

# Declaration of conformity 2021

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ARNO GmbH

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Indicator set

GRI SRS

Contact

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## Introduction

### Dear stakeholders,

ARNO has been working with natural materials for more than 85 years. Protecting the environment and passing it on to future generations in a condition worth living in is an important concern for us - as a 3rd generation family business. Respect for people and social justice shape our personal and economic actions.

It is our deep conviction that we support the 17 Sustainable Development Goals of the United Nations as well as the 10 principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

In our Sustainability Report, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communications.



## Introduction

### Liebe Stakeholder,

ARNO arbeitet seit mehr als 85 Jahren mit naturverbundenen Materialien. Die Umwelt zu schützen, sie in einem lebenswerten Zustand an nachfolgende Generationen weiterzugeben, ist uns - als Familienunternehmen in der 3. Generation - ein wichtiges Anliegen. Respekt vor den Menschen und soziale Gerechtigkeit prägen unser persönliches und wirtschaftliches Handeln.

Aus tiefer Überzeugung unterstützen wir die 17 Sustainable Development Goals der Vereinten Nationen sowie die 10 Prinzipien des United Nations Global Compact in den Bereichen Menschenrechte, Arbeit, Umwelt und Korruptionsbekämpfung.

In unserem ARNO Nachhaltigkeitsbericht beschreiben wir unsere Maßnahmen zur kontinuierlichen Verbesserung der Integration des Global Compact und seiner Prinzipien in unsere Geschäftsstrategie, unsere Kultur und unser Tagesgeschäft. Wir verpflichten uns außerdem, diese Informationen über unsere wichtigsten Kommunikationskanäle mit unseren Stakeholdern zu teilen.

**Alien Wolter**

Managing Partner  
ARNO Group

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# General

## General Information

Describe your business model (including type of company, products / services)

Family business and global player.  
Tradition and modern thinking.  
Creativity and implementation.  
Development and production.  
People and environment.  
Brands and retailers.  
All this is ARNO.

Together with our employees and customers, we live our mission "**Creating Instore Success. Together.**" by creating unique in-store solutions. We are designers, engineers, project managers, buyers, logisticians, and others. Each of us is a highly qualified expert. All in all, a dynamic mix of experienced professionals and promising young talent. What drives us are values such as integrity, trust, commitment, quality and the deep conviction that you have to consciously improve every day in order to achieve excellent results for your customers in the long term. This is what makes us a "Partner of Choice" for many brands and retailers.

ARNO is the **partner for tomorrow's shopping experience**, trusted by brands worldwide. As family-owned, medium-sized company, we stage brands at the Point of Experience (POE) with bespoke concepts that enable our customers to clearly differentiate themselves from their competitors. With new ideas, lots of creativity and all our know-how, we position our clients' brands at the POE to create real in-store experiences. We rely on the passion and enthusiasm of our employees. Together with them, our subsidiaries and our reliable partner network, we strive for fulfilment of our purpose:

**To make shopping  
MORE CONVENIENT and ENJOYABLE.**

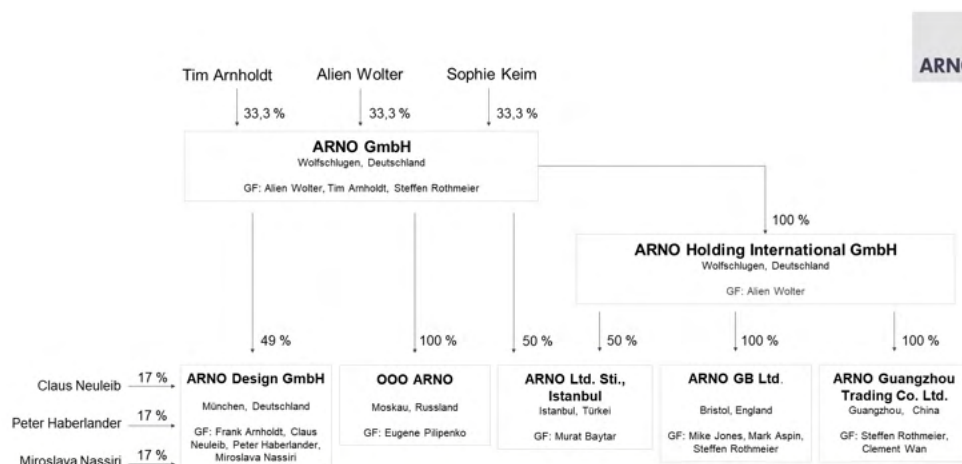
We use all conceivable options in the realisation. As a rock-solid but highly innovative company, we combine uncompromising quality, responsibility and cost awareness with the customer proximity, flexibility and innovative spirit of an internationally operating group. Our goal is to inspire the buyers of our customers' products with unique experiences at the point of experience. This

includes displays, shop-in-shops and shopfitting - in other words, everything in retail that displays products and represents brands.

### **We advise. We design. We develop. We produce.**

The entire value creation process takes place under the umbrella of consulting: Our customers benefit from our many years of experience and know-how right from the start of our cooperation. We create sustainable products with expertise and know-how, and thus realise solutions from advice that lasts. As a result of the special product segment, sales promotion for brands, we manufacture individual, small and large series as a B2B project manufacturer. The development and manufacture of the products are carried out on a commissioned, "customer-specific" basis, within a fixed and usually time-limited period. We do not produce a standard range. Our goal is to generate added value for our customers and their customers with visually convincing and economically sensible results. This is only possible through our intensive cooperation between all departments involved: from concept development and three-dimensional design, through prototyping and series production, to logistics and on-site assembly - worldwide. The connection between integration capability and differentiation is an essential aspect here: our projects fit into existing spaces and at the same time form an eye-catching contrast to the competitive environment.

The company is currently run by the 3rd generation. The owners are the three siblings Tim Arnholdt, Alien Wolter and Sophie Keim, who are the grandchildren of the founding couple Hermann and Elfriede Arnholdt. Since 2013, Alien Wolter and Tim Arnholdt have been leading the ARNO Group as Managing Partners together with Steffen Rothmeier.



Due to the Ukraine conflict and the events and developments caused directly and indirectly by it, we will wind up our subsidiary OOO ARNO in Russia. This is planned to be completed by 31 December 2022.



Sustainable goals are firmly anchored in our corporate strategy, cf. 3. goals. We see ourselves as an industry leader. It goes without saying that we involve our customers in product development, cf. 4. depth of the value chain and our sustainability considerations, cf. 10. innovation and product management. During development, we take into account the conformity of legal requirements and standards without exception.

In 2021, the ARNO Group was represented in 5 countries. The total turnover of the ARNO Group was 40 million euros. ARNO GmbH generated 26.1 million euros at its main site in Wolfschlügen. We are the largest employer in Wolfschlügen. We assume regional responsibility by sponsoring various clubs and organisations, see 16. Community.

Our success comes through our approx. 200 employees, who work with commitment and flexibility for successful projects. Through their sustainable, proactive thinking and actions, they generate the optimum for our clients and our company every day, without losing sight of the environment and their social responsibility.

#### Additional remarks:

This sustainability report is intended to make our actions transparent. It is aimed at all our partners, authorities, politicians and other target groups who are interested in our actions and at the same time want to be informed about our values, guidelines, principles and activities.

In addition, our ARNO Sustainability Report represents our Communication on Progress to the United Nations Global Compact (UNGC).

# CRITERIA 1–10: SUSTAINABILITY POLICY

## Criteria 1–4 concerning STRATEGY

### 1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

Values such as quality, sustainability and social and economic responsibility, as well as respect and regard for people, are firmly rooted in the [ARNO Group](#).

As a company with subsidiaries in the UK, China, Turkey and Russia, as well as a Strategic Alliance in the USA, we are committed both to compliance with the SA 8000 social standard, which was developed by the US non-governmental organisation Social Accountability International (SAI) on the basis of the International Convention on Human Rights and the recommendations of the International Labour Organization (ILO), and to the 10 principles of the United Nations Global Compact (UNGC).



As the parent company, we have integrated the contents of these standards into our international corporate strategy across all companies and anchored them in our [ARNO Code of Conduct](#) across all subsidiaries.

Our ARNO Materiality was drawn up together with the management, controlling and environmental and quality management (cf. 2. Materiality). Our aim was to identify aspects, criteria and characteristics of our business activities that have an influence on our sustainability strategy and to examine whether and to what extent we can directly influence and control them. Based on the ARNO materiality matrix, we derived 4 essential fields of action and defined sub-goals for each field of action. These fields of action are named in the strategic development goals (see 2. Materiality and 3. Objectives).



It is our concern to make the best possible contribution to preserving an environment worth living in. We want to harmonise technology, progress and the right of future generations to an intact environment. Only through sustainable supply chain management, which combines ecology, economy and social issues, can we achieve a harmonious coexistence between man and nature.

ARNO is a member of the United Nations Global Compact and has been certified according to the internationally recognised quality management standard DIN EN ISO 9001 and the environmental management standard DIN EN ISO 14001 since 2008. Hence we monitor and apply the legal and environmental regulations (laws, legal ordinances, administrative regulations) that apply to our business activities (cf. 20 Conduct that Complies with the Law and Policy). We are committed to the international [Sustainable Development Goals](#), the 17 goals for sustainable development adopted by the member states of the United Nations in Agenda 2030. Our corporate mission statement is characterised by an environmental policy that is sustainable, equitable and in harmony with socio-economic requirements. Based on this mission statement, we have launched a large number of sustainability projects in recent years and made an essential contribution to environmental protection. We will present our fields of action (cf. 2 Materiality), activities and measures (cf. 3 Objectives, Realised Sustainability Projects and Operational Sustainability Goals) in the following criteria as part of our sustainability reporting.

One of our current sustainability measures is the support of "Aktion Baum", a non-profit organisation that plants trees throughout Germany. It currently costs 3 to 5 euros to produce one tree in Germany.

"Aktion Baum" works together with scientists and tree experts to reduce the costs and plant more trees. Since the entire value chain, from obtaining the seed to sowing, planting and care, is in the hands of the non-profit organisation, the expenses can be reduced. With our financial support, "Aktion Baum" will plant 500 trees per year, creating habitat for numerous plants and animal species.

Every year we set new sustainability targets. Our sustainability key figures are continuously monitored and analysed by Controlling and Quality and Environmental Management, and our sustainability performance is evaluated. Targeted projects and investment measures designed on this basis lead to sustainable improvement. We regularly receive positive feedback on our quality management and environmental management performance in audits. In 2021, we successfully passed our ISO 9001:2015 and ISO 14001:2015 surveillance audits with 0 major non-conformities and 0 minor non-conformities. In the future, we will continue to actively work on improvements to conserve resources and reduce environmental impacts.



In addition to our quality and environmental management system, our employees have access to a digital occupational safety concept for maintaining and safeguarding occupational health and safety, which is closely oriented to DIN EN ISO 45001. In the Safety and Environment Committee (SCC), which consists of members of the management, department heads, quality and environmental officers, safety specialists and safety officers, measures for the continuous improvement of occupational safety and health protection are defined, their implementation is supervised and the results are transferred to the occupational safety concept.

We consider it an exciting task to face up to the requirements of corporate social responsibility and to take on responsibility.



In doing so, we always focus on the fact that we can only achieve lasting, sustainable, positive changes and social structures together with responsible partners. Involving them in our process of sustainable, intelligent business is both an incentive and an obligation for us.

## 2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

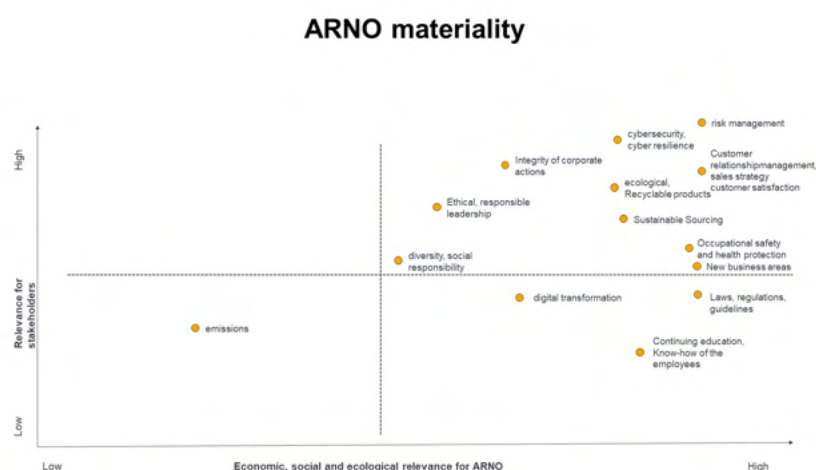
As a project manufacturer, resilient, agile structures have always been part of our corporate structure. Customised projects make it difficult to plan and increase complexity. Contract manufacturing is always accompanied by varying material requirements, capacity fluctuations and different production throughput times. These conditions require a flexible, adaptable process organisation. Thanks to our adaptable and resilient process structures, we are able to handle challenging situations such as the corona pandemic, raw material and transport capacity shortages as well as increasing cost pressure, and to emerge from them stronger than before.

The prerequisite is that we recognise essential, strategically important issues on the basis of reliable information. This requires a regular exchange with our partners, e.g. shareholders, banks, customers, employees, suppliers, NGOs and many more. We want to act in a forward-looking and timely manner, which is why we conduct a stakeholder analysis every six months. The aim of the data collection is to identify the central interests and requirements of all partners. Our ARNO STAKEHOLDER ANALYSIS is checked once a year by independent auditors during the ISO 9001 and ISO 14001 audit. For detailed information, please refer to 9. Stakeholder participation.

After the stakeholder analysis, we draw up the ARNO MATERIALITY MATRIX, which helps us to focus on the key issues. The classification and evaluation of the sustainability aspects is carried out by the management, controlling and quality and environmental management. All those involved are familiar with the stakeholder analysis and know the requirements, goals, values, contexts and backgrounds of each stakeholder, which enables a classification to be made. We look at the opportunities and risks of the stakeholders from the INSIDE-OUT and OUTSIDE-IN perspective. Significant, strategically relevant sustainability issues are categorised and transferred to the ARNO materiality matrix. Thanks to this well-founded database, we are able to

- Identify significant fields of work,
- Assess economic, ecological and social impacts for ARNO,
- Recognise potential for a sustainable and future-proof corporate orientation,
- Define our ARNO sustainability strategy
- Define operational and strategic sustainability goals,
- To position ARNO successfully on the international market.

We prepared the materiality analysis presented at the beginning of 2022.



### **CUSTOMER RELATIONSHIP MANAGEMENT (CRM)**

Thanks to years of research, we know the demands at the point of experience (POE), which enables us to incorporate all the interests of the partners: customer - marketplace - consumer into a new development cf. GRI 102-44. We regard our customers as partners. Whether counter display, floor display, table display or shop-in-shop system, our presentation systems should attract attention, influence the sales decision and generate added value for our customers, the retail trade and the consumers. We see ourselves as idea providers, consultants and reliable project implementers. Qualities that are confirmed by our customers. If we receive positive feedback, this encourages us. We regard negative feedback as lessons learned and encourage us to find alternative solutions. If our product meets the requirements of all three partners in terms of appearance, function and quality, we strive for fulfillment of our purpose "To make shopping more convenient and enjoyable".

Certified according to ISO 14001 since 2008, it has always been our ambition to develop sustainable displays. Our ecological solutions were not always realised by our customers. In some cases, the environmentally friendly materials were more expensive to procure, which made the ecological project seem less attractive in terms of price. Now the trend seems to be reversing. In 2021, the Simon-Kucher & Partners marketing consultancy surveyed 10,000 people worldwide about their consumer behaviour. The Global Sustainability Study 2021 makes it clear that consumers are attaching increasing importance to the topic of sustainability in their purchasing decisions and are changing their consumption behaviour. The change in consumer behaviour has a clear impact on the point of experience. The trend towards environmental awareness is evident in the customer demands of brand manufacturers. Requested sales systems should increasingly be ecological, or at least recyclable, cf. 4. Depth of the Value Chain.

### **CYBER SECURITY, CYBER RISK MANAGEMENT**

Global interconnectedness requires continuous digital transformation. According to a study by Endava, 84 percent of the companies surveyed worldwide attest that the Covid-19 pandemic has accelerated the digital transformation of the industry by up to ten years. ARNO was able to react within a very short time due to the crisis and emergency plan in place in-house. Our agile quality management paid off. Digital solutions were ready for use by all employees within a few days. In parallel, we examined which new technologies could be optimally integrated into the existing solutions or replace them. In 2022, we introduced Microsoft Teams for communication across the board. Project approvals can be made digitally through the use of "augmented reality". Tablets or smartphones are used to carry out checks and document them in the ERP system. Since the digital technologies are optimally integrated into the software landscape, processes can be accelerated and costs saved.

For the digital transformation to be successful, we need security. Security that our data is protected from misuse, manipulation and espionage. According to current studies, e.g. the X-Force Threat Intelligence Index by IBM Security, the greatest threats to companies in 2021 would come from IT security breaches and ransomware. In Europe, 1/3 of all manufacturing companies were attacked, in Germany 31%. The data shows how essential cyber security and data protection are. Our firewall blocks critical requests from outside and the forwarding of requests is blocked. Our IT department follows up on any anomalies as required. Thanks to an intelligent firewall, various defence mechanisms and an IT provider, we were able to limit our spam volume to 0.01% in 2021. Our IT continuously adapts the data security concept as a result of technical advancements, a dynamic threat situation and changing legal requirements, cf. 20. legal and policy compliant behaviour. As the process is internally regulated and protected, we will not include the field of action in the strategic corporate goals. Compliance audits are carried out annually by our auditors as part of the annual financial statements. Trained IT security experts examine whether the legal requirements, security regulations, data protection and data retention regulations are complied with. The compliance audit reports can be viewed at the Head of IT.

Our conclusion is that cyber security and cyber resilience are critical success factors for ARNO's competitiveness and future viability.

### **CLIMATE PROTECTION AND RESOURCE CONSERVATION**

Over the past 15 years, we have built up comprehensive expertise in the areas of environmental and energy management through sustainable customer projects, the intensive examination of possible environmental goals and the determination of environmental indicators within the framework of ISO DIN EN 14001. Thanks to increasing public acceptance of environmental policy necessities and environmental economic instruments as well as sustainability projects of our stakeholders, we have been able to expand our environmental activities more and more in recent years. Following the renewal of our lighting system in 2010, we streamlined our range of hazardous materials in 2011. Since 2012, we have had a material wall in our showroom where ecological material samples are displayed. In 2013, we purchased a cardboard press, and in 2014 we installed authority models in the sanitary facilities to save electricity. In 2016, an ISO 16247-1 energy audit took place, as a result of which we installed a photovoltaic system on the roof of our logistics centre in 2017. In 2018, new servers were procured to save energy. In 2019, we participated in the development of bioplastics and conducted a waste consultation together with an external service provider. We were able to reduce our printouts and thus our paper consumption by a staggering 65% between 2010 and 2020. In addition, we have been a member of [CEOs bekennen Farbe](#), the Pro Recycled Paper initiative, since 2020 (see Environment).

We receive a lot of praise for our commitment from our customers, auditors and neighbours. All stakeholders take positive note of our development. In 2022, we were awarded GOLD by EcoVadis, the world's most important sustainability ranking platform. This puts us in the top 5 percent of all companies assessed by EcoVadis (population 90,000) and among the top 4 projects in our industry. In the German IÖW/future e.V. Sustainability Ranking, we only just missed the top ten with 65.1 out of a possible 100 points.

We are very concerned about the global political situation and the consequences for all of us of the trade embargo against Russia. To cover the supply, the Western world will invest hundreds of billions in a new fossil fuel infrastructure. According to estimates by the Intergovernmental Panel on Climate Change, the development could lead to global warming of more than 2 degrees. This would mean that the Paris climate target would not be met.

### **SOCIAL RESPONSIBILITY**

Social justice in the world of work remains a core element and one of the greatest global challenges of the present. Global crises such as the Covid pandemic and violent conflicts make inequalities even more apparent. As a globally active company, we work with partners from different cultural backgrounds. As a result of a low vertical range of manufacture, we pay particular attention to the complexity of the supply chains and our partners. Our "ARNO Code of Conduct" contains binding company-wide requirements to ensure that international compliance, environmental and labour standards are effectively implemented in all countries in which we operate. The guideline is based on the 10 principles of the UNGC, the 17 SDGs, standards of the International Labour Organisation (ILO) and applicable laws and guidelines. Equal values and mutual trust are indispensable for the Partnership for Goals goal we strive for.

Furthermore, as a family business, we see it as our duty to take care of our employees and to take precautions to keep them healthy. Externally as well as internally, we have accepted the accompanying economic changes and social restrictions, and have described and implemented a large number of measures, cf. 9. stakeholder participation, GRI 102-44 and 17. human rights.

### 3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

For us, acting responsibly towards society and sustainable commitment to maintaining an environment worth living in are inextricably linked with economic objectives. That is why we use the 3-pillar model as a basis for determining our sustainability goals. We implement the three pillars: "ENVIRONMENT - ECONOMY - SOCIAL" equally and simultaneously.

#### ARNO 3 Pillars of sustainability

 ARNO



To define the sustainability goals, we use the stakeholder analysis (cf. 9. Stakeholders), the materiality matrix (cf. 2. Materiality) and the 3-pillar model. Based on this, we prioritise key topics to be strategically developed further. The key topics are prepared in the strategic sustainability goals, qualitative and quantitative targets are set.

In the following, we present our 4 key STRATEGIC SUSTAINABILITY GOALS: "Products - Climate protection and resource conservation - Occupational health and safety - Social responsibility" in detail. We have already partially explained why we prioritise these under 2. materiality (fields of action).

## ARNO Strategic Sustainability Goals



### PRODUCTS (Customer Relationship Management)

We offer our customers resource- and energy-efficient solutions. For each new project, we set ourselves the goal of developing recyclable products in modular design, cf. 2. materiality - CRM). All project-related components and individual parts should be able to be returned to the material cycle after use. In addition, we strive to replace classic purchased parts with bio-based components and purchased parts. Ensuring reliable product safety to protect consumers is a logical part of our quality and environmental policy.

### CLIMATE PROTECTION AND RESOURCE CONSERVATION

The European Union (EU) is taking on an international leadership role with a "European Green Deal". The goal is to reduce greenhouse gas emissions within the EU to "net zero" by 2050. As one of the leading industrial nations, Germany bears a special responsibility for global climate change. The economy has a key role to play in the upcoming change processes. We want to make a sustainable contribution to the necessary change. We present our measures and successes in detail in the "Environment" section. We are proud of our photovoltaic system and our product life cycle, which is designed for sustainability. If the amount of electricity we produce is not enough to cover our needs, we feed in green electricity from 100 per cent renewable energy sources, cf. 4. Depth of the value chain and 13. Climate-relevant emissions.

### WORK SAFETY AND HEALTH PROTECTION in accordance with ISO 45001

Occupational health and safety are unconditional prerequisites for the health and protection of all employees. In 2007, we implemented an occupational health and safety concept closely based on ISO 45001 at the same time as ISO 9001 and 14001. This is an indispensable part of our integrated management system. Our Safety and Environment Committee (SCC), which is



closely aligned with ISO 45001 and defines health protection measures, is of particular importance (see performance indicator GRI SRS-403-4). We offer numerous prevention measures through our health management system, cf. 15. qualification. Fortunately, the management of the COVID-19 pandemic has changed by Q2 2022 due to a high level of immunisation and the emergence of virus variants with reduced disease severity. Regardless, protecting our workers, their families and our partners is our top priority. Various packages of measures can be ramped up and imposed at short notice, including testing offers, mask distribution, health declarations for staff and visitors, safety briefings and working from home, cf. GRI SRS-102-44. In the future, we will continue to meet the requirements to ensure the protection of all persons.

### **SOCIAL RESPONSIBILITY**

At ARNO, the family association is inseparable from the company's guiding principles. Over 3 generations we have continuously and consistently grown with the tasks. We are aware of our responsibility towards our families and employees. Our mission statement is characterised by a cooperative management style, work-life balance, fair working conditions, diversity, equal opportunities and the creation of further training opportunities for all employees. As an internationally operating company, social, ecological and economic factors determine our strategic decisions. We support the 10 principles of the United Nations Global Compact and the 17 Sustainable Development Goals out of deep conviction.

The Executive Board is responsible for the implementation of the strategic sustainability strategy and the annual definition of the strategic sustainability goals (see 5. Responsibility). The monitoring and evaluation of the strategic sustainability goals is carried out by the controlling as well as quality and environmental management, cf. 7. control. A list of the REALISED SUSTAINABILITY GOALS is included in the performance indicators 1-4.

We determine our short and medium-term sustainability goals annually on the basis of our strategic sustainability goals. In addition, suggestions for improvement from our employees and lessons learned tickets are incorporated (see 14. Employee rights).

We always keep the following standards in mind:

- The United Nations (UN) Sustainable Development Goals (SDGs),
- The Sustainable Development Goals (SDG),
- The 10 principles of the UN Global Compact,
- The environmental management standard DIN EN ISO 14001,
- The guide for social responsibility DIN EN ISO 26000,
- Legal requirements,
- Our ARNO Code of Conduct.




