

OTTO sustainability strategy

We are building the future!

Quality creates cohesion

today, tomorrow, the day after tomorrow



SEALING & BONDING

We are building the future

Complying with human rights and environmental due diligence is very important to us at OTTO. In future, we will combine all of our sustainability efforts under the three pillars of “Strategy and Processes”, “Business” and “Environment” of the OTTO sustainability strategy. In this way, we are creating a uniform and transparent basis and guide for how OTTO handles the issue of sustainability now and in future, what goals we are setting for ourselves, and what measures we are taking to achieve these goals.

OUR VISION

“We are building the future“

We leverage our corporate culture and our scientific and technological expertise to enhance our performance while at the same time to safeguard our integrity. We offer our customers safe and forward-looking product and technology solutions. We integrate sustainability in our portfolio as well as in our business processes. We utilise various methods and tools to evaluate and manage our corporate sustainability and to measure the achievement of goals across the entire company and our value added chain.

OUR MISSION

“For OTTO, sustainability is a constant effort to combine environmental, economical and social aspects in the best possible way in order to improve the living conditions of today’s generations as well as those of tomorrow. As an active member of society, we are continuously working together with all of our partners on a sustainable value-added chain”.

*Johann Hafner,
Managing Director of Hermann Otto GmbH,
2022*

SUSTAINABLE DEVELOPMENT GOALS

The 2030 agenda of the United Nations (UN) with its 17 Sustainable Development Goals, (SDGs) and the associated 169 sub-goals addresses the current challenges our society is facing in the four areas of “Planet”, “People”, “Peace” and “Prosperity”.

We at OTTO view the SDGs as an opportunity and want to actively contribute to solving the global challenges of our time. Nine SDGs were prioritised as part of OTTO's sustainability strategy to which the greatest active contribution can be made.



Umwelt

7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	13 CLIMATE ACTION

Gesellschaft

3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH
4 QUALITY EDUCATION	17 PARTNERSHIPS FOR THE GOALS
5 GENDER EQUALITY	

WE ARE BUILDING THE FUTURE WITH THIS STRATEGY

To succeed in our constant endeavour to combine environmental, economical and social aspects as best as possible, we have assigned short-term, medium-term and long-term ambitions and goals to our core spheres of activity of the three pillars of the OTTO sustainability strategy. Our sustainability strategy lives on the fact that these ambitions and goals are implemented through concrete measures and projects. When choosing our measures and projects, we always make sure to achieve holistic growth and actual practical progress.

Processes	Society	Environment
<p>We have incorporated sustainability and thus the implementation of the sustainability strategy into all of our processes using our integrated management system and an organisation structure with clearly defined responsibilities.</p>	<p>We see stability, flexibility and diversity as our foundation for shaping the future together.</p>	<p>We are working on a fundamental economical change in our products and all corporate actions.</p>
Management systems	People	Companies & products
<ul style="list-style-type: none">  Quality management  Risk management  Occupational health and safety management  Environmental management  Climate management  Energy management  Innovation management  Compliance management 	<ul style="list-style-type: none">  Employees  Partners  Society 	<ul style="list-style-type: none">  Climate management  Products & Services  Circular economy

OTTO Sustainability Report

Using our sustainability report, which will be issued for the first time for the year 2023 and subsequently will be released annually, we transparently show what our focuses are for our ambitions and goals as well as the current state of implementation and the continuous progress.



WE ARE BUILDING THE FUTURE WITH THESE PROCESSES



Quality management - according to ISO 9001

We define quality as an absolute measure for the alignment of product properties with the requirements of a professional or industrial processor and for the constant fulfilment of these requirements.

The market success of our products and services is therefore closely intertwined with their quality and is directly connected to the efforts to fully meet customer requirements and expectations. To this end, we have installed a modern process organisation, which is to be continuously developed further.

Every employee is encouraged to question their work processes and drive improvements for this purpose. Quality is thus a continuous process that involves the entire corporate structure, affecting every employee, that forms goals and strategies and thus sustainably ensures customer satisfaction.



Risk management

We face a wide range of risks when developing our corporate activities. We continuously optimise our risk management system so that our company continues to “function” even when one of these risks occurs. The ongoing monitoring of risks, a transparent and direct communication with those in a position of responsibility, as well as the incorporation of acquired knowledge into optional risk management form the basis for leveraging market potential in the best possible way.

