

# Code of Conduct Cotta Group

Cotta Collection AG is an international furniture manufacturer, headquartered in Bendorf, Principality of Liechtenstein. The furniture is manufactured in own production facilities in Bosnia, Hungary, Poland and Romania.

An environmentally friendly and socially responsible manufacture of our products is important to us as well as to our customers. We therefore expect lawful, ecological and socially responsible conduct from our partners, such as suppliers and service providers alike. All partners are therefore obliged to comply with the applicable laws and this Code of Conduct as part of their operations for Cotta and its affiliates.

By implementing this Code of Conduct we want to promote fair and sustainable standards in the fields of occupational health and safety, social conditions and environmental protection. It is based on and refers to the most important international standards and regulations, like the

- United Nations (UN) Universal Declaration of Human Rights
- International Labour Organization (ILO) Conventions and Recommendations
- UN Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- UN Children's Rights and Business Principles
- United Nations Global Compact
- German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG)

This commitment is the non-negotiable minimum standard for all affiliates, but also for our business partners and suppliers as well as their partners in the supply chain. These standards should be exceeded where possible and continuously improved. Observance of this Code of Conduct is an essential criterion in the context of supplier selection and assessment.

## 1 Human rights and labour conditions

- 1.1. All affiliates and business partners are committed to respect the human rights of their employees and treating them with dignity and respect. No employee may be subjected to inhumane or degrading treatment in the workplace, verbal, psychological, physical, sexual and / or physical violence, mental or physical coercion or harassment. Disciplinary measures must be in line with national legislation.
- 1.2. Any discrimination in employment is prohibited, in particular, any distinction, exclusion or preference based on sex, gender, age, religion, race, caste, birth, social background, disability, ethnic, and national origin, nationality, membership in unions or any other legitimated organizations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, pregnancy, diseases, or any other condition that could give rise to discrimination.

Employees and applicants are to be evaluated solely on the basis of their qualifications and skills.

- 1.3. All affiliates and business partners commit to the protection and empowerment of vulnerable individuals, and members of vulnerable groups and communities, to the best of their influence. They understand that vulnerability can depend on the context, and certain individuals, groups, and communities may be vulnerable in more than one aspect, for instance home-based workers, smallholders, as well as temporary and migrant workers.
- 1.4. Child labor and any exploitation of children is not tolerated. Direct or indirect employment of children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, is prohibited, unless the exceptions recognized by the ILO apply. Establish robust age-verification mechanisms as part of the recruitment process.
- 1.5. Ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals, and development. Young workers shall not be exposed to hazardous work or source of hazard. Ensure that the kind of work is not likely to be harmful to young workers' health or development and that their working hours allow their attendance in school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.
- 1.6. Any form of servitude, forced, bonded, trafficked or non-voluntary labour, including state-imposed forced labour is strictly prohibited. No employee may be forced to work, neither directly nor indirectly through violence and / or intimidation. The commissioning or use of private or public security forces with insufficient training is not permitted unless it is guaranteed that labour and human rights are observed. Ensure proper employment. Adhere to international principles of responsible recruitment, including the Employer Pays Principle, and require the same from their recruitment partners, when engaging and recruiting all workers, either directly or indirectly, especially members of vulnerable groups such as temporary and migrant workers. As a minimum, this includes:
  - No recruitment fees and costs are charged to workers
  - Clear and transparent employment contracts
  - Workers' freedom from deception and coercion
  - Freedom of movement and no retention of identity documents
  - Access to free, comprehensive, and accurate information
  - Freedom to terminate contract, change employer, and safely return
  - Access to free dispute resolution and effective remedies
- 1.7. Employees shall have the right to form and join trade unions and bargain collectively. Employees must be protected from any differential treatment related to employment and freedom of association. Their right to form, join or withdraw from associations or organizations of their own choice for the purpose

of promoting and protecting the interests of the employees shall be respected. The exercise of employment must not be affected.

- 1.8. Remuneration shall be effected regularly, punctually and completely and in accordance with minimum wage legislation, or industry standards approved based on collective bargaining, whichever is higher. Partial payment in the form of allowance is only accepted in line with ILO specifications. The remuneration and other benefits shall enable employees and their families to have an appropriate minimum living standard. Reflect the skills, responsibility, seniority, and education of workers in their level of wages.
- 1.9. The working hours have to comply with applicable national legislation, industry standards and collective agreements within the international framework set out by the ILO. Workers are not required to work more than 48 standard hours per week. The limit of hours may only be exceeded in line with exceptional cases defined by the ILO, in which case overtime is permitted. Overtime is used as an exceptional and voluntary practice, paid at a premium rate. Resting breaks in every working day and the right to at least one day off in every seven days is granted, unless exceptions defined by collective agreements apply.
- 1.10. Businesses shall ensure the proper implementation of and compliance with legal requirements relating to occupational health and safety or with international standards where national legislation is weak or poorly enforced. OHAS representative is appointed or committees are established and adequate medical assistance is provided. It must be ensured that the workplace is safe and all necessary measures must be taken to prevent accidents or occupational diseases. Provide effective and tailored Personal Protective Equipment (PPE) to all workers free of charge. Vulnerable persons, such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection. Seek improving workers' protection in case of accident, including through compulsory insurance schemes. Provide awareness to workers, and respect their right and responsibility to exit the premises and/or stop working without seeking permission in dangerous situations and uncontrolled hazards. A safe and proper workplace includes adequate number of safe, separate toilets with adequate level of privacy for all genders, and paper towels and washbasins with hand soap in all work areas, access to safe clean drinking water, eating and resting areas free of charge, and where applicable, access to cooking and food storage areas.

## 2 Protection of the Environment

- 2.1. The parties endeavor to increase resource efficiency and to minimize the environmental impact of their business activities. Reasonable efforts are expected to be made to reduce and minimize the amount of waste and effluent generated (e.g. by the use of recycling activities).
- 2.2. Businesses comply with national environmental legislation, or with international standards where national legislation is weak or poorly enforced and take

appropriate measures to minimize the environmental impacts of their operations, such as hazardous air emissions, greenhouse gas emissions and energy consumption.

- 2.3. A process- and risk-based environmental due diligence management system will be implemented in business practices, adjusted to the business model of the company.

### 3 Ethical Business Behaviour

- 3.1. Affiliates, as well as suppliers comply with the relevant legal provisions and international standards referring to fair business practices and minimum industry standards.
- 3.2. Corruption in all its forms, including extortion, embezzlement and bribery is not tolerated. Businesses implement reasonable practices to prevent bribery in all forms and support all anti-corruption efforts. Provisions to avoid money laundering or financing of terrorism shall be complied.
- 3.3. All affiliates and business partners commit to be transparent and not to falsify, or participate in falsifying any information or in any act of misrepresentation in the supply chain.
- 3.4. Provide awareness to the workers about the policies, controls, programs and measures against unethical behaviour, and promote compliance within the company through trainings and communication.
- 3.5. Collect, use, and process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information must comply with privacy and information security laws and regulatory requirements.

The provisions of this Code of Conduct are an integral part of the business relationship. In case of any violation of this Code, Cotta observes the right to terminate the business relationship, taking into account the applicable laws.

Suppliers, employees and other stakeholders are requested to notify to Cotta in case of infringements against these provisions. Grievances can be stated by email to [whistleblower@cotta.li](mailto:whistleblower@cotta.li), by letter to Cotta's postal address confidentially to the attention of compliance department or other means of submitting grievances.