

Our Ideals

Our actions are based on set values and clear rules. We are convinced that environmental laws and economic laws go hand in hand: they are two sides of the same coin. This belief feeds into our vision and gives rise to the goals we want to reach.

We also make sure nothing is lost in the process of reaching these goals. Waste is something we do not want. We act carefully, precisely, truthfully, and attentively, and create value. We accept responsibility towards our customers, partners, employees, and the environment, and create value.

Our Guidelines

This Integrated policy of Model Obaly a.s. is based on Sustainability trilogy (social, economic and environmental) and the Quintessence including the questions posed there, which everyone has to answer individually for themselves. Its purpose is to serve as a guideline for responsible business conduct in terms of social, economic, and ecological issues. The Integrated policy is our voluntary initiative to lay the groundwork for decency, integrity, and credibility of Model and its employees and communicate it to the outside world. They are binding for all Model Obaly a.s. employees.

Our Actions

The Model Group is an association of strong companies that have the freedom and responsibility to follow their own paths within the ideals and guidelines of the Group. The Model Group formulates clear goals that are implemented individually within the individual sites. To this purpose, each unit defines specific targets each year and is accountable to the Group for achieving them. It is important to us that we formulate goals that demonstrate the effort we are both willing to put in and that we can actually achieve.

1. Customers

Our attention is focused, above all, on our customers. We try to understand them and contribute towards their success. We are capable of providing them with innovative new solutions and advanced products produce with the use of very latest technology. The level of satisfaction among our customers is one of the key criteria in evaluating the success of our enterprise.

2. Quality and safety

Product quality and safety means our products being in continual accordance with the requirements of the valid legislation, the demands

of our customers and the very latest advances in research and development relating to the materials and processes used in product realisation.

The vision of a zero defect rate motivates us to seek effective measures for reducing the number of errors in internal processes to assure the production of a product that fully corresponds to the customer's requirements.

3. Human and Labor Rights

The Model Group does not have employees: it has partners. We are home to strong individuals who forge connections by working together to create our vision and make it a reality. This unifying goal is the inspiration behind all our activities and is our most precious asset. It turns our employees into partners, ensuring everyone takes personal responsibility for their own actions.

We support and value international human rights in our sphere of influence

Human rights represent an important achievement for protecting the individual against powerful organizations and institutions. We respect and value the human rights proclaimed by the international community and strive for 100% compliance with these rights in our sphere of influence from 2024 onward. We ensure that we do not cooperate in human rights violations.

We take a stand on the elimination of discrimination in hiring and employment

Discrimination is defined as any differentiation, exclusion, or preference based on race, skin color, gender, religion, political opinion, or national or social origin that impedes equal treatment in employment and education. We exclude discrimination in the area mentioned above and sanction violations of this principle.

We do not tolerate any form of harassment

We create and maintain a climate of trust. Our employees know the importance and value of their contribution to ensure we reach our goals. For us, trust is a form of capital, and the best way to grow it is with honesty. Harassment, sexual harassment, insults, bullying, intimidation, abuse, violence and any other type of unacceptable behavior have no place within the Model Group and will be sanctioned.

We strive for zero incidents from 2024 onward.

We take a stand on the elimination of forced labour, child labour, modern slavery and human trafficking

We rule out any form of forced labor. Our employees can leave the company at any time in accordance with the contractually agreed notice period. We do not retain any of our employees'

personal documents. We respect the convention 138 set by the International Labour Organization (ILO) on the minimum age of workers. We respect this regulation and ensure that our business partners (incl. suppliers) comply as well.

We recognize the right to freedom of association and collective bargaining

Our company represents a social organism consisting of voluntary members wherein everyone does what they can and contributes to the whole. Individuals are expected to have as much freedom to associate with others as possible so that their abilities can be enhanced to the fullest. We recognize the right of employees to freedom of association and comply with all local laws governing the right of employees to elect or not elect company representatives.

We provide an attractive working environment as a basis for entrepreneurial thinking and action

Our employees are paid in accordance with the applicable national legal regulations. This applies to salary, fringe benefits and overtime, as well as minimum wages, working hours and social benefits. The details of the employment relationship are contractually regulated for each employee and the contract is handed to the employee in writing before they start work.

By 2026, we will pay 100% of our employees a living wage.

4. Employee Health and Safety

Professional occupational safety is a cornerstone of successful, people-focused companies. That is why we do everything we can to avoid accidents and occupational illness. We offer targeted support to talented employees and offer further development opportunities, coaching, and training while supporting and encouraging personal responsibility.

A continuous reduction in occupational accidents is key, with the aim of zero avoidable accidents by 2030.

Health and safety is an integral part of what we do and how we work

We offer our employees a healthy, safe and clean working environment. We carry out regular checks to ensure that our occupational safety management system is working. We also have external consultants regularly confirm that we comply with all applicable occupational safety regulations. In the event of process disruptions, occupational safety always has top priority.

We meet the requirements of the ISO 45001 occupational safety management system.

