

Declaration of conformity 2023

for use as non-financial declaration in accordance with
the CSR Directive Implementation Act

and

for use as report on the National Action Plan for
Business and Human Rights

ARNO GmbH

Indicator set

GRI SRS

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prepared according to
CSR Directive
Implementation Act

This declaration of conformity has been reviewed
by the Sustainability Code Office and verified as
complete in accordance with the CSR Directive
Implementation Act.

Introduction

Dear stakeholders,

ARNO is a family-run business that is passionately run by the 3rd generation. As a custom manufacturer of displays and shopfitting, we operate between the conflicting needs of our customers, retailers and consumer expectations. Consumer behaviour determines the success of our brand partners in the retail sector.

As a result of regulatory requirements, the ability to manage sustainable change will increasingly determine both our success and the success of our partners. As Changemakers, we set benchmarks. With 16 years of ISO 14001 certification, sustainable management is firmly embedded in our business strategy.

Our sustainability goals and actions are based on systematic assessment processes. Aware of the need to act sustainably, we proactively involve our customers in the development of innovative, recyclable retail fixtures and fittings. Our focus is on minimising our products' carbon footprint, fulfilling our social responsibility and promoting the sustainability goals of our partners through strong, trusting relationships. Credibility and transparency are key elements of our fourth Sustainability Report.



Liebe Stakeholder,

ARNO ist ein mit Leidenschaft geführtes Familienunternehmen in der 3. Generation. Als Auftragsfertiger von Warenpräsentern agieren wir im Spannungsfeld zwischen den divergierenden Bedürfnissen unserer Kunden, des Handels und den Erwartungen von Konsumenten. Das Verhalten der Verbraucher beeinflusst den Erfolg unserer Markenpartner im Retail.

Infolge regulatorischer Anforderungen wird die Fähigkeit zur nachhaltigen Transformation unseren und den Unternehmenserfolg unserer Partner zunehmend bestimmen. Als Change Maker setzen wir Maßstäbe. Geprägt durch 16 Jahre ISO 14001 Zertifizierung ist „Nachhaltiges Wirtschaften“ fest in unserer Unternehmensstrategie verankert.

Unsere Nachhaltigkeitsziele und Maßnahmen basieren auf systematischen Analyseprozessen. Im Bewusstsein nachhaltig zu handeln, binden wir unsere Kunden proaktiv in die Entwicklung innovativer, recyclingfähiger Retail-Möbel ein. Unser Fokus liegt darauf, den Product Carbon Footprint zu minimieren, unserer sozialen Verantwortung gerecht zu werden und die Nachhaltigkeitsziele unserer Partner durch eine enge, vertrauensvolle Zusammenarbeit zu fördern. Glaubwürdigkeit und Transparenz sind essenzielle Bestandteile unseres vierten Nachhaltigkeitsberichts.



Alien Wolter

Managing Partner
ARNO Group

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General

General Information

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

Impressive.
Effective.
Real.

Founded in 1936 by Herrmann Arnholdt, nicknamed "Arno", and Elfriede Arnholdt as a company for shop window advertising, ARNO has developed into a specialist for displays, shop-in-shop and store solutions. The company is currently managed by the 3rd generation. The owners are the three siblings Tim Arnholdt, Alien Wolter and Sophie Keim. Alien Wolter and Tim Arnholdt have been Managing Directors of the ARNO Group together with Steffen Rothmeier since 2013. The company headquarters have been located in Wolfschlugen since 1985.

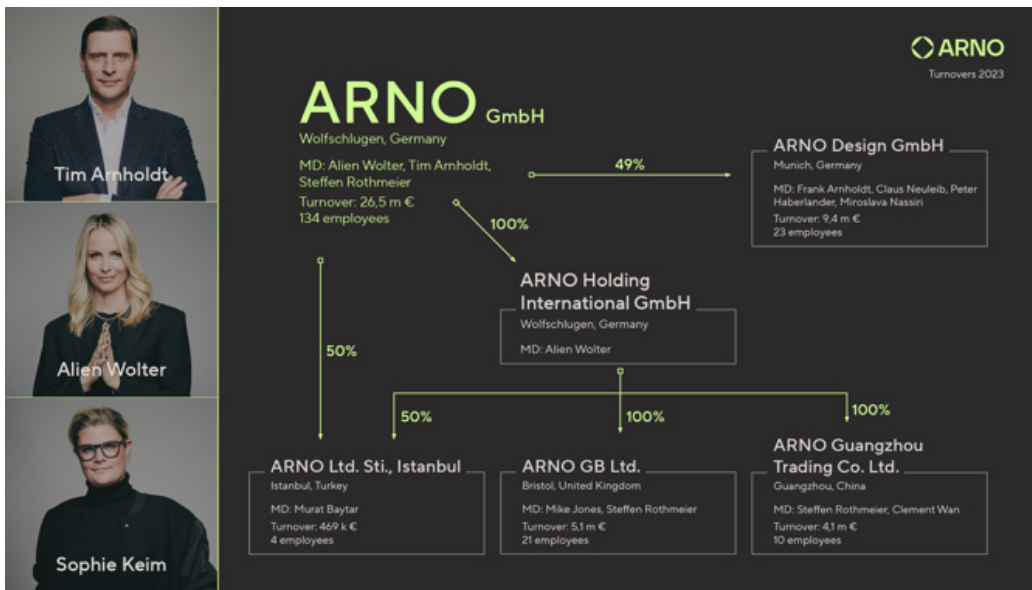
As a partner for the shopping experience of the future, renowned customers around the world rely on ARNO. The owner-managed, medium-sized family business stages brands at the point of experience (POE) with customised concepts that enable brands to clearly differentiate themselves from the competition. ARNO positions its customers' brands at the POE with new ideas, lots of creativity and plenty of expertise to create genuine in-store experiences. In doing so, the company relies on the passion and enthusiasm of its employees. ARNO pursues its goal together with them, its subsidiaries and a reliable partner network:

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

ARNO utilises every conceivable option in the realisation process. As a rock-solid and highly innovative company, we combine uncompromising quality, responsibility and cost awareness with customer proximity, flexibility and the innovative spirit of an internationally active group of companies. Always with the aim of inspiring customers and their consumers with unique experiences at the point of experience. Specifically, these are displays, shop-in-shops and shopfitting elements - in other words: everything that is used in retail to present products and represent brands..

As of 1 January 2023, the ARNO Group is represented in 5 countries worldwide with locations in Germany, the UK, China and Turkey as well as a strategic alliance in the USA.

ARNO GmbH is the largest employer at the main site in Wolfschlugen near Stuttgart. 192 employees, including 3 trainees, achieved a total turnover of 45.5 million euros. Here, 420,000 components were produced and 26.5 million euros were generated.



KEY FACTS

ARNO Group



We advise. We design. We develop. We produce.

The entire value creation process takes place with consultation, always.: Our customers benefit from our many years of experience and expertise right from the start. Because we create sustainable products through consulting and expertise and thus realise the added value of tomorrow. As a B2B project manufacturer, we produce individual, small and large series as a result of our

special product segment, the sales promotion of brands. Products are developed and manufactured to order, "customised", within a fixed and usually time-limited period, we do not produce a standard range. Our objective is to generate added value for our customers and their consumers with visually convincing and economically viable results. The way to achieve this is through intensive interdisciplinary collaboration: from concept development and three-dimensional design, to prototype construction and series production, through to logistics and assembly on site - anywhere in the world. The link between integration capability and differentiation is a key aspect here: our projects fit into existing spaces and at the same time form an eye-catching contrast to the competitive environment.

Our mission "**Creating Instore Success. Together**" is something we live together with our employees and customers to create unique instore solutions. We are designers, developers, project managers, engineers, purchasers, logisticians, installers and others. Each one a highly qualified expert in their own right. 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 firm conviction that you have to consciously improve every day in order to achieve excellent results for your customers in the long term. This is also what makes us the "Partner of Choice" for many brand and retail companies.

Certified to the ISO 9001 quality management standard and ISO 14001 environmental management standard for 15 years, we see ourselves as a driving force in our industry. Quality and sustainability goals have been anchored in our corporate strategy ever since, see 3. goals. Since 2020, we have published an annual sustainability report based on the GRI with the aim of "transparently" demonstrating that our business practices are ethically correct and fair and that we assume ecological responsibility. If you have any questions about the sustainability report, please get in touch with the contact person named on page 1.

Additional remarks:

For better readability, we use the generic masculine. Gender-neutral personal designations naturally apply equally to all genders. Our sustainability report is focused on objectively and soberly presenting the challenges of our sustainability transformation and the milestones we have achieved.

CRITERIA 1–10: SUSTAINABILITY POLICY

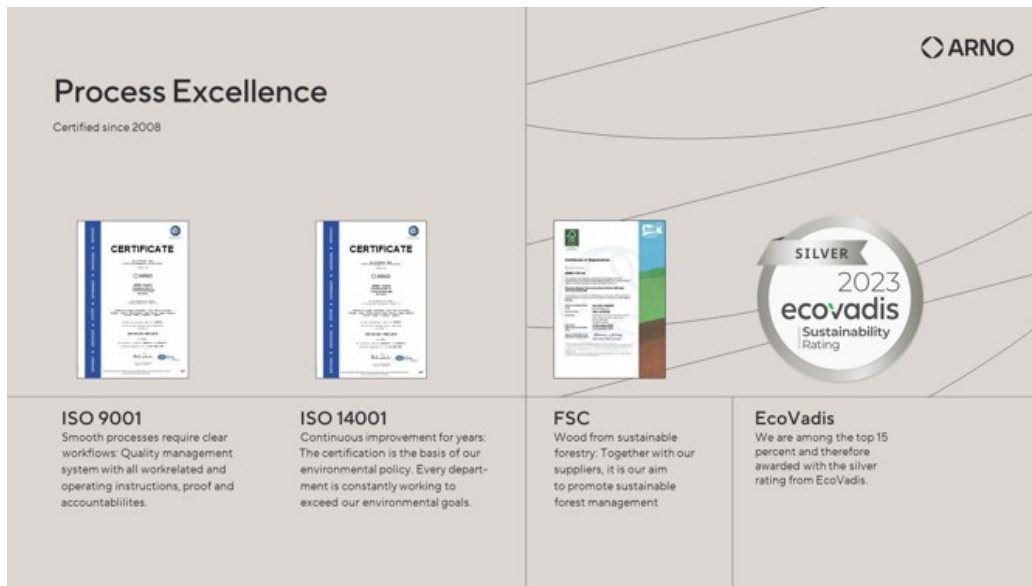
Criteria 1–4 concerning STRATEGY

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.

As an international family business with subsidiaries in the UK, Turkey and China as well as a strategic alliance in the USA, we are committed to building a sustainable future. The ARNO Group is committed to

- the 10 principles of the United Nation Global Compact (UNGC),
- compliance with the guidelines on social responsibility, ISO 26000
- the social standard SA 8000, which was developed by the US non-governmental organisation Social Accountability International (SAI) based on the International Convention on Human Rights and the recommendations of the International Labour Organization (ILO),
- the Sustainable Development Goals (SDG), which were adopted by the member states of the United Nations in the 2030 Agenda
- the German Sustainability Code (DNK),
- the Baden-Württemberg Climate Alliance,
- certification by ISO 9001 Quality Management and ISO 14001 Environmental Management,
- compliance with the ISO 45001 occupational health and safety management standards.



Certified according to the internationally recognised quality management standard DIN EN ISO 9001 and the environmental management standard DIN EN ISO 14001 since 2008. Every year, auditors check the normative and qualitative performance of our integrated management system. ARNO works 100% standard-compliant. For three years in a row, from 2021 to 2023, TÜV Süd did not identify any minor deviations. In the [audit report 2023](#) (only German), TÜV Süd praised our sustainable commitment.

"The climate alliance partnership with the state of Baden-Württemberg, the membership of B.A.U.M. e.V. (German Environmental Management Association) and an annual, content-verified DNK sustainability report by the GRI standard demonstrate a commitment to sustainability that goes beyond the requirements of DIN EN ISO 14001:2015 sustainable commitment that goes beyond the standard requirements".

We have taken part in the EcoVadis assessment every year since 2015. We were awarded Silver by EcoVadis in 2022 for our commitment to sustainability.

ARNO is a signatory to the UN Global Compact, the world's largest initiative for sustainable and responsible corporate governance. We publish our annual sustainability report (COP). Thanks to our detailed reporting, we reached the "Advanced" level of the UN Global Compact in 2021 and 2022. In 2023, we completed the COP on the UNGC questionnaire platform.



ARNO has been a member and [signatory of the Code of B.A.U.M. e.V.](#) the German Working Group for Environmentally Conscious Management, since the beginning of 2023. B.A.U.M. works in numerous [committees](#) to represent the interests of sustainably operating companies. B.A.U.M. is also a founding member of the International Network for Environmental Management ([INEM](#)).

We see sustainability as a global challenge. Climate protection and social justice are tasks for politics, business and society. The transformation can succeed if as many market participants as possible are involved in its implementation and make their best possible contribution. As part of a larger whole, we must and want to take responsibility. Through our far-reaching commitment to sustainability, we want to sensitise our business environment to sustainable business practices and guide our projects towards ecologically effective, economically viable and socially just realisation. As the parent company, we have integrated the content of all standards into our international corporate strategy across all companies and made them binding for all subsidiaries in the [ARNO Code of Conduct](#) and our [ARNO Anti-Corruption Guideline](#).

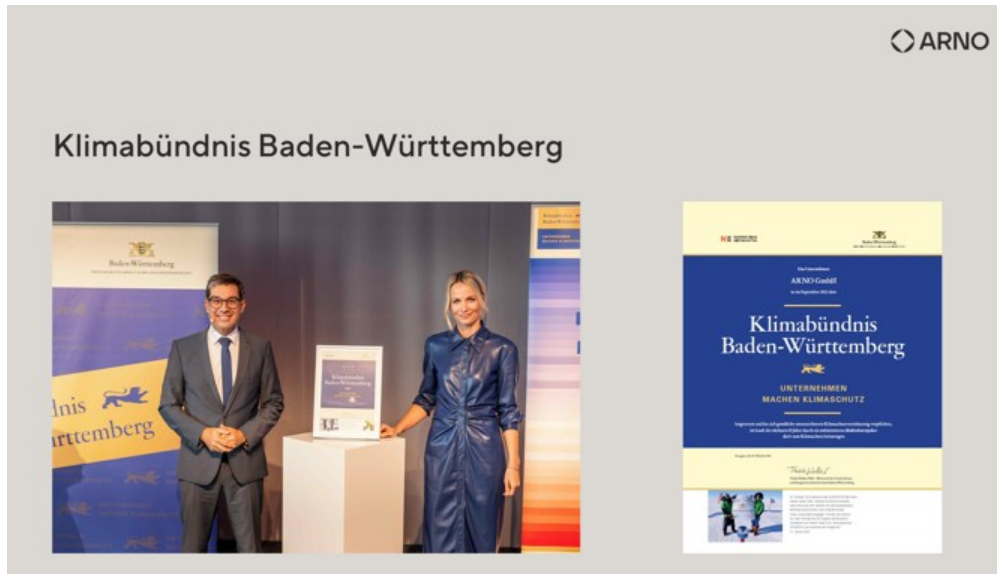
Let's make it happen,
understand sustainability as a motivating and fun factor,
this releases passion for the tasks ahead and the potential for innovation



We expect our business partners and employees to respect internationally applicable human rights, to fulfil their due diligence obligations and to promote compliance along the supply chain. In all our business activities, we ensure that human rights due diligence obligations are implemented by ISO 26000. We outlaw and are actively against child and forced labour. We strictly reject corruption. In addition, we demand that we and our partners guarantee equal opportunities and refrain from any form of discrimination, see 4. depth of the value chain and 20. legal and policy-compliant behaviour.

ARNO has been a Climate Alliance partner of the state of Baden-Württemberg since 19 October 2022. By joining the [Baden-Württemberg Climate Alliance](#), we are taking a further step towards becoming a sustainable company. We reaffirm our "intention to become climate-neutral, reduce our overall energy consumption and manufacture our products as GHG-free as possible. At the KONGRESS BW on 19 October 2022 in Karlsruhe, State Secretary Dr Andre Baumann presented our Managing Partner, Alien Wolter, with the certificate of accession. He expressly recognised the commitment of the seven new companies:

"These companies are taking on a pioneering role. And they all impressively demonstrate that ambitious climate protection is an economic success factor", see 9. environment.



We have been supporting the reforestation of regional forests on a donation basis for 3 years. The recipient of the donation is "[Aktion Baum](#)". We support the NGO out of conviction. We refuse to purchase climate protection certificates to offset our CO2 balance. The average cost of producing a tree in Germany is currently around 3-5 euros. Together with scientists, "Aktion Baum" is working to reduce the costs of growing trees. As the entire value chain - from obtaining the seed to sowing and planting - is in the hands of the NGO, expenditure can be significantly reduced. As a result of our financial contributions, "Aktion Baum" was able to plant 600 trees in Germany and contribute to the reforestation of regional forests.

We are socially committed to [Plan International](#). The organisation, which promotes children's rights and equality for girls in more than 75 countries, has received financial support from us for 22 years.

We monitor and apply the legal and environmental regulations applicable to our business activities (laws, ordinances, administrative regulations), see 20. Behaviour in compliance with laws and directives. Our corporate mission statement is characterised by a policy that is sustainable, fair and in line with environmental and socio-economic requirements. Based on this mission statement, we have realised a large number of sustainability projects in recent years and made an essential contribution to environmental protection. We set new sustainability targets every year. Our key sustainability figures are continuously monitored and analysed by Controlling and Quality and Environmental Management and our sustainability performance is evaluated. Targeted projects and investment measures based on these figures lead to sustainable improvement. We will present our areas of activity (see 2

Materiality), activities and measures (see 3 Goals, Realised sustainability projects and Operational sustainability goals) in the following criteria as part of our sustainability reporting. We assume regional responsibility by sponsoring various associations and organisations, see 16. Community.

Within our integrated quality management system, our employees have access to a digital occupational safety concept to ensure occupational health and safety, which is based on DIN EN ISO 45001. The ESG Circle, which consists of members of management, the ESG manager, department heads, safety officers and safety representatives, defines measures for the continuous improvement of occupational health and safety, monitors their implementation and transfers the results to the occupational safety concept, see 16. and GRI 403-4.

We see it as an exciting task to face up to the demands of corporate social responsibility and take 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.

Additional Information

Additional Information (Headline)

The CSRD reporting obligation does not yet apply to ARNO GmbH. We expect to be required to report in fiscal year 2028 (with the first report in 2029). In our function as an indirectly affected company (supplier) we are in preparation for the CSRD through seminars and webinars.

2. Materiality

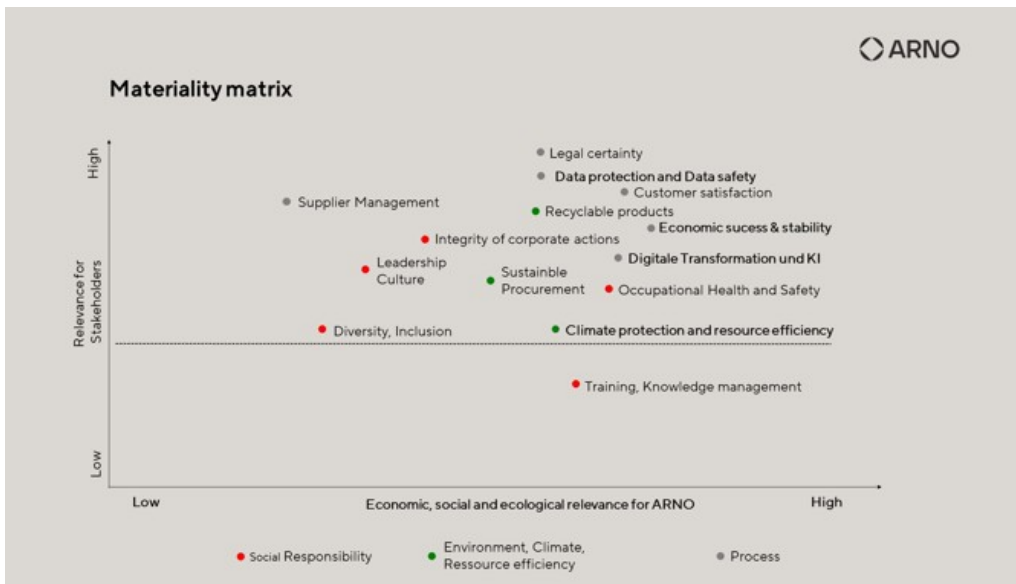
The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into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

Our transparent, sustainability management system is based on the interests of our stakeholders. Since the revision of ISO 9001 and 14001 in 2015, we have carried out a stakeholder analysis every six months, see 9. Stakeholder participation.

When collecting data, we focus on identifying key stakeholder interests and requirements and determining potential risks associated with the business relationship. We submit our ARNO STAKEHOLDER ANALYSIS annually to auditors from TÜV Süd for review during the ISO 9001 and ISO 14001 audits. Following the stakeholder analysis, we draw up the ARNO ESSENTIALITY MATRIX.

This forms the basis for focussing on key issues. The sustainability aspects are categorised and evaluated by a team made up of the Executive Board, Sales, Human Resources and the ESG Manager. The people involved are familiar with the requirements, objectives, values, contexts and backgrounds of the stakeholders. Each stakeholder is considered from the INSIDE-OUT and OUTSIDE-IN perspective. The opportunities and risks of each stakeholder are discussed. Significant, strategically relevant sustainability issues are then categorised and transferred to the ARNO materiality matrix. Based on this sound database, we can;

- assess the economic, ecological and social impact of ARNO,
- to recognise the potential for a sustainable and future-proof corporate orientation,
- define our ARNO sustainability strategy
- define operational and strategic sustainability goals,
- define fields of work.



1. ECONOMIC SUCCESS AND FUTURE VIABILITY

Economic success and future viability can only be achieved hand in hand with our customers. We operate in the "in-store solutions" product industry, in which we are leaders. We strive for close customer relationships characterised by reliability, trust, passion and open dialogue. True to our motto "Making shopping easier and more enjoyable", it is our passion to create in-store

shopping experiences that inspire our customers and their consumers to shop in retail. Unlike online shopping, consumers can touch, try and directly purchase products in retail stores at the time of purchase. Our customer base is made up of the automotive, cosmetics, DIY & garden, electronics, fashion, finance, food, household, jewellery, pharmacy, retail, stationery, telecoms and toys sectors. We involve all partners, i.e. customers, suppliers, service providers and subsidiaries, in the development process. In the interaction between these business partners, we see ourselves as a passionate provider of ideas, a forward-looking consultant and a reliable project realiser. From design, prototyping and construction to production and delivery or installation, we create in-store solutions that attract the attention of consumers, arouse their interest and promote product sales.

a. Inside-out perspective

As a company that operates sustainably, we compete with international companies that do not fully respect ESG standards. This competition harbours risks, as environmentally friendly, recyclable materials and fair supply chains are often more cost-intensive. Competitors that do not comply with the standards often can produce at a lower price point intensifying the competition, however the goods produced often lack innovation and come with environmental & quality risks. It is to be expected that the CSRD will lead to a rethink on the part of companies and that the sustainable strategy we have chosen will open up new opportunities and sales markets in the long term. We are currently seeing customers paying increasing attention to a sustainable retail environment, requesting a product carbon footprint or a life cycle analysis. This enables us to win new customers and expand our market presence. Retailers are also recognising the importance of social and environmental factors for their economic success, which has a positive impact on our business model. Another major advantage of our sustainable strategy is the retention of qualified staff. We can find qualified employees and retain them in our company in the long term. This is important in a family business like ours, which thinks long-term and wants to pass on lasting values to the next generation, see Criterion 16. Qualification. Contract manufacturing is typically associated with risks such as high development costs, difficulty in planning, high process complexity, varying material requirements, capacity fluctuations and different production lead times. Thanks to our decades of experience, we see our ability to produce projects as a core competence, which enables us to develop innovative solutions and differentiate ourselves from the competition. A flexible, adaptable organisational structure enables agility and resilience.

b. Outside-in perspective

In a brand image-driven and trend-dependent retail industry, customer expectations change rapidly. A lack of flexibility and innovative strength leads to customers reorienting themselves. A single mistake or a project that does not fulfil expectations can suddenly reverse a consistently positive perception. We are aware of this risk. We therefore see it as our primary task not to

disappoint our customers' trust in our skills, market knowledge and expertise. Sustainable products and stores have become a decisive purchasing aspect and therefore a differentiating factor for many market players. More and more brand manufacturers are seizing the opportunity to stage their brand as a lifestyle in conjunction with sustainable in-store solutions. With events such as product tests, after-work parties, barista workshops and wine tastings, they are attracting consumers to their shops to convey their brand essence as a message. Displays, shop-in-shop systems and stores emphasise the brand image. Customers who purchase a product see themselves as part of this staging.

2. DATA PROTECTION and DATA SECURITY

a. Inside-out perspective

We consider data protection and data security to be key aspects of our business activities. Cyberattacks are on the rise worldwide and are one of the top threats to companies. In 2022, the estimated damage caused in Germany amounted to more than 200 billion euros. According to a study by Gothaer, 17 per cent of small and medium-sized companies were victims of an attack in 2022, with sometimes significant negative consequences such as data theft and business interruptions. Our IT continuously adapts the data security and data protection concept due to technical developments, a dynamic threat situation and changing legal requirements, see 20. behaviour that complies with the law and guidelines. As the process is regulated and protected internally, we will not include this area of action in our strategic corporate objectives.

Specifically, we implement strict guidelines and security measures to prevent unauthorised access, disclosure and misuse of data. This includes the use of encrypted communication channels, access controls, regular training for employees in the handling of sensitive data and the regular review and updating of our security measures. This includes the use of encrypted communication channels, access controls, regular training for employees in handling sensitive data and the regular review and updating of our security measures. We are aware that data protection and data security are not only a legal requirement but also make a significant contribution to the long-term success of our company. By handling data responsibly, we not only protect the interests of our customers but also strengthen our competitive position and reputation in an increasingly data-driven business environment. Logically, IT infrastructures require energy. Within a given budget framework, we try to implement energy-efficient technologies when making investment decisions to minimise the environmental impact.

b. Outside-in perspective

Our stakeholders expect us to handle their data responsibly. Just one data protection incident affects the trust of all stakeholders, has legal consequences and results in a loss of trust and reputational damage. We have appointed an external data protection officer. As a result of an intelligent firewall, various defence mechanisms and an IT provider, we limited our spam volume to

0.01% in 2022. Compliance audits are carried out by trained IT security experts as part of the annual audit. They examine whether the legal requirements, security regulations, data protection and data retention regulations are being complied with. The compliance audit reports can be viewed upon request. Cyber resilience will remain a permanent factor for ARNO's future viability and stability. To date, we have not received any enquiries from our stakeholders about the potential environmental impact of our data security measures.

3. DIGITAL TRANSFORMATION and ARTIFICIAL INTELLIGENCE (AI)

a. Inside-out perspective

As a company, we see digital transformation as a means to growth and operational efficiency. User-orientated applications accelerate our processes and reduce process costs. Intuitive user guidance is highly accepted, as they recognise their requirements in the operating concept. When developing and implementing digital solutions and AI technologies, we take care to optimise the use of resources. In 2023, we will introduce ELO, the electronic filing system. This will involve changes to the organisation of work, for which we are preparing our employees with training courses. We are also integrating AI into the development of new retail concepts. AI in design speeds up the development process and brings innovative ideas and new perspectives to light. Our IT employees are given 2 hours a week to familiarise themselves with AI. In doing so, we ask ourselves what "responsible AI" means. We want to contribute to the ethically and morally responsible implementation of AI. Our positions are clearly defined: Responsibility, humanity, stability, transparency, security and data protection are prerequisites for an AI in which people are at the centre of the company and risks and damage are reduced or eliminated. For ARNO, we expect real-time data, AI-supported data analyses, higher productivity and operational efficiency management. AI will be able to analyse supply chains to reduce emissions and waste or ensure an optimal energy or water supply. Recruiting will become easier for our Human Resources department, as AI will identify qualified applicants in databases. A better understanding of our customers' needs through data analyses, including the derivation of behavioural patterns and personalised marketing campaigns, is conceivable. Trends can also be identified at an early stage through early social media analyses and news. AI will also play a decisive role in ESG investments, as it will help investors and banks to better understand ESG factors and their impact on companies. To summarise, we expect AI to provide us with opportunities to generate data and information that are essential for our core business.

b. Outside-in perspective

AI harbours various risks. The systems process enormous amounts of data that need to be protected. Another risk is that the systems analyse behavioural data, from which algorithms can derive behavioural patterns and thereby influence information content, opinions and decisions. Misinterpretations of

artificial intelligence are also possible. AI is particularly risky when users apply AI without a plausibility check. To date, none of our customers have requested proof of practical application. Concerning ecological aspects, we assume that statutory regulations on reducing emissions and environmental friendliness will also influence the development of AI technologies. From a social point of view, we expect the digital transformation to have a major impact on the world of work. It may be seen as a threat by some employees. We, therefore, see it as our task to develop suitable training measures to prepare our employees for future technologies and qualify them accordingly.

Our vision of the future is reflected in our IT vision and our mission in our mission statement.



4. CLIMATE PROTECTION and RESOURCE EFFICIENCY

a. Inside-out perspective

As an ISO 14001-certified company, sustainability is embedded in our DNA. We have been working on climate protection and resource efficiency measures since 2008. We will reduce our direct and indirect greenhouse gas emissions. We have implemented initial measures as part of an energy audit for ISO 16247-1. In 2021, we joined the Baden-Württemberg Climate Alliance and set climate targets for Scope 1-3. As a project manufacturer, we develop and produce our products on a customised basis. The production process is therefore order-orientated and not demand-orientated. Production lines and processes vary depending on the project. At the beginning of a project, our aim is to reflect our customers' brand image in their retail systems while offering sustainable, climate-friendly and resource-saving solutions. In 2024, we will submit a funding application to S-Tec, the Stuttgart Centre for Climate Neutral Production and Accounting, for the reduction and life cycle assessment of greenhouse gas emissions from product presentation systems, see 13. climate-relevant emissions.

b. Outside-in perspective

Climate change is leading to a rethink among the general public. Extreme weather events and falling water levels are increasingly becoming the norm. In 2022, 8 tonnes of CO₂ were released per inhabitant in Germany, mainly from fossil fuels such as gas, oil and coal. The CSRD, the Supply Chain Act, our customers' expectations, ISO and society's growing environmental awareness

are driving sustainable change. Resource efficiency, biodiversity, water management and the circular economy are the dominant topics in the media.

Due to a lack of information, we are currently unable to say what agreements our customers have with retailers regarding the disposal of product displays. In the product, some retailers are setting a good example with the "Waste separation works/[Mülltrennung wirkt /Waste generation works \(only German\)](#)" campaign.

Despite the commitment offered by us, "Waste separation works" unfortunately does not currently offer B2B companies the opportunity to participate. In February 2023, [Umwelttechnik Baden-Württemberg](#) inspected the materials we use at our Wolfschlugen site.

The aim was to recognise how "sustainable product development" can be designed at ARNO. Two guiding principles will accompany us in future product developments. The first maxim is the utilisation phase: products with a long service life impress with good material properties, efficient use of resources and the lowest possible environmental impact. The second maxim is that bio-based materials are often in competition with the food industry and sometimes contain additives that cause problems for the recycling industry during reprocessing. Based on this knowledge, we favour resistant, robust, high-quality and recyclable materials in both development and procurement. These are suitable for reuse, reduce waste, ensure a high level of maintainability and reparability and extend product life. We also take energy use into account, e.g. through energy-efficient lighting systems in retail. By utilising this efficiency potential, we create in-store solutions that save resources and can be dismantled and recycled. On behalf of our customers, we take used presentation systems back from the retail trade. As part of a refurbishing process, we remove signs of use, replace defective parts and add components, e.g. cosmetic inserts, in order to return them to the retail trade after refurbishment. By reusing used parts and feeding irreparable components into the recycling process, we fully utilise the potential for resource efficiency. In addition, far less new energy and fewer new materials are required than for new production. With regard to the recyclability of the materials we use, our modular design enables us to dismantle products returned to us and return them to the circular economy, see 3. goals and 4. depth of the value chain.

We are committed to sustainable change out of conviction with a great deal of passion. As a medium-sized SME in an industry that is rather unknown to private individuals, we have not always been perceived in the public sphere to the same extent as a corporation in the past. This seems to be changing. As a result of environmental economic instruments and political decisions, our environmental activities are being recognised publicly. In 2022, we became a climate alliance partner of the state of Baden-Württemberg. This makes us one of the first companies in the state.

- [Climate alliance partner of the state of Baden-Württemberg](#),
- Member of [B.A.U.M. e.V.](#), the network for sustainable management,
- Supporter of CEOs show their colours in the Pro Recycling Paper initiative,
- Donation partner of Aktion Baum

We receive a lot of praise for our commitment from our customers, auditors and neighbours. Our stakeholders take positive note of our development. In 2023, we were awarded Silver by EcoVadis, the world's most important sustainability ranking platform. This puts us in the top 5 per cent of all companies assessed by EcoVadis (population 2022: 90,000 companies) and among the top 4 projects in our industry. In the German IÖW/future e.V. sustainability ranking, we only just missed out on the top ten with 65.1 out of a possible 100 points.

We are concerned about the global political situation and the consequences of the Russian attack on Ukraine's territorial sovereignty in violation of international law and the trade embargo against Russia. The Western world will invest hundreds of billions in a new fossil fuel infrastructure to cover energy supplies. According to the Intergovernmental Panel on Climate Change, this development could lead to global warming of over 2 degrees. Stopping climate change is a global task.

5. SOCIAL RESPONSIBILITY

a. Inside-out perspective

We recognise that social responsibility is primarily based on the needs and satisfaction of our employees and customers. As a family business, we have a broader perspective. We see ourselves as taking responsibility for society as a whole. We support guidelines that minimise negative effects on society. Due to our low vertical integration, we pay particular attention to the complexity of our supply chains and our partners. We consider social justice in the world of work to be one of the major global challenges of our time. ARNO works with partners from different cultural backgrounds. In our "[ARNO Code of Conduct](#)" and our "[ARNO Guideline Anti-corruption](#)", we set out binding, company-wide guidelines. The guidelines are based on the 10 principles of the UNGC, the 17 SDGs, the standards of the International Labour Organization (ILO) and applicable laws and guidelines. Equal values and mutual trust in the sense of a "Partnership for Goals" are essential for us.