We are currently concerned with these topics:

- Climate protection (Reduction of greenhouse gas emissions and conservation of resources)
- Sustainable products/materials
- Social responsibility

Taking into account our business activities, we have defined the following Sustainable Development Goals (SDGs) for the future. We can make our best possible contribution to these operational sustainability goals for a sustainable, ecological and socially just world.

### Operational Sustainability Goals

ARNO

Our current sustainability projects	SDGs	Action	20%	40%	60%	80%	100%	Status	Target	Planned in	GRI
1 <b>Social Responsibility</b> Continuous training of employees (internal and external)		Annual training budget		✓				In progress	EUR 45,000	2022	404
2 <b>Social Responsibility</b> Female leaders		Increase the proportion of female leaders to at least 20%. Diversity in control processes				✓		In progress	20 % female leaders	2023	405, 301
3 <b>Responsible consumption and production</b> Sustainability scoring in the development phase Offer green design		Eco-design Expand sourcing of biomaterials Intensification of cooperation with sustainable partners	✓					In progress		2022	301
4 <b>Responsible consumption and production</b> Sustainable packaging concepts from suppliers		According to our purchasing and delivery conditions, suppliers must submit a packaging concept before delivery of the goods. Our suppliers develop project-specific packaging together with our project management. When developing packaging, we make sure that no mixed raw materials are used and that materials made from secondary fibres are used. The safest, most climate-friendly and resource-saving packaging is selected.				✓		In progress	Reduction of waste volume by 35 %	2023	301
5 <b>Responsible consumption and production</b> Recyclable constructions		Already in the construction phase, attention is paid to dismantability and return to the material cycle, as far as this is technically possible.				✓		In progress	100 % of the constructions can be returned to the material cycle	2023	301
6 <b>Responsible consumption and production</b> Taking back used presentation systems from the retail trade and feeding them into the recycling process		Intensification of the return of used presentation systems for material separation and processing into secondary raw materials. So far realised in 3 projects, 2 projects in the "Cosmetics" sector, 1 project in the "Other" sector.	✓					In progress	20 % by 2022	2022	301
7 <b>Climate action and resource conservation</b> Climate protection agreement with the state of Baden-Württemberg		With the climate protection agreement, the Climate Alliance partners declare that they will support each other in achieving the political and corporate climate protection goals and become climate neutral in the long term					✓	Done		2022	-
8 <b>Climate action and resource conservation</b> Reduction of energy consumption		Reduction of heating oil, gas and electricity consumption						In planning	Scope 1 (direct): 180 t CO <sub>2</sub> Scope 2 (indirect): 75 t CO <sub>2</sub>	2022	302
9 <b>Climate action and resource conservation</b> Substitution of fossil fuels		Replacement of oil heating by heat pump						In planning		2040	305
10 <b>Climate action and resource conservation</b> Facility management Renewal of lighting systems in the building		Replacement of conventional light sources with LED lights to reduce energy consumption. Bright and uniform illumination of workplaces and work areas.						In planning		2023	302
11 <b>Climate action and resource conservation</b> Reduction of the range of hazardous substances		(Replacement of conventional hazardous substances with ecological products (cleaners, adhesives, etc.))						In progress	At least 10% less hazardous substances	2022	301
12 <b>Social responsibility / Products</b> Remote audits with suppliers		Intensification of remote audits						In planning	At least 10 A-suppliers	2023	(308), 414
13 <b>Social responsibility</b> Increase employee satisfaction to 80 %		Encourage employees to participate in lessons learned. Constructive feedback from management on all contributions, e.g. in the anonymous ARNO feedback tool, BDZ, etc.		✓				In progress	Employee satisfaction 80%	2022	401

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Due to the complexity of the tasks ahead of us, we are continuously intensifying our sustainability efforts. Some of the tasks ahead of us can only be achieved through cooperation. With partners who share our commitment to sustainability, we are continuously working on sustainability concepts in order to jointly develop solutions for a sustainable future worth living.

## 4. Depth of the Value Chain

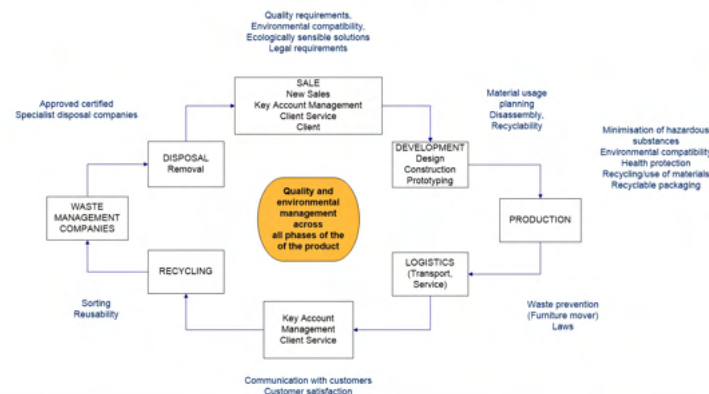
The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

As an international operating company, we see it as our responsibility to integrate sustainability into the supply chain of our value creation partners. We actively encourage our partners and employees to live environmental protection, to optimise the use of resources and to promote the use of environmentally friendly products.

As a DIN EN ISO 14001 certified company, we consider the product life cycle from an ecological point of view. We identify risks, check whether they can be influenced and evaluate them. Our goal is to proactively influence the way products and services are developed, produced, shipped, used and disposed of.

### ARNO Recyclable Materials Cycle

ARNO®



Before the start of a new project, all basic, performance and quality requirements of the desired product or service are recorded by Sales. The customer requirements determined by Key Account Management are the parameters for the subsequent product development and realisation process. This is how we measure our performance. If our customers are completely satisfied with our performance after the completion of a project and are enthusiastic about the quality of the delivered products, we have fulfilled our mission.

The assessments of the ecological aspects and the time of possible influence within the value chain are derived from our product life cycle. This is regularly reviewed and assessed by the department heads together with our quality and environmental management officers.

These considerations play a role in the assessment:

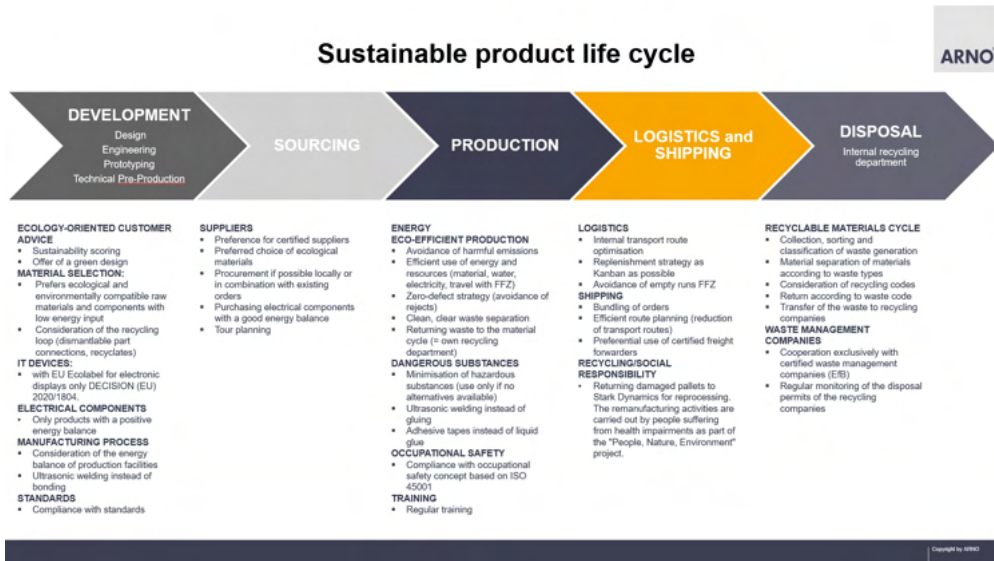
- Relevance of the environmental aspects
- Influenceability of the environmental aspects
- Possible (temporal) influence

The following assessment table is used for the measurement.

Amount of damage/danger to the environment		Control / influence	Action	Score
Possible damage small or low probability of damage or little attention	+	Good control or simple control option or no control necessary	No action necessary	0
Possible damage great or great probability of damage or great attention	+	Good control or simple control option or no control necessary	Set long-term environmental goals, plan and monitor measures.	1
Possible damage small or low probability of damage or little attention	+	No or insufficient control or poor control	Define short-term environmental goals, plan and monitor measures.	2
Possible damage great or great probability of damage or great attention	+	No or insufficient control or poor control	Initiate immediate action. Re-evaluate after taking the measures.	4

The results of the ecological assessment are the table [Product life cycle ecological aspects](#)

(environmentally relevant processes and operating facilities and our sustainable product life cycle), which shows significant environmental aspects per area. In case of limited control possibilities or missing ecological alternatives (from score 1), measures to avoid environmental impacts must be defined.



Our value chain is characterised by intensive, sustainable, interdisciplinary cooperation, concept development and three-dimensional design, engineering, prototyping, technical pre-production, production and logistics.

## 1. DESIGN and ENGINEERING

In times of strong national and international competition, contemporary, sustainable and customer-oriented designs are decisive for success. In addition, a feeling for trends and zeitgeist is required. Thanks to numerous sustainable client projects, we have reliable know-how in the selection of sustainable materials and environmentally friendly production options. In the design and subsequent engineering phase, we always keep the product life cycle in mind; this is where the possibilities for influencing the environmental impact of a product are greatest. Another part of the development process is the testing of product designs for compliance with legal requirements and standards, as well as the specifications demanded by our customers. At this stage, we give environmental considerations the same importance as our traditional goals of cost, functionality and quality. If we recognise negative interactions in this phase, e.g. that an environmentally compatible measure has negative effects at another location, we counteract this development early on and in a targeted manner. Our primary goal is to develop environmentally friendly and economic solutions in agreement with our partners and to create a win-win situation for all parties involved in the process.



## 2. PROTOTYPING

Based on the design concept, our prototype construction department creates three-dimensional models on a scale of 1:1, which serve as initial samples for our customers. When a prototype is built, we can see whether the model meets the customer's requirements technically, functionally, visually and in terms of quality. In addition, we can check whether new, ecological materials, elements or connections meet the product requirements. All our prototypes are created at our headquarters in Wolfschlugen. The knowledge gained here is also used for our series planning.

## 3. PROJECT MANAGEMENT and GLOBAL PROCUREMENT

In our project management, which combines tasks from work preparation and purchasing, work plans and parts lists are created and procurement activities are carried out. Due to our low vertical range of manufacture, our suppliers are of central importance. We are aware that global supply chains involve procurement risks. Political sub-securities, customs duties, compliance violations, price increases in the material and energy sector due to scarce resources or currency risks are conceivable. Long delivery times and bottlenecks in the container or transport sector result in significantly longer production times across all production stages from the procurement of raw materials to the shipment of the end product. The focus is on risk minimisation. We take the approach of identifying risks at an early stage and eliminating them permanently. A thorough selection and monitoring of our suppliers is designed to minimise potential performance difficulties. We cooperate exclusively with suppliers who comply with national and international compliance laws and guidelines. We prefer to work with manufacturers from Europe. Due to our geographical proximity, we are able to maintain business contacts and regularly visit suppliers at their production sites. We expect social or environmental problems to arise with suppliers who are not from the EU. Risks such as environmental pollution, human rights violations or unequal treatment of men and women tend to be more likely.

In order to exclude risks, we conduct an extensive supplier analysis in four phases before entering into a business relationship.

- **1st Phase:** The potential supplier receives our Supplier questionnaire, which contains questions on quality, environmental, occupational safety and energy management standards, SA 8000, UN Global Compact, labour and human rights, REACH, on equal opportunities, his remuneration policy, the quality assurance measures expected of him and much more. In addition, our supplier receives the ARNO Technical Supply Agreement (ATV).
- **2nd Phase:** An initial visit to the supplier takes place. The potential supplier must confirm its corporate responsibility by ratifying our ARNO Code of Conduct, accept our Confidentiality Agreement, our Quality Assurance Agreement (QAA) and the General Terms and Conditions. If the production conditions on site meet our standards, we place an initial

enquiry. If the potential supplier does not meet our standards, we refrain from cooperation.

- **3rd Phase:** The potential supplier's offer is evaluated internally. If suitable, a team-wide decision is made to approve the supplier.
- **4th Phase:** The supplier is established. Independently of this, supplier audits and/or supplier visits take place. Both parties are committed to the zero-defect goal. If serious deviations of an ecological, economic or social nature are found, we break off the business relationship.

The Quality Assurance Agreement (QAA) used as a basis in phase 2 describes the minimum requirements with regard to the supplier's quality management and quality assurance. Chapter 5.3 of the QAA stipulates that the supplier must comply with the applicable country-specific and regional environmental laws as well as the regulations of the European Union. In chapter 5.5, the supplier assures that all legal health and safety regulations of the manufacturing country are complied with during the production of the products. In Chapter 5.4, we again oblige the supplier to comply with the ARNO Code of Conducts. In chapter 5.1, we reserve the right to carry out supplier audits.

As we are a project manufacturer, i.e. we produce projects predominantly over a decimated period of time, we can only use reusable container systems in procurement to a limited extent, with the exception of EPAL Euro pallets and skeleton containers. As a result, we ask our suppliers to create a packaging concept before delivering the goods. In doing so, we rely on recyclable packaging materials that can be used sparingly and are nevertheless safe for transport. Furthermore, we try - wherever technically and economically possible - to procure products that have sustainable properties. In doing so, we are guided by environmental symbols, seals and labels such as FSC, PEFC, Blue Angel, etc.

#### **4. TECHNICAL PRE-PRODUCTION**

In the technical pre-production, quality assurance measures are carried out in the form of material tests, examinations of the dimensional and fitting accuracy, assemblability and functionality of parts and components.

#### **5. PRODUCTION and ASSEMBLY**

On a production and assembly area of 10,000 m<sup>2</sup> we manufacture products for our customers in professional quality work. On the basis of the first production release sample, which is approved by our project management and sales department, we carry out comprehensive quality controls as part of a "zero defect strategy" during the ongoing production process. The products pass through the production process step by step as part of an "internal customer relationship". Our production employees ensure that the parts passed on to the next workstation are free of defects and meet the quality specifications of the release part.



## **6. LOGISTICS**

All vehicles in our fleet meet the Euro 6 emission standard. Our forklift trucks run exclusively on electricity. We use external transport companies for shipping. Once every six months, our forwarding agents are evaluated according to the following criteria: Certificates, adherence to schedules, cooperation, service and price behaviour. When awarding contracts, A-grade forwarders are assigned with priority. In 2021, 450,000 parts left our premises.

## **7. RECYCLING**

Our recycling department is the guarantor that material compounds are dismantled, waste is correctly sorted, placed in collection containers and disposed of in accordance with the waste code number. Since we work exclusively with certified waste management companies (EfB), it is ensured that the waste we dispose of is returned to the recyclable material cycle.

In our function as a project manufacturer, we regularly face new customer requirements. Our goal is to achieve them sustainably with fewer resources. Therefore, we rely on responsible, reliable partners who, like us, attach importance to social structures, the protection of the environment and an improvement in the quality of life.

We have summarised our corporate social responsibility results to date in the table REALISED SUSTAINABILITY GOALS. Each goal or project is categorised by topic and assigned to a Sustainable Development Goal.

# Sector Supplements

## ARNO Realised Sustainability Goals

Realised Sustainability Projects					ARNO®
Realised Sustainability Projects	SDGs	Actions	100%	Status	GRI
<b>Goal</b>					
1 <b>Occupational health and safety</b> Member vision zero (ILO), occupational safety and health protection based on ISO 450011	3 	Occupational health and safety based on ISO 45001. Comprehensive occupational safety concept as a learning platform with department-specific risk assessments, technical operating instructions, hazardous substances cadastre, emergency concept and general knowledge database A freely accessible information tool has been set up for employees without Internet access.	✓	Implemented	403
2 <b>Occupational health and safety</b> Maintaining the health of employees	3 	1. Cooperation agreement with the sports park "WOFIT" of TSV-Wolfschlugen "G.U.T." - Healthy and trained at work 2. Back training of employees in cooperation with a health insurance company 3. Bicycle leasing "Jobtrac" 4. Fit in the water 5. Fit on land 6. Extensive COVID-19 prevention measures	✓	Implemented	403
3 <b>Occupational health and safety</b> Safety and Environmental Circle	3 	Regular interdisciplinary working group with the management on occupational safety and environmental issues	✓	Implemented	403, 307
4 <b>Occupational health and safety</b> Reduction of the range of hazardous substances	3 	The approval process takes place in several stages in order to prevent the purchase of new hazardous substances. Continuous reduction of the range of hazardous substances.	✓	Implemented	301
5 <b>Social responsibility</b> Continuing education/knowledge transfer	4 	Annual training budget for the further education of employees. Internal training on the brand, the occupational safety concept, ERP system, quality and environmental management, material specifications, lessons learned, CIP, SS and much more.	✓	Implemented	404
6 <b>Climate action and resource conservation</b> Ecological sales orientation	4 	Regular in-house training on environmentally friendly materials. Presentation of environmentally friendly materials on the materials wall in the ARNO showroom.	✓	Implemented	301
7 <b>Social responsibility</b> IHK Certificate for Dual Studies	4 	Various offers for dual studies	✓	Implemented	404
8 <b>Social responsibility</b> Promotion of young talents	4 	Promotion of creative young talents at the Peter Behrens School of Architecture, Retail Design and at the Hochschule für Gestaltung in Schwalbach Gmünd.	✓	Implemented	404
9 <b>Social responsibility</b> Cooperation with GARP, Training Center of the IHK Baden- Württemberg	4 	Integration of young and unemployed people into the labour market. Integration of the elderly and people with disabilities. Integration of refugees in our production facilities.	✓	Implemented	404
10 <b>Social responsibility</b> Promoting equality Support Plan International	5 	Support of the international organization "Plan International", which campaigns worldwide for children and the equal rights of girls.	✓	Implemented	201
11 <b>Climate action and resource conservation</b> Photovoltaic system	7 	Operation of a photovoltaic system on our logistics center for the use of renewable energy sources Installation of 1,532 solar modules with a total output of 413.64 kWp	✓	Implemented	302
12 <b>Climate action and resource conservation</b> Energy-efficient lighting	7 	Replacement of all primary fluorescent lighting with LED at the Bristol site. Control of room lighting via motion detectors. Minute-by-minute control of the interactive displays via digital timers.	✓	Implemented	302
13 <b>Social responsibility</b> Combat slavery and human trafficking throughout the supply chain.	10 	ARNO UK Ltd. Compliance with the UK Modern Slavery Act, a British legislation to prevent human trafficking and modern slavery. The ARNO Group supports this demand within the framework of the 10 principles of the UNGC.	✓	Implemented	409
14 <b>Social responsibility</b> Support for socially disadvantaged pupils	10 	Donation of 15 used laptops with integrated camera and microphone to "heyalter.com" to support pupils who cannot afford a computer for homeschooling. In the meantime, the campaign has distributed over 10,000 computers "Hey Alter" was awarded the "Lower Saxony Prize for Civic Engagement" and the Braunschweig Prevention Prize 2020.	✓	Implemented	201
15 <b>Social responsibility</b> Integration of workshops for the disabled into value creation	10 	Contracts awarded to workshops for the disabled	✓	Implemented	201
16 <b>Social responsibility</b> Support of social organizations and associations	10 	Since 1 February 2001 support of the NGO "Plan International" Support of the christmas star campaign Café Regenbogen, which fulfills the wishes of children in need. Coffee money donation campaign to various charitable campaigns, e.g. Caritas, German Foundation world population, etc.	✓	Implemented	201
17 <b>Climate action and resource conservation</b> FSC Certificate, License FSC-C133359	12 	Our subsidiary, ARNO GB Ltd has been FSC CoC certified since 2016. We are happy to offer our customers to install wood from sustainable forestry (FSC/PEFC).	✓	Implemented	301
18 <b>Climate action and resource conservation</b> 100% recycled paper, containment of global transport of primary fibres	12 	Only use of recycled paper with the Blue Angel Support for the initiative pro recycled paper, IPR Promoting the circular economy, participants and supporters of "CEOs show their colours"	✓	Implemented in 2021	301

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## Realised Sustainability Projects

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Realised Sustainability Projects Goal	SDGs	Actions	100%	Status	GRI
19 Climate action and resource conservation Sustainable sanitary papers	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Use of toilet paper with FSC seal or the Blue Angel. Hygiene papers are made of FSC Mix or 100 percent recycled fibers	✓	Implemented in 2021	301
20 Climate action and resource conservation Sustainable cleaning products for hospitality and housekeeping	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Only use of environmentally friendly cleaning and polishing agents.	✓	Implemented in 2021	301
21 Climate action and resource conservation Building Reduction of water consumption	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Regular inspection of the lines. Installation of water flow limiters on the taps. Awareness-raising training to reduce water consumption.	✓	Implemented in 2021	303
22 Climate action and resource conservation Marketing of bioplastics to our customers	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Development of a bioplastic made of paper and cellulose-based polymers, which is certified according to EN 13432. The bioplastic can be used both in vacuum forming and as an injection molded part in plates, films and profiles. The bioplastic has already been used in several customer projects.	✓	Implemented	301
23 Climate action and resource conservation Decrease Continuous reduction of prints	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Compared to 2010, 65% fewer prints were created. Savings on toner and paper Reduction of CO <sub>2</sub> emissions and petroleum-based toner inks	✓	Implemented	301
24 Climate action and resource conservation Government models in sanitary facilities Reduction of CO <sub>2</sub> emissions and heating costs	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Replacement of the thermostats by so-called authority models, whereby a regulation of the heating temperature is prevented.	✓	Implemented	302
25 Climate action and resource conservation Replacement of adhesive bonds by ultrasonic welding machines and click technology	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Replacement of conventional adhesive technology by ultrasonic welding machines Reduction of the range of hazardous substances (adhesives)	✓	Implemented	301
26 Climate action and resource conservation Internal recycling department	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Internal recycling department for the collection, dismantling and waste key-appropriate feeding of recyclable materials into the recycling cycle	✓	Implemented	301
27 Social responsibility Fairtrade Coffee Donation to non-profit organisation	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Serving Fairtrade coffee to employees and guests The money collected from the coffee machines goes to a charitable cause.	✓	Implemented	201
28 Products Product life cycle	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	In the case of new projects, consideration of the product life cycle from the development phase with regard to environmentally relevant aspects Preferential consideration of ecologically compatible components for recycling into the material cycle	✓	Implemented	301
29 Climate action and resource conservation Investigation of the recycling concept by an external service provider in 2019	12 ECONOMIC CONSUMPTION AND RESPONSIBILITY	Verification of waste keys and disposal routes Investigation of waste generation Determination of recyclable materials Recyclable material and cost-optimized supply to the recycling partners	✓	Implemented	301
30 Climate action and resource conservation Prevention of compressed air leaks	13 CLIMATE ACTION	Regular leak detection and control of compressed air lines and shut-off valves with regard to compressed air consumption.	✓	Implemented	302
31 Climate action and resource conservation Energy savings through new compressor	13 CLIMATE ACTION	Replacement of the old compressor. The new system requires 1/3 less electricity.	✓	Implemented	302
32 Climate action and resource conservation Conversion of the forklift truck fleet to electric drive	13 CLIMATE ACTION	Replacement of all gas-powered industrial trucks by electrically powered industrial trucks Reduction of CO <sub>2</sub> emissions	✓	Implemented	302
33 Climate action and resource conservation Monthly monitoring of the operating hours of the forklift trucks (FFZ), fleet size	13 CLIMATE ACTION	Reduction of the industrial truck fleet by 4 industrial trucks to reduce CO <sub>2</sub> emissions	✓	Implemented	302, 305
34 Climate action and resource conservation Realisation of a 100% ecological presentation system	13 CLIMATE ACTION	Production of a biodegradable display. The plastic processed in the injection molding process consisted exclusively of natural components. A total of 4,800 displays were produced and shipped worldwide. Awarded the golden POPAI Award in the category Environment	✓	Implemented	301
35 Climate action and resource conservation Resource-saving IT infrastructure	13 CLIMATE ACTION	Reduction of application servers. Procurement of new, resource-saving servers	✓	Implemented	302
36 Climate action and resource conservation Purchase of cardboard press Reduction of CO <sub>2</sub> emissions during removal	13 CLIMATE ACTION	Commissioning of a cardboard press with a waste volume of 18cbm. Due to the compression, 2.3 t of mixed paper can be disposed of in "one" transport route	✓	Implemented	301, 305

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## Realised Sustainability Projects

