

The sustainability contract of Demeca`s suppliers (=SCS -contract)

1 Parties

Buyer:

Name: Demeca Oy

Address: Haapakoskentie 84, 86600 Haapavesi, Finland

Business identity code: 2224040-0

Supplier:

Name:

Address:

Business identity code:

Later in this document Demeca and supplier are together named as the parties and supplier is named as the party.

2. Background and purpose

Before the business contracts are signed the Parties shall sign the SCS-contract. Demeca can also ask the existing partners to sign this agreement. The purpose of this agreement is to agree among the parties about the policies, thus ensuring that the parties supplying products, components, or services to Demeca, as well as the supply chain partners of these parties (later called as supply chains) will be acting sustainably. Demeca and suppliers are collaborating aiming to enhance the safety of working conditions, fairness, sustainable usage of environment, and sustainable conducting of societal things in Demeca`s supply chain. The parties aim to continuous development of their activities.

3 Administrative policies

3.1 Compliance with laws

The party shall respect the laws and regulations of the countries where they are acting so that all workers are liable to recognize this policy.

3.2 Trade: taking sanctions into consideration

The party shall comply with all the reasonable export limitation laws and statutes, including sanctions which has been set by US, UN, EU, UK, EU member states and /or EEA, or any representative of these.

3.3 IPR and saving of data and personal data

The party shall comply with all the reasonable laws and international contracts regarding IPR. The party shall not break Demeca`s IPR or IPR of a third party. The party shall comply with reasonable laws every time when it is processing personal data or other data.

3.4 Participation to political activities

Demeca is actively participating into societal discussion meanwhile it is collaborating with all political policymakers. As a company we don`t aim to effect to the political opinions of people and on the other hand we appreciate generally the freedom of individuals in political issues. We expect that the party will not utilize its status as our supplier or our partnership aiming to enhance political goals, which contradict laws, statutes or Demeca Code of Conduct (which can be found from Demeca`s web page, in point Sustainability).

3.5 Enhancing good “owner`s control”

We avoid interest conflicts between the company and an individual, and we expect that the party will comply with our policy. We expect that the party will solve all potential or existing conflicts of interest, either being directly or un-directly connected to Demeca or Demeca`s workers.

3.6 Fair competition and advertising

We take the competition law and right to fair competition into account, and we expect the same policy from the party. The party or its representative shall not participate in any activity which is distorting competition.

3.7 Anti-corruption

Demeca has zero tolerance against bribery and corruption and expect that the party complies with our policy. The party shall ensure that its leaders, workers and third parties representing the party will not offer, promise, give, or accept any bribes or do or accept any wrong payments, which could enable wrong benefits or enhance any wrong activities.

3.8 Money laundering

The party shall try to prevent money laundering in its all forms.

3.9 Sustainable business

The party shall take care of its profitability and risk management, including insurance policy. The party ensures that the finance will be saved from losses and inappropriate usage, as well as that the finance will be used for legal purposes.

4 Human rights and rights of workers

4.1 International statements of human rights and rights of workers

The party shall appreciate and comply with the human rights, which include compliance with the human rights contracts of United nations (UN), Council of Europe (CoE) and the International Labour Organization (ILO).

4.2 Clauses of employment contract, wages and working times

We expect that the party ensures fair employment in its activities. The party shall follow the applicable laws regarding acting as an employer, and ensure workers' rights to: relevant wage, working time in accordance with recommendations, and to social safety.

4.3 Freedom to join trade union associations and joint negotiations

The party shall respect their workers' rights to freely and voluntarily join trade unions – according to their choice – in order to enhance and defend their professional interests. This must be enabled without need to be worried of scaring or revenge, and in compliance with national laws.

4.4 Equal and fair treatment without scare of discrimination

Our activities are based on equality and our behaviour against each other is professional and fair, and we expect the party to comply with these policies. The party shall offer an equal possibility and treatment in the employment contract and the party can't discriminate anyone on the basis of their gender, age, race, religion, or any other characteristics which could lead to discrimination. All workers have rights to be treated with dignity, and there must be zero-tolerance against harassment and teasing in its all forms (direct, in-direct, verbal or psychological).

4.5 Health and safety

We are committed to offer a safe working environment to all people in our supply chain, and we expect the party to comply with this policy. The party shall offer to its workers a healthy, safe and risk-free working place and they must follow the laws and statutes which suit to these activities.

4.6 Forced labour and modern slavery

The party shall not organize forced working in any forms, and workers can freely finish their working contracts according to term of notice. Workers shall not be demanded to give to employer any deposits or personal documents as warranty.

4.7 Actions against using child workers

The party ensures that it will not hire any workers under the minimum age set by ILO (minimum age means the age when compulsory education ends, or minimum 15 years), or at least 14 years in countries where education conditions are un-developed. Workers under 18 years shall not be hired for a dangerous work or a work which cause threat for their personal development and their personal benefits must be the first priority.

5 Environmental safety

Environmental sustainability is extremely important to Demeca and we expect that the party supports the preventive approach in the environmental challenges. The party will be guided to recognize and monitor the environmental effects in its own activities and encouraged to implement actions for continuous development. The party shall follow all the relevant environmental laws and statutes, as well as applicable standards and the environment licences in the jurisprudence of its business. Demeca will start initiatives to enhance bigger environmental sustainability and we expect the same from our party.

5.1 Lawfulness of materials and conflict materials

Demeca and its suppliers will take care of that the bought materials have been purchased from legal and ethical sources.

6 Open communication and reacting if SCS contract or Demeca Code of Conduct will be broken

Demeca carries on the open communication policy and it includes also the situations when SCS contract might be broken: we expect that the party will comply with this practice. The party can also report of this kind of situation through the Whistleblower channel which can be found from the Demeca`s web page in point Sustainability. The real time announcements of possibly broken CSC or Code of Conduct will enable corrective actions and minimizing the effects as soon as possible.

7 Supply chain of the supplier

The party shall ensure that its supply chain is committed to comply with the policies of this contract. The party shall also provide a list of its sub-contractors, who`s products effect to the quality of Demeca`s products or activities. The party must be committed to change a sub-contractor if quality deviations will be detected.

8 Monitoring and surveys

Demeca has a right on a periodic bases to make a survey if the party is acting according to the CSC contract and the party shall provide the needed documents for this purpose.

9 Validity and termination

This contract becomes valid when both parties will sign it and the contract is valid until the collaboration continues.

Date

Date

Pekka Vinkki, Demeca Oy

Supplier:

Signature

Signature