We assume philanthropic responsibility by supporting charitable organisations or regional institutions. ARNO is a donation partner of:

- [Plan International](#),
- [Caritas Deutschland](#),
- [STELP e.V.](#),
- [Deutsche Stiftung Weltbevölkerung \(DSW\)](#)

b. Outside-in perspective

We recognise that some stakeholders, including financial institutions, are paying attention to whether and how we assume social responsibility. Legal requirements and regulations mean that social standards must be demonstrably in place. Intrinsic motivation has led us to take an active role in our industry. We continuously adapt our sustainability strategy to take the interests of our stakeholders into account. As a result of the Corporate Sustainability Reporting Directive (CSRD) and the Supply Chain Act, we expect affected customers to request comprehensive information from us. We are currently unable to estimate the extent to which the additional workload will affect our personnel capacities. We are prepared for our customers' questions about CSRD. Our internal structure and processes are designed to provide transparent and detailed information in accordance with CSRD requirements. We are open to dialogue with our customers and are ready to answer their specific questions about CSRD.

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, economic objectives are inextricably linked with responsible behaviour towards society and a sustainable commitment to maintaining an environment worth living in. We use the 3-pillar model as a basis for determining our sustainability goals. We implement the basic pillars "ECOLOGY - ECONOMY - SOCIAL" equally and simultaneously. A solid, evidence-based database is essential for transparent sustainability reporting. The core topics are identified and prioritised in the stakeholder analysis and the subsequent materiality matrix, see criteria 2. materiality and 9. stakeholder groups.



RECYCLABLE PRODUCTS (Customer Relationship Management)

We offer our customers resource- and energy-efficient solutions. For every new project, we set ourselves the goal of developing recyclable products with an above-average product service life in a modular design, see criterion 2. The components and individual parts used must be able to be returned to the material cycle after use. We also endeavour to use natural materials. Ensuring reliable product safety to protect consumers is a logical part of our quality and environmental policy. In 2022, we worked with our customers to return used, worn-out presentation systems from the retail trade to our production facilities, where they were refurbished, repaired and returned to the retail trade. By restoring the presentation systems, the product life cycle has been significantly extended. Defective parts were returned to the circular economy.

CLIMATE PROTECTION AND RESOURCE EFFICIENCY

With the European Green Deal, the EU is pursuing the goal of reducing greenhouse gas emissions in the EU to "net zero" by 2050. The German state of Baden-Württemberg, where our headquarters are located, wants to be climate-neutral by 2040. Whether this will succeed is questionable. More companies, organisations, municipalities, etc. are needed to help reduce CO2 emissions and improve resource efficiency. The economy has a key role to play in the transformation process. Innovative green tech solutions are in demand. As an ISO 14001-certified company, ARNO has been setting itself environmental targets for more than 15 years. We analyse our key environmental figures, derive measures and set up sustainability projects, which we present below. We have significantly improved our environmental performance in recent years. As a result of increasing acceptance of environmental policy necessities and environmental economic instruments, we are able to place far more sustainable requirements on our customers, suppliers and service providers, cf. criteria 10, 11, 12.

OCCUPATIONAL SAFETY AND HEALTH PROTECTION based on ISO 45001

Occupational health and safety is an unconditional prerequisite for the health and protection of our employees. With the implementation of ISO 9001 and 14001 in 2008, we designed an occupational health and safety system that is closely aligned with ISO 450001. Even though we are not certified, our digitally available occupational health and safety concept has become an indispensable part of the integrated management system, see criterion 6 Rules and processes. Risk assessments in accordance with Section 5 of the Occupational Health and Safety Act (ArbSchG), according to which the employer must carry out an assessment of the working conditions of all employees depending on the nature of their work, are available for all areas. This makes it possible to determine key areas for action, control operational activities to improve occupational health and safety, monitor occupational health and safety activities and assess their effectiveness. Operating instructions (BetRSichV) regulate workplace and activity-related behaviour in the company and form the basis for instructions. They also contain information on environmental protection and protection against damage to property. As an employer, we ensure that the operating instructions are available to all employees in a comprehensible form and language. We have trained safety specialists and safety officers on duty. Safety briefings are organised annually. Our ESG Circle, which defines environmental and health protection measures, is of particular importance (see GRI 403-4). The measures defined by the ESG Circle prevent accidents. Illnesses are prevented and absenteeism and the resulting costs for the company are minimised. We offer many preventive measures through our health management system, see criterion 16. A trained first aid team is available in the event of emergencies, and we are also able to implement health measures such as safety instructions and mask dispensing at short notice and order employees to work from home in the event of a pandemic, see GRI 102-44.

The Executive Board is responsible for implementing the strategic sustainability strategy and setting the strategic sustainability targets each year (see criterion 5). Controlling and Quality and Environmental Management are responsible for monitoring and evaluating the strategic sustainability targets (see criterion 7). We determine our short and medium-term sustainability targets annually on the basis of our strategic sustainability targets. Suggestions for improvement from our employees and lessons learnt tickets are also incorporated into the targets, see criterion 14. We always keep an eye on:

- the sustainability goals of the United Nations (UN),
- the Sustainability Development Goals,
- the 10 principles of the UN Global Compact (UNGC),
- the environmental management standard DIN EN ISO 14001,
- the guideline for social responsibility DIN EN ISO 26000,
- the statutory regulations,
- our [ARNO Code of Conduct](#) and the [ARNO Anti-Corruption Guideline](#)

- our [ARNO Whistleblower Software](#)





Taking our business activities into account, we have defined our





1. Our sustainability targets for 2024 and subsequent years





We have defined our operational sustainability objectives, taking into account our business activities. With these objectives and the projects we have implemented in recent years, we are sending a clear signal for a sustainable, environmentally friendly and socially just world.





Due to the complexity of the tasks facing us, we can only achieve these by working together.








TOGETHER with PARTNERS who share our commitment to sustainable solutions, we demonstrate that social and ecological components are substantial in the value chain.






Sustainability goals	SDGs	Measures	Base year	Objective	Realisation in	GRI
1 Reduction of days of absence through preventive measures		Health protection based on ISO 45001, GRI 403-1, taking into account the following measures: 1. hazard identification and risk assessment, GRI 403-2 2. annual documented employee training on occupational health and safety, GRI 403-5 3. increase in the subsidy for safety shoes to EUR 80	2024	max. 10 days of absence due to work-related accidents or illnesses	2024	403
2 Lost Time Injury Serious Accident Rate (LTI) Zero occupational accidents		4. Occupational safety and health protection concept, GRI 403-6 Health prevention measures for employees, visitors, contractors 5. Supporters of Vision Zero (ILO)	2024	LTI Zero serious accidents	2024	403
3 Reduction of the accident frequency rate/lost time injury frequency rate (LTIR)		6. annual safety instructions, prevention training 7. occupational health service, GRI-403-3 9. annual medical examination on a voluntary basis	2024	LTIR (per 1,000,000): 90	2024	403
4 Reduction of the sickness rate		Offers of dialogue with the working group, especially in the case of recognisable psychological stress	2024	max. 4.7%	2024	403-9

Sustainability goals	SDGs	Measures	Base year	Objective	Realisation in	GRI
5 Continuous training of employees (internal and external)		Annual training budget Consistent implementation of our management principles in line with the ARNO management culture, which includes "empowerment and talent development".	2024	EUR 120,475.00	2024	404
6 Qualification		Raising awareness of the relevance of further training Internal, external further training opportunities Monitoring of further training hours	2024	At least 1,400 hours of training	2024	404
7 Balanced training		Balanced distribution of training hours for industrial and commercial employees. Implementation of the "leadership culture" management guideline, in which expertise is a central element.	2024	At least 10 hours of training per employee per year	2024	404
8 Participation in Girls' Day		On Girls' Day, girls learn about professions that are mostly practised by men. Girls' Day is offered to schoolgirls from the 5th grade onwards and is supported by the Ministry of Education.	2024	Participation in Girls' Day on 25.04.2024	2024	413

Sustainability goals	SDGs	Measures	Base year	Objective	Realisation in	GRI
9 Gender equality		Increasing the proportion of women in management positions where positions are vacant	2024	25% female managers	2026	405
10 Corporate Volunteering		Our employees can support social projects in charitable organisations on a voluntary basis for one day a year.	2024	Supporting social institutions to promote the common good	2024	413
11 Support/promotion of workshops for the disabled		Awarding contracts to workshops for disabled people, e.g. Flidenwerkstatt, Schwarzwalderwerkstatt, Behindertenhilfe Linsenholen, etc.	2023	EUR 30,000	2024	-
12 Establishment of an IT collection point for used hardware (PCs, laptops, screens, servers, tablets, printers) and also for privately discarded hardware.		Establishment of a central collection point for old IT equipment, also for private devices. Donations to charitable organisations, e.g. "pc-spende.de, an initiative of "Das macht Schule" or "Hey Alter.com".	2024	Concept and realization	2024	405

Sustainability goals	SDGs	Measures	Base year	Objective	Realisation in	GRI
13 Support for charitable projects and events	11 	Continuation of sponsorship of various running events	2024	Promoting social community in the municipality	2024	413
14 Housing placement for employees	11 	Supporting employees in finding accommodation	2024	Support on request	2023	413
15 Sustainable development	12 	Cooperation with S-Tec, the Stuttgart technology and innovation campus for climate-neutral production and holistic accounting	2024	Cradle to Cradle, PCF	2024	301
16 Funding application for feasibility study to the state of Baden-Württemberg for recycling concept for plastics	12 	Development of a recycling concept in which plastic parts are not thermally recycled, but are instead sent for high-quality recycling. Funding application to the state of Baden-Württemberg for a potential analysis.	2023	High-quality recycling	2024	306

Sustainability goals	SDGs	Measures	Base year	Objective	Realisation in	GRI
17 Accounting Scope 3	13 	Accounting Scope 3	2024		2025	305
18 Heat pump until 2040	13 	Scope 1: Replacement of oil heating with a heat pump	2040		2040	302
19 Conversion of the vehicle fleet to e-mobility	13 	Conversion to 100% electromobility Plan 2024: 20%	2030	100%	2030	305
20 Climate protection agreement with the state of Baden-Württemberg on Scope 1	13 	Scope 1: Reduction of GHG emissions by at least 80 tonnes, which corresponds to a GHG reduction of around 40 percent compared to the base year 2021. Reduction in heating oil, gas and fuel consumption.	2021	Reduction of 80 tonnes of CO ₂	2027	305
21 Climate protection agreement with the state of Baden-Württemberg on Scope 3	13 	Scope 3: Reduction of GHG emissions by approx. 35 tonnes. This corresponds to a GHG reduction of approx. 3.5 percent compared to 2021. Increase in the purchasing volume of recyclates or materials that generate fewer GHGs by 15 percent.	2021	Reduction of 35 tonnes of CO ₂	2027	305
22 Expansion of Supscopes in Scope 3	13 	Scope 3B Transport Scope 3H Disposal Scope 3J Employee travel, etc.	2024	Baseline values for determining further ESG measures	2025	305
23 Building management Renewal of lighting in the building	13 	Replacing conventional light bulbs with LED lights to reduce energy consumption.	2020		2025	302

Sustainability goals	SDGs	Measures	Base year	Objective	Realisation in	GRI
24 ESG questionnaire before investment	16 	Investment contracts will only be awarded after the ESG questionnaire has been reviewed and accepted by the Group Financial Director	2024	100% of investment agreements	2024	GR41 2-3
25 Review of financial investments according to social and environmental factors	16 	From 2025, we plan to review our financial investments for social and environmental factors. Since we are not a company that makes regular financial investments, the review will be based on defined, qualitative factors, not on metrics.	2024	100% of financial investments	2025	G4-FS11
26 Annual refresher training ARNO Code of Conduct	16 	In 2023, all employees will receive training on the Code of Conduct, explicitly on anti-discrimination, as part of the company safety training	2024	100% of employees	2023	206 403 405 406 408 409
27 Cooperation with suppliers who meet the ISO 26000 standard	17 	Supplier audits for ISO 26000	2024	10 supplier audits for ISO 26000	2023	(308) 414
28 Increase employee satisfaction to 85%	17 	Pretzel breakfast with management and randomly selected employees (every 2-3 weeks) Follow-up workshops on the ARNO brand Corporate culture Workshops with selected employees 3x employer campaigns Open breath work sessions for all employees Open workshops on resilience / mindfulness 5 blocks of leadership workshops for a better leadership culture	2024	Employee satisfaction 85%	2024	401

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2. Sustainability objectives 2023 - results






At the beginning of 2023, we set the **sustainability targets for 2023** and subsequent years. For targets that were set for 2023 but not achieved, we have defined additional measures to ensure that they are implemented on time. You can also download our results [here](#).


Sustainability goals	SDGs	Measures	Base year	Objective	Realisation	Result		GRI
						Value	Quota	
Severe accident rate/lost time injury severity rate (LTI) Zero occupational accidents	3	5. Occupational safety and health protection concept, GR 403-6 Health prevention measures for employees, visitors, contractors 6. Supporters of Vision Zero (ILO)	2023	LTI Zero serious accidents	2023	0	100%	403
Reduction of the accident frequency rate/lost time injury frequency rate (LTI)	3	7. Annual safety instructions, prevention training 8. Occupational health service, GR 403-3 9. Annual medical examination on a voluntary basis	2023	LTI (per 1,000,000) 90	2023	63	100%	403
Health & Safety	3	10. Formal employer-employee committee GR-403-4 for the exclusion of work-related illnesses and governance in the area of environmental and social affairs Expansion of the safety and environmental circle in the ESG circle	2023	ESG Circle (employer-employee committee)	2023	ESG Circle	100%	403
Continuous training of employees (internal and external)	4	Annual training budget Consistent implementation of our leadership principles in accordance with the ARNO leadership culture, which states "capability and talent-based further development"	2023	EUR 45,000	2023	EUR 36,033	89%	404
Clean drinking water regional consumption	4	Osmosis system, which our employees can use to bottle filtered and cooled water. Our carbonated mineral water comes from the region	2023	Resource-saving water consumption	2023		100%	303
Promoting charitable projects and events	11	Sponsoring various ARNO runs, for example the Saahag run, a running event with Nordic walking and kids run on September 16, 2023 in Wolfschlugen	2023	Promote social community in the community	2023		100%	413
Reduction of waste volume	12	The safest, most climate-friendly and most resource-saving packaging will be awarded the contract	2023	Reduction of waste volume by 35%	2023	127t	34,20%	306
Modular, recyclable development	12	The focus on dismantling and return to the recycling cycle (circular economy) takes place already in the development phase	2023	Cradle to Cradle	2023		88%	301
Funding application for a feasibility study from the state of Baden-Württemberg for a recycling concept for plastics	12	Develop a recycling concept in which plastic parts are not thermally recycled but are sent for high-quality recycling. Submit a funding application to the state of Baden-Württemberg for a potential analysis.	2023	High quality recycling	2024		100%	306
Extension of the product lifespan of the presentation systems in retail	12	Extending the product lifespan of cosmetics counters through: 1. reprocessing of the counters (refurbishment) and 2. multiple conversions in stores (changing the inset modules when product updates are carried out by our cosmetics customers)	2023	at least 400 cosmetic counters	2023	479 pieces	100%	301
Heat pump by 2040	13	Replacing the oil heating system with a heat pump	2023		2040			302
Waste heat utilization	13	Use of waste heat from the server room	2023		2040			305
Conversion of the fleet to e-mobility	13	Switching to 100% electric mobility	2023	100%	2030			305
Climate protection agreement with the state of Baden-Württemberg on Scope 1	13	Scope 1: Reduction of GHG emissions by at least 80 tons, which corresponds to a GHG reduction of approximately 40 percent compared to the base year 2021. Restriction of heating oil, gas and fuel consumption.	2022	Reduction of 80 tons of CO ₂	2027			305
Building management Renewal of lighting in the building	13	Replacing conventional bulbs with LED lights to reduce energy consumption.	2020		2026			302
Climate protection agreement with the state of Baden-Württemberg on Scope 3	13	Scope 3: Reduction of GHG emissions by approx. 35 tonnes. This corresponds to a GHG reduction of approximately 3.5 percent compared to 2021. Increase in the purchasing volume of recyclates or materials that produce less GHG by 15 percent.	2022	Reduction of 35 tons of CO ₂	2027			—
Reduction of the range of hazardous substances	13	Replacement of conventional hazardous substances with ecological products (cleaners, adhesives, etc.), streamlining of the product range, consistent use of ultrasonic welding technology, multi-stage approval process based on safety and ecological aspects, which makes the procurement of hazardous substances more difficult.	2023	at least 10% fewer hazardous substances	2023		38%	301
Creation of a comprehensive database and evidence-based management of sustainability	16	Expansion of social and environmental indicators Verification of ESG results by an external organization	2023	Evidence-based data	2023		100%	—
Annual refresher training ARNO Code of Conduct	16	All employees will be subject to the Code of Conduct in 2023 as part of the company safety briefing	2023	100% of the employees	2023		100%	206 403 405 406
Anti-corruption guide	16	Introduction of a separate ARNO guide for anti-corruption training for all employees	2023	100% of the employees	2023		100%	205
Collaboration with suppliers that meet the ISO 26000 standard	17	Supplier audits for ISO 26000	2023	10 supplier audits for ISO 26000	2023		100%	(308) 414
Increase employee satisfaction to 85%	17	Motivate employees to submit suggestions for improvement. Constructive feedback from management on all contributions, e.g. in the lessons learned list, company meetings. The anonymous feedback tool was replaced by the whistleblowers software.	2023	Employee satisfaction 85%	2023	81%	95,30%	401



3. Realised sustainability results 2008 - 2022





The summary of past projects shows which sustainable projects we have realised since certification in 2008.

Realised sustainability projects	SDGs	Measures	GRI
1 Member of Vision Zero (IAO), occupational health and safety based on ISO 45001	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 register, emergency concept and general knowledge database. A freely accessible information tool has been set up for employees without internet access.	403
2 Maintaining employee health	3	1. Cooperation agreement with the sports park "WOFit" of TSV-Wolfschlugen "GUT" Healthy and trained at work 2. Back training for employees in co-operation with a health insurance company 3. 3. Bicycle leasing "Jobrad" 4. Water fitness 5. Fitness on land 6. Comprehensive COVID 19 - Prevention measures	403
3 Safety and Environment Circle	3	Interdisciplinary safety and environmental working group with management on a regular basis	403, 307
4 Project 1 to reduce the range of hazardous substances	3	The approval process takes place in several stages. This prevents the purchase of new hazardous substances. The range of hazardous substances is continually being reduced.	301












Realised sustainability projects	SDGs	Measures	GRI
5 Further training/knowledge transfer		Annual training budget for employee training. Internal training on the brand, occupational safety concept, ERP system, quality and environmental management, material specifications, lessons learned, CIP, 5S and much more	404
6 Ecological sales orientation		Regular in-house training on green materials. Display of environmentally friendly materials on the materials wall in the showroom.	301
7 IHK certificate for dual training		Various offers for dual training	404
8 Promoting young talent		Support for young creative talent at the Peter Behrens School of Architecture, the Retail Design course and the University of Art and Design in Schwabisch Gmünd.	404
9 Cooperation with GARP, training center of the IHK Baden-Württemberg		Integration of young and unemployed people into the labour market. Integrating the elderly and people with disabilities. Integrating refugees into our production facilities.	404

Realised sustainability projects	SDGs	Measures	GRI
11 Sustainable water supply		Reduce the use of PET bottles by installing a chilled water filtration system in the foyer.	306

Realised sustainability projects	SDGs	Measures	GRI
12 Photovoltaic system		Operation of a photovoltaic system at our logistics centre to use renewable energy sources Installation of 1532 solar modules with a total output of 413.64 kWp	302
13 Energy efficient lighting		Installation of a second solar light to illuminate covered cycle racks. Replacement of all primary fluorescent lighting with LED at Bristol site. Room lighting controlled by motion detectors. Interactive displays controlled to the minute by digital timers.	302

Realised sustainability projects	SDGs	Measures	GRI
14 Combating slavery and human trafficking throughout the supply chain.		ARNO UK Ltd. Compliance with the UK Modern Slavery Act, a UK law designed to prevent human trafficking and modern slavery. The ARNO Group supports this requirement within the framework of the 10 principles of the UNGC.	409
15 Support for socially disadvantaged students		Donate 15 functional, used laptops with integrated camera and microphone to "heyalter.com" to support students who cannot afford a computer for homeschooling. The campaign has now distributed over 10,000 computers. Hey, Alter was awarded the "Lower Saxony Prize for Civic Engagement" and the Braunschweig Prevention Prize 2020 in 2020.	201
16 Integration of workshops for the disabled into the value creation process		Contracts awarded to sheltered workshops	201
17 Support for social organizations and associations		Since 1 February 2001, support for the NGO "Plan International" Support for the Christmas star campaign "Café Regenbogen", which fulfils the wishes of needy children. Coffee money donation campaign for various charitable organisations, e.g. Caritas, German Foundation for World Population, etc.	201

Realised sustainability projects	SDGs	Measures	GRI
18 FSC certificate, license FSC-C133359	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Our subsidiary, ARNO GB Ltd, is FSC CoC certified. We are pleased to offer our customers the option of using wood from sustainably managed forests (FSC/PEFC).	301
19 100% recycled paper Sustainable sanitary paper	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Exclusive use of recycled paper with the Blue Angel Support for the initiative for Recycled Paper, IPR Promotion of the circular economy, participants and supporters of CEOs show their colours Use of toilet paper with the FSC seal or the Blue Angel. Hygiene paper made from FSC Mix or 100% recycled fibres	301
20 Sustainable cleaning products for hospitality and housekeeping	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Only use cleaning products that are environmentally friendly.	301
21 Building management Reduction of water consumption	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Regularly inspect pipes. Installation of flow restrictors on taps. Education to reduce water consumption.	303
22 Strong marketing of bioplastics to our customers	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Development of a bioplastic made from paper and cellulose-based polymers that is certified according to EN 13432. The bioplastic can be used both in vacuum forming and as an injection-molded part in sheets, films and profiles. The bioplastic has already been used in several customer projects.	301
23 Project 1 Increasing the proportion of recycled materials in plastics, use of bio-based plastic products	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Continuous increase in the proportion of recycled material in consultation with customers. Differentiation between PIR and PCR.	301
24 Continuous reduction of prints	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Compared to 2010, 65% fewer prints were produced. Toner and paper savings Reduced CO2 emissions and petroleum-based toner inks	301
25 Authority models in the sanitary facilities Reduction of CO₂Emissions and heating costs	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Replacement of the thermostats with the so-called government models, which do not allow the regulation of the heating temperature.	302
26 Replacement of adhesive joints with ultrasonic welding devices and click technology	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Replacement of the conventional adhesive technology with ultrasonic welding equipment Reduction of the range of hazardous substances (adhesives)	301
27 Internal recycling department	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Internal recycling department for the collection, dismantling and waste code-compliant feeding of recyclable materials into the recycling cycle	301
28 Fairtrade coffee donation to non-profit organization	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Serving fair trade coffee to staff and guests. Money raised from the coffee machines goes to charity.	201
29 Product life cycle	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	For new projects, consider the product lifecycle from the design phase, including environmentally relevant aspects. Give preference to environmentally sound components designed to recycle	301
30 Investigation of the recycling concept by an external service provider in 2019	12 RESPONSIBLY CONSUMPTION AND PRODUCTION 	Checking waste codes and disposal routes Checking waste volumes Identifying recyclable materials Delivering recyclable materials and costs to recycling partners	301

Realised sustainability projects	SDGs	Measures	GRI
31 Promoting e-mobility		Installation of 2 electric charging stations at the Wolfschlugen site in 2021. Expansion by 6 additional charging points in 2023. Employees and visitors can charge free of charge. The vehicle fleet currently includes 1 electric vehicle and 6 hybrid vehicles. By 2023, there will be 5 electric vehicles. The "JobRad" leasing scheme is used by one fifth of the workforce.	302
32 Energy efficiency measures		Regular leak checks and inspections of compressed air lines and shut-off valves, commissioning of a new energy-saving compressor Monthly monitoring of the operating hours of the forklift fleet Reduction of the forklift fleet by 4 vehicles Replacement of all gas-powered forklifts with electric vehicles.	302
33 Realization of a 100% ecological presentation system		Production of a biodegradable display. The plastic used in the injection moulding process was made exclusively from natural components. A total of 4,800 displays were produced and shipped worldwide. Winner of the POPAI Gold Award in the Environment category.	301
34 Resource-saving IT infrastructure		Reduce the number of application servers. Purchase of new, resource-efficient servers	302
35 Purchase of cardboard press Reduction of CO ₂ Emissions during transport		Commissioning of a cardboard compactor with a waste volume of 18cbm. Compaction allows 2.3 tonnes of mixed paper to be disposed of in "one" trip.	301, 305
36 ISO 14001 certification Pioneer in the industry		ARNO has been certified to the ISO 14001 environmental management standard since 2008. We have been committed to environmental protection for 15 years. Every year we define environmental objectives that are in line with economic, social and political requirements.	302, 307
37 Test certification according to ISO 50001		After an intensive cost-benefit analysis, it was decided not to implement an energy management system. ARNO is a company with low environmental relevance. Within the framework of ISO 14001, ARNO will use all possibilities to permanently improve its ecological balance.e.	302
38 Energy audit according to ISO 16247-1		Identification of energy efficiency measures. Determination of feasibility, determination of investment volume and profitability	302
39 Green electricity tariff improving the climate balance		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". This corresponds to a greenhouse gas reduction of 100 percent in Scope 2.	305
40 Long-term cooperation with local recycling partners		Local recycling partnerships to reduce CO ₂ Emissions	301, 305
41 Social responsibility		Annual participation in the Business Sustainability Rating in the following categories: environment, labor and human rights, ethics and sustainable procurement	301, 302, 303, 304, 305, 306, 307, 403, 412

Realised sustainability projects	SDGs	Measures	GRI
42 Joining the United Nations Global Compact		Supporting the 10 principles of the UN Global Compact and 17 SDGs	402 + almost all remaining 400s
43 ARNO Code of Conduct		Declaration of commitment to comply with UN conventions, applicable laws and standards. Commitment to and signing of the Code of Conduct by the management. The managing directors are responsible for implementation and are supported by the management of the subsidiaries.	401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 205, 206
44 Identification and monitoring of interested parties		Identification of all relevant stakeholders and their requirements for the ARNO Group. Regular monitoring and review (twice a year).	101
45 Identification and monitoring of interested parties		Data Protection Officer IT Security Risk Assessment	102-15

Realised sustainability projects	SDGs	Measures	GRI
46 The supplier network only includes suppliers who commit to complying with the 10 principles of the UNGC.	17 PARTNERSHIPS FOR THE GOALS	Supplier analysis in 4 phases: Phase 1: Supplier analysis based on supplier questionnaire and ARNO Code of Conduct Phase 2: Supplier visit, review of information and conditions on site Phase 3: Internal supplier evaluation Phase 4: If necessary, inclusion in supplier portfolio (supplier audits)	308, 403, 495, 496, 427, 498, 499, 410, 411, 412
47 Support of the Stark Dynamic project "People, Economy, Environment"	17 PARTNERSHIPS FOR THE GOALS	Since August 2021, we have been donating our old pallets to Stark Dynamics GmbH to support the Stark project "People, Economy, Environment". The pallets will be repaired by people with health problems. The aim is to get them back to work through simple activities. The project is supported by the Employment Agency and Diakonie.	413
48 Involvement of employees in the design of company processes	17 PARTNERSHIPS FOR THE GOALS	Open corporate culture Active involvement and suggestion system for improvements for employees. Monthly lessons learned with result feedback, workshops, feedback discussions, anonymous ARNO feedback tool, and much more	403
49 Promoting the compatibility of work and family	17 PARTNERSHIPS FOR THE GOALS	Expansion of flexible working time models to relieve the burden on families, childcare allowance for children not of school age, childcare at the workplace if conventional childcare is not available, home office.	201
50 Support for local associations	17 PARTNERSHIPS FOR THE GOALS	Sponsor of the handball department of TSV Wolfschlugen Financial support of SV Hardt in organizing the Hardter Highland Games Sponsor of the Sauhag run in Wolfschlugen	413

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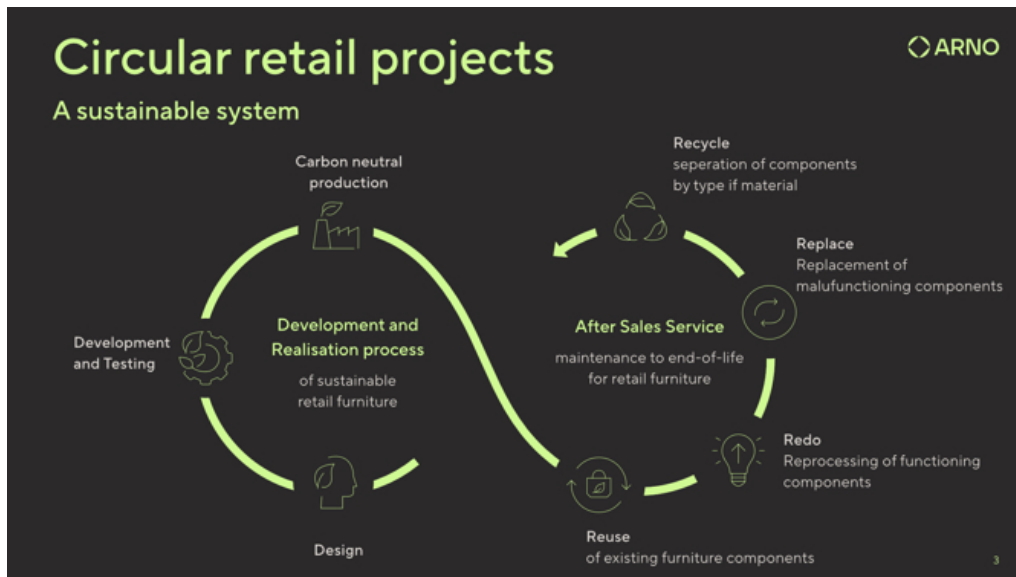
4. Depth of the Value Chain

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 company, we recognise our responsibility to integrate sustainability into the supply chain of our value-creation partners. We encourage our partners and employees to protect the environment, optimise the use of resources and promote the use of environmentally friendly products. As an ISO 14001-certified company, we naturally consider the product life cycle from an ecological perspective. We identify risks, analyse their impact and evaluate them. We aim to proactively influence how products and services are developed, produced, dispatched, used and disposed of. Every product reaches the end of its life at some point.

We **focus on circular approaches**, as these affect all stages of resource management. This starts with product design and the selection of recycled or non-fossil materials, repairability or recyclability, improving resource efficiency and ends with increasing the service life of repairability or recyclability. Recyclable products have properties that

- the selected materials can be recycled as secondary raw materials in standard processes and collection structures,
- different materials (e.g. wood, metal, plastic types) can be separated by hand, whereby wear parts or components that strongly influence the usability of the overall product must be easily replaceable (modular structure),
- the products must be divided into R-strategy modules (components for recycling, components for reuse, components for remanufacturing, etc.).



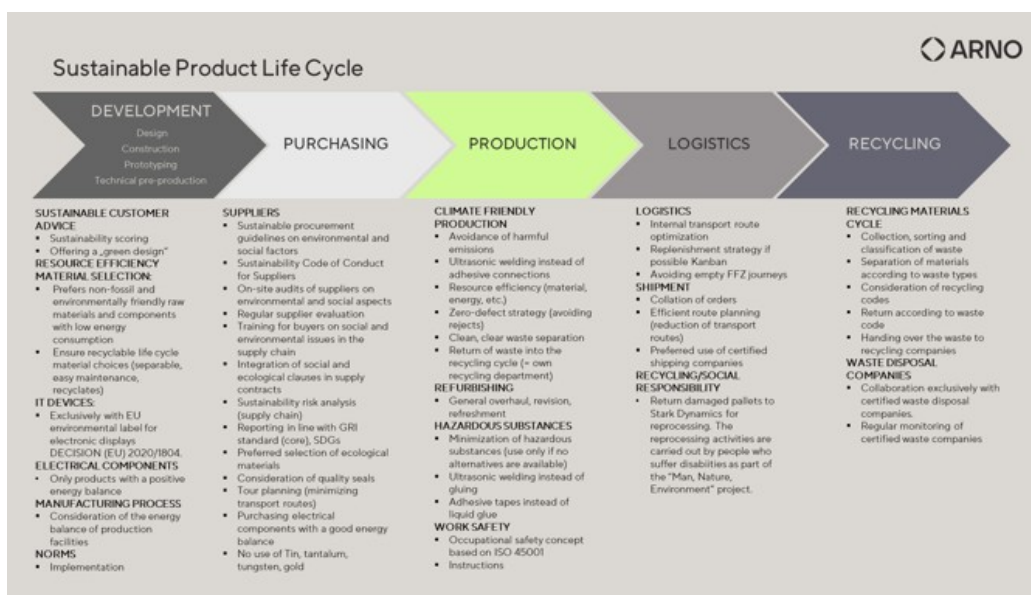
Before the start of a new project, all basic, performance and quality requirements for the desired product or service are recorded by Sales. The customer requirements determined by Key Account Management are the parameters for the subsequent product development and realisation process. This is how we measure our performance. If our customers are completely satisfied with our performance at the end of a project, enthusiastic about the quality of the products supplied and convinced of their recyclability, we have fulfilled our mission. We have mapped out the aspects and opportunities to sustainably influence our project process in the ARNO material cycle and sustainable product life cycle. Our development, production and logistics managers as well as our quality and environmental management managers regularly analyse and evaluate the processes and adapt them accordingly. These considerations play a role in the ecological 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 in the table of Product life cycle ecological aspects (environmentally relevant processes and operating facilities and our [Sustainable Product Life Cycle](#) from which significant environmental aspects per area can be seen. In the event of limited control options or a lack of ecological alternatives (from a score of 1), measures must be defined to avoid environmental pollution.



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

1. DEVELOPMENT (design, construction, prototyping)

In times of strong national and international competition, contemporary, sustainable and customer-orientated designs are the key to success. In addition, a feel for trends and zeitgeist is required. Over the past decades, we have been responsible for the development of numerous sustainable customer projects. We have a wealth of expertise in the selection of sustainable materials and environmentally friendly production methods. In the design and subsequent construction phase, we always have the product life cycle in mind; this is where we can have the greatest influence on the environmental impact of a product. A further component of the development is the examination of product designs concerning a. Conformity with legal requirements, b. The specifications required by our customers, c. Identification and implementation of relevant product standards, see GRI 102-44. 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 fulfils the customer's requirements in technical, functional, visual and qualitative terms. We can also check whether new, ecological materials, elements or connections fulfil the product requirements. All of our prototypes are created at our headquarters in Wolfschlügen. The knowledge gained here is incorporated into series planning.

