

Code of Conduct of Hermann Otto GmbH



Quality creates cohesion



SEALING & BONDING



**"Be on the day with pleasure
at your businesses, but make only those
that you can sleep soundly at night."**

Basic principle of trading house Buddenbrook,
one of the most famous family businesses in Germany,
described by Thomas Mann



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For reasons of better readability, the simultaneous use of the language forms male, female, non-binary is dispensed with.
All references to persons apply equally to all genders.

Foreword

At OTTO, we aim to achieve our business and strategic goals in accordance with generally accepted moral and social principles. With this Code of Conduct, we are committed to sustainable and responsible corporate governance. We expect the same – anchored in a Code of Conduct for Business Partners – from our suppliers, service providers and all other business partners. We also expect our employees to observe the principles of ecological, social and ethical behaviour and to integrate them into their daily work. These principles have been laid down and communicated in a Code of Conduct for Employees.

We recognise the responsibility within OTTO towards customers, suppliers and other business partners as well as towards the environment and society. Action is guided in particular by the values of integrity and fairness.

At OTTO, we work towards a consistent dissemination of the requirements of this Code of Conduct in our supply chain. The OTTO Code of Conduct is part of our OTTO corporate strategy and also of the OTTO sustainability strategy and makes our values and demands regarding sustainable and responsible corporate management transparent both internally and externally. It serves as a fundamental guideline and thus provides orientation for our daily work, regardless of whether the activity is carried out inside or outside Germany. It is supplemented by the respective legislation as well as internal guidelines and instructions.

Fridolfing, April 2023



Johann Hafner
Managing Director



Diethard Bruhn
Managing Director



1. Behaviour in the business environment

In all our actions and decisions, we comply at least with the national and European laws and regulations that are relevant to us. In cases where international human rights are restricted by local laws, we strive to promote the principles behind international standards without conflicting with local laws. Where local laws exceed international standards, we will comply with them.

Furthermore, we are guided by the United Nations Guiding Principles on Business and Human Rights.

Furthermore, the United Nations Sustainable Development Goals (SDGs) are an integral part of the OTTO Sustainability Strategy in the form of selected focus SDGs. We are also certified according to ISO 9001 and ISO 14001 and operate an occupational health and safety management system based on ISO 45001 as well as an energy management system based on ISO 50001.

Corruption prevention, integrity/bribery, granting of advantages

Openness and transparency create credibility and trust in business relationships. We are committed to complying with international and local anti-corruption laws and standards. The highest standards of integrity must be applied to all business activities. We reject all forms of benefit taking, bribery, corruption, extortion and embezzlement. OTTO, its employees or, where applicable, third parties commissioned by OTTO may not attempt, either in Germany or abroad, to influence business partners in a punishable manner by exchanging gifts or offering or accepting other (pecuniary) benefits and/or remuneration. Further information on this is provided in our policy on handling gratuities, gifts, attention, benefits and rewards. Commissions and remuneration for traders, intermediaries and advisors must always be appropriate and performance-related.

Antitrust and competition law

In a market economy, companies compete with each other. Success depends to a large extent on the efficient use of resources. This is the only way to ensure that the best possible prices, benefits and services can be offered. Free and fair competition is in OTTO's interest in every respect. We strictly reject any distortion of competition by companies and industry associations. We observe the relevant national and international antitrust laws as well as the laws against unfair competition. Agreements on prices or conditions with competitors must therefore be refrained from in the same way as other agreements and activities that restrict competition and influence prices and conditions, which include in particular agreements with competitors for the purpose of market or customer sharing.

No agreements – whether written or verbal, express or implied – will be made with any competitor of OTTO unless it is clearly an agreement in the customer or supplier relationship.

Money laundering

In order to prevent OTTO and its direct business partners from becoming involved in money laundering activities, OTTO regularly establishes the identity of its respective business partners. It is mandatory to establish the identity of the business partner (name with matching company address, legal form and VAT number). All transactions that give the appearance of being about money laundering will be rejected.

