



CORPORATE SOCIAL RESPONSIBILITY REPORT 2023



♥ WE TAKE CARE OF OUR PEOPLE ♥

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Management summary

What OTTO Work Force does on a day to day basis impacts clients, our employees, society and the environment. OTTO Work Force acknowledges it has Corporate Social Responsibility and has committed itself to reduce negative impact and increase positive impact on the following themes:

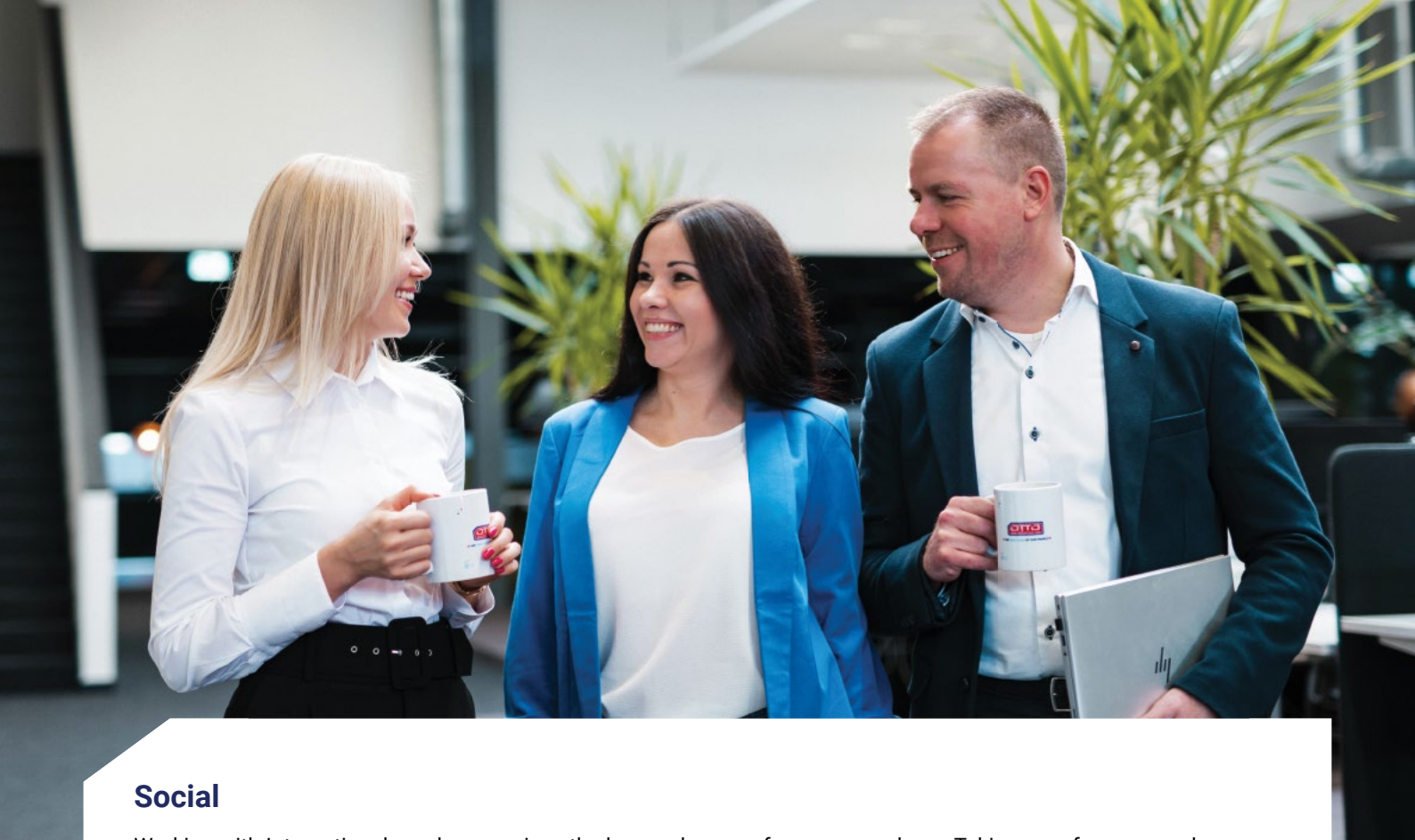
- **Environment**
- **Social**
- **Governance**

By doing this OTTO Work Force wants to contribute in the achievement of the sustainable development goals, which were defined by the UN to achieve a better and more sustainable future for all.

Environment

OTTO has already deployed several initiatives to reduce our GHG emissions from Housing and Travel&Commute:

- OTTO has preferred housing suppliers which use energy efficient concepts
- Strategic housing locations in order to decrease travel distances and optimize the occupancy of vehicles.
- Replacing cars and buses with bikes with currently 4.000 employees commuting by bike
- Switch to next-generation vehicles (electric, hybrid, hydrogen)
- All the actions described above have translated to a 42% reduction of fuel litres annually used per employee since 2018.



Social

Working with International employees raises the bar on due care for us as employer. Taking care for our people means for us:

- Safe, positive and healthy work environment and reducing the number of accidents
- Informing and assisting employees via our MyOTTO app and 24/7 by our Contact Center and by information campaigns (Alcohol and Drugs Prevention, fit@OTTO, safety campaigns)
- Education, growth and development opportunities. In 2023 67% of our staff vacancies are fulfilled by OTTO Flex employees
- Gender equality (diversity and equal pay male and female). The pay gap has decreased to 4,06%. This is well below the Dutch average of 13%
- Fair and equal pay. At OTTO 91% of our employees work at a client where the average hourly remuneration is above 125% of minimum wage
- Income security. OTTO offers (almost) all employees a guaranteed no. of hours. Ultimo 2023 almost 89% of our employees have 32 or more guaranteed hours per week. Of all the contracts with international employees 51% is a contract with an indefinite term.
- Decent Work & Economic Growth. This start with respecting human rights, taking care of our people, being compliant with legislation and the fair employment rules of the ABU, but also OTTO has actively advocated the reintroduction of a permit for (temporary) employment agencies which will come in place in 2026. At the end it is crucial that employees are satisfied with their work. That's why OTTO monitors every month the satisfaction which scores a 8,1
- Decent work can't be seen without looking at adequate housing. Adequate housing means housing safe place, good quality, near working location and SNF certified against a fair price for our employees. OTTO monitors every month the housing satisfaction which scores a 8
- Sustainable cities & communities. Employing International employees has implications for the country of origin as well as the country of deployment. OTTO is mitigating the negative impact by develop more and larger Short Stay Housing Locations outside residential areas and focus on functional, regulated, and circular labor migration (dit mis ik nog). OTTO donates to the OTTO foundation. In 2023 we've donated € 385.000,- to the OTTO foundation. Through this foundation OTTO Work Force contributes to the regions where many of our employees come from



Governance

Good Governance is important and is ensured through:

- Our Holding Board and Country Boards which are supervised by our Supervisory Board
- The OTTO Code of Conduct which describes our core values with the acronym RESPECT . This Code of Conduct is applicable to all OTTO employees
- A Whistle blower policy which encourages people to report Code of Conduct violations. Reporting can be done 100% anonymous through the Speak up platform
- Continuous communication of our core values RESPECT and business and policy developments
- The Risk Management department that assists management on the following topics
- Our J-SOX Internal Control framework which we have and are audited on as a 100% subsidiary of the Japanese stock exchange listed Outsourcing inc.
- GDPR compliance by assisting Operations, registering and handling data breaches, raising awareness on privacy
- Information Security and awareness on this topic



Introduction

What we do as OTTO Work Force undoubtedly has impact. What we do on a day to day basis impacts clients, our employees, Society and the environment. The impact we have is both positive and negative. OTTO Work Force acknowledges it has Corporate Social Responsibility and has committed itself to a selection of the United Nations Sustainable Development Goals relevant to OTTO. These goals are set by the United Nations as a blueprint for peace and prosperity for people and the planet, now and into the future. These Goals recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. OTTO is aware of and acknowledges the responsibility it has. This is apparent from the corporate values that form the acronym RESPECT.

As we believe in openness, OTTO wants to inform the public in this annual Corporate Social Responsibility report about the way we look at our Corporate Social Responsibility. We start by explaining OTTO, our Mission and Core values and how we operate. Further in this report we will address the positive and negative impacts of OTTO and what we do to mitigate the negative impacts. For the purpose of this report, we have aligned with the SDG's and discuss the Following topics:



Environment



Social



Governance

In this report for OTTO Netherlands, OTTO will address per topic both the positive and negative impacts we've identified. Per impact we will cover the most important policies and initiatives we have in place to reduce and remediate risks of adverse impact and/or to improve and increase the positive impact.



WE TAKE CARE OF OUR PEOPLE



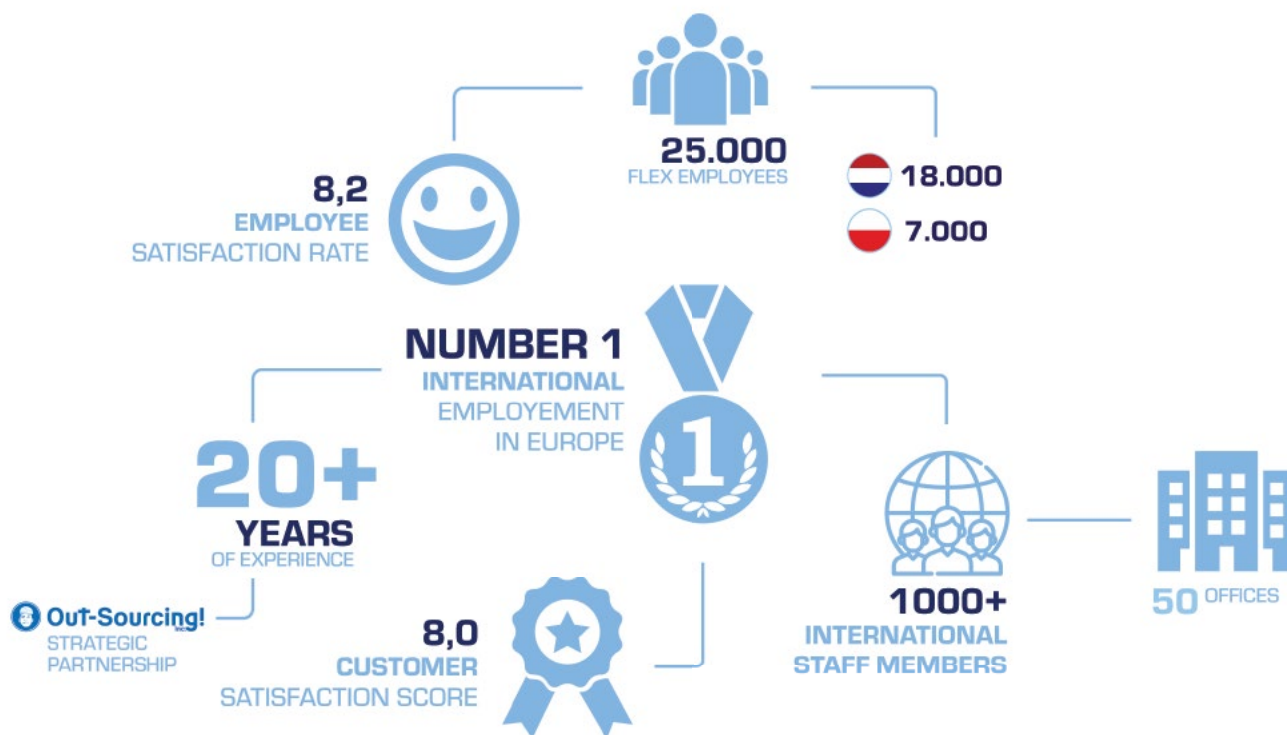


About OTTO

OTTO Work Force believes that demographics and economic developments drive a need for employees in the Netherlands that just can not be fulfilled by the own workforce anymore, there are simply not enough people available to perform all the work available. At the same time, depending on where you are from, significant

differences in Pay levels between countries make it attractive to work in The Netherlands, Germany or Poland. OTTO Work Force connects these two elements by recruiting (foreign) employees to work in the Netherlands (and Poland). To do so OTTO Work Force recruits both locally in the Netherlands as well as Internationally.

