



Working conditions & human rights

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Corporate **S**ocial **R**esponsibility

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Preamble

BOXMARK is committed to responsible corporate action, today and in the future. Economically sustainable action with regard to social, economic and ecological aspects is lived practice for the company out of responsibility towards people, society and the environment and is part of the business policy.

Compliance with international agreements on human rights, combating corruption and sustainability is binding for us. Of course, all legal regulations and obligations in the countries of the BOXMARK locations must also be followed and fulfilled.

Likewise, we expect our business partners to recognize our social commitment and to behave towards their employees, partners, society and the environment in accordance with our lived responsibility and the defined principles.



Working conditions & human rights

The continuous development of our employees as the foundation for BOXMARK's performance means the implementation of attractive work and social concepts. Essential goals here are the creation of optimal working conditions and development opportunities. Occupational health and safety has the highest priority at BOXMARK and is not just a legal obligation.

Prohibition of child labor

Child labor is strictly rejected at BOXMARK. With the exception of trainees (after the 9th school year) and holiday interns (from the age of 16), only persons over the age of 18 are employed.

We comply with the international regulations of the United Nations on human rights and children, in particular also the ILO Conventions 138 and 182.

Remuneration

Our wages and salaries are based on the collective agreement of the leather producing industry. All minimum salaries and minimum wages are complied with or overpaid. Wages and salaries are paid punctually in the middle of the month or at the end of the month.

Working time / rest period

Our employees have a right to an adequate balance between working hours and free time. Rest breaks are integrated into all working time models. Additional work on weekends, Sundays and public holidays only occurs in special cases. Rest periods and weekend rest are observed. All employees have the right to sufficient recreational leave. A working hours officer has been appointed to ensure compliance with working hours.



Working conditions & human rights

Prohibition of forced labor

BOXMARK only employs people who have volunteered for the job. Employment brought about by coercion or intimidation will be refrained from and firmly rejected.

Right to organize

BOXMARK respects the right of assembly of its employees and the right of association within the framework of the respective applicable legal regulations.

There are elected employee representatives (works council) at the individual sites. There is good cooperation between the individual representatives and the site managers. Training, rooms, work equipment, etc. are made available to the employee representatives. The chairman of the works council is released from work.

Right to collective bargaining

There are annual collective bargaining negotiations between the representatives of the workers and the employers.

Prohibition of discrimination

Discrimination on religious, cultural, ethnic or other grounds is unreservedly rejected at BOXMARK. Any discriminatory action by employees at all hierarchical levels will be prosecuted under labor law.

Diversity is actively practiced at BOXMARK. One example is the site in Feldbach - more than 20 nationalities are employed here.



Working conditions & human rights

Occupational health and safety

Every employee has the right to a safe workplace. All workplaces are regularly evaluated by our safety specialist and our occupational physician with regard to occupational safety and accident prevention. To prevent accidents and work-related illnesses, measures are regularly implemented to improve occupational safety.

Our employees are provided with sufficient protective equipment depending on the workplace, as well as work clothing. Our company doctor is also an essential part of our preventive health care. Regular examinations check the physical suitability of our employees for the individual jobs.

Responsible officers have been appointed and trained to ensure and monitor occupational health and safety (e.g. safety officer; fire safety officer; hazardous materials officer; safety confidants).

Employees are regularly trained as company first aiders (more than the legal requirements) and receive further training.

Cross-cultural understanding

Corporate guidelines in the form of standardized documents - drawn up in accordance with quality management guidelines - ensure cross-site, intercultural understanding.

Selected employees from the various sites undergo an international training and exchange program.



Working conditions & human rights

Employee social fund

BOXMARK has set up a social fund for its employees for many years. From this fund, employees are supported with donations who have suffered a blow of fate themselves or in their family or who have fallen into need innocently. Through this social fund, BOXMARK can provide urgent assistance quickly.

Leadership Sustainability

Our managers undergo regular management training. Internal trainee programs and external training courses are offered for junior managers.

There are regular meetings between production personnel managers and the HR department. Our managers are regularly informed and trained internally regarding new personnel development measures (e.g. institutionalized employee appraisals, processing of the employee qualification matrix, etc.).

Ethical recruitment

Workers are regularly recruited in accordance with international labor standards and in a fair and transparent manner. In particular, Boxmark strictly rejects misleading or deceiving workers about the nature of the work, asking them to pay recruitment fees, or withholding or destroying passports or other identification documents.