At this stage, we attach the same importance to environmental concerns as to our conventional objectives cost, functionality and quality. If we recognise negative interactions during this phase, e.g. that an environmentally friendly measure has negative effects elsewhere, we counteract this development at an early stage and in a targeted manner.

2. PROJECT MANAGEMENT

The complexity and international nature of our projects require a professional control centre that is networked with all departments. The task of project management is to challenge the development departments with a focus on sustainable solutions and to coordinate the requirements of our customers in the development departments about sustainability. Our project management team oversees projects from order to delivery. This is where parts lists, work plans and calculations are created and assembly services in the retail sector are coordinated through to final acceptance. We are supported in planning and controlling by an efficient, digital project management tool that divides projects into subsections. If the system signals critical processes, resources are rescheduled or interim targets are changed

3. DIRECT PROCUREMENT

Due to our low vertical integration, our suppliers are of central importance. If at all, social and ecological problems are only to be expected with potential new suppliers. We favour suppliers who are certified. We also orientate ourselves towards environmental labels, seals and labels such as FSC, PEFC and Blue Angel. For plastics, we give preference to Recylates PIR_PCR, see 4. Resource Management. Before approving a supplier's order, we carry out a

four-stage supplier analysis, which we discuss in detail in "GRI 412-1: Operations assessed for human rights impacts". As we are a project manufacturer, i.e. we predominantly produce projects over a decimated period, we can only use reusable container systems to a limited extent in our procurement, except EPAL Euro pallets and pallet cages. As a result, we ask our suppliers to draw up a *packaging concept* before delivering the goods. Here we rely on recyclable packaging materials that can be used sparingly and are nevertheless safe for transport. Furthermore, wherever technically and economically possible, we endeavour to procure products with sustainable properties.

3. TECHNICAL PRODUCTION PREPARATION

In technical production preparation, quality assurance measures are carried out in the form of material tests, analyses of dimensional accuracy, accuracy of fit, ease of assembly and functionality of parts and components.

4. PRODUCTION

We produce displays, shop-in-shop systems and shopfitting elements for our customers on time and by applicable quality standards and norms in our 10,000 m² production and assembly area. The core competencies of our production departments are assembly and packaging. Standard production processes include sawing, drilling, screwing, riveting, pressing, laminating, ultrasonic welding, bending, edging, glueing, electrical assembly, electronics assembly, electrical testing, final inspection, cleaning and packaging. As a customer order and project manufacturer, agile, resilient corporate structures have always been part of the company's organisation. Contract manufacturing always involves varying materials, new assemblies, project-specific production lead times and fluctuating capacity utilisation. These framework conditions require a flexible, adaptable and efficient process organisation. To ensure the quality of a component throughout the entire production process, we define a series release sample before the start of a new series. This component is the quality benchmark during ongoing production. Continuous quality controls follow during the ongoing production process (zero-defect strategy). Assemblies pass through work step by work step as part of an "internal customer relationship". Our production employees ensure that the parts handed over to the next workstation meet the quality specifications of the series release sample for each production part. Thanks to our many years of experience and robust process structures, we can produce customised products to defined quality standards on time.

6. LOGISTICS and SHIPPING

All vehicles in our fleet comply with the Euro 6 emissions standard. Our industrial trucks run exclusively on electricity. We use external transport companies for shipping. Our hauliers are assessed once every six months in terms of the following criteria Certificates, adherence to delivery dates, cooperation, service and price behaviour. A-carriers are prioritised when

awarding contracts. 400,000 parts left our company in 2022.

7. RECYCLING DEPARTMENT

Our recycling department guarantees that material assemblies are dismantled, waste is correctly sorted, placed in collection containers and disposed of by the waste code number. As we work exclusively with certified waste management companies (Efb), we ensure that the waste we dispose of is returned to the recycling cycle, see 11. Utilisation of natural resources, GRI 306 High-quality recycling, GRI 306-3 Performance indicators 11-12.

8. AFTER SALES / COMPLAINTS MANAGEMENT / ERROR CULTURE

We attach great importance to after-sales. Our B2B partnerships are based on trust and are designed for the long term. A trusting, good working relationship with our customers is immensely important. We live in a positive error culture. Mistakes happen. We see them as an opportunity. Mistakes are based on a lack of awareness, a lack of expertise or clear breaches of the rules. We avoid recurring errors through coordinated measures, e.g. training. An internal complaints management system ensures that complaints are processed and rectified immediately and that subsequent errors are ruled out.

In summary, we can state that we develop sustainable, resource-efficient and economical solutions in consultation with our partners, realise them under socially just conditions and aim to create a win-win situation for all process participants in the supply chain. If the project result fulfils the visual, functional and qualitative requirements of all retail partners, we have achieved our goal of "making shopping nicer and easier".

Criteria 5–10 concerning PROCESS MANAGEMENT

5. Responsibility

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

A sustainable and responsible approach to environmental, social and corporate governance (ESG) is crucial to ensure long-term success and a positive impact on society. In order to achieve the goals we have set ourselves, we have developed an internal control system that promotes transparency, accountability and continuous improvement.

The top decision-makers are the owners Alien Wolter, Tim Arnholdt and Sophie Keim who define the company's mission statement. They characterise the company through their history, which goes back to the founder, their grandfather, and their solidarity. With a shared vision and a governance strategy that shares their personal values, they steer ARNO on the basis of economic circumstances and framework conditions.

Our ARNO organisation is shaped by 2 pillars: ARNO Core (present) and ARNO 36 (future). Tim Arnholdt is responsible for ARNO 36. His division is responsible for new markets. Alien Wolter is in charge of the core business (ARNO Core), which is supported by three divisions. The first area is Operations. Operations includes project management, direct procurement, manufacturing, logistics and subsidiaries. Operations Director is Steffen Rothmeier. The second area includes Sales and Development. This area is overseen by Sophie Keim as Sales & Development Director. Group Financial Director Andreas Thüringer is responsible for the third area. He is responsible for Finance, Controlling, Human Resources, IT, Facility Management, Quality Management and ESG. Together, they support ARNO in further developing the sustainability strategy, coordinating the measures and monitoring their implementation.

Our corporate objectives, the available budget and the process descriptions are the core elements for the efficient and successful management of the ARNO Group. Our corporate objectives emphasise our strategic direction, associated decisions and activities within the company. They are determined by the management committee, which consists of the owners, the Group Financial Director and Operations Director. When setting ESG targets, we also take into account our employees' suggestions for improvement, which we receive via various working groups, our Shop Floor Board, as lessons learnt or in other

forms. See 14 Employee rights. By respecting the interests of our employees, we ensure that our employees

- continuously analyse possible ecological, social and economic improvements
- reflect their ideas in the strategic and operational sustainability goals,
- actively support and promote the implementation of sustainable ideas,
- identify with the sustainability goals and make their input an indispensable part of the ARNO sustainability strategy.

The breakdown of corporate targets into departmental targets takes the form of a target cascade. All qualitative and measurable targets are broken down top-down along the hierarchy levels to the management levels and split into target agreements according to function. Managers are responsible for implementing the targets. They have the task of communicating the sustainability goals and guidelines to the ARNO Group, defining and implementing measures and further developing them within their team. In addition to the corporate goals, the management team determines the annual budget. Data and results from various areas of the company, e.g. turnover, costs, necessary investment or maintenance measures and much more, are taken into account. Once the overall budget has been determined, it is distributed to the various departments or cost centres in the company. Each department receives its specific budget, which is aligned with its objectives and responsibilities. We use our ESG budget to finance sustainable projects or activities, increase energy efficiency, utilise renewable energy sources or implement environmentally friendly projects. During the financial year, the Group Financial Director monitors the budget. He ensures that expenditure remains within the set limits. If necessary, he can make adjustments in consultation with the owners and thus react to unforeseen events or changes in market conditions. We see budgeting as a continuous process that requires close cooperation between our departments and the decision-makers in the company. An accurate and effective budgeting process has a significant influence on the success and financial stability of our company.

Controlling analyses the corporate goals and target agreements on a monthly, quarterly and annual basis using a reporting tool. All issues (environmental, economic and social) are brought together. Both the management level and the executives are regularly informed about the results, progress and necessary measures. If a target is not met, the management level works together with the executives to define corrective measures. Between two and four company meetings are held within a financial year, at which our employees are informed about the current business situation. In addition, our targets and results are monitored by TÜV auditors within the framework of ISO 9001 and ISO 14001. The results and environmental indicators are documented annually in the TÜV Süd audit report.

We do not currently consider an employee remuneration structure based on

sustainability to be expedient, as our ESG goals are included in our corporate strategy and corporate goals.

6. Rules and Processes

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

In criteria 3. goals and 5. responsibility, we describe how the sustainability goals are defined and how the ESG strategy is anchored in our day-to-day business. Our **integrated quality management system** with the ISO 9001 and ISO 14001 standards, according to which we are audited annually by TÜV Süd in terms of objectives and target achievement, fulfilment of the standard requirements, process orientation and proof of a continuous improvement process (CIP), is the set of rules for implementation.

Other practised standards include ISO 26000 Guidelines on Social Responsibility and ISO 45001 Occupational Health and Safety. ISO 45001 plays a subordinate role in our industry and is rarely requested by potential customers. Even without a certificate, we implement ISO 45001 in full via our ARNO occupational health and safety concept out of a sense of responsibility towards our employees, see criteria 3. objectives and 16. qualification.

Our integrated quality management system includes the necessary resources, process descriptions and their interactions, control criteria, measurement methods, results, evaluations, and performance indicators (KPIs), competences, rules on responsibility, the occupational health and safety system, an improvement suggestion system and the identification of risks and opportunities (SWOT). Documents that are subject to change management are always applied in their latest and valid version after versioning the status, date, and process owner. Our Quality Management Manual (QMH) contains all ESG information, including our ARNO Code of Conduct, the ARNO Anti-Corruption Guide, rules for dealing with suppliers and much more.

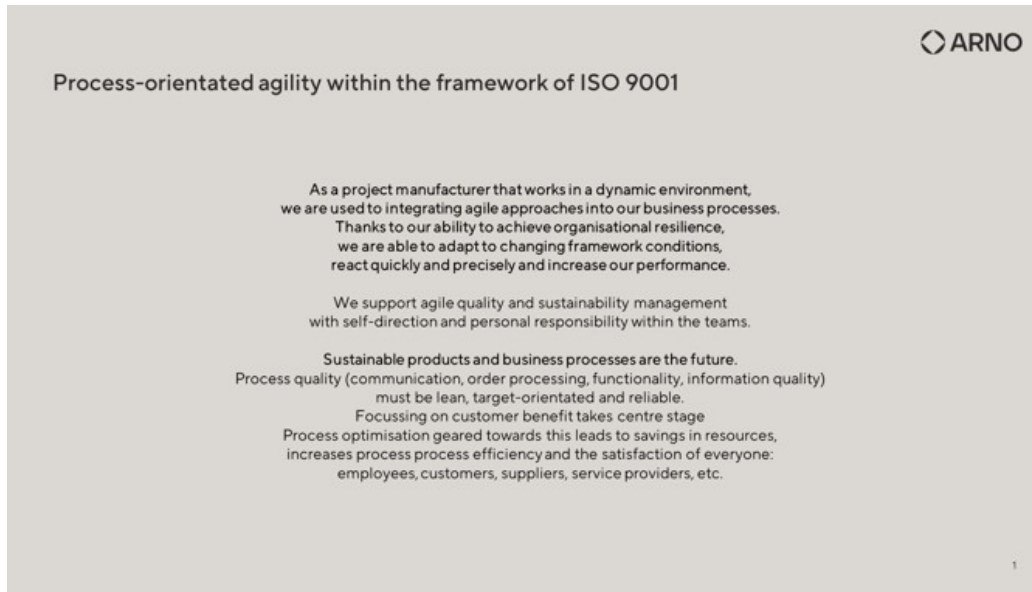
Our line managers are responsible for passing on the content to the specialist departments. The training of our employees takes place in written or verbal form, considering the subject matter. Internal audits, in which sustainability topics and the development of sustainability targets and sustainability indicators are integrated, ensure the implementation of standards and a continuous CIP. In the event of deviations, we immediately initiate measures that must be monitored and documented by those responsible. Our Direct Procurement department conducts on-site audits of selected suppliers in accordance with ISO 26000, see criteria 4. Depth of the value chain, 17. human rights. Production is controlled via a shop floorboard. All those

responsible meets in the morning to discuss production orders, resolve challenges, discuss health and safety precautions and delegate work.

From development to production, delivery and assembly at the customer's premises, a quality assurance system is implemented to guarantee consistent quality along the value chain. During the development phase, approval processes take place in the form of feature monitoring and feature inspections in accordance with our quality plan. At the start of production, our production departments create a so-called series failure sample (also known as a release sample) based on the work plan, which considers the quality features required by the customer. Depending on the product, we conduct 100% inspections or random checks. Intermediate inspections and final inspections, which are documented photographically, are also possible. Should complaints nevertheless arise, we regard these as lessons learned. We have deliberately 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. We analyse complaints according to cause and originator and define measures to prevent errors. The causes of errors and defined measures are passed on to our employees in knowledge transfer meetings.

We share information about the ESG via our ESG channel in Microsoft Teams or a dashboard in the entrance area. A monthly management meeting is held at which managers discuss current topics. Company meetings, in which the management explains the corporate strategy to the workforce, presents the current company key figures and introduces sustainability goals, aspects and projects, take place 2-3 times a year. All documents, including presentations from the company meeting, are included in our quality management handbook, which all employees have access to.

Our business processes (environmental, social, and economic) are characterised by process-oriented agility and sustainable responsibility. Quality is important to us in everything we do. A continuous improvement process (CIP) based on several pillars, considering the PDCA cycle, ensures constant improvements, which are mainly the result of teamwork. We identify and evaluate optimisation potential in workshops, meta-plans, lessons learned, internal audits and departmental reviews. Measures are then determined across departments and processes are defined and implemented.



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.

A focussed CIP requires the planning of audits, intrinsic motivation, and an efficient improvement suggestion system. A saw-tooth effect, in which excessive actions takes place before the audit and then falls away immediately after the audit, is incompatible with our approach to a QMS and a continuous CIP. We determine qualitative and quantitative performance indicators as part of our certified quality and environmental management system, see 3. objectives. We are also guided by the 17 Sustainable Development Goals. For key performance indicators, we have been applying the core elements of the Global Reporting Initiative (GRI) since 2020, which we are gradually adapting to the newly published GRI (2021). We collect quantitative key performance indicators based on substantiated information, e.g. invoices. Our ESG goals are part of ARNO's corporate goals. The management level communicates the sustainability strategy and objectives to the hierarchical levels of the ARNO Group. This ensures that managers work with their employees on implementation. By splitting up the corporate goals according to function (see 5. Responsibility), each manager receives target agreements that the team must implement within a defined period and performance indicators. Target agreements are an excellent tool for measuring performance management. The key performance indicators are monitored and analysed by Controlling, and in the case of target agreements also by the department manager, see 5.

Responsibility. If developments emerge during the monitoring of a focussed target or measure that indicate that the achievement of the target is at risk, Controlling informs the management, which initiates corrective measures to achieve the target. Once a month, at the monthly meeting, Finance and Controlling inform management and executives about the development of the company's key figures and performance indicators. The managers in turn inform their employees at departmental meetings. Our business results are generated from SAP and prepared in our Finance department. This is also where the consolidation of the Group takes place. Business audits are carried out by the auditors at Bansbach GmbH. An IT compliance audit on data security and data protection is part of the audit. We review qualitative key performance indicators by means of action plans or internal audits. Deviations are documented in audit reports or directly in the action plans, and processing is monitored until completion. If necessary, we carry out Layered Process Audits (LPA). Spontaneous process audits are carried out across the hierarchy to check whether the specified processes and standards are being practised. The advantage is that deviations are corrected immediately, which leads to dynamic process improvement, a better understanding of the process and increased process quality for those responsible. As a certified company, we prepare an annual management review that incorporates sustainable performance indicators. We submit the management review to the TÜV Süd auditors as part of the monitoring and repeat audits. From time to time, our customers carry out third party audits. As part of occupational health and safety, the Employer's Liability Insurance Association for Wood, and Metal (BGhm), the fire brigade and our insurance company for building insurance check whether the necessary safety precautions have been taken. And the agreed measures have been implemented. An occupational medical examination is carried out once a year. Inspection, maintenance, and servicing measures are set on schedule, test equipment is calibrated in good time when due and calibration certificates are filed. These activities are confirmed annually by TÜV Süd as part of the ISO 9001 and 14001 audits. In the sustainability aspects "Environment" and "Society", we describe 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 - where possible, looking back over a time horizon of three 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. We are driven by values such as enthusiasm, passion, sustainability, and reliability. We act "honestly, openly and transparently". The following values characterise our corporate culture.

Customer Focus

The consistent alignment of business processes to the needs, expectations and satisfaction of our customers in order to offer them added value and build long-term customer loyalty.

Quality awareness

Striving for the highest quality in products, services and processes to ensure customer satisfaction and live up to our good reputation.

Agility

The ability to adapt quickly to change, be flexible and utilise opportunities to gain a competitive advantage.

Sustainability

The pursuit of long-term success and growth that takes environmental, social and economic aspects into account in order to meet the needs of the current generation without jeopardising the needs of future generations.

Joy of innovation

The promotion of creativity, research and development in order to generate new ideas, products and solutions that drive the market forward and increase competitiveness.

Integrity

Our behaviour is based on honesty, sincerity and ethical principles to ensure trust and credibility.

Teamwork

An open, respectful communication culture between employees and our partners to achieve common goals and utilise synergies.

Diversity and inclusion

Recognising and valuing differences in gender, age, ethnicity, religion, sexual orientation and other characteristics to promote an inclusive and diverse work environment.

Commitment to the community

We want to make a positive contribution to society, e.g. through charitable work or social projects

Sense of responsibility

Taking responsibility for the impact of our actions on society, the environment and our stakeholders

WE OBSERVE THE FOLLOWING STANDARDS WHEN IMPLEMENTING OUR VALUES:

We are a partner and rapporteur of the UN Global Compact (UNGC).

We have committed ourselves to complying with the 10 principles of the UN Global Compact.

We report in accordance with the Global Reporting Initiative (GRI),

the international guidelines for the preparation of sustainability reports by organisations, in order to provide our stakeholders with the best possible transparency regarding our economic, social and environmental performance.

We implement ISO 9001 quality management with the aim of improving customer satisfaction, optimising processes and continuously improving the quality of our products and services.

We practise ISO 14001 environmental management. We control and reduce our environmental impact, improve resource efficiency, and minimise pollution. As we have been ISO 14001-certified for 15 years, have published an annual sustainability report since 2020 and disclose our key environmental figures, we currently see no reason to additionally disclose our key environmental figures on the CDP (Carbon Disclosure Project) customer data platform.

We practise ISO 45001 occupational health and safety to prevent accidents, injuries and illnesses in the workplace and to ensure a safe working environment, even if we are not certified. ARNO has an occupational safety concept that considers the current state of knowledge about specific hazards and provides a safe and healthy working environment. Regular dialogue takes place in the safety and environmental circle to identify potential hazards. The measures taken are documented and their implementation is monitored. Regular site-related and activity-specific training courses ensure health and safety in the workplace.

We are committed to complying with the SA 8000 social standard, which was developed by the US non-governmental organisation Social Accountability International (SAI) since the International Convention on Human Rights and the recommendations of the International Labour Organization (ILO). The standard sets out requirements for working conditions to ensure decent working conditions. ARNO rejects forced labour. If we ourselves or our partners find evidence of unlawful behaviour, we will inform the relevant authorities immediately. We respect freedom of association, the right of our employees to organise independently and collectively. We respect the applicable laws and industry standards regarding working hours within the framework of company regulations. We fully comply with the relevant laws and regulations of labour and social security law without exception. The salaries

paid always correspond to at least the minimum wage prescribed by law or in the industry. Homeworkers are afforded the same protection as direct employees under the rules of these standards. Employment contracts with illegal temporary labour providers are not tolerated.

We adhere to the ISO 26000 guidelines for social responsibility to ensure that our business practices are socially responsible. As a family business, we condemn child labour in the strongest possible terms! Child labour is not tolerated by ARNO! Children must be treated with dignity and respect and have access to education. ARNO considers the special protection afforded to young people under the age of 18 under the Youth Labour Protection Act. We reject 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. ARNO condemns corrupt behaviour. Corruption in any form damages the reputation of our group of companies and every employee working for us. In the ARNO Anti-Corruption Guidelines, we explain why corruption has no place in the ARNO Group. The guidelines show how our employees can recognise signals of corruption, avoid them, and prevent dubious business relationships

We have implemented appropriate compliance procedures to evaluate and select suppliers and subcontractors based on their ability to fulfil these standards.

We want to continuously improve. As part of our sustainability reporting, we participate in various assessment platforms, such as Ecovadis, for performance improvement and benchmarking. In 2023, we were awarded the Silver Scorecard by EcoVadis. We pay great attention to the concerns of our employees and stakeholders, see 17. human rights, whistleblowing.

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).

Intrinsic motivation, which employees develop by identifying with their tasks and goals, leads to them finding fulfilment in their work and completing their tasks with enthusiasm. Our aim is to promote this ability. We create freedom

through an agile organisational structure. When selecting applicants, we make sure that the new employees share our ESG guidelines out of conviction. It goes without saying that we require our employees to comply with the [ARNO Code of Conduct](#) and our [ARNO Anti-Corruption Guideline](#).

Our ESG goals are part of ARNO's corporate goals. The management level communicates the sustainability strategy and objectives to the hierarchical levels of the ARNO Group. This ensures that managers work with their employees on implementation. As part of a function-related breakdown of the corporate objectives, each manager receives target agreements with fixed deadlines, see 5. responsibility. Target agreements are an excellent tool for measuring performance management, but are not linked to financial remuneration for managers who achieve their targets. We are convinced that intrinsic motivation of our employees is far more important than monetary incentives, especially when it comes to ESG issues. Rewarding benefits often have the effect that motivation only lasts for a short time. Numerous studies have proven this. Based on this conviction, we have not planned a target agreement or remuneration system for sustainable targets.

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 policies

We guarantee good, safe working conditions and fair pay for everyone at all our locations. Gender is not a criterion for determining pay at our company. Gender-based pay is excluded. Employees are paid the same for equivalent work with equivalent qualifications and experience. We are particularly vigilant

when it comes to the pay gap between employees and management. Salary differences are due to special qualifications, specific skills, experience, responsibility, commitment, and length of service of our employees.

i. Fixed pay and variable pay

An internal wage and salary programme ensures fair, performance-related pay. All salary components are defined and transparent. In addition, we deliberately set non-financial performance incentives. Our managers receive departmental target agreements. Controlling monitors their implementation. This ensures that the economic, ecological, and social targets that have been set are realised.

ii. Sign-on bonuses or recruitment incentive payments

Remuneration is determined in a joint discussion when a new employee joins the company. It is obvious that all ARNO employees receive a living wage. If a new employee is taken on permanently after the probationary period, a salary review is conducted. Individual variable remuneration components are based on qualifications, responsibility (management) and special tasks. All employees receive social benefits such as holiday and Christmas bonuses, capital-forming benefits, and a financial meal allowance for visiting our canteen. Every employee can take out direct insurance. Other social benefits include survivors' benefits for dependants, capital-forming benefits, a monthly childcare allowance for children who are not of school age, childcare for children up to the age of 12 at the workplace if conventional childcare is not possible at short notice, a coffee machine with Fairtrade coffee that is open to all employees and a subsidy for workplace glasses. We support employees who want to exercise through our "Fitness in the water" programme, which gives them discounted points cards at the Nürtingen swimming pool, or "Fitness on land", where we grant athletes a monthly subsidy of ten euros for a gym. Other special payments are made to employees who show exceptional commitment, e.g. for recruiting new employees or for activities that benefit the company. Pay increases are based on the collective wage agreements of the IGM (wood and plastics processing industry). To date, no part-time employees have been employed.

For temporary staff, we observe the Minimum Wage Act. When working with temporary employment agencies, we favour personnel leasing companies that are covered by the same collective agreement. When concluding a contract with a leased employee, we use the comparative wage. We pay the usual industry surcharges

No employment bonuses were paid in 2023

iii. Termination payments

In the event of dismissals for operational reasons, severance payments are made by the Dismissal Protection Act. Other severance payments are agreed upon individually.

iv. Clawbacks

In the event of dismissal before 31 March of the following year, part of the voluntary Christmas bonus paid will be reclaimed. If there are minus hours at the time of resignation, the former employee will be required to repay them.

b. Sustainability management ensures the future viability of our company. We therefore focus on intrinsic motivation. The remuneration policy is not linked to performance criteria, see 8. Incentive systems.

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 2.86 times this 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.

With a strong focus on sustainability and social responsibility, we have become a trusted partner for brands and retailers. When modelling the strategy and our business processes, the interests and concerns of our stakeholders are invaluable! We strive to maintain an open and transparent dialogue with all relevant stakeholders. As the stakeholder analysis is a requirement of ISO 9001 and 14001, we have sufficient experience in determining and analysing the data. The process begins with a comprehensive analysis and evaluation of the stakeholders who are interested in or directly affected by our activities and decisions. We prefer and value personal dialogue to identify relevant topics. We also use the media as a source of information. If we are sufficiently aware of the concerns and interests of our stakeholders and the given framework conditions, we are able to derive fields of action, see criterion 2. materiality, through which we can promote responsible business practices and exert a positive influence on the environment and society. We divide our stakeholders into two categories:

1. External Stakeholders



No.	Stakeholder	Communication topics	Source	Responsibility	Forms of dialogue Target group-related execution of the dialogue content*
1	Occupational health service	- Compliance with BG guidelines, - Offer examinations, - Involvement of company doctor in case of accidents/notable illnesses, - Preventive measures, - Occupational safety concept,	BG Guidelines Regulations	Human Resources	- Annual offer to all employees for an occupational medical examination
2	Banks	- Liquidity, - creditworthiness, - contracts concluded, - Consolidated financial statements/group presentation - ESG	Accounts, payment transactions, legislation (e.g. SEPA), regular discussions	Finance	- monthly meetings between the Group Financial Director and banks to discuss the current development of the ARNO Group.
3	Authorities	Employment Agency: - Notification of vacancies - Enquiry about potential applicants, invitation to interview Tax office: - Monthly advance VAT return (UVA), - monthly recapitulative statement of sales in the EU, - Correct payment of turnover tax and payroll tax. State Statistical Office: - Monthly report to report: Number of employees, turnover, hours worked, wages - Production survey to be reported: Products Quantity (kg), sales value. Federal Statistical Office: - Intrastat declaration to be reported: goods delivered to EU countries and goods purchased from EU countries (movement of goods).	Employment Agency Call/contact Tax office Legislation Newsletter Input for training measures Statistical offices Request letter for changes by authorities	Finance	- Regular exchange with all authorities. Agency for labour - Short-time work, - Notification of job advertisements, - Applicants search for relevant jobs. Tax office: - Explanatory discussions during tax audits, - Explanatory information on business transactions during ad hoc VAT audits. - Wage tax audit by tax office Statistical offices: - Normal monthly reports, otherwise no special incidents."
4	Employer's Liability Insurance Association (BG)	- Compliance with BG guidelines, - Annual reporting of total salary/ Salary structure for determining the payments in the event of accidents	Newsletter IHK	Finance ESG_Circle Human Resources	- Regular exchange, - implementation of the BG guidelines, - Utilisation of know-how, - updating the list of legal regulations, - content for the ARNO ESG Circle meeting
5	Deutsches Institut für Normung (German Institute for Standardisation)	- Compliance with standards - Revision of standards	Newsletter Beuth	Design Engineering, Quality & Sustainability Management	- Continuous and project-related review of necessary standards and updating of the list of construction standards
6	EcoVadis Sustainability Rating Network	- Assessment of sustainability performance in the areas of environment, labour and human rights, ethics and sustainable procurement - Progress, strengths, weaknesses, areas for improvement	Newsletter Updates, Chats with EcoVadis	Quality and Sustainability Management	- Ecovadis Scorecard, - Performance Overview - Regular exchange on social and ecological topics (chat)
7	Recycling companies	- Correct, clean separation of waste, - Orders for disposal	Newsletter, Umwelt-online	Recycling Occupational safety	- Monitoring disposal licences (EFB) and certificates, - Legislation, including the Closed Substance Cycle Waste Management Act, - Supporting social and ecological projects, e.g. "Mensch, Natur, Umwelt" (People, Nature, Environment) by Stark Dynamics GmbH, which supports the long-term unemployed and people with limited employment.
8	Municipality	- Gewerbesteuer, - Antragstellung Baugenehmigung, - Abfallvorschriften Landkreis	Gespräche Kontaktpflege Internet, Tageszeitung	Finance	- Arbeitsplätze, - Spenden,
9	Legislator	- Business tax, - Application for planning permission, - Waste regulations district	Client information letters from auditors and legal counselling, Monthly newsletter umwelt-online, IHK, etc. Annual update (Bansbach webinar)	Managing Partners Finance Occupational Health & Safety	Regular newsletters and information from our legal counselling service - list of laws

No.	Stakeholder	Communication topics	Source	Responsibility	Forms of dialogue Target group-related execution of the dialogue content*
10	Health authority	- Support with contact tracing, - Preventive measures*	Discussions	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 Sustainability Management	- Subscription to IHK Newsletter, - Cooperation with the IHK Stuttgart (Department of Labour Safety, Legal Advice, Abroad) - Exchange of information with trainees (curriculum, final examination) - Certificate of origin (original stamp), - ARNO provides premises for oral final examinations, - An ARNO employee acts as an IHK examiner.*
12	Universities	- Submission of job offers/internships - Event Lectures/Company Visits	Direct contact with universities	Human Resources	- High number of applicants through increased activities - Participation in university/university of applied sciences applicant fairs, recognising talent and, if necessary, retaining it through contacts*
13	Customers	- Realisation of customer requirements, - Quality, on-time delivery, marketable prices, - Sustainable concepts and processes - Innovative solutions, - Compliance with contracts, legislation, standards - ISO certificates, Code of Conduct - Company information (RFI) - Disaster recovery plan, - customer audits	Customer communication Market observation	Sales	- Annual meetings with customers, regular dialogue and visits to ARNO and the customer, - Participation in prototype and series acceptance tests, sometimes digitally or on site The focus is on: How do customers perceive ARNO, what competences do they attribute to ARNO, how do they rate the products and services? (customer feedback)
14	Suppliers	- orders - fair, partnership-based co-operation/payment	Internet research, trade fair visits, Supplier introduction Supplier onboarding (welcome kit, supplier qualification process, purchasing and delivery conditions, etc.) On-site inspection, product acceptance, supplier audits	Project Management Direct Procurement	- Direct procurement: enquiries, offers, - Comprehensive supplier selection process (4 phases), - Recurring exchange on drawings during the project (drawing quality is praised by suppliers), delivery quality, etc. - Supplier suggestions for improvement are checked by ARNO, if realisable - Annual meetings with top ten suppliers, - Request for supplier certifications, - Current capacity availability and (new) production facilities, - Information on business changes, processes, innovations, etc. - Know-how training, knowledge transfer, - Punctual payment of supplier invoices - Evaluation of supplier audits, monitoring of initiated measures if necessary.
15	Neighbours (neighbouring companies)	compliance with legislation	Discussions	Finance	- Exchange if required, - Provision of company car parks
16	NGOs Sustainability DNK, UNGC, GRI etc.	Sustainability Reporting, Communication on Progress	Newsletter public media	Quality & Sustainability Management	- regular communication, - further training, webinars, events - Key figures
17	Personnel service provider	- Vermittlung Personal	Contact in case of personnel requirements	Human Resources	- Utilisation in case of short-term need for competent additional personnel
18	Lawyer	Orders, contracts, legal disputes	Legislator	Finance	- Regular discussions on legal topics
19	Regional associations	Sponsorship money	Daily press, social media	Finance	- Financial and other support, regular exchange, e.g. with: - SV-Hardt (Hardter Highland Games) - TSV Wolfschlugen (handball)

No.	Stakeholder	Communication topics	Source	Responsibility	Forms of dialogue Target group-related execution of the dialogue content*
20	Forwarding agencies	- Orders, delivery dates, order details, external warehouses	Forwarding orders, packing lists, delivery notes Entry certificate (EU), proof of delivery, invoice control	Logistics	- Regular discussions with haulage companies, couriers, etc. on: <ul style="list-style-type: none"> *- enquiries, orders, *- Availability of drivers/vehicles (limited freight capacities), *- transit times to England (reduced ferry capacity, customs clearance), *- Exchange procedures for load carriers *- Freight costs *- Scope 3 (emissions, energy consumption)
21	Social organisations	- donate	Regular discussions advertising service donation receipt	Finance	- Donations in kind, monetary donations
22	Social insurance	- Pension insurance, <ul style="list-style-type: none"> *- Pension insurance notification, *- Payment of pension insurance contributions Health insurance funds, <ul style="list-style-type: none"> - Notification for health insurance 	Newsletter health insurance companies Haufe PW annual year-end conference Information brochures	Human Resources	- Participation in annual audits, <ul style="list-style-type: none"> *- Expanding knowledge of current legal regulations and measures.
23	Tax consultancy	- see auditor	regular discussions	Finance	- Risk assessment with tax advice (Internal Control System (ICS) Tax - Tax Compliance), <ul style="list-style-type: none"> - Tax enquiries, - tax audits
24	Management consultancies	- Contract fulfilment, continuation <ul style="list-style-type: none"> - Openness, clarity 	regular meetings	Finance	- 2021 Production conceptualisation & management training <ul style="list-style-type: none"> *- 2022 Strategy consulting *- 2023 Branding *- 2024 Employer brand
25	Insurance companies	- Conclusion of contract <ul style="list-style-type: none"> - Compliance with legal regulations 	regular discussions	Finance	- Conducting recorded annual meetings, <ul style="list-style-type: none"> *- Settlement of claims
26	Auditors	- Proper bookkeeping, <ul style="list-style-type: none"> - Correct receipts, - preparation of annual financial statements** regular exchange 	regular discussions	Finance	- Audit of results, <ul style="list-style-type: none"> - Ad hoc enquiries.**
27	Certification companies	- Einhaltung/Umsetzung Normen	Newsletter TÜV Süd Newsletter TÜV Rheinland DGQ QM-aktuell Beuth	Quality & Sustainability Management	- Quality & Sustainability Management** <ul style="list-style-type: none"> - Newsletter subscription on ISO revisions, legislative changes - Online environmental subscription, regular review of legislative changes by responsible persons *- ISO 9001 and ISO 14001 certifications (audits), *- Utilisation of testing institutes (Dekra, TÜV, etc.) for product certification, especially for cosmetics (product safety)
28	Customs authority	- Vehicle tax (main customs office Ulm) <ul style="list-style-type: none"> - Exporter's declarations, EUR1, ATR - Certificate of origin - IZD (Internet customs declarations) 	Consular and model regulations (regular updates, IHK newsletter)	Logistics	- Project and country-related customs clearance discussions

2. Internal Stakeholders

No.	Stakeholder	Communication topics	Source	Responsibility	Forms of dialogue Target group-related execution of the dialogue content*
1	Owner	<ul style="list-style-type: none"> - Values - Equity - Profit 	Dialogue management/ Management, monthly meeting	Finance	<ul style="list-style-type: none"> - Monthly communications and meetings on consolidated figures, - Feedback from a capital market and banking perspective, - Coordination of strategic orientation, - Ensuring transparent, comprehensible and
2	Strategic Alliance TRINITY LLC, New York	<ul style="list-style-type: none"> - Support - Know-how - Orders/projects - Image 	Information and project exchange	Managing Partners	<ul style="list-style-type: none"> - Transfer Know-How (LED) - Orders - Coordination of procurement - Market knowledge
3	Subsidiaries ARNO GB Ltd ARNO Ltd. Şti., Istanbul ARNO Guangzhou Trading Co., Ltd	<ul style="list-style-type: none"> - Support - Expertise - Orders/Projects - Image 	Management subsidiary	Managing Director	<ul style="list-style-type: none"> - Co-operation - Support (projects, capacity, expertise, SAP, etc.)
4	ARNO ESG Circle incl. Safety and Environmental Circle (SUK)	<ul style="list-style-type: none"> - Governance - International standards - Compliance with occupational safety concept, QMH - Compliance with legislation, guidelines, regulations 	Client information letter from auditors and legal advisors Monthly newsletter umwelt- online IHK and BG information	ESG Circle Managing Partners Security specialist	<ul style="list-style-type: none"> - ARNO Sustainability Report - Zero occupational accidents (VISION ZERO), - Training (standards, governance, occupational safety and much more)
5	Employees	<ul style="list-style-type: none"> - Onboarding, familiarisation - Appropriate salary - Professional development (higher qualification, career planning, further training) - Good corporate culture - Appreciation - Motivating, inspiring management style - Trust, loyalty - Work-life balance - Meaningfulness in the work - Transparency 	Company meeting Jour fixe Making contact appraisal interviews	Human Resources	<ul style="list-style-type: none"> - Communication, dialogue - regular discussions - Company meeting - Annual employee satisfaction analysis - Findings on necessary further training/staff development - Whistleblower software
6	Quality and sustainability management	<ul style="list-style-type: none"> - ESG conformity (ISO 9001, ISO 14001, ISO 26000, ISO 45001) - Process conformity QMH - CIP, implementation of optimisation measures - Compliance with legislation 	Certification company	Quality & Environmental Management	<ul style="list-style-type: none"> - Further development of ESG - ISO audits (internal, external) - Third party audits

After collecting all available information, which usually takes place in May and November, the management level checks together with the managers and the ESG manager whether the stakeholder groups and their expectations have changed. Together, new areas of action are defined or existing activities are adapted. Through constant dialogue and exchange of information with our stakeholders, we are able to promote responsible business practices and influence social and environmental aspects. Our aim is to demonstrate openly and transparently that our business practices are ethical and fair. The ARNO stakeholder analysis is reviewed annually by auditors from TÜV Süd during the ISO 9001 and ISO 14001 audit (mandatory element), see criterion 2. materiality.