The world is constantly changing - people, employers, and everything are connected! OTTO is leading the way in helping people find jobs around the world. We understand how important it is for everyone to have stable employment, and we work hard to create opportunities that benefit everyone involved.



Mission & Core Values

Mission:

OTTO serves local economies and critical sectors by enabling and empowering workforces



Promise:

At OTTO, we don't just give people jobs - we focus on finding the best people for our customers, and helping our employees grow both in their careers and personal lives; "We take care of our people". Working abroad is an impactful decision, that required care as an employer. This means being responsible, compassionate, and honest in everything we do.



Values:

RESPECT is not just a word, but a cornerstone of everything we do. We treat everyone with fairness and dignity, no matter where they come from. Likewise, we hold our clients in high esteem, recognizing their indispensable role in our existence. Our values of RESPECT help us work together well and make our company a place where everyone feels welcome.



- R** **RESULT**
We are cost effective and target driven
- E** **EVERYWHERE**
We do not believe in borders, we believe in quality
- S** **SOCIALLY INVOLVED**
We care for our colleagues and for the world around us
- P** **PERFORMANCE**
We always take one step further
- E** **EMPOWERMENT**
We enable our people to take responsibility
- C** **CUSTOMER EXCELLENCE**
We are focused on offering the best service to our clients
- T** **TRANSPARENT**
We believe in openness

Vision

At OTTO, we envision a transformed global job market, free from borders. We'll connect skilled individuals with fulfilling work while delivering the best solutions for our customers. We're building a sustainable, safe, and fair work environment for all. Success is shared and strong financial performance fuels a better future for everyone. We go beyond compliance, setting ethical standards. Committed to a carbon-neutral future, we protect the communities we impact. Our goal? To be a trusted leader in this borderless, sustainable future of work where everyone thrives.





Objectives

At OTTO, we prioritize three core objectives to guide our strategic future:

Employer of Choice



OTTO wants to be a top choice for all our employees, for both staff employees as our international employees working for our clients. We offer fair pay and good working conditions for everyone. We know finding a good place to live can be tough when you move to a new country, so we help our international employees find suitable housing that meets a high standard (above the SNF level). Safety is a big deal for us, so we make sure our employees have a safe way to get to work and a safe work environment. We understand that moving abroad can be a big change, so we continuously give our international workers all the information they need to successfully work and live abroad. Finally, we invest in training for all our employees so they can develop their skills, build a career and better serve our clients.

- Fair income
- Good working conditions
- Adequate housing
- Safe transport&workplace
- Fair recruitment
- Invest in training & development

Leading Company

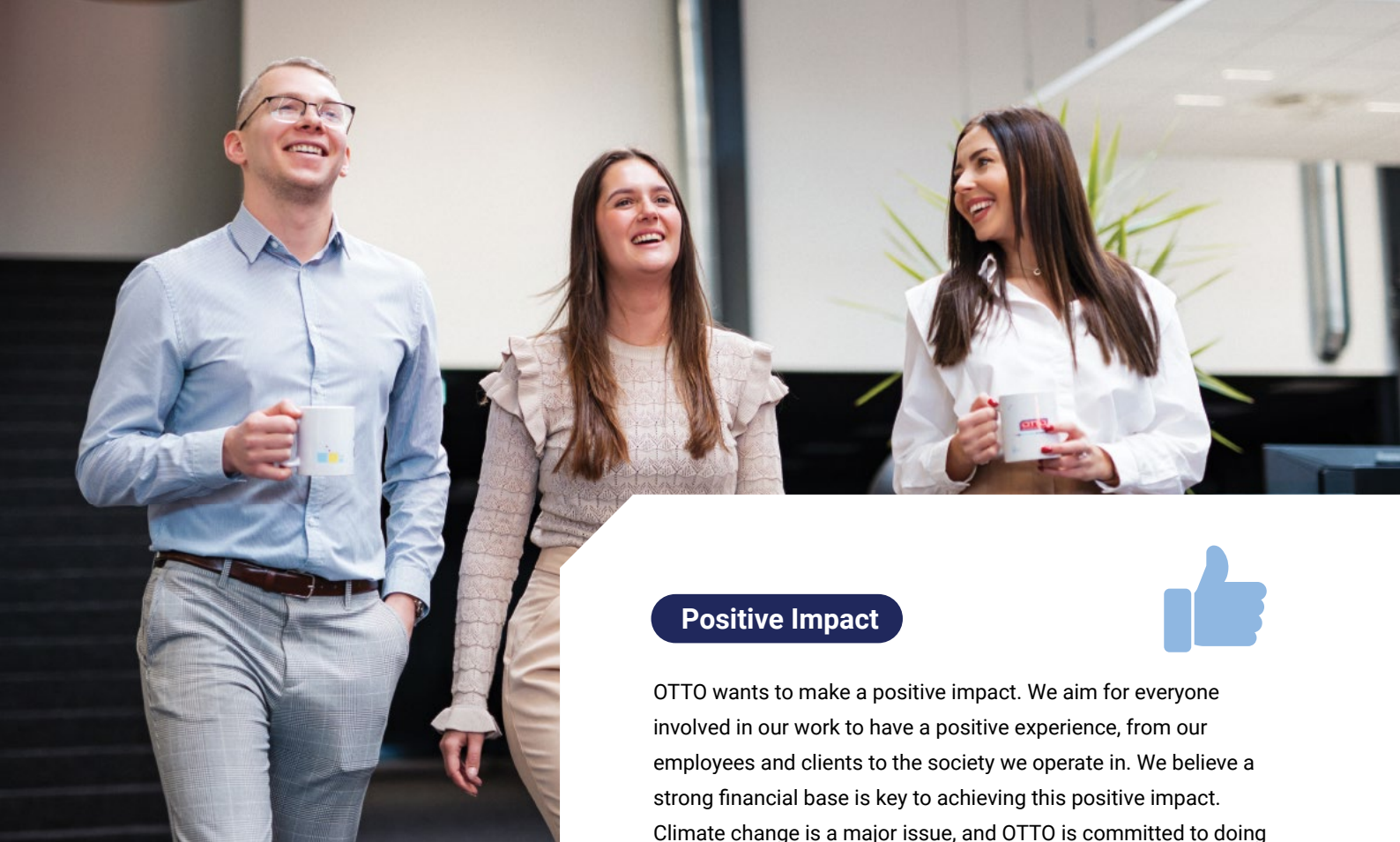


OTTO, as the largest organization in international employment, wants to be a leader in the field.

Leader in the services we provide our clients and leading in our social and recruitment standards.

To achieve this, we know we need to recruit talent from outside the EU and focus on growing in industries facing staff shortages, like healthcare and technology. But leadership for us goes beyond size. We want to set the bar for ethical labor migration, believing it can only truly benefit everyone when done well and with respect. That's why we want to challenge the status quo and share our expertise in discussions about fair labor migration. We don't settle for "good enough" - just because something is legal doesn't mean it's right by our standards.

- Non-EU recruitment
- Healthcare & Technique industries
- Develop new service models
- Leading role in social discussions
- Work beyond compliance



Positive Impact



OTTO wants to make a positive impact. We aim for everyone involved in our work to have a positive experience, from our employees and clients to the society we operate in. We believe a strong financial base is key to achieving this positive impact. Climate change is a major issue, and OTTO is committed to doing its part. We're setting ambitious goals to become carbon neutral, in line with the Paris Agreement.

As a company operating in local and global communities, OTTO can only succeed if we meet or exceed the expectations of the people around us. That's why we actively listen to understand their needs and concerns, both spoken and unspoken, so we can manage expectations and deliver the best possible service.

By integrating environmental, social, and governance (ESG) considerations into our decision-making processes, we aim to create shared value for our stakeholders while mitigating risks and maximizing opportunities for sustainable growth.

- Solid financial basis
- Be carbon neutral
- Meet community expectations
- Show excellent business conduct



Conclusion

In pursuit of our corporate strategy, we are all about creating a better future for everyone. We strive for excellence in everything we do, from finding talented people, building partnerships and acting responsibly. We believe in building and developing teams and treating everyone fairly. That's how we'll make work better for people and improve lives all around.





Environment

OTTO's business model unfortunately contributes to negative effects on the environment. The main environmental impact are the Greenhouse Gas (GHG) emissions that can be linked to the operations of OTTO. The SDG 13. Climate Action aligns with the Goal OTTO has to reduce GHG emissions.

Determining the exact extent of our impact is difficult as not all emitting activities are directly part of our operations and/or under our control. That's why in 2024 we will start a project to determine our Carbon Footprint and develop reduction and compensation plans.

Climate Action

So far OTTO has already deployed several initiatives to reduce our GHG emissions from housing and travel & commute.



Housing

Around 65% of our International Employees use OTTO facilitated Housing (about 11.000 beds). These housing Facilities for our employees consume electricity and gas as the facilities need to be heated, employees need to prepare meals, take a shower, wash their clothes etc. This consumption of gas & electricity causes CO2 emissions.



OTTO prefers to use energy efficient Housing. It has less environmental impact and in most cases is economically sensible. The challenges in the current Housing market however make that often there is little to choose.

OTTO has several preferred housing suppliers. New locations are most often developed by our housing partner KAFRA. This supplier has different concepts for realizing short term Housing. Next to the refurbishing of existing buildings KAFRA aims to develop “temporary” housing using modular elements for short to medium stay housing. This modular concept is energy efficient as these modules are well insulated, fully electric (no Gas consumption) and are equipped with solar panels. Unfortunately, the development of new housing locations is challenging due to permit procedures and the NIMBY position (Not In My Back Yard) of many local residents. It’s therefore hard to develop new Housing locations and to replace existing Housing locations with more energy efficient locations.