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Realised Sustainability Projects	SDGs	Actions	100%	Status	GRI
<b>Goal</b>					
37 <b>Climate action and resource conservation</b> Certification according to ISO 14001 Pioneer in the industry		ARNO has been certified according to the environmental management standard ISO 14001 since 2008. We have been committed to environmental protection for 15 years. Every year, we define environmental goals that are in line with economic, social and political requirements.	✓	Implemented	302, 307
38 <b>Climate action and resource conservation</b> Evaluation Certification according to ISO 50001		After intensive consultation regarding the cost and benefit situation, it was decided that no energy management system would be implemented. ARNO is a company with low environmental relevance. Within the framework of ISO 14001, ARNO will exploit all possibilities to permanently improve the life cycle assessment.	✓	Implemented	302
39 <b>Climate action and resource conservation</b> Energy audit according to ISO 16247-1		Identification of energy efficiency measures. Determination of feasibility, determination of investment volume and profitability	✓	Implemented	302
40 <b>Climate action and resource conservation</b> Green electricity Improvement of the carbon footprint		If the electricity produced by our photovoltaic system is not sufficient, we compensate for the additional demand with 100% climate-neutral green electricity with the certified quality label "RenewablePLUS".	✓	Implemented in 2021	305
41 <b>Climate action and resource conservation</b> Long-term partnership with a local recycling company		Intensification of cooperation with a recycling company located in the neighbourhood to reduce CO <sub>2</sub> .	✓	Implemented	301, 305
42 <b>Climate action and resource conservation</b> Social responsibility		Annual participation in the Business Sustainability Rating in the following categories: Environment, labour and human rights, ethics and sustainable procurement	✓	Implemented	301, 302, 303, 304, 305, 306, 307, 403, 412
43 <b>Social responsibility</b> Supporter of the United Nations Global Compact		Active supporter for the 10 principles of the UN Global Compact	✓	Implemented	402 + almost all remaining 400s
44 <b>Social responsibility</b> ARNO Code of Conduct		Declaration of commitment to comply with UN conventions, applicable laws and standards. Commitment and signing of the Code of Conduct by the executives The managing directors are responsible for the implementation, whereby you will be informed by the Management of subsidiaries supported	✓	Implemented	401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 205, 206
45 <b>Social responsibility</b> Identification and monitoring of stakeholders		Identification of all relevant stakeholders and their requirements for the ARNO Group. Regular monitoring and review (twice a year).	✓	Implemented	101
46 <b>Social responsibility</b> The supplier network only includes suppliers who undertake to comply with the 10 principles of the UNGC.		Supplier analysis in 4 phases: Phase 1: Lieferantenanalyse aufgrund Lieferantenfragebogen und ARNO Code of Conduct Phase 2: Supplier visit, verification of information and conditions on site Phase 3: Internal Lieferantenbewertung Phase 4: If necessary, inclusion in the supplier portfolio (supplier audits)	✓	Implemented	308, 403, 405, 406, 407, 408, 409, 410, 411, 412
47 <b>Social responsibility</b> Support of the Stark Dynamics project "People, Economy, Environment"		Since August 2021, we have been leaving our old pallets to Stark Dynamics GmbH and thus supporting the Stark project "People, Economy, Environment". The pallets are repaired by people who suffer from health restrictions. Through simple activities, these are to be returned to the labour market. The project is supported by the Employment Agency and Diakonien.	✓	Implemented	413
48 <b>Social responsibility</b> Involvement of employees in business processes		Openness in corporate culture Active involvement and improvement suggestions for the employees. Monthly lessons learned with result feedback, workshops, feedback discussions, anonymous ARNO feedback tool, etc.	✓	Implemented	403
49 <b>Social responsibility</b> Promoting the reconciliation of work and family life		Expansion of flexible working time models to relieve families, childcare allowance for children who are not of school age, childcare at the workplace in the event of non-provision of traditional care, Home office.	✓	Implemented	201
50 <b>Social responsibility</b> Support for regional sports clubs		Sponsor of the handball department of TSV Wölfschlugen Financial support of SV Hardt in the organization of the Hardter Highland Games	✓	Implemented	413

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## Criteria 5–10 concerning PROCESS MANAGEMENT

### 5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

Due to our integrated quality management system, sustainability management is located in the Organisation and Controlling department. It supports the Managing Partners Alien Wolter, Tim Arnholdt and Steffen Rothmeier as well as the executives in further developing the sustainability strategy, coordinates measures together with the Executive Board and monitors implementation. The qualitative and quantitative sustainability goals are set annually on the basis of the strategic sustainability goals, the sustainability results achieved and the environmental aspects identified. The members of the Executive Board, the Head of Controlling and the Management Representatives are responsible for this. When setting the sustainability goals, we take into account the suggestions for improvement from our employees, which reach us as lessons learned or in other forms, see 14. Employee rights. By taking into account the interests of our employees, we achieve that the workforce continuously deals with possible improvements, finds its ideas reflected in the strategic and operational sustainability goals, identifies with the sustainability philosophy and thus becomes an indispensable part of our ARNO sustainability strategy.

The breakdown of the strategic sustainability goals takes the form of a cascade of goals. All qualitative and measurable sustainability goals are broken down top-down along the hierarchy levels and split into target agreements based on function. The executives are responsible for implementing the strategic sustainability strategy and are commissioned by the management to carry the sustainability goals and guidelines into the ARNO Group. All managers are responsible for implementing the sustainability goals and further developing them within their departments. This guarantees that the concept of sustainability is effectively promoted by all employees.

To ensure efficient processing, the sustainability goals are evaluated monthly, quarterly and annually by the Organisation and Controlling department. All issues (strategy, process management, environment, society) come together here. The management is informed about progress and results in regular meetings. If a target is not achieved, the members of the Executive Board, together with the managers, define target-oriented corrective measures.

Through this structured and systematised approach, we have created a

consistent and transparent ARNO sustainability culture from a socio-economic perspective.

## 6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

When allocating the strategic sustainability goals, each department receives target agreements that are to be taken into account in the operational business. The heads of departments are responsible for implementing the goals. They actively involve their employees in the pursuit of the goals. The framework for implementation is our **integrated quality management system** with the ISO standards:

- DIN EN ISO 9001 Quality management systems
- DIN EN ISO 14001 Environmental management systems

All work and operating instructions, codes of conduct, verifications and responsibilities are documented here. In addition, the integrated quality management system serves as a know-how tool for the areas of occupational safety and health protection.

Documents within our integrated quality management system that are subject to change are always applied in their latest and thus valid version. The versioning of the documents takes place after updating the status, date and process owner. Our heads of departments are responsible for passing on the contents to the specialist departments. The training of our employees takes place in written or oral form, taking into account the subject matter. Elementary training, e.g. on process flows, changes in legislation or our ERP system, is carried out on the basis of training manuals. These trainings are documented in writing by means of training certificates and summarised in our training calendars. Our heads of departments keep qualification matrices for their employees in order to identify knowledge in the company and to recognise training potential.

Two to three times a year, a company meeting is held in which the management explains the company strategy to the staff, presents the current key figures, and introduces sustainability goals, aspects and projects.

Despite the quality management manual, our processes are based on process-oriented agility. The PDCA cycle is a natural component.

## Prozess-oriented Agility

 ARNO

**As a project manufacturer working in a dynamic environment, we are used to actively integrating agile corporate structures into our business processes. Our capacity for resilience enables us to adapt to changing conditions, to react quickly and precisely and to increase our performance.**

**We support agile quality and environmental management with self-direction and self-responsibility within teams.**

Our approach pays off both in product quality and within process quality. Sustainable products and business processes are becoming increasingly important. Process quality (communication, order processing, functionality, information quality) must also be lean, goal-oriented and reliable.

The focus on customer benefit is of central importance to us in the redesign of agile structures and sustainable business processes. Process optimizations geared towards this leads to savings of resources on both sides, increase process efficiency and the satisfaction of all, employees, customers, suppliers, service providers, etc.

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In addition, we regularly identify optimisation potential by means of lessons learned tickets, interface workshops, work monitoring, internal audits, a feedback tool with the possibility of completely anonymous feedback, an IT ticket list and surveys on employee satisfaction. In this way, we ensure that a continuous improvement process (CIP) is maintained together with our employees.

In summary, our focus is on:

- The integration of the sustainability strategy into the business processes under the aspect of an integrated quality management system,
- Identifying opportunities and risks related to significant sustainability aspects,
- The maintenance of a continuous improvement process (CIP),
- Identifying and taking into account the requirements of interested parties,
- Compliance with applicable legal requirements and voluntary commitments,
- Saving resources,
- Ensuring the recycling of materials,
- Measuring environmental performance against performance indicators SDGs.



## 7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

The complexity and internationality of our projects require precisely defined processes that are brought together in the quality management manual. We have an integrated management system that combines the advantages of the various subject-specific individual systems. The coupling of the individual standards ISO 9001 and 14001 with our occupational safety concept based on ISO 45001 and the guideline ISO 26000 leads to transparent performance evaluations across all company divisions and sustainability projects.

Core elements of our integrated management system are internal audits or layered process audits. During audits, we check not only conformity to standards, but also whether measures to achieve quality and environmental goals are being implemented. In addition, we identify potential for improvement. We conduct the layered process audits on an ad hoc basis as required. The advantages are that deviations are recognised immediately and measures are initiated immediately. This leads to a permanently high performance of our organisation. As a certified company, we prepare an annual management review to assess the performance of our integrated management system. In addition, there is an external review, partly by external auditors within the framework of monitoring and repeat audits for recertification or within the framework of third party audits, e.g. by customers. If potential for improvement is identified in external audits, cf. 1. Strategic Analysis and Measures, the Management Representative initiates and monitors measures to implement the improvement measures with the parties involved.

Since 2008, when we were certified according to ISO 9001 and 14001, we have set our sustainability goals annually as part of our corporate objectives. In addition, we are guided by the 17 Sustainable Development Goals. For key performance indicators, we have applied the core elements of the Global Reporting Initiative Standard since 2020. Our sustainability goals are part of ARNO's corporate goals. When collecting data, we distinguish between quantifiable and qualified targets. We collect quantitative performance indicators using sound data, e.g. invoices, balance sheets and measurements. Qualified targets are monitored via scheduled action plans. These specify which activities are to be completed when, in what order, with what effort, by whom and by when. Our quality management checks the consistency of the data in internal audits. In addition, the accuracy and quality of the data are checked every year by auditors and external auditors. Elementary key figures

are communicated monthly, semi-annually and annually via existing reporting formats. We provide information on measures, their effects, progress, developments and trends. An evaluation of the key indicators takes place once a month in the management meeting. If the monitoring of a target or measure shows developments that indicate that the achievement of the target is at risk, the management, together with the responsible persons, determines corrective measures.

In the environmental and social criteria, we show in detail which environmental and social performance indicators are collected with direct reference to the GRI standards, the Greenhouse Gas Protocol (GHG) and various ISO 14001 environmental indicators - if possible, looking back over a time horizon of 3 years.

## Key Performance Indicators to criteria 5 to 7

### Key Performance Indicator GRI SRS-102-16: Values

The reporting organization shall report the following information:

**a.** A description of the organization's values, principles, standards, and norms of behavior.

**We are a family business.** What drives us are values such as integrity, trust, commitment, quality and the firm conviction that you have to consciously improve every day in order to achieve excellent results for your customers in the long term.

**We** are committed to complying with the SA 8000 social standard, which was developed by the US non-governmental organisation Social Accountability International (SAI) on the basis of the International Convention on Human Rights and the recommendations of the International Labour Organization (ILO).

**We** support the 10 Principles of the UN Global Compact, the Guide to Social Responsibility ISO 26000, the standards of the Global Reporting Initiative (GRI) and the UN Guiding Principles on Business and Human Rights.

**We** want to improve continuously. As part of our sustainability reporting, we participate in various assessment platforms, for example [Ecovadis](#) for the purpose of performance improvement and benchmarking.

In addition to the ARNO Code of Conduct, these topics are of particular concern to us:

1. Prohibition of child labour

Child labour is not tolerated by ARNO. Children must be treated with dignity and respect and have access to education. For young people under the age of 18, ARNO takes into account the special protection under the Youth Employment Protection Act.

2. No forced labour

ARNO rejects forced labour. If we ourselves or our partners find indications of illegal activities, we will inform the relevant authorities immediately.

3. Health and safety

ARNO has an occupational health and safety concept which takes into account the current state of knowledge about specific hazards and provides a safe and healthy working environment. A regular exchange takes place in the safety and environment circle to identify potential hazards. The measures taken are documented and their implementation monitored. Regular site-specific and job-specific training ensures health and safety in the workplace.

4. Freedom of association

ARNO respects the right of the workforce to independent and free association.

5. Discrimination

ARNO rejects any form of discrimination based on gender, race, ethnic origin, religion or belief, trade union membership, disability, age, sexual orientation, nationality, marital status, political affiliation, age or any other characteristic protected by local law.

6. Disciplinary measures

ARNO does not tolerate psychological or physical coercion.

7. Working hours

ARNO respects applicable laws and industry standards regarding working hours within the framework of company regulations.

8. Remuneration policy

ARNO is committed to ensuring that the wages paid are always at least equal to the minimum wage required by law or industry standards. Employment contracts with illegal temporary employers are not tolerated. ARNO fully complies with the relevant laws and regulations of labour and social security law without exception.

#### 9. Supply partners

ARNO has established appropriate procedures to evaluate and select suppliers and subcontractors based on their ability to meet these standards.

Homeworkers are afforded the same protection as direct employees under the rules of these standards. ARNO is committed to investigating and responding appropriately to the concerns of workers and other interested parties regarding compliance with these standards.

In 2018, our management guidelines were defined. These are intended to contribute to fair and equitable treatment regardless of the level of the company (cf. 15. Equal Opportunities).

## 8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

There is no additional target agreement or remuneration system for sustainable targets at ARNO. All sustainability goals are part of ARNO's corporate goals. The management carries the sustainability strategy and goals to all hierarchical levels of the ARNO Group. This ensures that all management levels work with their employees on implementation. As a result of a function-related breakdown of the corporate goals (cf. 5. Responsibility), all managers receive target agreements, on the implementation of which they must work together with their employees within a defined period of time. Our target agreements are an excellent instrument for measuring performance management. Controlling monitors and evaluates the target agreements. Once a month, at the so-called monthly meeting, Controlling informs the Executive Board and the managers about the development of the company's key figures and performance indicators. The managers, in turn, inform their employees about the results in departmental meetings. In the company meetings, which take place up to four times a year, the management presents and explains the corporate strategy, results and performance indicators. As a result, our employees are very familiar with the sustainability mission statement, corporate and environmental policies. All documents, including presentations of the company meeting, are included in our quality management manual and are freely accessible to every employee at any time. Thanks to the aforementioned work organisation and an open organisational structure, we have permanently anchored the idea of sustainability and our sustainability

goals in the company.

**In everything we do, quality is important to us.** A continuous improvement process (CIP) built on several pillars, taking into account the PDCA cycle, ensures constant improvements, which are mainly the result of teamwork. In interface workshops, meta plans, lessons learned, internal audits and departmental reviews, we identify optimisation potential and evaluate it. Subsequently, cross-departmental measures are determined, processes defined and implemented.

Release processes take place as early as the development phase in the form of feature monitoring or feature testing in accordance with our quality plan. At the start of production, our production departments create a so-called outturn sample (also called release sample) based on the work plan, which takes into account the quality features required by the customer. In addition, depending on the product, we carry out 100 % inspections or random sample inspections. Intermediate tests as well as final tests, which are documented photographically, are also possible. Should complaints nevertheless arise, we regard these as learnings. We have consciously decided not to make our remuneration system dependent on complaints. We see complaints as an opportunity to improve further. Nevertheless, we want to avoid error costs at all costs. Therefore, we evaluate complaints according to cause and originator and define measures for error prevention. The causes of errors and defined measures are passed on to our employees in knowledge transfer meetings. Our approach is prevention, not punishment. We want a climate of trust and mutual respect in which we can develop.

We welcome and encourage sustainable engagement, sustainable ideas and responsible and social interaction. We reward the personal commitment of our employees, e.g. in the form of suggestions for improvement or lessons learned tickets, through a points system in our employee appraisal.

An internal wage and salary programme ensures fair, performance-oriented and gender-independent payment. All salary components are defined and comprehensible.

## Key Performance Indicators to criteria 8

Key Performance Indicator GRI SRS-102-35: Remuneration policies

The reporting organization shall report the following information:

**a.** Remuneration policies for the highest governance body and senior executives for the following types of remuneration:

**i.** Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;

**ii.** Sign-on bonuses or recruitment incentive payments;

**iii.** Termination payments;

**iv.** Clawbacks;

**v.** Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.

**b.** How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

**a.** Remuneration policy

We ensure good, safe working conditions and fair pay for all and at all our sites. We are particularly attentive when it comes to the pay gap between employees and management. Salary differentials come from qualifications, special skills, experience, responsibility, commitment and seniority of our employees.

**i.** Basic salary and variable compensation

An internal salary and variable remuneration programme ensures fair, performance-oriented and gender-independent payment. All salary components are defined and comprehensible. In addition, we deliberately set performance incentives. Target agreements with departmental target values ensure that sustainability measures are implemented and sustainability goals are targeted. These target values are linked to a department, but not to financial remuneration to an individual.

Remuneration is determined in a joint discussion when a new employee joins the company. Of course, the minimum wage applies. A salary review is carried out when the employee is taken over into a permanent employment relationship. Individually variable remuneration components result from qualifications, responsibility (leadership) and special tasks. All employees receive social benefits such as holiday and Christmas bonuses, taxfree compensation to employees for capital accumulation purposes ("Vermögenswirksame Leistungen") and a financial meal allowance for visits to

our canteen. Regular pay increases are based on the collective wage agreements of the IG Metall trade union (wood and plastics processing industry). So far, we have not employed any marginal workers.

When hiring out employees, we prefer to work with personnel leasing companies that are anchored in the same collective agreement. The comparative wage is used when concluding the contract. In addition, industry surcharges are paid.

Due to the Corona pandemic, short-time work was ordered in the months of January - March 2021. Remuneration was in accordance with the legal requirements.

**ii. Employment bonuses**

No employment bonuses were paid in 2021.

**iii. Severance payments**

In the event of dismissals for operational reasons, severance payments are made in accordance with the Dismissals Protection Act. Other severance payments are agreed individually.

**iv. Recoveries**

In the case of dismissals before 31 March of the following year, part of the voluntarily paid Christmas bonus will be reclaimed. If there are minus hours at the time of resignation, repayment will be demanded from the former employee.

**b. The remuneration policy is not linked to performance criteria.**

Key Performance Indicator GRI SRS-102-38: Annual total compensation ratio

The reporting organization shall report the following information:

**a.** Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

**a.** Based on the average basic salary of a permanent employee, the top earners currently earn a maximum of 3.75 times that amount.



## 9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

We deal intensively with the interests of our stakeholders. Our most important stakeholders are our (potential) customers, employees, suppliers and legislators. For a manufacturing company like ARNO, it is elementary to know the expectations and requirements of the elementary stakeholders and to integrate them into the business processes. Since 2015, the quality management standard ISO 9001 requires certified organisations to identify their "interested parties" and their "relevant requirements". As a certified company, it is our practice to identify the expectations, values and goals of our stakeholders. Twice a year, the quality and environmental management compiles information of all stakeholders from the departments in order to transfer them to the current list of relevant parties/stakeholders, see GRI 102-44. Within the stakeholder analysis, we distinguish between internal and external stakeholders. After gathering all available information, usually in the months of May and November, the Executive Board, together with the managers and the quality and environmental management, checks whether the stakeholders and their expectations have changed. In the event of changed requirements or identifiable risks, the management determines the fields of action. In addition, corrective measures are initiated. We submit our stakeholder analysis annually to external auditors as part of the ISO 9001 and ISO 14001 recertification process, see 2. materiality.

Through the exchange with our stakeholders, the analysis of their sustainability expectations (goals, values, requirements) and the internal process environment, we are able to identify material sustainability aspects, make consistent decisions and target our business activities precisely.

## Key Performance Indicators to criteria 9

Key Performance Indicator GRI SRS-102-44: Key topics and concerns

The reporting organization shall report the following information:

**a.** Key topics and concerns that have been raised through stakeholder engagement, including:

- i.** how the organization has responded to those key topics and concerns, including through its reporting;
- ii.** the stakeholder groups that raised each of the key topics and concerns.

**a.** Key topics and concerns that have been raised through stakeholder engagement

## Stakeholder

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EXTERNAL STAKEHOLDERS	No. Stakeholder	Assessed Expectation	Source of information How are these monitored / checked?	Responsibility	Forms of dialogue and dialogue approaches Target group-related execution of dialogue content
	1 Occupational health service (company doctor)	- Compliance with B/G guidelines, - Offer of examinations, - Involvement of company doctor in the case of accidents/conspicuous diseases, - Precautionary measures, - Occupational safety concept/measures	Guidelines for the Employers' Liability Insurance Association Legislation	Human Resources	- Annual offer to all employees for occupational health examination
	2 Banks	- Liquidity, - Creditworthiness, - Conclusion of contracts, - Consolidated Financial Statements/Group Preparation	Accounts Payment transactions Legislation, (e.g. SEPA), regular exchange(s)/conversations	Finance	- Monthly discussions between Group Financial Director and banks to discuss the current development of the ARNO Group.
	3 Authorities	Employment Agency: - Notification of vacancies - Inquiry about potential applicants, invitation to the presentation Tax office: - monthly advance VAT return (UVA), - monthly recapitulative statement of the turnover in the EU, - Correct payment of turnover/ and Wage tax. State Statistical Office: - Monthly Report: to report: number of employees, turnover, Hours worked, remuneration - Production survey to be notified: quantity (kg) of products, Sales value. Federal Statistical Office: - Intra-statemeidung to report: delivered goods to EU countries and purchased goods from EU countries	Employment Agency Calls/Contact  Tax office Legislation Newsletter Input in training measures  Statistical Offices Letter of request for changes by authorities	Finance	- Regular exchange with all authorities.  Employment Agency - Short-time working, - Notification of vacancies, - Applicants are looking for relevant jobs.  Tax office: - Explanatory discussions during tax audits, - Explanatory information on transactions in ad hoc VAT audits.  - Wage tax audit by the tax office  Statistical offices: - Normal monthly reports, no other special occurrences.
	4 Employers' Liability Insurance Association (BG)	- Compliance with B/G guidelines, - Annual declaration of total salary/salary structure for the determination of the Payments in the event of an accident	Newsletter IHK	Finance SUK Human Resources	- Regular exchange, - Transposition of the BG Directives, - Use of know-how, regular updating of the list of legal requirements, - At least 2x a year meeting of the ARNO Safety and Environment Circle (SUK).
	5 German Institute for Standardization	- Compliance with standard specifications - Revision of standards	Newsletter Beuth	Design Engineering, Quality & Environmental Management	Continuous and project-related review of necessary standards and updating of the specification of standards of the design
	6 EcoVadis Sustainability Rating Network	- Subscription - Implementation of the ISO 26000 Social Responsibility Guideline or 10 principles of the UNGC - Sustainable procurement, - Compliance with laws and guidelines, - KVP	Newsletter Updates, Chats with EcoVadis	Quality & Environmental Management	- Ecovadis Scorecard, Performance Overview - Regular exchange on social and environmental issues (via chat)
	7 Waste disposal/recycling companies	- Correct, clean separation of waste, - Disposal orders	Newsletter, Subscription Umwelt-online	Recycling	- Monitoring, request for disposal permits (Efb) and certificates, - Circular economy law, - Support for social and ecological projects, e.g. the project "Man, Nature, Environment" which supports the long-term unemployed and restricted workers.
	8 Municipality	- Trade tax, - Application for a building permit, - Waste regulations district	Regular discussions Maintaining contacts Internet, Daily newspaper	Finance	- Jobs, - Donations, The municipality currently has no need for discussion, the last contact of the mayor is more than 3 years ago.
	9 Legislator	- Compliance with laws, guidelines, regulations	Client information letter by auditors and legal advice, Monthly newsletter umwelt-online, IHK, etc.	Managing Partners Finance Occupational Health & Safety	Regular newsletters and information from our legal advice List of legal regulations, AS-A-100
	10 Public Health Department	- Support in contact tracing, - Precautionary measures	Conversations	Human Resources	Updates on health-related topics
	11 Chamber of Commerce IHK	- Registration, - Contribution, - Registration of training contracts, - Registration for final examinations	Newsletter IHK	Human Resources, Logistics, Quality and Environmental Management	- Subscription to IHK newsletter, - Cooperation with the IHK Stuttgart (Department of Occupational Safety, Legal Advice, Abroad) - Exchange of information on trainees (curriculum, final examination) - Certificate of origin (original stamp), - ARNO provides premises for final oral examinations, - One ARNO employee works as an IHK examiner.
	12 Universities	- Submission of vacancies/internships - Event Lectures/Company Visits	Direct contact between Human Resources and universities	Human Resources	- Higher number of applicants due to increased activities - Participation in applicant fairs of universities/FHS, recognition of talents and, if necessary, binding them through contacts
	13 Customers	- Implementation of customer requirements, - Balance sheet, - Quality, adherence to delivery dates, price stability, - Sustainable concepts/visions, - Innovative solutions, - Compliance with contracts, legislation, standards - certificates, - Company Information (RFI) - Disaster Recovery Plan, - Customer audits, possibly The potential analysis	Observation Market research Customer Feedback	Sales	- Annual appraisal with customers, regular exchange and visits to ARNO and the customer, - Participation in prototype and series inspections, partly digitally or on site The focus is on: How do customers perceive ARNO, which competencies do they attribute to ARNO, how do you rate the products and services? (customer feedback, customer quotes)

