independent certification bodies.**





# Teamwork and expertise



## Cooperation

We work together on tasks and projects. We provide moral and technical support for teamwork. We provide information about our work, procedures and knowledge to all interested parties. Every employee has the right to information concerning his work or the operation of the company.

## Active participation in the fulfilment of our goals

We are all responsible for MERCHYOU results. We set ourselves ambitious and realistic goals and work effectively towards fulfilling them. No one is punished for mistakes unless they have made them intentionally, arbitrarily violating the rules and regulations, or recklessly.



## Qualification and skills

We educate ourselves in all areas of activity and work so that we can use modern knowledge and constantly improve. We are actively involved in improving our qualifications and expertise. We use the acquired knowledge for the benefit of MERCHYOU and our partners.





# Sustainability

Our protection of the environment and the human and animal rights



**At MERCHYOU, we are committed to the highest standards of sustainability.**

We are aware of the effects that irresponsible production can have and what environmental challenges the whole world must now face. That is why we strive to make our actions and production as environmentally friendly as possible.

## We are GOTS certified



The Global Organic Textile Standard (GOTS) is recognised as the world's leading processing standard for textiles made from organic fibres. It defines high-level environmental criteria along the entire organic textile supply chain including printing and requires compliance with social criteria as well.



GOTS certification ensures compliance with strict criteria throughout the whole supply chain – from harvesting of the raw materials through environmentally and socially responsible manufacturing and printing all the way to labelling – in order to provide credible assurance to the customer.



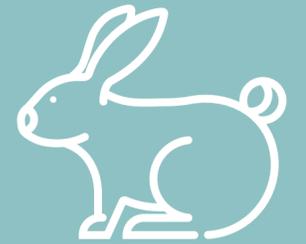
GOTS certification is granted by an independent, specially accredited certification body approved under GOTS and all operations are regularly inspected. Thanks to regular inspections we are constantly improving the efficiency and economy of our production processes.





# Sustainability

Our protection of the environment and the human and animal rights



## We are PETA-Approved Vegan



PETA, People for the Ethical Treatment of Animals, is an international non-profit organisation dedicated to the protection of animal rights. PETA fights various forms of animal cruelty, whether in laboratory experiments, food and clothing production or entertainment.



In our production, we do not use any materials of animal origin and all our inks and auxiliary materials are vegan. Through the PETA-Approved Vegan certificate, we at MERCHYOU guarantee that no animal tests are and will ever be performed in the manufacture of our products.

## We are FAMA certified



Facility and Merchandise Authorization (FAMA) is the certification authorised by Disney.

Through the FAMA certificate we have committed to respecting human rights, monitoring the safety and integrity of products, and reducing the environmental footprint of our supply chain.

## Sustainable Development Goals (SDGs)



We are a member of the Association of Social Responsibility, through which we are committed to meeting the UN goals for sustainable development - Responsible Consumption and Production and Partnership for the Goals.





# Sustainability

## Monitoring and analysis



We strive for responsible production and through our Internal Environmental Protection Program we analyse and reduce the impact of our activities on the environment. We carry out life cycle analysis of our products, increase production efficiency and reduce the consumption of energy, water and raw materials. We keep technological equipment in a state of maximum ecological safety.