The Ukraine crisis and related Energy crisis has made that OTTO started to raise awareness for this with a “Reduce your use” campaign informing our employees on ways to reduce their use and thus how to save money and the environment.

Travel & Commute

It’s hard if not impossible for a Business to exist without travel and commute. There are multiple reasons for travel and commute that can be linked to the Operations of OTTO Work Force.

Cross Border migration implicates that people have to travel from one country to another to start their new job. Living abroad implicates that occasional travel back and forth to the home country will take place. Travel can be done by car, bus, train or Plane.

OTTO is an international organization with offices in 9 different European countries and a subsidiary of the Japanese based Outsourcing inc. As such there is international business travel between our offices and also between OTTO and Japan.

Furthermore, OTTO Employees that rent accommodation via OTTO are facilitated in their commute from and to work. On a daily basis over 16.500 people are working for our clients. It takes effort to manage and coordinate this. To manage and coordinate this OTTO has employed over 1000 Staff employees. Staff has to commute as well. Part of our staff employees are provided with a company car to travel to Customer and office locations. The vast majority of our fleet currently consume fuel (petrol or diesel) which lead to GHG emissions



OTTO acknowledges the carbon footprint resulting from the commute we facilitate. OTTO takes various efforts to reduce its emissions:



**3000-4000 EMPLOYEES
COMMUTE TO WORK WITH
BICYCLES**



**WE HAVE 2500+
REGULAR BIKES**

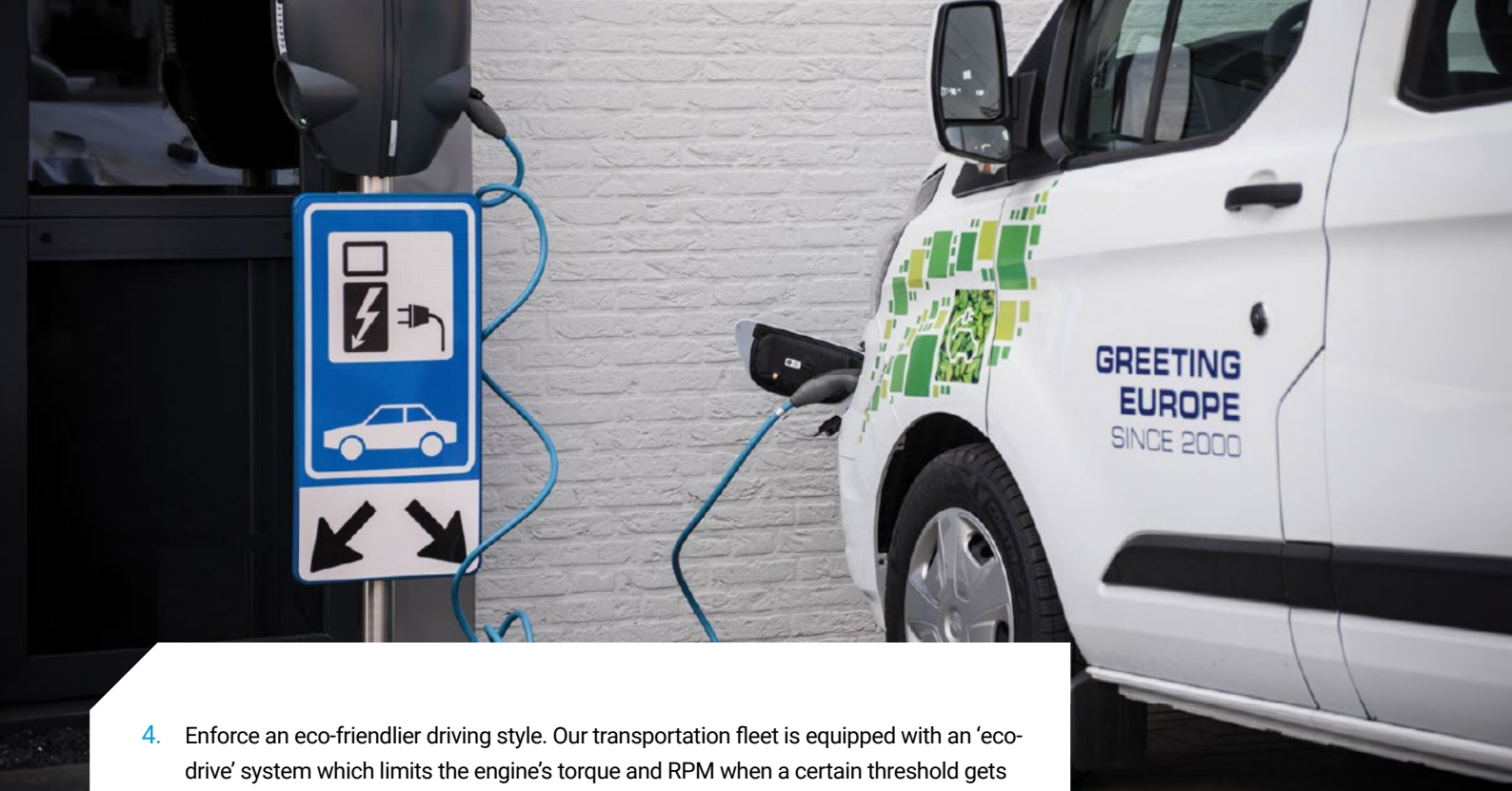


WE HAVE 1600+ E-BIKES

NUMBER OF BICYCLES IN USE

2019	2020	2021	2022	2023
617	2.020	3.056	3.097	4.209

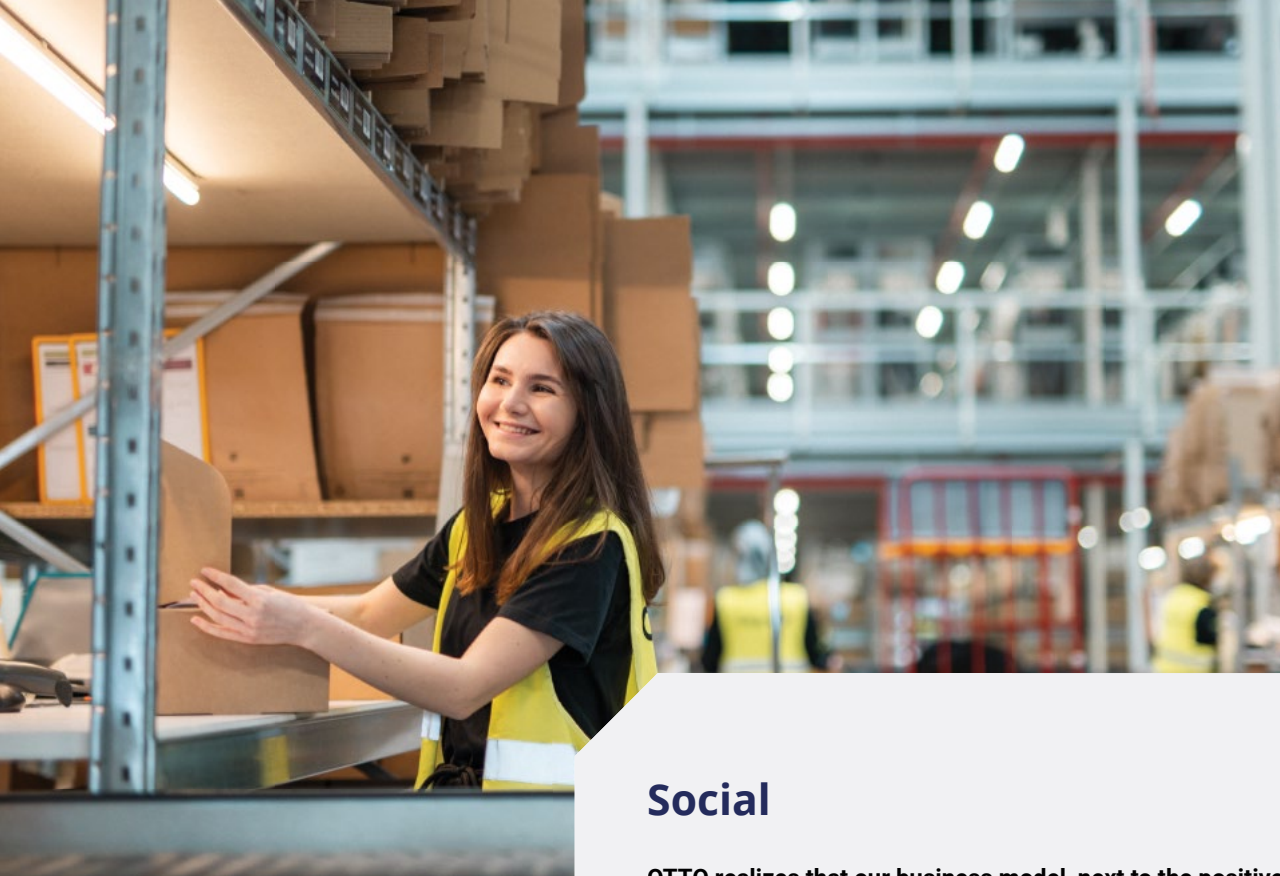
1. Organized transportation. Most foreign employees do not possess their own transportation mean. To offer our clients the best quality of service and especially workers' punctuality, it is therefore essential for OTTO to provide transportation services for our employees. OTTO strives to ensure workers' maximum comfort during their daily commutes. For such transportation purposes, OTTO maintains a significant fleet of cars and buses. OTTO's fleet consists of cars (carrying up to 5 persons) and buses (for up to 9 people). Compared to not facilitating transportation or employing native employees (who often commute by themselves) the group commute of multiple employees (carpooling if you will) might actually lead to a reduction of GHG-emissions compared to the solo commute of many (native) employees.
2. Optimization housing and shift planning to decrease the total distance travelled and optimize the occupancy of our vehicles. Consequently, OTTO reduces the total number of covered kilometres and deploys no more cars than required.
3. Replacing cars and buses with bikes. OTTO actively seeks to reduce the usage of motor vehicles by providing electronic and regular bicycles to employees who live less than 16 kilometres away from their work location. OTTO believes that this is the quickest, easiest, and most environmentally responsible way to reduce our carbon footprint. The introduction of bikes for the commute of our International Employees has led to a trend change as the growth of the no. of hours worked is no longer reflected in the fuel consumption.