Confidentiality and data protection

We comply with the applicable data protection regulations (Federal Data Protection Act, GDPR). Thus, personal data may only be collected, processed or used insofar as this is necessary for specified, clear and lawful purposes. The use of the data must be transparent for the data subjects; the rights to information and correction and, if applicable, to objection, blocking and deletion must be safeguarded. Personal data shall be protected from access and unlawful use by unauthorised persons.

Respect for trade secrets, intellectual property and proprietary rights; insider information

We recognise that confidential and secret information is particularly worthy of protection. They may neither be forwarded nor made accessible to third parties. Such information shall only be exchanged in the sense of the respective owner of the confidential and secret information and – if agreed – within the framework of non-disclosure agreements. Intellectual property rights and documents and information entrusted as agreed as well as corresponding property rights of third parties, such as competitors or business partners, are recognised and respected. Technology and know-how transfer is done in a way that protects intellectual property rights and customer information.

OTTO complies with the statutory provisions on the improper use of insider information. The processing of false information is counteracted within the scope of responsibilities and possibilities.

Export and import

We undertake to comply with relevant import and export control laws, in particular sanctions, embargoes and other laws, regulations, government orders and policies controlling the transfer or supply of goods and technology.

Whistleblowing system

Possible compliance violations or violations of a protected legal position (e.g. human rights violations) can be reported via the digital OTTO whistleblower system – accessible via OTTO's website for internal and external whistleblowers.

Risk analysis

As part of our regular risk analyses, which we conduct for our own business areas, services and products, as well as our supply chain, we identify areas of action and risks that we consider to be priorities due to their potential severity and our ability to influence them. We incorporate the results of our risk analyses into relevant business processes, in particular into our supplier management system. Where risks exist, we implement appropriate preventive measures. We are committed to implementing effective remedial measures in cases where we cause or contribute to actual rights violations through our business activities.



2. Human and fundamental rights

See also SDG 8 “Decent Work and economic growth” and SDG 5 “Gender equality”.

Human rights

We consider the protection of human rights to be a central element of our corporate responsibility. We base our commitment to respect human rights on the United Nations Universal Declaration of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. We are committed to respecting internationally recognised human rights and to respecting them in our business activities and along our supply chains.

Dealing with child labour

The exploitation of children and young people will not be tolerated. We observe the United Nations regulations on human and children's rights and undertake in particular to comply with the Convention concerning the Minimum Age for Admission to Employment (International Labour Organisation Convention 138) and the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (International Labour Organisation Convention 182). Accordingly, the age should not be lower than the age at which compulsory schooling ends (15 years) and in any case not lower than 14 years. If a national regulation concerning child labour provides for stricter standards, we observe these as a matter of priority.

Dealing with forced labour

Any form of forced or compulsory labour is not tolerated. This means that we do not use any work performance that is involuntary under threat of punishment, including forced overtime, debt bondage, forced prison labour, slavery or servitude.

Freedom of association and right to collective bargaining

We respect the fundamental right to freedom of association, the right to join trade unions, to appeal to workers' representatives, and to join works councils, and ensure that this is not impaired.

Prohibition of discrimination and general handling

No one shall be discriminated against on the grounds of ethnic, national and social origin, colour, sex, age, religion and belief, political activity, membership of a workers' organisation, disability, sexual orientation or any other personal characteristic. The personal dignity, privacy and personal rights of each individual are respected. We are committed to maintaining equal opportunities in employment. The respective statutory provisions shall apply.

We treat our employees and business partners with dignity and respect. Psychological, sexual and/or physical violence, coercion or harassment will not be accepted.

3. Labour standards

See also SDG 3 “Good Health and well-being” and SDG 4 “Quality education”.

Occupational safety and health protection

The health and safety of our employees is our top priority. It is our concern to prevent accidents at the workplace and work-related illnesses. This serves the well-being and satisfaction of the employees and at the same time contributes decisively to the company's success. By implementing uniformly high standards, we work continuously to create a safe, hygienic and healthy working environment and take necessary measures to prevent accidents and damage to health that may arise in connection with the work performed. In doing so, we comply with internationally recognised occupational safety standards. In addition, we support continuous improvement of the working environment and regularly train our employees on applicable health and safety standards and measures. We also maintain our own company health management system. OTTO thus offers all employees comprehensive advice on how to avoid work-related health problems and, in addition, a wide range of preventive care offers can be used. Our employees are given access to clean drinking water in sufficient quantities as well as access to clean sanitary facilities.