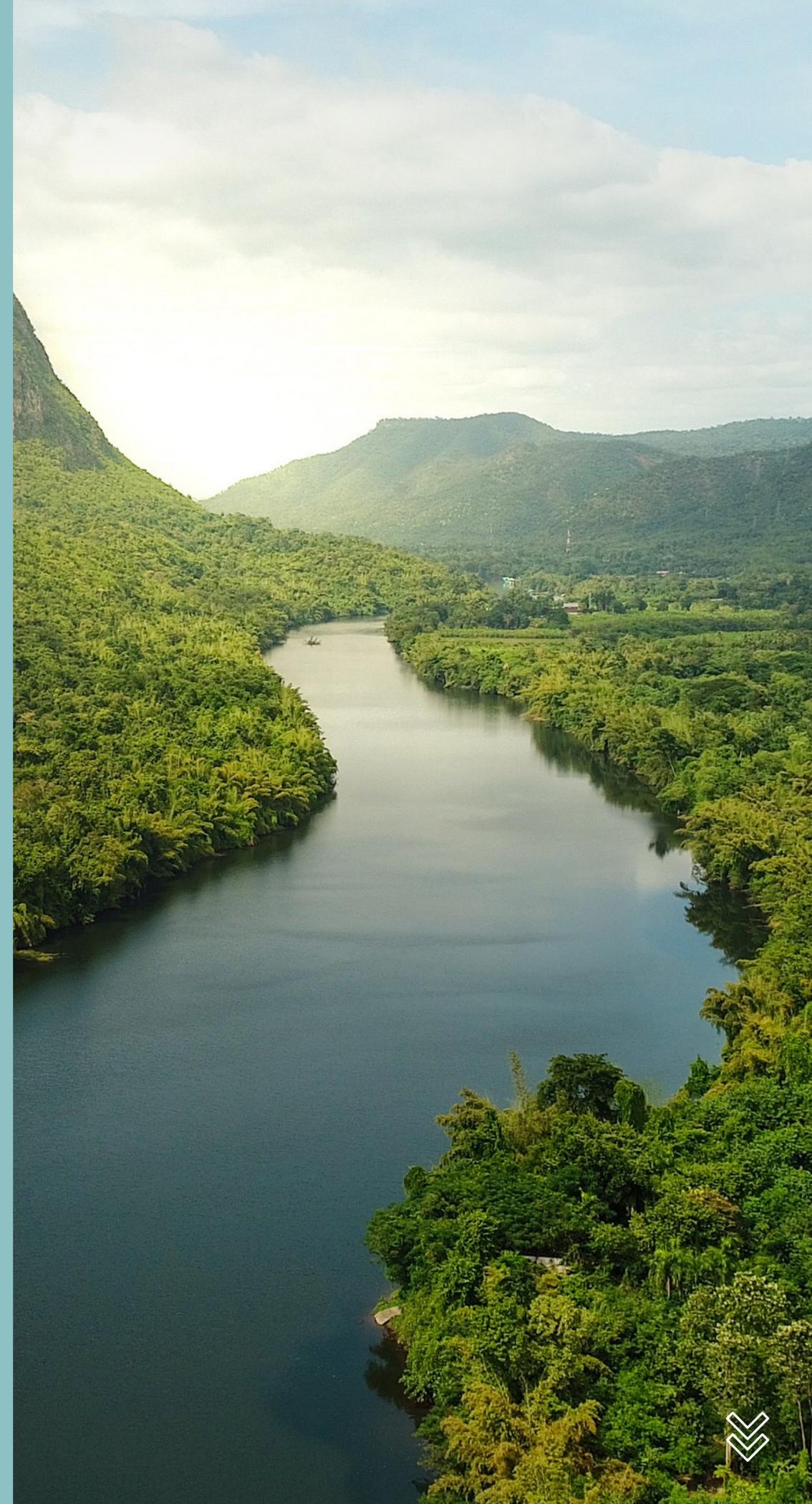
## Water care



With GOTS printing, we use 70% less water. Before discharging into the waste, we filter the water in two-phase sedimentation. An independent laboratory regularly chemically tests the wastewater in our production to make sure it does not contain hazardous substances.



We buy electricity primarily from suppliers who supply a high proportion of energy from renewable sources.





# Sustainability

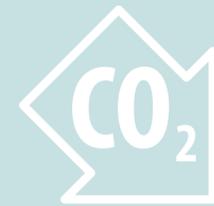


## Certified inks and materials



We print exclusively with eco-friendly inks, which do not contain any heavy metals, phthalates or other harmful chemicals. We use a special adhesive based on a more sustainable water base.

## CO<sub>2</sub> reduction



The carbon neutrality of our production is one of the most important sustainable goals we are aiming for.