4. Enforce an eco-friendlier driving style. Our transportation fleet is equipped with an 'eco-drive' system which limits the engine's torque and RPM when a certain threshold gets exceeded. Consequently, drivers are forced to drive in an eco-friendlier manner.
5. Switch to next-generation vehicles (electric, hybrid, hydrogen). Many of our Staff employees have to travel between client locations and between offices. For this reason, they are facilitated with a company car. Our Staff employees are offered an electric option in each lease category. Due to limitations in suitable electric vehicles and the availability of charging possibilities OTTO Work Force has not currently deployed fully Electric vehicles for the commute of Flex employees. Nevertheless OTTO has purchased 30 hybrid electric buses, which further reduce the carbon footprint of our transportation fleet. End of 2023, 5,5% (2022: 4,63%) of all the Dutch OTTO vehicles are (more) environment-friendly next-generation ones (Electric and Hybrids).
6. Working from Home. OTTO offers Staff employees the possibility to work from home if and when possible, this helps to reduce commuting kilometres.

All the actions described above have translated to a 42% reduction of fuel litres annually used per employee since 2018. We've seen an acceleration in the decrease during the Covid Pandemic when we were faced with lockdowns and Staff employees worked from home as much as possible. In 2022 we've seen an increase in the fuel consumption when the Covid Pandemic and measures ended. In 2023 we're almost back at the levels during the covid pandemic, which shows that our measures are resulting effect.

	2018	2019	2020	2021	2022	2023
LITERS FUEL OTTO CARS PER FLEX EMPLOYEE	223,2	143,0	117,7	120,7	142,6	130,6
		-36%	-18%	3%	18%	-8%
LITERS FUEL OTTO CARS PER WORKED HOUR	0,1400	0,0897	0,0787	0,0778	0,0889	0,0802
		-36%	-12%	-1%	14%	-10%



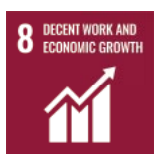
Social

OTTO realizes that our business model, next to the positive impact we see, also potentially has negative effects on people, the economy and society in general. We realize that we should limit these negative effects as much as possible and stimulate positive effects. On a whole what we do should have a positive effect on both our International Employees as well as the Dutch economy and society in general.

International employees often start working in a country and society they are (mostly) not or only limitedly familiar with. Deviating rules and regulations can make it difficult to find one's way. International employees can be vulnerable to exploitation (such as forced labour, underpayment, excessive wage deductions, poor housing conditions etc.) as they commonly are not familiar with local culture and have less knowledge of local rules and regulations. Moreover, they most often don't speak the local language, and a lot of times also no English or only very poorly. This makes International Employees more vulnerable for Human Right violations and other forms of exploitation. Working with International employees therefore raises the bar on due care for us as employer.

We have identified that our activities impact the following SDG's:

1. Good Health&Well being
2. Quality Education
3. Gender Equality
4. Decent Work&Economic growth
5. Reduced inequalities
6. Sustainable cities&communities



Good Health & Well Being

Moving abroad to start working is an endeavour that can be very impactful for our International employees. Leaving home, loved ones, friends and family is not something to take lightly. Leaving friends and family can make it challenging on a social aspect. Social deprivation is lurking which can lead to a variety of complaints (boredom and/or mental issues) which in itself can increase the chances of substance abuse.

Our employees often perform heavy and strenuous work in a performance-oriented work environment as they are often confronted with productivity targets. The work in itself can be strenuous (contains lifting or walking great distances over the course of a workday) or is has to be performed in cold conditions or in a work environment with an elevated risk of workplace accidents (for example due to the use of rolling equipment). These conditions can lead to an increased risk of substance abuse by Employees when faced with physical limitations to perform the work or when to meet the required productivity goals.

Safe work place

A safe, positive and healthy work environment and RESPECT take a prominent part in the OTTO Code of Conduct. Furthermore, OTTO has a policy regarding undesired behavior. This contains a zero-tolerance policy towards any form of non-acceptable behaviour. This policy describes a zero tolerance regarding inappropriate comportment and misbehavior, including but not limited to bullying, sexual intimidation, (verbal) aggression, and discrimination. OTTO encourages employees to report misconduct and all forms of inappropriate behavior. OTTO has appointed internal and external confidants (vertrouwenspersonen) who can be addressed by our employees. Reporting can be done via various channels, such as Management and the Speak Up platform. This platform allows employees to report anonymously. To assure there will be no (in)direct negative consequences for people who report issues, the whistleblower policy guarantees protection and reverses the burden of proof.



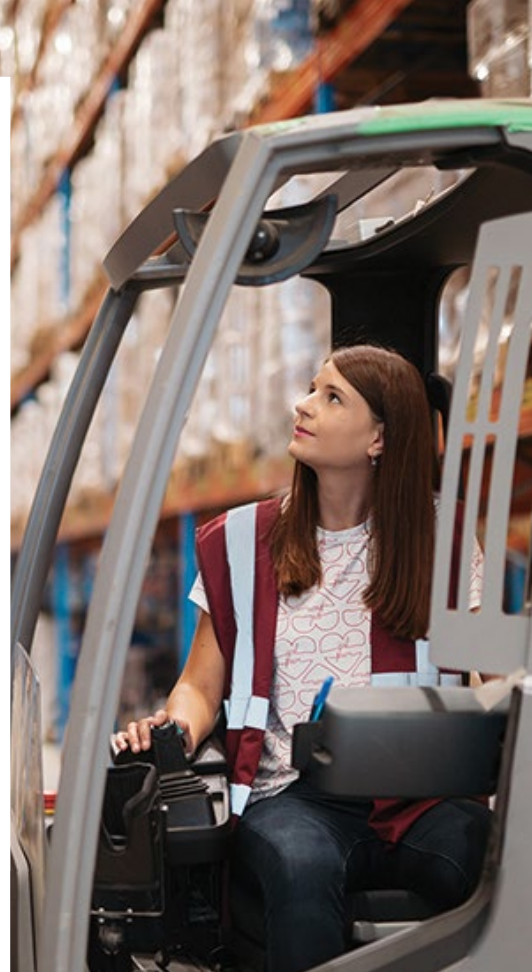
Workplace Accidents

The Health & Safety of all our employees is overseen by the Health & Safety Committee. The Health & Safety Committee discusses developments and trends regarding Workplace Accidents and oversees the Workplace risks and accidents of our Staff Organization.

Although the Health and Safety of our flex employees are primarily the responsibility of our clients, OTTO has chosen to monitor the Safety of our employees as we aim to assess, control, and improve the Safety of our flex employees

To monitor workplace accidents, all accidents are registered. We monitor the development in accidents on total and per client. Accident and absence rates due to accidents are monitored and compared. We compare accident rates amongst our clients and to national averages. Accidents are reported monthly to responsible management. Every quarter a more extensive analysis is performed to determine the IF-rate and accident are categorized based on the duration of the absence related to the workplace accidents.

Based on the gathered data, OTTO actively seeks to improve safety in cooperation with customers characterized by the highest accident rates. In recent years we have seen an increase in the Injury rates after years of decline.



	2018	2019	2020	2021	2022	2023
NUMBER OF ACCIDENTS PER 1 MILLION WORKED HOURS	14,85	11,17	11,49	11,73	10,07	12,93

Informing and Assisting Employees

OTTO uses the MyOTTO app as a primary channel for communicating with employees. Relevant news is communicated by OTTO via the app. Employees can request leave, ask all sorts of questions or make complaints via the MyOTTO app. Furthermore employees can find relevant documentation in the app such as their contract information, employee handbook, CLA documentation, payslips, the annual income statement and shift planning.



Next to the information provided during the recruitment phase about working and living in the Netherlands, OTTO also actively provides information to her International Employees about working and living in the Netherlands. It is a continuous campaign with seasonal elements that aims to inform our employees on multiple subjects such as Traffic rules, possible traffic fines, entry in the civil registry, Dutch events (such as King's Day) and other topics. The information is provided in multiple languages (Polish, English, Dutch, Slovak, Romanian, Bulgarian, Ukrainian) to make sure our campaigns have a wide reach.

Furthermore, OTTO is also 24/7 available for questions from International Employees. During work time questions can always be asked to the Onsite Personnel that run OTTO operations at client locations. OTTO personnel are often able to communicate with our flex employees in their native language. OTTO also has a Contact Centre (Operations Service Centre -OSC-) which our Flex employees can contact 24/7 for assistance and help with any queries. OSC answers work related questions but also assists our Flex employees in finding their way (for example making an appointment at a General Practitioner).



Improving and maintaining health

Health is important to everyone. Maintaining and/or regaining good health can be difficult in an environment you're not familiar with. It can be challenging for example finding your way through the Dutch healthcare system when you're new in the Netherlands. This is why OTTO has set up multiple initiatives to assist our International Employees.

We use information campaigns to inform our International Employees about the Healthcare system in the Netherlands. Furthermore, the Contact Centre is 24/7 available for our International Employees in case of questions or when there is need for assistance.



General Practitioner

OTTO started a cooperation with Healthcare for internationals. For the International Employees who chose to, OTTO arranges the registration with a General Practitioner through Healthcare for Internationals.

Healthcare for internationals (H4i) is a network of Dutch healthcare providers, including mental healthcare, which is making an effort to close the gap between Dutch healthcare and the needs and expectations of internationals. These are practices that cater to the needs of internationals. They have multilingual staff, an English website and staff that is trained to better meet the needs of internationals.

Periodic General Health Examination

As the work and/or the working conditions can be strenuous it's important to stay healthy. To monitor their health our Flex Employees, have the possibility to request a periodic medical examination at our ARBO Service.



Alcohol and Drugs Prevention

OTTO has set up the ADPT (Alcohol&Drugs Prevention Team) to monitor and reduce the alcohol and drug abuse. OTTO has also requested the independent Dutch Trimbos Institute to oversee the use of drugs and alcohol among OTTO employees. OTTO has set up the "know what you do" campaign to inform our employees about the risks of substance abuse, encourage to quit or reduce.



Fit@OTTO

Given the importance of maintaining good (mental)health and physical condition, OTTO started the Fit@OTTO program, which aims to help fill (a part of) the idle time by encouraging our flex employees to exercise (more), eat healthy, work on their language skills, and improve their competencies via the Good Habitz platform.



Safety Campaigns

OTTO uses information campaigns to inform Employees about multiple topics. Part of the information provided aims to improve the safety of our employees. employees are informed using MyOTTO (the OTTO app for our international employees) and Facebook. The seasonal safety campaigns aims to raise awareness on different topics such as road safety (for example using the "lights on" campaign in autumn) and swim safety (during summertime) and during heat waves





Quality Education

OTTO is an organization that is largely built with and by employees who started within OTTO as a temporary employee at our clients. We believe it's important to offer successful employees the opportunity to further grow and develop. Our ultimate goal is to fulfil 80% of Staff vacancies with OTTO flex employees. That is why an acceleration scheme (OTTO Talent Pool) has been initiated with the goal to fill OTTO's staff vacancies with high-performing flex employees (who intend to stay indefinitely or for a longer period of time). OTTO has set up a talent pool open to motivated and talented flex employees. Participating individuals receive additional training, which prepares them to start work as OTTO staff. In 2023 67% of our staff vacancies are fulfilled by OTTO flex employees which is an increase compared to 2022 (59%) but not yet on target. Employees at OTTO also have the possibility to learn Dutch by language trainings that we organize for interested employees.