Workers' rights and obligations will be truthfully and clearly set forth in a written contract in language they understand.



Business Ethics

BOXMARK complies with the respective national laws and regulations and reliably fulfills its obligations. Fair and honest dealings with each other are a prerequisite for all business activities. Recognized standards and guiding principles, such as those of **UN Global Compact**, the **Universal Declaration of Human Rights of the United Nations**, the conventions of the **UN**, the **ILO** conventions and the **OECD Guidelines for Multinational Enterprises** apply as the basis for our actions.

Anti-corruption

BOXMARK has established binding rules of conduct to prevent misconduct and conflicts of interest. Gifts, benefits or invitations that could influence business decisions must not be accepted.

Financial transparency, money laundering

All financial information, including required taxes, fees and royalties related to business activities, is disclosed in accordance with applicable national and international regulations and industry expectations.

Any instances or risks of money laundering arising from our business operations are attempted to be identified and subsequently eliminated.

Avoiding conflicts of interest

BOXMARK makes its decisions based solely on factual criteria and is not influenced by financial or personal interests or relationships.



Business Ethics

Confidentiality, data protection

BOXMARK is committed to meeting the reasonable expectations of its client, suppliers, customers, consumers and employees regarding the protection of private information.

We comply with data protection and information security laws (esp. DSGVO) and government regulations when collecting, storing, processing, transferring and disclosing personal information.

Compliance with competition rules

BOXMARK complies with all national and international laws and competition rules, especially antitrust laws and regulations against unfair competition.

We do not engage in any practices (e.g. price fixing, customer and territory sharing, etc.) that are unlawful and distort competition.

Complaints mechanism

BOXMARK is committed to establishing an effective grievance mechanism at the company level for individuals and communities who may be affected by adverse impacts. Through a fair and transparent process, the mechanism protects the company, those affected and whistleblowers.

Protection of intellectual property

BOXMARK complies with all nationally and internationally applicable laws for the protection of intellectual property. In addition, we take care to own all necessary rights of use in order to avoid infringements of property rights.



Business Ethics

Sanctions and trade embargoes

BOXMARK complies with all applicable national and supranational sanctions and trade embargoes.

Indigenous Peoples and minorities

The rights of indigenous peoples, minorities as well as local communities are respected, promoted and protected by BOXMARK throughout the supply chain in accordance with the „United Nations Declaration on the Rights of Indigenous Peoples“.

Plagiarism

BOXMARK develops and implements effective methods and processes to detect and minimize the risk of counterfeit parts and materials being introduced into our supply chain. When detected, BOXMARK notifies the original parts manufacturer or law enforcement as appropriate. The detected parts are isolated.

Disclosure of information

BOXMARK employees who communicate with the Company's stakeholders about financial and non-financial information as part of their job are required to do so openly and in accordance with applicable laws and regulations.

Political donations

BOXMARK does not donate to politicians or political parties.



Business Ethics

Women's rights

BOXMARK is committed to the principle that women have a right to political, economic and social equality and publicly supports initiatives in this regard (e.g. „International Women's Day“ or the UN initiative „16 Days against Violence against Women“).

Land, forests, and water rights

We agree not to engage in land grabbing or forced evictions, to obtain free, prior and informed consent from existing land users, and to encourage appropriate compensation when we or our suppliers have been granted use of land, forests or waters.

Plagiarism

BOXMARK develops and implements effective methods and processes to detect and minimize the risk of counterfeit parts and materials being introduced into our supply chain. When detected, BOXMARK notifies the original parts manufacturer or law enforcement as appropriate. The detected parts are isolated.



Environment

Environmentally compatible production and active environmental and climate protection are essential components of our corporate strategy. In order to ensure that our economic activities have as little impact as possible on our environment, a trend-setting, ecological and energy-efficient overall concept is lived at BOXMARK. In this way, we ensure the careful use of resources, the reduction of waste and emissions, and compliance with legal regulations and standards. The emission data are communicated publicly.

Dealing with air and noise emissions

Emissions from operations (air and noise emissions) and greenhouse gas emissions are typed before release, routinely monitored, checked and treated if necessary.

To prevent odor nuisance, all exhaust air is cleaned by biofilter systems. Employee noise exposure is minimized through the mandatory wearing of hearing protection, safety training and instruction.