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.i. By constantly communicating with our stakeholders, analysing their sustainability expectations (expectations, requirements, values, goals) and the internal process environment, we can identify material sustainability aspects, make consistent decisions, and align our business activities in a targeted manner. We are intensively engaged with the interests of our stakeholders. Our most important stakeholder groups are our (potential) customers, employees, suppliers, and legislators. In the following, we discuss the most relevant topics for our stakeholders and how we have integrated them into our sustainability process:

Resource efficiency and Carbon reduction

Our stakeholders are interested in the energy and material efficiency of their projects and the company's Carbon emissions. We focus on the circular economy as early as the development phase of a project. We promote the repair and recycling of presentation systems to extend the service life of the products and minimise the amount of waste. We favour lighting systems with a positive energy balance. When implementing projects, we rely on innovative technologies to optimise material efficiency. Our customers appreciate our commitment to reducing the ecological footprint of a product with recycled or recyclable materials.

Supply chain management

Our customers want a supply chain management system that ensures ethical business practices and social standards. Careful supplier selection and a supplier qualification process in four phases support us in implementing a socially fair and ecologically responsible supplier management system, see 4. depth of the value chain.

Product innovation


Customers expect innovative and aesthetically pleasing presentation systems from ARNO that fulfil the latest trends and needs in the retail sector. We continuously invest in our development to offer creative and perfectly designed

solutions that meet the requirements of our customers and their consumers.

Social and responsible working conditions

Our employees attach great importance to fair wages, social working conditions, further training, a safe working environment and a good working atmosphere. Our aim is to ensure the well-being of all employees, see 16. community.

a.ii. After analysing all the information, we focus on the stakeholders that are relevant to our value creation process. The interests of these stakeholders are prioritised, opportunities and risks are identified, a materiality matrix is created, and fields of action are derived, see criterion 2. Materiality.

GRI 102-44 Wesentliche Themen und Anliegen/Key topics and concerns 

Themen/ Topics	Mitarbeiter employees	Kunden customers	Politik politics	Gesetzgeber Legislation	Eigentümer Owner	Lieferanten Suppliers	Verbände associations	Banken banks	
PRODUKTE/PRODUCTS									
Produktsicherheit/Product safety	+	+	+	+	+	+	+	+	Sehr wichtig/ very important
Produktinnovation/Product innovation	+	+	+	+	+	+	+		
Nachhaltige Produkte und Verpackungen/Sustainable products and packaging	+	+	+	+	+	+	+		
Arbeits- und Sozialstandards in der Lieferkette/Labour and social standards in the supply chain	+	+	+	+	+	+	+		
Recyclingfähigkeit/Recyclability	+	+	+	+	+	+	+	+	Sehr wichtig/ very important
Faire Produktpreise/Fair product prices	+	+	+	+	+	+	+	+	
SOZIALE VERANTWORTUNG/SOCIAL RESPONSIBILITY									
Arbeits- und Sozialstandards/Labour and social standards	+	+	+	+	+	+	+	+	Sehr wichtig/ very important
Gerechte Entlohnung und Sozialleistung/Fair pay and social benefits	+	+	+	+	+	+	+	+	
Arbeitsschutz, Gesundheitsprävention/Occupational safety, health prevention	+	+	+	+	+	+	+	+	
Ausbildung und Personalentwicklung/Training and personnel development	+	+	+	+	+	+	+	+	
Vereinbarkeit Beruf und Familie/Work-life balance	+	+	+	+	+	+	+	+	nahezu unbedeutend/ almost insignificant
WIRTSCHAFTLICHER ERFOLG/ECONOMIC SUCCESS									
Wirtschaftlicher Erfolg & Stabilität/Economic success & stability	+	+	+	+	+	+	+	+	
Kundenzufriedenheit/Customer satisfaction	+	+	+	+	+	+	+	+	
Rechtssicherheit/Legal certainty	+	+	+	+	+	+	+	+	
Datenschutz, Datensicherheit/Data protection, data security	+	+	+	+	+	+	+	+	
UMWELTSCHUTZ/ENVIRONMENTAL PROTECTION									
Klimaschutz (Emissionen)/Climate protection (emissions)	+	+	+	+	+	+	+	+	
Ressourceneffizienz/Resource efficiency	+	+	+	+	+	+	+	+	
Abfallreduktion/Waste reduction	+	+	+	+	+	+	+	+	

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.

Our management encourages employees to think creatively and be open to new approaches. The core of the innovation strategy is to create room for manoeuvre, take risks, and embrace a culture of error. Cross-team collaboration, innovative thinking and action, and different ethnic and cultural perspectives enable new ways of thinking and lead to solutions that others

have not yet thought about.

Within development and product management, we work with agile teams consisting of design, construction, prototyping, and project management. The teams are characterised by a goal-oriented way of working but are still able to react flexibly to customer changes and remain adaptable.

Sustainability scoring is part of the development phase

80 per cent of all environmental impacts are decided in the development phase. This is why we involve our customers in product development. Shared convictions lead to innovative and sustainable solutions. With the awareness that the designs must be convincing visually, haptically, in quality, functionality, materiality and in the clarity of the arrangement of the goods, the design, prototyping and construction - based on the central characteristics and core message of a brand - conceive ideas that reflect the code of the brand and its outgoing message. Recognising this potential and applying strategies for raw material recovery, resource efficiency and resource conservation is our strength. At the start of a new project, the team works together to check whether all aspects of the sustainable product life cycle (see 4. Depth of the value chain) have been implemented. The aim is to offer every potential customer an alternative "green design" for new projects. Whenever sustainable solutions exist and design requirements permit their use, environmentally friendly, recyclable, fairly traded materials are utilised. In the design phase, we pay attention to dismantlability and the possible reuse of components. This aspect is crucial for multi-component parts made from various source materials. Only if components can be dismantled can the source materials be separated, the parts repaired or replaced, the product service life extended and defective components fed into a high-quality recycling process. During this process, our technical production preparation and production team leaders support development with their many years of experience in series production. If plastics or plastic packaging are essential, we favour solutions with a recycled content. In the procurement process, we differentiate between PCR (post-consumer recycled) and PIR (post-industrial recycled). This allows us to analyse the proportion of recycles in the total purchasing volume. If our retail presentation systems are removed, the plastic parts can be fed into the recycling industry, ground, granulated if necessary, sold and repeatedly processed into plastic products. For thermoplastics, we primarily use ultrasonic welding processes. By melting the plastics, we create long-lasting bonds. Adhesive tapes and hazardous substances, e.g. adhesives, can be dispensed with. Another positive effect of ultrasonic welding is that the welding cycle is completed immediately after removal from the machine. The curing times required for bonded joints are no longer necessary. The project throughput times were significantly reduced. However, we found that plastic parts with a recycled content occasionally cause difficulties with ultrasonic welding. In some cases, a permanent connection is not possible. Investigations showed that different recycled material admixtures change the welding properties of a plastic product. The challenge was overcome through training and an adapted

welding time. To summarise, we create product presenters that offer our customers the opportunity to expand their market presence and protect the environment at the same time. Modular, interchangeable components, such as those found in cosmetics counters, pave the way for versatility. They extend the product life cycle as they can be easily replaced when a brand's product is updated or in the event of a defect.

Our ability to innovate is reflected in the "comb" and "register" grid systems we have developed. The advantage of comb technology is that vertical parts can be variably positioned, elements can be inserted and quickly joined together. With register technology, there is no need for classic hooks. This means that shelves can be fixed at a new height in no time at all. Both innovations were registered as utility models in 2019.



As we also ship our retail systems individually as general cargo, the packaging must offer sufficient protection. If a complaint is made due to inadequate transport packaging, this results in double transport routes and double CO2 emissions. We select sturdy shipping packaging, usually corrugated cardboard boxes and edge protectors with the FSC seal. We use paper adhesive tape at the request of our customers.

We have always promoted the circular economy. Our customers can return their used or damaged product displays from the retail trade to us. We replace defective inserts, carry out insert updates, repair damaged modules and return the repaired goods presenters to the retail trade. We leave severely damaged or irreparable parts to certified waste management companies, sorted according to waste codes. Since 2022, we have been foregoing income by giving damaged disposable and Euro pallets to our recycling partner Stark Dynamics free of charge. [Stark Dynamics](#) cooperates with BruderhausDiakonie,

Reutlingen. People who suffer from physical disabilities work here. In 2023, we gave Stark Dynamics 22 tonnes of defective pallets. 60% were repaired and subsequently reused, see 12. resource management and 16. community.

In 2023, we want to launch a feasibility study for a material cycle for cosmetics counters with high-quality recycling. We have therefore applied for funding via the REKOWI (resource-conserving, circular economy) funding programme of the [Ministry of the Environment, Climate Protection and Energy Sector](#) of Baden-Württemberg. Refurbishment, i.e. the renewal or refurbishment of cosmetics counters in retail stores, usually involves replacing old merchandiser inserts with new replacement sets produced by us, e.g. for product updates. We do not know how the old inserts are disposed of in the retailers' shops. When remodelling retail counters, we would like to examine how used, well-preserved inserts (prerequisite: collection, sorting, sifting, cleaning) can continue to be used and how defective inserts can be sent for high-quality recycling. Our aim is to rule out thermal utilisation and to extend the service life of product presentation systems in the retail sector. If we receive a subsidy from the state of Baden-Württemberg, we will carry out a feasibility study with a co-operation partner.

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)

100 percent of our financial investments flow into our subsidiaries. These financial investments do not currently undergo any environmental or social screening. From 2025, we plan to review our financial investments according to social and environmental factors. As we are not a company that regularly invests in financial assets, the review will be based on defined, qualitative factors, not on metrics.

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.

Ecologically responsible behavior is anchored in our strategy and our [ARNO leadership culture](#). Our goal is to reduce ARNO's carbon footprint in the retail sector. We examine every opportunity to reduce our environmental impact at both the company and product level. At the request of our customers, we balance the Product Carbon Footprint (PCF), see 13. climate-relevant emissions, Product Carbon Footprint (PCF)/CO2 footprint.

As a customer contract manufacturer for retail system solutions, we utilise and influence the following resources within the specified customer requirements.

1. Materials: depending on the requirements, various materials can be used, including wood, metals, plastics and electronic components. As our products are customised solutions, i.e. the parts are often only used for specific projects, we do not record weights when creating customised materials and parts. The effort involved in recording this in SAP is disproportionate to the benefit for the company, see GRI-301-1.

2. Energy: The manufacture of system solutions requires energy, whether in the form of electricity for production or for the operation of offices and facilities. Our electricity comes from 100 per cent renewable energy sources. We pay attention to energy efficiency when procuring operating resources. The unit of conversion is CO2 equivalent per kilowatt hour, litre, etc. See GRI-302-1, GRI 302-4.

3. Transport: Shipping products and materials requires means of transport, which in turn consume energy. For deliveries, we try to avoid general cargo shipments as far as possible. Due to increased transport costs, e.g. as a result of the toll increase, our customers are not prepared to accept further increases,

e.g. for green logistics, which is why we are currently unable to push ahead with transport using e-trucks.

4. Water: At our production sites, we do not require any process water for cooling production facilities. We only use water for non-production purposes. In recent years, we have implemented various measures to reduce water consumption, see GRI 303-3. The unit of measurement used is litres.

5. Environmental certifications: ARNO has been certified to ISO 14001 since 2008, which means that our environmental performance is reviewed and assessed annually by external auditors, currently TÜV Süd. Since ARNO GmbH was founded, there have been no known cases of non-compliance with environmental protection laws and regulations, see GRI-307-1. Auditors categorise ARNO as a company with low environmental relevance. In the course of ISO 14001, we determine environmental indicators annually, set environmental targets and monitor them, cf. criterion 3 Targets. Environmentally and future-orientated management is thus guaranteed.

6. energy efficiency: We endeavour to make energy consumption sustainable by using energy-efficient technologies in production and operations.

7 Recycling: We focus on the circular economy as early as the development phase of a project. We promote the repair and recycling of presentation systems in order to extend the service life of the products, see GRI, 102-44 and criterion 4 Depth of the value chain. We replace defective inserts, carry out insert updates, repair defective modules and return the retail systems to the retail trade. We leave severely damaged or irreparable parts to certified waste management companies, sorted according to waste codes. Since 2022, we have been foregoing income by giving damaged disposable and Euro pallets to our recycling partner Stark Dynamics free of charge, see criterion 10 Innovation and product management. In 2023, we want to launch a feasibility study for a material cycle for cosmetics counters with high-quality recycling. We have applied for funding for this via the REKOWI (resource-conserving, circular economy) funding programme of the Baden-Württemberg Ministry of the Environment, Climate Protection and the Energy Sector. The unit of measurement for our waste volume is tonnes, see GRI 306-3.

In 2010, we produced the first sales display made from 100% degradable and renewable raw materials using injection moulding. Together with a well-known manufacturer of thermoplastic compounds, we developed bioplastic elements for a table-top sales display for an organic cosmetics manufacturer. The processed raw material was lignin, Latin "lignum" (wood), which is formed during the growth of woody plants. During the production process, lignin is enriched with environmentally friendly additives to create a granulate that can be thermally moulded into recyclable plastic products. The ecological displays were produced and delivered at our headquarters in Wolfschlügen. We took back used sales displays, collected them and fed them back into the material

cycle via a recycling process. In recognition of this, we were honoured with the "POPAI Award Gold" in the "Ecological Display" category at the POPAI D-A-CH Awards by an independent panel of experts.

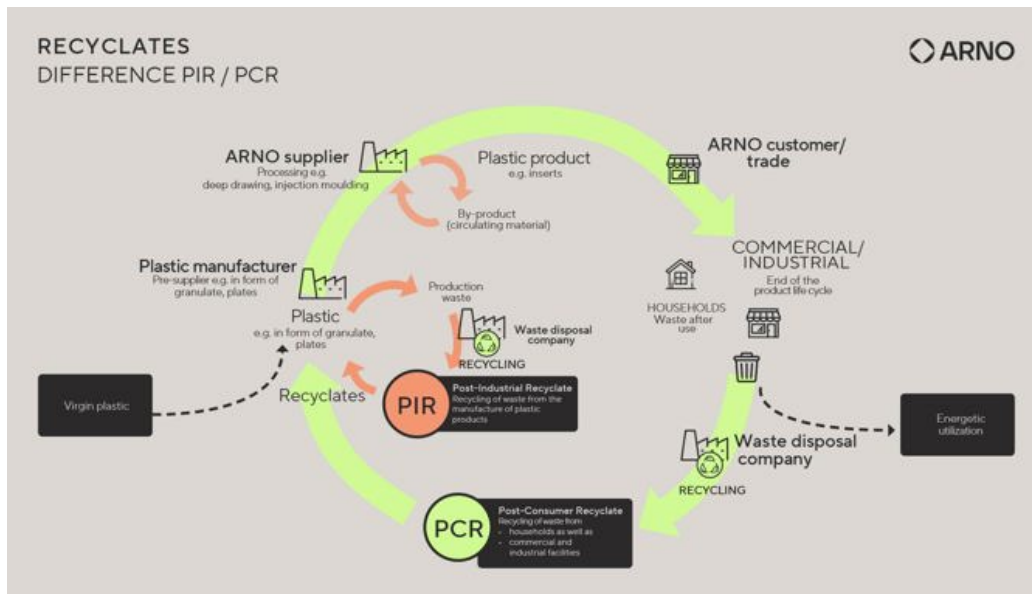


An overview of the resources we regularly use can be found in GRI 301-1 and 12. Resource Management. We regularly evaluate new materials to include them in our product portfolio. To be able to analyse the suitability of the sustainable materials we procure; we compare their properties. We summarise and evaluate the results of the material analysis in our ARNO decision matrix "Sustainable materials". For competitive reasons, we do not publish our results. The decision matrix shows

- in which projects the material are evaluated,
- which end products the base material is suitable for,
- which properties are possible, e.g. regarding surfaces, colouring, printing options,
- what material processing options are available,
- which thermal and mechanical properties are the basis,
- which material cycles can realise.

When selecting materials, we pay particular attention to hot spots, the relevant components such as thermoforming and injection moulding inserts and the possible recycled content, which leads to a high-quality result during the production process. We also pay attention to packaging and the recycling of all materials used. When investigating bio-based plastics, we have found that there are still some types of plastic that must be sent for energy recovery or chemical recycling because additives were added during production to fulfil necessary requirements such as elasticity, stability, or fire resistance. The additives prevent high-quality recycling, as colour pigments remain behind during the recycling process. As chemical recycling is energy-intensive and currently still uneconomical, there does not appear to be any breakthrough

soon. For the time being, we have therefore decided not to develop such solutions. In addition, the [German Federal Environment Agency](#) does not categorise bio-based and biodegradable plastic as more sustainable than normal plastic. As a result, we favour plastics with a high recycled content.



In many cases, we use APET with a recycled content of up to 100 percent, which is fully recyclable, impact-resistant and heat-resistant from -20 to +60 degrees. We also use base materials with a high recycled content for polystyrene elements. The advantage of polystyrene recycling is that the parts are easily suitable for recycling again at the end of their useful life. We also require the use of granulates with the highest possible proportion of recycled material for injection moulded parts, provided that the production, the intended use, the colouring, and the requirements for the component allow this. Whenever possible, we avoid direct printing and adhesive films on plastic parts, as the additives cause contamination during the recycling process. Bright colours such as pure white cannot be produced. In summary, we found that there are types of bioplastics in particular that have a similar structure to conventional plastics and can therefore be recycled almost identically. Other types of bio-based or biodegradable plastics that we investigated must be sent for energy recovery or chemical recycling. If we compare fossil-based plastics with bio-based plastics in terms of their environmental impact, both raw materials have advantages and disadvantages. While the production of fossil-based plastics increases the proportion of Carbon dioxide, the ecological footprint of bio-based plastics is expressed in the fact that they are produced from maize, sugar beet or sugar cane and the agricultural land is in direct competition with food production. Our findings are reflected in recently published studies and life cycle assessments. These confirm that, under current conditions, bio-based plastics are not significantly more environmentally friendly than conventional plastics. For thermoplastics, we primarily rely on ultrasonic welding processes. The melting of the plastics creates long-lasting

bonds, making adhesives and adhesive tapes unnecessary. Another positive effect is that the welding cycle in ultrasonic welding is completed immediately after removal from the machine. Curing times, which are necessary for adhesive joints, are eliminated. Project throughput times were significantly reduced. However, we found that plastic parts containing recycled material occasionally caused difficulties during ultrasonic welding. In some cases, a permanent connection was initially not possible. After consultation with our suppliers, the cause is that different recycled material admixtures change the welding properties. The challenge was solved through training and an adjusted welding time. When it comes to packaging, we use sustainable materials almost without exception. As we also ship our retail systems individually as general cargo, the shipping packaging must be sufficiently protected, otherwise the probability of the products arriving damaged at the recipient is too high. If a complaint is made due to inadequate transport packaging, this results in double transportation routes with double Carbon emissions. We select sturdy shipping packaging, e.g. corrugated paper boxes and edge protectors with the FSC seal. We use paper adhesive tape at the request of our customers. We actively involve our customers in the entire product development process. Since 2022, we have been promoting solutions in line with the circular economy. Our customers can collect used or damaged presentation systems from retailers and return them to our product location. We replace defective inserts, conduct insert updates, repair damaged modules and return the retail systems to the retail trade. We hand over severely damaged or irreparable parts to certified waste management companies using waste codes. In some cases, we do not charge a fee. We hand over damaged disposable and Euro pallets to our recycling partner Stark Dynamics free of charge. Stark Dynamics cooperates with BruderhausDiakonie. People with physical disabilities work here. By donating 22 tons of wood, we were able to avoid around 20 tons of Carbon dioxide. 16% of the pallets provided were repaired by Stark Dynamics. 44% of the wood was recycled as squared timber or planks, cf.

[Stark Environment Compliance Report ARNO 2023.](#)

Many elements of our sales displays now 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 this marking are recycled by our disposal service providers and returned to the material cycle for reprocessing. For disposal, we work exclusively with certified waste management companies.



As an active company, we see it as our responsibility to communicate critical materials openly to our customers and employees. Our aim is to harmonize environmental protection and social responsibility. From the current ecological point of view, starting materials made from recycled materials are a responsible and socially acceptable solution for us. Irrespective of this, we will continue our research into innovative, environmentally friendly materials, document our research results and build up a network of sustainable supply partners to expand our portfolio. At the beginning of 2024, we therefore applied to the **Stuttgart Centre for Climate Neutral Production and Life Cycle Engineering (ZKP) at the Fraunhofer IPA** for a **funding project** to reduce greenhouse gases in product development. The approval decision is scheduled for 16 April 2024, see 13. climate-relevant emissions. Our aim is to play a leading role in sustainable, high-quality product presentation systems.

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.

We set out our management concept, our objectives, measures to achieve our objectives and responsibilities, as well as the associated risks and opportunities, in the Strategy and Process Management sections. Here we provide information on the role of our management and our qualitative and quantitative sustainability targets for increasing resource efficiency and

environmental protection measures.

According to the latest [EcocVadis rating](#), ARNO GmbH is one of the top 1% in the furniture industry in the area of "sustainable procurement"

Since 2008, our environmental indicators in accordance with the GRI standard have been audited annually by TÜV Süd for data congruence, development and target achievement in the ISO 14001 audit and documented in the [TÜV Süd Kombi Audit Report ARNO](#). A decisive factor in resource efficiency is the selection of materials, see GRI 301-1. In addition to visual and functional requirements, we focus on our [ARNO Sustainable Product Life Cycle](#) in customer consultations, which shows potential for increasing resource conservation and efficiency, see 4. depth of the value chain.

GRI 301

As a project manufacturer, resource efficiency is a key issue, not least because of its relevance to costs. Our focus is on outstanding quality while minimising the use of resources. Our main focus is on the reduction of GHG materials. Measures to reduce emissions are presented in the criterion 3. Objectives, 10. Innovation and Product Management and GRI 301-1.

GRI 302 Energy and GRI 305 Emissions

We have been investing in clean energy since 2017. Following the ISO 16247-1 energy audit, we began installing a photovoltaic system on the roof of our logistics center. This was followed by investments in electromobility. 2 electric charging stations were installed. We also replaced the gas-powered industrial trucks with electric-powered industrial trucks. At the beginning of 2023, 6 more electric charging stations were put into operation. Our employees and visitors can refuel free of charge at the electric charging stations, see GRI 305-3 and GRI-305-5. Due to a change in prioritization, we will postpone the conversion of the remaining conventional lighting systems to modern LED technology from 2023 to 2024, see 13. climate-relevant resources

GRI 303 Water

According to Unicef (2023), around 1/4 of humanity (approx. 2 billion people) has no regular access to water. Around 800 million people lack a groundwater supply with drinking water. The main cause is a lack of rainfall. Water is precious. That is why we monitor all water sinks. Our goal is to reduce water consumption and make it sustainable, see GRI 303-3 Water withdrawal.

GRI 304 Biodiversity

Our photovoltaic green roof and a green outdoor area contribute to the preservation of biodiversity.

GRI 306 Waste

We want to avoid littering. Throwing away recyclable materials without first

sorting them prevents the possibility of value creation. To ensure that our recycling system works, we make sure that our employees have the necessary knowledge about waste separation. Annual refresher training, which takes place as part of the safety briefing, is designed to raise awareness and the benefits of correct waste separation. We draw the attention of customers and suppliers to dismantling and separation criteria and to the recycling codes.

REKOWI funding project (resource-conserving and cycle-orientated management)

At the end of 2023, we submitted a funding application to the Karlsruhe Institute of Technology (KIT) for the design of a "Circular economy concept for product presentations in retail". The project was approved by the state. The aim of the programme is to promote resource-conserving and circular economy, see 10. innovation and product management.

Conclusion:

Based on our experience to date - including in the course of ISO 14001 recertification - there are no significant risks arising from our business activities, our business relationships and our products and/or services (see 4. Depth of the value chain) that 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:

- i.** non-renewable materials used;
- ii.** renewable materials used.

a., i., ii. Since 2020, we have been evaluating our product groups according to GRI 301-1 renewable and non-renewable materials. As our products are customized solutions, i.e. the parts are often only used for specific projects, we do not record the weights and volumes of the purchased parts when creating the master data in SAP. The effort involved in recording this data is disproportionate to the benefit for the company. To differentiate the materials used, we use the material group assigned to the respective material. Our regional recycling company has analyzed our product groups with regard to optional recyclability. According to this analysis, all of the materials we use can be recycled or thermally reprocessed. Just a few years ago, materials made of plastic or paper were declared as waste products. Today, they are important

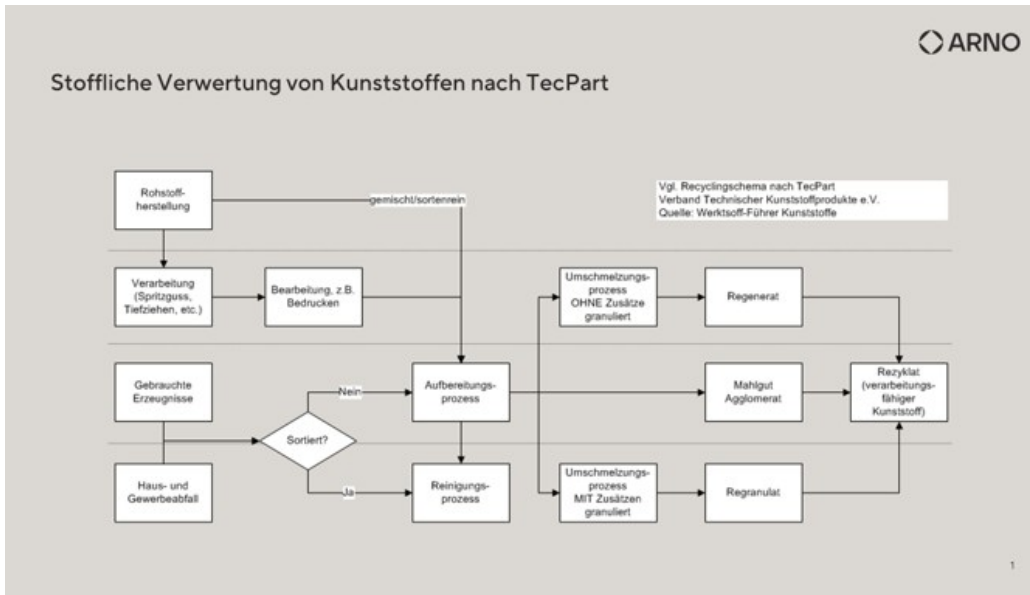
recyclable materials whose reuse helps to limit the exploitation of the earth. Plastics are used in the majority of our products, which is why we pay particular attention to this materiality, cf. criterion 11 Usage of Natural Materials. The comparison of purchase quantities clearly shows that the purchase quantities per product group vary annually as a result of customer-specific contract manufacturing.



GRI 301-1 Einkaufsmaterial/Purchasing Material

Warengruppe (SAP)/ material group (SAP)	Wareneingangsmenge/ Goods receipt quantity				Materialverwertung/ material recycling	
	2023	2022	2021	2020	thermisch/ thermal	stofflich/ material
DIN Teile, Schrauben/DIN parts, screws	1.381.259	1.411.755	2.805.499	1.419.934		X
Spritzgussteile/injection moulded parts	576.655	908.775	2.761.382	876.707		X, (Axis Vivak, PS, Acryl/acrylic, etc.)
Kunststoffteile/Plastic Parts	522.647	540.586	1.225.252	477.528	X	
Metallteile/Metal parts	383.648	495.065	1.112.050	597.245		X
Trafos, Vorschaltgeräte/ Transformers, ballast	246.463	444.818	631.253	402.436		X
Verpackung allgemein/General packaging	394.365	362.404	540.328	525.340		X
Schlösser, Beschläge/Locks, fittings	244.204	310.876	374.744	314.600		X
Druck, bedruckte Folie /Prints, printed film	236.788	248.277	497.846	124.556	X	
Kartonagen/ Cardboards	231.050	213.974	273.296	237.660		X
Büromaterial, Papiere/Office supplies, papers	300.700	202.300	407.153	202.412		X
Tiefziehteile/ Thermoformed plastics	40.572	178.549	178.654	555.421	X	
Kunststoff Extrusions-Profilie/Plastic extrusion profiles	145.734	94.066	198.653	311.804		X
Allgemeine RHB-Stoffe/General raw materials, operating materials	103.318	81.370	19.701	55.816	X	
Aluminiumteile, - profile/Aluminium parts and profiles	224.138	25.671	268.254	10.129		X
Holzteile/ Wooden parts	66.199	72.346	77.573	64.012		X
Fertigleuchten/Lights	8.880	49.820	131.405	136.831		X (Neonleuchte/LED - Elektronikschrott)
Laschmitteln/luminants	66.173	45.389	3.491	6.588		X (neon light/LED - electronic waste)
Klebebänder/adhesive tapes	64.914	20.857	256.349	188.560	X	
Digitale Komponenten/Digital components	5.425	18.142	2.756	864		X
Folien, Schaumstoffe/Foils, foams	23.937	12.889	6.512	9.472	Schaumstoffe/foams	Folie, foil
Glas, Spiegel/Glas, mirrors	2.032	3.378	8.177	4.656		X
Paletten/Pallets	2.654	2.304	8.076	7.490		X
Gefahrenstoffe/ Hazardous Substances	656	412	1.007	749	X inkl. Behälter, Dose/ incl. container, can	
Stoffe, Textil, Leder/Fabrics, textiles leather	303	302	1.375	3.090	X	

Our focus is on reducing GHG-generating materials, which is why we concluded a [Climate protection agreement with the state of Baden-Württemberg](#) (only in German) with the state of Baden-Württemberg in 2022 and voluntarily committed to permanently reducing GHG emissions in Scope 3 by around 75 tonnes by 2032 compared to the base year 2021. This corresponds to a GHG reduction of around 7.7 percent. We want to achieve this by increasing the purchasing volume of less GHG-generating materials by around 15 percent. We are focusing on plastics, as these account for a high proportion of purchases in our business sector. Our aim is to primarily source plastics from material recycling. In material recycling, used plastics are processed in order to obtain a secondary raw material, known as recyclate, for new plastic products.



From January 1, 2023, we will record whether plastics are post-consumer recyclates or post-industrial recyclates in the SAP master record, see Environment. This allows us to evaluate the proportion of recyclates in the total purchasing volume. As we do not record weights for incoming goods, the base value is the monetary purchase value. In some of our current projects, we use plastic parts with a recyclate content of 100%, see criterion 12 Resource management (PIR/PCR chart).