	2020	2021	2022	2023
PERCENTAGE OF STAF VACANCIES FULFILLED BY FLEX	81%	62%	59%	67%

For people outside the talent pool OTTO offers the possibility to acquire certificates for handling logistic equipment. For this purpose, OTTO has its own training facility that prepares our flex employees to become certified in handling logistic equipment, such as reach trucks, forklifts, EPT, and many more. As such qualifications are highly demanded, getting a certificate offers our employees a possibility for future job advancements in logistics. In 2023, 3.021 certificates were awarded to 1.512 of our Flex employees (2022: 3.541 certificates to 1.661 of our Flex Employees)

	2019	2020	2021	2022	2023
NUMBER OF LOGISTIC CERTIFICATES	2.042	2.182	1.815	3.541	3.120
NO. OF EMPLOYEES WITH CERTIFICATE	992	1.009	1.028	1.663	1.512

Additionally, as a part of the FIT@OTTO program, all Employees are given a chance to complete online training modules on the Good Habitz platform, which effectively sharpen both hard and soft skills. Spending enough learning time on one or more of such Good Habitz courses is conditional to qualify for a bonus for Staff Employees.

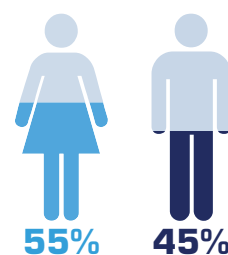
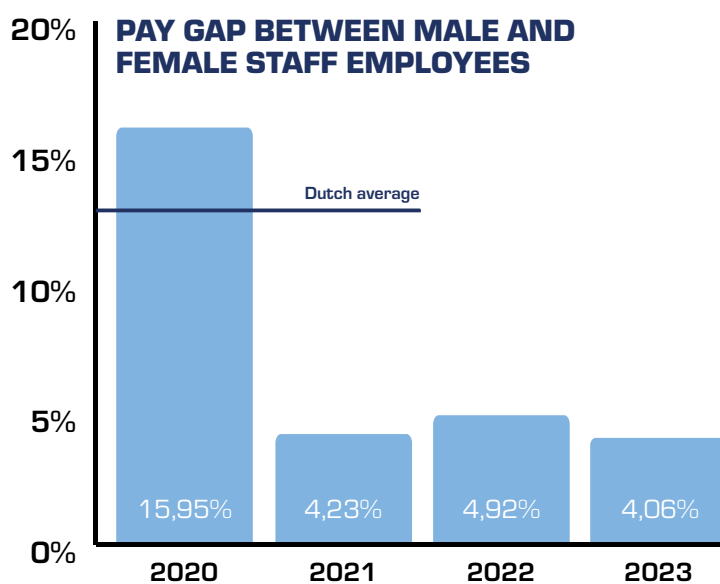


WE TAKE CARE OF OUR PEOPLE

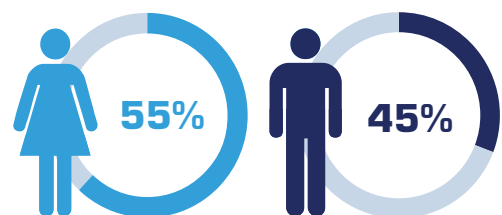


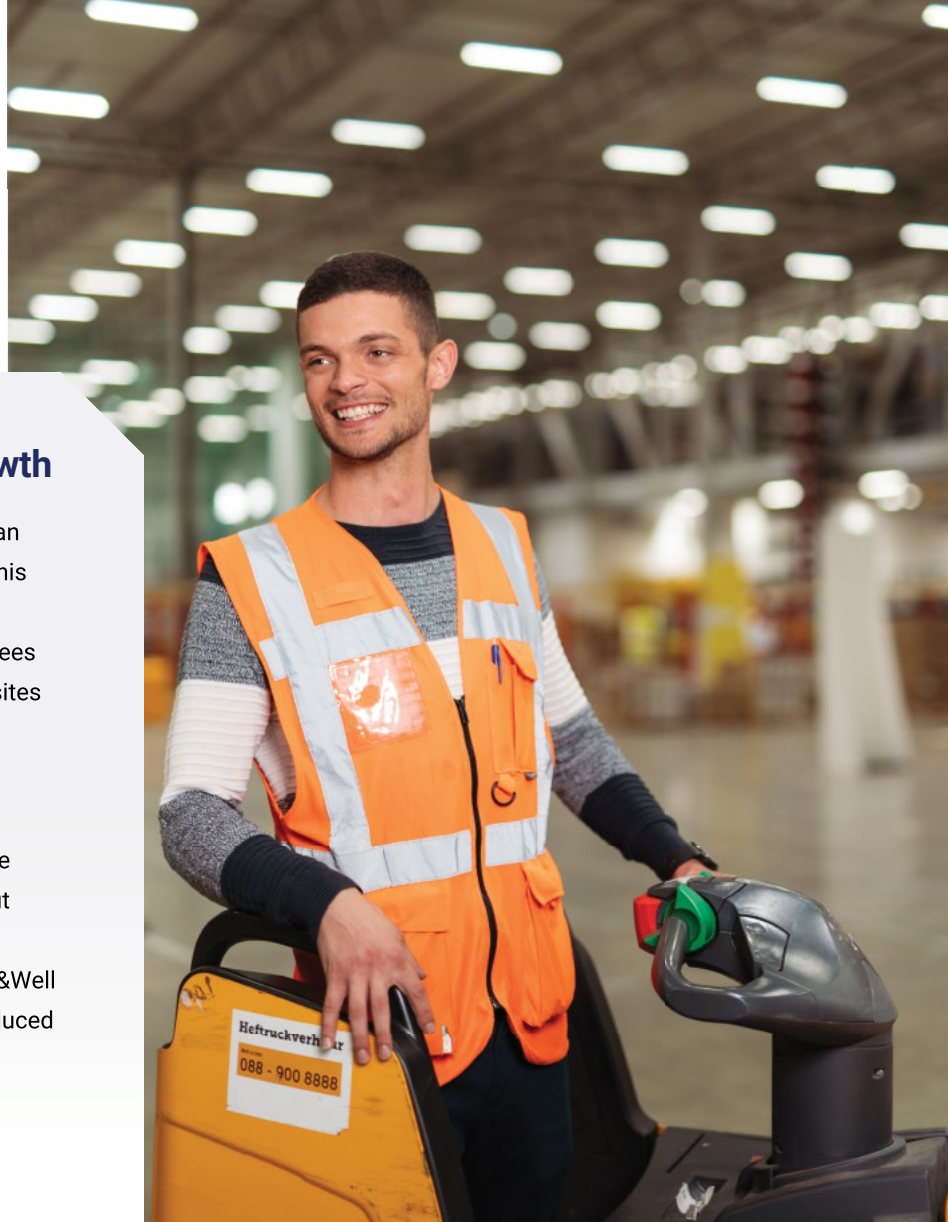
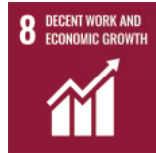
Gender Equality

OTTO has started to measure the pay gap between male and female Staff employees (all employees excl. directors). The average pay for female staff employees (excluding management) is currently 4,06% lower than the average pay for male staff employees. This significantly better than the Dutch average of 13% and a decrease compared to 2022 (4,92%).



748 STAFF EMPLOYEES





Decent Work & Economic Growth

OTTO believes that international employees can help relieve tension in the labour market and this can help to stimulate economic growth. This however can only be beneficial for our employees and society as a whole when certain prerequisites are met.

Decent work

In the case of International Employees multiple elements are important to be able to talk about Decent Work. Next to elements such as a safe work environment (please see 3. Good Health&Well Being) and decent pay (please refer to 10. Reduced inequalities) decent work also requires:

- Respecting Human Rights
- Employee Satisfaction
- Adequate Housing

Respecting Human Rights

OTTO Work Force respect Human Rights and does not want to be associated with violations of Human Rights. As international employees can be more vulnerable to violations of their Human Rights. For OTTO RESPECT is core to what we do and how we do this. OTTO Work Force has multiple initiatives to secure the Human Rights of International Employees.

Our Motto is “We take care of our people”. This is something we take seriously. OTTO has implemented a Code of Conduct. The Code of Conduct is based on RESPECT and describes the starting points of the way we as OTTO want to behave. By effect it also describes how we expect our Employees to behave. The Code of Conducts clearly opposes any form of Child of Forced Labour and encourages Equal Rights for all and disapproves of any form of discrimination.

As it is an impactful decision to start working abroad, it is important that candidates and future employees are informed transparently, correctly and completely so they have a clear understanding of what's coming as in practice not all is what it seems from afar. Working with international employees can also create a dependency between employee and employer. This dependency can be higher when the employee depends on housing arranged by the employer. Chances of exploitation increase significantly when employers hold on to ID documentation, pay in cash or on bank accounts not belonging to the employee, and withhold income for different sorts of dubious fines or penalties.



International employees are often less familiar with the laws, rules, customs, rights and obligations in the country of employment. This raises the due care required when working with International employees. OTTO Work Force acknowledges this due care and is an ABU member and as such is bound to self-regulation and certification. As an ABU member OTTO has committed itself to the ABU membership criteria of which the ABU Fair Employment Code is a critical element. This code aims to improve the quality of service and contains thresholds regarding the information provided to International employees, including transparency and fair recruitment.

Being an ABU member, OTTO must comply with these and other specific criteria. To assure compliance with these criteria OTTO is externally audited and certified annually that it complies with the SNA (NEN 4400) and ABU standards. As part of these audits an independent external party verifies our compliance with Fiscal and Social Security Laws, the ABU CAO (Collective Labour Agreement) and other important Employment related Legislation, amongst other laws regarding prevention of Forced Labour.

OTTO Work Force is not the only agency that employs International employees. Not all agencies take due care for their employees seriously and not all agencies have these or comparable certifications. Candidates are attracted by the prospect of earning an attractive income and/or by the adventure of living and working abroad or just basically the idea of a better life. These prospects are exactly the elements that malevolent agencies exploit to (mis)use and abuse foreign employees.

Currently no permit is required In the Netherlands to operate a Temporary Employment Agency. This unfortunately also means that parties with less respect for laws, regulations and common decency work with international employees. This unfortunately leads to exploitation of these international employees of which evidence can be seen in the news or read in newspapers. This is why OTTO has actively advocated the re-introduction of a permit for (temporary) employment agencies. As of 2026 a certification is obligated for all (temporary) employment agencies. We had however rather seen an earlier and stricter implementation.

Employee satisfaction

It's important our international employees are happy and satisfied with the work they're doing. As employee satisfaction is an indicator of the wellbeing of our employees OTTO monthly monitors employee satisfaction. The average employee satisfaction at the end of 2023 is quite high with a score of 8,1. It's a small increase compared to 2022 (7,9) and it shows we're constantly improving.