We actively involve our employees in all matters relating to occupational safety

Every action we undertake has an effect. If we want to understand these effects, we must identify and understand complex connections,

some of which are not all that obvious. A regular exchange and sensitization of our employees on occupational safety issues is therefore a matter of course for us; whether within each department, in each site or the entire Model Group.

The health of our employees is our greatest asset

We help to maintain the health of our employees through regular preventive medical check-ups. At the same time, we expect our employees to do their part to protect their own health and the health of their colleagues through prudent behavior and compliance with all applicable work regulations. Our employees' ability to work must not be impaired by the consumption of alcohol or other drugs.

We promote the further education and learning of all

We support the education of human capital, specifically by creating employment opportunities and using options for education and further training. We ensure that our employees are familiar with our mission and act accordingly. We entrust projects to our young, talented employees so they can prove themselves within a fixed framework. In turn, young workers at every company within the Model Group can draw on the knowledge of many generations of employees: some of our colleagues have been working for our company for 20 years or more. And if we do not have the necessary expertise ourselves, we help our employees take up external training and professional development opportunities.

5. Business Ethics

We are committed to ethical behavior and prohibit all forms of corruption, fraud, money laundering, bribery, conflicts of interest, data and information security incidents and violations of antitrust laws. In particular, we demonstrate clearly that the UN Convention against corruption must be observed and we are committed to doing so.

Suppliers and sources

We prefer the kind of suppliers that conform to the valid legislation without exception, meet the requirements in the area of social responsibility - respect for human rights, minimize their environmental footprint at the product and organizational level, pay attention to the quality of supplied materials and services and respect the rules of hygiene, occupational safety, environmental protection (e.g. carbon footprint) in their activities. We search for the kind of solutions and partners that meet the requirements for the considerate and rational use of natural resources and reduce the environmental impact through innovation. We aim to work with suppliers, who place a strong emphasis on corporate governance, internal control procedures and the responsibilities of their suppliers (usually determined by e.g. ISO

standards). The company management supports the purchase of energy-efficient products and proposals from employees leading to improvements to our energy performance.

Anti-corruption and conflicts of interest

We reject all forms of corruption; we do not offer or accept bribes. We comply with the rules of ethical business conduct and expect our employees to demonstrate a high level of personal integrity. Neither private interests nor any external activities of individual employees may influence their actions in the context of their employment with the Model Group.

Fair competition

We maintain a professional relationship with our market competitors. Our employees may not participate in any activities aimed at preventing or distorting free competition..

Data and information security

Our aim is to implement the three basic pillars (availability, integrity and confidentiality) of secure information technology to the best of our ability, taking into account the economic performance of the company. All employees and managers are aware of their responsibility for data security and data protection, receive regular training in this area and take this guideline into account in their professional activities.

6. Environmental Protection

Our approach to handling environmental problems is prevention. We maintain an efficient internal system for managing the environment, follow the principle of prevention and provide an effective emergency plan in case of detrimental environmental consequences. We strive for continuous improvement of our environmental results and take a preventive stance towards environmental hazards. To this end, we collect company data relevant to the environment (incl. data concerning the generation of waste, emissions, energy and water consumption).

Compliance with all relevant legal standards and other stakeholder requirements in relation to all areas of environment, occupational health and safety and energy management is a matter of course.

Energy consumption and GHG-Emissions

Energy consumption and GHG-Emissions

We, too, contribute to global warming. But we are also doing a lot to combat it. In addition to countless measures already implemented, we have committed to reducing greenhouse gas

emissions in accordance with the Paris climate agreement. This commitment is based on the SBTi (Science Based Target initiative) standard, which lasts until 2030 and sets the path towards net zero. In addition, we report annually to the CDP on climate change. We regularly analyse the organisation's carbon footprint, which is verified by an auditor. We request information on the carbon footprint of our key suppliers' products.

Water and Materials

We handle resources carefully and efficiently – and not just in terms of energy, the climate, waste, and water. We investigate issues such as deforestation, soil erosion, and illegal logging when procuring raw materials. We reduce the use of water-polluting substances to a necessary minimum. We use recycled fibre where possible and buy only certified virgin fibre, where we need it for reasons of strength.

Waste and Recycling

Closed material cycles are the key to climate neutrality. We produce our products within a closed paper cycle. This was the principle our company was founded on in 1882. Nowadays, more than 80% of our packaging are made of recycled material and are recycled themselves. Discharged wastewater is treated and hazardous waste is disposed of by authorized specialist companies.

7. Notices and Remedial Actions

If we become aware of potential negative impacts related to human or labor rights within the Model Group or within our supply chain, we will take appropriate measures to prevent or mitigate them. To ensure sustainability in our supply chain, we require our suppliers to comply with human, labor and environmental rights through our Supplier Code of Conduct.

Via our website www.modelgroup.com, it is possible to anonymously report suspected violations of this Code of Conduct, either internally or at suppliers.

8. Resources ensuring continual improvement to the integrated system

The top management of the company Model Obaly a.s. undertakes to provide the resources necessary to meet the goals of the integrated management system and ensure its further development.

Opava, 1st May 2025


Josef Chalupný
Chief Operating Officer