Energy efficiency

Optimized production routes, sensible energy recovery, closed-loop material and energy flows help to optimize the use of resources in all areas. The goal is to continuously increase the share of renewable energy.

Wastewater treatment

The three-stage wastewater treatment process in BOXMARK's wastewater treatment plants achieves a purification efficiency of up to 98 %, which is thus well above the required limits.

The technology for the so-called „tertiary treatment stage“ was developed in-house and is unique for tanneries.



Environment

Biodiversity / Deforestation

BOXMARK is committed to protecting natural ecosystems and stopping the alteration, deforestation and degradation of forests.

Waste and residual material recycling

The avoidance of waste has top priority at BOXMARK. Our ecology concept has reduced the general waste volume by more than 80%. By-products such as tissue residues are processed into animal fat or alternative fuels.

Resource Management

BOXMARK is constantly looking for ways to reduce or avoid the use and consumption of resources during production, including water and energy. This is done either directly at the point of origin or through procedures and measures, for example by changing production and maintenance processes or procedures in the company, through the use of alternative materials, through savings, through recycling or with the help of the reuse of materials.

Supplier Management

Through mandatory requirements, BOXMARK ensures that our suppliers and sub-suppliers also comply with the standards set out in this document (e.g. through contractual agreements, supplier code, etc.).



Environment

Animal Welfare

BOXMARK's entrepreneurial activities also take into account the welfare of animals. In all cases, nationally and internationally applicable regulations on animal welfare and animal testing must be complied with along the entire supply chain.

Environment management system

Quality and environment go hand in hand at BOXMARK. In addition to the quality management systems ISO 9001 and IATF 16949, which have been in place for many years, BOXMARK has been using the environmental management system according to ISO 14001 since 1998. Environmental management audits are carried out at regular intervals.

Chemicals Management

Chemicals that pose a risk when released into the environment are identified and handled in such a way that safety is ensured when handling, transporting, storing, using, recycling or reusing these substances and disposing of them.

We are constantly striving to optimize our production processes and thus to use the chemicals required for leather production in a way that conserves resources and protects the environment, or to minimize the quantities used. Not only the Manufacturing Restricted Substance List (MRSL) of the ZDHC Foundation, but also our own Restricted Substances List (RSL) are the basis for us and our partners - customers as well as suppliers - to implement our full commitment to sustainability and product safety. In addition, it goes without saying that all BOXMARK sites comply with all legal regulations and obligations, customer-specific specifications for ingredients and specifications of the GADS list (Global Automotive Declarable Substance List). In accordance with the EU chemicals regulation REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), declarations of conformity are available for all products used.



Environment

Responsible procurement of raw materials

In the responsible procurement of raw materials for the manufacture of leather products (rawhide and semi-finished products such as crust, wet white, wet blue), BOXMARK strictly complies with nationally and internationally applicable regulations on animal welfare and animal testing along the entire supply chain. In particular, we are committed to upholding the „5 Freedoms of Animal Welfare.“

These materials are only sourced from domesticated (farmed) species and are created as a by-product of agricultural food production.

Robust traceability systems that have already been implemented are constantly being further developed and existing supply sources are audited at regular intervals.

Appendix

Leather - an ecological order to recycle

The global meat industry produces approximately 9.1 million tons of cattle hides per year (source: Food and Agriculture Organization (FAO) of the United Nations). If tanneries like BOXMARK did not process these hides into high-quality leather, they would have to be disposed of as waste, resulting in CO2 emissions of around 8 million tons.



Research & Development - also for the benefit of the environment



Economy and ecology are not mutually exclusive at BOXMARK. Driven by the constant search for the best and most environmentally compatible solution for our customers, we are constantly developing new resource-saving tanning recipes in our in-house test workshop.

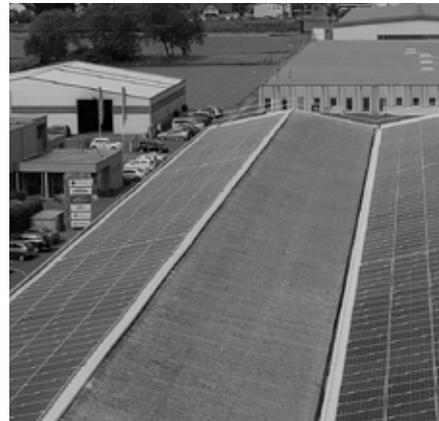
The product innovation Xgreen, for example, requires almost a quarter less energy in production and the CO2 footprint is reduced to 70 percent compared to conventionally produced leather.

