



POLICY STATEMENT





OUR CONTRIBUTION TO THE WORLD OF TOMORROW – OUR RESPONSIBILITY

As the market leader in Austria and a trusted partner in over 35 countries worldwide, we are mindful of our social, economic and environmental responsibilities and are committed to protecting human rights, conserving natural resources and preventing adverse impacts on the environment. We want to help ensure that, in the world of tomorrow, peaceful and fulfilling coexistence is possible for future generations too.

Through our commitment to protecting the environment and strengthening human rights, we aim to foster a shared understanding among all stakeholders within our Group and across our entire supply and value chain.

As a family-owned business with a tradition spanning over 145 years, it has always been and remains our aim to operate sustainably and responsibly, and to take responsibility for our actions and the impact of our decisions on the people around us and those who work with us.

Kind regards,

Erwin Kotányi
Managing Director



OUR CORPORATE VALUES – OUR COMMITMENT TO RESPECTING HUMAN AND ENVIRONMENTAL RIGHTS

Trust and good cooperation, as well as high ethical and social standards, are important principles that form an integral part of our corporate values and thus also serve as a guiding principle for all our activities. We firmly believe that upholding our corporate values of “passion, creativity, family spirit and entrepreneurship” will continue to ensure the success of our company in the future. We have enshrined these principles of conduct in our Code of Conduct, which has been communicated to all employees of the company and is intended to guide us in demonstrating responsible and ethical behaviour in business life and in our daily interactions. Through regular training, we aim to ensure that all employees understand our Code and adhere to it fully, wherever they may be.

With this statement of principles, which, alongside our Code of Conduct, forms an integral part of our appreciative, respectful and sustainable corporate culture, we wish to underpin our commitment to respecting human rights in accordance with the following internationally recognised standards and guidelines, and to make this commitment transparent to all our stakeholders:

- ◆ United Nations (UN) Universal Declaration of Human Rights
- ◆ United Nations Guiding Principles on Business and Human Rights (UNGPR)
- ◆ Conventions and Recommendations of the International Labour Organisation (ILO) on labour and social standards
- ◆ Principles of the United Nations Global Compact (UNGC)
- ◆ United Nations Sustainable Development Goals (SDGs)
- ◆ ETI Base Code (Ethical Trading Initiative)

In all countries where we conduct business, we are committed to complying with applicable laws and internationally recognised human rights and environmental standards. We expect the same from our business partners, so that together we can achieve what we have set out to do with our visionary approach.

For us, it is self-evident that our employees should base their daily actions and decisions on the guidelines set out in this policy statement and our Code of Conduct, and that they should live by them. Identical obligations are enshrined in the Supplier Code of Conduct, which we require our suppliers to adhere to.

OUR DUE DILIGENCE PROCESS – OUR APPROACH

We have subjected our entire supply chain to a risk assessment and are making every reasonable effort, through active issue management, data collection and direct dialogue with our suppliers, to identify potential weaknesses in the supply chain that cast doubt on the protection of human and environmental rights, and to implement necessary improvement measures within our sphere of influence.

However, respect for human rights throughout the supply chain does not stop at our company's doors. We are an Austrian family-run business operating in a country with high social standards and clear labour laws. To ensure awareness of socially and ethically sound conduct within our own ranks and respect for human rights at all stages of production in collaboration with our suppliers, we regularly conduct group-wide risk analyses and derive measures from these to minimise identified risks, compensate for any damage caused where necessary, and capitalise on opportunities. To fulfil our duty of care, we require our employees in the areas of procurement, sustainability, supply chain management and human resources to undertake regular awareness training on the topic of 'human rights in the supply chain'.

Compliance with the requirements of our Code of Conduct is verified through internal audits. In addition, we have established an internal reporting system so that whistleblowers – in accordance with Austrian legislation – can report (suspected) violations anonymously and thus confidentially, provided they become aware of legal violations in the course of their professional activities.

We place great importance on reporting regularly, transparently and openly on our contribution to sustainability, particularly in relation to environmental and climate protection and social justice.



OUR DUTY OF CARE – OUR PRINCIPLES

Transparency in the supply chain and joint efforts to eliminate or at least minimise potential and actual negative impacts on the environment, as well as ensuring production under humane conditions, are our top priorities.

Furthermore, we wish to report publicly on how we fulfil this duty of care. Our managing director has integrated our sustainability efforts into our corporate strategy and is committed to promoting the concept of sustainability throughout our supply chain.

