

# Declaration of conformity 2024

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

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## ARNO GmbH

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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,

For ARNO, sustainability is an integral part of our corporate ethos, deeply rooted in the responsibility we have embraced as a family business for generations. It is our driving force for change, ensuring future viability and innovation.

Every day, the retail industry faces the challenge of using resources efficiently, reducing emissions and managing complex supply chains in a responsible manner. Legislators, the market and society are placing increasing demands on us. Our direction is clear: ARNO combines ecological responsibility with social fairness and economic strength as a living practice. ESG criteria form a fundamental part of our strategy and our entire value creation process. We are committed to driving change with passion, focusing on recyclability, resource efficiency and fair processes along the value chain.

Our fifth sustainability report provides a transparent overview of how we implement and continuously develop sustainability at ARNO. For us, sustainable management is not just a project, but rather an attitude based on conviction, expertise and daily commitment.



## Liebe Stakeholder,

Nachhaltigkeit ist für ARNO Ausdruck unserer unternehmerischen Haltung, gewachsen aus der Verantwortung, die wir als Familienunternehmen seit Generationen leben. Sie ist unser Motor für Wandel, Zukunftsfähigkeit und Innovation.

Die Retail-Branche steht täglich vor der Herausforderung, Ressourcen effizient einzusetzen, Emissionen zu senken und komplexe Lieferketten verantwortungsvoll zu steuern. Die Anforderungen seitens Gesetzgeber, Markt und Gesellschaft wachsen. Unsere Richtung ist klar: ARNO verbindet ökologische Verantwortung mit sozialer Fairness und wirtschaftlicher Stärke als gelebte Praxis. Die ESG-Kriterien sind integraler Bestandteil unserer Strategie und der gesamten Wertschöpfung. Wir treiben den Wandel mit Leidenschaft, Fokus auf Kreislauffähigkeit, Ressourceneffizienz und fairen Prozessen entlang der Wertschöpfungskette voran.

Unser fünfter Nachhaltigkeitsbericht zeigt transparent, wie wir Nachhaltigkeit bei ARNO umsetzen und kontinuierlich weiterentwickeln. Nachhaltiges Wirtschaften ist für uns kein Projekt, sondern eine Haltung, getragen von Überzeugung, Fachwissen und täglichem Engagement!



**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.

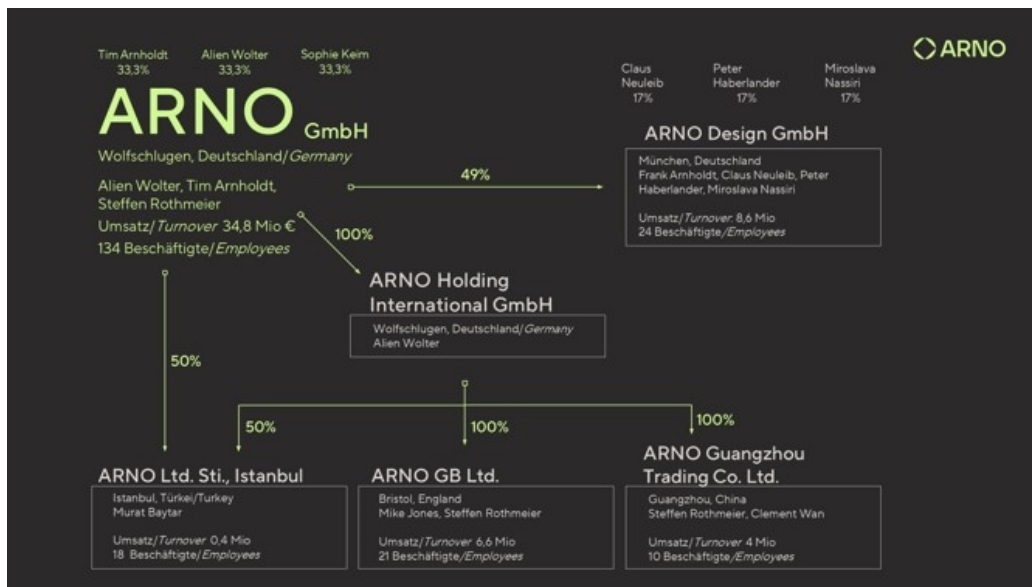
As a **partner for the shopping experience of the future**, renowned customers around the world rely on ARNO. The owner-managed, medium-sized family business stages brands at the point of experience (POE) with customised concepts that enable brands to clearly differentiate themselves from the competition. 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 2024, the ARNO Group will be represented in five 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 its main site in Wolfschlügen, near Stuttgart. Its 192 employees, including eight trainees, achieved a total turnover of €54.4 million. ARNO GmbH is the largest employer at its main site in Wolfschlügen, near Stuttgart. Here, 977,200 components were produced and 34.8 million euros were generated.



### 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

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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.

We have been certified to the ISO 9001 quality management and ISO 14001 environmental management standards for 16 years, and we see ourselves as a driving force in our industry. Since 2020, we have published an annual sustainability report based on the GRI, demonstrating transparently that our business practices are ethical and fair, and that we take ecological responsibility. If you have any questions about our sustainability report, please contact the person listed on page 1.

#### Additional remarks:

For better readability, we use the generic masculine, although all genders are of course meant equally. Our sustainability report is deliberately designed to be factual and restrained - free of superfluous glamour. The focus is on clearly 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.

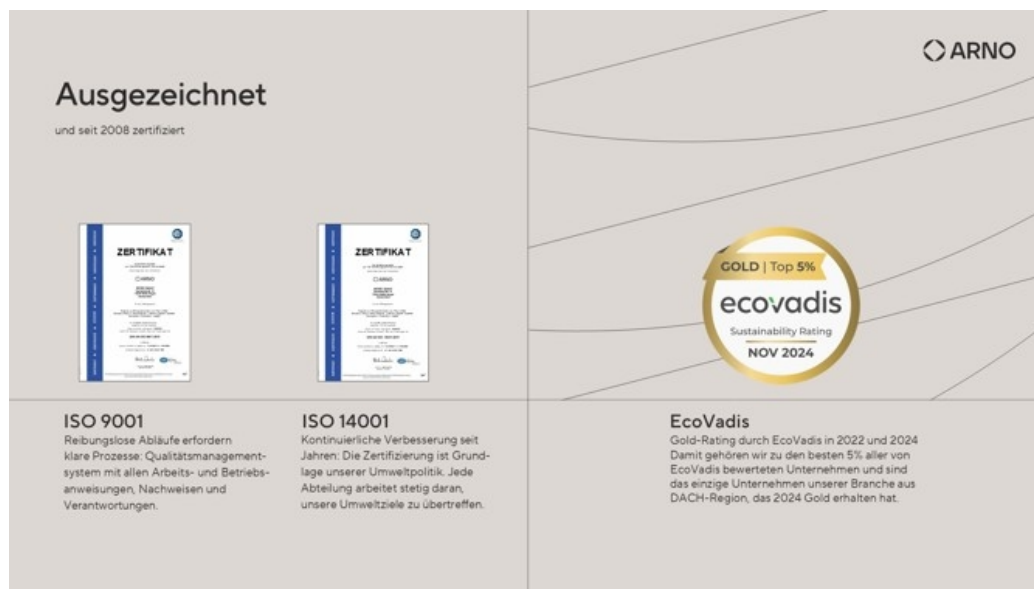
As an internationally active family business with subsidiaries in the UK, Turkey, and China, as well as a strategic alliance in the US, ARNO GmbH is committed to building a sustainable future. We are committed to the following:

- The ten principles of the United Nations Global Compact (UNGC).
- Compliance with the social responsibility guidelines, ISO 26000;
- Compliance with the SA 8000 social standard, developed by the US non-governmental organisation Social Accountability International (SAI) based on the International Convention on Human Rights and the International Labour Organisation's (ILO) recommendations,
- We also support the Sustainable Development Goals (SDGs), adopted by the United Nations' member states in the 2030 Agenda.
- We also adhere to the German Sustainability Code (DNK)
- The Climate Alliance Baden-Württemberg,
- Certification according to ISO 9001 (quality management) and ISO 14001 (environmental management).
- Compliance with ISO 45001 occupational health and safety management standards.
- The BAUM e.V. code

To us, sustainability is not just a passing trend; it is a global responsibility. Effective climate protection and social justice can only be achieved through collaboration between politics, business and society. The transition to a sustainable future will only succeed if as many stakeholders as possible take responsibility and contribute actively to the transformation. We also see ourselves as part of this change and want to help shape it. Through our comprehensive commitment to sustainability, we are making our contribution and providing targeted impetus. We have been ISO 14001 certified since 2008 and raise awareness of sustainable business practices within our industry. We also design our projects to be ecologically effective, economically viable and



socially just. As the parent company, we have integrated all standards into our international corporate strategy and anchored them in the ARNO Code of Conduct and ARNO Anti-Corruption Policy, both of which are binding for all subsidiaries. ARNO is a member of the UN Global Compact (UNGC), the world's largest initiative for sustainable and responsible corporate governance. Since 2020, we have published an annual sustainability report based on the German Sustainability Code (DNK).