We support the promotion of sustainable forestry to conserve natural resources. We prefer to use wood that is verified according to ISO 38200, bears the FSC or PEFC seal or at least comes from sustainably managed forests

PEFC/FSC Holz
Einkaufsstatistik/Purchasing statistics

Auswertungszeitraum	SAP Warengruppe/ SAP Material group	Material group description	Anteil am Auswertungsvolumen Share of evaluation volume	Nachhaltigkeit nach/ Sustainability according
2021	000000004	Holzteile	97,02%	Certified according to ISO 32800 or FSC or PEFC; at least from sustainable forests / Zertifiziert nach ISO 32800 oder FSC oder PEFC; mindestens aus nachhaltigem Waldbestand
2022	000000004	Holzteile	98,91%	Certified according to ISO 32800 or FSC or PEFC; at least from sustainable forests / Zertifiziert nach ISO 32800 oder FSC oder PEFC; mindestens aus nachhaltigem Waldbestand
2023	000000004	Holzteile	99,10%	Certified according to ISO 32800 or FSC or PEFC; at least from sustainable forests / Zertifiziert nach ISO 32800 oder FSC oder PEFC; mindestens aus nachhaltigem Waldbestand

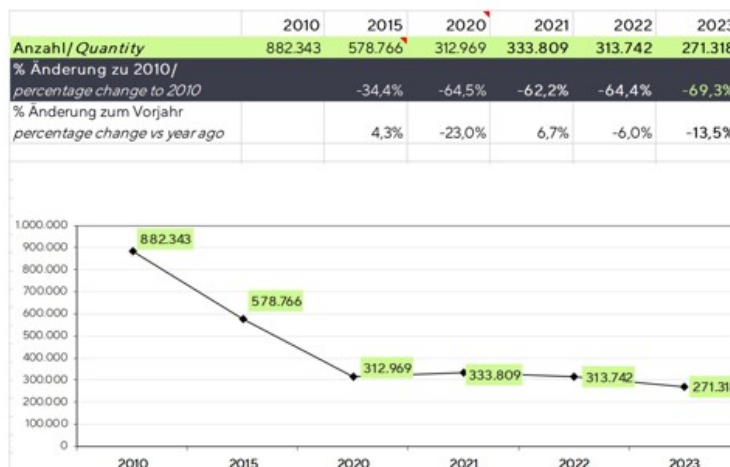
GRI 301-2 Recycled input materials used

Since 2022, we have been foregoing revenue by giving our recycling partner [Stark Dynamics](#) damaged disposable and Euro pallets free of charge. Stark Dynamics cooperates with BruderhausDiakonie, where people with physical disabilities work. In 2023, Stark Dynamics received 22 tonnes of pallets from us free of charge. By recycling them, 20 tonnes of CO2 could be avoided. 60% of the wood was reused as material, see [Stark Dynamics Environmental Compliance Report ARNO GmbH 2023](#) as well as 12. resource management and 18. community.

As we also ship our retail systems individually as general cargo, the packaging must offer sufficient protection. If a complaint is made due to inadequate transport packaging, this results in double transport routes and double CO2 emissions. We select sturdy shipping packaging, usually corrugated cardboard boxes and edge protectors with the FSC seal. We use paper adhesive tape at the request of our customers. As a participant in the [CEOs show their colours campaign](#), which is supported by the Federal Ministry for the Environment, NABU Germany, the German Society Club of Rome and the Association of German Women Entrepreneurs, we are publicly committed to the Initiative pro Recycling Paper (IPR). According to the latest life cycle assessment by the Federal Environment Agency, the production of recycled paper saves an average of 78% water, 68% energy and 15% of CO2 emissions. Our sanitary papers are made from a proven FSC mix and 100% recycled fibres. All sanitary papers bear the FSC seal or the Blue Angel eco-label. We use recycled paper with the Blue Angel ecolabel for print paper. Radical digitalisation measures have enabled us to reduce our paper consumption by 70% over the last two decades. In 2023, we will introduce ELO, the electronic filing system, which is expected to lead to further reductions.



Papierverbrauch/Paper consumption



We only use hazardous substances, e.g. adhesives, if permanent connections cannot be realised using fasteners (screws, rivets, etc.) or ultrasonic welding

due to the need to join different materials. If the use of a hazardous substance is unavoidable, a release application must be submitted for new hazardous substances. The safety expert uses the GefStoffV, the BetrSichV and the WGK to check whether hazards exist for the hazardous substance. If several hazards apply or if the hazardous substance is classified as a dangerous good, the new hazardous substance will not be approved. If the hazard can be avoided by wearing PPE, storage in the hazardous substance cabinet and disposal is possible without restriction and no bio-based alternative is possible, the hazardous substance is approved in writing. After approval, the procedure is as follows:

- Entry in ARNO hazardous substance register
- Attachment of the safety data sheet
- Creation of the hazardous substance operating instructions
- Entry of the risk assessment with safety data sheet and hazardous substance operating instructions
- Entry in the hazardous substance disposal key file,
- Relabeling of the disposal containers
- Procurement of new PPE (personal protective equipment) if necessary
- Inform Head of Manufacturing and Head of Logistics that the employees are instructed on the basis of the entered documents
- Monitoring the instruction measures

Between 2018 and 2023, we were able to reduce the quantity of hazardous substances we procured by 25%. In 2023, the target was to reduce the range of hazardous substances by 10%, see 3rd targets. We actually achieved a 30% reduction in hazardous substances! The measures brought success:

- A streamlining of the product range,
- a new, multi-stage approval process based on safety and ecological aspects, which makes the procurement of hazardous substances more difficult,
- the consistent use of ultrasonic welding in production, provided the technical conditions allow this.

GRI 301-3 Recycled products

We receive some of our orders from the cosmetics industry. We develop and produce table or floor displays and cosmetics counters for the cosmetics industry, which are placed in retail outlets, primarily in drugstores. Our customers often request a relaunch of the counters, e.g. for product updates. In some cases, the refurbishment of the counters is also requested. We proactively support this development, as the product lifespan of the product displays is significantly increased. We develop suitable inserts for our customers' new products, produce them and distribute them to merchandisers who replace the old inserts with the new modules directly at the retail outlet. Alternatively, we offer refurbishment, the reconditioning of used cosmetics counters in Wolfschlugen. For this purpose, the cosmetic counters are:

- returned from retail to our logistics centre.

- their condition checked by project management,
- used inserts in good condition are removed,
- defective inserts are disposed of and sent to a certified waste management company (EfB),
- cosmetic counters in good condition were fitted with used and new inserts,
- the refurbished counters are returned to the retail trade.

We sort heavily damaged or irreparable parts according to waste codes and leave them to certified specialised disposal companies. The sorted inserts are granulated through high-quality recycling. The recycled material obtained can be used to manufacture a wide range of new plastic products.

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./b. Total fuel consumption within the organization from non-renewable sources and renewable sources

GRI 302-1 Energieverbrauch/Energy consumption

Jahr/Year	2020		2021		2022		2023	
	kWh	Tonnen/tons CO ₂	kWh	Tonnen/tons CO ₂	kWh	Tonnen/tons CO ₂	kWh	Tonnen/tons CO ₂
Energiequelle/Power source								
Propangas/Propane kWh	203.589	15	210.018	15	191.717	14	186.017	12
Heizöl/Heating oil kWh	283.430	83	518.000	151	335.040	98	350.050	110
Treibstoffe/Fuels kWh	316.785	86	296.043	80	308.792	84	297.250	98
Summe/Total Scope 1	803.804	183	1.024.061	247	835.549	195	833.317	220
Konventioneller Strom/Electricity	194.894	78	96.844	39	0	0	0	0
Photovoltaik/Photovoltaics	164.987	0	160.125	0	160.125	0	166.464	0
Ökostromtarif/Green electricity kWh	0	0	117.697	0	185.583	0	199.580	0
Ladung E-Fahrz./Charging E-vehicles							27.060	0
Summe/Total Scope 2	359.881		374.667		345.708		366.044	
Summe/Total Scope 1 + 2	1.163.684	261	1.398.728	286	1.181.257	195	1.199.361	220

Mitte 2021 Umstellung auf Ökostromtarif/
Mid-2021 switch to green electricity tariff

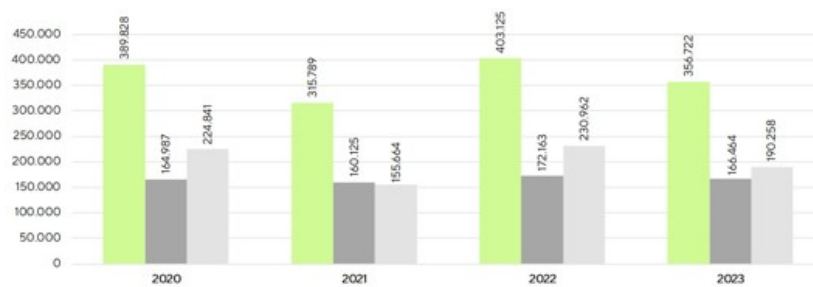
2023 Beginn der Erfassung des Stromverbrauchs
unserer E-Fahrzeuge an den ARNO-Ladestationen
2023 Start recording the electricity consumption
of our e-vehicles at the ARNO charging stations

* 2022 Wechsel zu EcoCockpit Rechner BW
an Folge neuer Datenquelle für Propangas "EEW 2022"
Klima-neutral handeln.de (LBA) wurde eingestellt.
* 2022 Switch to EcoCockpit calculator BW
subsequently new data source for propane "EEW 2022"
Klima-neutral handeln.de (LBA) has been discontinued

In 2023, our photovoltaic system produced 356,722 kWh of solar power. The self-consumption rate was 47 %. We feed surplus electricity into the Stromwerke München grid. In 2023, the surplus generated by our photovoltaic system was 190,258 kWh.

**GRI 302-1 Stromerzeugung und Eigenverbrauchsquote Photovoltaik/
Power generation and self-consumption rate photovoltaics**

	2020	2021	2022	2023	Veränderung zu 2020 Change to 2020	Mittelwert mean value
Stromerzeugung/Power generation kWh	389.828	315.789	403.125	356.722	-8,5%	366.366
EINSPARUNG/SAVINGS CO ₂	261,2	211,6	270,1	239,0	-8,5%	245,5
Eigenverbrauch/own consumption kWh	164.987	160.125	172.163	166.464	0,9%	
Einspeisung/Feed -in	224.841	155.664	230.962	190.258	-15,4%	
Eigenverbrauchsquote/ own consumption rate	42,3%	50,7%	42,7%	46,7%	10,3%	45,6%



The invoices of our electricity service providers and petrol station operators are used to determine the fuel consumption values. The calculated data is reviewed annually by TÜV auditors as part of the ISO 14001 audit. The emissions of our vehicle fleet totalled 297,250 kWh. The CO₂ emissions were determined on the basis of guidelines issued by the German Federal Motor Transport Authority (KBA), among others.

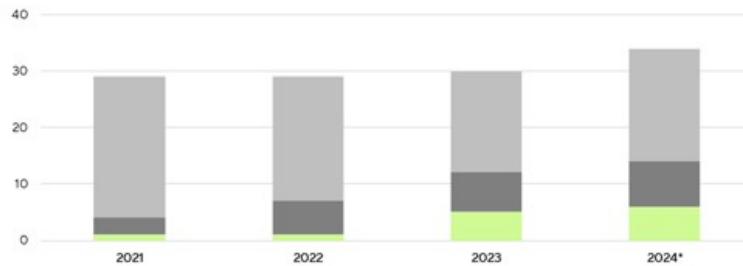
GRI 302-1 Kraftstoffverbrauch/Fuel consumption

Jahr/year	2020		2021		2022*		2023*	
	Benzin/ petrol	Diesel/ diesel	Benzin/ petrol	Diesel/ diesel	Benzin/ petrol	Diesel/ diesel	Benzin/ petrol	Diesel/ diesel
Verbrauch/consumption l	12.647	21.356	14.630	17.519	15.492	18.072	18.009	14.711
Summe/sum kWh*	316.785		296.043		308.792		297.250	
Umrechnung/conversion to Richtlinie/guideline 80/1268/EWG 93/116/EG	2,32	2,65	2,32	2,65	2,32	2,65	Daten von/data from Ecocockpit.de	
Tonnen/tons CO ₂	29,3	56,6	33,9	46,4	35,9	47,9	51,9	45,6
Gesamt/total t CO ₂	85,9		80,4		83,8		97,5	

*Berechnungsgrundlagen/Basis von calculation
l in kWh
Benzin/petrol 8,4 kWh/l
Diesel/diesel 9,8 kWh/l

GRI 302-1 Fuhrpark - Antriebsarten/Fleet - Types of drive

Antriebsarten/Types of drive	2021	2022	2023	2024*
Elektro/electric	1	1	5	6
Hybrid/hybrid	3	6	7	8
Verbrenner/combustion engine	25	22	18	20
Summe/total	29	29	30	34
Ladestationen am Standort charging stations at the location	2	2	8	8

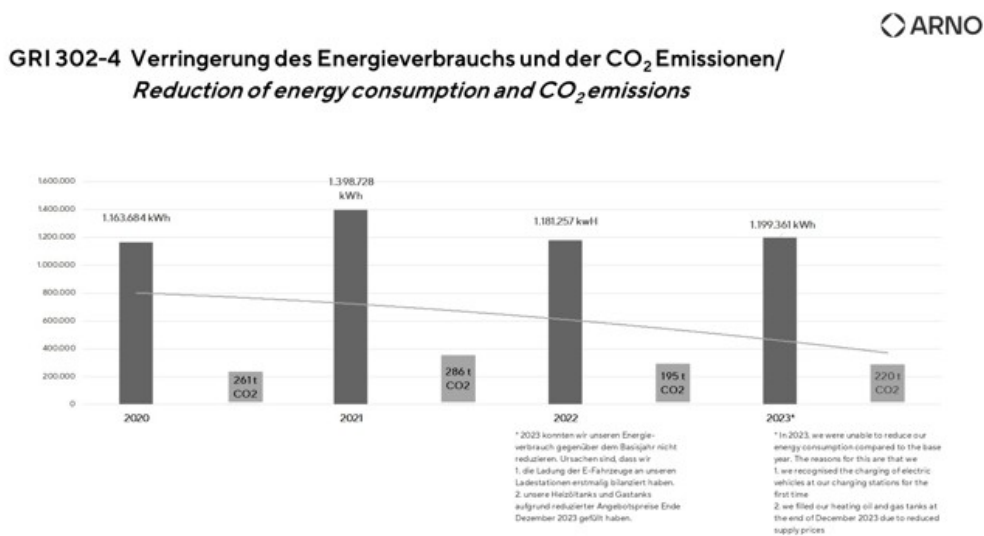


*Zielwert/target value

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.: Since 2017, we have been operating a photovoltaic system on the roof of our logistics centre, see 13. Climate-relevant emissions. If the electricity we produce ourselves is not sufficient, we purchase 100% green electricity. Our provider e.optimum guarantees investments in the expansion of renewable energies, 100% climate neutrality and monthly synchronisation. TÜV Rheinland checks and confirms the origin from renewable energies with the [Certificate Green Electricity RenewablePlus](#). By switching our electricity contract to green electricity in mid-2022 in combination with our photovoltaic green roof, we can permanently reduce CO₂ emissions by around 50 per cent and reduce the burden on the atmosphere by around 40 tonnes of CO₂. An intelligent heating system, lowering the heating temperature at weekends, throttling the night-time temperature, authority switches in the sanitary facilities, close-meshed leak detection of compressed air lines and stopcocks,

operating hours monitoring of industrial trucks and their downsizing, the reduction of application servers and led to a reduction in heating oil consumption. In 2023, we commissioned 6 additional e-charging stations for the Wolfschlugen site, see 3. goals, 12. resource management and chart 302-1 Energy consumption. Our accounting is based on Ecocockpit. In 2023, there was a slight increase compared to the previous year, as we topped up our gas tanks at the end of December.

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. Sustainable Development Goal 6.1 states that "universal and equitable access to safe and affordable drinking water for all" should be achieved by 2030. We are a long way from achieving this. According to Unicef, 739 million children and young people under the age of 18 live in regions that suffer from high or very high water scarcity. Water is precious, here too! We monitor all water sinks. Fortunately, none of our sites are located in an area at risk of water scarcity. Nevertheless, we monitor all water sinks, even if we do not require process water for cooling production facilities at our production sites.

At our sites, we only use water for non-production purposes, for example in our kitchens, sanitary facilities, or in the canteen. The validity of this information was confirmed by our TÜV auditor during the last combined audit in the [ARNO Audit report](#) (only German), page 8. We endeavour to make our water consumption "sustainable" and to avoid using disposable bottles as much as possible. In 2022, we installed an osmosis plant at our main site in Wolfschlugen. Our employees can bottle filtered and chilled drinking water here. The water supply for our main site in Wolfschlugen is provided by the association [Filderwasserversorgung](#) (only German). 2/3 of the drinking water comes from Lake Constance and 1/3 from the association's own waterworks in Neckartailfingen. In order to ensure the consistently high quality of the drinking water, the certified laboratory of Netze BW Wasser GmbH in Stuttgart regularly takes water samples in accordance with the Drinking Water Ordinance. In addition, the public health department in Esslingen monitors compliance with the regulations by taking its own samples. You can view the last water analysis carried out by Bodensee-Wasserversorgung (BWV) and Filderwasserversorgung (FIWA) in 2022 [here](#) (only German).

Wastewater is produced exclusively by our sanitary and kitchen facilities. The municipality of Wolfschlugen is responsible for the disposal of this wastewater, based on the German Water Resources Act (WHG).




Our responsible employees have played a major role in this development. These measures were decisive in reducing overall water consumption:

- Permanent consumption monitoring,
- Sensitisation training for our employees in the event of rising consumption,
- Regular inspections of the water tapping points to check for leaks and the function of the self-closing valves,
- Replacement of defective sealing rings,

- Installing flow limiters on the taps (saving 10 - 12 litres of water per minute),
- Restricting the watering of green areas to a necessary minimum.

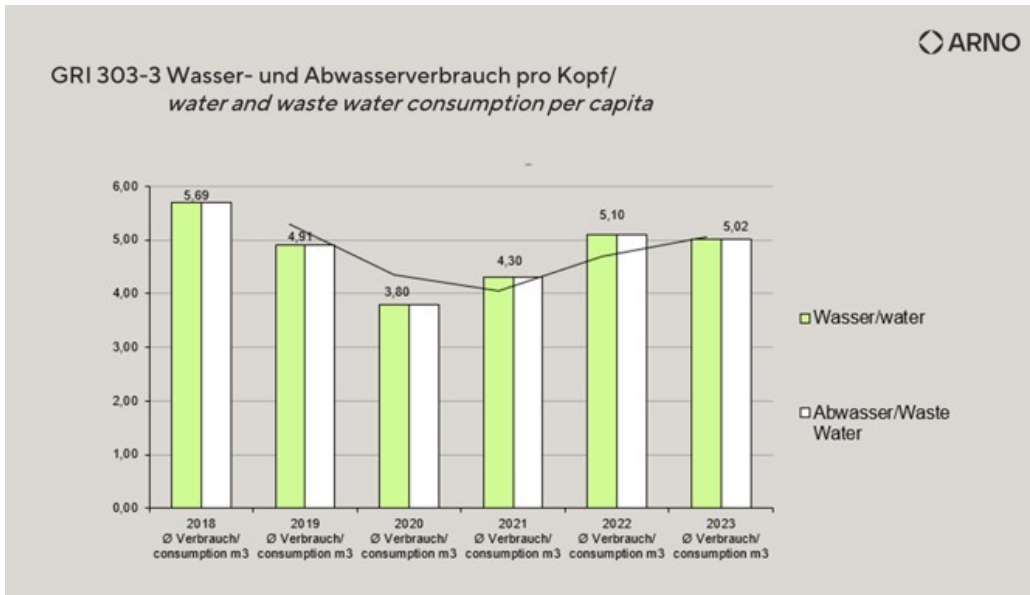
Invoices from the Wolfschlugen municipal water supply department were used for the analyses. The consumption per meter number is shown on the receipts.



GRI 303-3 Gesamtwasserverbrauch/ *Total water consumption*

	2018 Verbrauch/ consumption m ³	2019 Verbrauch/ consumption m ³	2020 Verbrauch/ consumption m ³	2021 Verbrauch/ consumption m ³	2021 Verbrauch/ consumption m ³	2023 Verbrauch/ consumption m ³
Zähler/meter 1	194	93	77	71	83	100
Zähler/meter 2	591	495	287	333	403	436
Zähler/meter 3	223	149	164	203	177	137
Gesamtverbrauch/ <i>Total consumption</i>	1008	737	528	607	663	673
Einsparung in % zu 2018 <i>Saving % compared to 2018</i>		-26,88%	-47,62%	-39,78%	-34,23%	-33,23%

In 2020, many of our employees were working from home due to coronavirus, which led to a disproportionately significant reduction in water consumption. A comparison of the figures from 2023 with the base year 2018 shows that the measures we have implemented to reduce water consumption are having an effect, although there are slight changes due to the irrigation of green spaces, see 3. objectives. A water consumption of 5 m³ per capita speaks for the sense of responsibility of our employees. Wastewater is generated exclusively by our sanitary and kitchen facilities. The municipality of Wolfschlugen is responsible for waste disposal. The legal basis for this is the Water Resources Management Act (WHG).



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.

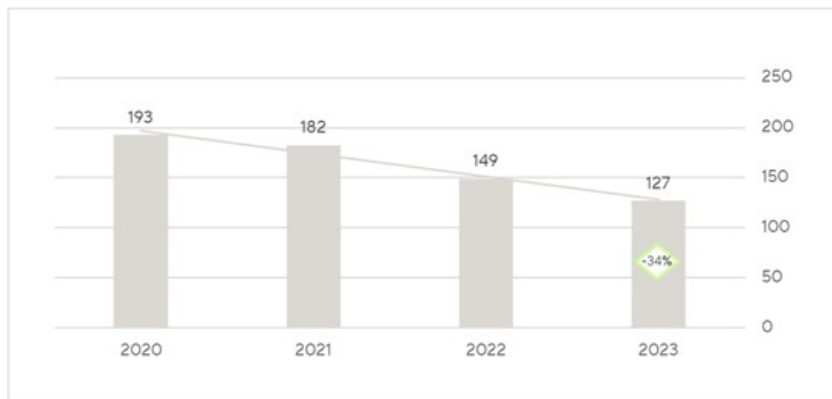
a.-b. We determine our waste volume based on the waste disposal records of the waste management companies that work for us. In 2023, 127 tonnes of waste were generated, and in 2022 149 tonnes.

GRI 306-3 Waste generated

Types of waste	Waste key	Waste volume in t/m ³ per year	
		t	m ³
Building rubble mixture	170904	0,30	0,00
Foil colorful	150102	6,31	0,00
Commercial waste	200301	12,32	0,00
Cardboard/mixed paper	150101	44,46	0,00
Plastic	200139/170203	5,58	0,00
Mixed wood	200138	39,00	0,00
Mixed scrap	120102	18,65	0,00
Hazardous waste	*	0,16	0,00
Styrofoam	150102	0,00	20,00
Waste volume 2023		126,78	20,00
Waste volume 2020		192,60	66,00
Reduction from the base year 2020 in t/m ³		-65,82	-46,00
in percent		-34%	-70%

Since the base year 2020, we have been able to reduce our waste volume by 43.5 tonnes, i.e. 34%. This continues the positive trend.

Development of waste generation (t) since 2020



We list our recycling partners (certified waste management companies) and the form of recycling in an internal table. We are happy to make the table available to our customers and partners on request.

We require hazardous materials in exceptional cases for the combination of different materials, see GRI 301-1. Our explosion-proof hazardous materials room contains very few waste drums. We mainly collect leftovers there, i.e. opened containers that have to be disposed of due to a hazardous substance range rationalisation or an expired use-by date. Disposal takes place no more than once a year. Waste requiring monitoring is collected by a specialised recycling company and sent for disposal. Evidence of the specialised waste disposal companies working for us can be viewed at our premises. A review of the on-site situation and the information we provide takes place annually during the ISO 14001 audit by TÜV Süd. Further information on our waste optimisation measures can be found under 12 Resource management and 18 Community, 2.4 Together for a project "People - Economy - Environment".

External check of recycling concept

In October 2019, we had our recycling concept analysed by Remondis, one of the world's largest service providers for recycling, service and water. Two employees scrutinised our sorting process and our waste according to various aspects:

Are all fractions properly separated and allocated to the correct waste codes?

- Are further breakdowns of our waste possible?
- Is all waste disposed of via the correct disposal channels?
- Are there other types of waste that we are not aware of that are profitable?

- To what extent can waste separation and delivery to recycling companies be cost-optimised?

The waste analysis revealed that all waste, with the exception of glued tapes, which are to be disposed of as commercial waste, is correctly separated by us and channelled to the correct waste code, which we immediately corrected. Based on the results, we consider our waste concept to be fully developed.

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.

The "[Warming Stripes](#)" by climate researcher Ed Hawkins visualise global warming. It is unmistakable that the average temperature has risen by 1.6 degrees Celsius since 1881. The effects of climate change are leaving their mark. Due to global warming, heatwaves, droughts, heavy rainfall and flooding will increase. Serious consequences for our ecosystems, the economy, and society, i.e. every one of us, are to be expected.

The main objective of our sustainability strategy is to reduce climate-damaging GHG emissions. The energy consumption, costs, and CO₂ emissions mentioned above and below relate to the plant level. Due to the existing local conditions and our project and production structure, ARNO is categorised as a company with low environmental relevance by the auditors of TÜV Süd and Dekra within the framework of ISO 14001, see 10. Environment. The core competencies of our production are assembly and packaging activities. 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, cf 4. Depth of value chain. Due to the building technology, it is not possible to record particulate emissions, such as fine dust. At our production site in Wolfschlugen, only a few stationary machines are in use, e.g. CNC, edge banding machine, ultrasonic welding equipment. None of the operating systems require process water. As our production facilities are not used permanently, but mainly on an hourly basis for prototypes, emissions are low.

We calculate GHG emissions based on the Greenhouse Gas Protocol (GHG). The analysis centres on the company level, not the product level. The calculations are based on the CO₂ coefficients of the respective data sources stored in Ecocockpit. The organisational system boundary is our main site in Wolfschlugen near Stuttgart. 2023 was set as the accounting period.


ARNO

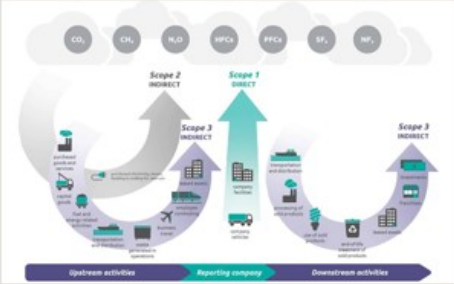
SDG 13

Accounting for Scope 1 and Scope 2 as well as parts of Scope 3 according to the GHG Protocol

13

CLIMATE ACTION

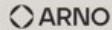




Source: Greenhouse Gas Protocol (GHG)

Scope 1 and Scope 2 of the GHG are defined as operational limits. This regulates the emissions that we can influence directly. Under Scope 1, we analyse direct GHG emissions caused by combustion. We have included our boilers, gas combustion plants and our vehicle fleet in the calculation. Under Scope 2, we determine all indirect GHG emissions that originate from our energy suppliers. Other indirect sources of emissions in the value chain (Scope 3) are recorded as part of our corporate objectives.

In recent years, we have invested in numerous measures to permanently avoid emissions. In 2016, as part of an energy audit by ISO 16247-1, we identified measures to increase energy efficiency - prioritised in terms of feasibility, investment volume, and cost-effectiveness - and then implemented them. The following chart illustrates significant projects that led to a reduction in climate-relevant emissions. We present our realised sustainability projects in criterion 3 Objectives. As a result of the measures realised, our main site ARNO GmbH in Wolfschlugen will be CO₂-neutral in 2020, 2022 and 2023.




SDG 13

Commitment to climate action

13

CLIMATE
ACTION



Climate alliance partner of the state of Baden-Württemberg 2022
Consistent pursuit of reduction targets for Scope 1, 2, 3.

ISO 14001 Certification since 2008
15 years of ISO commitment to environmental protection. Setting and monitoring qualitative and quantitative environmental targets annually since 2008.

Energy Audit ISO 16247-1
In 2016, an energy audit was carried out to identify energy efficiency measures and prepare a feasibility study. The proposed measures were then systematically implemented, taking into account the investment volume and cost-effectiveness.

Photovoltaic green roof since 2017
There are 1,532 solar modules on an area of 6,300 m². In 2022, the solar cells produced 403,125 kWh of solar energy and saved 270 tons of CO₂. The combination of greenery and photovoltaics has a positive impact on the diversity of flora and fauna. The play of light and shadow on the PV modules has been proven to increase biodiversity.

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

Resource-saving Infrastructure
Reduction of application servers and commissioning of resource-saving servers Promotion of e-mobility (vehicle fleet, industrial trucks, commissioning of own electric charging stations)

Since mid-2017, we have been operating a photovoltaic system on the roof of our logistics centre with an area of 6,300 m². 1,532 solar modules generate a total output of 413.64 kWp. In 2022, our PV system produced more than 400,000 kWh of electricity per year for the first time. We also have a green roof. Our photovoltaic green roof makes an extremely important contribution to climate protection. The combination of greenery and photovoltaics has a demonstrably positive effect on the diversity of flora and fauna and provides a habitat for numerous insects.



SDG 7 & 13

Photovoltaic green roof to preserve biodiversity

7

AFFORDABLE AND
CLEAN ENERGY





13

CLIMATE
ACTION

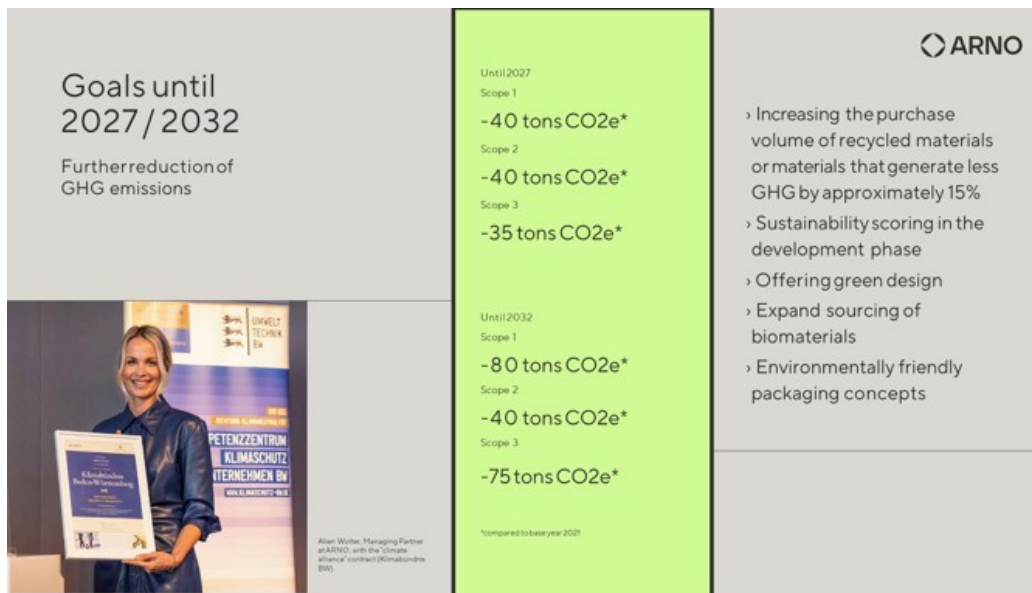


In 2023, the photovoltaic system generated 356,722 kWh of electricity. We were able to use 166,464 kWh of the electricity generated for our own needs, which corresponds to a **self-consumption rate of 46.7 percent**, see GRI-302 criterion 12. The surplus produced, amounting to 190,257 kWh, was fed into the public electricity grid. If we need more electricity than our

photovoltaic system generates, we purchase 100% climate-neutral green electricity with the certified environmental label "RenewablePLUS" from TÜV Rheinland. In 2022, we installed solar spotlights to illuminate our covered bicycle racks. By 2025, we will replace the last existing T8 fluorescent tubes with LED tubes. We will also replace other light sources, such as the outdoor floodlights, with LED technology. According to calculations by an independent energy consultant, these measures will save us around 108 MWh of electricity. This corresponds to a CO₂ reduction of around 67 tonnes per year.

Climate alliance with the state of Baden-Württemberg

In 2022, we entered into a [climate alliance partnership with the state of Baden-Württemberg](#). This makes us the 33rd company from Baden-Württemberg to voluntarily commit to reducing CO₂ emissions. **Our target is based on the 1.5-degree target of the Science Based Targets (SBTi)**. Together with Umwelttechnik Baden-Württemberg, we have drawn up a GHG baseline for the Wolfschlugen site in 2022, specified measures to reduce CO₂ emissions, set interim targets until 2027 and final targets for 2032. Thekla Walker, the Environment Minister of the state of Baden-Württemberg, and our Managing Partner, Alien Wolter, signed the [Climate protection agreement \(only German\)](#). Our targets and the associated measures are set out in the climate protection agreement. We will submit an interim report in 2027. Our results will be monitored by the state of Baden-Württemberg.



On the path to climate neutrality, we have set ourselves the target of reducing our greenhouse gas emissions by at least 195 tonnes by 2032 compared to the base year 2021. This corresponds to a greenhouse gas reduction of 15 percent and is broken down into greenhouse gas reductions in Scope 1, Scope, and Scope 3 as follows:

- ARNO aims to reduce its greenhouse gas emissions in Scope 1 by 2032

and permanently to at least 80 tonnes compared to the base year 2021. This corresponds to a greenhouse gas reduction of about 40 percent in Scope 1.

- ARNO aims to permanently reduce its greenhouse gas emissions in Scope 2 by 40 tonnes by 2032 compared to the base year 2021. This corresponds to a greenhouse gas reduction of 100 percent in Scope 2.
- ARNO aims to reduce its greenhouse gas emissions in Scope 3 by around 75 tonnes by 2032 compared to 2021. This corresponds to a greenhouse gas reduction of approximately 7.7 percent.

To achieve the target, ARNO has set the following **intermediate target by 2027**, linked to the monitoring report (see 6. Monitoring):

- ARNO aims to reduce greenhouse gas emissions in Scope 1 by 40 tonnes by 2027. This corresponds to a greenhouse gas reduction of about 20 percent.
- ARNO aims to permanently reduce its greenhouse gas emissions in Scope 2 by 40 tonnes by 2027 compared to the base year 2021. This corresponds to a greenhouse gas reduction of 100 percent in Scope 2.
- ARNO aims to reduce its greenhouse gas emissions in Scope 3 by approximately 35 tonnes by 2027 compared to 2021. This corresponds to a greenhouse gas reduction of approximately 3.5 percent.