	Q4 2020	Q2 2021	Q4 2021	Q2 2022	Q4 2022	Q2 2023	Q4 2023
SATISFACTION FLEX EMPLOYEES	8,3	7,6	7,8	7,9	7,9	8,0	8,1



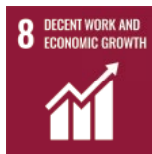
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Adequate housing

As there is a very tight housing market it can be quite difficult for employees to arrange housing by themselves, simply because it's hard to find and/or very high priced.

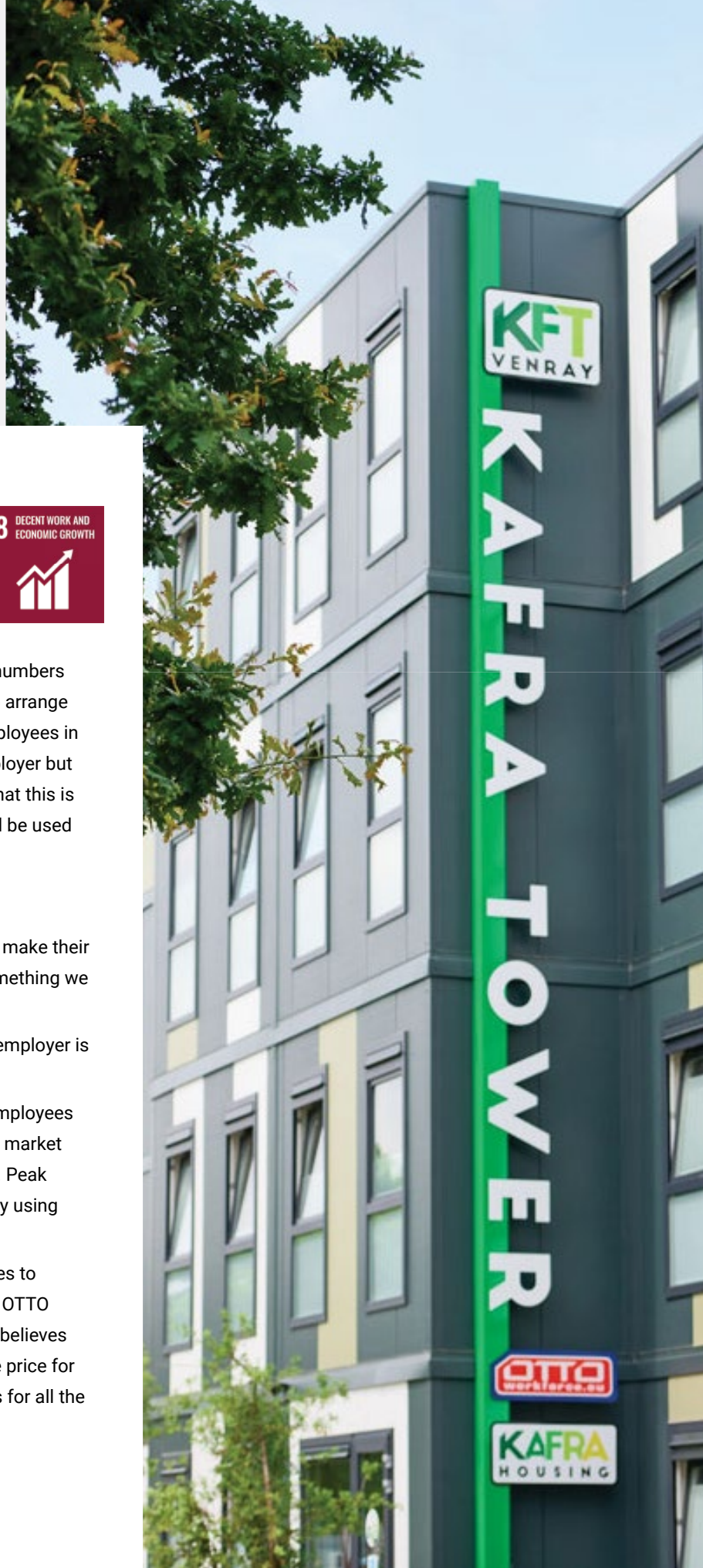
By consequence it's very hard to work with large numbers of International employees when one doesn't also arrange housing for them. This however also puts our employees in a dependant position as OTTO Work Force is employer but also Landlord. OTTO Work Force acknowledges that this is not the most desirable situation as Housing could be used to put pressure on Flex employees



Landlord and employer

Our International Employees are of course free to make their own arrangements regarding Housing. This is something we encourage and stimulate for multiple reasons;

- Firstly, because we realize being landlord and employer is not an ideal situation.
- Secondly because arranging housing for our employees is challenging. Due to the current tight housing market it's difficult to find enough beds, also for OTTO. Peak demands for example, have to be catered for by using hotels.
- Lastly, we encourage employees and candidates to make their own arrangements simple because OTTO loses money on facilitating Housing. As OTTO believes it's important that employees pay a reasonable price for housing, we cannot fully charge our employees for all the costs OTTO is making for Housing.





As the current tight housing market is challenging it's currently not realistic to let all our international employees arrange their own housing. Housing is simply a pre-condition to work for international employees. As long as a well-balanced market for temporary housing lacks it's unfortunately not realistic to expect all employees can arrange their own housing. Even though legally the employees engage with a different legal entity (Labour Housing B.V.) than for the employment contract (OTTO Work Force) as a whole OTTO still acts as employer and landlord. Offering employees housing will remain a pre-condition for filling demand in a tight labour market and

operating successfully with international employees. Even though this is not perfect OTTO is committed to continue to offer this service to its employees.

To reduce negative effects and to give former employees a chance to make other arrangements the housing contract no longer ends at the same time the employment contract ends. Employees can continue to use the OTTO housing for 4 additional weeks after the contract has ended. When OTTO ends the contract before the end of the probationary period OTTO offers a compensation for the journey home.

Minimum quality level housing (SNF)

OTTO aims to provide suitable and decent housing at a level that exceeds the legal minimum at a reasonable cost for our employees. Providing quality housing, however, is a challenge across the Netherlands.

As OTTO is SNF certified (Stichting Normering Flexwonen / Flex Living Standardization Foundation), all OTTO living locations meet the SNF standards regarding space, safety, hygiene, and general living conditions. There is however certainly room for improvement. Meeting the SNF standards for example unfortunately doesn't necessarily mean that all employees have a private bedroom.

Our Flex Employees have a right to privacy, this implicates to our opinion that they should have a private bedroom. This however currently certainly not always the case as suitable locations (in proximity) to our clients are in short supply.





Housing facilities

OTTO aims at larger scale Housing facilities for its employees. OTTO believes this is preferable to housing employees in private houses in residential areas for the following reasons:

1. It's imperative that our employees can enjoy a safe living environment on our housing locations and someone to rely on when there are issues and questions. Having larger scale housing facilities means that we can easier deploy welfare officers who can support the employees during their stay and manage safety and maintain an orderly situation at housing facilities, which is beneficial to both our employees as the local community. Welfare Officers can help our employees finding their way in the new country where they are working. Most of the times flex employees are supported in their local language as all Welfare Officers are most often from central or eastern European origin themselves as well.
2. Housing employees in regular houses in residential areas means that these houses can't be used by regular families. By excluding these houses from the housing market extra pressure is added to the already tight housing market
3. Larger scale housing facilities also offer more possibilities to realize better facilities for leisure (for example a gym, ping pong, or BBQ) which makes the stay more enjoyable.
4. It also offers opportunity to optimize transportation planning and maximize the occupancy rate of our vehicles which reduces Carbon emissions.
5. As we aim at circular migration. We expect that (most) of our employees will return to their country of origin after a certain period of time. Many employees will therefore not have any ambitions to integrate. Using larger scale housing Locations offers more chances to meet likeminded people, build relations and thus reduce the risk of social deprivation. If employees do decide to remain, we expect them to arrange their own housing and build a life in the country of deployment as the housing provided by OTTO is targeted for short to medium period of stay.



Housing satisfaction

OTTO monitors the employee satisfaction regarding housing with our housing satisfaction survey. OTTO monthly monitors employee satisfaction. The average employee satisfaction has increased over the years and was quite high at the end of 2023 with a score of 8 which is slightly higher compared to 2022 (7,9).

	Q4 2020	Q2 2021	Q4 2021	Q2 2022	Q4 2022	Q2 2023	Q4 2023
SATISFACTION ABOUT HOUSING	7,4	7,2	7,5	7,9	7,9	7,7	8,0

Economic Growth

OTTO Work Force helps to relieve tension in a tight labour market by the influx of workers from abroad. This benefits companies and society. OTTO Work Force delivers services to 2 of the largest supermarket chains are clients of OTTO. Furthermore, we assist large Web retailers, Food producers and logistics companies. Our Flex employees play a large part in stocking stores and picking online orders. Stocked supermarkets and online deliveries are critical for society. We positively impact society by providing the Work Force needed by customers. Without our international employees much of the logistic processes we all benefit from would falter or come to a standstill. Our International Employees enable our customers to make sure shops, stores and supermarkets are stocked and online ordered goods and groceries are delivered to customers on time. It enables the economy in The Netherlands (and Poland) to keep going, especially in these times of labour shortages.



Reduced inequalities

The general idea is that international employees are not paid adequately. Although this might be true with some, more obscure, agencies this is not the case at OTTO. People don't come all the way from another country when they can't earn a decent living. It's important they have a decent wage and can work enough hours to cover the costs of living (housing, food) and have money to spare. For the success of OTTO, it's imperative that our employees earn a decent living. If we can't offer this to our Employees it would be the end of our business.



Equal pay

All our International employees are covered by the ABU CAO (Collective Labour Agreement). By this CLA and by law OTTO is obligated to pay our employees the same as employees of the partnered companies. This is one of the aspects OTTO is regularly externally audited on as part of the SNA certification which is a prerequisite for an ABU membership. The SNA certification proves that OTTO pays according to the collective labour agreements, withholdings are lawful, employees are not paid below the legal minimum, and that all is compliant with applicable fiscal and social security regulations.



All our Employees are paid according to the collective labour agreement or working regulations of the contractor. We monitor the average remuneration per hour at clients. No one is paid under Minimum Wage. At almost all of our clients our employees are paid (well) above Minimum Wage. 64,7% of our employees work at a client where the average hourly remuneration (excl. surcharges) is above 110% of minimum wage. This is a decrease compared to previous years (2022: 97,2%) which can largely be explained by the 10% rise of the Dutch statutory minimum wage per January 2023. When surcharges, such as irregularity allowance, or cold conditions compensation is taken into account, 91,5% of our employees work at a client where the average remuneration is above 125% of minimum wage (2022: 89,9%).