The core of our environmental sustainability strategy is avoiding climate-damaging greenhouse gas (GHG) emissions. We focus on areas that we can influence directly. This includes all emissions generated at our Wolfschlugen site, as well as those within the supply chain. We continuously monitor key performance indicators to limit GHG emissions.

Since October 2022, ARNO has been a Climate Alliance Partner of the State of Baden-Württemberg. The State of Baden-Württemberg has concluded a 10-year climate protection agreement with the aim of reducing greenhouse gas (GHG) emissions and energy consumption, and of achieving climate neutrality in the medium to long term. As the 33rd company to join and the first in our industry in Baden-Württemberg, we are demonstrating our commitment to achieving long-term climate neutrality. At the handover of the climate protection agreement, State Secretary Dr André Baumann praised the commitment of the companies that have joined so far: 'These companies are playing a pioneering role. They all impressively demonstrate that ambitious climate protection is a factor for economic success, cf. 9. Environment. We participate in environmental campaigns at the Klima.Länd.Tage (Climate Days) and the Klima-Hackathon! These events see students develop real climate protection solutions for companies. We also offer our trainees the opportunity to qualify as energy scouts.





We have been operating a photovoltaic system comprising 1,532 solar modules on the roof of our logistics centre since 2017. We also have green plants growing on the roof. This combination has a positive impact on flora and fauna diversity, providing a habitat for numerous insects. Since 2022, we have covered additional requirements with 100% green electricity bearing the certified RenewablePlus environmental label, which guarantees investment in expanding renewable energies. Our PV and green electricity contracts enable us to achieve permanent CO<sub>2</sub>-neutrality in Scope 2. According to the German electricity mix, we saved 82 tonnes of CO<sub>2</sub> in 2023. According to the Greenhouse Gas Protocol, ARNO was CO<sub>2</sub>- neutral in Scope 2 in 2023 based on the electricity feed-in from our photovoltaic system.

In 2024, we initiated the Exploring Project '[Modularity as a measure to reduce GHG emissions](#)' at [S-TEC](#) (the Stuttgart Innovation and Technology Campus) ZKP (the Centre for Climate-Neutral and Holistic Accounting) at Fraunhofer IPA. We secured the following companies as project partners: Börlind GmbH, Cosnova GmbH and Wala Heilmittel GmbH. Climate-relevant emissions.

As part of **Hackathon 2.0 Baden-Württemberg**, we will launch a project for reusable packaging systems at contract manufacturers at the end of 2024. The project will involve working with students to develop solutions that address Scope 3 emissions in the upstream and downstream value chains. Both the S-Tec project and Hackathon 2.0 are funded by the Baden-Württemberg State Ministry for the Environment, Climate and Energy.

At the beginning of 2023, we joined [BAUM e.V.](#), the German Federal Working Group for Environmentally Conscious Management. The organisation works in numerous [committees](#) that represent the interests of companies operating sustainably. In addition, B.A.U.M. is a founding member of the [International Network for Environmental Management](#) (INEM). We are signatories to the

[BAUM Code](#) and have been a voting member of BAUM e.V. since the beginning of 2025.

We have been supporting the reforestation of regional forests on a donation basis for four years. The recipient of these donations is this NGO wholeheartedly. Currently, we do not purchase climate protection certificates to offset our carbon footprint. Together with scientists, Aktion Baum is working to reduce the costs of cultivation in Germany. The NGO controls the entire value chain, from seed extraction and sowing to planting, which significantly reduces expenses. Thanks to our financial contributions, Aktion Baum has planted 800 seedlings in Germany to date.

We have a strong social involvement with [Plan International](#). For 23 years, we have provided financial support to this organisation, which promotes children's rights and equality for girls in over 75 countries.

As part of our integrated quality management system, our employees have access to a digital occupational health and safety concept based on DIN EN ISO 45001. The ESG Circle, consisting of members of the management team, the ESG manager, department heads, security personnel and safety officers, defines measures for continuously improving occupational safety and health protection. The Circle oversees the implementation of these measures and incorporates the results into the occupational safety concept (cf. 16 and GRI 403-4). Our Sustainable Development Circle focuses on developing a sustainable product strategy.

We see fulfilling corporate social responsibility requirements as a meaningful task. We aim to collaborate with responsible partners to promote stable social structures and bring about sustainable, positive change.

In line with



we expect our business partners and employees to respect internationally recognised human rights and to exercise due diligence in this regard, actively promoting compliance throughout the supply chain. These obligations are implemented in all our business activities in accordance with ISO 26000. We consistently reject child labour, forced labour and any form of corruption. In addition, we and our partners are committed to upholding equal opportunities and refraining from any form of discrimination (cf. 4. Depth of the value chain and 20.). Legal and compliant conduct.

Being a [finalist for the German Sustainability Award \(DNP\)](#) is a significant

recognition. It shows that our commitment is having an impact and motivates us to continue on the path towards a climate-neutral, fair and sustainable economy. "Sustainability does not come about through stagnation, but through the determination to be better tomorrow than we are today.



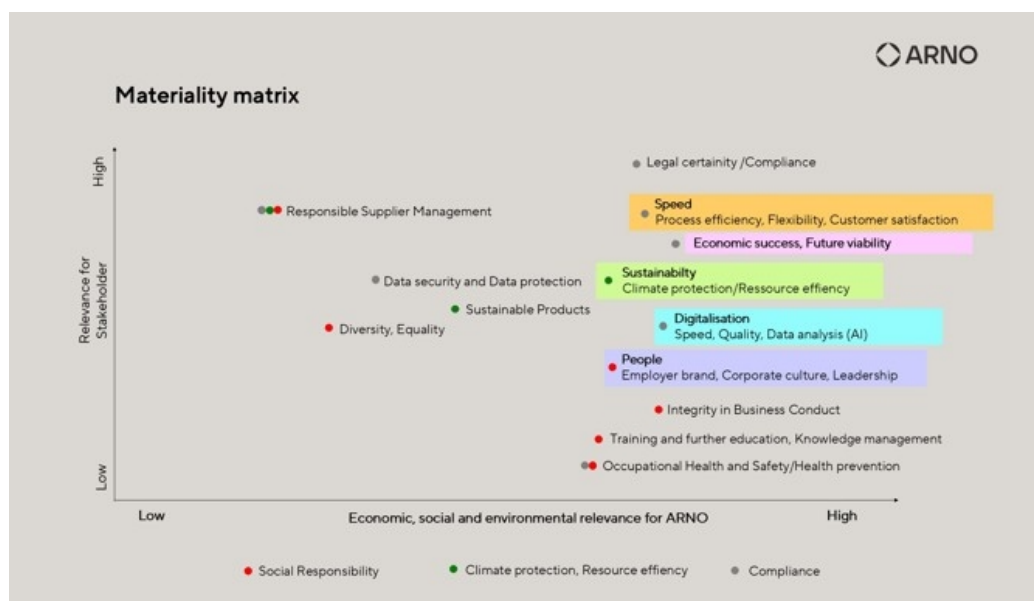
## 2. Materiality

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.

In developing our sustainability strategy, the materiality analysis is the key element. It is based on the interests of our stakeholders. Since the revision of ISO 9001 and 14001 in 2015, we have conducted a stakeholder analysis every six months (cf. section 9, Stakeholder Engagement). In collecting data, we focus on identifying the key interests and requirements of stakeholders and on determining potential economic, environmental, and social impacts associated with the business relationship. Each year, we present our ARNO STAKEHOLDER ANALYSIS to TÜV Süd auditors as part of the ISO 9001 and ISO 14001 audits. Following the stakeholder analysis, we prepare the ARNO MATERIALITY MATRIX, which serves as the basis for prioritising key issues. The classification and evaluation of sustainability aspects are carried out by a team consisting of management, Sales, Human Resources, and the ESG Manager. The participants are well-acquainted with the requirements, goals, and values of the stakeholders. Each stakeholder is assessed from both the

INSIDE-OUT and OUTSIDE-IN perspective, with opportunities and risks discussed, strategically relevant sustainability topics categorised, and subsequently transferred into the ARNO Materiality Matrix. On the basis of this sound data foundation, we are able to:

- assess the economic, environmental and social impacts for ARNO,
- identify potential for a sustainable and future-oriented corporate strategy,
- define our ARNO sustainability strategy,
- define operational and strategic sustainability goals, and
- define areas of work.