In accordance with our duty of care, we wish to explicitly highlight the guiding principles particularly relevant to our company and our business processes with regard to respect for human and environmental rights:

Kotányi GmbH is firmly committed to the protection of human and environmental rights and respects and supports compliance with internationally recognised standards, laws and guidelines.

We do not tolerate forced or compulsory labour and reject any form of involuntary labour or human trafficking. Employees are free to leave us as an employer, provided they adhere to the statutory notice period.

We take a firm stand against all forms of child labour, as defined by the conventions of the ILO and the UN or by national legislation. Employment within our company is always in compliance with the applicable national laws.



We are committed to the core labour standards of the International Labour Organization (ILO) and do not tolerate working conditions that contravene these standards.

We value the diversity of different opinions, cultures and ideas and draw inspiration from them. We are proud of the individual diversity of our employees and regard the equal treatment of members of different groups as a matter of course. We therefore take a firm stand against any form of discrimination and do not tolerate any disadvantage on the grounds of origin, nationality, gender, religion or belief, sexual orientation, pregnancy or parenthood, marital status, age, disability or any other grounds covered by the prohibition of discrimination.

We regard equal opportunities as indispensable and promote a working environment in which the dignity and worth of every individual is recognised, which is characterised by respect and tolerance, and in which everyone treats one another with honesty, sincerity and courtesy.

We promote respectful interaction with one another. We pursue a zero-tolerance policy towards any behaviour that is likely to infringe upon privacy or personal feelings – even if this is perceived as such only by the person concerned – or that is degrading or intimidating. In particular, this includes all forms of sexual harassment, sexist behaviour, racist remarks and psychological threats.

We ensure a healthy and safe working environment for our employees. In particular, we expect our managers and those we appoint to ensure that appropriate procedures and protective measures are in place to fully guarantee occupational safety and health protection. By guaranteeing fair working conditions, we mean at least remuneration and working hours that comply with the law, as well as fair management practices.

We respect our employees' right to freedom of association and freedom of expression, and we value regular dialogue with elected staff representatives.

We encourage our employees to raise issues openly and without fear of repercussions. An open atmosphere of dialogue helps us to identify and correct misconduct at an early stage, or to ensure it occurs less frequently. It is important to us to emphasise that everyone can approach their line manager or the managing director in confidence and without hesitation, even when dealing with critical matters. We expect our managers to encourage their staff to speak openly and to investigate any information or messages received impartially and fairly.





We firmly reject any form of corruption. In our business relations with authorities and business partners, funds, gifts or invitations must under no circumstances be used to influence decisions or to be influenced by them. We do not accept monetary gifts. We undertake to refrain from accepting any personal gifts or invitations that could compromise objective decisionmaking in the interests of the company, particularly when selecting suppliers or in our dealings with business partners.

We are committed to comprehensive data protection and respect the privacy of all employees, business partners and consumers. All personal data is subject to data protection regulations and is managed or destroyed in such a way as to prevent any misuse. We undertake to collect, process and use all personal data only in a lawful manner and in accordance with the legitimate interests of the data subjects.

We have set ourselves ambitious targets to reduce adverse environmental impacts, protect biodiversity and ensure the responsible use of natural resources.*

We aim to contribute to climate protection by regularly analysing our impact and consistently introducing and implementing measures to increase energy efficiency and reduce greenhouse gas emissions that affect the climate.*

* Further details about our implementation plan can be found in our sustainability report.

OUR APPROACH – OUR COMMUNICATION

We are committed to presenting our achievements as well as new, ambitious goals and projects, and to reporting transparently on our contribution to sustainability, our commitments, impacts and actions. For this reason, we regularly publish our Sustainability Report and make available on our website further information we consider important, as well as our Code of Conduct and this Policy Statement.



OUR EXPECTATIONS – OUR CONSEQUENCES

It is of the utmost importance to us that all employees and our business partners understand our Code of Conduct and this Policy Statement and adhere to them without exception, wherever they may be. We expect our employees to always exercise sound judgement, even when faced with difficult decisions, and to avoid even the appearance of inappropriate behaviour. Every employee has the right and the duty to report any breaches of the rules set out in this Code of Conduct and this Policy Statement that they observe or become aware of immediately to the management, the Compliance Officer, Head of Human Resources, or anonymously.

We are committed to protecting whistleblowers, treating reports as strictly confidential, and investigating them as promptly and thoroughly as possible. In the event of justified reports, we will do everything in our power to impose appropriate consequences depending on the severity of the breach and to implement comprehensive measures to prevent such breaches from occurring again.