DECENT HOURLY WAGE	2020 2ND HY	2021 1ST HY	2021 2ND HY	2022 1ST HY	2022 2ND HY	2023 1ST HY	2023 2ND HY
>125% MINIMUM WAGE (INCL. SURCHARGES)	78,4%	80,3%	79,8%	86,4%	86,1%	89,9%	91,5%
>115% MINIMUM WAGE (EXCL. SURCHARGES)	48,4%	47,6%	52,0%	67,9%	64,0%	42,2%	47,0%
>110% MINIMUM WAGE (EXCL. SURCHARGES)	79,2%	76,2%	80,5%	97,4%	97,2%	70,6%	64,7%



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Income security

Our Employees that are deployed as temporary employees are paid according to the current conditions at the client where they are deployed. OTTO therefore has little direct influence on the wage per hour our International employees are earning. There are other elements of the income we do have (some) influence over;

1. the contractually guaranteed hours;
2. the contract term; and
3. the no. of hours worked.

1. Contractually guaranteed hours

Being a Temporary Employment Agency OTTO Work Force employs (international) employees and deploys them at clients according to their needs. As a temporary employment agency OTTO Work Force is therefore dependent on the demand of our customers. OTTO Work Force has chosen to offer (almost) all employees a guaranteed no. of hours. This however also implicates that when a client requires less employees for example due to less demand of their products and services a risk remains for OTTO as we will have to continue to pay employees for their guaranteed no. of hours.

	Q4 2020	Q2 2021	Q4 2021	Q2 2022	Q4 2022	Q2 2023	Q4 2023
PERCENTAGE OF CONTRACTS GUARANTEED HOURS (INCL. UNDERTERMINED DURATION)	53,2%	53,4%	98,0%	95,1%	99,1%	98,8%	98,5%

It's too big a risk for OTTO to provide all employees guaranteed hours for 40hours per week. Ultimo 2023 almost 89% of our employees have 32 or more guaranteed hours per week, little under 9% have 28-32 guaranteed hours per week and 2,5% of our employees have less than 28 guaranteed hours (of which little less than 1,5% have 0 guaranteed hours).

	Q2 2022	Q4 2022	Q2 2023	Q4 2023
<28 HR	6,2%	2,1%	2,2%	2,5%
>=28 <32 HR	20,9%	18,4%	9,9%	8,7%
>=32 HR	72,9%	79,5%	87,9%	88,8%
TOTAL	100,0%	100,0%	100,0%	100,0%



2. Contract Term

Starting employees sign a fixed term contract for a period 6 months. Suitable and performing employees are offered a continuation. As OTTO depends on the demand of clients, we cannot offer all employees an indefinite term contract. Well performing employees are offered an indefinite term contract as much as possible. This provides these International Employees with increased income security. The percentage of indefinite contracts has decreased to little over 51% (2022: 55%)

	Q4 2020	Q2 2021	Q4 2021	Q2 2022	Q4 2022	Q2 2023	Q4 2023
PERCENTAGE OF CONTRACTS UNDERTERMINED DURATION	25%	31%	41%	51%	55%	51%	51%

3. Hours worked

The hours we can let our employees work depend on the demand at our clients. It's OTTO's job to plan our employees in such a way that everyone can work at least the guaranteed hours and preferably a bit more and in such a way that the hours are spread evenly over all employees. OTTO monitors the hours worked and net amounts earned to determine if planning has been successful.



Diversity

OTTO believes Diversity is an asset. To ensure OTTO has a diverse staff composition we have adopted a diversity policy. Diversity is regarded broadly and considers, among others, diversity in age, sex, ethnicity, sexual orientation, disabilities (mental and physical).

OTTO has a diverse Staff force consisting, ultimo 2023, in total of 766 employees of 13 different nationalities.





Sustainable cities & communities

OTTO is part of society. How we behave as a company affects society. OTTO wants to make a positive contribution to Society. That's why we want to refrain from business practices that are not in alignment with our core values (RESPECT). The free movement of labour however has both positive and negative effects. Employing International employees has implications for the country of origin as well as the country of deployment (Netherlands, Germany, Poland). Where it increases the labour force in the country of deployment, the opposite is true for the countries of origin. This can be positive for the countries of origin in times of high unemployment, but the opposite is also true in times of labour shortages. Furthermore, there might also be effects on local demographics when people in certain age groups decide en masse to work abroad.



Dutch society

Free movement of labour is one of the fundamental freedoms that form the basis of the European union. Next to the (positive) effects that can be identified (please refer to decent work&economic growth) labour migration undoubtedly also has other, not always positive, effects. We've identified effects on local housing markets and local communities.

Local Housing Market

Our hard-working International Employees deserve a decent place to live. The current housing market in the Netherlands is difficult and housing many international employees adds additional pressure to an already tight market. As we have free movement within the EU it's not possible to stop International employees from seeking work abroad. Given the current dependency on international employees within critical elements of Dutch society we believe it would also be unwise to stop international employees from coming to the Netherlands.

We think the best option is to properly facilitate these employees from abroad. We believe the housing market could positively benefit when it's possible to develop more (larger) short stay housing locations. The housing of foreign employees in larger numbers however remains a topic of discussion with local communities where they are housed.

It has proven difficult however to build new living locations for our international employees as it is hard to receive permits from the local government for (large-scale) housing projects. The lack of sufficient beds near the clients who are in short supply of employees adds pressure to the local housing market as solutions are offered and found within existing residential areas.

Local Communities

OTTO acknowledges that housing foreign laborers has implications for local communities. The Housing of employees can have effect on the people living near the housing locations. As explained earlier this also one of the reasons that OTTO prefers using larger scale housing locations. These are often situated at the edges of, or just outside residential areas, which minimizes the negative effects local communities might experience. Furthermore, our Housing partners aim to have clear communication lines with local communities throughout the entire process, from petitioning to running major housing construction works. It is important for OTTO and its housing providers to inform and accommodate to the wishes of local communities as much as possible. The scale of larger Housing locations furthermore offers the possibility of deploying welfare officers that can manage and maintain safety, which also reduces the risk of nuisances to neighbours.

There are however also positive effects on local communities to be seen, especially when our International Employees stay longer. The influx of International Employees also helps to maintain facilities and clubs and associations. (Children of) Labour migrants that decided to stay (longer) go to schools, participate in sports clubs and music societies and such and this way also have a positive effect on these institutions.



Recruitment Countries

There can be debate about the consequences of Labour Migration in the countries of origin. Labour Migration as we facilitate it is largely related to the free movement of labour within the EU. We believe it's important to operate respectfully so that its benefits can be maximized.

Studies have shown that there are also many positive effects to (circular) cross border migration such as the inflow of money from deployment countries that stimulate the local economy. Also, the positive effect of people returning with new and broadened experience which in turn can also help to improve their position on the local labour market and benefit the local economy in recruitment countries as a whole.

This however will not mean that there won't be or aren't any negative consequences. As we feel related and committed to the countries where we recruit we've initiated the OTTO foundation.



OTTO Foundation

OTTO donates to the OTTO foundation. In 2023 we've donated € 385.000,- to the OTTO foundation. This foundation is a socially involved organisation and therefore wants to contribute to society. The idea behind the OTTO Foundation is that the donation per project benefits people or organisations in need. The OTTO foundation aims to provide social, humanitarian and economic assistance to people with a minimum income in countries where OTTO operates. We do this by means of individual help, but also by supporting institutions and (social) organisations involved in fighting poverty.

The OTTO foundation supports all kinds of positive initiatives. Through this foundation OTTO Work Force contributes to the regions where many of our employees come from. These regions often have all kinds of problems and challenges, but with support from the OTTO Foundation we want to contribute to the development of these areas and help people in difficult circumstances.

Unfortunately, the Ukraine has been affected by the Russian aggression. Ukraine is one of our main recruitment countries for our Polish branch. This war affects Ukrainians but also the Ukrainian society but also societies in other Recruitment Countries such as Poland. This war has a terrible impact on many people. The OTTO foundation tries to provide humanitarian and economic aid to the victims of war.

OTTO Work Force feels a strong commitment to the situation in Ukraine, partly because OTTO operates in the Ukrainian market with 3,000 international employees, 100 executives and seven local offices. Undeniably, we have been affected by the war there. Thus, we had to close five offices and many employees (with their families) fled. It is also about our people, and we help them where necessary. We take care of our people. Our motto to which we are truly committed.

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Because of our solidarity with Ukraine and the war victims, a crisis team was set up in Poland in the early 2022. The team worked mainly on:

- reuniting Ukrainian families in Poland and cooperating with local authorities;
- providing adequate communication and information, such as our 24/7 helpline;
- financial support to our employees by means of early payments and higher advances.

In this context, OTTO Foundation has launched in 2022 a fundraising campaign for the victims of the war in Ukraine. This campaign was expanded to our staff members and international employees in 15 European countries in which we operate, as well as to clients and other OTTO stakeholders. The money raised was used to support local aid organisations and projects. Every euro donated for the victims was doubled by OTTO Work Force.



One of our projects is the OTTO Centre in Biskupice Podgórne, Poland. This reception facility is a safe haven for Ukrainian families and a way out of the problems they face. The facility has been provided with furniture and equipment in collaboration with IKEA.

By the end of 2023, the financial support for employees and their families, as well as the rent for the shelter location in Biskupice Podgórne, has been phased out. We are now exploring new possibilities to contribute from the OTTO Foundation to people in need in Ukraine.

During 2023 the OTTO Foundation had donated financial support to the following projects:

Donations for Ukraine (€ 360.779)

- Financial support for employees and family in Ukraine
- Reception for refugees (including food, clothes et cetera)
- Sponsoring Christmas dinner Ukrainian employees
- Sponsoring Warsaw trip for Ukrainian orphans
- Support Ukrainian (food, medicine, hygiene products) i.c.w. Ukrainian church
- Sponsoring trip to the Efteling and Beekse Bergen for Ukrainian children
- Sponsoring children's afternoon in Zevenbergen
- Donation Warchild (Can't wait to learn program)
- Other spending



€403,979

Financial support in 2023



€360.779

Donations for Ukraine

Other donations (€43.200)

- Donation Sports for Children (equipment for gymnasiums in schools in Armenia)
- Donation at PSV gala 110 years (tickets Efteling for children)
- Donation Milosz Pazdzierski (treatment and therapy for illness)
- Roman Catholic Polish Parish (Saint Nicholas' Day)



€43.200

Other donations

Governance

Peace Justice and strong institutions

OTTO believes good Governance to be important. As a company which acts as a supplier of workforce for many other companies, a client to our suppliers and as an employer to our employees we can contribute tot the Goals formulated in SDG 16. Peace And Strong Institutions. In the way our organization is governed for example we contribute to inclusive decision making and we do not allow for corruption and bribery. Transparency is one of our core values. This report is one of the ways we achieve transparency and accountability.