Appendix

Already implemented environmental protection projects

In order to improve our environmental and energy performance and to take into account the basic idea of sustainability, both ecologically and economically, numerous projects have been implemented by BOXMARK in recent years:

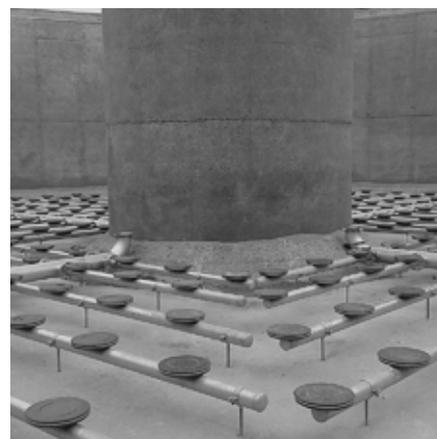
- Partial flow treatment of tannery wastewater
- Hairsaving and thus reduction of the sewage sludge volume
- O₂ probes and a new control system in both wastewater treatment plants have reduced energy requirements by 30%.
- Installation of a photovoltaic system in Feldbach (further systems are being purchased at the other sites)
- Extraction and use of animal fat as substitute fuel for heat generation
- Minimization of salt loads in wastewater
- Increasing energy efficiency by converting the drying tunnels
- Implementation of a new sewage sludge dewatering system
- Reduction of waste by continuously increasing the recycling rate
- More precise control of input quantities and measures for sewage sludge reduction
- Optimization of the clarification processes (ensuring process reliability)
- Implementation of a laboratory wastewater treatment plant (testing of the products used for their compatibility with regard to wastewater treatment, among other things).



Appendix

Environmental protection measures in planning and implementation

- Heat recovery from wastewater
- Conversion of the ventilation system for further energy savings
- Increase of own power generation from renewable energies
- Green flesh removal and increase of fat yield
- Further reduction of waste volumes



BOXMARK is a training company



The Feldbach and Jennersdorf sites are training companies for various professions (tanner, metal technician/metalworking technician, electrical technician/process control technician, chemical laboratory technician, IT technician, industrial clerk).

Our apprenticeships can be completed in the usual sequence (regular apprenticeship) and, under certain conditions, in a shortened time frame (extraordinary apprenticeship). In addition, our employees can complete the apprenticeship training together with the Matura/vocational maturity examination.

Appendix

Employee retention and employee health

Our current and future success depends on the qualifications and commitment of our employees. Therefore, loyalty to and from our employees as well as their health has the highest priority.

Annual employee appraisals, honors for long-standing employees, wage classification according to the wage scheme (increases, new hires) and targeted personnel development measures (qualification matrix, job descriptions, rotation cycles, etc.) are therefore just as much on the agenda at BOXMARK as targeted training on the subject of occupational safety as well as optimization of occupational safety at the workplaces.



Social Commitment



Particularly in the regions where we operate, we want to demonstrate responsibility and make our contribution to society. Above all, humanitarian aid for people in an emergency situation is close to our hearts. In addition, it is also important to us to support facilities and projects in the greater area of the BOXMARK locations:

Appendix



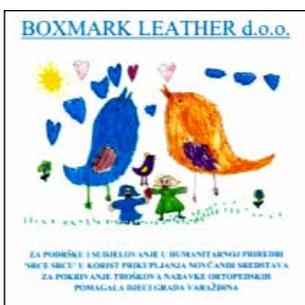
Annual Christmas fundraiser

Every year, a Christmas donation campaign provides financial support to people from the region of the company's sites who have fallen on hard times through no fault of their own.



Association against leukemia and lymphoma HULL (Croatia)

The donations are used to carry out activities for the benefit of hematopoietic patients.



Association „Nasa djeca“ (our children) (Croatia)

This money helped to purchase an orthopedic bed for a boy and a special wheelchair for a girl.



Organization „Autism Pogled“

During a tennis event, donations were collected to provide sensorimotor exercises for children.



Elementary schools in the Bosnian municipality of Tuzla (Bosnia)

The money was used to equip the school libraries of Tusanj and Poljice elementary schools with new books.

Editor

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