

## **Explanations on the implementation of the provisions of the core labour standards of the International Labour Organisation (ILO) in Austria and within the PIERER Mobility Group**

### **Austria as a member of the ILO**

Austria was a member of the International Labour Organisation from 1919 to 1938 and is a member since re-joining in 1947. Austria has ratified nine of the ten core labour standards of the ILO and a total of 54 conventions, 43 of which are in force today.<sup>1</sup>

### **Legal compliance**

The PIERER Mobility group is committed to comply with the applicable national and international laws, regulations and guidelines. This also includes the provisions of labour law applicable in Austria, including the following:

- Working Hours Act, Rest Period Act (*Arbeitszeitgesetz, Arbeitsruhegesetz*)
- Employee Protection Act (*ArbeitnehmerInnenschutzgesetz*)
- Labour Constitution Act (*Arbeitsverfassungsgesetz*; contains rules on collective agreements, on company agreement, the works council, etc.)
- Equal Treatment Act (*Gleichbehandlungsgesetz*; establishes the principle of equal treatment in the world of work, e.g. equal pay for women and men)
- Child and Youth Employment Act (*Kinder- und Jugendlichen-Beschäftigungsgesetz*)
- Maternity Protection Act (*Mutterschutzgesetz*)
- Disabled Persons Employment Act (*Behinderteneinstellungsgesetz*)

In addition, principles such as respect for human rights, integrity and diversity as well as fair working conditions are essential elements of the Code of Conduct and the Compliance Guidelines of the PIERER Mobility Group. (see "[Declaration on modern slavery and human trafficking](#)", "[Diversity and Anti-Discrimination Policy](#)", "[Occupational Health and Safety Policy](#)")

### **Collective agreements**

Besides the statutory provisions, the rights and obligations of employers and employees in connection with the employment relationship are also regulated in collective agreements. Collective agreements are written agreements concluded between employers' and employees' associations in Austria with collective bargaining capacity. On the employees' side, collective bargaining is conducted by the Austrian Federation of Trade Unions (*Österreichischer Gewerkschaftsbund - ÖGB*) or the competent sub unions (e.g. production union [PRO-GE](#), trade union [GPA](#)).

The right to collective bargaining and collective action is protected by constitutional and European law, as is the freedom of assembly and association.

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<sup>1</sup> Cf. website of the Federal Ministry of Labour and Economics, retrieved on 20.09.2023 (last update as of July 15, 2022): <https://www.bmaw.gv.at/Themen/Arbeitsrecht/Internationales-und-Europaeisches-Arbeitsrecht/Internationale-Arbeitsorganisation.html>

The collective agreements contain, among other things, provisions on minimum wages and salaries, compensation for overtime, classification in the salary scale, holiday and Christmas bonuses, allowances, bonuses, expense allowances, etc., as well as provisions on weekly and daily normal working hours. A provision in the employment contract that deviates from the collective agreements is only permissible to the extent that the agreement reached is more favourable for the employee.

In the PIERER Mobility Group, the provisions of collective agreements apply to about 98% of the employees, that are subject to the Austrian collective agreements.

### **Works agreements**

Works agreements are written agreements between the company and the works council on matters which, according to the law or the collective agreement, are reserved for the works agreement. Individual agreements between employer and employee that deviate from the works agreements can only be concluded if they are more favourable to the employee.

The works council of KTM AG, for example, has concluded a works agreement with the company on flexitime, in which the framework conditions for flexitime, such as the maximum permissible normal working hours, core hours, flexitime framework, handling of time credits, etc. are defined.

### **Works Council**

The protection and promotion of the employees' interests in the company is ensured by the works council. In the PIERER Mobility Group, the works council of KTM AG, the works council of KTM Components GmbH and the works council of Forschungs & Entwicklungs GmbH represent the workforce at the sites in Mattighofen and Munderfing/Austria respectively.

The works council monitors and controls compliance with the legal provisions affecting the employees of the company. Should the interests of the employees be adversely affected, the works council can make suggestions for improvement and request measures in favour of the employees. The works council's general right to information and consultation is also secured by law, and the works council is regularly informed about current developments in the company and involved in decisions. In addition, the respective works council delegates employee representatives to the respective Supervisory Board.

In addition to economic matters, the works council also has the right to participate in personnel matters (e.g. in the event of dismissal/layoff, transfer) and represents the interests of the workforce in the area of health and safety.

The works council acts as a link between the workforce and the company and informs the employees about developments in the company and discusses the employees' concerns with the management.

According to the legal provisions of the Labour Constitution Act (*Arbeitsverfassungsgesetz*), the workforce is entitled to call a general works meeting, for example to elect the works council. In addition to the election of the works council, works meetings can also be held for the purpose

of informing employees, for example, about ongoing collective bargaining or other important company issues ("freedom of association").