Key areas of action for the measures to achieve the targets are resource efficiency (energy and material efficiency), renewable energies, mobility, and supply chain. Regarding the climate protection principle according to § 5 of the Baden-Württemberg Climate Protection Act, the measures shall serve energy saving, the efficient provision, conversion, use, and storage of energy as well as the expansion of renewable energies and include mobility.

In order to achieve the stipulated GHG reduction targets in Scope 1-3, we will implement the following measures and the targets specified in Criterion 3:

Scope 1

- The reduction of the nighttime heating temperature to 17 degrees has been taking place for more than 10 years
- Replacing our oil heating with a heat pump by 2040
- Converting the fleet to e-mobility


Scope 2

- Since 2022, the energy supply for electricity will be provided by 100 percent renewable energies (photovoltaic roof, green electricity tariff)
- This corresponds to a saving of approx. 260 t of CO₂ compared to the German electricity mix.

Scope 3


- Increase the purchase volume of recyclates and less GHG-producing materials by approx. 15 percent
- Sustainability scoring in the development phase
- Green Design offers
- Expansion of Sourcing of Biomaterials
- Sustainable, environmentally friendly packaging concepts

No compensation projects - No to offsetting



SDG 13

Aktion Baum



ARNO plants trees
We have no interest in compensation offers.
 We regard compensation projects as greenwashing.

**We support Aktion Baum out of conviction,
 not to offset GHG.**
We produce displays, shop-in-shop systems and shopfitting concepts for the retail sector of our customers. As an ISO 14001-certified company, we are committed sustainable forest management. With Aktion Baum, we have found a committed partner for a common goal, "the reforestation of native forests".

Alien Wolter, Managing Partner

Life cycle assessment / Product Carbon Footprint (PCF)

As a leading manufacturer of innovative presentation systems in the B2B retail sector, we are committed not only to offering high-quality products but also to continuously minimising their environmental impact. To obtain a comprehensive overview of the ecological impact - from raw material extraction and production to use and disposal - we began evaluating the carbon footprint of various products with a partner in 2022, see [PCF Estimation](#). In March 2024, we submitted a funding application to the Stuttgart Centre for Climate Neutral Production and Life Cycle Assessment at Fraunhofer IPA to reduce greenhouse gas emissions from product presentation systems along the life cycle. The project will use the example of product presentations for cosmetic products to investigate the extent to which a modular subdivision of products can reduce their greenhouse gas emissions over their life cycle. The project will use the example of product presentations for cosmetic products to investigate the extent to which a modular subdivision of products can reduce their greenhouse gas emissions over their life cycle. To this end, the most relevant components for the product's carbon footprint (PCF) are first identified. The aim is then to enable an optimised use of resources and establish sustainable business practices through targeted material selection and the establishment of standard components (as opposed to customer and

application-specific components). This includes measures to reduce energy consumption, use environmentally friendly materials and minimise waste. General findings on the "modularity" measure should also benefit other companies in the future. Target achievement is measured by the fact that we:

- Promote and ensure modularity,
- define our process for developing GHG-reduced retail systems,
- create PCF in development (standard process),
- can create a life cycle assessment for the CO₂ impact categories and transfer this to other impact categories,
- enable our customers to compare product designs based on PCA and LCA,
- be able to demonstrate to our customers which project designs should preferably be realised based on GHG emissions.

Through this approach, we not only want to demonstrate our efforts, but also encourage our customers to join us in minimising the industry's environmental impact. Accounting is a step towards greater transparency, responsibility, and sustainability.

**We are firmly convinced
that the conscious selection
of a sustainable product presentation system
will not only have an impact on the ecological balance
but also on the appearance and positive perception of a brand in
retail.**

Company mobility management

Company mobility management at ARNO is based on various initiatives. Together with JobRad, we offer our employees a bicycle leasing scheme. Whether it is an e-bike, city bike, touring bike, racing bike, cargo bike, pedelec or S-pedelec, our employees can lease their favourite bike through JobRad. Each bike is covered by fully comprehensive insurance including a mobility guarantee. Thanks to favourable taxation, our employees save up to 40 percent. The conversion of the vehicle fleet to purely electrically powered vehicles is also being accelerated. Eight electric charging stations, which are powered by our in-house photovoltaic system, are available to employees, customers, and suppliers for free refueling at the Wolfschlugen site, see criterion 12, GRI 302 Fuels.

Our current emissions targets are listed in Criterion 3. We all need to get involved to stop the progression of climate change. At the end of 2022, we called on our employees to share their ideas for potential savings with us. The suggestions were comprehensively reviewed and ideas with potential were implemented. Improvements such as adjusting the settings on motion

detectors to reduce switching times, permanently switching off radiators in the corridors, or replacing conventional light sources with LEDs were made. By investing in regenerative energies, we are actively setting an example for environmental protection. More are in the pipeline. We will continue to work on various sustainability projects in the future, drive forward 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 generation!**

Key Performance Indicators to criteria 13

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

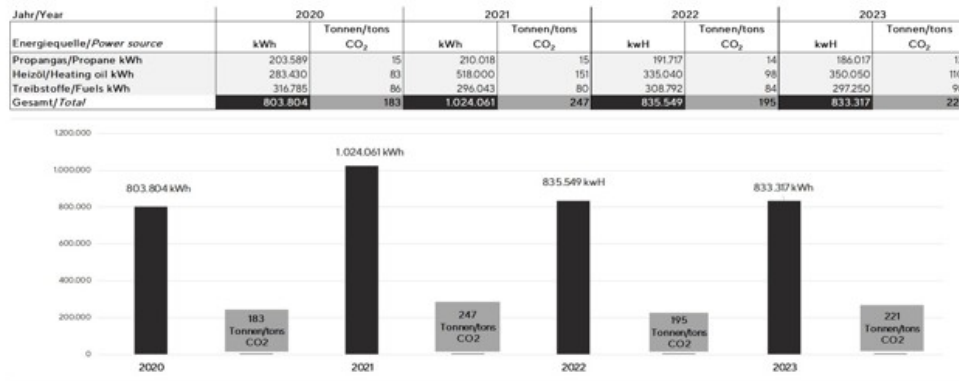
The reporting organization shall report the following information:

- a.** Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.
- b.** Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ or all.
- c.** Biogenic CO₂ emissions in metric tons of CO₂ 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. Gross direct (Scope 1) GHG emissions in metric tons of <u>CO₂ equivalent</u> .	220 t CO ₂
GHG 1.1 Direct emissions from combustion processes - Stationary plants Propane gas diesel fuel	13 t CO ₂ 46 t CO ₂ 52 t CO ₂
GHG 1.2 Direkte Emissionen aus Verbrennungsprozessen Treibstoffe	98 t CO ₂
GHG 1.2 Direct emissions from combustion processes Fuels	not applicable
GHG 1.4 Direct emissions from processes	not applicable
b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ or all.	no recording
d. <u>Base year</u> 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.	2020 i. Start of public sustainability reporting ii. 183 t CO ₂ iii. none
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	Invoices from energy service providers up to and including 2022: Klimaneutral Handeln.de (UBA) from 2023 Ecocockpit-BW
f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	„Operational control and operational leasing“
Standards, methodologies, assumptions, and/or calculation tools used.	up to and including 2022: Klimaneutral Handeln.de (UBA) from 2023 Ecocockpit-BW (market-based)

Since 2020 (base year), we have been calculating the CO₂ emissions for our main site in Wolfschlugen (system boundary). Operational data, i.e. the consumption stated in the invoices of the energy service providers, is used to determine the GHG emissions. The accounting tool is Ecocockpit. The calculation method is market-based, see [Ecocockpit report ARNO GmbH](#). In the past 3 years, we have been able to **reduce our CO₂ emissions by 41 tonnes**. In 2023, there was a slight increase compared to 2022 due to the fact that we refilled our gas and heating oil tanks early in December 2023 due to favourable energy prices.

GRI 305-1: Direkte THG-Emissionen (Scope 1) / Direct (Scope 1) GHG emissions



We welcome a close dialogue with our customers. Also directly with the customer. As a result, fuel consumption increased slightly compared to 2022. In 2022, ARNO had 30 vehicles in its fleet, including 7 hybrid vehicles and 5 electric vehicles. In 2024, one hybrid vehicle will be replaced by an electric car. As a result of a data-based analysis of driving profiles, these regulations were made to promote e-mobility in company vehicles:

- Drivers of electric and hybrid vehicles charge at least 70% of their energy requirements from ARNO's in-house photovoltaic system,
- Drivers of fully electric vehicles receive a monthly tax-free subsidy of EUR 30 for charging from their private charging station,
- Drivers of hybrid vehicles receive a monthly tax-free allowance of EUR 15 for charging from their private charging stations.

See 3. targets and 12. resource management, GRI-302-1 Energy consumption.

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 CO₂ equivalent.
- b.** If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
- c.** If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, 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. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.	0 t CO ₂ (market-based), Ecocockpit Bericht ARNO GmbH
GHG 2.1: Indirect emissions from purchased electricity	0 t CO ₂
GHG 2.2: Indirekte Emissionen aus Fernwärme/-kälte	0 t CO ₂
GHG 2.3: Indirekte Emissionen aus gekauftem Dampf	0 t CO ₂
c. If available, the gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	no recording
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.	2020 i. Start of public sustainability reporting ii. 78 t CO ₂ iii. none
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	Ecocockpit-BW (market-based)
f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	"operational control"
g. Standards, methodologies, assumptions, and/or calculation tools used.	Ecocockpit-BW (market-based)

Cf. criteria 12. resource management, GRI-302-1 energy consumption and 13. climate-relevant emissions. h.

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 CO₂ equivalent.

b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

c. Biogenic CO₂ emissions in metric tons of CO₂ 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.

a. Gross <u>other indirect (Scope 3) GHG emissions</u> in metric tons of <u>CO₂ equivalent</u> .	Minor recording, see 3. goals. Planned until 2025
Train	0,08 t CO ₂
Air	19,7 t CO ₂
b. If available, the gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	no reporting
c. <u>Biogenic CO₂ emissions</u> in metric tons of CO ₂ equivalent.	no reporting
d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.	no reporting
e. Base year for the calculation, if applicable, including:	2020
i. the rationale for choosing it;	Start of public sustainability reporting
ii. emissions in the base year;	ii. 78 t CO ₂
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	keine Erfassung
f. Source of the emission factors and the <u>global warming potential (GWP)</u> rates used, or a reference to the GWP source.	cannot yet be determined, as the recording of all Scope 3 content has not yet been completed.
g. Standards, methodologies, assumptions, and/or calculation tools used	Ecocockpit-BW (market-based)
	Internal table for GRI-305
	Ecocockpit-BW (market-based)

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 CO₂ equivalent.

b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, 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.

Scope 1 (direct emissions)

When filling our heating oil tank, we are guided by the exchange price. In the event of favourable daily prices, there may be shifts during the year that have an impact on the evaluation, see GRI 305-1.



GRI 305-5 Reduktion der THG-Emissionen/Reduction of GHG emissions

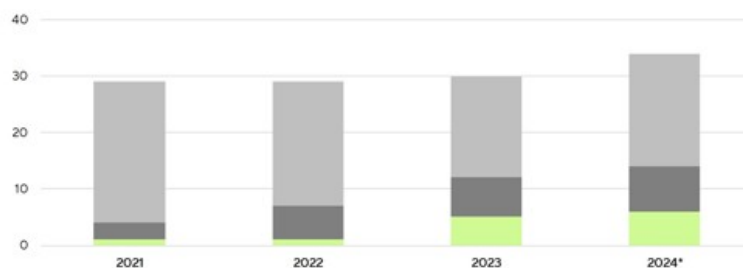
	2020	2021	2022	2023
	Tonnen/tons CO ₂	Tonnen/tons CO ₂	Tonnen/tons CO ₂	Tonnen/tons CO ₂ Basis: EcoCockpit
CO ₂ Ausstoß Scope 1 + 2 CO ₂ emissions Scope 1 + 2	261,4	285,4	195,1	220,4
./ CO ₂ -Einsparung Photovoltaikanlage CO ₂ savings Photovoltaic system	261,2	211,6	270,1	239,0
GRI-305-5 Scope 1+2 Bilanzielles Ergebnis CO ₂ Scope 1+2 Balance sheet CO ₂	0,3	73,8	-75,0	-18,6

Our aim is to promote e-mobility. At the beginning of 2023, 6 additional e-charging points were installed. This means that there are now 8 e-charging points available for our employees and visitors to recharge free of charge. We will convert our car fleet to electric vehicles, see criterion 12, GRI-302-1.



GRI 302-1 Fuhrpark - Antriebsarten/Fleet - Types of drive

Antriebsarten/Types of drive	2021	2022	2023	2024*
Elektro/electric	1	1	5	6
Hybrid/hybrid	3	6	7	8
Verbrenner/combustion engine	25	22	18	20
Summe/total	29	29	30	34
Ladestationen am Standort charging stations at the location	2	2	8	8



*Zielwert/target value

We also offer [JobRad](#), a german bicycle and e-bike leasing programme that is currently used by a fifth of the workforce. JobRad allows employees to lease their favourite bike, be it an electric bicycle, cargo bike, mountain bike, racing bike or other. Thanks to favourable taxation, recipients save up to 40% compared to a conventional purchase. Except for fuel consumption, the savings

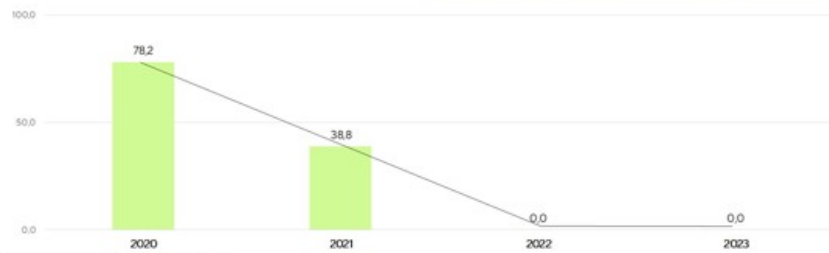
can currently only be quantified based on estimates. We will therefore refrain from analysing these figures, see GRI 305-1 Direct emissions.

We are pleased about the reduction in GHG emissions in Scope 2 is impressive. Thanks to our photovoltaic system and 100% green electricity, which is tapped when there is additional demand, we can permanently limit our carbon emissions in Scope 2 to zero tonnes of CO₂ since 2022, see GRI 305-2 Indirect emissions.



GRI 305-5 Reduktion der THG-Emissionen/Reduction of GHG emissions Scope 2

	2020	2021	2022	2023
Gesamtverbrauch konventioneller Strom kWh/ Total consumption conventional electricity kWh	194.894	96.844	0	0
Gesamtverbrauch Ökostrom/Total consumption Green Electricity kWh	0	117.697	185.583	199.580
zzgl. Eigenverbrauch Photovoltaik/own consumption photovoltaics	164.987	160.125	160.125	166.464
zzgl. Eigenverbrauch Fuhrpark/Charging e-vehicles*				27.060
GESAMTVERBRAUCH Strom/TOTAL COSUMPTION Electricity	359.881	374.667	345.708	366.044
Verbrauchsänderung kWh/Change in consumption kWh				
Summe t CO ₂ /Total t CO ₂	78,2	38,8	0,0	0,0
			Reduktion t CO ₂ /Reduction t CO ₂	-100%



* Beginn Datenerfassung/start of evaluation 01.01.2023

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.

1. The human being at the heart of the company

For us, ethical and moral guidelines are inextricably linked to entrepreneurial behaviour. They form the basis for successful collaboration and fair co-operation. As a family-run company, it is a logical consequence for our management to respect the rights of our employees and set social standards. It ensures a working environment in which employees, regardless of their rank or position, communicate impartially and on an equal footing. Through open 'togetherness', which can also include constructive criticism, we create space for impetus, innovative ideas, new fields of action and a good corporate culture. Together, we create a trusting working atmosphere in which it is fun to do your job and make ARNO fit for the future.

ARNO Employer Value Proposition		ARNO		
EVP Statement	This is what we stand for.	We. Create. Experiences. We are a strong community. With great passion, we create successful shopping experiences. For this, we need individuals who collaboratively work with us sustainably to make shopping easier and more enjoyable. Experience and shape our unique ARNO spirit and... create with us!		
Spirit - phrases	This defines us.	We. We share common values and identify with our company mission. We work hand in hand, support each other, and communicate openly and honestly. At the core of our culture is the "we" and together, we celebrate our successes.	Create. Together, we can achieve almost anything. With enthusiasm and passion, we are deeply committed to what we do. We embrace our freedom, respond flexibly to changes, and consistently create the extraordinary. We are true doers.	Experiences. We create worlds of experiences. For our employees and for our customers. We are a world to experience, leaving a lasting impression. Welcome to the ARNO family!
Cultural Fit	This is important to us.	"Create" with us if you... • possess a mid-sized business mindset and avoid entrenched corporate thinking. • want to work in a team that not only collaborates towards a common goal but also celebrates successes. • truly embody the 'we' instead of being a lone warrior. • communicate openly and honestly rather than fueling office grapevine.	• are flexible in your work approach and changes in the daily routine don't give you headaches. • aim to surpass yourself in your work and are willing to go the extra mile. • consider unconventional ideas. • are a doer and are excited about making shopping easier and more enjoyable.	• live our values and want to be an ARNO brand ambassador. • want to experience our world and create your own. • don't take yourself too seriously and feel at home in project-based work. • approach changes with adaptability and resilience.

The standards and guidelines applicable to the parent company are applied uniformly to all other ARNO GmbH locations, see 1. Strategic analysis and measures.

In company meetings, our management regularly reports on the corporate strategy, the results of the parent company and subsidiaries, and the ESG objectives, which are of course part of the corporate objectives. We endeavour to create transparency at all levels of the business. This enables our employees to understand our decisions, support them wholeheartedly, and identify with our values and objectives. There is currently no employee representation. Employee co-determination takes place in direct dialogue with managers or the management, i.e. via "How's it going" or feedback meetings, indirectly via the lessons learned list, in which suggestions for improvement can be recorded, or anonymously via our whistleblower software. Applicable legal and environmental regulations (ordinances, standards, guidelines, etc.) are monitored by us at the highest level, checked for their scope of application, and applied. Our legal register is audited annually by independent, external auditors as part of the ISO 9001 and ISO 14001 recertifications, see 20. behaviour in compliance with laws and guidelines. Our employees are obliged to comply with our [ARNO Code of Conduct](#), our [anti-corruption guideline](#), UN conventions, laws, and standards. Principles to which we as a company are committed without exception. We transfer our claim to conduct all business ethically and legally impeccably to our subsidiaries and stakeholders. All partners within the supply chain have a special responsibility to ensure that they implement the ARNO Code of Conduct and the Anti-Corruption Policy. As we only work with people or organisations that are committed to complying with our ARNO Code of Conduct and we regularly check compliance during on-site visits, we have not yet identified any significant risks that could arise from our business activities, our business relationships or our products and services and harm employee rights, see 4. depth of the value chain, 14. employee rights, 17. human rights.

Risk assessments are carried out using turtle diagrams, in which processes and their possible influencing factors are depicted. The turtle diagram thus systematically provides the most important information on the respective process as well as the possible risks in relation to sustainability. During the recording, the following contents become clear:

- the type of the process;
- Process inputs,
- Process results (outputs),
- Realisation with: equipment, resources, etc.
- Realisation with whom: process participants, skills of the persons involved,
- Process indicators, KPIs,
- Process control (requirements/standards).

It goes without saying that we involve our employees in the processing of all suggestions for improvement. This may involve introducing processes that make day-to-day work easier, contribute to environmental protection, or enable customer projects to be managed more efficiently and effectively. As our employees are experts in their field, we can utilise the existing potential and proactively involve our employees in improvements. We are a strong community, with people who take a sustainable approach and create successful shopping worlds. Together, we are making our ESG fit for the future. In doing so, we use the quality management tools mentioned below. Our employees can use these to express praise, criticism, ideas, suggestions for improvement or opinions. The content is collected and publicised in our integrated quality management system and the forms of processing are defined. Workshops are held to optimise the implementation of sustainability potential

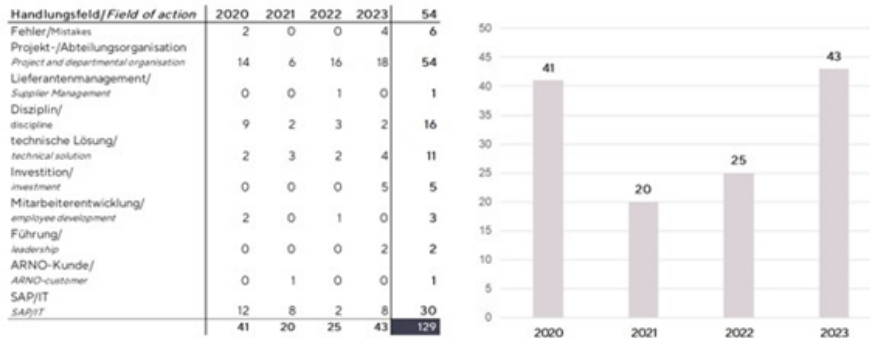
2. Interaction

2.1 Company improvement suggestion scheme

The ideas of our employees are priceless potential for the further development of our organisation. We therefore value and motivate our staff to share their ideas and suggestions for improvement with us. They can share their positive and positive and negative insights by name or anonymously in our digital improvement suggestion system. We want them to freely communicate what needs to be improved, which measures would increase process efficiency, employee and customer satisfaction and lead to (project) success. The submissions are processed internally on a monthly basis and the results are published digitally and on the notice board. The rolling processing of suggestions for improvement and feedback suggestions and feedback to all employees creates a continuous process of improvement in the company. The sense of togetherness and community is strengthened. Between 2020 and 2023, 129 suggestions for improvement were submitted. The ideas contributed significantly to improvements in process and project organisation, technical solutions, employee development, optimisation of our ERP system, the ESG guidelines, the integrated QMS, optimisation of the supplier management system, profitability and future viability of the company, see 10. innovation and product management. Commitment is rewarded! Participation in the company suggestion scheme has a positive effect on employee appraisals.

Betriebliches Vorschlagwesen (Lessons Learned)

Identifizierte Handlungsfelder



2.2 Employee interview

We conduct two "how's it going" meetings on current tasks and for personal dialogue as well as two "feedback meetings" per year. Our feedback meetings have a constructive, positive basic orientation with a focus on the strengths, expertise, development potential, and social skills of our employees. These should be recognised and encouraged. We also ask our employees about their satisfaction with the company, work organisation, working conditions, their work, and the work in their team. Personal commitment, e.g. in the form of suggestions for improvement or lessons learned tickets, acceptance of challenges, sustainable ideas, and social and responsible cooperation are rewarded via a points system in the employee appraisal.

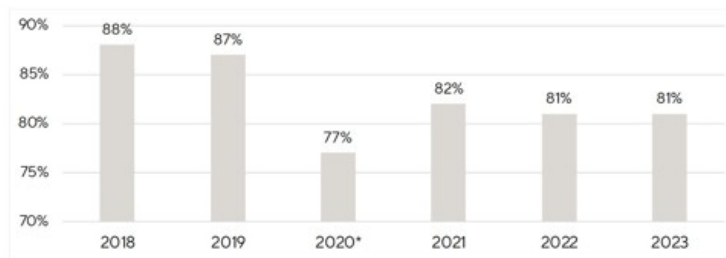
2.3 Employee Satisfaction & Fluctuation

We are aware that employee satisfaction has a positive influence on commitment, performance, cooperation with partners and customer satisfaction. After good results in 2018, when the satisfaction rate was 88%, and 87% in 2019, the satisfaction rate fell to 77% in 2020. Corona-related short-time work, financial aspects, fears about the future and government measures led to a decline in satisfaction. A survey of our employees conducted in autumn 2023 revealed a satisfaction rate of 81%; our target was 85%. We are not satisfied with the result. Through corporate culture workshops, digital surveys of our employees, training measures (see 16. Qualification), promotion of work-life balance (see 15. Equal opportunities), celebrations and activities for all employees (see 18. Community), we aim to strengthen the sense of community and increase employee satisfaction to 85% in 2024. The staff turnover rate in 2024 was 7.5%, in 2022 it was 6.8% One employee retired.

Mitarbeiterzufriedenheit/Employee satisfaction

	2018	2019	2020*	2021	2022	2023
Zielquote/target quote 2023						85%
Anzahl Mitarbeiter/number of employees	200	158	132	146	132	134
Rücklauf in Stück/return in units	125	103	105	80	111	103
Rücklaufquote/resonste rate in %	63%	65%	80%	55%	84%	77%
Zufriedenheitsquote/ employee satisfaction index	88%	87%	77%	82%	81%	81%

* Covid-19



2.4 Anonymous Whistleblower Software

The primary objective is to avoid risks that could damage our company, our employees and business partners. To be able to investigate allegations of violations appropriately and fairly, we have set up a [whistleblower software](#), see 17. Human Rights.

2.5 Preventive measures to prevent harassment/bullying at work

Harassment at work can take many forms, including verbal, physical, and sexual harassment, as well as bullying, discrimination, and violence. We attach great importance to taking preventive measures to create a safe and respectful working environment. We consider the following acts to be harassing behaviour:

- inappropriate jokes or comments about the appearance, sexual orientation or ethnicity of colleagues,
- inadvertent approaches or contact,
- deliberate ignoring or excluding of colleagues,
- spreading rumours about colleagues/bullying,
- Insults or threats.

We raise the awareness of our employees during the annual safety training in the form of harassment training to help them recognise and report the signs of harassment. The training also shows ways to defend oneself against harassment and maintain a respectful working environment. Our employees have two different channels for reporting harassment: a confidential representative and our [whistleblower software](#). We take allegations of harassment very seriously. We'll start an investigation immediately. If it is confirmed that harassment has taken place, appropriate measures are taken to prevent the misconduct and to protect the employees concerned. The consequences we as employers draw from harassing behaviour in the workplace depend on the seriousness of the misconduct and can range from a

simple warning to immediate dismissal. As an employer, we are committed to taking reasonable steps to ensure a safe and respectful working environment. This may include investigating the incident, questioning witnesses and/or seeking legal advice.

Since 2007, ISO 45001 and health management have been embedded in our integrated quality management system. Due to this fact and the simultaneous appointment of an occupational safety group, which will be part of our ESG circle in 2023, social issues have always been part of the company's strategy. This has enabled us to realize many social projects and goals over the past 15 years. We have also set sustainability goals for the following years. Our sustainability goals achieved to date and new ones are based on criterion 3. Goals. We define strategic and operational objectives every year. With these and our projects - realised in recent years - we are sending a clear signal for a socially just world, see 3. Objectives.

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.

As a family business, social issues have always been an essential part of our corporate strategy. As we think across generations, it is natural for us to assume social responsibility and pave the way for an ecologically responsible future worth living in. Our corporate culture is characterised by a sense of responsibility and mutual respect. We want to ensure transparent management and ethical decision-making at all levels. The [10 principles of the UN Global Compact](#) reflect our values. Our [ARNO Code of Conduct](#) and the [ARNO Guideline Anti-Corruption](#), with direct reference to the General Equal Treatment Act (AGG) are firmly anchored in the company. The guidelines are intended to promote fair and trusting partnerships. Gender equality is part of our mindset. We have therefore supported or realised numerous social projects over the past 15 years, see 3. objectives.

Inclusion of minorities and disadvantaged groups in the company

As part of our annual safety training, we sensitise our employees to raise awareness of disadvantaged people and eliminate stereotypes. We impart knowledge that our employees need in order to understand and appreciate diversity and inclusion. We attach great importance to a diverse and inclusive working environment. This includes hiring employees from different cultural backgrounds, genders and age groups. We do not discriminate in this respect

and make decisions solely on the basis of suitability for the job in question. An inclusion officer ensures the implementation of the diversity and inclusion measures and is available as a point of contact for the workforce. Regular assessments and reviews of diversity and inclusion measures help to create an inclusive working environment in which all employees, regardless of their employees are equally respected and valued regardless of their ethnic origin, gender, sexual orientation or social class

Equal rights - Gender equality

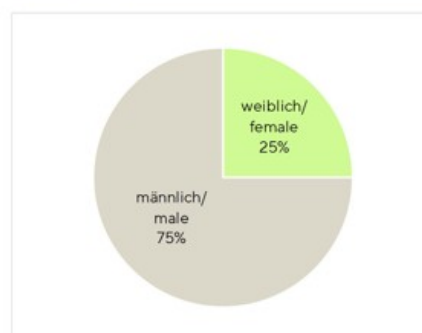
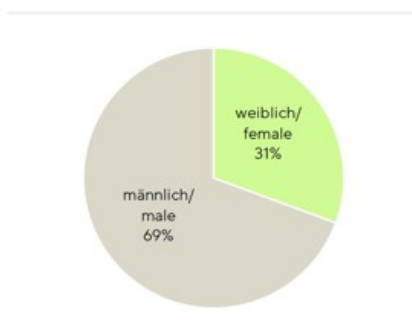
We pursue a transparent recruitment process based on the principle of gender equality. When creating job descriptions or Job advertisements, the HR department ensures that they are independent of gender and age. We do not require an application photo. We therefore also receive many applications without a photo, which we very much welcome. When selecting personnel, the decisive factor is whether the applicant has the necessary qualifications for the advertised position. We have recognised the advantage of mixed, diverse teams and actively use tools to give women and men equal opportunities, see 3. goals, sustainability projects implemented. We analyse and monitor the gender distribution in the company in order to identify inequalities and counteract them in a targeted manner. The assumption of management positions at ARNO is not gender-dependent and is based exclusively on suitability. Our two owners, Alien Wolter and Sophie Keim, represent a self-determined image of women who successfully combine career and family. Offering women and men the same career opportunities is a matter of course for us. Various measures help to promote women at ARNO and improve their career opportunities. Currently, 21% of our managers are female employees. Gender is not a criterion for determining pay at our company. Female or queer are paid the same for equivalent work with equivalent qualifications and experience



Frauenquote und Frauenanteil in Führungspositionen

Women's quota and proportion of women in management positions

Mitarbeiter/employees ARNO GmbH employees	134		davon Führungsverantwortliche thereof managers	24	
weiblich/female	41	30,60%	weiblich/female	6	25,00%
männlich/male	93	69,40%	männlich/male	18	75,00%



Flexible working time models - social security

Flexible working conditions and part-time work help our employees to better

harmonise their professional and private commitments and take advantage of career opportunities. Working from home is possible across all departments with the exception of the production and logistics departments. There are currently 14 different working time models at ARNO. The average daily working time for full-time employees is 7.6 hours. Work can be done between 07:00 and 20:00. For full-time employees, this results in a working week of 38 hours. We expect all employees to be present during core working hours, unless they are prevented from attending due to business trips, illness, holidays or other justified reasons. Core working hours are Mondays to Thursdays from 08:30 to 16:00 and Fridays from 08:30 to 13:15. Flexible options are designed to promote the compatibility of family and career for mothers and fathers and strengthen company loyalty. Various part-time working time models are available, tailored to individual needs. 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 hours, in which the agreed tasks are completed without prioritising attendance or monitoring attendance times, are offered. Sabbaticals, educational leave, parental and care leave can be taken. In the event of illness or rehabilitation, we organise a gradual reintegration into working life. Those returning to work are continuously supported during their reintegration. ARNO has a support and pension fund. We also offer direct insurance through deferred compensation.

Annual training budget for in-house training and external seminars

The expertise available within the company is one of ARNO's most important intangible assets. Our annual training budget benefits industrial and commercial employees, see 16. Qualification. The examples show which activities take place to maintain and build up knowledge and which tools are used to impart knowledge, see criterion 6. Rules and processes and performance indicator GRI 404-1 Number of hours of training and further education:

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

Activities

- Knowledge transfer meeting,
- Process training,
- Material training,
- IT training courses (SAP, CAD, Microsoft Teams, etc.),
- Refresher training on the ARNO Code of Conduct, the anti-discrimination guideline and for first aiders, safety specialists, safety officers, fire safety

officers and others

- Sharing experiences from the improvement suggestion scheme (lessons learnt, project debriefings), etc.

Childcare at the workplace and childcare allowance


Employees can look 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 workplaces where there are risks, prior consultation with the line manager and the HR department is required. We provide a childcare allowance for our employees' children who are not of school age. This amounts to 30 euros per month. All employees with a full-time or part-time contract that has not been terminated are entitled to this.

Other financial benefits

We subsidise workplace glasses, fitness club memberships, a visit to the Nürtingen swimming pools and lunch in our canteen. In addition, every employee has the opportunity to take out direct insurance through the company in the amount of the legally permissible and tax-privileged contributions via salary conversion. Our employees also receive an allowance for capital-forming benefits.

International success is not possible without motivated, functional and interdisciplinary teams. We treat every employee and every temporary worker - regardless of origin, ideology, religion, gender, age, disability or sexual orientation - impartially, respectfully and fairly. This guideline is laid down in our ARNO Code of Conduct. We want free, open and honest communication. An environment characterised by mutual respect creates space for further development and growth. Our management culture, which is characterised by appreciation, should illustrate our attitude.