Board Structure & Composition

OTTO Work Force is a subsidiary of Outsourcing inc. All shares in OTTO are held via OSI Netherlands. OTTO has to report to Outsourcing where Frank van Gool (CEO) has a seat in the Board.

The OTTO Organisation is headed by OTTO Holding. The Holding is ultimately responsible for the results in The Netherlands and Poland. The Holding consists of the Holding Board which is the Highest executive organ within OTTO. The Holding Board consists of:



FRANK VAN GOOL
Founder & CEO



KAROLINA SWOBODA
Vice CEO



JUSTYNA KOOIJMANS
HR Director



PETER BOUMAN
CFO



WILLEM-JAN HERCKENRATH
IT Director



STANO SAMKO
Director International Recruitment

In the Holding also consists of the Controlling department (Financial and Business control), Risk department and Strategic advisory which assist the Holding Board.

The Supervisory Board consists of Nonexecutives with a monitoring and advisory role. The Supervisory board monitors the performance of OTTO and the Holding Board. The Supervisory Board consists of the following members:



MRS. KUIJTEN
Supervisory board president



MR. BIERMANS
Supervisory board



MS. HERATY
Supervisory board



MS. SAKIYAMA
Supervisory board



MR. KIZAKI
Supervisory board

The Dutch entity is headed by the Country Board. The Country Board consists of the following people:



DANIELLE KEIJL
Managing Director Operations



KASIA GURBALA
HR Director NL



BART HOLTACKERS
Finance Director NL



OTTO Code of Conduct

In no way does OTTO want to be associated with practices harmful to society and its institutions. The guiding principles for OTTO are laid down in our Code of Conduct. This Code of Conduct is based on RESPECT and explicitly forbids practices such as bribery, corruption, fraud and the like. This Code of Conduct is applicable to OTTO and all its Employees. Furthermore, proxy for local offices is limited and ultimately reserved for the CEO, making the risk of fraudulent payments and bribes very limited.

Whistle blower Policy

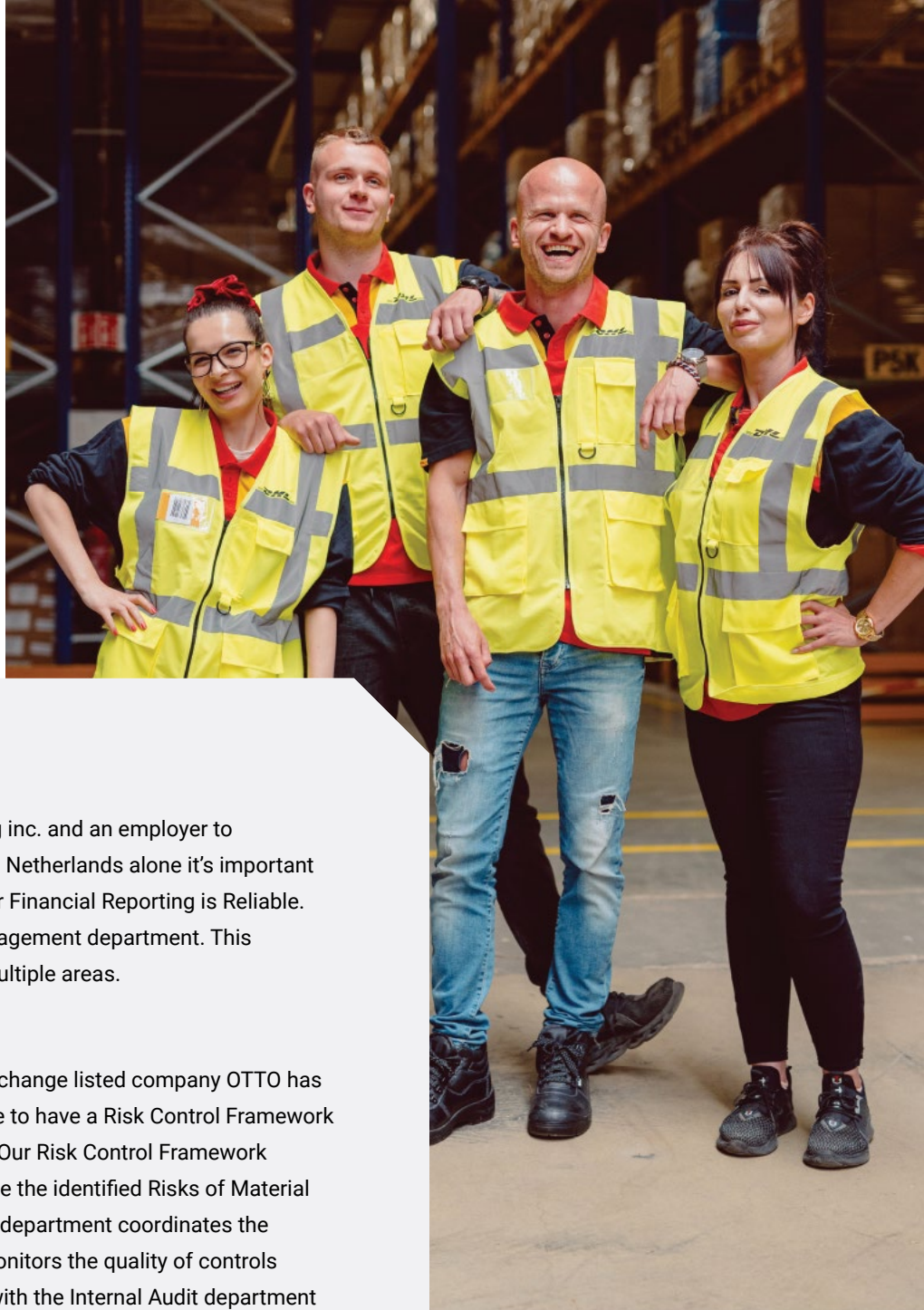
A communicated Whistle-blower policy states how employees can safely report violations of the OTTO Code of Conduct and misdoings, misbehaviour, and misconduct in general without putting anyone at risk. In 2022 we've implemented the Speak Up platform which allows to make a whistle blower report fully anonymously if they want to. The Whistle-blower Policy is aligned with applicable laws

Communication

OTTO has multiple ways to communicate developments, policies. Next to our "knowledge base" (internal platform) that we use to communicate our policies, guidelines etc. There is a monthly "OTTO news" that is hosted via a Teams session. The OTTO news is used to discuss developments, news and highlights. Policies are discussed as well as well as relevant developments regarding these topics.

At OTTO we value our heritage as a (once) family-owned company. We value the familiar atmosphere even though we have grown enormously over the years. To make sure there are sufficient occasions our employees can informally meet we host the monthly "OTTO Café", the annual Christmas Dinner and a Bi-Annual Teambuilding weekend.





Risk Management

As a material subsidiary of Outsourcing inc. and an employer to approximately 17.000 employees in the Netherlands alone it's important that our risks are well managed and our Financial Reporting is Reliable. For this purpose, OTTO has a Risk Management department. This department assists management on multiple areas.

Risk Control Framework

As a subsidiary of a Japanese stock exchange listed company OTTO has a J-SOX obligation. This means we have to have a Risk Control Framework to assure Reliable Financial Reporting. Our Risk Control Framework consist of our Key Controls that mitigate the identified Risks of Material Misstatements. The Risk Management department coordinates the timely execution of the Controls and monitors the quality of controls performed. The results are discussed with the Internal Audit department of Outsourcing inc. The Risk Control Framework is also audited externally by our External Accountant. Deloitte audits Design and implementation and operational effectiveness. The outcome of Deloitte's audit activities is reported to OTTO holding and to the External Accountant of OSI (Deloitte Japan).

Privacy

As a European organization processing data of EU-citizens OTTO has to comply with GDPR. The Risk Management Department is knowledgeable on GDPR compliance and assists the organization on how to remain and how to become even more Privacy friendly and how to comply with all GDPR requirements. When required external expertise is called in.



Data breaches

All employees are informed about the obligation to report all data breaches to the Risk Department. The Risk Department registers all reported data breaches in the mandatory Data Breach Register and evaluates the privacy risk for the people whose data was breached (in most cases employees) and determines to report the risk to the supervisory authority (Autoriteit Persoonsgegevens). In 2023 9 Data Breaches were internally reported. 1 Data breach constituted a risk for 88 (former) employees. This Breach was reported to the Supervisory Authority.

	2019	2020	2021	2022	2023
DATA BREACHES	7	18	8	12	9
OF WHICH REPORTED TO AP	1	0	0	1	1

Privacy awareness

Employee awareness is first and foremost when it comes to protecting the privacy of our employees (and other data subjects). OTTO aims to raise awareness. Raising this awareness starts during the onboarding all new staff employees have to attend and continues as part of the in-employment training (as mandatory trainings on the Good Habitz Platform) and as a periodic topic in the OTTO news.



Security

As people are our business, we cannot operate without processing personal data. Our employees need to have access to employee and Company data. OTTO has implemented a diverse set of technical and organizational Security measures to increase our Data Security. We are constantly evaluating our measures and we improve where possible and viable. We perform tests and apply monitoring techniques to detect risks so we can act accordingly.

Awareness

The weakest link in most security environments is the human element. This is also true for OTTO. That's why we continuously aim to improve security awareness starting from onboarding and throughout the year. Amongst others we do this by offering (targeted mandatory) trainings to our employees and discuss important topics in the OTTO news.




PHISHING

Hackers are after YOU. OTTO employees are a prime target for hackers seeking access to our company's sensitive data. We do manage significant amounts of personal data! While OTTO takes security measures, hackers are getting smarter. So we all need to be proactive. You don't want to be the person that unknowingly allows hackers access to our data, with all imaginable consequences?



WE ARE ALL RESPONSIBLE TO PREVENT A DATA BREACH

BE AWARE AND BE SMART



Report suspected phishing emails in Outlook



Reset your password if you suspect you might be compromised



Do not click (suspicious) links and attachments, especially if you do not know the sender

HOW TO IDENTIFY PHISHING?

- Legitimate companies will never ask you for personal info via email
- Scammers will disguise phishing with an URGENT notice
- Unusual or very personal requests
- Spelling or grammatical mistakes
- Suspicious URL links
- Strange sender email address

MOST COMMON TYPES OF PHISHING

 <p>EMAIL PHISHING</p> <p>Email phishing will imitate an email from a legitimate company and includes a malicious link or document to trick the user into "confirming" their personal information or download malware.</p>	 <p>SPEAR PHISHING</p> <p>Spear phishing may trick users into believing the email is an internal communication or from a trustworthy source due to access to personal information and personalized message text.</p>	 <p>WHALING</p> <p>Whaling is more targeted to high-level management to ask for unusual actions like urgent payments. Also known as CEO-Fraud.</p>	 <p>ANGLER PHISHING</p> <p>Angler phishing where fake social media offers or messages ask you to verify personal info via links.</p>
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