## I PEOPLE = Social Responsibility

### a. Inside-out perspective

We observe that our social responsibility is primarily oriented towards the needs and satisfaction of our employees and customers. As a family business, however, we have a broader perspective. We see ourselves as having a responsibility to society as a whole. We support guidelines that mitigate negative societal impacts. Due to our limited manufacturing scope, we pay particular attention to the complexity of supply chains and our partners. We consider promoting social justice in the workplace to be one of the major global challenges of our time. ARNO works with partners from a variety of cultural backgrounds. Our 'ARNO Code of Conduct' and our ['ARNO Guideline Anti-Corruption'](#) set out binding principles applicable throughout the company. These are based on the ten principles of the UN Global Compact (UNGC), the 17 Sustainable Development Goals (SDGs), the International Labour Organisation's (ILO) standards, and applicable laws and guidelines. The guidelines are based on the 10 principles of the UNGC, the 17 SDGs, the standards of the International Labour Organisation (ILO) and applicable laws and guidelines. Shared values and mutual trust in the spirit of

a 'Partnership for Goals' are essential to us. We require all business partners to comply with these standards. We expect our partners to implement international compliance, environmental and labour standards effectively and sustainably. We conduct on-site audits in high-risk countries. If a business partner is found to be in breach of our guidelines, we terminate the business relationship. We have not identified any irregularities in recent years, see GRI-404-1. As a family business with flat hierarchies, we thrive on a working atmosphere characterised by mutual appreciation. Over three generations, we have grown continuously and consistently with our employees and projects. Our mission statement is characterised by a cooperative management style that enables a work-life balance, fair working conditions, diversity, equal opportunities and further training opportunities. We consider it our duty to support our employees attentively and to take precautions to maintain the health of our workforce. For further information, see 9., GRI 102-44 and criterion 17. Human rights. We practise ISO 45001 occupational health and safety, even though we are not certified, see 3. Criteria Goals.

We assume philanthropic responsibility by supporting charitable organisations or regional institutions.

**ARNO is donation partner of:**

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

**b. Outside-in perspective**

We are well aware that some stakeholders, including financial institutions, pay attention to whether we take on social responsibility. Legal requirements and regulations mean that social standards must be demonstrably in place. It is intrinsic motivation that has prompted us to take an active role in our industry. We continuously adapt our sustainability strategy to take stakeholder interests into account. Due to the Corporate Sustainability Reporting Directive (CSRD) and the Supply Chain Act, we anticipate that affected customers will request comprehensive information from us. Currently, we are unable to estimate the extent to which the additional workload will impact our personnel capacity. However, we are prepared to answer our customers' questions about the CSRD. Our internal structure and processes are designed to provide transparent and detailed information in accordance with CSRD requirements. We welcome dialogue with our customers and are ready to answer their specific questions about the CSRD.

**II DIGITALISATION (Digital Transformation and Artificial Intelligence (AI))**

**a. Inside-out perspective**

As a company with its own IT department, we view digital transformation as a

means of achieving growth and operational efficiency. User-oriented applications accelerate our processes and reduce costs. Intuitive user guidance is well received by users as it reflects their requirements. When developing and implementing digital solutions and AI technologies, we ensure that resource consumption is optimised. In 2024, we will introduce ELO, our new electronic filing system. This will necessitate changes to the organisation of work, and we are preparing our employees for these changes through training courses. We also incorporate AI into the development of new retail concepts. AI-powered design accelerates the development process, bringing innovative ideas and new perspectives to the fore. We give our IT employees two hours per week to explore AI. In doing so, we are asking ourselves what 'responsible AI' means. We are committed to the ethical and responsible implementation of AI. Our positions are clearly defined: responsibility, humanity, stability, transparency, security and data protection are prerequisites for AI that puts people at the heart of the company while reducing or eliminating risks and damage. We expect ARNO to provide real-time data, AI-supported data analysis, higher productivity and operational efficiency management. AI will analyse supply chains to reduce emissions and waste, and ensure an optimal energy or water supply. In terms of human resources, AI could make personnel recruitment easier by identifying qualified applicants in databases. We can also gain a better understanding of our customers' needs through data analysis, including the derivation of behavioural patterns and personalised marketing campaigns. Furthermore, social media and news analyses can be used to identify trends at an early stage. AI will also play a decisive role in ESG investments by helping investors and banks to better understand ESG factors and their impact on companies. In summary, we expect AI to provide us with essential data and information for our core business.

#### **b. Outside-in perspective**

AI poses various risks. The systems process enormous amounts of data that must be protected. Another risk is that the systems analyse behavioural data and derive behavioural patterns from algorithms, which can influence the content of information, as well as opinions and decisions. Misinterpretations of AI are also possible. AI is particularly risky when users apply it without verifying its accuracy. So far, none of our customers has requested proof of its practical application. With regard to ecological aspects, we assume that legal regulations on emission reduction and environmental friendliness will influence the development of AI technologies. From a social perspective, we expect the digital transformation to significantly alter the world of work. Some employees may view this as a threat. We therefore consider it our responsibility to develop suitable training measures to prepare our employees for future technologies and equip them with the necessary qualifications.

#### **III. Economic success and future viability**

We can only achieve economic success and future viability hand in hand with our customers. We are the market leader in the 'in-store solutions' product segment. We strive to build close customer relationships characterised by



reliability, trust, passion, and open dialogue. In line with our motto, 'Making shopping easier and more enjoyable', we are committed to creating in-store shopping experiences that inspire our customers and their consumers to shop in retail stores. Unlike online shopping, consumers can touch, try and purchase products directly at the point of sale. Our customers come from the automotive, cosmetics, DIY and garden, electronics, fashion, finance, food, household goods, jewellery, pharmacy, retail, stationery, telecoms and toys industries. We involve all partners — customers, suppliers, service providers and subsidiaries — in the development process. In collaboration with our business partners, we are passionate idea generators, forward-thinking consultants and reliable project implementers. We create in-store solutions that attract consumers' attention, spark interest and promote product sales, from design and prototyping to engineering, production and delivery or installation.

#### **a. Inside-out perspective**

As a sustainable company, we compete with international companies that do not fully comply with Environmental, Social and Governance (ESG) standards. This competition poses risks, as environmentally friendly, recyclable materials and fair supply chains often incur higher costs. 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. We expect the CSRD to prompt a rethink among companies, and believe that our sustainable strategy will open up new opportunities and sales markets in the long term. We are currently seeing an increasing demand from customers for sustainable retail environments and product carbon footprint or life cycle analyses. 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 positively impacts our business model. Another major advantage of our sustainable strategy is retaining qualified personnel. We are able to recruit and retain qualified employees in our company in the long term. This is particularly important for a family business like ours, which has a long-term outlook and aims to pass on lasting values to the next generation (cf. criterion 16). Qualification. Contract manufacturing typically involves risks such as high development costs, difficult planning, high process complexity, varying material requirements, capacity fluctuations, and different production lead times. Thanks to our decades of experience, we recognise our ability to carry out project manufacturing as a core competence. This 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**

The retail industry is driven by brand image and trends, and customer expectations change rapidly. In such an environment, a lack of flexibility and innovation can lead to customers looking elsewhere. A lack of flexibility and innovation can cause customers to look elsewhere. One mistake or one project that fails to meet expectations can suddenly reverse a consistently positive



perception. We are aware of this risk. Therefore, our primary task is to ensure that we never disappoint our customers' trust in our abilities, market knowledge and expertise. Sustainable products and stores have become a decisive factor in many customers' purchasing decisions, and thus a distinguishing feature for many market participants. An increasing number of brand manufacturers are seizing the opportunity to present their brand as a lifestyle combined with sustainable in-store solutions. Through events such as product tests, after-work parties, barista workshops and wine tastings, they are attracting consumers to their stores and conveying their brand essence. Displays, shop-in-shop systems and stores reinforce the brand image. Customers who purchase a product become part of this presentation.

#### **IV Speed**

##### **a. Inside-out perspective:**

We are committed to meeting the expectations of our stakeholders with regard to efficiency, reliability and innovation. To achieve this, we must continuously update and optimise our processes to ensure transparency and smooth operations. Efficient procurement management is essential for stable supply chains and competitive prices, despite global uncertainties. At the same time, there is increasing pressure to shorten development times in order to bring innovations to market faster without compromising on quality or safety. Reduced project durations require agile control and the optimal use of resources to avoid delays. Additionally, technical production preparation must be standardised while retaining the necessary flexibility. The biggest challenge lies in optimising all these factors simultaneously in order to remain competitive in the long term and secure the trust of stakeholders.

##### **b. Outside-in perspective:**

In the field of presentation systems and displays, our customers require rapid product development, short delivery times and a high degree of flexibility in order to successfully and quickly place their products in the retail market. A fast time-to-market provides competitive advantages and increases sales. Delays in delivery or product adjustments lead to economic risks and undermine trust in the business relationship. Therefore, the ability to respond flexibly to rapidly changing market requirements, ensure efficient production and delivery processes, and guarantee reliable delivery is a key aspect of corporate sustainability. Our customers expect us to strengthen their resilience. To this end, we continuously optimise our processes, rely on agile methods, and promote innovative, sustainable system solutions that contribute to resource efficiency and greenhouse gas reduction along the supply chain.