ARNO LEADERSHIP CULTURE APPRECIATION



<p>COOPERATION We lead on eye level, respectful and solve challenges together.</p>	<p>DETERMINATION We know and communicate our Goals and judge us to it out of.</p>	<p>RESPONSIBILITY We are Example, take over Responsibility and reflect the own Act.</p>	<p>SUCCESSSES We recognize, split and celebrate Successes.</p>
<p>TRUST We create one trustworthy working atmosphere, in the R Fun might his job to carry out.</p>	<p>SOLUTION ORIENTATION We seek always one the Requirements appropriate Solution.</p>	<p>INTEREST We interested us for our Female colleagues and are for she there.</p>	<p>IMPROVEMENT We learn out of Take place and Defeats and optimize continuously our Processes.</p>
<p>COMMUNICATION We communicate clear, understandable, explain our Decisions, place Value on constructive Feedback and are Contact person in everyone concerns.</p>	<p>FLEXIBILITY We accept, that Changes normality are and flexibility Part ours DNA is.</p>	<p>EMPOWERMENT We develop our Employees talent based further and create the Space for new ideas.</p>	<p>SUSTAINABILITY We act in an ecologically responsible and socially just manner.</p>

PN-A-010 (Edition: 4) | Jochen Bauer | 01/24/2023 | Page 1 of 1 | Copyright by ARNO

16. Qualifications

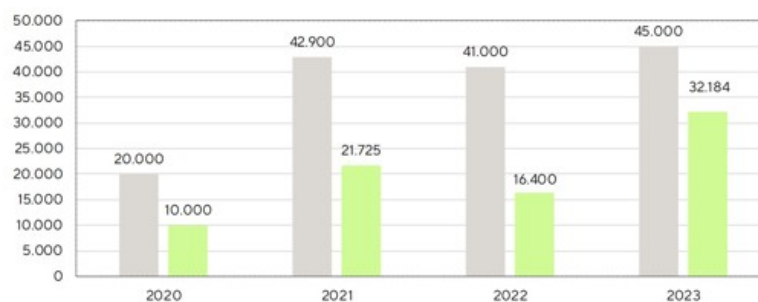
The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

Qualified employees are the key to the company's success. We welcome and support a thirst for knowledge, initiative and commitment. We therefore encourage our employees to contribute their skills and utilise the opportunities offered to them for their own professional development. For us, strengths are at the centre of our employees. Motivated, qualified employees are competent, more satisfied and able to deal openly with challenges and changes. Thanks to their input, we can accelerate innovation and increase process efficiency in all areas of the company. As part of this social objective, which is fundamental to us (see 3. Objectives), we have made almost EUR 150,000 available for the further training of our employees from 2020 to 2023. As we impart a great deal of expertise in internal training courses and free webinars and events are attended, e.g. as part of the Climate Alliance and Umwelttechnik BW, the budget utilised is only meaningful to a limited extent, see GRI-404-1 Training hours and 6th control. The evaluation therefore only partially contributes to the assessment of our employees' training measures and results.



Schulungsbudget / Training Budget

	2020	2021	2022	2023	Summe
Schulungsbudget/Training Budget €	20.000	42.900	41.000	45.000	148.900,00
Abgerufenes Budget/Training Budget used Costs €	10.000	21.725	16.400	32.184	31.725,00
Abgerufenes Budget/Training Costs used %	50,00%	50,64%	40,00%	71,52%	21,31%



1. Qualification

We need to know our employees' previous careers and special qualifications in order to optimise their deployment. Qualification matrices show the skills, abilities and specialised knowledge of each employee. We identify training potential as part of the continuous improvement process (CIP), see 6. rules

and processes, 8. incentive systems. We align our training content, training documents and training dates with the respective requirements at short notice. Detailed information on our training activities, content and tools can be found in criterion 15, Equal opportunities. We also want our employees to take advantage of opportunities for their own professional development together with their line managers and to shape their careers in dialogue with us. They can also submit paid seminars via an application form. If it is recognisable that the further training opens up opportunities for ARNO and the applicant, we are happy to support them, see 15 Equal opportunities. Through targeted internal and external training and further education measures at all workplaces, we ensure that specialist knowledge is available for carrying out the required activities and that labour, quality, environmental, safety and sustainability standards are adhered to. We communicate to our employees the impact of their work on product and service quality as well as the possible consequences of deviating from established procedures. If required, we organise training courses on software applications, the quality and environmental management system, sustainability issues, occupational health and safety, processes, materials, lessons learned and much more. Our IT department is responsible for instructing employees about the VDU workstations and examining them. We offer technical experts the opportunity to formally develop into specialists. With the expert career path, we offer qualified employees an equivalent career path to the traditional management career path. The targeted focus of the expert career path allows employees to concentrate on specialised topics. In doing so, they develop into specialists without disciplinary management responsibility. At company meetings, we explain the corporate strategy and provide information on corporate and environmental goals as well as results and measures. We wish and encourage our employees to actively utilise the methods mentioned in criterion 14, e.g. the lessons learned tickets and further training opportunities! We are not aware of any significant risks arising from our business activities, our business relationships or our products and services that could harm qualification.

2. Employee feedback and "how's it going" discussions at eye level

Every year, our line managers conduct a feedback meeting and two "how to" meetings with their employees. These discussions aim to help our employees progress. The aim is to create a collaborative dialogue between employees and managers based on partnership. Our guidelines explicitly state that the feedback meetings should have a positive basic orientation with a focus on strengths, expertise, development potential and social skills. As a result of our management culture, managers are trained to conduct feedback discussions in an open and trusting atmosphere, see 15 Equal Opportunities. Only communication at eye level creates transparency. Every employee is a valued part of a collegial team with overall responsibility. This means that mistakes can be addressed without reservation and rectified as a team. Intrinsically motivated employees are invaluable to us. Their committed attitude has a positive effect on cross-team collaboration and the work motivation of all employees.

3. Instructions

According to DGU V1 and ArbSchG, all employees must receive sufficient and appropriate instruction on health and safety. This means that the instruction must be tailored to the individual work situation. Within the first quarter of each year, the instructors explain to the employees concerned how they must behave at their workplace for their safety. Each instruction is documented in writing. The annual safety briefing includes, among other things, training on waste separation, the approval process for hazardous substances including the hazardous substances register, and, as a precautionary measure, instruction on the workplace accidents that frequently occurred in the previous year, including instructions on wearing personal protective equipment (PPE). The annual safety briefing is based on our digital occupational health and safety concept based on ISO 45001.

4. Health & Safety

4.1 Safety leadership

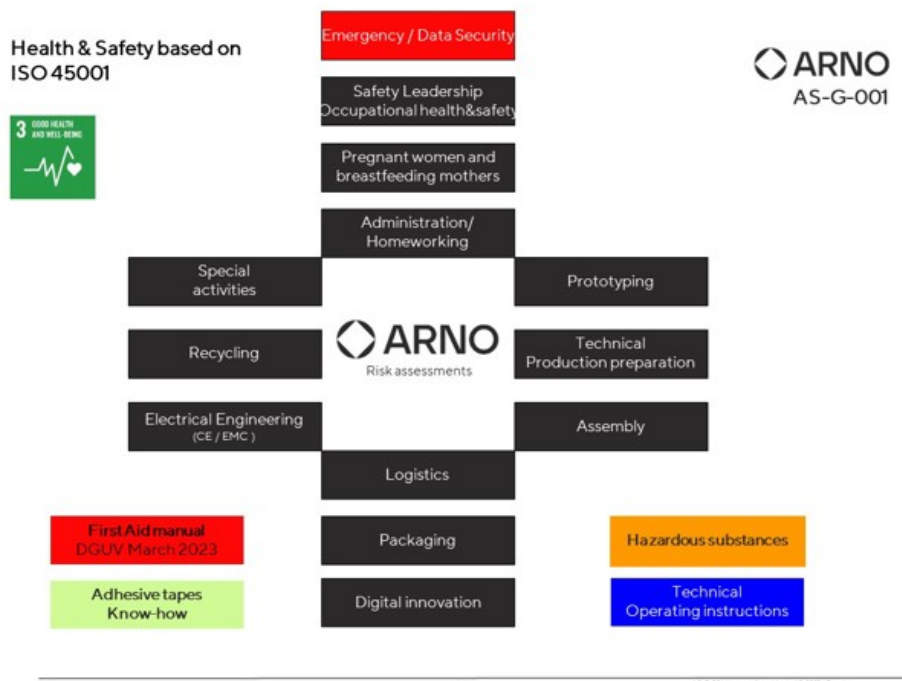
Our managers play a central role in occupational health and safety. Their responsible attitude, their sensitivity to safety-related issues, exemplary handling of risky situations and the application of processes and guidelines ensure a working environment that guarantees safety and health care. Supported by the ESG Circle, which includes parts of the management, the ESG manager, the safety officer and the safety officer, you raise awareness of safety-related issues and ensure a pleasant working environment. If risky situations arise, it is their task and that of the safety officer and safety representative to provide information, take precautions to avoid similar hazards and demand compliance with the safety guidelines. Documented briefings, which emphasise the relevance of our occupational health and safety concept as a know-how tool, take place, as do site inspections, which have the following objectives:

- Identification of potential risks and possible improvements,
- dialogue with employees in the workplace to stimulate safety activities and identification of potential for improvement,
- Order and cleanliness to avoid safety risks (5S method).

4.2 Digital occupational health and safety concept

The legal basis for instruction is Section 12 of the Occupational Health and Safety Act. This states that employers must provide their employees with sufficient and appropriate instruction on health and safety at work during their working hours. In order to offer our employees the best possible health protection, we have established a digital occupational health and safety concept based on ISO 45001 within our integrated management system, which every employee has access to. The occupational health and safety concept contains general and specialised information on occupational health and safety, e.g. risk assessments and operating instructions. In accordance with Section 9 of the German Ordinance on Industrial Safety and Health (BetrSichV), we ensure that

employees are provided with operating instructions for the equipment used at work in a form and language that they can understand. Operating instructions regulate workplace and activity-related behaviour in the company with the aim of preventing accidents and health risks. They may also contain information on environmental protection and property damage protection. Operating instructions also exist for hazardous substances in accordance with §14 of the German Hazardous Substances Regulation. Our occupational health and safety concept also includes the hazardous substances register, safety data sheets, various emergency plans, a list of applicable legal regulations, the first aider list, 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. The existing first aid facilities are inspected annually by an external service provider, see [First-aid inspection report](#). A special feature is that the ARNO occupational health and safety concept is used as a knowledge tool to build up expertise. A freely accessible information tool has been set up for employees without PC access, which can also be accessed during working hours. Opening our digital occupational health and safety concept takes you to colour-coded fields containing department-specific risk assessments, operating instructions, emergency information, a know-how tool for adhesive technology, the ARNO hazardous substances register including safety data sheets and information on waste management. The screenshot of the digital tool illustrates the selection



Our employees can report hazard information or safety deficiencies to the safety officers or the safety specialist at any time. If necessary, the deficiencies are discussed in the ESG Circle and solutions are worked out together. The primary objective is to prevent personal injury and damage to property, see GRI 403-4.

4.3 Vision Zero



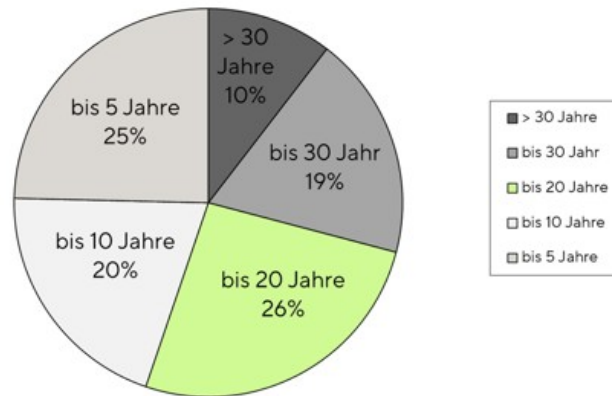
4.4 Offers for health prevention

To maintain their health, we offer our employees the opportunity to take advantage of our company health management system. We cooperate with the WOFit sports park at TSV Wolfschlugen, where our employees can take advantage of various training programmes at a reduced rate. 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 quality seal by the German Olympic Sports Confederation, provides interested employees with insights into the prevention areas of exercise, nutrition and relaxation. Our staff can lease bicycles inexpensively through JobRad. We also offer back tests and basic check-ups in cooperation with health insurance companies. Every quarter, our employees can purchase discounted points cards for the Nürtingen swimming pool. If employees would like to visit other fitness clubs, we subsidise these with EUR 10 per month. We offer annual occupational health examinations on a voluntary basis. Through the preventive measures outlined above, we want to do our part to improve the health of our workforce in a sustainable and holistic way. In 2023, the sickness rate was 4.9% (2022: 5.19 per cent), see GRI 403-9 and GRI-403-10.

5. Length of service

We do a lot to make our employees feel good. In addition to various training and sports programmes, workshops on mindfulness, Breath Work and various events such as our pretzel breakfast or Happy Thursday, we want to strengthen the sense of community and retain our employees in the long term. Our length of service statistics show that we are successful in this endeavour. 53 per cent of our employees have been with ARNO for more than 10 years.

Betriebszugehörigkeit/Length of service



6. Onboarding

Onboarding, the systematic familiarisation and integration into the ARNO team, is important to us. The cross-departmental familiarisation phase ensures that new recruits understand and master the processes. This enables them to approach their new tasks with motivation. The departmental process is documented using a checklist, which becomes part of the personnel file. Feedback meetings are held with the HR department and the line manager during the induction period. In preparation for the appraisal interview, each new employee receives an ideas and innovation form in which they 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 into future training programmes.

7. Employment and training of young people

We offer school pupils and students the opportunity to work with us during the holidays to get to know ARNO. We train young people in [various professions](#). Our trainees know our company down to the smallest detail. They identify with our philosophy, are open-minded and contribute new ideas. We aim 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 the examination performance of trainees for the IHK.

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.

GRI 403-9: Work-related injuries in the reporting year

- a. For all employees
- i. to work-related injuries; 0
 - ii. Number and rate of work-related injuries with serious consequences (excluding fatalities); 0
 - iii. Number and rate of documentable work-related injuries; 38 / 13 days lost
 - iv. main types of work-related injuries; cuts, falls
 - v. Number of hours worked by permanent employees including temporary staff such as pupils and students; 206,383

- b. For all employees who are not salaried employees but whose work and/or workplace is controlled by the organisation (lead workers): 0
- i. Number and rate of fatalities due to work-related injuries; 0
 - ii. Number and rate of work-related injuries with serious consequences (excluding fatalities); 0
 - iii. Number and rate of documentable work-related injuries; 10 / 0 lost days
 - iv. main types of work-related injuries; bruising, cutter knife cuts.
 - v. Number of hours worked by lead workers: 17,371

- c. Work-related hazards that pose a risk of injury with serious consequences, including

- i. how the hazards have been identified.

Trained safety specialists and safety officers carry out an assessment of potential hazards for all employees according to the nature of their work in accordance with Section 5 of the Occupational Health and Safety Act:

- Identification of potential sources of danger
- Identification of possible chains of causes for the occurrence of potential hazards, e.g. failure to take account of occupational health and safety requirements (e.g. PPE), lack of knowledge, etc.

The risk assessments are a documented component of our digital occupational health and safety concept. They are used to determine key areas for action, manage operational activities to improve occupational safety and assess their effectiveness. If it is not possible to eliminate the hazard through technical measures, preventative measures are defined and documented in the occupational safety concept. The guidelines are binding.

- ii. which of these hazards caused or contributed to injuries with serious consequences during the reporting period

iii and d. Any measures taken or implemented to eliminate these hazards and minimise risks using the hierarchy of control measures; Our health and safety representatives recommend the use of safety knives. Safety knives have automatic blade retraction or concealed blades that protect against cuts and damage to goods. ARNO practises safety leadership. Every year, our managers carry out occupational safety training in accordance with Section 12 of the

Occupational Health and Safety Act. In addition to the safety and environmental circle, they strengthen the ARNO Group's safety culture through exemplary behaviour in risky situations and the implementation of the guidelines that have been established.

e. Basis for calculating the instalments (200,000 of the 1,000,000 working hours); the instalments have been calculated on the basis of 1,000,000 working hours.

2021: $(5/160.284) * 1.000.000 = 31$

2022: $(16/164.050) * 1.000.000 = 98$

2023: $(13/206.383) * 1.000.000 = 63$

f. Whether and, if so, employees were excluded from the calculation; no employees were excluded

g. Data basis; The data comes from our digital personnel management system

GRI 403-10: Occupational diseases in the reporting year

The reporting organisation shall disclose the following information:

a. For all employees:

i. Number and rate of fatalities due to work-related illness; 0

ii. Number of documentable work-related illnesses; 0

iii. the main types of work-related illnesses;

b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation: 0

i. Number of fatalities due to work-related diseases; 0

ii. Number of documentable work-related illnesses; 0

iii. the main types of work-related illnesses. none

Serious accident rate

2021: 0

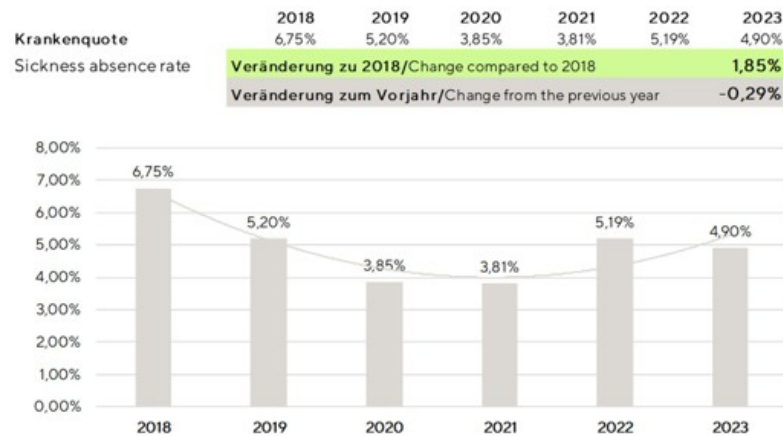
2022: 0

2023: 0

e. The calculation was made on the basis of our ARNO personnel management system and the 2023 association book.

In 2023, the sickness rate to 4.9% (2022: 5.19%). This is a sensationally good result, even though the incidence of colds increased after isolation in the Corona years 2021 and 2022 increased. According to Statista, the sickness rate in statutory health insurance was 6.76% in 2023. The decline in the number of sick days shows that our health prevention measures and workshops on corporate culture are taking effect, see 16. Qualification, point 7. health protection system.

GRI 403-9 Krankenquote/Sickness absence rate



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. Procedure for employee participation

In 2008, we introduced our digital occupational health and safety management system. We are supporters of the [ISSA Vision Zero Global campaign](#) for the management of safety, health and well-being at work. Even without certification, we practise ISO 45001 occupational health and safety. Our occupational health and safety concept has become an indispensable part of our integrated management system thanks to continuous training and improvement measures that ensure the best possible health, safety and environmental protection for our employees when carrying out their work activities! Our commercial and industrial employees can access all documents, e.g. risk assessments, safety data sheets or our hazardous substances register, in the digital occupational health and safety concept from their workstation or via a freely accessible tool. Safety-relevant content, our crisis and emergency plan, preventative measures, e.g. for pregnancies, and tips on all aspects of

occupational safety provide our employees with comprehensive information. We practise safety leadership. This means that our managers have a special responsibility, together with the safety specialist and the supervisors, to ensure safe behaviour, the safe condition and proper handling of work equipment and materials as well as 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 entering the premises. If, despite all precautionary measures, accidents occur or employees have health complaints, our trained first aid team, which refreshes its knowledge every two years in accordance with the DGUV, is available immediately. A telephone emergency chain ensures that first aiders are always available. All accidents at work, including commuting accidents, are recorded in our ARNO first-aid book and reported to the BG. Every year, our department heads carry out the occupational safety training required by law in accordance with the provisions of the Occupational Health and Safety Act, which includes refresher training on the ESG, the ARNO Code of Conduct, the Anti-Corruption Policy, the Diversity and Inclusion Policy, waste separation (recycling) and the company regulations. All instructions are documented in writing in a training record. The refresher training sessions recapitulate key topics so that our employees can recognise hazardous situations in good time and act appropriately. Area safety officers are appointed in the production and logistics areas. If employees recognise hazardous situations, they must contact their area manager and/or their manager (safety leadership) immediately. They will ensure that the source of the hazard is eliminated immediately. In addition, our divisional safety officers carry out occupational safety checks on a rolling basis. The results are recorded in checklists according to these criteria:

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

The respective department heads are responsible for monitoring and processing the control lists. If serious deficiencies are documented in a control list, the ESG will discuss the risk at the next "ESG Circle", cf. b.

b. ESG Circle

The ESG Circle is made up of representatives from management, production, logistics, human resources, the trained occupational safety specialists and officers and the ESG manager. The ESG Circle meets 2-3 times a year, more frequently if necessary. Its task is to deal with relevant ESG topics, implement laws, define measures and make decisions on occupational health and safety and environmental protection. Due to the importance of these topics, decisions are generally made by mutual agreement, see 16 Qualification.

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

The reporting organization shall report the following information:

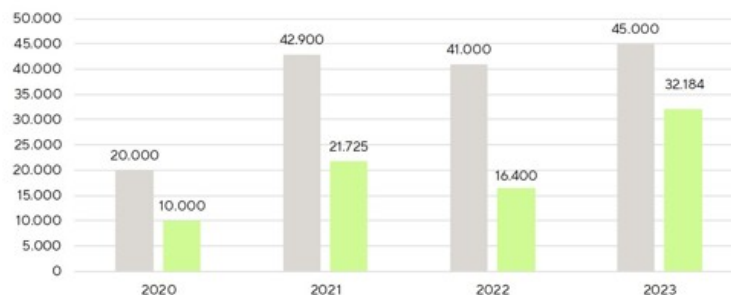
- a. Average hours of training that the organization’s employees have undertaken during the reporting period, by:
 - i. gender;
 - ii. employee category.

In addition to demographic information, see criterion 16 Qualification, point 8 Length of service, we would also like to provide insights into the training and development of our employees.



Schulungsbudget /Training Budget

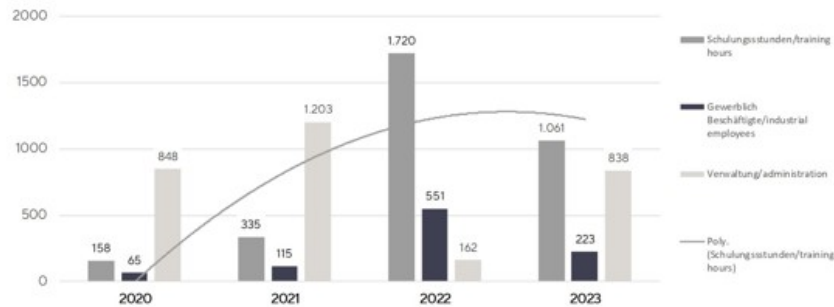
	2020	2021	2022	2023	Summe
Schulungsbudget/Training Budget €	20.000	42.900	41.000	45.000	148.900,00
Abgerufenes Budget/Training Budget used Costs) €	10.000	21.725	16.400	32.184	80.309,00
Abgerufenes Budget/Training Costs used %	50,00%	50,64%	40,00%	71,52%	53,93%



i.-ii. In the reporting year, we provided 1,061 hours of training. 29% of employees were female in 2023, 71% were male. Our female employees completed 299 training hours, or 28% of all training hours. Male employees received 762 hours of training, 72% of the total. This means that the gender-specific distribution of training hours is almost balanced.

GRI 404-1 Schulungsstunden/Average hours of training

	2020	2021	2022	2023
Schulungsstunden/training hours	158	335	1.720	1.061
weiblich/female	26	101	562	299
männlich/male	132	234	1.158	762
Gewerblich Beschäftigte/industrial employees	65	115	551	223
Verwaltung/administration	848	1.203	162	838

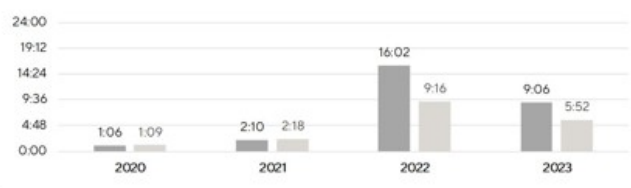


ii. Employee category

The average training hours are distributed between industrial and commercial employees as follows. Commercial employees attended an average of 5.5 hours of training. The focus here was on strengthening technical skills and professional competence. Commercial employees completed an average of 9 hours of training to expand their knowledge. Targeted further training for all employees reflects our aim to develop all employees to the same extent. The aim is to ensure that both industrial and commercial employees can develop and expand the necessary skills and knowledge and gradually gain further qualifications. An annual training budget (see 3. Objectives, 16. Qualification), the maintenance of qualification matrices for each employee and our detailed evaluation of training hours emphasise our commitment to continuous further training and help to ensure that our workforce is positive about change and can cope with it.

GRI 404-1
 Ø Anzahl Schulungsstunden Verwaltungs- und gewerbliche Angestellte
 Ø Number of training hours administrative and commercial staff

	2020	2021	2022	2023
Ø Anzahl Schulungsstunden kaufmännische Mitarbeiter/ Number of training hours commercial employees	1:06	2:10	16:02	9:06
Ø Anzahl Schulungsstunden Verwaltungsangestellte/ Number of training hours administrative staff	1:09	2:18	9:16	5:52



Ziel 2024: mindestens 10 Schulungsstunden pro Mitarbeiter/ Objective 2024: At least 10 training hours per employee

In 2024, we will provide a training budget of € 120,475, see 3rd objectives.
The target is that at least 10 hours of training per employee will be provided, regardless of department.

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).

Beschäftigte 2023 MIT Aushilfen Employees 2023 incl. temporary staff	Anzahl Quantity	Geschlecht/gender					
		männlich/ male	%	weiblich/ femal	%	divers/ diverse	%
Geschäftsführung/Management	3	2	67%	1	33%	0	0%
Führungskräfte/Management staff	24	18	75%	6	25%	0	0%
kaufmännisch Mitarbeiter/commercial employees	60	38	63%	22	37%	0	0%
Gewerbliche Mitarbeiter inkl. Aushilfen/ Industrial employees incl. temporary staff	60	45	75%	15	25%	0	0%
Duale Studenten/students	2	2	100%	0	0%	0	0%
Auszubildende/trainees	4	3	75%	1	25%	0	0%
Summe aller Beschäftigten mit Aushilfen/ Total of all employees incl. temporary staff	153	108	71%	45	29%	0	0%
davon Aushilfen gewerblich/ thereof tempory staff commercial	19	15	79%	4	21%	0	0%
davon Angestellte in Teilzeit/ employees in part-time	17	2	12%	15	88%	0	0%
davon Gewerbliche mit Behinderung/ thereof industrial employees with disabilities	2	2	100%	1	50%	0	0%
Kaufmännische Angestellte mit Behinderung commencal employees with disabilities	1	1	100%	0	0%	0	0%

Beschäftigte 2023 OHNE Aushilfen Employee structure 2023 without temporary staff	Anzahl Quantity	Alter der Beschäftigten/age of employees					
		< 30	%	30-50	%	> 50	%
Geschäftsführung/Management	3	0	0%	2	67%	1	33%
Führungskräfte/Management staff	24	0	0%	16	67%	8	33%
kaufmännisch Mitarbeiter/commercial employees	60	5	8%	26	43%	29	48%
Gewerbliche Mitarbeiter ohne Aushilfen/ Industrial employees without temporary staff	41	1	2%	11	27%	29	71%
Duale Studenten/students	2	2	0%	0	0%	0	0%
Auszubildende/trainees	4	3	75%	1	25%	0	0%
Summe aller Beschäftigten ohne Aushilfen Total of all employees without temporary staff	134	11	8%	56	42%	67	50%

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. Total number of incidents of discrimination during the reporting period	1
b. Status of the incidents and actions taken with reference to the following	
i. Incident reviewed by the organization;	Harassment
ii. Remediation plans being implemented;	ARNO Code of Conduct, ARNO Anti-Discrimination Guideline
iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;	Termination due to the reported incident
iv. Incident no longer subject to action	The incident is no longer subject of a charge

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.

1. Global respect for human rights

For us, ethical behaviour and lawful conduct are basic prerequisites for a business relationship, credibility, and entrepreneurial success. We have been committed to respecting human rights within and outside the company for many years. We want to promote the principles of the UNGC in our supply chain. ARNO is a so-called SME (small and medium-sized enterprise). As an SME, ARNO is not obliged to report. Nevertheless, we want to fulfill our duty of care and present this transparently to the public. We are happy to support our customers in analysing risks and help with preventive and/or remedial measures. Of course, we also offer support with complaints procedures. We are aware that our supply chains harbour risks as well as opportunities. This applies in particular to the rights of employees within the supply chains. Risks such as the persecution of political dissidents, child labour or discrimination based on sexual orientation are conceivable. We, therefore, require our suppliers to respect and apply the 10 principles of the UN Global Compact and the 5 fundamental principles of the ILO, which include core principles such as the elimination of forced labour, the abolition of child labour, the prohibition of discrimination in respect of employment and occupation, occupational health and safety and freedom of association. These guidelines have always been an integral part of our international corporate strategy. Supplier audits for ISO 26000 are naturally part of our procurement strategy.

We expect our suppliers to respect and implement the regulations mentioned. The guidelines are fixed components of every contractual relationship. Formally, this means that we only include those suppliers and service providers in our supplier pool who

- respect the [10 principles of the UNGC](#) and the labour principles developed by ILO,
- agree to our [ARNO Code of Conduct](#) in writing,
- accept the [Guideline Anti Corruption](#),
- answer our [Supplier questionnaire](#) to our complete satisfaction, ARNO suppliers must fully meet our requirements in Chapter 7. Labor and human rights and agree to an on-site audit (10th audit).
- Sign our [ARNO Quality Assurance Agreement](#)

We support a ban on the import of products associated with forced labour and modern slavery. Our Purchasing department, which is made up of employees from Direct Procurement and Project Management, is responsible for risk assessment and evaluation of our suppliers. Due to our low vertical integration, our suppliers are of central importance. As we maintain long-standing supplier relationships based on partnership and regularly visit our existing suppliers at their production sites, we can say with a high degree of certainty that they fulfil 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 by making a public commitment to respect human rights within the supply chain. As part of our intensive supplier monitoring and evaluation process, we check whether all the aforementioned guidelines and contract components are being adhered to. We also visit the production facility and, if necessary, carry out an on-site audit. If the potential supplier does not answer the supplier questionnaire or does not answer it adequately (ESG requirement criteria are not sufficiently fulfilled) and/or does not provide the required evidence, e.g. certificates, accessions, sustainability reports, we refrain from entering into a business relationship, see criterion 4. depth of the value chain, point 3. During supplier visits and audits, we examine at regular intervals whether the contractually agreed regulations and conditions are being complied with on site. In addition, we favour suppliers that are certified in accordance with ISO 9001, ISO 14001 and/or ISO 45001, i.e. that are regularly audited by external auditors, see criterion 4 Depth of the value chain (4 supplier phases). Our current objectives are listed in criterion 3. Objectives.

2. Inclusion of minorities and disadvantaged groups

As part of our annual safety training, we conduct awareness training for our employees to raise awareness of the needs of disadvantaged groups, eliminate stereotypes, understand and value diversity and inclusion. We place great importance on having a diverse and inclusive working environment. This includes hiring employees from different cultural backgrounds, genders and age groups. We do not discriminate in this respect and make decisions solely on the basis of suitability for the job in question. We have appointed a Diversity and Inclusion Officer who is available as a point of contact for the workforce and ensures the implementation of diversity and inclusion measures. Our integration officer is supported by the Esslingen Specialised Integration Service (IFD). We offer flexible working models that are tailored to the needs of minorities and disadvantaged groups, such as part-time employment, flexible working hours or working from home. Regular assessments and customised measures help to create an inclusive working environment in which every person is equally respected and valued, regardless of their ethnic origin, gender, sexual orientation or social class. We are also committed to promoting inclusion and diversity in our supply chains. This means that we ensure that all suppliers receive equal opportunities and treatment regardless of gender, origin or other factors. For example, our contractors in 2022 included workshops for the disabled such as Filderwerkstatt and Arbeitsring (workshop for blind people). Communication with our suppliers is transparent and based on partnership. We openly share our expectations with regard to social aspects and work closely with them to bring about positive change together, see 16. community (volume of orders from sheltered workshops).

3. Reports from whistleblowers/whistleblowers

Our primary goal is to avoid risks that could damage our company, our employees and our business partners. Suppliers are subjected to a comprehensive supplier analysis, see GRI 414-1. We have set up a

[whistleblower software](#) to enable us to follow up on reports of violations appropriately and fairly. We encourage all persons inside and outside the ARNO Group who observe or become aware of breaches of the rules to report them openly and without fear. Breaches may include, for example, corruption or money laundering offences, bribery, violations of human rights or environmental regulations, violations of technical specifications or standards and abuse of power. We provide comprehensive protection for whistleblowers. Detailed information on the protection of whistleblowers can be found in our Anti-Corruption Policy on page 4. The whistleblower software we use is ISO 27001-certified, ISAE 3000-audited and utilises initiatives such as end-to-end encryption in order to be Schrems II-compliant. When a voice recording is made, voice distortion is automatically applied. When recording a compliance incident, whistleblowers can choose to whom the compliance report is addressed. This ensures that compliance officers can also be notified. Both female and male compliance officers are available for processing. If the report is credible, an internal investigation is initiated. If necessary, state institutions are called in. Whistleblowers receive feedback via the whistleblower software within 7 days of reporting, see 14. employee rights. see GRI 205-3 Incidents of corruption. The aim is not to receive any whistleblower reports.

4. Compliance violation

The ARNO Group did not receive any reports of compliance violations up to and including 2022. One report was received in 2023. After a thorough investigation, there were consequences under labour law. We will continue to clarify compliance violations in the future with all the means at our disposal and take the necessary measures, see GRI 406-1 Discrimination incidents.

Using the Sustainability Code Declaration of Conformity in the sense of the „NAP Business and Human Rights“

1. Human rights policy statement

a.) State whether your company has its own corporate guidelines for upholding human rights and whether they also encompass the ILO's core labour standards.

b.) Has the company management approved the policy statement?

c.) Describe your company's internal and external communication on the topic of human rights.

d.) At which level is responsibility for human rights concerns enshrined? (CSR-RUG checklist 1b)

e.) Define the reach that your guidelines have (which sites, including subsidiaries etc.).

a.-e.) Our company has its own corporate policy on respecting human rights, which includes the ILO core labour standards. The ARNO Code of Conduct is an integral part of our corporate culture and a guideline for our actions worldwide. The declaration of principles on respect for human rights was adopted and actively supported by the company management. 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 fair global economy. By signing the UNGC Letter of Commitment on 20 February 2022, we are committing ourselves to the 10 universal UNGC principles in the areas of human rights, labour standards, the environment and corruption prevention as well as to the 5 fundamental principles of the ILO, see 1. Strategic analysis and measures. As a member of the UNGC, we are also a partner of our local UN Global Compact Network Germany (UN GCD).



Internal communication takes place through regular training and sensitisation measures for all employees. Externally, we communicate our policy on respecting human rights in our sustainability report and on our corporate website. We are also open to dialogue with stakeholders and support transparency and exchange. Responsibility for human rights issues is anchored at various levels. The company management bears overall responsibility and is responsible for implementing and monitoring the policy. In addition, all managers and employees are required to actively contribute to compliance with the guideline. The scope of our guideline on respecting human rights extends to all of our company's locations and subsidiaries worldwide. We are committed to ensuring that our standards and principles are observed along the entire value chain and work closely with suppliers and partners to ensure this, see 17. Human rights.