## Waste management



We will never knowingly allow excessive production and discharge of pollutants. We work so that raw materials and energy are not wasted. Specialised company liquidates harmful waste for us. And of course, we recycle all the waste. In addition to regular recycling, we also sort textile, clean paper and plastic, which we sell directly for further use in accordance with the circular economy.





# Sustainability

## Packing



When finalising the product and preparing it for transport to the customer, we use packaging that ensures protection of the product and at the same time is recyclable, degradable and reusable and does not contain any hazardous substances.

We handle the waste generated from our packaging responsibly. We are registered with the Ministry of the Environment and how we handle waste is controlled by the local Producer Responsibility Organisation.

## Transport



For the transport of the final product, we use the services of such carriers who ensure the protection of the product during transport so that it maintains its quality and their vehicles comply with all standards of environmental protection, especially CO2 emissions.





# Business Partners

## Our customers



Our approach to clients is reflected in our core values and general principles of ethical behaviour (see above). We strive to build strong relationships with our clients by sharing our ethical and environmental values and fulfilling them in the form of the product of their wishes. In relation to our clients, fairness and transparency are important to us.

In our work, we strive to bring real value to our customers, which is reflected in both quality and sustainability. In cooperation, we respect all legislative requirements for customer protection and constantly strive to improve our procedures so that the overall ordering process is as efficient as possible.



### **Our General Business Conditions**



**are available on our website at all times.**

If the client acts against our values and is not willing to take corrective action, we immediately terminate our business relationship.



# Business Partners

Our suppliers



Our relationships with business partners are primarily based on their careful selection in accordance with our values (see general principles of ethical behaviour). We strive to build strong business relationships in which we can share our ethical and environmental principles.

Before and during the cooperation with our suppliers, we make sure that the other party meets our standards, our cooperation will bring the required value to our customers, they meet legislative requirements, do not fall into the category of risks to people and the environment, and manage their environmental impacts.

We require our suppliers, whether at the level of production of textile, inks, auxiliary materials or technologies, to act in accordance with the requirements set out in this Code of Conduct and the specifics in the contractual documents. In case of a breach without immediate remedy, we terminate our business partnership.





In our business activities, we always consider the protection of ours as well as customer's intangible assets, such as know-how, trademarks, etc., and we act in such a way as to prevent their misuse.

# Data Protection



## Personal information and intangible assets



We keep confidential information inside the company. We comply with all legislative regulations, such as GDPR, and take steps to maximize the protection of confidential and personal data of the company and all stakeholders, such as employees, clients and suppliers.



Our clients are familiar with our steps regarding the protection of personal data in our General Business Conditions and Personal Data Protection. All data provided by the customer is stored and protected against misuse.



We are constantly striving to improve our systems and processes to meet the data protection requirements and prevent potential threats. Thanks to the use of modern IT tools and the training of our employees on how to properly handle sensitive data, systems and accounts in our work, we protect all information and thus trust in our company.





# Communication

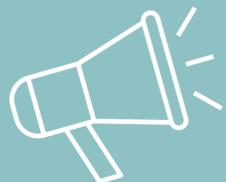
## of our Code



At MERCHYOU we make sure our individual measures and principles reach all levels of our company and can thus be fully reflected in every work step.



The principles of this Code of conduct are formulated in more detail in internal and partnership agreements and are reflected in communication at regular meetings, training programs and further information about changes and future directions.



At the external level, our principles are communicated mainly through our General Business Conditions, marketing and business communication, emphasising sustainable and ethical choices.



We are aware that any effort to fulfil our values and improvement would be wordless without feedback. Thanks to regular independent inspections by Soil Association we can further develop and adopt new and better policies and measures.



**MERCHYOU<sup>®</sup>**

**THANK YOU FOR  
JOINING US ON OUR JOURNEY  
AND CREATING BETTER AND  
SUSTAINABLE FUTURE WITH US!**



**2021**

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