## Stakeholder

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No.	Stakeholder	Assessed Expectation	Source of Information How are these monitored / checked?	Responsibility	Forms of dialogue and dialogue approaches Target group-related execution of dialogue content
14	Suppliers	- Orders - fair, partnership-based cooperation/payment	Supplier Qualification/Certification On-site inspection/audits	Project Management Global Procurement	Project Management and Global Procurement: - Regular exchange with suppliers, - Annual appraisals with top ten suppliers, - Comprehensive supplier selection process (4 phases), - Request for certifications, - Enquiries, offers, - Information on (current) capacity availability and (new) production facilities, - Information about business changes, processes, innovations, etc., - Know-how training, knowledge transfer, Feedback from suppliers: - ARNO is not an easy one from the negotiating side customer, but always fair, - Drawing quality very good, suppliers say that they only get this drawing quality from a few customers, - Payment of invoices on time and reliably, - Cooperation takes place in an atmosphere of partnership - Solution finding is carried out jointly, - Proposed changes from suppliers will be examined by ARNO, if feasible.
15	Neighbors (neighbouring companies)	- Compliance with legislation	Conversations	Finance	- Partial cooperation on projects - Communicative exchange if necessary - Provision of company parking spaces
16	NGOs Sustainability DNK, UNGC, GRI etc.	Sustainability Reporting, Communication on Progress	Newsletter Public media	Quality & Environmental Management	- Regular communication, - Participation in training courses, webinars, - Update GRI standard
17	Personnel consulting, leasing	- Placement of personnel	Regular activity on the part of ARNO	Human Resources	- Use in personnel search, even in case of short-term need of competent additional personnel
18	Lawyer	- Orders, contracts, - Criteria from freight forwarding evaluation	Legislator	Finance	- Regular discussions on legal topics
19	Regionale Associations	Sponsorships	News, Daily Press	Finance	- Financial and other support, regular exchange, e.g. with: - SV-Hardt (Harder Highland Games) - TSV Wolfslugen (Handball)
20	Carriers	- Orders	Proof of arrival (EU) Proof of delivery Invoice control	Logistics	Regular discussions with freight forwarders, couriers, etc. on: - Enquiries, orders, - Availability of drivers/vehicles (limited freight capacities), - Transit times to England (reduced ferry capacity), - Euro pallet shortages (Euro pallet exchange procedure often discontinued due to lack of availability of Euro pallets), - Increased fuel prices, increased freight costs
21	Social Organisations	- Donations	Regular discussions Advertising Donation receipt	Finance	- Donations in kind, monetary donations
22	Social Security	Pension insurance - Notification of pension insurance, - Payment of pension insurance contributions Health insurance - Notification of health insurance	Newsletter Health Insurance Companies Annual Annual Meeting Haufe PfV Information brochures	Human Resources	- Participation in annual audits, - Expansion of knowledge on current legal regulations and measures.
23	Accountancy	see Auditors	Regular discussions	Finance	- Risk assessment with tax advice (Internal Control System (ICS) Taxes - Tax Compliance), - Tax enquiries - Tax audits
24	Management Consultancies	- Compliance with and continuation of the contract - Openness, clarity	Regular meetings	Finance	- 2021 Ingencis: Production concept LE - 2021 Tim Taxis: Sales Training - 2022 WCS: Strategy consulting
25	Insurances	- Conclusion of contract - Compliance with legal regulations	Regular exchange	Finance	- Conducting recorded annual appraisals, - Settlement of claims
26	Auditors	- Proper accounting, - Correct supporting documents, - Preparation of annual financial statements	Regular exchange Annual audit	Finance	- Audit, - In May 2022, the annual audit for the year 2021 was completed, - Ad hoc requests,
27	Certification organisations	- Compliance/implementation of standards	Newsletter TÜV Süd Newsletter TÜV Rheinland DQO QM-aktuell Beuth	Quality & Environmental Management	- Newsletter subscription to ISO revisions, legislative changes - Environmental online subscription, regular review of legislative changes by controllers - Commissioning of ISO 9001 and ISO 14001 certifications (audits), - Use of testing institutes (Dekra, TÜV, etc.) for product certification, especially for cosmetics (product safety)
28	Customs	- Vehicle tax (Hauptzollamt Ulm) - Export declarations, EUR1, ATR - Certificate of origin - IZD (Internet customs declarations)	Consular and model regulations (regular updates, newsletter IHK)	Logistics	- Project and country-specific customs clearance discussions

- i. how the organization has responded to those key topics and concerns, including through its reporting;
- ii. the stakeholder groups that raised each of the key topics and concerns.

The topic that preoccupied our stakeholders until the end of 2021 was the corona pandemic and its consequences for the economy. According to Statista, 01.04.22, between 1 million and 3.4 million employees were on short-time work each month in 2021. While ecommerce benefited sustainably from the shop closures even after the shops re-opened, brick-and-mortar retail struggled with the revival of the point of experience, with the exception of the system-relevant sectors. Until 2021, interrupted value chains and rising purchase prices made operational planning difficult.

The acceleration of digitalisation caused by the corona pandemic is a positive development. Business appointments are now predominantly conducted digitally, which has a positive impact on travel times and CO<sub>2</sub> consumption.

With the exception of the production and logistics areas, home office is common practice and possible across departments. Our digital occupational safety concept has been expanded, an area with safety measures, health statements in various languages, video updates from the management and many helpful tips has been created. Our ARNO corporate culture, which is based on trust and the independent commitment of our employees, has become established.

The most relevant stakeholders are our customers, suppliers and the legislator, whose requirements we of course implement without exception, see 20.

We seek and maintain a regular exchange with our customers. Communication takes place in person, by telephone or e-mail, on social media, via our newsletter - the customer magazine ARNO "MAG", lectures or via joint projects with students. Due to an active exchange of interests, we can respond individually to our clients' needs. Our planning and activities focus on the customer requirements listed in descending order of priority:

- Delivery reliability
- Cost efficiency
- Sustainability (sustainable design, sustainable packaging concept, sustainable transport, sustainable value chains, recycling of old furniture)
- Innovation (uniqueness and creativity in design, materiality, processes)
- Flexible, modular systems (in connection with omnichannel)
- Digital solutions (in connection with omnichannel)

As a result of the corona pandemic, supplier communication in 2021 took place mainly by telephone and via e-mail. For project approvals, we were partly at the production site - insofar as the Corona regulations permitted this. Thanks to intensive, trusting cooperation, we were able to jointly overcome the following challenges:

1. Instability of the supply chains,
2. Worldwide shortage of raw materials (plastics, granulates, aluminium, steel, wood, paper) and
3. High transport costs due to increased energy prices.



## 10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

Successful retail concepts are based on designs that not only inspire consumers visually, but are also convincing in terms of quality, functionality, clarity in the arrangement of goods and the source materials used. The philosophy of the brand must be reflected visually and haptically in the retail project.

In project planning, we are supported by an efficient digital project control tool that divides projects into sub-sections. As soon as an input is changed, it becomes clear how this affects the progress of the project. If the system signals critical processes, resources are rescheduled or interim targets are changed. Our constant aim is to deliver the highest possible quality and to meet the delivery dates promised to our customers.

Consumers are placing more and more value on sustainability. We are happy to present sustainable designs with ecological materials to our customers. We want fair trade and ecological materials to be in the spotlight. Starting in 2022, we will work on a "sustainability scoring" that will be part of the design phase. In addition, we offer an optional "green design" with every customer request.

Based on our holistic, supply chain perspective, we check at the start of a new development whether conventional materials can be replaced by ecological materials. This process continues through design, engineering and prototyping. Technical pre-production and our production foremen are also involved in product development. Their many years of series experience support us in the development, selection and processing of new, organic alternative materials and auxiliaries. During product development, we always keep an eye on our sustainable product life cycle. Where environmentally friendly solutions exist and the product requirements allow their use, recyclable materials are used. As a responsible company, we naturally actively involve our customers in our sustainability considerations. Through a joint sustainability strategy, innovative and environmentally friendly product solutions are possible throughout the entire supply chain. In the design phase, we pay attention to the dismantling of components. This criterion plays an important role for multi-component parts made of various materials. Only if the dismantling of a component is possible can used materials be separated and fed into a recycling process. For us, recyclable constructions are the

decisive basic prerequisite for creating a sustainable sales display.

When using plastics, we prefer recycled material. Plastics made from recyclate can be ground several times and repeatedly processed into plastic products. Unlike bioplastics, these do not contain unknown additives that often cause difficulties when recycled in composting plants. We support the approach of the Deutsche Umwelthilfe (German Environmental Aid), which demands that resource-saving reusable and closed-loop systems be promoted and that the greenwashing of bioplastics be stopped, cf. 11. Use of natural resources.

For thermoplastics we use ultrasonic welding equipment. When the plastics are melted, long-lasting bonds are created. The process is environmentally friendly, as there is no need for adhesives or adhesive tapes. Another positive effect is that with ultrasonic welding, the welding cycle is completed immediately after removal from the machine. Curing times, which are necessary with adhesive joints, are eliminated. Project lead times are significantly reduced. Unfortunately, we are increasingly finding that the processing of plastic parts with a recycled content is causing increasing difficulties with ultrasonic welding. In some cases, a permanent joint is not possible. It seems that the different recyclate admixtures change the welding properties. We are currently in active exchange with our suppliers and welding machine manufacturers in order to gather experience on the further handling of welded joints with recycled materials.

Since we also ship the sales displays for our customers individually as general cargo, we need secure shipping packaging. Poorly packaged products are insufficiently protected during transport and the likelihood of the products arriving damaged is high. If a product is returned, double transport routes with double CO<sub>2</sub> emissions are the result. To ensure that our recipients receive their goods in perfect condition, we choose sturdy shipping packaging. We use corrugated paper cardboard boxes and edge protectors with the FSC seal as outer packaging. If our customers wish, we use paper tape or stretch film with recycled content.

Through our CIP process based on several pillars (see 6. Rules and processes), which also includes [Lessons Learned Tickets](#) (see 14. Employee rights), we involve all employees in the suggestion system and ideas management. The identified potential for improvement is recorded centrally each month by the quality and environmental management and processed in the following month by our line managers in the team. The results are then published digitally and on the notice board.

As a participant in the "[CEOs show their colours](#)" campaign, which is supported by the German Federal Ministry for the Environment, NABU Germany, the German Club of Rome Society and the Association of German Women Entrepreneurs, we are publicly committed to the Initiative pro [Recycling Paper](#)



[\(IPR\).](#)

Our sanitary papers are demonstrably made from FSC Mix as well as 100 % recycled fibres. All sanitary papers bear the FSC label or the "Blue Angel" eco-label. In the case of print papers, we use recycled paper with the "Blue Angel" label without exception. Compared to primary fibre paper, the production of recycled paper requires 70% less water and 60% less energy. Since 100% of the paper fibres are obtained from waste paper, forests are conserved and the original habitats for plants and animals are preserved. Other advantages are that recycled papers are not bleached and do not contain any chemicals that are harmful to health. Recycled paper even performs better than hemp and bamboo papers, as hemp and bamboo cultivation require far larger areas of cultivable land than wood. With its excellent eco-balance, "Blue Angel" recycled paper is the product of choice in our business sectors.

Our innovations are driven by sustainable solutions that focus on the benefits for customers and the environment. Our modular counter systems, developed for use in cosmetic counters but also applicable to other systems, offer versatility and extend the product life cycle of our displays. In addition to innovation, our two techniques, called "comb" ("Kamm") and "register", also reflect creativity. The advantage of the comb technique is that vertical parts can be positioned variably, elements can be inserted and quickly joined together. With the register technique, classic hooks are dispensed with, allowing shelves to be fixed at a new height in the blink of an eye. In 2019, both innovations were registered as utility models. The "comb structure" utility model is patent pending.

### ARNO Utility Model Comb Technology

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## Key Performance Indicators to criteria 10

### Key Performance Indicator G4-FS11

(report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening.  
(Note: the indicator should also be reported when reporting to GRI SRS)

We only have financial investments in our subsidiaries. These financial investments do not undergo any environmental or social due diligence.

## Criteria 11–20: Sustainability Aspects

### Criteria 11–13 concerning ENVIRONMENTAL MATTERS

#### 11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

As an ISO 14001 certified company, we have to evaluate our environmental aspects annually. So far, all auditors have certified that ARNO is a company with a "low environmental relevance". Even though a low environmental relevance is positive for a company, we see this as an opportunity that we have to take up all possibilities of action that open up to us in order to further reduce our environmental impact.

We will present these in detail in the following criteria.

We have been working intensively on ecologically compatible plastic substitute products for more than 10 years. Our goal is to significantly reduce the carbon footprint in the retail sector. In 2010, we produced our first ecological sales display from 100% degradable and renewable raw materials using injection moulding. In cooperation with a well-known manufacturer of thermoplastic compounds, bioplastic elements were developed for a tabletop sales display of an organic cosmetics manufacturer. The processed raw material was lignin, Latin "lignum" (wood), which is formed during the growth of lignifying plants. When lignin is processed, a granulate is created within the production process by enriching it with environmentally friendly additives, which can be processed into recyclable plastic products by means of thermal reshaping. The ecological displays were produced and delivered at our main plant in Wolfschlugen. After their use in the retail trade, the used sales displays were taken back by us, collected and returned to the recyclable material cycle via a recycling process.

In recognition, we were awarded the "POPAI Award Gold" in the "Ecological Display" category at the POPAI D-A-CH Awards by an independent committee of experts.

## POPAl Award Category EcoDesign

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For many years, we have been dealing with both conventional plastics and ecological plastic substitutes, i.e. bio-based or biodegradable plastics. Additives are added to both synthetic plastics and bioplastics during production so that they meet special processing requirements such as elasticity, stability or fire resistance. These additives often prevent high-quality recycling, as colour pigments remain behind during the recycling process. Where customer or technical product requirements allow, we use recyclable starting materials.

For example, APET with a recycled content of up to 100 percent, which is fully recyclable, impact-resistant and heat-resistant from -20° to +60° Celsius, is used as a starting material. For polystyrene elements, we use base materials with a high recycled content. The special thing about polystyrene recycling is that the parts can be easily recycled again at the end of their service life. For injection-moulded parts, too, we demand the use of granulates with the highest possible recycled content, provided that the production, the intended use, the colouring and the requirements for the component permit this. Whenever possible, we refrain from direct printing and adhesive foils on plastic parts, as these, like additives, result in impurities during the recycling process. Light colours such as pure white cannot be produced.

In 2020, we conducted an extensive market analysis of sustainable materials in order to include them in our product portfolio. The primary focus was on sustainable plastics for thermoformed and injection-moulded parts, sustainable packaging, the ecological consideration of the starting materials, their suppliers and the optimisation of the recyclable material cycle. Since a large number of bio-based and biodegradable plastics are offered, sample materials were requested. In the area of bio-based plastics, we came across types of plastic that are structured almost similarly to conventional plastics and are collected, sorted, melted down and processed into recycle via the recycling circuit. Other bio-based or biodegradable types of plastic must be sent for energy

recovery or chemical recycling. Since chemical recycling is energy-intensive and currently still uneconomical, there seems to be no breakthrough in the foreseeable future. In order to be able to analyse the suitability of the sustainable materials we procured, their properties were compared. We have compiled and evaluated the results of the material analysis in our ARNO decision matrix "Sustainable Materials". This decision matrix shows

- In which projects the material was tested,
- For which end products the raw material is suitable,
- Which properties are possible, e.g. in terms of surfaces, colouring, printing options,
- Which material processing options are available,
- Which thermal or mechanical properties are based on,
- Which recyclable material cycles can be realised.

For competitive reasons, we will not publish the results.

In summary, we were able to determine that, especially in the field of bioplastics, there are types that are constructed similarly to conventional plastics and can therefore be recycled almost identically. Other biobased or biodegradable plastic types that we investigated have to be sent for energy recovery or chemical recycling. If we compare fossil-based plastics with biobased plastics in terms of their environmental impact, both raw materials have advantages and disadvantages. While the production of fossil-based plastics increases CO<sub>2</sub> emissions, the ecological footprint of bio-based plastics is affected by the fact that they are produced from maize, sugar beet or sugar cane and that these agricultural areas are in direct competition with food production. Our findings are reflected in currently published studies and life cycle assessments, which confirm that under current conditions, bio-based plastics are not significantly more environmentally friendly than conventional plastics.

In 2021, our photovoltaic system generated **315,789 kWh of solar electricity**, our **own consumption rate was 51 %**. 155,664 kWh of solar electricity were sold to an external service provider (cf. GRI SRS-302-1: Energy consumption). Besides solar power, the natural resource we use most is wood. Since the components of our projects vary greatly and we use few standard parts, we do not use volume and weight data when creating the material master in SAP. Instead, we assign the purchased parts to a higher-level material group. We evaluated the wood-based products we procured according to their specific material groups. The purchasing quantity was used as the unit of measurement (see GRI SRS-303-1). These are listed below in descending order of purchase quantity: Packaging, cardboard packaging, office and sanitary paper, various project-specific wooden parts and pallets. Water plays a subordinate role, as we only use water in sanitary areas and for cleaning (cf. GRI SRS-303-3).

Meanwhile, many elements of our sales displays carry recycling codes. We are happy to offer our customers the opportunity to return used sales displays with recycling codes to us free of charge. We ensure that returned materials with these codes are recycled by our disposal service providers and fed into the material cycle for reprocessing. For disposal, we work exclusively with certified specialist disposal companies.

### Refuse - Reduce - Reuse - Recycle - Repair

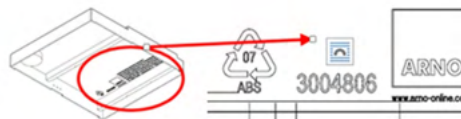
 ARNO®



After use, you can return this sales display to the manufacturer free of charge. The manufacturer will ensure that this material is recycled.

Please send this display to:

ARNO GmbH  
Daimlerstrasse 10 - 72649 Wolfschlugen - Germany



As a trading company, we see it as our responsibility to openly communicate critical materials to our customers and employees. Our aim is to reconcile environmental protection and social responsibility. From the current ecological point of view, raw materials made from recycled materials are a responsible and socially acceptable solution for us. Regardless of this, we will continue to research innovative environmentally friendly materials, document our research results and build a network of sustainable supply partners to expand our portfolio.

## 12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

In criterion 3. Goals, we provide detailed information on our qualitative and quantitative sustainability goals for increasing resource efficiency. Our resource data are monitored annually by an external body in the course of the ISO 14001 audits. All data are documented in the [ARNO GmbH Combined Audit](#)

[Report](#) by TÜV Süd. The report also shows that we do not need "any process water" for cooling production facilities.

The following chart illustrates significant projects to conserve resources. Relevant projects that have an impact on results are presented in detail on the following pages.



**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

### ARNO Realised sustainability projects

SDG 12 Responsible consumption and production



**Sustainable product life cycle**  
Ecology-oriented customer advice  
Sustainability scoring in the design phase incl. proactive presentation of a green design  
Materials are preferably selected by taking into account recyclates, bio-based materials and electrical components with a good energy balance  
Ensure recyclable constructions for return to the material cycle (SR)  
Carrying out material efficiency calculations in the development and project phase  
If desired, use of wood from sustainable forestry (FSC/PEFC)  
Optimised route planning

**Eco-efficient production**  
Avoidance of harmful emissions  
Efficient use of energy and resources (material, water, electricity, travel with FFZ)  
Zero-defect strategy (avoidance of rejects)  
Returning waste to the material cycle (= own recycling department)  
Minimisation of hazardous substances (use only if no alternatives available)  
Ultrasonic welding instead of gluing  
Adhesive tapes instead of liquid glue

**Resource-efficient infrastructure**  
Expansion of electromobility, installation of e-charging stations at the Wollschlugen site  
Replacement of conventional light sources with modern LED technology  
Internal transport route optimisation, avoidance of empty runs industrial trucks (FFZ)

**Consistent waste management**  
Internal recycling department  
Review of our recycling concept by an external service provider (waste generation, waste codes, recyclables, transport routes)  
Cooperation with a regional supplier to avoid unnecessary transport routes  
Return of damaged pallets to an external partner company for reprocessing. The reprocessing of the pallets is carried out by people suffering from health restrictions as part of the project "Man, Nature, Environment"

**Efficient water management**  
Water is only used for non-production purposes at our sites  
Installation of water flow limiters on taps, awareness training to reduce water consumption  
Exclusive use of Blue Angel sanitary and recycled papers. Supporters of the "CEOs show their colours" initiative

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### GRI 301-1: Materials used

Since our products are produced individually for each customer, the effort required to record weights and volumes is disproportionate to the benefit to the company. The distinguishing feature for differentiating the materials used is the material group assigned to the respective material. Our regional recycling company has analysed our product groups with regard to optional recyclability. According to this, all materials we use can be recycled materially or thermally (see GRI 301-1).

Our focus is on reducing GHG-generating materials. In some of our ongoing projects, we now use plastic parts with a recycled content of 100 per cent.

### GRI 302 / GRI 302-4 / GRI 305 Affordable and clean energy

Since 2017, we have been investing in clean energy. Following the ISO 16247-1 energy audit, we started installing the photovoltaic system on the roof of our logistics centre. Investments in electric mobility followed. Our gas-powered industrial trucks were replaced by electricity-powered industrial trucks. In addition, 2 electric charging stations were installed in Wollschlugen. Our employees and visitors can refuel here free of charge. In 2021, we will replace three conventional motor vehicles with hybrid vehicles. By 2023, we will replace the remaining conventional light sources with modern LED technology,



see 13. Climate-relevant resources.

Realised Sustainability Projects	SDGs	Actions	100%	Status	GRI
Goal 1 Climate action and resource conservation Photovoltaic system	7 AFFORDABLE AND CLEAN ENERGY	Operation of a photovoltaic system on our logistics center for the use of renewable energy sources Installation of 1,532 solar modules with a total output of 413.64 kWp	✓	Implemented	302
2 Climate action and resource conservation Energy-efficient lighting	7 AFFORDABLE AND CLEAN ENERGY	Replacement of all primary fluorescent lighting with LED at the Bristol site. Control of room lighting via motion detectors. Minute-by-minute control of the interactive displays via digital timers.	✓	Implemented	302
3 Climate action and resource conservation Green electricity Improvement of the carbon footprint	7 AFFORDABLE AND CLEAN ENERGY	If the electricity produced by our photovoltaic system is not sufficient, we compensate for the additional demand with 100% climate-neutral green electricity with the certified quality label "RenewablePLUS".	✓	Implemented in 2021	305

### GRI 303-3: Reduction of water withdrawals

Water is only used at our sites for non-production purposes, e.g. in the sanitary facilities, for cleaning, in the canteen or in our kitchenettes. This is also evident from our annual [ARNO GmbH Combined Audit Report \(ISO 9001/ISO 14001\)](#) by TÜV Süd, page 8 KPIs. None of our sites are located in an area at risk of water scarcity.

Regardless, we see water consumption at our sites as an important environmental issue. We are constantly pursuing our goal of reducing water consumption. In doing so, all water sinks are considered. The water supply for our main site in Wolfschlugen is provided by the Zweckverband Filderwasserversorgung. Two thirds of the drinking water comes from Lake Constance and one third from the association's own waterworks in Neckartailfingen.

In recent years, we have carried out several projects to reduce total water consumption:

- Regular checks of the water tapping points for tightness and function of the self-closing valves,
- Repair or replacement of leaking valves,
- Restricting the watering of green areas,
- Checking the seals,
- Annual reading of water consumption,
- Awareness training for staff,
- Installation of flow restrictors, which reduce the amount of water passing through the taps. The flow regulators save 10-12 litres of water per minute.

Realised Sustainability Projects	SDGs	Actions	100%	Status	GRI
Goal 1 Climate action and resource conservation Building Reduction of water consumption	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Regular inspection of the lines. Installation of water flow limiters on the taps. Awareness-raising training to reduce water consumption.	✓	Implemented in 2021	303

**GRI 306: Waste**

We must all strive to prevent waste. Any throwing away of recyclable materials without prior sorting prevents the possibility of adding value. A functioning recycling system requires knowledge of waste disposal among our employees, customers and retailers. We point out dismantling and separation criteria as well as our recycling codes to our customers. If desired, our customers can return used displays to us, see 11. Use of natural resources. In addition, we offer the free return of used sales displays to us. However, when considering the total greenhouse gas emissions associated with the return transport and handling processes, measured in CO<sub>2</sub>, it is always advisable for the retailer to dispose of the display at the recycling company of his choice. It is important to raise awareness among our partners in advance that everyone involved in the product life cycle can make a valuable contribution to recycling.