We use emergency plans to ensure that affected persons can take the proper steps in case risks occur. We want to continuously develop and expand our risk and opportunity management using the maturity staircase.

We are building the future: Through optimised processes



Occupational health and safety management - based on ISO 45001

We strive to achieve a greater sense of responsibility for each other in the company as well. By acting responsibly in all areas of the company, we proactively avoid work accidents, making sure we have a safe company. We look out for one another and also think of safety and health outside of our own responsibilities.



Environmental management - according to ISO 14001

Our understanding of success is not only quantitative, but above all also of a qualitative nature in the sense of our environment. That is why we will keep the impacts on the environment from all of our activities as low as possible, contribute to protecting the environment where we can, and meet our binding obligations to reduce environmental impacts.

This applies both to our own business sector as well as to our upstream and downstream value-added chain, as well as our regional environment. In the process, we want to increasingly focus on sustainable solutions. As far as the respective state of technology permits this, we continuously strive to reduce our environmental impacts through an annual environmental program.



Climate management

On the way to the overarching goal of achieving climate neutrality, we are implementing climate management in our integrated system. As part of this, we will calculate our climate impacts (scope 1, 2 and 3) and, based on these, define a climate strategy, including the corresponding intermediate goals. By continuously implementing measures, we want to then continuously reduce our environmental impacts to gradually get closer to achieving the overall goal. Avoidance and reduction is always preferable to compensation here.



Energy management - based on ISO 50001

We see energy savings as a continuous process. That is why we want to establish and continuously develop an energy management system according to the ISO standard.

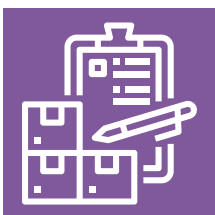
We want to systematically record, evaluate and optimise flows of energy (energy sources, use of energy and energy consumers). We have appointed an energy team for this purpose, which treats this topic as a priority, initiates measures and raises employee awareness.



Innovation management

We see change as an opportunity. We are open to the new, take new paths and proactively shape products, processes, services and our organisation. We see innovation as services that give customers a tangible added value as well as new solutions and procedures, which strengthen OTTO's position on the market.

To increase the opportunities for real innovations, we create the room to think and establish new methods, such as design thinking. That is why we work in heterogeneous teams, organise workshops and have installed an idea management system.



Compliance management

At OTTO, we aim to achieve our business and strategic goals in accordance with generally accepted moral and social principles. The appearance and conduct of every employee shape the image and esteem of our company among customers, business partners and the public, who expect us to act responsibly and lawfully in every respect. That is why OTTO employees are made aware of compliance issues and trained regularly on them.

We are building the future: For our society



- ✔ Observance of human and employee rights
- ✔ Strengthening of physical and mental health of our employees
- ✔ Culture of belonging, trust and respect

Observing human and employee rights in our own company as well as in external business relationships is the foundation of our social responsibility. We ensure a safe and healthy working environment and strengthen the physical and mental health of our employees as a basis for an agile and capable organisation. Our broad health offering addresses both the promotion of physical health as well as the preservation of mental vitality. We recognise the potential of the individual and utilise/promote it to ensure we have an equitable and high-performance organisation. We stay true to our roots as a family company and promote a culture of belonging, trust and respect, in which everyone feels included.



REFERENCE TO THE SDGS

In the area of “Society”, 5 SDGs were prioritised as part of the OTTO sustainability strategy to which OTTO would like to actively contribute.



We promote health and fitness for all of our employees.



We challenge and support our employees according to their skills and support lifelong learning in all forms of training and continuing education.



We treat all employees equally of gender and value equal opportunities.



We offer safe and fair working conditions and are committed to complying with human rights.



We enter into partnerships to promote a sustainable development of the company.

WE ARE BUILDING THE FUTURE WITH OUR PEOPLE

Stability, flexibility and diversity have always formed the foundation for cooperation with our partners and for inspiring OTTO employees to shape the future together. OTTO's success is significantly determined by our employees when it comes to all sustainability efforts. In addition, we build on long-term partnerships with our suppliers, service providers and business partners. We always take the OTTO community into consideration when it comes to our developments and innovations, as we have a great social responsibility towards it.



FLEXIBILITY AND DIVERSITY

Employees

We challenge and support! At the centre of it all are people, who find a family-friendly working environment at OTTO. In line with their individual prerequisites, we develop employees so they can take on more responsibility, advancing OTTO as a company. Stability, flexibility and diversity form our foundation for inspiring employees to successfully shape the future together with us.