Working hours

OTTO recognises the need for a healthy balance between work and leisure. Working hours shall comply with applicable national law, industry standards and relevant ILO conventions. We comply with the national maximum working hours. Employees are guaranteed at least one day off in a 7-day period. Exceptions are special operational circumstances.

Wages and social benefits

We ensure that the remuneration paid to employees is at least equal to the legal minimum wage or the minimum wage prescribed in the industry. In addition, social benefits must be provided that meet the relevant national or local standards. The basis on which our employees are paid is made known to them on an ongoing basis by means of a pay slip.

Training and qualification

Wherever possible, the skills of employees are promoted at all levels through appropriate training and continuing education measures.

4. Environmental protection

See also SDG 12 “Responsible consumption and production” and SDG 13 “Climate Action”.

Environmental and climate protection

The protection of people and the environment is an important part of corporate governance. We try to minimise environmental impact. In addition, environmental and climate protection are observed and continuously improved with regard to applicable international standards and legal requirements. This includes avoiding emissions and waste as well as taking steps to increase resource efficiency. To this end, appropriate and traceable measures are taken and a management system in accordance with ISO 14001 is operated to ensure the protection of the environment and the climate. We are committed to the safe and environmentally compatible development and manufacture of products, as well as their packaging and transport, taking into account the applicable standards.

In addition to human rights-related criteria, the selection and evaluation of business partners takes into account environmental and safety aspects. The success of the cooperation between OTTO and its business partners is based on trust, transparency, reliability and fairness.

Waste and emissions

We maintain procedures and systems that ensure the safe handling, transportation, storage, recycling, reuse and management of raw materials, materials and waste. Any generation or disposal of waste and any release of substances into the air or water that has adverse effects on human health or the environment will be reduced as much as is possible and appropriately managed, controlled and/or treated before release into the environment. In doing so, the prohibitions on the export of hazardous waste in the Basel Convention of 22 March 1989, as amended, are observed insofar as they are relevant to OTTO. We try to prevent or minimise unintentional or diffuse leakage or release of pollutants into the environment through appropriate procedures and systems. We also maintain procedures, systems and processes that sustainably optimise the use of all relevant resources such as energy, water and raw materials.

Process safety

We use a management system (ISO 9001) to control work processes, taking into account recognised safety standards. If necessary, specific risk analyses are carried out for facilities. Measures are taken at all facilities to prevent incidents such as chemical spills and/or explosions.

5. Product responsibility

Product safety and quality

The national and European laws and legal requirements relevant to OTTO are observed. The central element is Regulation (EC) no. 1907/2006 of the European Parliament and of the Council of 18 December 2006 (REACH) and Regulation (EC) no. 1272/2008 of the European Parliament and of the Council of 16 December 2008 (CLP). The safety of our products in terms of health and environmental risks is continuously reviewed to ensure their suitability for their intended uses. We manufacture products of the highest quality with forward-looking product and technology solutions. We make sure that our products have a high degree of sustainability, are environmentally friendly and avoid potentially harmful ingredients or – where possible – replace them with alternative substances. Furthermore, we comply with the relevant legal requirements for OTTO regarding product documentation (e.g. safety data sheets) and product labelling. We undertake to provide our business partners with all relevant product information, in particular on the use (processing instructions as well as occupational safety measures) and, if necessary, on the disposal of our products.

OTTO also adheres to the Stockholm Convention on POPs (Persistent Organic Pollutants) to end or restrict production, use and release, as well as the Minamata Convention, which regulates the control of emissions and releases of the heavy metal mercury.

Conflict minerals

We ensure that no products are supplied to our business partners that contain metals (tin, tungsten, tantalum and gold) and other raw materials, such as cobalt, whose source minerals or derivatives originate from conflict and high-risk areas where they contribute directly or indirectly to the financing or support of armed groups.

6. Update

The current version of the OTTO Code of Conduct is available online at any time.

www.otto-chemie.com/en/code-of-conduct



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