#### **V. SUSTAINABILITY: Climate protection and Resource efficiency**

##### **a. Inside-out perspective**

As an ISO 14001-certified company, we have been committed to sustainability since 2008. Since then, we have implemented measures to protect the climate and promote resource efficiency. As part of an energy audit in accordance with ISO 16247-1, we implemented further measures to reduce direct and indirect

greenhouse gas emissions. In 2021, we joined the Baden-Württemberg Climate Alliance and set climate targets for Scopes 1–3, with the aim of reducing CO<sub>2</sub> emissions to 8 tonnes per inhabitant by 2030, mainly by reducing our use of fossil fuels such as gas, oil and coal. In February 2025, the EU presented simplifications to sustainability reporting regulations. It remains to be seen to what extent the regulations in question will affect us indirectly via our customers or as a VSME. The fact is that

- Reporting companies under the CSRD and EU Taxonomy are likely to be limited to those with more than 1,000 employees, a turnover of over €50 million, and a balance sheet total exceeding €25 million. Furthermore, the reporting obligation under the CSRD and CSDDD is not expected to commence until 2028.
- The reduction in the bureaucratic burden on companies, especially SMEs, is something we welcome

As a project manufacturer, we develop and produce our products on a bespoke, customer-specific basis. This means that our manufacturing process is order- rather than demand-oriented. Consequently, our production lines and processes vary. The development process starts with the aim of reflecting our customers' brand image in their retail systems while steering their expectations, which are not always focused on sustainability, towards resource-efficient solutions. To highlight the advantages of sustainable solutions, in 2024 we submitted a funding application to [S-TEC, the Stuttgart Centre for Climate-Neutral Production and Accounting](#) at Fraunhofer-Institute for reducing and assessing the life cycle of greenhouse gas emissions in product presentation systems. This application was approved by the state of Baden-Württemberg (see 13). Climate-relevant emissions. The project was launched in Wolfschlügen in June 2024.

#### b. Outside-in perspective

Although unmistakable climate change is prompting a rethink among the general public, this is not necessarily resulting in changes within companies. German industry is currently facing complex challenges, with bureaucracy, high energy costs and geopolitical uncertainties weighing on competitiveness. At the same time, regulatory pressure is growing. Companies must choose between short-term crisis management and long-term sustainable transformation — a balancing act with potential risks, as a lack of capital limits the financial scope for sustainable investments. In our product development, we are guided by two principles recommended by [Umwelttechnik Baden-Württemberg](#) (UTBW). The first is the usage phase: products with a long service life impress with their good material properties, efficient use of resources, and lowest possible environmental impact. The second is that bio-based materials often compete with the food industry and sometimes contain additives that cause problems for the circular economy during recycling. Based on this knowledge, we prioritise the use of durable, robust, high-quality, recyclable materials in development and

procurement. These materials are suitable for reuse, reduce waste and ensure products are easily maintained and repaired, thereby extending their life. We also take energy consumption into account, for example by installing energy-efficient lighting systems in retail outlets. By exploiting this efficiency potential, we create in-store solutions that save resources, are dismantlable and recyclable. We collect used presentation systems from retailers on behalf of our customers. These are then reconditioned in Wolfschlügen. We remove signs of wear and tear, replacing defective components with new ones, before returning them to brick-and-mortar retailers. By reusing parts that can be repaired and feeding irreparable components into the recycling process, we maximise resource efficiency. This requires far less new energy and fewer new materials than producing new items.

Thanks to our modular design, we can dismantle returned products according to their material type and return them to the circular economy (see sections 3 and 4). Depth of the value chain. We would have liked to participate in the ['Mülltrennung wirkt'](#) (Waste separation works) initiative. Unfortunately, the initiative does not currently accept B2B companies.

Ultimately, we are committed to sustainable change out of conviction and with a great deal of passion. As a medium-sized SME in a relatively unknown industry, we have not always received the same level of public recognition as large corporations in the past. However, this seems to be changing gradually. Thanks to environmental economic instruments and political decisions, our environmental activities are gaining public recognition.

In 2022, we became a Climate Alliance partner of the state of Baden-Württemberg and received a gold rating from Ecovadis. In 2024, we reached the final of the [German Sustainability Award](#) for Companies.

ARNO is:

- [Climate Alliance Partner of the State of Baden-Württemberg](#),
- member of [B.A.U.M. e.V.](#), a network for sustainable management,
- Supporter of the [CEO bekennen Farbe](#) (CEO commit to Colour) initiative for recycled paper,
- Donation partner of [Aktion Baum](#) (Action Tree)

We receive considerable recognition from our customers, auditors, and neighbours for our commitment, and our stakeholders have acknowledged our positive development. In both 2022 and 2024, we were awarded the Gold Medal by EcoVadis, the world's leading sustainability ratings platform.

### 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.

To us, achieving economic objectives is inextricably linked to taking responsibility for our actions towards society and making a sustained commitment to maintaining a liveable environment. We use the three-pillar model to determine our sustainability goals. We implement the three pillars of 'ECOLOGY – ECONOMY – SOCIAL ISSUES' in equal measure and simultaneously. A solid, evidence-based database is essential for transparent sustainability reporting. The core issues are identified and prioritised during the stakeholder analysis and subsequent materiality matrix (see criterion 2). Materiality and 9. Stakeholders.



#### **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 CO<sub>2</sub>-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 45001. 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](#)

## 1. Our sustainability targets for 2025 and subsequent years

We have defined our operational sustainability goals based on our business activities. These goals, together with the projects we have implemented in recent years, send a clear signal that we are committed to creating a sustainable, ecological 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	Goal	Implementation in by	Responsible
1 Reduction of absence days 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 403-22. 2. Annually documented employee training on occupational health and safety, GRI 403-5. 4. Increase in the subsidy for safety shoes to EUR 80.	2025	max. 8 days of absence due to work-related accidents or illnesses	2025	HR
2 Lost Time Injury Rate (LTIR) Zero occupational accidents		5. Occupational safety and health concept, GRI 403-6 Preventive health measures for employees, visitors, and contractors 6. Supporter of Vision Zero (ILO)	2025	LTIR: Zero serious accidents	2025	HR
3 Reduction of the accident frequency rate lost time injury frequency rate (LTIR)		7. Annual safety instructions, prevention training 8. Occupational health service, GRI-403-3-9 Annual medical examination on a voluntary basis	2025	LTIR (per 1,000,000): 70	2025	HR
4 Reduction of the sickness rate		Discussion offers working committee, especially in cases of recognisable psychological stress	2025	max. 4.6%	2025	HR
5 Health prevention		Prevention offers (Wofit, swimming pool subsidies, fitness, back training, nutritional advice, etc.)	2025	at least 5 offers	2025	HR
6 Mindfulness		Mindfulness training (voluntary offer for employees) - Staying calm when things go wrong - Multitasking (marble game) - Theory of constraints	2025	voluntary participation	2025	GL
7 New canteen Appreciation through participation		Modernisation of the canteen with employee design ideas based on Eat & Enjoy, Connect & Chat, Recharge & Relax. Reuse of customer leftover wood from past customer projects.	2025	Creating a meeting place	2025	DES





Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in/by	Responsible
8 Continuous training of employees (internal and external)	4 Quality education	Annual training budget. Consistent implementation of our leadership principles in accordance with the ARNO leadership culture, which emphasizes "empowerment and talent-based development."	2025	Training budget EUR 111,870	2025	HR
9 Qualification	4 Quality education	Raising awareness of the relevance of continuing education Internal and external continuing education opportunities Monitoring continuing education hours	2025	At least 1,400 training hours	2025	HR
10 Balanced further training	4 Quality education	Balanced distribution of training hours among industrial and commercial employees. Implementation of the "Leadership Culture" management guideline, in which empowerment is a central element.	2025	At least 10 hours of further training per employee per year	2025	HR
11 Participation in Girls' Day	4 Quality education	At Girls' Day, girls learn about professions predominantly occupied by men. The event is offered to students in 5th grade and above and is supported by the Ministry of Education.	2025	Participation in Girls' Day on April 3, 2025	2025	HR
12 Sustainability in the company: School class visits ARNO	4 Quality education	We're opening our company to a school class from the Nürtingen vocational college. The focus is on sustainable corporate management. Students will gain insights into our corporate culture, career opportunities, training, and more.	2025	Sustainability education	2025	HR
13 Sustainable Procurement Qualification of Direct Procurement	4 Quality education	Purchasing training on the ISO 26000 Guidelines for Social Responsibility and Environmental Aspects using the example of completed supplier audits	2025	Training of all employees	2025	DP









Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in/by	Responsible
14 Gender equality	5 Gender equality	Increasing the proportion of women in management positions where vacancies exist	2025	25% female managers	2026	HR
15 Retention of employees on parental leave	5 Gender equality	Parents' meeting for employees on parental leave initiated by HR (at least 2 employees on parental leave at the same time)	2025	Implementation	2025	HR




Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in/by	Responsible
19 Participation in familyNET	10 Reduced inequalities	Participation in familyNET, the competition for modern corporate culture. Companies that exemplify a modern and sustainable corporate culture are recognised. Two topics are available: Leadership, Human Resources Development and Diversity, or Family-Friendliness and Health.	2025	participation	2025	HR
20 Corporate Volunteering Woman Power for charitable engagement	10 Reduced inequalities	We give our employees one day off per year for recognized social or charitable purposes or community service.	2025	Promoting social community	2025	HR
21 Promoting inclusion	10 Reduced inequalities	Assuming social responsibility by awarding contracts to workshops for people with disabilities (WbM) and correctional facilities (JVA)	2025	realisation	2025	DP
22 Promoting inclusion	10 Reduced inequalities	Support/promotion of workshops for people with disabilities (WbM) such as the Fitterwerkstatt, Schwarzweißwerkstatt, Behinderungsförderung Linsenhofen through contract awards	2025	EUR 18,000	2025	DP



Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in/by	Responsible
23 Support for charitable projects and events	11 Sustainable cities and communities	Continuation of sponsorship of various running events	2025	Promoting social community in the municipality	2025	GL
24 Housing services for employees	11 Sustainable cities and communities	Supporting employees in finding accommodation	2025	Support on request	2025	HR

Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in/by	Responsible
25 During the development process, long durability and service life of the products are taken into account.	12 Responsible consumption and production	Modular development High product quality	2025	100% 100%	2025	DES, CON, PT PR
26 Regional procurement	12 Responsible consumption and production	Procurement of packaging materials - from Germany - from Southern Germany	2025	100% at least 97%	2025	DP
27 "Mobile phone collection point for everyone" campaign as part of the KLIMA.LÄND.TAGE (climate country days) of the state of Baden-Württemberg	12 Responsible consumption and production	Central collection point for employees and the municipality of Völschlagen in the ARNO foyer	2025	realisation	2025	IT
28 Sustainable procurement	12 Responsible consumption and production	Reporting on the percentage of recycled wood or wood-based products/materials including supporting documentation	2025	documentation	2025	DP
29 Sustainable cleaning products	12 Responsible consumption and production	Our Hospitality and Housekeeping cleans exclusively with environmentally friendly cleaning agents, cleaning of hazardous substances register	2025	100%	2025	HR
30 Paperless office	12 Responsible consumption and production	Introduction of ELO (Electronic Leitz File)	2023	realisation	2025	IT, HR
31 Paperless office	12 Responsible consumption and production	Digitisation of travel expense reports including automatic payment and posting	2025	realisation	2025	HR



Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in/by	Responsible
32 Climate protection agreement with the state of Baden-Württemberg on Scope 1		Scope 1: Reduction of GHG emissions by at least 80 tons, corresponding to a GHG reduction of approximately 40 percent compared to the base year 2021. Reduction of heating oil, gas, and fuel consumption.	2021	Reduction of 80 tons of CO <sub>2</sub>	2027	GL
33 Resource Efficiency Check (KEFF+Check)		KEFF+Check of the heating system in March 2025 (Resource Efficiency Competence Center)	2025	realisation	2025	GL
34 Heat pump by 2040		Scope 1: Replacement of oil heating with a heat pump	2040	realisation	2040	GL
35 Building management Renewal of lighting in the building		Renewal of lighting in assembly and logistics with LEDs	2020	realisation	2025	GL
36 Conversion of the vehicle fleet to e-mobility		Conversion to 100% electromobility Plan 2025: 25%	2023	realisation	2030	GL
37 Climate protection agreement with the state of Baden-Württemberg on Scope 3		Scope 3: Reduction of GHG emissions by approximately 35 tons. This corresponds to a GHG reduction of approximately 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 tons of CO <sub>2</sub>	2027	SALES
38 Organizing an awareness day		Home office, carpooling, commuting with public transport, business trips with Deutsche Bahn, avoiding air travel, paperless working, etc.	2025	realisation	2025	ESG, M
39 NetZero		The target and definition of measures are based on the KEFF+Check of the regional competence center for resource efficiency in 2025. Climate neutrality in Scope 1+2 for 2040	2026	Target definition (year) Climate neutral Scope 1+2	2026 2040	GL

Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in/by	Responsible
40 ESG questionnaire before awarding investments		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	2025	FI
41 ESG compliance training for all employees		Compliance ARNO Code of Conduct, ARNO Anti-Corruption Policy, ARNO Diversity and Inclusion Guidelines as part of the annual safety briefing	2025	100%	2025	HR
42 Review of financial investments according to social and environmental factors		Starting in 2025, we plan to review our financial investments based on social and environmental factors. Since we are not a company that regularly invests in financial assets, the review will be based on defined, qualitative factors, not on metrics.	2024	100% of financial investments	2025	FI

Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in/by	Responsible
43 Cooperation with suppliers who meet the ISO 26000 standard		At least 10 supplier audits according to ISO 26000. An audit report is prepared. In the event of deviations, actions are defined and documented, which the supplier must verifiably correct.	2024	at least 10 supplier audits for ISO 26000	2025	DP
44 Increase employee satisfaction to 85%		Brezel 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 breathwork sessions for all employees Open workshops on resilience / mindfulness 5 blocks of leadership workshops to improve leadership culture	2025	Employee satisfaction 85%	2025	GL

## 2. Sustainability objectives 2024 - results

At the beginning of 2024, we set sustainability targets for that year and the following years. We will continue to pursue the targets set in 2024 that could not be achieved. Additional measures have been defined to ensure they are implemented as quickly as possible. You can download the list [here](#).

Sustainability goals	SDGs	Measures	Base year	Goal	Implementation in by	Result		GR	Responsible
						Value	Quote		
1 Reduction of absence days through preventive measures	3	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. Annually documented employee training on occupational health and safety, GRI 403-5; 4. Increase in the subsidy for safety shoes to EUR 80.	2024	max. 10 days of absence due to work-related accidents or illnesses	2024	1	100%	403	HR
2 Lost Time Injury Rate (LTIR) Zero occupational accidents	3	5. Occupational safety and health concept, GRI 403-6 Preventive health measures for employees, visitors, and contractors 6. Support of Vision Zero (ILO)	2024	LTIR Zero serious accidents	2024	0	100%	403	HR
3 Reduction of the accident frequency rate/lost time injury frequency rate (LTI, LTR)	3	7. Annual safety instructions, prevention training 8. Occupational health service, GRI 403-3 9. Annual medical examination on a voluntary basis	2024	LTI (per 1,000,000) 90	2024	29	100%	403	HR
4 Reduction of the sickness rate	3	Discussion offers working committee, especially in cases of recognisable psychological stress	2024	max. 4.7%	2024	4.5%	100%	403.9	HR
5 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 includes "empowerment and talent-based development"	2024	EUR 120,475	2024	EUR 86,651	72%	404	HR
6 Qualification	4	Raising awareness of the relevance of continuing education on internal and external continuing education opportunities Monitoring continuing education hours	2024	At least 1,400 training hours	2024	3098	100%	404	HR
7 Balanced further training	4	Balanced distribution of training hours among industrial and commercial employees Implementation of the "Leadership Culture" management guideline, in which empowerment is a central element	2024	At least 10 hours of continuing education per employee per year	2024	22.26	100%	404	HR
8 Participation in Girls' Day	4	At Girls' Day, girls learn about professions predominantly occupied by men. The event is offered to students in fifth grade and above and is supported by the Ministry of Education	2024	Participation in Girls' Day on April 25, 2024	2024	realised	100%	413	HR
9 Gender equality	5	Increasing the proportion of women in management positions where vacancies exist	2024	25% female managers	2026	in planning		405	HR
10 Corporate Volunteering	8	We made our VolMan power available for social initiatives. Volunteers can support social projects at non-profit organizations one day a year.	2024	Supporting social institutions to promote the common good	2024	realised	100%	413	managers
11 Support/promotion of workshops for people with disabilities	8	Contracts awarded to workshops for people with disabilities, e.g. Filderwerkstatt, Schwarzwaldwerkstatt, Linsenhofen Disability Support Center, etc.	2023	EUR 30,000	2024	EUR 33,462	100%	-	PM
12 Establishment of an IT collection point for used hardware (PCs, laptops, monitors, servers, tablets, printers), including privately discarded hardware	12	Establish a central collection point for old IT equipment, including personal devices. Donate to non-profit organizations, such as "pc-spende.de," an initiative of Das macht Schule, or "HeyAlter.com."	2024	Concept and realization	2024	realised	100%	406	IT
13 Support for charitable projects and events	13	Continuation of sponsorship of various running events	2024	Promoting social community in the municipality	2024	realised	100%	413	GL
14 Housing services for employees	13	Supporting employees in finding accommodation	2024	Support on request	2023	realised	100%	413	HR
15 Sustainable development	13	Cooperation with S-TEC, the Stuttgart Technology and Innovation Campus for Climate-Neutral Production and Holistic Accounting	2024	Cradle-to-Cradle, PCF	2024	realised	100%	301	IT G
16 Funding application for feasibility study to the state of Baden-Württemberg for plastics recycling concept	12	Develop a recycling concept that involves high-quality recycling of plastic parts rather than thermal recycling. Submit a funding application to the state of Baden-Württemberg for a potential analysis.	2023	High-quality recycling	2024	not realised Capacity bottleneck PM	0%	306	IT G
17 Scope 3 accounting	13	Scope 3 accounting	2024		2025	realised	100%	305	IT G
18 Heat pump by 2040	13	Scope 1: Replacement of oil heating with a heat pump	2040		2040	in planning		302	GL
19 Conversion of the vehicle fleet to e-mobility	13	Conversion to 100% e-mobility Plan 2024: 20%	2030		2030	in planning		305	GL
20 Climate protection agreement with the state of Baden-Württemberg on Scope 1	13	Scope 1: Reduction of GHG emissions by at least 80 tons, corresponding to a GHG reduction of approximately 40 percent compared to the base year 2021. Reduction of heating oil, gas, and fuel consumption	2021	Reduction of 80 tons of CO <sub>2</sub>	2027	in planning		306	GL
21 Climate protection agreement with the state of Baden-Württemberg on Scope 3	13	Scope 3: Reduction of GHG emissions by approximately 35 tons. This corresponds to a GHG reduction of approximately 3.5 percent compared to 2021. Increase in the purchasing volume of recyclables, or materials that generate fewer GHGs, by 15 percent	2021	Reduction of 35 tons of CO <sub>2</sub>	2027	in planning		305	EW
22 Expansion of Superscopes in Scope 3	13	Scope 3B Transport Scope 3H Disposal Scope 3J Employee travel, etc.	2024	Baseline values for determining further ESG measures	2025	realised	100%	305	LOG GP HR
23 Building management Renewal of lighting in the building	13	Replacing conventional light bulbs with LED lights to reduce energy consumption	2020		2025	in planning		302	GL
24 ESG questionnaire before awarding investments	15	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	postponed to 2025		GRI 412-3	FI
25 Review of financial investments according to social and environmental factors	15	Starting in 2025, we plan to review our financial investments based on social and environmental factors. Since we are not a company that regularly invests in financial assets, the review will be based on defined, qualitative factors, not on metrics.	2024	100% of financial investments	2025	in planning		G4- FS11	FI
26 Annual refresher training ARNO Code of Conduct	16	In 2023, all employees will be trained explicitly on anti-discrimination as part of the company safety training on the Code of Conduct	2024	100% of employees	2023	realised	100%	296 403 405 406	HR
27 Cooperation with suppliers who meet the ISO 26000 standard	17	Supplier audits for ISO 26000	2024	10 supplier audits for ISO 26000	2023	realised	100%	(308) 414	GP
28 Increase employee satisfaction to 85%	17	Breakfast with management and randomly selected employees (every 2-3 weeks) Follow-up workshops on the ARNO brand Corporate culture Workshops with selected employees 2x employer campaigns. Open breakfast sessions for all employees. Open workshops on resilience / mental health 5: 3 blocks of leadership workshops for a better leadership culture	2024	Employee satisfaction 85%	2024	realised	100%	401	GL