2. Procedures for the identification of actual or potential adverse impact on human rights

a.) State whether and how your company analyses human rights risks (caused by your business activities, your business relations, your products and services, at its sites, due to political parameters) (criterion 17, checklist aspect 4).

b.) Are especially vulnerable groups of people incorporated into the risk assessment?

c.) What is your company's assessment of the human rights risks and its ability to counter these itself?

d.) How are human rights risks incorporated into your company's risk management?

<p>a.) State whether and how your company analyses human rights risks (caused by your business activities, your business relations, your products and services, at its sites, due to political parameters) (criterion 17, checklist aspect 4).</p>	<p>Our department heads receive annual refresher training on the ESG, the ARNO Code of Conduct, the Anti-Corruption Policy, the Diversity and Inclusion Policy, the company regulations and occupational health and safety, see GRI 403-4.</p>
<p>b.) Are especially vulnerable groups of people incorporated into the risk assessment?</p>	<p>We encourage people inside and outside the ARNO Group who observe or become aware of breaches of the rules to report them openly and without fear using our whistleblower software. We offer comprehensive protection for whistleblowers..</p>
<p>c.) What is your company's assessment of the human rights risks and its ability to counter these itself?</p>	<p>Whistleblowers can report compliance violations (concerns, complaints) anonymously via our whistleblower software. Voice distortion software is used for voice recording. Whistleblowers can choose the person to whom the report is addressed. There are three people to choose from. End-to-end encryption is guaranteed. Whistleblowers receive feedback no later than 7 days after submitting the offence. Our whistleblower software is ISO 27001 certified and ISAE 3000 audited. If necessary, government agencies are involved.</p>
<p>d.) How are human rights risks incorporated into your company's risk management?</p>	<p>Yes, for detailed information see 3. Reports from whistleblowers/whistleblowers</p>

3. Measures to review effectiveness / Element: grievance mechanism

- a.)** Is there training for employees in the area of human rights?
- b.)** State whether and how the upholding of human rights is checked.
- c.)** Describe any internal grievance mechanisms and clearly assigned responsibilities within the company or explain how access to external grievance mechanisms is ensured.
- d.)** Do whistle-blowing mechanisms also apply to suppliers?

We are at the forefront of ESG in our industry. Brands and retailers around the world value our expertise and the transparency and credibility of our information. We see it as our task to establish the 10 principles of the UNGC and the ILO guidelines in the supply chain. The [ARNO Code of Conduct](#) and the [ARNO Anti-Discrimination Policy](#) are binding guidelines for our parent company and all subsidiaries. Both policies are an integral part of our transnational corporate strategy. Annual refresher training ensures that our employees at all locations are aware of and comply with these policies. Responsibility for human rights issues rests with the Group Executive Board and the Group Financial Director. As the principal finance, ESG and human resources executive, the Group Financial Director works with the owners, making recommendations and ensuring implementation.

4. Human rights due diligence obligations in the value chain

- a.)** Is there a suppliers' code of conduct that comprises the four ILO core labour standards?
- b.)** State whether and how a check is performed for human rights risks prior to entering into a business partnership.
- c.)** Are suppliers given training on human rights?
- d.)** What processes does your company use to guarantee that its suppliers uphold human rights?
- e.)** Do you implement measures (jointly with suppliers) in the event of a conflict or do you work with other stakeholders? If so, which ones?
- f.)** What redress policies are there? Report on incidents in the reporting period.
-

<p>a. Is there a suppliers' code of conduct that comprises the four ILO core labour standards?</p>	<p>ARNO Code of Conduct</p>
<p>b. State whether and how a check is performed for human rights risks prior to entering into a business partnership.</p>	<p>Before working with a new supplier, we conduct a supplier analysis. Using our Supplier Questionnaire (LFB), which includes questions about respect for human rights and the implementation of quality, environmental, occupational health and safety and energy management standards, we check whether the supplier meets our procurement standards. We also require the potential supplier to comply with our ARNO Code of Conduct. If the potential supplier meets our requirements, we then go through three further supplier phases to assess their suitability. Suppliers who pass our checks and meet our standards are included in the ARNO Group's supplier database, see 4. value chain depth/3. project management and procurement. At the same time, we carry out supplier evaluations at regular intervals. As a certified company, we give preference to suppliers who operate in an environmentally friendly manner and are certified. We decide which suppliers to audit based on analysis or on-site visits. Where possible, we carry out on-site audits to get a realistic picture of working conditions in production facilities:</p>
<p>c. Are suppliers given training on human rights?</p>	<p>If we find a lack of knowledge about human rights during supplier audits, we document the action to be taken in the audit report. One possible measure could be human rights training. and are certified. We decide which suppliers to audit based on analysis or on-site visits. Where possible, we carry out on-site audits to get a realistic picture of working conditions in production facilities:</p>
<p>d. What processes does your company use to guarantee that its suppliers uphold human rights?</p>	<p>Where appropriate, we carry out supplier audits in accordance with ISO 26000, the social responsibility standard. The results are documented in audit reports, and actions are initiated and monitored in the event of non-compliance. Training is provided as necessary.</p>
<p>e. Do you implement measures (jointly with suppliers) in the event of a conflict or do you work with other stakeholders? If so, which ones?</p>	<p>We will end our relationship with a supplier if we discover serious economic, environmental or social irregularities.</p>
<p>f. What redress policies are there? Report on incidents in the reporting period</p>	<p>To date, no cases have been identified. Therefore, no concepts were required.</p>

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.-b. We attach great importance to the transparency and sustainability of our business activities, which we report on openly. For us, significant investments are investments of 100,000 euros or more per contractor. In 2023, investments were made in document management software, Solidworks, servers, and software to expand the warehouse management system. We prioritise investments with European business partners. As part of this commitment, we welcome the GRI 412-3 guidelines, which focus on the evaluation and transparency of investments in connection with social and environmental aspects. We require our contractors to comply with the [ARNO Code of Conduct](#), which expressly prohibits human rights violations of any kind and the [ARNO Guideline Anti-Corruption](#). From 2024, investment contracts will only be awarded after the Group Financial Director has reviewed and accepted the ESG questionnaire. From 2025, we will review our financial investments according to social and environmental factors. As we are not a company that regularly invests in financial assets, the review will be based on defined, qualitative factors and not on metrics, see 3. Objectives.

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.

In our company, we attach great importance to the protection of human rights. An objective that has been enshrined in Article 1 of the United Nations Charter since 1945. This self-imposed obligation is reflected not only in our principles, but also in the specific measures we take to ensure that the operating sites in our supply chain meet the highest human rights standards. Our efforts to ensure human rights in our supply chain are an integral part of our operational processes. We require every supplier worldwide to comply with human rights through the processes and documents described in the criteria 4. depth of the

value chain, chapter 3. project management and global procurement and 17. human rights. We subject all operating sites to continuous monitoring of compliance with human rights standards, whether through audits or supplier visits. The aim is to ensure that all operating sites working for us operate in accordance with internationally recognised human rights standards. Our audits are comprehensive and include aspects such as working conditions, non-discrimination, working hours and remuneration. During supplier visits, we can monitor whether the human rights guidelines are being observed on site and whether the labour force is being treated with respect. We want a corporate culture based on inclusion and diversity. Regardless of origin, gender or other characteristics, we are committed to equal treatment at our operating sites and with our suppliers. We have implemented unambiguous guidelines and governance structures, see 17 Human rights, which ensure that human rights are taken into account across all locations. In addition, we conduct annual awareness-raising training sessions on the ARNO Code of Conduct, in which we also refer to our whistleblower software, see criterion 17 Human rights - 3 Reporting whistleblowers and consequences of non-compliance. We support organisations and initiatives that campaign for human rights. These partnerships not only strengthen our own efforts, but also help to bring about positive change at industry level. In both development and series production, we work with a supplier network that has grown over decades. We firmly believe that respect for human rights is not only an ethical responsibility, but also the basis for a sustainable, responsible corporate culture and business activities.



**GRI 412-1 Auf Menschenrechte geprüfte Betriebsstätten/
Operations subject to human rights reviews**

Verstöße/ Violations ISO 26000	2020		2021		2022		2023	
	ARNO Code of Conduct dokumentiert/ reported	Vor Ort identifiziert On-site identified	ARNO Code of Conduct dokumentiert/ reported	Vor Ort identifiziert On-site identified	ARNO Code of Conduct dokumentiert/ reported	Vor Ort identifiziert On-site identified	ARNO Code of Conduct dokumentiert/ reported	Vor Ort identifiziert On-site identified
Gesetze und gesellschaftliche Normen/ Laws and societal norms	0	0	0	0	0	0	0	0
ARNO Code of Conduct	0	0	0	0	0	0	0	0
Diskriminierung Discrimination	0	0	0	0	0	0	0	0
Arbeitssicherheit & Gesundheitsschutz Health & Safety	0	0	0	0	0	0	0	0
Meldungen durch Hinweisgeber Whistleblowing	0	0	0	0	0	0	0	0

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.

As a member of the UNGC, we are committed to upholding international standards within our supply chains. In standard evaluation processes, suppliers are primarily assessed according to product quality, delivery times and value for money. This approach is not enough for ARNO. Within a 4-stage supplier approval process, ecological and social aspects are part of the assessment. Only those suppliers and service providers who have passed the test procedure become qualified supply partners, i.e. members of our supplier network.

Supplier qualification in 4 phases:

Phase 1:

Phase: Before the start of a new business relationship, we expect the potential supply partner to acknowledge their corporate responsibility by ratifying our [ARNO Code of Conduct](#). In addition, the 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, equal rights, its remuneration policy, the quality assurance measures expected of it and much more. The ARNO Code of Conduct and a fully completed supplier questionnaire are elementary contractual components of every business relationship. If the potential supplier does not fulfil the supplier questionnaire or does not fulfil it adequately, i.e. does not accept our CSR requirement criteria and/or does not provide the required evidence, e.g. certificates, memberships, sustainability reports, we will refrain from entering into a business relationship. In this phase, we provide the supplier with our ARNO Technical Supply Agreement (ATV) as a third document.

Phase 2:

An initial visit to the supplier takes place. The first enquiry will only be placed if the supplier has accepted a confidentiality agreement, our [ARNO Quality Assurance Agreement \(QAA\)](#) and general terms and conditions and the supplier's production conditions comply with UNGC and ILO standards. If the potential supplier does not fulfil these standards, we will refrain from cooperation. The Quality Assurance Agreement (QAA) contains requirements for quality management and quality assurance. Chapter 5.3 of the document stipulates that the supplier must comply with the applicable country-specific and regional environmental laws and the regulations of the European Union. In Chapter 5.5, the supplier guarantees that all statutory health and safety regulations of the country of manufacture will be complied with in the production of the products. In section 5.4, we oblige the supplier in writing to comply with the ARNO Code of Conduct. In section 5.1, we announce supplier audits if necessary.

Phase 3:

The potential supplier's offer is evaluated internally. If suitable, a cross-team decision is made to approve the supplier.

Phase 4: The supplier is established. Both parties are committed to the zero-defect target. We carry out random social audits, preferably of suppliers from non-EU countries, to rule out human rights violations. In doing so, we check whether the occupational safety regulations, legal regulations and our ARNO Code of Conduct are being complied with. If serious deviations of an ecological, economic or social nature are identified, we terminate the business relationship, see criterion 17. Human rights.

During social audits for ISO 26000, we analyse whether the requirements are actually being met at our suppliers' production facilities. We prioritise monitoring suppliers that come from non-EU countries. In doing so, we are guided by the UNGC principles, the ILO core labour standards and all applicable laws. Fair payment, reasonable working hours, no forced or child labour, safe working conditions and the right to organise are key elements of the inventory. If we identify deficiencies, measures are defined to improve sustainability performance and the supplier is monitored to ensure that they are rectified. If it becomes apparent that a supplier does not have the necessary knowledge of ISO 26000, we order training and implementation measures.



GRI 414-1 Auf soziale Aspekte geprüfte, neue Lieferanten/
New suppliers subject to social screening



Land Country	Neue Lieferanten New Supplier	Rücklauf/ Lieferanten- Fragebogen Return Supplier questionnaire	Rücklauf QSV Return QAA	Einhaltung 7. Arbeits- und Menschenrechte NOMINAL Basis = neue Lieferanten Compliance 7. Labour and Human Rights NOMINAL Basis = new supplier	DIN ISO 9001 Zertifikat Certificate	DIN ISO 14001 Zertifikat Certificate	Einhaltung 7. Arbeits- und Menschenrechte* PROZENTUAL Basis = neue Lieferanten Compliance 7. Labour and Human Rights PERCENTAGE Basis = new supplier	Einhaltung 7. Arbeits- und Menschenrechte PROZENTUAL Basis = Rückläufer Compliance 7. Labour and Human Rights PERCENTAGE Basis = Respondents
DE	1	1	1	1	1	1	100%	100%
RO	1	1	1	1	1	1	100%	100%
TR	3	3	3	3	3	1	100%	100%
Summe/ Total	5	5	5	5	5		100%	100%

Our ESG supplier selection and evaluation process enables us to make responsible decisions when selecting new suppliers and to ensure that our social values and standards are in line with our partners' guidelines. We are convinced that an ethical supply chain not only reflects responsibility towards our stakeholders, but is also "our recipe for success for a commercially successful and sustainable supply chain". We are determined to continue our ESG activities in order to fulfil our own social commitments and bring about positive change in the supply chain industry as a whole.

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.

Even before accepting a new supplier into our supplier base, we check whether the future supplier fulfils our standards. This means that actual and potential negative social impacts can be virtually ruled out. Irrespective of this, we initiate an ISO 26000 audit if necessary, i.e. in the event of recognisable irregularities, e.g. during a supplier visit or product release.

a. Number of suppliers assessed for social impacts.	10 potential suppliers were analysed according to our standards, i.e. 4 supplier phases, cf. criteria 17. human rights and 4. depth of the value chain
b. Number of suppliers identified as having significant actual and potential negative social impacts.	Zero (0)
c. Significant actual and potential negative social impacts identified in the supply chain.	Zero (0)
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	Zero (0)
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	Zero (0)

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.

In times of growing inequality, as a third-generation family business, we want to actively contribute to the communities in the regions in which we do business. We seek dialogue with charitable initiatives and public institutions and support them, see criterion 9 Stakeholder participation. We aim to make a sustainable contribution to the community through targeted measures. This includes supporting local education and health projects, promoting culture and sport and strengthening the local economy. Every year, we set ourselves specific targets that are defined and regularly reviewed as part of our sustainability programme. We aim to make a sustainable contribution to the community through targeted measures. The company management is actively involved in the planning and implementation of our community initiatives. This ensures that our activities are in line with the company's strategic goals and have a sustainable impact. Our management reviews and approves the proposed measures and provides the necessary resources. We have also established processes to review the effectiveness of our community initiatives. We review the effectiveness of our measures through discussions and by obtaining feedback from the affected communities. The results are incorporated into the planning of future measures.

The measures are implemented by the corporate processes set out in criteria 1-7. Our decisions are characterised by two building blocks:

1. social partnerships.
2. empowerment for education.

1. SOCIAL PARTNERSHIPS

In discussions with social organisations, we gain an awareness of people's needs. We invest in our environment through monetary donations and donations in kind. We support both local and global projects that provide social and environmental answers to pressing issues. We also support campaigns initiated by our employees, e.g. collecting donations in kind for Ukraine or buying poinsettias for needy children and recipients of welfare benefits.

1.1 Donation partners of various social organisations

For 23 years, we have supported [Plan International](#), an organisation that promotes children's rights and equality for girls in more than 75 countries. In 2023, we donated to [Caritas Deutschland, STELP e.V.](#), a Stuttgart-based aid

org societal issues and contributes to peaceful and fair coexistence worldwide, an organisation that campaigns for social and societal issues and contributes to peaceful and just coexistence worldwide, and the [German Foundation for World Population \(DSW\)](#). In 2021, we donated used, functional laptops with an integrated camera and microphone to "heyalter", a volunteer organisation that was awarded the "Lower Saxony Prize for Civic Engagement" and the Braunschweig Prevention Prize in 2020. Heyalter refurbishes old computers and laptops and distributes them to schoolchildren who cannot afford a computer.

1.2 Promoting sustainable cities and communities

We are happy to support local sports clubs so that they can finance their operating costs and expand their youth programmes. We have been a regular sponsor of the TSV Wolfschlugen handball team since 2007. In 2019, we provided financial support to SV Hardt for the Hardt Highland Games, and in 2023 to TSV Wolfschlugen for the Sauhag Lauf.

1.3 Fairtrade coffee & Canteen meal subsidy

Our employees and guests can help themselves free of charge from the coffee machine in our foyer. We only serve Fairtrade coffee. Employees and temporary staff (pupils, students, leasing staff) receive a meal allowance of EUR 2.50 per day for the canteen.

1.4 Events for our employees

Every Thursday, our employees meet for "Happy Thursday", an after-work drink in our ARNO Lounge. All drinks are free of charge. The meeting is for personal dialogue in an informal, cheerful atmosphere. The meeting is for personal dialogue in an informal, cheerful atmosphere. We organise summer barbecues and Christmas parties. In a sociable, relaxed atmosphere, there are games, a DJ, we eat together and socialise. This strengthens team spirit, promotes communication and has a positive effect on the working atmosphere. We also sponsor our sporty employees at running events.

2. EMPOWERMENT THROUGH EDUCATION

As part of the global economy, we see it as our task to empower society for the future through education. Our training programmes, internal and external further training measures underline this, see 15. equal opportunities and 16. qualification.

2.1 Chamber of Industry and Commerce

We train our trainees together with the Chamber of Industry and Commerce and take advantage of seminars and courses for further training. In order to implement our occupational health and safety concept in accordance with the regulations, we obtain information from the Chamber of Industry and Commerce about the legal provisions and the latest developments in occupational health and safety management. We are happy to provide one of our employees as a training examiner.

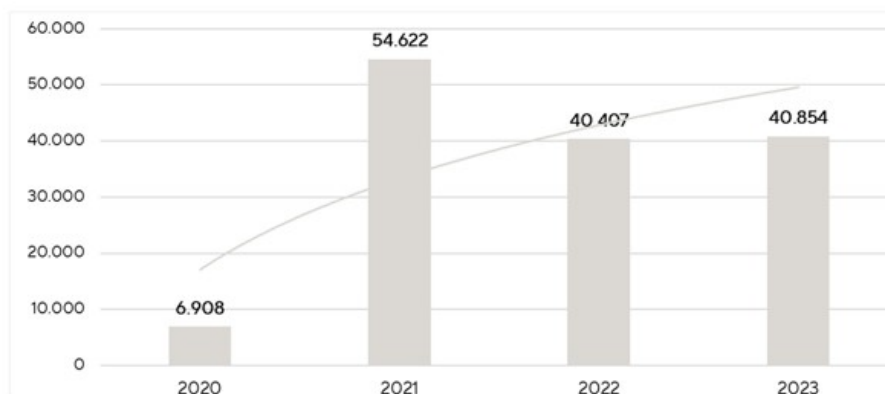
2.2 Cooperation with the "GARP" training centre

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

2.3 Sheltered workshops

We work closely with workshops for the disabled, e.g. Filderwerkstatt, Schwarzwaldwerkstatt and Behindertenförderung Linsenhofen e.V. In 2023, we awarded contracts totalling 40,854 euros.

Auftragsvergaben an Behindertenwerkstätten
Order volume for sheltered workshops



2.4 Together for a "People - Economy - Environment" project

Since August 2021, we have been donating our old pallets to Stark Dynamics GmbH free of charge, thereby indirectly supporting the Stark project "[People, Economy, Environment](#)". Stark Dynamics processes waste wood and returns it to the timber market. In 2023, Stark Dynamics GmbH received 510 sorted pallets (2022: 1,320). The old pallets are sorted, divided into defective or intact pallets, severely damaged pallets are dismantled into individual parts and usable individual parts are used to repair other pallets. As the activities are carried out by people who suffer from health restrictions, the project is supported by the employment agency and BruderhausDiakonie Reutlingen. In 2023, 22 tonnes of defective pallets went to StarkDynamics. 60% of the wooden packaging was reused after being repaired. Circular value creation enabled 20 tonnes of CO₂ to be avoided, [Stark Dynamics Environmental Conformity Report ARNO GmbH 2023 \(only German\)](#).

2.5 Long-standing university partnerships with the Peter Behrens School of Arts in Düsseldorf and the University of Art and Design in Schwäbisch Gmünd

Promoting young creative talent is an important part of our corporate philosophy. As part of student projects, we are actively involved in the

sustainable promotion and support of junior designers. Working with students is a win-win situation. Synergy effects are equally present. Thanks to our collaboration with young creative minds, we always have our finger on the pulse of the times. At the same time, we can pass on our knowledge from over 80 years in the retail business to the younger generation.

2.6 Employer's Liability Insurance Association for Wood and Metal

The BGhm supports us in the prevention of accidents at work, occupational illnesses and work-related health hazards. We train our safety specialists and safety officers with the BGhm.

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.i. Direct economic value generated: revenue;	26.482.204 €
a.ii. Economic value distributed: operating costs, <u>employee</u> wages and benefits, payments to providers of capital, payments to government by country, and community investments;	24.652.773 €
a. iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.	1.829.431 €
b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	A separation according to national or regional significance or at market level is not important to us. As we are project manufacturers, we view 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 exert any political influence. We neither make party donations nor do we support politicians or political organisations. ARNO is a member of the following organisations:

- B.A.U.M. e.V. Network for sustainable management
- Taxpayers' Association
- Association of the self-employed (BDS)
- Creditsafe (credit rating information)
- The family entrepreneurs
- Chamber of Industry and Commerce (IHK)
- RKW Baden-Württemberg
- UN Global Compact

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 any donations to political parties, so the GRI SRS-415-1

performance indicator is not relevant for us.
b. Zero euros

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.

ARNO has established a comprehensive compliance structure to ensure compliance with all legal and regulatory requirements and, in particular, to prevent corruption. The structure comprises various measures:

- Our comprehensive ARNO Code of Conduct and the ARNO Anti-Corruption Guideline
- Training, instruction and awareness campaigns for all employees to raise awareness of corruption and other violations of the law. These measures ensure that our employees can carry out their activities in accordance with the rules.
- ARNO Whistleblower Software

For us, compliance means full adherence to all relevant rules and regulations. Our aim is to fulfil all legal and regulatory requirements 100%. This objective emphasises our commitment to a clear positioning and attitude towards regulations, which is ensured by a robustly functioning process environment. This qualitative objective is achieved by continuously monitoring and adapting our processes, as described in criterion 3. We ensure that the standards applicable to our business activities and the legal and environmental regulations are reviewed on an ongoing basis. Reviews of new or amended legal regulations are carried out regularly and systematically. We have not currently defined any specific quantitative targets. Our main focus is on comprehensive compliance with all relevant regulations and standards. This enables us to react flexibly to regulatory changes and to consistently achieve our compliance targets.

Processes for compliance with all relevant regulations

- **Legal register:** We have implemented a comprehensive system for monitoring and complying with all relevant legal and regulatory requirements. Every employee has digital access to this system. A named employee is responsible for each law and each area and ensures that

these regulations are up to date and complied with.

- **Register of standards:** When reviewing the relevant standards for product development, we distinguish between basic and project-specific standards. project-specific standards. Basic standards are regularly monitored and updated by monitored and updated by the Head of Development. For new projects project management checks before the start of the project which project-specific standards are applicable, which country-specific or regional regional laws and which guidelines and environmental protection regulations to be taken into account.
- **Risk assessment:** The legal register is regularly on the agenda at meetings of the ESG Circle, which is made up of members of the Executive Board, senior management, the ESG Manager and our Safety and Environment Group (see 17. Human rights). Changes to the law are discussed here, their impact on the company is analysed and measures for implementation are introduced, monitored and checked for compliance. Regular risk analyses to identify potential weaknesses and develop preventative measures are also part of the agenda. Feedback loops ensure that internal controls and internal and external audits are optimally harmonised.
- **External and internal controls:** Strict internal control mechanisms, including internal audits and reviews by the ESG Circle, ensure the compliance of our business processes. Annual audits by TÜV Süd auditors check that our legal register is up to date and that all applicable laws and standards are complied with as part of ISO 9001 and ISO 14001. In 2023 we achieved 100% conformity, see ARNO_Kombi_Audit Report of TÜV Süd. If internal or external persons or organisations discover violations of the law, we encourage them to report this via our ARNO whistleblower software. Documentation from internal and external external audits show that the compliance systems are working effectively. To measure the effectiveness of the compliance measures, we record key performance indicators (KPIs)

Even if we are not certified to ISO 45001, we have an internal process environment to ensure that the current standard requirements are applied. As part of the annual safety training on accident prevention required by law, we oblige our managers to provide their employees with preventive training on occupational health and safety in the first quarter of each year. Within our occupational safety concept, each department can access risk assessments, technical operating instructions and other information on occupational health and safety, see 16. Qualification. Our Group Financial Director ensures that all official approvals are available and that existing approvals are amended where necessary. Approval notices, permits and official orders are reviewed with regard to environmental requirements. The main objective of compliance management is risk avoidance. Bribery and corruption impair fair competition and damage trust in our company. The contacts for compliance issues are our Group Financial Director and the ESG Manager. Together with the safety specialist, who is responsible for occupational safety issues, they support

employees in adhering to the compliance guidelines.

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

Due to their importance, we would like to mention a few important laws from our list of legal regulations.

Workplace Ordinance

The Workplace Ordinance specifies what the employer must observe when setting up and operating workplaces with regard to the safety and health protection of employees. We comply with these requirements in full.

ARNO Anti-Corruption Guidelines

In the ARNO Anti-Corruption Guidelines, we explain to our employees how they can recognise and prevent corrupt behaviour. We outline the measures for compliance and the reporting of offences. A clear signal is that ARNO is vehemently opposed to all forms of fraud, embezzlement, bribery and corruption. The clear objective is 'zero corruption'. To prevent and raise awareness, we train our employees 'annually' on the ARNO Code of Conduct and the anti-corruption guidelines. As a member of the United Nation Global Compact (UNGC), we oblige our suppliers to comply with the regulations of the UNGC, the ILO and SA 8000. Potential bribery risks exist exclusively in the area of procurement. We have therefore established a supplier approval process to ensure that we only include suppliers in our supplier base that fulfil the supplier approval process, which takes environmental and social aspects into account. See GRI 412-1. The inclusion of a supplier in the supplier base is not carried out by 'one' person, but generally by a team. After the request for quotation, the contract is awarded to a supplier via a project team that must fulfil defined award criteria. Orders are released by different people via a value-dependent release mechanism stored in SAP. Depending on the order value, the approval and therefore the decision-making responsibility lies with other responsible parties. To date, ARNO is not aware of any cases of corruption, see GRI-412-3, GRI 412-1, GRI 414-1, GRI 205-1. We rule out bribery and corruption. This may be due to the fact that our industry is specific, i.e. neither illegal activities nor illegal labour have been made public, see 17. Human rights.

Corporate Social Reporting Directive (CSRD) and Supply Chain Act (LkSG)

We are committed to fulfilling our due diligence obligations to prevent human rights violations in supply chains. On January 1, 2023, the Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains (LkSG) will

come into force, and the CSRD will come into force from 2024. Due to the size of our company, we are not obliged to report. Nevertheless, we support an appropriate EU supply chain law and the European Sustainability Reporting Standards, see criterion 17. human rights. We have fulfilled initial requests from customers.

Federal Data Protection Act (BDSG), General Data Protection Regulation (GDPR)

In accordance with Article 37 GDPR, we have appointed an independent company data protection officer (DPO) and data protection coordinator. The data protection officer performs the tasks assigned to him by law using his expertise and professional qualifications. This includes the processing of personal data by external service providers. The data protection officer informs and advises our management and employees with regard to their data protection obligations. He also monitors compliance with data protection regulations, the allocation of responsibilities and employee training. An internal approval process has been installed for data access. We process the personal data of our employees, customers and business partners in accordance with the applicable legislation on the protection of personal data and data security. We only collect personal data from employees if we have the written consent of the person concerned. In accordance with the German Federal Data Protection Act (BDSG), we only store data for as long as it is necessary within the employment relationship. The ARNO Data Protection Policy sets out what types of personal data are collected, how these data are used, to whom they are transmitted and what choices and rights data subjects have in connection with the processing of their data. The policy regulates data protection-compliant information processing, responsibilities and the duty of compliance by employees and the company data protection officer. We are happy to explain the measures we take to ensure data security and how data subjects can contact us if they have any questions about our data protection practices.

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, see 2. Materiality. Data security precautions are included in the instructions on data security, data protection and password protection. In addition, a strong hardware firewall and an IT provider ensure data security. In 2022, our spam volume was 0.01 %. Due to technical developments, a constantly changing, dynamic threat situation and legal requirements, our data security concept is regularly adapted. A compliance IT audit is carried out once a year. Independent IT security experts check whether the legal requirements, security regulations, data protection and data retention regulations are being complied with. Due to the sensitivity of the data, the IT system audit report can only be viewed by the Head of IT.

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

Electronic displays that are energy-efficient and repairable, can be easily dismantled (returned to the recycling cycle), have a minimum recycled content and contain only a limited amount of hazardous substances are awarded the EU Ecolabel. Our maxim is to only use EU Ecolabelled displays in our systems.

EUDR (EU Deforestation Regulation)

The EUDR is an integral part of the Green Deal. Our Development Director fulfils the necessary due diligence obligations.

LUCID

ARNO is registered in the LUCID packaging register.

Product Liability Act (ProdHaftG)

No product warnings or product recalls have occurred.

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)

ARNO ist als Hersteller von Präsentationssystemen im Sinne von REACH ein so genannter „nachgeschalteter Anwender“. Unsere Produkte stellen gemäß REACH, der EU Chemikalienverordnung komplexe Gegenstände dar und unterliegen nach Artikel 7 keiner Registrierungspflicht. Als nachgeschalteter Anwender setzen wir Stoffe zur Weiterverarbeitung in unseren Produkten ein, die vorregistriert bzw. registriert und zugelassen sind. Im eigenen Interesse und im Interesse unserer Kunden stehen wir im Dialog mit unseren Lieferanten, um sicherzustellen, dass alle gelieferten Produkte REACH-konform sind. Wir erfüllen die aus Artikel 33 resultierende Informationspflicht gegenüber unseren Abnehmern und bestätigen, dass zum gegenwärtigen Zeitpunkt und nach aktuellem Kenntnisstand keine in der ECHA Kandidatenliste (Artikel 59 (1)) genannten Stoffe mit einem größeren Anteil als 0,1 Massenprozent in den Erzeugnissen enthalten sind. This does not apply to fasteners used by us, which, however, play a subordinate role or are of little significance. Complex objects consisting of several products can be connected mechanically (connecting elements such as sockets, bolts, etc.) or with the aid of a material. The connecting elements we use (sockets, welding and connecting studs, etc.) can have a higher lead content than 0.1 per cent by mass. To summarise, no special precautions need to be taken when using our products.

RoHS (Restriction of Hazardous Substances)

ARNO products are subject to the RoHS directive if they are created in accordance with the directive as an electrical or project management director.

Sanction list check

It goes without saying that we comply with the statutory regulations on [international economic sections](#). We have commissioned an external service

provider to check the sanctions list. This service provider checks 'every' business partner against the published national and international sanctions lists. The sanctions list check is carried out for exports, imports and all domestic transactions.

EAR Foundation (Foundation Waste Electrical and Electronic Equipment Register)

The EAR Foundation is the "Joint Body of Manufacturers" within the meaning of the ElektroG. It has been entrusted with sovereign tasks under the ElektroG by the Federal Environment Agency. ARNO reports the quantities of electrical appliances put into circulation in Germany once a year.

Authorised exporter

ARNO is an authorised exporter. Authorised exporters are exempt from the so-called presentation obligation, a 24-hour waiting period during which the customs office retains the option of inspecting goods on site.

With a pre-declared number of customs tariff numbers, we receive the export confirmation within 24 hours.

PRODUCT CERTIFICATIONS CE (Conformité Européenne)

Our products are subject to the applicable European directives. The prescribed conformity assessment procedures are carried out.

UL (Underwriters Laboratories)

The North American equivalent of the CE mark is the UL mark. We can certify electrified products that are to be exported to North America in accordance with UL. We commission a qualified test laboratory to prove conformity with US safety regulations, thus simplifying market access.

UKCA (UK Conformity Assessed)

At the beginning of August, the UK government announced that manufacturers will be permitted to continue to place products bearing the CE marking on the UK market beyond 31 December 2024. This means that the CE marking and the EU Declaration of Conformity will continue to be recognised as alternatives to the corresponding UK elements after the end of 2024.

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 recognisable risk of corruption at our sites. We oblige our employees across all plants to comply with the [Guideline Anti Corruption](#). By signing the declaration of commitment, managers at all sites commit to binding compliance with the established guidelines, which include a ban on corruption. Once a year, all employees receive training on the ARNO Code of Conduct and the anti-corruption guidelines as part of their safety briefing. Written confirmation of implementation of the rules and regulations is obtained from each employee. Our Managing Director and Group Financial Director regularly visit the operating sites to check compliance. To date, no irregularities have been identified or reported, which is why we do not conduct structured investigations. Should violations become known or be reported via our [Whistleblower Software](#), this will result in consequences under labour law.

b. Possible bribery risks exist exclusively in the area of procurement. We have defined processes in our quality management manual for approving suppliers and placing orders. Supplier selection is carried out by a project team, taking into account defined selection criteria. After obtaining and recording various quotations, the subsequent order approval takes place via a value-dependent approval mechanism stored in the SAP system. Depending on the order value, different managers are responsible for approving the order and therefore for making the decision to authorise it. This approval process prevents corrupt orders from being placed.

To date, there have been no known cases of corruption within the ARNO Group.

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

The reporting organization shall report the following information:

- 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. There were no indications or incidents of corruption at ARNO during the reporting period. No incidents were reported via our whistleblower software.

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.i-iii,b.-c. No fines, other penalties or non-monetary sanctions were imposed on ARNO during the reporting period due to non-compliance with laws and/or regulations were imposed on ARNO.

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
	9. Stakeholder Engagement	GRI SRS 102-44
	10. Innovation and Product Management	G4-FS11
ENVIRONMENT	11. Usage of Natural Resources	GRI SRS 301-1
	12. Resource-Management	GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	13. Climate-Relevant Emissions	GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5
SOCIETY	14. Employment Rights	GRI SRS 403-4 (2018)
	15. Equal-Opportunities	GRI SRS 403-9 (2018)
	16. Qualifications	GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	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.