- An ideal working environment
- Actively lived, value-oriented leadership and cooperation
- Demand-oriented professional and personal development of our employees
- Appropriate protection from dangers and risks
- Targeted promotion of health and performance

Partners

Our family-oriented and appreciate corporate culture are the pillars of a long-lasting and trusting cooperation. We embody our values every day – reliability, respect, fairness, team spirit and responsibility for one another and the company – and are committed to them together. Together with our business partners, we want to act in line with our corporate values, act responsibly and do business sustainably.

- Careful selection of suppliers
- Ensuring short transport routes if possible through suppliers from Central Europe
- Long, grown partnership-based cooperation with our carriers for quick & reliable delivery to our customers
- Working on a responsible procurement together with partners to minimise environmental impacts



LONG-TERM PARTNERSHIPS



SOCIAL RESPONSIBILITY

Society

We take social responsibility with an active and sustainable corporate management. We promote lifelong learning, a health working environment as well as gender equality and equal opportunities at OTTO itself and strive to implement this within the value-added chain as part of our cooperation with suppliers, customers and other partners.

We are building the future: For our environment



- ✔ Minimise our environmental footprint
- ✔ Sustainable corporate development
- ✔ Pioneering product and technology solutions

We create efficient, sustainable and safe processes, use resources responsibly, avoid waste and emissions, and minimise our environmental footprint. Not only do we develop modern products for the world of tomorrow, but also pioneer product and technology solutions.

- The development of new products and the continued development of existing products – always with a view to our customers’ use of these products
- The goal: Technologically and sustainably leading product innovations for the economic success of OTTO & our customers
- Saving resources through constant optimisation of production methods through process innovations



REFERENCE TO THE SDGS



We rely on a responsible handling of the topic of energy and take advantage of the opportunities renewable energies offer.



We stand for sustainable corporate development, relying on modern production facilities with an efficient use of resources, as well as the power of innovation of our employees.



We handle all resources carefully and reduce our environmental impacts.



As OTTO, we are striving to become a climate-neutral company and to optimise the environmental footprint of our products to protect the environment.

THIS IS HOW WE ARE BUILDING THE FUTURE

OTTO is working on a fundamental environmental change for all corporate actions. We rely on climate protection measures here by introducing climate management. We are striving to achieve a functioning circular economy – limited by the state of the art, but focused on developing this further together with our partners. We are constantly developing our products and services towards a resource-conserving and CO₂-neutral future.



CLIMATE NEUTRALITY BY 2040

Climate management

OTTO would like to make its contribution towards environmental and climate protection by using resources responsibly and efficiently and making all relevant corporate processes sustainable.

- Introduction of the OTTO climate protection strategy to support the “Climate Neutrality in Bavaria 2040” target
- Implementation of environmental life cycle assessments, taking the corporate carbon footprint (CCP) and the product carbon footprint (PCP) along the entire value-added chain into consideration.
- Climate management as a building block for more sustainability, which benefits our customers, business partners and employees.
- Goal-oriented alignment of investments, also in the area of climate management.

Products & Services

We generate ideas for new products and develop innovative solutions according to our markets’ requirements. We consistently utilise the scientific / technical progress and performance capability of our suppliers in the process.

- Development of customer solutions for special tasks with a wide range of special products
- Implementation of sustainable development and production processes as well as for products with a high degree of sustainability
- Strong focus on excellent customer consulting to be able to guarantee our high product quality when used by processors.
- OTTO products meet high requirements for the occupational health and safety of the processors, users, dealers, as well as for the (residential) health of users of the building



SUSTAINABLE PROCESSES



SUSTAINABLE VALUE CREATION

Circular economy

The life cycle of products and packaging, the dissociation of economic growth from the consumption of finite resources, but also the recycling or reuse of waste materials from production are core elements of a sustainable value-added chain.

- Using recycled packaging material (where possible)
- Strict separation of non-recyclable waste
- Implementation of innovative process solutions for material flows
- Sustainable shaping of the circular economy in downstream value-added chain by investing in the development of innovative product solutions together with business partners.

Hermann Otto GmbH

Krankenhausstr. 14
83413 Fridolfing, Germany
Tel.: +49 8684 908-0
info@otto-chemie.de
www.otto-chemie.de