In October 2019, we had our recycling concept examined by one of the world's largest service providers for recycling, service and water. The task given to the waste management company was to check,

- Whether further breakdowns of our waste are possible,
- Whether all the waste is being sent to the correct waste codes and correct disposal routes,
- Which types of waste are profitable beyond those we know about,
- To what extent the separation of waste and its delivery to recycling companies can be optimised in terms of costs.

The waste analysis showed that all waste, with the exception of glued belts, which are to be disposed of as commercial waste, is ideally separated by us and fed to the exact waste code. Based on the results, we will maintain our current waste concept.

Realised Sustainability Projects	SDGs	Actions	100%	Status	GRI
1 <b>Climate action and resource conservation</b> FSC Certificate, License FSC-C133359	12 	Our subsidiary, ARNO GB Ltd has been FSC CoC certified since 2016. We are happy to offer our customers to install wood from sustainable forestry (FSC/PEFC).	✓	Implemented	301
2 <b>Climate action and resource conservation</b> 100% recycled paper, containment of global transport of primary fibres	12 	Only use of recycled paper with the Blue Angel Support for the initiative pro recycled paper, IPR Promoting the circular economy, participants and supporters of "CEOs show their colours"	✓	Implemented in 2021	301
3 <b>Climate action and resource conservation</b> Sustainable sanitary papers	12 	Use of toilet paper with FSC seal or the Blue Angel. Hygiene papers are made of FSC Mix or 100 percent recycled fibers	✓	Implemented in 2021	301
4 <b>Climate action and resource conservation</b> Sustainable cleaning products for hospitality and housekeeping	12 	Only use of environmentally friendly cleaning and polishing agents.	✓	Implemented in 2021	301
5 <b>Climate action and resource conservation</b> Decrease Continuous reduction of prints	12 	Compared to 2010, 65% fewer prints were created. Savings on toner and paper Reduction of CO <sub>2</sub> emissions and petroleum-based toner inks	✓	Implemented	301
6 <b>Climate action and resource conservation</b> Government models in sanitary facilities Reduction of CO <sub>2</sub> emissions and heating costs	12 	Replacement of the thermostats by so-called authority models, whereby a regulation of the heating temperature is prevented.	✓	Implemented	302
7 <b>Climate action and resource conservation</b> Internal recycling department	12 	Internal recycling department for the collection, dismantling and waste key-appropriate feeding of recyclable materials into the recycling cycle	✓	Implemented	301
8 <b>Products</b> Product life cycle	12 	In the case of new projects, consideration of the product life cycle from the development phase with regard to environmentally relevant aspects Preferential consideration of ecologically compatible components for recycling into the material cycle	✓	Implemented	301
9 <b>Climate action and resource conservation</b> Investigation of the recycling concept by an external service provider in 2019	12 	Verification of waste keys and disposal routes Investigation of waste generation Determination of recyclable materials Recyclable material and cost-optimized supply to the recycling partners	✓	Implemented	301
10 <b>Climate action and resource conservation</b> Purchase of cardboard press Reduction of CO <sub>2</sub> emissions during removal	13 	Commissioning of a cardboard press with a waste volume of 18cbm. Due to the compression, 2.3 t of mixed paper can be disposed of in "one" transport route	✓	Implemented	301, 305
11 <b>Climate action and resource conservation</b> Certification according to ISO 14001 Pioneer in the industry	13 	ARNO has been certified according to the environmental management standard ISO 14001 since 2008. We have been committed to environmental protection for 15 years. Every year, we define environmental goals that are in line with economic, social and political requirements.	✓	Implemented	302, 307
12 <b>Social responsibility</b> Support of the Stark Dynamics project "People, Economy, Environment"	17 	Since August 2021, we have been leaving our old pallets to Stark Dynamics GmbH and thus supporting the Stark project "People, Economy, Environment". The pallets are repaired by people who suffer from health restrictions. Through simple activities, these are to be returned to the labour market. The project is supported by the Employment Agency and Diakonien.	✓	Implemented	413

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According to our experience to date, including in the course of the ISO 14001 recertifications, there are no significant risks arising from our business activities, from our business relationships and from our products and/or services, cf. 4. Depth of the value chain, which may have a negative impact on resources and ecosystems.

## Key Performance Indicators to criteria 11 to 12

### Key Performance Indicator GRI SRS-301-1: Materials used

The reporting organization shall report the following information:

**a.** Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

- non-renewable materials used;
- renewable materials used.

**a.** Since 2021, we have been evaluating our material groups according to GRI 301-1 renewable and non-renewable materials. The comparison of the purchasing quantities in 2020 and 2021 clearly shows how much the purchasing quantities per product group vary each year, e.g. for plastics, injection moulding, metal for us as a contract manufacturer for customised

solutions.

## GRI 301-1 Materials used



Commodity groups	Incoming goods 2021	Incoming goods 2020	Recycling	
			thermal	material
DIN parts, screws	2.805.469	1.419.934		x
Injection moulded parts	2.761.382	876.707		x (Axxis Vivak, PS, Acrylic, etc.)
Plastic parts	1.225.252	477.528	x	
Metal parts	1.112.050	597.245		x
Transformers / ballasts	631.253	402.436		x
Packaging in general	540.328	525.340		x
Printing, printed film	497.846	124.556	x	
Office supplies, recycled paper	407.153	202.412		x
Locks, fittings	374.744	314.600		x
Cardboard boxes	273.296	237.660		x
Aluminium parts	268.254	10.129		x
Adhesive tapes	256.349	188.560	x	
Extrusion profiles (plastic/aluminium)	198.653	311.804		x
Deep-drawn parts	178.654	555.421	x	
Lights	131.405	136.831		x (Neon lamp/LED - electronic scrap)
Wooden parts	77.573	64.012		x
General raw materials and supplies	19.701	55.816	x	
Glass, mirrors	8.177	4.656		x
Pallets	8.076	7.490		x
Foils, foams	6.512	9.472	Foam material	foil
Illuminants	3.491	6.588		x (Neon lamp/LED - electronic scrap)
Digital components	2.756	864		x
Fabrics, textiles, leather	1.375	3.090	x	
Hazardous substances	1.007	749	x incl. container	

Key Performance Indicator GRI SRS-302-1: Energy consumption  
The reporting organization shall report the following information:

- a.** Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.
- b.** Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.
- c.** In joules, watt-hours or multiples, the total:
  - i.** electricity consumption
  - ii.** heating consumption
  - iii.** cooling consumption
  - iv.** steam consumption
- d.** In joules, watt-hours or multiples, the total:
  - i.** electricity sold
  - ii.** heating sold
  - iii.** cooling sold
  - iv.** steam sold
- e.** Total energy consumption within the organization, in joules or multiples.
- f.** Standards, methodologies, assumptions, and/or calculation tools used.
- g.** Source of the conversion factors used.

**a.-g.** In 2021, the total energy consumption at the company site in Wolfsschlügen was 509,121 kWh. According to the Greenhouse Gas Protocol (scope 1 and 2) 72.8 t CO<sub>2</sub> were released, see GRI-305-1 ARNO carbon footprint.

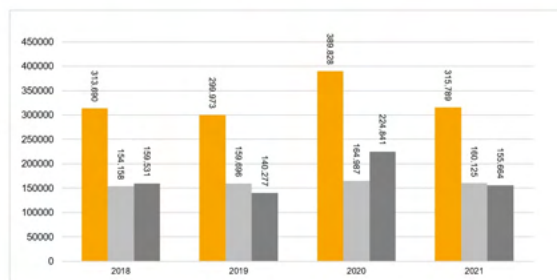
Our photovoltaic system produced 315,789 kWh of solar power. 160,125 kWh was used for own consumption, so the own consumption rate was 50.7 percent. Since our photovoltaic system has no electricity storage, we feed surplus electricity into the grid of Stromwerke München. In 2021, the surplus generated by our photovoltaic system was 155,664 kWh. The invoices of our electricity service providers or our petrol station operators were used to determine the consumption values. The source of the conversion factors is the calculation programme <https://klimaneutral-handeln.de/php/kompens-berechnen.php>

## GRI 302-1 Energy consumption

from renewable and non-renewable energy sources

ARNO

	2018	2019	2020	2021	Percentage change compared to previous year
Electricity generation quantity PV kWh	313.690	299.973	389.828	315.789	-18,99%
Own consumption kWh	154.158	159.696	164.987	160.125	-2,95%
Surplus electricity/grid feed-in	159.531	140.277	224.841	155.664	-30,77%
Self-consumption rate	49,14%	53,24%	42,32%	50,71%	



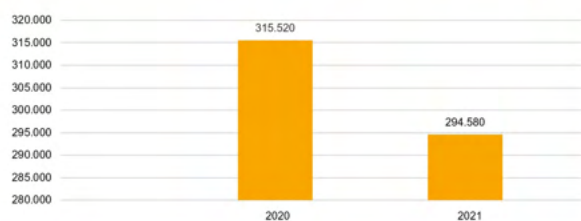
The fuel consumption of our vehicle fleet was 294,580 kWh. For the calculation, the calorific values of the fuels were converted as follows:

- Petrol 8.4 kWh/l
- Diesel 9.8 kWh/l

## GRI 302-1 Fuels for the fleet

ARNO

Fuel Year	2020		2021	
	Petrol	Diesel	Petrol	Diesel
Consumption	11.496,87	19.414,57	13.300,10	15.926,41
<b>Total consumption kWh per year</b>		<b>315.520</b>		<b>294.580</b>
Conversion factor* kw to CO <sub>2</sub>	2,3	2,6	2,3	2,6
<b>Total impact CO<sub>2</sub> atmosphere per year</b>		<b>84,6</b>		<b>79,2</b>



## Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption

The reporting organization shall report the following information:

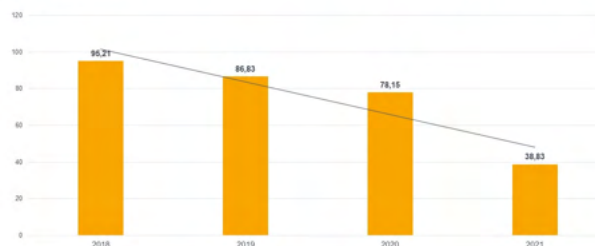
- a.** Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- b.** Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.
- c.** Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.
- d.** Standards, methodologies, assumptions, and/or calculation tools used.

**a.-d.** In 2017, a photovoltaic system was installed on the roof of our logistics centre. Since 2018, our solar modules have been producing up to 216,525 kilowatt hours of electricity annually, see 13. Climate-relevant emissions. Through various energy efficiency measures listed in our realised sustainability goals, we have continuously reduced the consumption of conventional electricity, cf. 3. goals and 12. resource management. Since July 2021, we have been covering additional demand with green electricity. Thanks to the conversion of our electricity contract to renewable energies, we are able to reduce our CO<sub>2</sub> emissions by around 50 per cent and relieve the atmosphere of almost 40 t of CO<sub>2</sub>. Our calculation method is based on the calculation programme <https://klimaneutral-handeln.de/php/kompens-berechnen.php>

### GRI 302-4 Reduction in energy consumption

**ARNO®**

Year	2018	2019	2020	2021
Total kWh	237.423,90*	216.525,75*	194.893,50*	214.541,55
Minus kWh Green Electricity Jul - Dez 2021				117.697,20
Total t CO <sub>2</sub>	95,21	86,83	78,15	38,83
Change from previous year		-8,80%	-9,99%	-50,31%





Key Performance Indicator GRI SRS-303-3: Water withdrawal  
The reporting organization shall report the following information:

- a.** Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:
  - i.** Surface water;
  - ii.** Groundwater;
  - iii.** Seawater;
  - iv.** Produced water;
  - v.** Third-party water.
- b.** Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:
  - i.** Surface water;
  - ii.** Groundwater;
  - iii.** Seawater;
  - iv.** Produced water;
  - v.** Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.
- c.** A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:
  - i.** Freshwater ( $\leq 1,000$  mg/L Total Dissolved Solids);
  - ii.** Other water ( $> 1,000$  mg/L Total Dissolved Solids).
- d.** Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

**a.-d.** All our water used at the Wolfschlugen site comes from the Zweckverband Filderwasserversorgung (FIWA). FIWA regularly carries out water analyses, which can be inspected. In addition, the Esslingen Health Department monitors compliance with the regulations by taking its own samples.

Invoices from the Wolfschlugen municipality, water supply department, were used for the following evaluations. The receipts show the consumption per meter number.

### GRI 303-3 Total water consumption

ARNO

	m <sup>3</sup> / J	Total 2018 m <sup>3</sup> / J	Total 2019 m <sup>3</sup> / J	Total 2020 m <sup>3</sup> / J	Total 2021 m <sup>3</sup> / J
WO Daimlerstr. 12	Counter 1	194	93	77	71
WO Daimlerstr. 10	Counter 2	591	495	287	333
WO Daimlerstr. 10	Counter 3	223	149	164	203
	<b>Total consumption</b>	<b>1008</b>	<b>737</b>	<b>528</b>	<b>607</b>

1 joule / cubic meter [J / m<sup>3</sup>] = 1 cubic meter / joule [m<sup>3</sup> / J]

In 2020, many of our employees have been working from home due to Corona, which led to a disproportionate decrease in water consumption. Comparing the values from 2021 with the base year 2018 shows that the measures we implemented to reduce water consumption (see 3. Sustainability projects implemented) had an effect. A water consumption of 4.3 m<sup>3</sup>/year per FTE/FTE speaks for the sense of responsibility of our employees.

### GRI 303-3 Water and sewage savings per capita

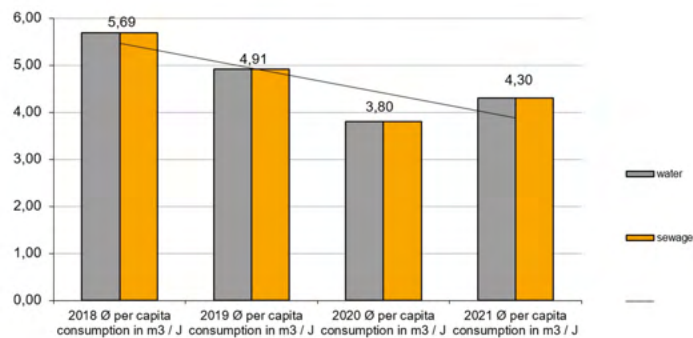
ARNO

	2018 Ø per capita consumption in m <sup>3</sup> / J	2019 Ø per capita consumption in m <sup>3</sup> / J	2020 Ø per capita consumption in m <sup>3</sup> / J	2021 Ø per capita consumption in m <sup>3</sup> / J
water	5,69	4,91	3,80	4,30
sewage	5,69	4,91	3,80	4,30
Savings in m <sup>3</sup> compared to 2018		<b>0,78</b>	<b>1,89</b>	<b>1,39</b>
Savings in % compared to 2018		<b>-13,71%</b>	<b>-33,22%</b>	<b>-24,43%</b>

1 joule / cubic meter [J / m<sup>3</sup>] = 1 cubic meter / joule [m<sup>3</sup> / J]

### GRI 303-3 Water and sewage consumption per capita

ARNO®



We have summarised our measures to reduce water consumption in a table under 12. resource management.

Key Performance Indicator GRI SRS-306-3: Waste generated  
The reporting organization shall report the following information:

- a.** Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
  - b.** Contextual information necessary to understand the data and how the data has been compiled.
- a.-b.** The waste data was collected, digitally recorded and evaluated on the basis of waste disposal measures carried out by our specialist waste management companies.

### GRI 306-3 Waste

ARNO®

Waste type	Waste code	Total per year	
		t	m³
Aluminium	120104	3,62	0,00
Foil coloured	150102	7,14	4,40
Commercial waste	200301	12,30	0,00
Cardboard	150101	41,62	0,00
Mixed paper	200139	7,51	0,00
Plastic	170203	62,09	0,00
Mixed wood	120102	14,60	0,00
Mixed scrap	150103	33,46	0,00
Pallet wood	*	0,00	0,00
<b>HAZARDOUS WASTE</b>			
<b>Total 2021</b>		<b>182,34</b>	<b>4,40</b>
<b>Total 2020</b>			<b>66,00</b>
<b>2021 compared to 2020</b>		<b>-5,33%</b>	<b>-93,33%</b>

\* various waste codes according to waste disposal certificate

Our explosion-proof hazardous substances room contains very few drums with hazardous substances. Due to the small quantities, disposal takes place every 2-3 years. In 2021, due to the small volume and in order to avoid unnecessary transport routes (environmental aspect), we have decided not to collect the hazardous waste. To ensure the safe and environmentally sound destruction of our hazardous waste, we work together with a certified waste management company. This company feeds the waste requiring special monitoring into correct recycling and reprocessing processes via transparent disposal routes. As a result of sustainability reporting, our recycling partner has confirmed the following disposal processes to us in writing:

- Alkaline/Lead Acid batteries are discharged, lead is extracted, lead and metal are recycled.
- Aerosol cans are shredded, other contents are thermally recycled, the metal is recycled (smelted).
- Solvents, including containers, are incinerated in special waste incineration plants (calorific value).

In October 2019, we had our recycling concept examined by one of the world's largest service providers for recycling, service and water. The task given to the waste management company was to check,

- Whether further breakdowns of our waste are possible,
- Whether all the waste is being sent to the correct waste codes and correct disposal routes,
- Which types of waste are profitable beyond those we know about,
- To what extent the separation of waste and its delivery to recycling companies can be optimised in terms of costs.

The waste analysis showed that all waste, with the exception of glued belts, which are to be disposed of as commercial waste, is ideally separated by us and fed to the exact waste code. Based on the result, we will maintain our current waste concept.

We have presented our waste optimisation measures in detail under 12. resource management.

## Sector Supplements

### Procurement of IT equipment taking into account the EU eco-label for electronic displays Decision (EU 2020/1804)

In November 2020, the EU introduced the EU Ecolabel for electronic displays -

Decision (EU 2020/1804 (monitors and digital signage displays). The EU Ecolabel is awarded to displays that are energy efficient, repairable, easy to disassemble, recyclable, have a minimum recycled content and contain a limited amount of hazardous substances. Since the directive came into existence, we have procured and installed electronic displays with the EU Ecolabel without exception.

## 13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

According to reports by the Intergovernmental Panel on Climate Change (IPCC), global greenhouse gas emissions between 2010 and 2019 will be higher than ever before in human history. We must drastically reduce global greenhouse emissions from 2025 onwards in order to reach the 1.5 degree target. In addition to solar energy, wind power must be used and unsustainable forestry must be stopped. New technologies in transport, industry and agriculture are needed to replace fossil fuels. Furthermore, strategic dependencies on critical raw materials must be reduced. The "Global Gateway" project initiated by the EU aims to optimise energy, data and transport networks and make them environmentally friendly. As a European company, we consider it our obligation to contribute to reducing CO<sub>2</sub>-emissions.

The core of our sustainability strategy is the avoidance of climate-damaging GHG emissions. We focus on all areas that we can directly influence. These include emissions generated in our production, logistics centre and administration in the areas of energy, waste, water, paper and mobility. To limit GHG emissions, we continuously monitor our key figures.

At our production site in Wolschlügen, only a few stationary machines are in use, primarily for prototype construction (CNC, panel saw, circular saw, bending machine, etc.). The recording of particle emissions, for example fine dust, is not possible due to the existing building technology. Since the machines are not used permanently, but mainly on an hourly basis for prototyping, the emissions can be classified as very low. As a result, we are classified by our auditors as a company with low environmental relevance within the framework of ISO 14001, cf. 10 Environment. The core competences of our production departments are assembly and packaging. Standard manufacturing processes include sawing, drilling, screwing, riveting,

pressing, laminating, ultrasonic welding, bending, edging, gluing, electrical assembly, electronic assembly, electrical testing, final testing, cleaning and packaging.

In recent years, we have invested in numerous measures to permanently avoid emissions. The following chart illustrates significant projects that led to the reduction of climate-relevant emissions. In the Strategy section, we present all "Sustainability projects realised" in detail under performance indicators 1-4. As a result of these energy efficiency measures, our main site in Wolfschlugen was CO<sub>2</sub> neutral for the first time in 2020. In 2021, we unfortunately did not achieve this goal due to a lack of solar radiation. You will find out how we are changing this in the following.

### ARNO Realised sustainability projects SDG 13 Climate protection measures

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#### Photovoltaic system

Since 2017, we have been producing green energy on the roof of our logistics centre. On an area of 6,300 m<sup>2</sup>, 1,532 solar modules generate a total output of 413.64 kWp. The combination of greening and photovoltaics has a positive impact on the diversity of flora and fauna and provides a habitat for numerous insects. The play of light and shadow from the PV modules has been shown to increase biodiversity.

In 2021, the solar panels produced 315,789 kWh of solar energy and saved 212 tonnes of CO<sub>2</sub>.

We feed surplus green electricity into the public grid.

#### Green electricity

If the electricity we produce ourselves is not sufficient, we cover additional needs with 100% green electricity with the certified quality label "Renewable Plus".

#### Resource-efficient infrastructure

Reduction of application servers, commissioning of resource-saving servers  
Promotion of e-mobility (vehicle fleet, forklift trucks, commissioning of own e-charging stations)

#### Compressor replacement - prevention of compressed air leakage

New compressor, this requires 1/3 less power than the previous model.  
Periodic leakage detection as well as checks of the compressed air lines and the shut-off valves

#### ISO 14001 certification since 2008

15 years of ISO commitment to environmental protection.  
Since 2008, our auditors have confirmed our "low environmental relevance".  
Annually, we assess our direct and indirect environmental aspects and set environmental targets.

#### Energy audit ISO 16247-1

In 2016, an energy audit was conducted to identify energy efficiency measures and prepare a feasibility study.  
The proposed measures are implemented consistently, taking into account the investment volume and economic efficiency.

#### Long-term partnership with a local recycling company

To reduce CO<sub>2</sub> transport emissions, we leave our waste to a recycling company located in the neighbourhood.

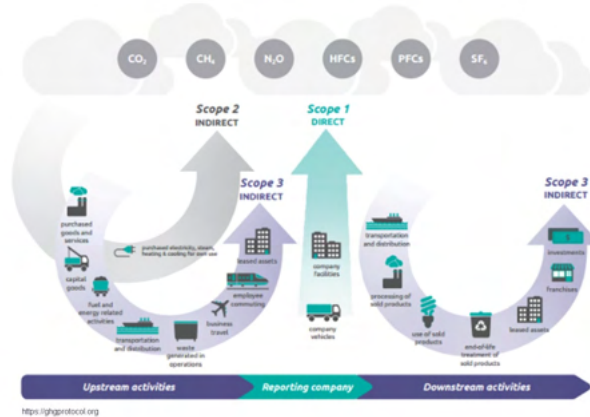
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Our future targets are listed in tabular form as "Operational Sustainability Targets" in criterion 3. targets.

We calculate GHG emissions on the basis of the Greenhouse Gas Protocols Corporate Standard. The focus is on the company level, not the product level. For a better overview, all emissions as well as consumption data (e.g. gas, fuel, electricity) are converted and presented in CO<sub>2</sub> equivalents. The calculations are based on the emission factors given in the portal <https://www.klimaneutral-handeln.de/php/kompens-berechnen.php> The organisational system boundary is our main location in Wolfschlugen near Stuttgart. The year 2021 was set as the accounting period.

## Greenhouse Gas Protocol

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As a project manufacturer, we deal with complex, constantly changing customer orders that usually take place under one-off conditions. As a result, Scope 1 and Scope 2 of the Greenhouse Gas Protocol were defined as the operational boundary. This regulates the emissions that we can influence directly. Other indirect sources of emissions that lie within the value chain (Scope 3) are recorded and evaluated as part of the corporate objectives.

### Scope 1: Direct emissions

Under Scope 1, direct GHG emissions resulting from combustion were evaluated. We included our boilers, gas combustion plants and vehicle fleet in the calculation.

### Scope 2: Indirect emissions

Under Scope 2, indirect GHG emissions originating from our energy suppliers were determined. In 2016, we identified - prioritised in terms of feasibility, investment volume and cost-effectiveness - measures to increase energy efficiency as part of an energy audit in accordance with ISO 16247-1 and subsequently implemented them. A photovoltaic system was installed on the roof of our logistics centre with an area of 6,300 m<sup>2</sup> in 2017. 1,532 solar modules provide a total output of 413.64 kWp. In addition, we have a green plant cover. Our photovoltaic green roof makes an extremely important contribution to climate protection. The combination of greenery and photovoltaics has a proven positive impact on the diversity of flora and fauna and provides a habitat for numerous insects.



## Photovoltaic system

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In 2021, our photovoltaic system produced 315,789 kWh of solar electricity. 160,125 kWh were used for our own needs, which means that our own consumption rate was 50.7 per cent, cf. GRI-302. Surplus quantities are fed into the public electricity grid. If we need more electricity than our photovoltaic system generates, we cover the additional demand with green electricity. Since 1 August 2021, we have been purchasing 100% climate-neutral green electricity with the certified environmental label "RenewablePLUS", which is audited annually by TÜV Rheinland.