Upon request, we will send you the sustainability report with the sustainability results from previous years. Please contact our ESG Manager named on the cover page.

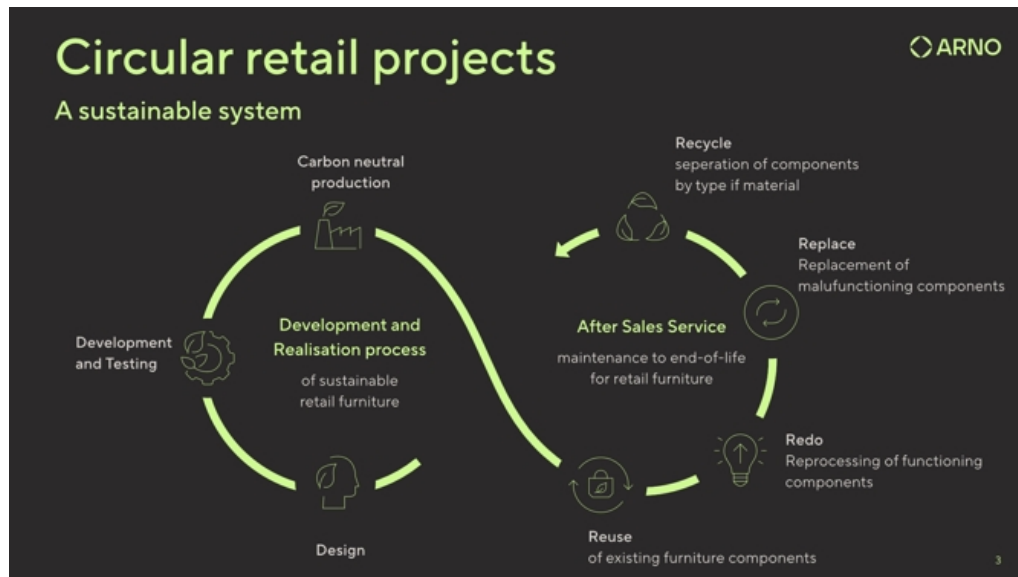
## 4. Depth of the Value Chain

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

At ARNO, we consider the entire product lifecycle in order to conserve resources and promote sustainability. By using durable materials and providing repairable, modular solutions with the option of efficient re-equipping with components, we reduce the need for new production while meeting ecological and customer requirements. We identify risks, assess their potential impact and evaluate them. Our goal is to proactively influence how products and services are developed, produced, shipped, used and disposed of. This helps to reduce waste and emissions while strengthening our customers' confidence in the quality and lasting value of our products. Furthermore, we gain a competitive advantage by offering sustainable solutions that meet the market's growing demands. We expect our partners to work in a resource-efficient manner, promote the use of environmentally friendly products, and take on social responsibility.

**Our focus is consistently on circular approaches**, as these encompass all phases of resource management, from design and use to the end of a product's life. From the design stage onwards, we pay close attention to using recycled or non-fossil materials, ensuring high reparability and recyclability, and maximising resource efficiency and durability. At the end of their life cycle, our products must meet the following criteria:

- 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

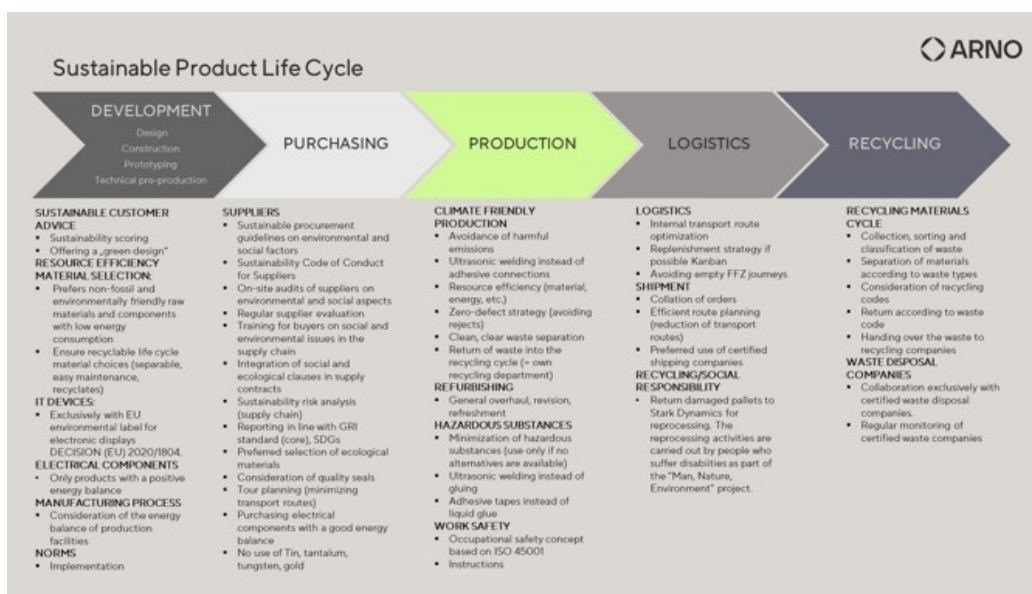
The following assessment table is used for the measurement:

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 our ecological assessment are

- an overview of the ARNO sustainable product life cycle,
- the [ARNO product life cycle](#), which highlights key environmental aspects for each stage of development.

Where control options are limited or there are no ecological alternatives, measures must be defined to prevent 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 Wolfschlugen. The knowledge gained here is incorporated into series planning. At this stage, we attach the same importance to environmental concerns as we do to our conventional goals of cost, functionality, and quality. If we identify any negative interactions, for example if an environmentally friendly measure has negative effects elsewhere, we take early and targeted action to counteract this.