In addition, in the near future we will replace the T8 fluorescent tubes, some of which are still in place and connected to electronic or conventional ballasts (EVG/KVG), with efficient LED tubes. Other light sources, such as outdoor spotlights, will also be replaced with efficient LED technology. According to the calculation of an independent energy consultant, we will save about 108 MWh of electricity through this measure, which corresponds to a CO<sub>2</sub> reduction of about 67 tonnes p.a..

In order to restore the CO<sub>2</sub> balance and stop the advancing climate change, we all need to get involved. By investing in renewable energies, we are setting an active example for environmental protection. In the future, we will continue to work on sustainability projects, promote the expansion of renewable energies in the company, use resource-saving materials in customer projects and train our employees in the economical use of resources.

**For us, sustainability means passing on an intact environment to future generations!**

## Key Performance Indicators to criteria 13

Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions

The reporting organization shall report the following information:

- a.** Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- b.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub> or all.
- c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.
- d.** Base year for the calculation, if applicable, including:
  - i.** the rationale for choosing it;
  - ii.** emissions in the base year;
  - iii.** the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f.** Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g.** Standards, methodologies, assumptions, and/or calculation tools used.

#### a.-g. Direct GHG emissions (Scope 1)

In 2021, we started calculating GHG emissions according to the GHG Protocol for the 2020 accounting period. Since then, CO<sub>2</sub> emissions have been calculated annually based on operational data. We use the internet platform <https://klimaneutral-handeln.de/php/kompens-berechnen.php> to calculate the CO<sub>2</sub> equivalents.

In 2021, 245.5 t of CO<sub>2</sub> direct GHG emissions were released by ARNO GmbH (Scope 1). Despite photovoltaics and a 100% green electricity contract from 01.07.2021, we were unable to achieve CO<sub>2</sub> neutrality in 2021 according to the GHG Protocol (Scope 1 and Scope 2). Heating oil and petrol consumption increased. The bad weather reduced the performance values of our photovoltaic system to such an extent that CO<sub>2</sub> compensation was not fully achieved.

#### GRI 305-1 CO<sub>2</sub> Balance 2021



Scope	Type	CO <sub>2</sub> Emissions	2020	2021
			tons of CO <sub>2</sub>	tons of CO <sub>2</sub>
Scope 1	direct	Liquid gas	14,6	15,0
		Heating oil	82,8	151,3
		Petrol	29,1	33,6
		Diesel	55,5	45,5
		<b>Scope 1</b>	<b>181,9</b>	<b>245,5</b>
Scope 2	indirect	Electronic consumption	78,2	38,8
Total	indirect	<b>Scope 2</b>	<b>78,2</b>	<b>38,8</b>
<b>CO<sub>2</sub> Emissions Scope 1 + 2</b>			<b>260,1</b>	<b>284,3</b>
<b>./. CO<sub>2</sub>-Savings photovoltaic system + green electricity tariff</b>			<b>261,2</b>	<b>211,6</b>
<b>Remaining CO<sub>2</sub> Emissions in tons</b>			<b>-1,1</b>	<b>72,8</b>

Savings photovoltaic system: Cf. GRI 305-5 Scope 2

Key Performance Indicator GRI SRS-305-2: Energy indirect  
(Scope 2) GHG emissions

The reporting organization shall report the following information:

**a.** Gross location-based energy indirect (Scope 2) GHG emissions  
in metric tons of CO<sub>2</sub> equivalent.

**b.** If applicable, gross market-based energy indirect (Scope 2)  
GHG emissions in metric tons of CO<sub>2</sub> equivalent.

**c.** If available, the gases included in the calculation; whether CO<sub>2</sub>,  
CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

**d.** Base year for the calculation, if applicable, including:

**i.** the rationale for choosing it;

**ii.** emissions in the base year;

**iii.** the context for any significant changes in emissions that  
triggered recalculations of base year emissions.

**e.** Source of the emission factors and the global warming potential  
(GWP) rates used, or a reference to the GWP source.

**f.** Consolidation approach for emissions; whether equity share,  
financial control, or operational control.

**g.** Standards, methodologies, assumptions, and/or calculation  
tools used.

**a.-g. GRI 305-2 Indirecte GHG emissions (Scope 2)**

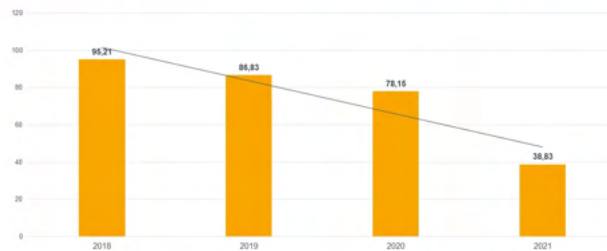
Calculation methods and accounting framework can be found in GRI-305-1. In 2021, ARNO GmbH (Scope 2) released 38.8 t of CO<sub>2</sub> indirect GHG emissions, see also chart under GRI-305-1. Since 1 August 2021, we have covered additional requirements with 100% climate-neutral green electricity, see 13. Climate-relevant emissions. This enabled us to more than halve our indirect CO<sub>2</sub> emissions compared to the base year 2018, and reduce them by 39.3 t CO<sub>2</sub> compared to 2020. From 2022, we will not generate any indirect greenhouse gas emissions.

## GRI 305-2 Indirect energy-related emissions

GRI 302-4 Reduction of energy consumption

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	2018	2019	2020	2021
Electric consumption kWh	237.423,90	216.525,75	194.893,50	214.541,55
minus green electricity tariff Jul - Dec 2021				117.037,23
Total CO <sub>2</sub>	95,21	86,83	78,15	38,83
Reduction compared to 2018		-8,80%	-9,99%	-50,31%



Key Performance Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions

The reporting organization shall report the following information:

**a.** Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

**b.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

**c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.

**d.** Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

**e.** Base year for the calculation, if applicable, including:

- i.** the rationale for choosing it;
- ii.** emissions in the base year;
- iii.** the context for any significant changes in emissions that triggered recalculations of base year emissions.

**f.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

**g.** Standards, methodologies, assumptions, and/or calculation tools used.

As a **project manufacturer**, we deal with complex, constantly changing customer orders that usually take place under one-off conditions. Scope 1 and

Scope 2 of the Greenhouse Gas Protocol were defined as operational boundaries. This regulates the emissions that we can influence directly.

Indirect sources of emissions that lie within the value chain (Scope 3) are recorded and evaluated within the framework of the corporate goals. In the following, we would like to briefly present the key figure business travel.

Due to Corona, there were few business trips in 2021. Business appointments were mainly held digitally. 1,275 km were travelled by rail and 6,788 km by air. Our business travellers travel CO<sub>2</sub>-free with 100 per cent green electricity on Deutsche Bahn's domestic local and long-distance services. The business flights caused 1.34 t of CO<sub>2</sub>.

Due to a comparatively low vertical range of manufacture, we attach great importance to the supply chain in the creation of value and in the cycle of recyclable materials. We want to work with committed partners to promote innovative projects that conserve resources and avoid waste. We select suitable suppliers through a supplier analysis. We continuously develop suppliers who share our values, see 4. Depth of the value chain. Within the logistical supply chain, we prefer to work with forwarders who are classified by us as A forwarders and are certified according to the environmental management standards ISO 14001 or EMAS. For shop installations, we plan route-optimised journeys. We attach great importance to sustainable parcel logistics. One of our partners promotes climate protection projects together with ClimatePartner. Greenhouse gas emissions generated during transport are fully compensated. As a result, the parcels shipped with this partner reach our recipients in a 100% climate-neutral manner.

#### Key Performance Indicator GRI SRS-305-5: Reduction of GHG emissions

The reporting organization shall report the following information:

- a.** GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.
- b.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
- c.** Base year or baseline, including the rationale for choosing it.
- d.** Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- e.** Standards, methodologies, assumptions, and/or calculation tools used.

## a.-e. GRI 305-5: Reduction of GHG emissions

### Scope 1 (Direct emissions)

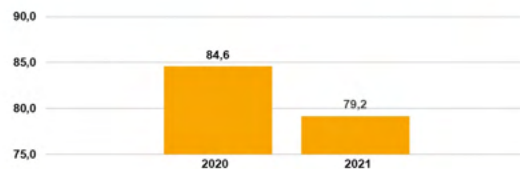
We are committed to promoting e-mobility. There are two e-charging stations at our corporate headquarters where our employees and visitors can recharge their batteries free of charge. The first e-vehicle was purchased in 2018. We are gradually converting our fleet to e-vehicles. In addition, we offer the "JobRad" bicycle and e-bike leasing service, which is currently used by one fifth of our staff. Via JobRad, our employees can lease the bicycle of their choice, be it a pedelec, cargo bike, mountain bike, racing bike or other. Due to this offer and a favourable taxation, users save up to 40 % compared to a conventional purchase. A quantification of the savings - with the exception of fuel consumption - can currently only be based on estimates; consequently, we will refrain from further evaluations. The CO<sub>2</sub> pollution caused by the vehicle pool decreased. The decisive factor was probably our hybrid vehicles.

### GRI 305-5 Reduction Scope 1

302-1 Fuels Fleet

**ARNO®**

Fuels	2020		2021	
	Petrol	Diesel	Petrol	Diesel
total kWh	106.231	209.289	122.893	171.687
Conversion factor kWh in CO <sub>2</sub>	2,3	2,6	2,3	2,6
tons of CO <sub>2</sub>	29,1	55,5	33,6	45,5
Total CO <sub>2</sub>	84,6		79,2	



### Scope 2 (Indirect emissions)

All information and measures to reduce Scope 2 emissions can be found in criterion 13 Climate-related emissions and GRI 305-2.

### Scope 3 (Other indirect emissions)

In 2021, 64 kg of CO<sub>2</sub> were avoided by travelling with Deutsche Bahn. In 2023, we will define a target for increasing the purchase volume of recycled or less GHG-generating materials.



## Criteria 14–20 concerning SOCIETY

### Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

#### 14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

As a family-run company, we consider it a matter of course to respect the rights of our workers and employees and to set social standards. For us, ethical and moral guidelines are inseparable from entrepreneurial action. They form the basis for successful cooperation and fair dealings. We want to communicate with our employees at eye level and create space for impulses and culture. Through open communication, which can also include constructive criticism, we create space for innovative ideas and new fields of action. In this way, we can make the company sustainable and resilient in the long term.

In the company meeting, we regularly inform our employees about the corporate strategy, our corporate and environmental goals, the results of the parent company and subsidiaries. We strive to create transparency at all levels so that our employees can understand and fully support our decisions and identify with our ARNO values and objectives. There is currently no employee representation. Co-determination of the employees takes place in exchange with the management, either directly, e.g. via employee surveys, or indirectly via our managers.

Applicable legal and environmental regulations (legal ordinances, standards, guidelines, etc.) are monitored by us, checked for their scope of application and applied. Our legal register is checked annually by independent auditors as part of the ISO 9001/ISO 14001 recertification process, see 20. Conduct in compliance with laws and guidelines.

In ethical decision-making processes, we are supported by our binding, internationally applicable [ARNO Code of Conduct DE/ARNO Code of Conduct EN](#) with our corporate guidelines, the UN conventions, laws and standards.

Principles to which we as a company are committed without exception. Our claim to conduct all business ethically and legally impeccable is naturally transferred to our subsidiaries, suppliers and employees. All partners in the supply chain have a special responsibility to demonstrate that they implement the ARNO Code of Conduct. Since we only work with persons or organisations who have committed to complying with our ARNO Code of Conduct and we regularly check compliance during on-site visits, we have not yet been able to identify any significant risks that could arise from our business activities, from our business relationships or from products and services and that could have a negative impact on workers' rights, cf. 4. Depth of the value chain, 14. Employment Rights, 17. Human Rights.

Risk assessments are carried out using turtle diagrams, in which processes and their possible influencing factors are depicted. The following contents become clear during the recording:

- Type of process,
- Process inputs,
- Process outputs,
- Realisation with what: Equipment, resources, etc.
- Realisation with whom: people involved in the process, skills of the people involved,
- Process indicators, KPIs,
- Process control (guidelines/standards).

The Turtle Diagram thus systematically provides the most important information on the respective process as well as the possible risks in relation to sustainability.

It goes without saying that we involve our staff in the processing of all suggestions for improvement. This may be in the form of introducing processes that make everyday work easier, contribute to environmental protection or enable customer projects to be managed more efficiently and effectively.

As our employees are real experts in their field, it is important to us to use the existing potential and to proactively involve all employees in improvements. Together, we are constantly developing our sustainability management. In doing so, we use the quality management tools mentioned below. Our employees can use these tools to express praise, criticism, ideas, suggestions for improvement or opinions. The contents are collected and published in our integrated quality management system and the forms of processing are determined. In some cases, workshops are held to optimise the implementation of sustainability potentials.

## 1. Lessons learned tickets

Our employees use digital or manual Lessons Learned Tickets to record where weaknesses exist in the company,

- Where weaknesses exist in the company,
- Where there is potential for improvement,
- What positive experiences have been made,
- Which insights or ideas have led to (project) successes,
- Which processes can be improved with the wealth of experience gained.

This results in the following advantages:

- Direct, immediate identification of problem areas,
- Safeguarding of know-how,
- avoidance of repeat mistakes,
- reduction of potential risks,
- Further development of our quality, environmental and sustainability management system,
- Our employees have the opportunity to pass on their positive and negative findings unfiltered.

All Lessons Learned tickets are processed internally and the results are published monthly digitally and on the notice board. Active participation in the Lessons Learned has a positive effect on the employees' appraisal. In 2021, 20 Lessons Learned Tickets were submitted by our employees. These have contributed significantly to improvements in project and department organisation, technical solutions, employee development, optimisation of the ERP system and the supplier management system, see 10. Innovation and Product Management.

## 2. Anonymous ARNO feedback tool - Whistleblowing

Our employees can openly express their opinions or grievances via our anonymous ARNO feedback tool. The persons who record the feedback remain anonymous at all times. The feedback tool can be used digitally or as a paper form. This means that employees without their own PC access also have the opportunity to express themselves. A mailbox has been set up for submitting written reports of grievances or suggestions for improvement. Employees with ethical concerns can either use our ARNO anonymous feedback tool or contact our managing partner Alien Wolter directly. The address can be found on our [homepage with a link](#) to the ARNO Code of Conduct, see 17. Human Rights. Alien Wolter supports whistleblowers unconditionally in clarifying and determining necessary measures, cf. GRI SRS-205-3: Incidents of Corruption. In the company meetings, our management addresses the submitted suggestions for improvement, measures and (possible) solutions.

### 3. Employee Survey - Employee Satisfaction

Since 2013, we have been surveying our employees annually on their satisfaction in the company, the organisation of their work, their working conditions, their job and their work in the team. The results are evaluated by the HR department and explained in the company meeting. After good results in 2018, where the satisfaction rate was 88%, and in 2019 with 87%, the satisfaction rate dropped to 77% in 2020. Corona-related short-time work, financial aspects, fears for the future and government measures led to a decline in satisfaction. We were able to end short-time work on 30.04.2021. A survey of our workforce conducted in autumn 2021 showed a satisfaction rate of 82%. Through wage increases, proactive training measures (cf. 16. Qualification), home office (cf. 15. Equal opportunities), reactivation of our summer and winter festivals as well as Happy Thursday in Wolfschlügen (cf. 18. Community), we would like to increase employee satisfaction in 2022 to the level of 2018.

## 15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

Our world is facing far-reaching change. Corporate social responsibility can enable fair world communities. This requires management tools that enable fair and trusting partnerships. Our values are reflected in the United Nation Global Compact. In addition, we have anchored these in our [ARNO Code of Conduct DE/ARNO Code of Conduct EN](#), the company regulations with direct reference to the General Equal Treatment Act (AGG) and in our [ARNO management culture](#).

Gender equality is firmly anchored in our ARNO Code of Conduct. Our two owners, Alien Wolter and Sophie Keim, represent a self-confident, high-performing image of women who successfully combine career and family. In internal and external job advertisements, we try to recruit women for our company if they have the same qualifications. This guiding principle also applies when filling internal vacancies.

Currently, almost 20 % of our managers are female employees. Our management is aware that leadership skills, analytical abilities and social competence are not a gender issue. On the contrary, we have recognised the advantage of mixed teams and actively use the following tools to provide equal opportunities for women and men, cf. 3. goals, sustainability projects

implemented:

### **1. Flexible working time models - social security.**

There are currently 14 different working time models at ARNO. The average daily working time for full-time employees is 7.6 hours from Monday to Friday. Work can be done from 07:00 to 20:00. This results in a weekly working time of 38 hours. All employees must be present during the core working hours, unless they are prevented from working due to business trips, illness, holidays or other justified reasons. Core working hours are Monday to Thursday, 08:30 to 16:00 and Fridays 08:30 to 13:15. By offering flexible working hours, we aim to promote the compatibility of family and career for mothers and fathers and to strengthen company loyalty. Various working time models tailored to personal needs are possible in part-time employment. Currently, 15 different working time models are used, whereby the working hours per day and the number of days per week vary. Overtime hours are regulated. Trust-based working time is offered, in which the agreed tasks are completed without a time-based presence being in the foreground or the attendance times being controlled. Sabbaticals, educational leave, parental leave and care leave can be taken. In case of illness or rehabilitation, a gradual reintegration into working life is carried out, and the returning employee is continuously accompanied during reintegration. ARNO offers direct insurance through deferred compensation. In addition, we have a provident fund and pension fund.

### **2. Working from home**

Working from home is possible across all departments, with the exception of the production and logistics departments.

### **3. Annual training budget for in-house training and external seminars**

The know-how available in the company is one of the most important intangible ARNO resources. Our annual training budget benefits industrial and commercial employees, see 16. Qualification. The examples below show which activities take place to maintain and build up knowledge and which tools are used to impart knowledge:

Tools:

- Guide to knowledge in the company with reference to the qualification matrices,
- Quality management manual (QMH) incl. environmental management,
- Occupational safety concept with ARNO-specific information on occupational safety, health prevention and technical know-how.
- IT training directory with training documents for the ERP system and much more.

Activities:

- Knowledge transfer meeting,
- process trainings,
- material training courses,
- IT training courses (SAP, CAD, Microsoft Teams, etc.),
- Refresher training for first aiders, safety experts and officers, fire safety officers, etc.,
- Lessons learned training to avoid repeat mistakes, etc.

Cf. criterion 6 Rules and processes and performance indicator GRI 404-1 Number of hours of education and training. In summary, we can state that the fair further development of all our employees through individual support contributes significantly to the development of know-how, increases the motivation of all those involved and is of immeasurable benefit to the ARNO Group, cf. 16. qualification.

#### **4. Childcare allowance**

We grant a childcare allowance to children of our employees who are not of school age. This amounts to 30 euros per month. All employees who have a full-time or part-time contract without notice are entitled to this allowance.

#### **5. Childcare at the workplace**

Our employees have the option of looking after their children up to the age of 12 at the workplace if conventional childcare is not available at short notice. In the case of dangerous workplaces, prior consultation with the supervisor and the Human Resources Department is required.

Our international success is not possible without motivated, functional and interdisciplinary teams. Regardless of origin, ideology, religion, gender, age, disability or sexual orientation, employees and business partners are expected to work together.

We treat our counterparts with impartiality, respect and fairness, regardless of origin, ideology, religion, gender, age, disability or sexual orientation, employee or business partner. This principle is laid down in our ARNO Code of Conduct. We want free, open and honest communication. In an environment characterised by mutual respect, all project participants can perform at their best, support us with valuable innovative ideas and make ARNO more efficient. Our leadership culture chart and our motto are intended to clarify our attitude:

## ARNO CORPORATE CULTURE

*Leadership*

"If you want to go fast, go alone. If you want to go far, go together."

<b>COOPERATION</b> We bond at eye level, respectfully, we know the challenges of our colleagues and we of our colleagues and solve conflicts together.	<b>COMMUNICATION</b> We communicate clearly, comprehensibly and provide comprehensible reasons for strategic decisions, on a computer context in all matters, at all times.	<b>INTEREST</b> We take an interest in our employees and colleagues, recognise changes, are there when we are needed, and let them share our thoughts and feelings.	<b>FEEDBACK</b> We give immediate feedback (positive as well as critical), take diversity into account, deal with mistakes constructively, analyse the cause and emerge strengthened from failures.	<b>SPEED</b> Try fast, fail fast, learn even faster, we make decisions, fast, goal-oriented and take responsibility for them, we learn from bad decisions and adapt future behaviour.	<b>EMPOWERMENT</b> We encourage new impulses, our own ideas and from our employees, delegate fully and transparently.
<b>DETERMINATION</b> We set ourselves common goals and align our team and our actions with the company and departmental goals, we continuously optimise and question our processes.	<b>FLEXIBILITY</b> Changes are normal for us, we try to be as flexible as possible and train our team accordingly.	<b>SOLUTION-ORIENTATION</b> There's no such thing as a can't, we always look for an optimal solution that meets the requirements and concentrate on what is possible.	<b>RESPONSIBILITY</b> We take responsibility and reflect on our own actions, we take our role model function seriously.	<b>SUCCESSSES/SETBACKS</b> We celebrate and show successes and take setbacks as an opportunity to improve ourselves.	<b>TRUST</b> We create a trusting working atmosphere and design a framework/structure in which it is fun to do one's job.

## 16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

Qualified employees are the key to the company's success. Therefore, we encourage our employees to contribute their skills and to take advantage of the opportunity to develop their careers. We welcome and support thirst for knowledge, initiative and commitment. Qualified, motivated employees are an asset to ARNO and a fundamental part of our value chain. They acquire qualifications, develop their skills, are more satisfied and able to deal openly with challenges and changes. Thanks to their impetus, we can accelerate innovations and permanently increase process efficiency in all areas of the company. In the course of these fundamental objectives, we have made a training budget of EUR 163,000 available for the further training of our employees from 2018 to 2021. 147,000 euros were used by the employees. Our training goals were achieved through this.

### 1. Determination of training needs

In identifying training needs, all employees are encouraged to work with their supervisors to take advantage of opportunities for their own professional development and to shape their career path in dialogue with their supervisor and the HR department. In addition, all employees have access to a training/seminar application form in paper or digital form, which they can use to request training or seminars from the departmental representative. If both parties, the manager and the applicant, can see an added value for ARNO and



if the training budget, see 15. Equal opportunities, is available, the training application is approved by the manager.

Through targeted internal and external training and further education measures, we ensure that motivated and qualified personnel are deployed at all workplaces, that sufficient specialist knowledge is available to carry out the required activities and that the work, quality, environmental, safety and sustainability guidelines are adhered to. We communicate to our employees the impact of their activities on product and service quality, as well as the possible consequences of deviating from established procedures. If required, we provide training on software applications, the quality and environmental management system, sustainability topics, occupational health and safety, process flows, materials, lessons learned and much more. Instruction in and examination of VDU workstations is carried out by our IT department. In the company meetings we explain the company strategy, we inform about the company and environmental goals as well as the company key figures.

We wish and encourage our employees to actively use the CIP methods mentioned in criterion 14 (Lessons-Learned-Tickets, anonymous feedback tool, etc.) as well as the further training offers!

We have not identified any significant risks arising from our business activities, our business relationships or our products and services that could have a negative impact on qualification.

## **2. Appraisal interviews**

Each year, our supervisors conduct a feedback meeting and two how-to meetings with their employees. The purpose of the appraisal interviews is to help the employees develop. The aim is to create a collaborative dialogue between employee and manager. Our guidelines explicitly state that the feedback interviews should have a positive basic orientation with a focus on strengths, expertise, development potential and social competence.

### **2.1 Feedback talks**

In the course of the feedback discussion, we place great emphasis on motivation and the atmosphere of the discussion. The assessment of the employees takes place with a preview of the company and personal goals as well as future challenges. In the annual interview, a feedback sheet serves as a basis and orientation. Various facets of working life are examined and assessed. Our employees receive feedback on their performance, their behaviour and their impact on others. For their part, employees can reflect on the assessment, express their satisfaction in the company and the leadership behaviour of their supervisor. Leadership competence, objectivity, reliability, communication and empathy all play a role.

### **2.2 "How are you" evaluation**

"How are you" evaluations are characterised by mutual feedback on current tasks and projects as well as a personal exchange.

Based on our guiding principles for leadership culture, cf. 15. equal opportunities, we expect feedback discussions to be conducted in an open and trusting atmosphere. Only communication at eye level creates transparency. Every employee is a valued part of a collegial team with overall responsibility. In this way, mistakes can be addressed without reservation and corrected within the team. Intrinsically motivated employees are invaluable to us. Their committed attitude has a positive effect on the team-wide cooperation and the work motivation of all employees.

### **3. Further training/qualification**

We distinguish between training and instruction. Our experience is that training always has a positive effect on the satisfaction and performance of our staff as well as on their loyalty to the company. In addition, this is a relevant argument for attracting new skilled workers.

#### **3.1 Training**

By training we mean external seminars, internal training and (safety) instruction. We identify training potential as part of the CIP process, cf. 6. rules and processes and 8. incentive systems. We align our training contents, training documents and training dates with the respective requirements at short notice. Detailed information on our training activities, contents and tools can be found in criterion 15 Equity.

#### **3.2 Instruction**

According to DGU V1 and ArbSchG, all employees must receive sufficient and appropriate instruction on safety and health protection. This means that the instruction must be tailored to the individual work situation. Our instructors explain to the employees concerned within the first quarter of each year how they must behave at their workplace for their own safety. Each instruction is documented in writing in our internal training record - Annual Safety Instruction. In 2020, we have included training on waste separation in our safety instruction. The annual safety briefing is based on our digital occupational health and safety concept.

### **4. Qualification matrix / training calendar**

We need to know the previous career and the special qualifications of our employees in order to be able to deploy them in the best possible way. Our human resources department manages training calendars for each department, in which internal and external training courses for employees are entered. In addition, our department heads keep qualification matrices. The qualification matrices show the skills, abilities and special knowledge of the employees.

## **5. Expert career**

We offer technical experts the opportunity to formally develop into specialists. With the expert career, we offer qualified employees a career path equivalent to the classic management career. Thanks to the targeted orientation of expert careers, employees can concentrate on specialist topics. In the process, they develop into specialists without disciplinary management responsibility.

## **6. Occupational safety and health prevention in accordance with ISO 45001**

The safety and health of our employees and the protection of the environment are just as important to us as the quality of work and business success.

### **6.1 Safety Leadership**

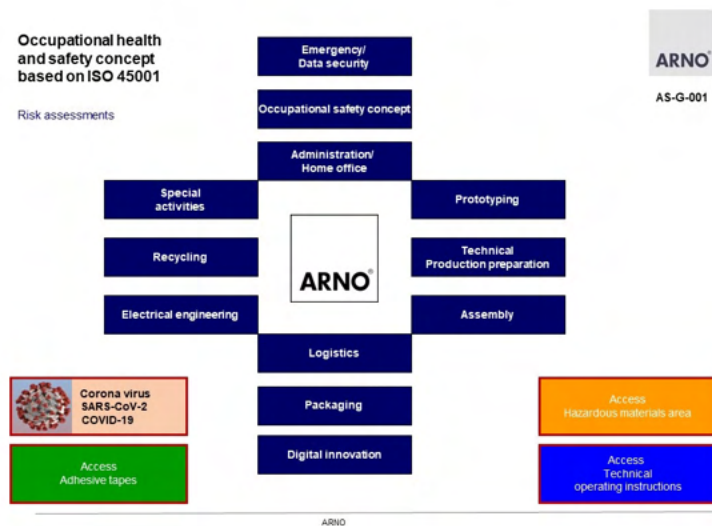
Our managers play a central role in our occupational safety and health concept. Their motivation, their insight into safety-relevant topics, exemplary handling of risky situations and the application of processes and guidelines strengthen the safety culture of ARNO GmbH. We are constantly working to increase our awareness of safety-relevant topics, including our safety and environmental circle, which includes members of the management, executives, safety specialists and officers, as well as quality and environmental management. The aim is to deal openly and honestly with safety-relevant incidents, to take precautions to avoid hazards, to hold regular safety rounds and briefings, and to sharpen the expansion of our occupational safety and health protection concept as a know-how tool. If hazardous situations or risks are reported by the safety specialists or safety officers to the superiors directly concerned, in production to the Head of Manufacturing, it is the responsibility of the managers concerned to draw the employees' attention to the danger and to demand compliance with and implementation of the safety guidelines from their employees without delay. The following topics are discussed during regular safety rounds:

- Identifying possible risks and possible improvements,
- Dialogue with employees in the workplace to stimulate safety activities and identify potential for improvement,
- tidiness and cleanliness to avoid safety risks (5S method).

### **6.2 Digital occupational health and safety concept**

In order to guarantee our employees the best possible health protection during the performance of their work, we have designed a digital occupational health and safety concept based on ISO 45001. The occupational health and safety concept contains general and specialised information on occupational health and safety, e.g. risk assessments, operating instructions, the list of applicable legal regulations, emergency plans, the hazardous substances register, safety data sheets, first-aid lists, information on data protection, for pregnant women

and nursing mothers, on driving licence checks, on battery systems, on personal protective equipment (PPE), welding permits and much more. In addition, the occupational safety and health concept is used as a knowledge tool. For employees without PC access, a freely accessible information tool has been set up that can be accessed and used during working hours. When you open our digital occupational health and safety concept, you will find colour-coded fields under which emergency plans, department-specific risk assessments, operating instructions, current Corona information, a know-how tool for bonding technology, the ARNO hazardous substances register incl. safety data sheets and information on waste management are stored.



Our employees can report hazards or safety deficiencies at any time to the Safety Officer (Siba) or to the Safety Specialist (Sifa). If necessary, the deficiencies are discussed in the Safety and Environment Committee (SUC) and solutions are worked out together. The primary goal is to avoid personal injury and damage to property, cf. GRI 403-4.

## 6.3 Vision Zero

### Vision Zero – Null Berufsunfälle (ISSA)



**VISION ZERO**  
Safety. Health. Wellbeing.

THIS CERTIFIES THAT

**ARNO GmbH**

IS A COMPANY  
OF THE VISION ZERO CAMPAIGN

   
Michael de la Torre, Secretary General Prof. Dr. Rüdiger Beyer, President

By supporting Vision Zero,  
the action platform  
of the International Social  
Security Association (ISSA),  
we underline our commitment  
to occupational Health and  
Safety.

developed by  ISSA

[www.visionzero.global](http://www.visionzero.global)  
#VisionZeroGlobal

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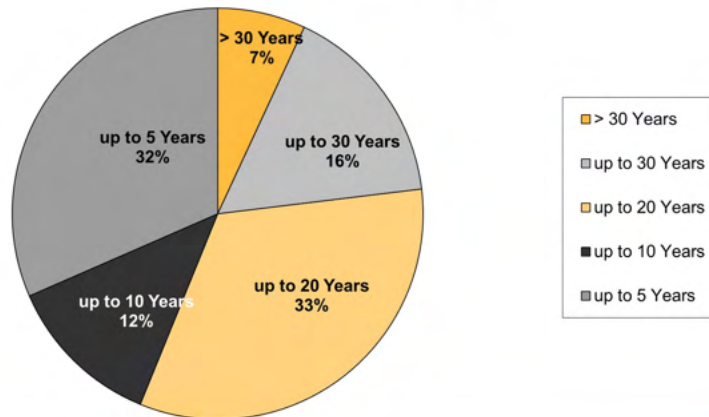
## 7. Occupational Health Management System

To maintain good health, we offer our employees the opportunity to take advantage of our company health management system. We cooperate with the Sports Park WOFit of the TSV Wolfschlugen, where our employees can take advantage of various training offers at reduced prices. In the 14-week prevention programme "G.U.T - gesund und trainiert im Beruf" (G.U.T - healthy and trained at work), which has been awarded the SPORT PRO GESUNDHEIT (Sport for Health) quality seal by the German Olympic Sports Confederation, interested employees gain insights into the prevention areas of exercise, nutrition and relaxation. Our staff can lease bicycles at low cost through JobRad. In addition, we offer back tests and basic check-ups in cooperation with health insurance companies. Every quarter, our staff can purchase discounted point cards for the Nürtingen swimming pool. If employees would like to visit other fitness clubs, we subsidise this with 10 EUR per month. We offer annual occupational health examinations on a voluntary basis. With the preventive measures described above, we want to do our part to improve the health of our staff in a sustainable and holistic way. The fact that we have succeeded in this is demonstrated by a significant reduction in the sickness rate, see GRI 403-11.

## 8. Length of service

Another desired effect of the further training measures and sports offers is that we want to bind our employees to ARNO in the long term. Our current length of service statistics show that we are succeeding in this. 56 percent of our employees have been working for ARNO for more than 10 years.

**Length of service 2021**



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## 9. Onboarding of new employees

We would like to integrate our new employees into our ARNO team from the first day of work. A systematic integration of our new employees is important for this. During the cross-departmental induction phase, we train our new employees to get to know and master central processes. In this way, we create the basis for them to understand the process flows and interrelationships and to approach their new tasks with interest and motivation. The departmental induction is documented via a checklist that becomes part of the personnel file. During the induction period, regular feedback interviews are held with the HR department. In preparation for the interview, each new recruit receives an ideas and innovation form in which he or she can comment on questions such as: "What do I miss at ARNO, what is different at ARNO, what is good at ARNO, etc.? We are very happy to receive suggestions for improvement, which we implement and incorporate in future training.

## 10. Employment and training of young people

We strive to counteract the shortage of skilled workers and demographic change through internships and apprenticeships. We offer pupils and students the opportunity to work with us during the holidays in order to get to know ARNO. We train young people in the following professions:

- Warehouse logistics specialist (m/f/d),
- Media designer (m/f/d),
- Dual Studies: Wood technician (m/f/d),
- Dual Studies: Business administration (m/f/d),
- Dual Studies: Logistics and supply chain management (m/f/d).

Our trainees know our company down to the smallest detail. They identify with our philosophy, are open-minded and bring in new ideas. We would like to retain them in the long term by offering attractive training and fitness

programmes. In addition, we have a competent IHK examiner who we are happy to release to assess performance in IHK training exams.

## Key Performance Indicators to criteria 14 to 16



Key Performance Indicator GRI SRS-403-9: Work-related injuries  
The reporting organization shall report the following information:

**a.** For all employees:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

**b.** For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

**You will find the remaining numbers c-g of the indicator SRS 403-9 in the GRI standard and may additionally report them here.**

Key Performance Indicator GRI SRS-403-10: Work-related ill health

The reporting organization shall report the following information:

**a.** For all employees:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

**b.** For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

**You will find the remaining numbers c-e of the indicator SRS 403-10 in the GRI standard and may additionally report them here.**

### **Performance indicator GRI 403-9 Work-related injuries**

#### **a. For all employees:**

- i.** Number and rate of fatalities due to work-related injuries; 0 (none).
- ii.** Number and rate of work-related injuries with serious consequences (excluding fatalities); 0 (none).
- iii.** Number and rate of documentable work-related injuries; 1/1.7
- iv.** main types of work-related injuries; cuts
- v.** Number of hours worked. 103.642,31

#### **b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation:**

- i.** Number and rate of fatalities due to work-related injuries: 0 (none).
- ii.** Number and rate of work-related injuries with serious consequences (other than fatalities): 0 (none)
- iii.** Number and rate of documentable work-related injuries: 27 / rate 51.1 %
- iv.** Main types of work-related injuries: Cuts (most common among temporary workers).
- v.** Number of hours worked: 60,407.46 hours.

As a result of the frequency of cut injuries, additional instruction on the proper use of cutter knives was provided in the 2022 annual safety briefing. In addition, the wearing of PPE gloves was advised.

### **Performance indicator GRI 403-10: Work-related diseases**

#### **a. For all employees**

- i.** Number and rate of fatalities due to work-related diseases: 0 (none).
- ii.** Number of documentable work-related diseases: 0 (none)
- iii.** main types of work-related diseases: 0 (none)

#### **b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation**

- i.** Number of deaths due to work-related diseases: 0 (none)
- ii.** Number of documentable work-related diseases: 0 (none)
- iii.** main types of work-related diseases: 0 (none)

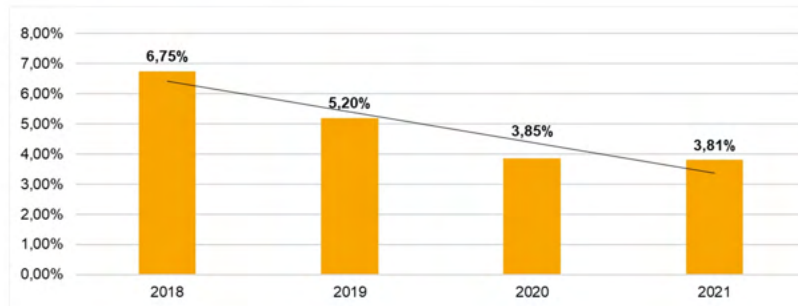
The sickness rate has improved significantly since 2018, to 3.81 per cent. According to information from our managers and employees, the following measures have led to a decrease in the sickness rate

- Identification of potential hazards by our safety and environmental group (SUK), in particular by the safety specialist and the safety officers.
- Implementation of preventive measures by the safety and environmental group (e.g. elbow door openers, disinfection stands, etc.).
- Instructions,
- The preventive measures offered as part of health management (Corona rules, masks and tests),

- Our offers for preventive health measures (WOFIT, G.U.T, JobRad, Fit im Wasser, Fit zu Land, etc.),
- The introduction of Safety Security.

**Sickness rate**

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Key Performance Indicator GRI SRS-403-4: Worker participation on occupational health and safety

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

**a.** A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.

**b.** Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

#### **a. Employee participation procedures**

In 2008, we developed our digital occupational health and safety management system, then based on BS OHSAS 18001. With the replacement of BS OHSAS 18001 by ISO 45001, we have continuously expanded our digital occupational health and safety concept. Through continuous improvements that ensure the best possible occupational safety, health and environmental protection in the performance of work activities, our occupational safety and health protection concept has become an indispensable part of our integrated management system.

Our commercial and industrial employees access the contents of the digital occupational safety and health concept from their workstations or via a freely accessible tool. Safety-relevant content, our crisis and emergency plan, preventive measures, e.g. in the case of pregnancies, as well as tips on all aspects of occupational safety provide comprehensive information for our employees. We practise safety leadership. This means that our managers, together with the safety experts and safety officers, have a special responsibility to ensure safe behaviour, the safe condition and proper handling of work equipment and materials, and the protection of the environment.

Personal protective equipment (PPE) is available to all employees. The first-aid kits are continuously checked by our safety officers. Visitors are instructed in the safety regulations before they enter. If, despite all precautionary measures, accidents occur or staff members have health problems, our trained first aid team is available and refreshes its knowledge every two years in accordance with the DGUV. A telephone emergency chain ensures that the first aiders can be reached under all circumstances. All occupational accidents, including commuting accidents, are recorded in our first-aid book and reported to the BG.

Our department heads conduct the safety briefings required by law every year. The annual safety briefing is accompanied by refresher training on the ARNO Code of Conduct. Both are documented in writing in a training certificate. Through the refresher training, we ensure that essential topics are recapitulated and that our employees are able to recognise dangerous situations and act appropriately.

Safety officers have been appointed in the production and logistics areas. If employees recognise dangerous situations, they can contact the person responsible for their area and/or their manager (Safety Leadership) verbally or in writing using the "Safety deficiencies and hazard warnings" report form. They will ensure that the source of danger is eliminated immediately. In addition, the safety officers in charge of the area carry out regular occupational safety inspections. The results are recorded in a checklist. The checklist shows

- Whether and to what extent the required points are fulfilled ( number scale 1 = fulfilled, 2 = minor deviation, 3 = critical deviation/not fulfilled, 4 = not applicable),
- As soon as minor deviations have been detected, which measures have to be implemented by which date, and
- Who is responsible for the corrective action.

The Management Representative files the control lists in the QMH. The head of department is responsible for monitoring and processing. If there are serious deficiencies in the control list, the Management Representative takes the hazard to the next "Safety and Environmental Committee ", cf. b.

#### **b. Safety and Environmental Committee (SUK)**

The Safety and Environmental Committee is made up of representatives from management, production, logistics, human resources, quality and environmental management, as well as the safety specialist and his representatives. Our safety and environmental group meets 2-3 times a year, more frequently if necessary. Its task is to deal with relevant occupational safety and environmental protection issues, implement laws, define measures and make decisions on occupational safety and environmental protection. Because of the importance of these issues and the special qualifications of our safety experts and safety representatives, decisions are usually made by consensus. See 16 Qualification

Key Performance Indicator GRI SRS-404-1: Average hours of training

The reporting organization shall report the following information:

**a. Average hours of training that the organization's employees have undertaken during the reporting period, by:**

**i. gender;**

**ii. employee category.**

During onboarding, we familiarise our new employees with our corporate philosophy and our values on the basis of the [ARNO Code of Conduct](#). Onboarding is carried out via an induction phase which is based on the chronological process flow of a project. During the departmental run-through, our new colleagues get to know the processes, responsible and responsible employees. Through this approach, we want to convey the overall context to our newcomers and show them that they are a part of ARNO. We are firmly convinced that employees who think and act holistically and have the feeling that they can make a difference enjoy their work more and are more creative, motivated and committed. We offer internal or external training measures to expand know-how and maintain work motivation. Internally, we regularly conduct training on IT solutions, materialities, project knowledge, lessons learned and much more.

#### **a. Average number of hours employees spend on training and development**

In 2020, 88 internal and external training sessions took place. In 2021, we were able to increase the training offered by 60 per cent. In-house and external trainings were attended by 144 employees, resulting in 335 hours of training.

#### **i. Gender**

Our female employees invested about 3 hours, the male employees about 2.5 hours in further training.

## ii. Employee category

As the effort for the breakdown by employee category is associated with great expense for us and is disproportionate to any discernible benefit due to its complexity, we have refrained from determining this key figure.

### Key Performance Indicator GRI SRS-405-1: Diversity

The reporting organization shall report the following information:

**a.** Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

**i.** Gender;

**ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;

**iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

**b.** Percentage of employees per employee category in each of the following diversity categories:

**i.** Gender;

**ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;

**iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

### **a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:**

**i. Gender;** In 2020, 36.86 per cent of employees were women. In 2021, the proportion of female employees was 36.18 per cent.

### **GRI 405-1 Employees per employee category incl. temporary staff**

ARNO

Number of employees 2021 including temporary staff	number	gender					
		male	%	female	%	intersex	%
Managing directors	3	2	66.67%	1	33.33%	0	0.00%
Employees with management function	22	17	77.27%	5	22.73%	0	0.00%
Commercial employees	80	50	62.50%	30	37.50%	0	0.00%
Industrial employees incl. temporary staff	140	87	62.14%	53	37.86%	0	0.00%
Dual students	0	0	0.00%	0	0.00%	0	0.00%
Trainees	1	1	100.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>246</b>	<b>157</b>	<b>63.82%</b>	<b>89</b>	<b>36.18%</b>	<b>0</b>	<b>0.00%</b>

ii. **Age group:** under 30 years old, 30-50 years old, over 50 years old;

**GRI 405-1 Permanent employees  
under 30 years old, 30-50 years old,  
over 50 years old**

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Number of employees 2021 without temporary staff	number	age					
		< 30 Years		30-50 Years		> 50 Years	
			%		%		%
Managing directors	3	0	0,00%	2	66,67%	1	33,33%
Employees with management function	22	1	4,55%	15	72,73%	5	22,73%
Commercial employees	80	13	16,25%	37	46,25%	30	37,50%
Industrial employees without temporary staff	44	1	2,27%	17	38,64%	26	59,09%
Dual students	0	0	0,00%	0	0,00%	0	0,00%
Trainee	1	1	100,00%	0	0,00%	0	0,00%
<b>Total</b>	<b>150</b>	<b>16</b>	<b>10,67%</b>	<b>71</b>	<b>47,33%</b>	<b>62</b>	<b>41,33%</b>

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iii. **Other indicators of diversity where relevant (such as minority or vulnerable groups).**

In 2020, 2 employees with physical disabilities were in employment. employment relationship. Since 2021, we have had 5 employees with health-related impairments.

**GRI 405-1 Permanent employees  
with disabilities**

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Employees with disabilities	5	male	%	female	%	intersex	%
industrial	4	3	75,00%	1	25,00%	0	0,00%
commercial	1	1	100,00%	0	0,00%	0	0,00%

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In addition to the permanent staff, we employed 96 pupils, students and leasing staff in the commercial sector in 2021.



## GRI 405-1 Permanent employees and temporary staff divided into commercial or part-time

ARNO

Number of employees	251	male	%	female	%	intersex	%
including temporary staff	96	59	61.46%	37	38.54%	0	0.00%
thereof part-time	16	1	6.25%	15	93.75%	0	0.00%

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Key Performance Indicator GRI SRS-406-1: Incidents of discrimination

The reporting organization shall report the following information:

- a.** Total number of incidents of discrimination during the reporting period.
- b.** Status of the incidents and actions taken with reference to the following:
  - i.** Incident reviewed by the organization;
  - ii.** Remediation plans being implemented;
  - iii.** Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
  - iv.** Incident no longer subject to action.

**a./b.** There have been no known cases of discrimination since the ARNO Group was founded.

## Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

### 17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

ARNO has been committed to respecting human rights across companies for years. As a member of the [United Nation Global Compact \(UNGC\)](#), the world's largest initiative for sustainable and responsible corporate governance, we want to make our contribution to a just world. By signing the Letter of Commitment, we commit to the 10 universal UNGC principles in the areas of human rights, labour standards, environment and corruption prevention (see 1 Strategic analysis and measures). As a member of the UNGC, we are also a partner of the local UN Global Compact Network Germany (UN GCD).

As a medium-sized enterprise (SME), we see ourselves as an industry driver. Brands and retail companies from all over the world appreciate our know-how to successfully place "their brand" in the retail sector. Our goal is to advance the principles of the UNGC in the supply chain. In 2023, the Supply Chain Due Diligence Act, LkSG, will come into force to prevent human rights violations in supply chains. The law sets requirements for due diligence along the supply chain - from the raw material to the finished sales product. The Federal Office of Economics and Export Control will monitor compliance with the law. From 1 January 2023, the LkSG will apply to companies based in Germany and companies with a branch pursuant to Section 13 d HGB with at least 3,000 employees. One year later, on 1 January 2024, companies with at least 1,000 employees in Germany will be covered. The Federal Office of Economics and Export Control will check compliance with the law. Since ARNO employs far fewer than 1,000 people in Germany, we are not directly affected by the LkSG. For this very reason, we pay particular attention to the 10 principles of the UN Global Compact as well as the 5 fundamental principles of the ILO, which include core principles such as freedom of association, elimination of forced labour, abolition of child labour, prohibition of discrimination in respect of employment and occupation, occupational health and safety. These guidelines have always been an integral part of our transnational corporate strategy.

Unambiguous guidelines, e.g. our ARNO Code of Conduct as well as regular inspections of our suppliers are a natural part of our procurement strategy. We are fully aware that our supply chains not only harbour opportunities, but also risks. This applies in particular to the rights of workers and employees within the supply chains. Risks such as the persecution of political dissidents, child labour or discrimination due to sexual orientation are conceivable. We expect our partners to respect and implement the rules of the UNGC, the ILO and our ARNO Code of Conduct without exception. These standards are indispensable components of a contractual relationship. As a matter of principle, we only accept suppliers and service providers into our pool of suppliers who

- Respect the 10 principles of the UNGC and the 5 basic principles of the ILO,
- Accept our ARNO Code of Conduct DE / ARNO Code of Conduct EN,
- Answer our Supplier Questionnaire (LFB) to our full satisfaction,
- Accept our Quality Assurance Agreement (QAA).

Within our supplier evaluation process, we check whether all contractual elements are complied with, cf. criterion 4. depth of the value chain, point 3. project management and global procurement. During supplier visits and audits, we examine whether the contractually agreed conditions are being met on site.

In 2021, we conducted a supplier study. The study examined whether the required standards are met by our suppliers. 99 suppliers participated in the study. In addition to general company information, the study focused on environmental and human rights aspects. The results are presented in GRI 412-1. Since our supplier portfolio has not changed since 2020, and our purchasing employees regularly visit our suppliers' production facilities as part of product approvals or quality assurance measures and monitor the implementation of our guidelines in this context, we did not conduct a documented survey in 2021. The next review will take place in 2023. New suppliers continue to go through the supplier selection process described under criterion 4. depth of the value chain. This ensures that we comply with the required sets of rules within our supply chains.

### **Complaints/Whistleblowing**

We include annual training on our ARNO Code of Conduct in the employee training on occupational health and safety required by German law. By regularly refreshing our guidelines and values, we expect them to be lived in our organisation and beyond. Should grievances nevertheless arise, our employees have the opportunity to submit complaints via our ARNO anonymous feedback tool, cf. 14 Employment Rights. The persons submitting complaints always remain anonymous. The feedback tool can be used digitally or as a paper form. A complaints box is available for employees without PC access. Since ARNO GmbH was founded, no human rights violations have been recorded at the main site in Wolfschlugen.

Business partners or other third parties can report circumstances that indicate a violation of the ARNO Code of Conduct. Reports can be sent by letter to our Managing Partner Alien Wolter. The address is:

ARNO GmbH  
Alien Wolter  
Daimlerstrasse 10  
72649 Wolfschlugen  
GERMANY

The above address will be published on our homepage, section Sustainability/ARNO Home, Sustainability via the ARNO Code of Conduct. We also explicitly allow anonymous reports, which should give whistleblowers who fear disadvantages the opportunity to voice grievances.

After receipt of a complaint, possible via the ARNO anonymous feedback tool, the complaint letter cards or directly to our Managing Partner Alien Wolter, the complaint is checked for credibility and conclusiveness and an internal investigation is initiated. If necessary, state institutions will be involved. We are currently working on a whistleblower software, which is expected to go online in 2023.

We regularly report on our progress and activities in our annual sustainability report, which the UNGC calls "Communication of Progress" (COP). Our sustainability report or COP can be viewed via our homepage, social media, the UNGC and DNK by all interested parties, i.e. business partners, customers, suppliers, civil society organisations, government agencies and all private individuals.