### **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 Recyclates 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 manufacture customised displays, shop-in-shop systems and shopfitting elements on schedule in accordance with defined quality and environmental standards across 10,000 m<sup>2</sup> of production and assembly space. Our core competencies lie in assembly and packaging, and we supplement these with standard processes such as sawing, drilling, screwing, riveting, pressing, laminating, ultrasonic welding, bending, edging, gluing, electrical assembly, electronics assembly and testing, as well as cleaning and packaging. As a project manufacturer with robust structures, we can respond flexibly to changes in materials, components and capacity requirements. A series release sample defines the quality standard for each new series. Our zero-defect strategy ensures these standards are consistently met, with quality controls in place at every stage.

### **6. LOGISTICS AND SHIPPING**

All of the 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. We evaluate our carriers every six months in terms of certificates, adherence to deadlines, cooperation, service and pricing. When awarding contracts, priority is given to A-class carriers.

### **7. RECYCLING DEPARTMENT**

Our recycling department ensures that material composites are dismantled, and waste is sorted, placed in collection containers and disposed of in accordance with waste code numbers. As we work exclusively with certified waste disposal companies (EfB), we can be sure that the waste we dispose of is returned to the recycling cycle (cf. 11). Use of natural resources (GRI 306),



high-quality recycling (GRI 306-3), performance indicators (11–12).

#### **8. AFTER SALES / COMPLAINTS MANAGEMENT / ERROR CULTURE**

After-sales service is a high priority for us. We build our B2B partnerships on trust and long-term cooperation. We view mistakes as an opportunity for improvement, rather than as a flaw. We address issues such as a lack of awareness or competence, or rule violations, in a targeted manner, for example through training courses. Our complaint management system ensures that complaints are processed quickly and repeat errors are avoided.

Together with our partners, we develop sustainable, resource-efficient and economical solutions under fair social conditions. Our goal is to create a win-win situation along the entire supply chain. Once the design, functionality and quality requirements have been met for all retail partners, we consider our mission of 'making shopping more beautiful and easier' to have been accomplished. As an ISO 14001-certified company with an international presence, we consistently integrate ecological aspects into all stages of the product life cycle. We analyse risks, evaluate their manageability and actively promote environmentally friendly design in the areas of development, production, logistics, use and disposal.

## Criteria 5–10 concerning PROCESS MANAGEMENT

### 5. Responsibility

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

Taking a sustainable and responsible approach to environmental, social and corporate governance (ESG) issues is crucial for long-term success and having a positive impact on society. To this end, we have developed an internal control system that promotes transparency, accountability, and continuous improvement.

#### RESPONSIBILITY FOR SUSTAINABLE ISSUES

The top decision-makers are the owners: Alien Wolter, Tim Arnholdt and Sophie Keim. The three siblings determine the company's mission statement. They shape the company through their history, which goes back to the founder, their grandfather, and their cohesion. Through a shared vision and a governance strategy that reflects their personal values, they manage ARNO based on economic and framework conditions.

The ARNO Group is supported by two pillars: ARNO Core (present) and ARNO 36 (future). Tim Arnholdt manages ARNO 36. His division is responsible for identifying new markets. Alien Wolter oversees the core business (ARNO Core), supported by three divisions. The first division is Operations. This division includes project management, direct procurement, manufacturing, logistics, and subsidiaries. Steffen Rothmeier is the Operations Director. The second division comprises Sales and Development. This division is managed by Sophie Keim, who is the Sales & Development Director. The third division is the responsibility of Group Financial Director, Andreas Thüringer. Reporting to him are the departments of Finance, Controlling, Human Resources, IT, Facility Management, Quality Management and ESG. Together, these teams support Managing Partner Aline Wolter and her siblings, Sophie Keim and Tim Arnholdt, in developing the sustainability strategy further, coordinating measures, and monitoring their implementation.

The efficient and successful management of the ARNO Group hinges on our corporate goals, available budget and process descriptions. Our corporate goals emphasise our strategic direction and the related decisions and activities within the company. These are determined by the management committee, consisting of the owners, the Group Financial Director and the Operations Director. When setting ESG goals, we also consider suggestions for

improvement from our employees, received through various working groups, the Shop Floorboard and other channels. See 14. Employee rights. By taking our employees' interests into account, we ensure that our employees

- continuously engage with possible environmental, social and economic improvements,
- see their ideas reflected in the strategic and operational sustainability goals,
- actively support and promote the implementation of sustainable ideas,
- identify with the sustainability goals, making their input an indispensable part of ARNO's sustainability strategy.

The company's goals are broken down into departmental goals using a cascade approach. All qualitative and measurable goals are broken down from the top of the hierarchy to management levels, where they are split into function-related target agreements. Managers are responsible for implementing these goals. They must communicate the sustainability goals and guidelines within the ARNO Group, define measures, implement them, and develop them further within their teams. Alongside the corporate goals, the management team determines the annual budget. To this end, they take into account data and results from various areas of the company, e.g. sales, costs, necessary investment or maintenance measures, and much more. Once the overall budget has been determined, it is distributed among the various departments or cost centres within the company. Each department receives a budget tailored to its specific goals and responsibilities. We use our ESG budget to finance sustainable projects or activities, increase energy efficiency, utilise renewable energy sources, and implement environmentally friendly initiatives. The Group Financial Director monitors the budget throughout the financial year. He ensures that expenditure remains within the specified limits. If necessary, adjustments can be made in consultation with the owners to respond to unforeseen events or changing market conditions. We view budgeting as an ongoing process requiring close collaboration between our departments and the company's decision-makers. An accurate and effective budgeting process significantly impacts the success and financial stability of our company.

Controlling evaluates the company's goals and target agreements on a monthly, quarterly, and annual basis using a reporting tool. All issues (ecology, economy and society) are considered. Both management and executives are regularly informed about results, progress and necessary measures. If a target is not achieved, the management team works with executives to define corrective measures. Two to four operational meetings are held during a financial year, at which our employees are updated on the current business situation. In addition, TÜV auditors monitor our goals and results 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 it expedient to implement a sustainability-oriented remuneration structure for employees, since our ESG goals are already incorporated into our corporate strategy and objectives.

## 6. Rules and Processes

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

In criterion 3: Goals and 5. Responsibility, we explain how we define sustainability goals and anchor the ESG strategy in our day-to-day business. The implementation rules are set out in our **integrated quality management system**, which complies with ISO 9001 and ISO 14001 standards. TÜV Süd audits us annually in terms of goal setting and achievement, compliance with standard requirements, process orientation, and evidence of a continuous improvement process (CIP). We also practise the ISO 26000 guidance on social responsibility and the ISO 45001 occupational health and safety standard. ISO 45001 plays a minor role in our industry and is rarely required by potential customers. Nevertheless, we fully implement ISO 45001 through our ARNO occupational health and safety concept, as we feel responsible for our employees (see criterion 3). Goals and 16. Qualification. Our integrated quality management system incorporates the necessary resources, process descriptions and their interactions, control criteria, measurement procedures, results, evaluations, performance indicators (KPIs), competencies, rules of responsibility, the occupational health and safety system, a suggestion scheme for improvements and risk and opportunity identification (SWOT analysis). Documents that are subject to change management are always used in their latest valid version, after the status, date and process owner have been versioned. Our Quality Management Manual (QMH) contains all ESG information, including the ARNO Code of Conduct and the ARNO Anti-Corruption Guide, as well as rules for dealing with suppliers and much more. Line managers are responsible for communicating the content to specialist departments. Employees are trained in writing or verbally, depending on the topic. Internal audits, incorporating sustainability issues, the development of sustainability targets and indicators, ensure that standards are implemented and that continuous improvement is achieved. If deviations occur, we immediately initiate corrective measures, which must be monitored and documented by the relevant person. Our Direct Procurement department conducts on-site audits of selected suppliers in accordance with ISO 26000 (see criterion 17). Human rights, GRI 414-1. Production is controlled via a shop floor board. Every morning, those responsible for production meet to discuss orders, resolve issues and review occupational safety precautions, as well as delegating work. A quality assurance system is in place from

development to production, delivery and assembly at the customer's premises to guarantee consistent quality along the value chain. During the development phase, approval processes take place in the form of feature monitoring or testing, in accordance with our quality plan. At the start of production, our manufacturing departments create a series failure sample (also known as an approval sample) based on the work plan, taking into account the quality features required by the customer. We also carry out 100% inspections or random checks, depending on the product. Intermediate and final inspections, which are photographed for documentation purposes, are also possible. Should complaints nevertheless arise, we regard them as learning opportunities. We have made a conscious decision not to link our remuneration system to complaints. We see complaints as an opportunity to improve. Nevertheless, we aim to avoid error costs at all times. To this end, we evaluate complaints according to their cause and originator, and define measures to prevent errors. We communicate the causes of errors and the defined measures to our employees in knowledge transfer meetings.