## Member of the United Nation Global Compact (UNGC)

ARNO

Values such as quality, sustainability and responsibility - we have not only internalised them, but also publicly commit to them. As a family business, social and economic sustainability are particularly close to our hearts. These values are deeply rooted in everything we do on a personal and professional level.

Since 2020, ARNO has been committed to the UN Global Compact Corporate Social Responsibility Initiative and its principles in the areas of human rights, working conditions, environment and anti-corruption.



Only together can we shape a sustainable world for future generations. As an international company, we align our strategies and processes with the universal UNGC principles and make an active contribution to global sustainable development.

## Key Performance Indicators to criteria 17

Key Performance Indicator GRI SRS-412-3: Investment agreements subject to human rights screenings

The reporting organization shall report the following information:

- a.** Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
- b.** The definition used for 'significant investment agreements'.

**a.** We award our investments predominantly to European business partners, which we select via our [supplier questionnaire](#). Furthermore, we oblige our suppliers to comply with the ARNO Code of Conduct, which expressly prohibits human rights violations. If potential suppliers refuse to answer the supplier questionnaire, or if human rights violations are evident in the supplier questionnaire or at the supplier's location, we terminate the business initiation. We exclude suppliers who refuse to sign the ARNO Code of Conduct from our supplier pool.

In the years 2019 to 2021, we did not make any significant investments exceeding EUR 100,000 per year, so the percentage is 0%.

**b.** For us, significant investment agreements are investments of EUR 100,000 or more.

Key Performance Indicator GRI SRS-412-1: Operations subject to human rights reviews

The reporting organization shall report the following information:

**a.** Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

**a.** ARNO manufactures at its main site in Wolfschlügen near Stuttgart. We produce in series with a supplier network that has grown over decades. We oblige our suppliers worldwide to comply with human rights via the processes and documents described in the criteria 4. depth of the value chain, chapter 3. project management and global procurement as well as 17. human rights. During supplier visits, we examine whether the requirements are actually being complied with in our suppliers' production facilities. This procedure applies equally to our subsidiaries.

In addition, we monitor in internal audits whether the requirements of ISO 26001 are met. Of course, we comply with the ILO core labour standards and all applicable laws, e.g. the Occupational Health and Safety Act, the Workplace Ordinance, the Equal Treatment Act, the Federal Parents Act, the Education Leave Act BW, the Youth Employment Protection Act and all other legal regulations. No social audits by external organisations took place in 2021. In mid-2021, our Global Procurement conducted a supplier study. Based on the purchasing volume of the months January 2020 to April 2021, the top 99 suppliers were surveyed (cf. GRI SRS-414-2). This is the result of the study:



### Supplier study on compliance with human rights 2021



Country code	Inquired suppliers	Return Supplier Questionnaire	Return Quality Assurance Agreement (QAA)	Compliance with "7. Labor and Human Rights" NOMINAL based on requested suppliers	Compliance with "7. Labor and Human Rights" PERCENTAGE based on requested suppliers
BG	3	3	3	3	100%
CN	2	2	2	2	100%
CZ	1	1	1	1	100%
DE	56	56	56	56	100%
GB	1	1	1	1	100%
LV	1	1	1	1	100%
NL	1	1	1	1	100%
PL	10	10	10	10	100%
RO	10	10	10	10	100%
SI	1	1	1	1	100%
TR	11	11	11	11	100%
UKR	1	1	1	1	100%
US	1	1	1	1	100%
<b>total</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>100%</b>

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In 2023, we will audit selected suppliers.

Key Performance Indicator GRI SRS-414-1: New suppliers subject to social screening

The reporting organization shall report the following information:

**a.** Percentage of new suppliers that were screened using social criteria.

**a.** Before working with a new supplier, we conduct a supplier analysis. We use our [supplier questionnaire](#), which includes questions on respect for human rights, implementation of quality, environmental, occupational safety and energy management standards, among others, to check whether the supplier meets our sourcing standards. In addition, we require the potential supplier to comply with our ARNO Code of Conduct. If the potential supplier meets the initial requirements, we test in several supplier phases whether the supplier is suitable for our company. Suppliers who have passed all supplier phases and met our procurement standards are entered into the ARNO Group's supplier database (cf. 4. Depth of the value chain - 3. Project management and procurement).

At the same time, we carry out supplier assessments at regular intervals, in which sustainability standards are taken into account. As a DIN EN ISO 14001 certified company, we prefer to work with supplier partners who offer environmentally friendly materials, are certified and at the same time respect the ILO core labour standards. Based on the supplier assessment, we evaluate which suppliers are to be subjected to a supplier audit. Where possible, we conduct audits on site so that we get a realistic picture of the working conditions in the production facilities. If on-site audits are not possible due to a pandemic, they are carried out remotely.



Key Performance Indicator GRI SRS-414-2: Social impacts in the supply chain

The reporting organization shall report the following information:

- a.** Number of suppliers assessed for social impacts.
- b.** Number of suppliers identified as having significant actual and potential negative social impacts.
- c.** Significant actual and potential negative social impacts identified in the supply chain.
- d.** Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.
- e.** Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

At the beginning of 2021, we revised our supplier questionnaire and created a new Quality Assurance Agreement (QAA). The QAA regulates which contractual services are to be fulfilled. Together with the ARNO Code of Conduct, these documents aim to create a long-term supplier partnership characterised by shared values, mutual benefits and a clear quality target.

**a.** In May 2021, 99 international suppliers received our new supplier questionnaire and quality assurance agreement. By mid-July 2021, all suppliers had answered the questions.

**b.** No negative social impacts were identified within the returns. If any negative aspects are identified, ARNO will terminate the business relationship.

**c.** None

**d.** None

**e.** None

## Criterion 18 concerning SOCIAL MATTERS

### 18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

Ready In times of growing inequalities, social commitment plays an important role. As a 3rd generation family business, we are committed to supporting charitable initiatives and public institutions. Two building blocks shape our decisions:

1. Social partnerships.
2. Empowerment in education.

#### **1. Social partnerships**

In discussions with social organisations, we gain an awareness of people's needs. Through monetary contributions and in-kind donations, we invest in our communities. We support both local and global projects that provide social and environmental answers to pressing issues. In addition, we support campaigns initiated by our employees, e.g. collecting donations in kind for the Ukraine or buying Christmas stars for needy children and Harz IV recipients.

The following projects are particularly close to our hearts

#### **1.1 [Gemeinschaftswerk Nachhaltigkeit](#)**

The Gemeinschaftswerk Nachhaltigkeit (gw\_undjetztalle), initiated by the federal and state governments and coordinated by the Sustainability Council, aims to bundle social forces on one platform, make commitment visible and create unusual alliances. ARNO has been registered since 28 June 2022. With this, we would like to make our commitment as a sustainably oriented company clear on a national level. Through the participation declaration, we recognise the principle of sustainable development, the 17 Sustainable Development Goals (SDGs) of the United Nations and the goals of the German Sustainability Strategy as guiding principles for action. Of course, we consider ourselves part of this project. An ecologically, economically and socially sustainable society can only be achieved as a community.

#### **1.2 Plan International**

For 21 years we have supported Plan\_International, an organisation that promotes children's rights and equality for girls in more than 75 countries. By taking on a child sponsorship, our sponsored children are given the chance of a self-determined childhood and a better future.

### **1.3 "Heyalter" laptop fundraiser**

We donated fifteen used, functional laptops with integrated camera and microphone to "heyalter" in 2021, a voluntary campaign that was awarded the "Lower Saxony Prize for Civic Engagement" and the Braunschweig Prevention Prize 2020. Heyalter collects old computers and laptops, makes them fit and distributes them to pupils who cannot afford a computer for homeschooling.

### **1.4 Sponsoring regional sports clubs**

We are happy to sponsor local sports clubs so that they can finance their playing costs and expand their youth work. Since 2007, we have been a regular sponsor of the TSV Wolfschlugen handball department. In 2019, we provided financial support to SV Hardt for the organisation of the Hardt Highland Games.

### **1.5 Fairtrade coffee**

Our staff and guests can help themselves to free coffee from the coffee machine in our foyer. We only serve Fairtrade coffee.

### **1.6 Canteen meal subsidy**

All our employees and temporary staff (pupils, students, leasing staff) who eat in our canteen receive a meal allowance of EUR 2.50 per day.

### **1.7 Happy Thursday**

Once a week, our employees meet for an after-work drink in our ARNO Lounge. All drinks are free of charge. The meeting is for personal exchange in an informal, cheerful atmosphere.

### **1.8 Summer barbecue and Christmas party**

We organise summer barbecues and Christmas parties together with our employees. In a sociable, relaxed atmosphere, there are games, a DJ, we eat together and exchange ideas. This strengthens the team spirit, promotes communication and has a positive effect on the working atmosphere. In 2020, we invited our employees to a digital Christmas party.

## **2. Empowerment through education**

As part of the global economy, we see our role as empowering society for the future through education. Our offers for training, internal and external further training measures underline this, cf. 15. Equal opportunities and 16. Qualification.

### **2.1 Chamber of Industry and Commerce (IHK)**

Together with the Chamber of Industry and Commerce (IHK), we train our apprentices and take advantage of seminars and courses for further training. In order to implement our occupational health and safety concept in accordance with the rules, we obtain information from the IHK about the legal provisions

and the latest developments in occupational health and safety management. We are happy to make one of our employees available as a training examiner.

## **2.2 Cooperation with the GARP Education Centre**

Here the focus is on integrating young unemployed people, older and disabled people and refugees into the labour market.

## **2.3 Longstanding university cooperation with the Peter Behrens School of Arts in Düsseldorf and the University of Design in Schwäbisch Gmünd**

The promotion of young creative talent is an important part of our corporate philosophy. Within the framework of student projects, we actively participate in the sustainable promotion and support of junior designers. Working with students is a win-win situation. Synergy effects are equally present. Thanks to the cooperation with young creative minds, we always keep our finger on the pulse. At the same time, we can pass on our knowledge from over 80 years in the retail business to the younger generation.

## **2.4 Cooperation based on partnership - people - economy - environment**

We leave old pallets to Stark Dynamics GmbH. In 2021, 781 wooden pallets were collected. By working together, we support our partner's "People, Economy, Environment" project. He involves people in the recycling of the pallets who suffer from health restrictions or. The project is supported by the Employment Agency and the Diakonie. In return, we receive an environmental compliance report.

### **2.5 ARNO Retail Award**

The ARDA Retail Award was created in 2016 by the ARNO Group and the Art Directors Club (ADC) to promote young creative talent. In 2018, Outletcity Metzingen was won as a partner. Under the motto "From offline to online to offline - the new way of outlet buying", students developed designs for the online store "Outletcity.com" under the practical guidance of our designer. The best concept was awarded the ARNO Retail Award.

## **2.6 Workshops for the disabled**

For many years we have been working closely on projects with workshops for the disabled, e.g. the Filderwerkstatt, the Schwarzwaldwerksstatt. Linsenhofen e.V. Association for the Promotion of the Disabled.

## **2.7 Trade Association for Wood and Metal (BGhm)**

The BGhm supports us in the prevention of accidents at work, occupational diseases and work-related health hazards. We train our safety experts and safety representatives at the BGhm.

## **3. Fundraising activities by our employees**

### 3.1 "Christmas stars"

Our employees participate in the local "christmas stars" charity campaign. The donations in kind go to children in need who have expressed their Christmas wish on a star. The management also participates and ensures that that no child is left without a christmas present.

## Key Performance Indicators to criteria 18

Key Performance Indicator GRI SRS-201-1: Direct economic value generated and distributed

The reporting organization shall report the following information:

**a.** Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:

- i.** Direct economic value generated: revenues;
- ii.** Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
- iii.** Economic value retained: 'direct economic value generated' less 'economic value distributed'.

**b.** Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

**a.** The following are our time accrued, direct economic values generated and distributed.

- i.** In 2021, ARNO GmbH generated revenues of EUR 26,761,429.
- ii.** Distributed economic value (operating costs, employee wages and benefits, payments to employers, payments to government and community investments) was EUR 12,326,290.
- iii.** The retained economic value was EUR 14,435,139.

**b.** Separation by national or regional significance or at market level has no meaning for us. As we are a project finisher, we consider our projects exclusively at project level.

## Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

### 19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

As we want to make independent decisions and expect the same from our business partners, we do not exercise any political influence. We neither make party donations nor support politicians or political associations.

ARNO is a member of the following associations:

- Creditsafe (credit information),
- Chamber of Industry and Commerce (IHK),
- The Family Entrepreneurs,
- Taxpayers' Association,
- Federation of the Self-Employed (BDS),
- RKW Baden-Württemberg.

### Key Performance Indicators to criteria 19

Key Performance Indicator GRI SRS-415-1: Political contributions  
The reporting organization shall report the following information:

**a.** Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.

**b.** If applicable, how the monetary value of in-kind contributions was estimated.

**a.** We do not make donations to political parties, so the performance indicator GRI SRS-415-1 is not relevant for us.

**b.** Zero Euro

## 20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

As a DIN EN ISO 9001 and DIN EN ISO 14001 certified company, it is a matter of course for us and has been our practice for many years to regularly monitor the legal and environmental regulations (laws, legal ordinances, administrative regulations) applicable to our business activities, to check their scope and to apply them. Our occupational safety concept is based on DIN EN ISO 45001. We also ensure that the latest laws and regulations are always applied in the area of occupational safety and health protection.

The review of new or amended legal regulations is carried out on the basis of:

- Updates from various online services, newsletters,
- information letters from auditing and tax companies,
- client information letters, etc.

Each applicable legal regulation is assigned to a responsible employee who is responsible for the further monitoring, review and application of the regulations. The responsible persons, including managers, are listed in our **legal register**. The legal register is accessible to all employees from the administration and the commercial sector. This and supplementary training and instruction ensure that all activities are always carried out in accordance with the rules.

The legal register is part of the agenda at the regular meetings of the Safety and Environment Circle (SUK), which also includes members of the management, the management level, our safety specialist and the safety officers as well as the quality and environmental management. Here, changes in the law are discussed, effects on the company are examined and measures for implementation are initiated. As part of the annual safety briefing on accident prevention required by law, we oblige our managers to train their employees on occupational health and safety in the first quarter of each year. Within our occupational health and safety concept, each department has access to its own risk assessments, technical operating instructions, etc. (see 16. Qualification - Occupational Health and Safety).

In addition, our Group Financial Director ensures that all official **permits** are available and that existing permits are adjusted if necessary. All notices of



approval, permits and official orders are checked for environmentally related conditions and requirements.

When reviewing relevant **standards** for product development, we distinguish between basic and project-specific standards. Basic standards are regularly monitored and updated by the Head of Development. For new projects, the project management team checks before the start of the project which project-specific standards are to be applied, which country-specific or regional laws and which directives and environmental protection regulations are to be taken into account.

These processes, described in our integrated quality and environmental management system, ensure that all relevant regulations and other requirements are identified, fulfilled and anchored in the legal register. If necessary, we submit our legal register to a public institution for independent review. Legal compliance, the effectiveness of conformity with the law is documented by this procedure and a maximum of legal certainty is achieved.

Bribery and corruption damage competition. In our Corporate Social Responsibility guideline, the [ARNO Code of Conduct](#), we prohibit our employees in Germany and abroad from engaging in any form of corruption. We strictly reject fraud, embezzlement, bribery and corruption. As any violation will be punished with consequences under labour law, we exclude corruption and bribery risks within our business activities.

As a member of the United Nations Global Compact (UNGC), we insist that our suppliers comply with SA 8000, the UNGC and the International Labour Organisation (ILO). We therefore oblige our supply partners within the supply chain to comply (see 4. Depth of the value chain and 17. Human rights).

Important fields of action that have arisen in recent years due to the legal regulation are:

### **1. Brexit**

Since 01.01.2021 there is a normal customs border between the United Kingdom and the European Union. As it was to be expected that the United Kingdom (England, Scotland, Wales and Northern Ireland) would become a third country, we made arrangements in 2020 independent of a free trade agreement. The CE mark previously recognised in the UK was replaced by the new UKCA (United Kingdom Conformity Assessed) conformity mark, and the VAT determination in the SAP system was adjusted. Since 01.01.2021, customs clearance has been carried out with a customs declaration.

### **2. Authorized exporter**

ARNO is an authorized exporter. For authorized exporters, there is no so-called duty to provision ("Gestellungspflicht"), an 24-hour waiting period during which the customs office has the possibility of an on-site inspection of goods.

We receive export confirmation within 24 hours as ARNO has a pre-declared number of customs tariff numbers.

### **3. Check against sanctions lists**

We comply with the legal regulations on combating terrorism. We have commissioned an external service provider with the check against sanctions lists. This service provider checks every business partner, regardless of the country in which the headquarters are located, against the published national and international sanctions lists. The check against sanctions lists is carried out not only for exports, but also for imports and all domestic transactions.

### **4. Act on Corporate Due Diligence Obligations in Supply Chains, see criterion 17 Human rights**

We are committed to fulfilling our due diligence obligations to prevent human rights violations in supply chains. On 1 January 2023, the Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains (LkSG) will come into force. Due to the size of our company, we are not obliged to report. Regardless of this, we support a fit-for-purpose EU supply chain law that is aligned with the UN Guiding Principles. We support a ban on imports of products associated with forced labour and modern slavery. Our purchasing department, which consists of employees from global procurement and project management, is responsible for risk assessment and evaluation of our suppliers. Due to our low vertical range of manufacture, our suppliers are of central importance. Since we maintain long-standing, cooperative supplier relationships and regularly visit our existing suppliers at their production sites, we can claim with a high degree of certainty that they are fulfilling their human rights due diligence obligations in accordance with the UN Guiding Principles on Business and Human Rights. In order to rule out social or ecological problems with potential new suppliers, we only work with suppliers who confirm their corporate responsibility to us in writing through a public commitment to respecting human rights within the supply chain, in the form of our ARNO Code of Conduct DE/ARNO Code of Conduct EN. Verification takes place during audits at their production site. In addition, we prefer suppliers who are certified according to ISO 9001, ISO 14001 and/or ISO 45001, i.e. who are regularly audited by external auditors, see 4. Depth of the value chain (4 supplier phases).

### **5. GDPR**

As a result of the GDPR, concrete packages of measures have been derived and all employees have been trained in the handling of sensitive data. New employees are instructed before starting work and must submit a declaration of consent. On the basis of Article 37 of the GDPR, we have appointed an independent company data protection officer and data protection coordinator. The data protection officer performs the tasks assigned to him by law, applying his expertise and professional qualifications. He informs and advises the company management and the employees regarding their data protection obligations. Furthermore, he monitors compliance with the data protection

regulations, the strategies for the protection of personal data, the allocation of responsibilities and the training of employees. A release process has been installed for data access.

#### **6. Data security (Compliance audit)**

In addition to providing functional and reliable IT services, the most important task of IT is to ensure the necessary data security. Precautions for data security are included in the instructions for data security, data protection and password protection. In addition, a strong hardware firewall and an IT provider ensure data security. Our spam incidence in 2021 of 0.01% in the company is impressive proof of this. Due to technical developments, a constantly changing, dynamic threat situation and legal requirements, our data security concept is regularly adapted. A compliance IT audit takes place once a year. Independent IT security experts check whether the legal requirements, security regulations, data protection and data retention regulations are being complied with. The audit report can be viewed at the Head of IT.

#### **7. IT Security Act 2.0**

As the IT Security Act 2.0 is aimed exclusively at companies in the area of critical infrastructure and those that are in the special public interest, we are not affected by it.

#### **8. EU Ecolabel for electronic displays (monitors and digital signage displays) - DECISION (EU) 2020/1804**

Since November 2020, the EU Ecolabel is awarded to electronic displays that are energy efficient, repairable, easy to disassemble (recycle), have a minimum recycled content and contain only a limited amount of hazardous substances. Our maxim is to use only displays declared with the EU Ecolabel in our systems.

#### **9. REACH**

As a manufacturer of presentation systems, ARNO is a so-called "downstream user" in the sense of REACH. Our products are complex articles according to REACH and are not subject to registration according to Article 7. As a downstream user, we use substances for further processing in our products that are pre-registered or registered and authorised. In our own interest and in the interest of our customers, we are in dialogue with our suppliers to ensure that all products supplied are REACH-compliant. We fulfil the obligation to inform our customers resulting from Article 33 and confirm that, at the present time and according to current knowledge, no substances named in the ECHA Candidate List (Article 59 (1)) are contained in the products in a proportion greater than 0.1% by mass. Exceptions to this may be connecting elements used by us, which, however, play a subordinate role or are hardly significant. Complex objects consisting of several products can be joined mechanically (fasteners such as sleeves, bolts, etc.) or with the help of a material. The connecting elements we use (sockets, welding and connecting bolts, etc.) may have a higher lead content than 0.1 mass percent. In summary, there are no

special precautions to be taken when using our products.

Risk assessments are carried out using early indicators, key figures and turtle diagrams. Since we visualise our main processes in Turtle Diagrams, we can directly analyse our processes, examine influencing factors and identify their effects. This process-oriented approach, which is ideal for us, provides us with important information about the respective process and possible risks. From the knowledge gained, we derive targeted measures and involve them in the process. This approach contributes significantly to the optimisation of the value chain. Documentation on changes in the law, the legal cadastre, official regulations or regulations requiring approval, changes in standards, risk assessments, the occupational health and safety concept and all changes in the organisation resulting from it are firmly anchored in our integrated management system.

## Key Performance Indicators to criteria 20

Key Performance Indicator GRI SRS-205-1: Operations assessed for risks related to corruption

The reporting organization shall report the following information:

**a.** Total number and percentage of operations assessed for risks related to corruption.

**b.** Significant risks related to corruption identified through the risk assessment.

**a.** There is no identifiable risk of corruption at the headquarters in Wolfschlugen near Stuttgart. We oblige our employees at the headquarters and in the foreign subsidiaries to comply with the [ARNO Code of Conduct](#). By signing the declaration of commitment, the managers at all locations commit themselves to binding compliance with the guidelines set out in the ARNO Code of Conduct, which includes a ban on corruption. Our employees receive annual training on the ARNO Code of Conduct as part of their safety briefing. Written confirmation of the implementation of the guideline is obtained at this time. If violations become known or are reported, consequences under labour law will be the consequence.

**b.** Possible bribery risks exist exclusively in the procurement area. We have laid down the following process for order processing in the quality management system: As a rule, suppliers are pre-selected by the project team, taking into account defined selection criteria. After obtaining and recording the offers, the purchase orders are released via a value-dependent release mechanism stored in the SAP system. Depending on the order value, the release and thus the decision-making responsibility is incumbent on different

managers. The process description described minimises the risk of corruption.

There are no known cases of corruption in the ARNO Group.

Key Performance Indicator GRI SRS-205-3: Incidents of corruption

Die berichtende Organisation muss über folgende Informationen berichten:

- a.** Total number and nature of confirmed incidents of corruption.
- b.** Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c.** Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d.** Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

**a.-d.** During the reporting period, there were no incidents at ARNO that indicated corruption.

Key Performance Indicator GRI SRS-419-1: Non-compliance with laws and regulations

The reporting organization shall report the following information:

- a.** Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
  - i.** total monetary value of significant fines;
  - ii.** total number of non-monetary sanctions;
  - iii.** cases brought through dispute resolution mechanisms.
- b.** If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c.** The context against which significant fines and non-monetary sanctions were incurred.

**a./b./c.** During the reporting period, no fines, other penalties or non-monetary sanctions were imposed on ARNO for non-compliance with laws and/or regulations.

# Overview of the GRI indicators in the Sustainable Code declaration

In this Sustainable Code declaration, we have reported according to the "comply or explain" principle on the GRI indicators listed below. This document refers to the GRI Standards 2016, unless otherwise noted in the table.

Areas	Sustainable Code criteria	GRI SRS indicators
STRATEGY	1. Strategic Analysis and Action	
	2. Materiality	
	3. Objectives	
	4. Depth of the Value Chain	
PROCESS MANAGEMENT	5. Responsibility	GRI SRS 102-16
	6. Rules and Processes	
	7. Control	
	8. Incentive Systems	GRI SRS 102-35 GRI SRS 102-38
ENVIRONMENT	9. Stakeholder Engagement	GRI SRS 102-44
	10. Innovation and Product Management	G4-FS11
	11. Usage of Natural Resources	GRI SRS 301-1 GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	12. Resource-Management	
SOCIETY	13. Climate-Relevant Emissions	
	14. Employment Rights	GRI SRS 403-4 (2018) GRI SRS 403-9 (2018) GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	15. Equal-Opportunities	
	16. Qualifications	
ENVIRONMENT	17. Human Rights	GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2
	18. Corporate-Citizenship	GRI SRS 201-1
	19. Political Influence	GRI SRS 415-1
	20. Conduct that Complies with the Law and Policy	GRI SRS 205-1 GRI SRS 205-3 GRI SRS 419-1

\*GRI has adapted GRI SRS 306 (Waste). The revised version comes into force on 01.01.2022. In the course of this, the numbering for reporting on waste generated has changed from 306-2 to 306-3.