Our business processes thrive on process-oriented agility and sustainable responsibility with regard to ecology, social issues and the economy. We prioritise quality in everything we do. Our continuous improvement process (CIP), which is based on several pillars and takes the PDCA cycle into account, ensures constant improvements, which are mainly achieved through teamwork. Through workshops, meta-plans, lessons learned, internal audits and departmental reviews, we identify and evaluate areas for optimisation. Cross-departmental measures are then defined and implemented.



**Process-orientated agility within the framework of ISO 14001 and ISO 9001**

As a project manufacturer that works in a dynamic environment, we are used to integrating agile approaches into our business processes. Thanks to our ability to achieve organisational resilience, we are able to adapt to changing framework conditions, react quickly and precisely and increase our performance.

We support agile quality and sustainability management with self-direction and personal responsibility within the teams.

Sustainable products and business processes are the future. Process quality (communication, order processing, functionality, information quality) must be lean, target-orientated and reliable. Focussing on customer benefit takes centre stage. Process optimisation geared towards this leads to savings in resources, increases process efficiency and the satisfaction of everyone: employees, customers, suppliers, service providers, etc.

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We share information about ESG via our Microsoft Teams channel, a dashboard in the entrance area, and social media. A monthly management meeting is held at which managers discuss current issues. Company meetings, at which management explains the corporate strategy to the workforce and presents

current company figures and sustainability goals, take place two to three times a year. All documents, including presentations from company meetings, can be found in our quality management handbook, to which all employees have access.

## 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.

### **PERFORMANCE INDICATORS for MANAGING and MONITORING SUSTAINABILITY GOALS**

A focused CIP requires audits to be planned, intrinsic motivation to be fostered, and an effective suggestion scheme to be implemented. The sawtooth effect, whereby excessive action is taken before the audit and then ceases immediately afterwards, is incompatible with our approach to QMS and continuous CIP. We determine qualitative and quantitative performance indicators within the framework of our certified quality and environmental management system (see section 3, 'Goals'). In addition, we are guided by the 17 Sustainable Development Goals. Since 2020, we have been applying the core elements of the Global Reporting Initiative (GRI) for key performance indicators, and we are gradually adapting these to the newly published GRI (2021). We collect quantitative performance indicators based on reliable information, e.g. invoices. Our ESG goals form part of ARNO's corporate goals. The management level implements the sustainability strategy and goals throughout the ARNO Group's hierarchical levels. This ensures that managers work with their employees to implement them. By allocating corporate goals according to function (see section 5, 'Responsibility'), each manager receives target agreements that their team must implement within a defined timeframe. These target agreements are an excellent tool for performance management. Performance indicators are monitored and evaluated by Controlling. In the case of target agreements, they are also evaluated by the department head (see section 5: Responsibility). If, during monitoring, developments arise that indicate the achievement of a focused target or measure is at risk, Controlling informs the management, who then initiate corrective measures. Once a month, the finance department and Controlling inform the management and executives about the development of the most important company key figures and performance indicators at the monthly meeting. The executives, in turn, inform their employees at departmental meetings. Our business results are generated from SAP and compiled in our finance department. This is also where consolidation of the group of companies takes place. The business audit is carried out by Bansbach GmbH auditors. This includes an IT compliance

audit to ensure data security and protection. We review qualitative performance indicators based on action plans or as part of internal audits. Any deviations are documented in audit reports or directly in the action plans, and we monitor their processing until completion. If necessary, layered process audits (LPAs) are carried out. Spontaneous process audits are carried out across hierarchies to check that specified processes and standards are being followed. The advantage of this approach is that deviations are corrected immediately, leading to dynamic process improvement, better process understanding, and increased process quality among those responsible. As a certified company, we prepare an annual management review incorporating sustainable performance indicators. We submit this to the TÜV Süd auditors as part of the surveillance or repeat audits. From time to time, our customers carry out third-party audits. In the context of occupational health and safety, the Wood and Metal Trade Association (BGhm), the fire brigade, and our building insurance company check that the necessary safety precautions have been taken and that the agreed measures have been implemented. An occupational health examination is carried out once a year. Inspection, maintenance and servicing measures are carried out on time, testing equipment is calibrated as required and calibration certificates are filed. TÜV Süd confirms these activities annually as part of the ISO 9001 and 14001 audits. In the 'Environment' and 'Society' sections of our sustainability report, we detail which ecological and social performance indicators we collect, referencing the GRI standards, the Greenhouse Gas Protocol (GHG) and various ISO 14001 environmental indicators. Where possible, we look back over a three-year time horizon.

#### **DATA PROTECTION AND DATA SECURITY**

Cyber resilience is a key factor for ARNO in securing its future. A single data breach could have serious consequences for trust, compliance and reputation. Our IT department continuously adapts the data security and protection concept in response to technological developments, a dynamic threat situation and legal requirements (cf. 20). As this process is regulated internally, it is not included in the company's strategic objectives. In order to protect against unauthorised access, misuse of data and disclosure, we implement strict security measures, including encrypted communication channels, access controls, regular employee training and ongoing security reviews. For us, data protection is a legal obligation and a decisive factor in achieving long-term corporate success, competitiveness and a positive reputation. Within our budget, we invest in energy-efficient IT technologies to reduce our environmental impact. An external data protection officer monitors compliance with legal requirements. Thanks to intelligent firewalls and various protective mechanisms, our spam volume in 2024 was just 1%. IT security experts conduct compliance audits as part of the annual financial statements to verify compliance with all relevant regulations. The reports are available for inspection by the Head of IT. To date, there have been no stakeholder enquiries regarding the environmental impact of our data security measures.



## 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 are committed to continuous improvement.** As part of our sustainability reporting, we use various assessment platforms, such as [Ecovadis](#), to improve performance and establish benchmarks. In November 2024, our commitment to sustainability was recognised with a [gold award](#) from EcoVadis.

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## 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.

We do not currently consider a remuneration structure related to sustainability to be effective, since the scope of action and the ESG targets are embedded in the corporate strategy and objectives.

## 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. 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. The lowest wage is 10% higher than the cost of living. This calculation was based on the [average cost of living, per capita income in Baden-Württemberg](#), and the Federal Ministry of Finance's 2024 [subsistence level report](#). Increases in remuneration are based on collective agreements in the wood and plastics processing industry (IGM). So far, no marginal part-time employees have been hired.

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 2024.

### 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 2.73 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.

We closely examine the interests of our stakeholders. Our most important stakeholders are our customers, both current and potential, our employees, our suppliers, and our legislators. For a manufacturing company like ARNO, it is crucial to understand the expectations and requirements of these key stakeholders and incorporate them into business processes. Since 2015, the ISO 9001 quality management standard has required certified organisations to identify their 'interested parties' and their 'relevant requirements'. As a certified company, determining the expectations, values and goals of our stakeholders is standard practice for us. Twice a year, the quality and environmental management team compiles information from all stakeholders in the specialist departments and adds it to the current list of relevant parties/stakeholders (see GRI 102-44). In our stakeholder analysis, we distinguish between internal and external stakeholders. After gathering all the available information in May and November, the management team collaborates with senior managers and the quality and environmental management team to evaluate any changes to stakeholder groups and their expectations. If requirements have changed or risks have been identified, the management team will define areas for action. Corrective measures are also initiated. As part of the ISO 9001 and ISO 14001 recertification process, we submit our stakeholder analysis to external auditors annually (see 2. Materiality).

Through dialogue with our stakeholders and analysis of their sustainability expectations, goals, values and requirements, as well as the internal process environment, we can identify material sustainability aspects and make logical decisions, aligning our business activities in a targeted manner. We closely examine the interests of our stakeholders. Our most important stakeholders are our customers, both current and potential, our employees, our suppliers, and our legislators. For a manufacturing company like ARNO, it is crucial to understand the expectations and requirements of these key stakeholders and incorporate them into business processes. Since 2015, the ISO 9001 quality management standard has required certified organisations to identify their 'interested parties' and their 'relevant requirements'. As a certified company, determining the expectations, values and goals of our stakeholders is standard



practice for us. Twice a year, the quality and environmental management team compiles information from all stakeholders in the specialist departments and adds it to the current list of relevant parties/stakeholders (see GRI 102-44). In our stakeholder analysis, we distinguish between internal and external stakeholders. After collecting all available information in May and November, the management team reviews, together with the line managers and the quality and environmental management team, whether the stakeholders and their expectations have changed. If requirements change or risks are identified, management defines the areas of action. In addition, corrective measures are initiated. As part of the ISO 9001 and ISO 14001 recertification process, we submit our stakeholder analysis to external auditors annually (see 2.).

Materiality.

Through dialogue with our stakeholders and analysis of their sustainability expectations, goals, values and requirements, as well as the internal process environment, we can identify material sustainability aspects and make logical decisions, aligning our business activities in a targeted manner.

## 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**

Not all stakeholders are interested in the energy and material efficiency of their projects, nor in the company's CO<sub>2</sub>- emissions. In some companies, excessive regulation has led to sustainability fatigue. During the development phase of a

project, therefore, we focus on resource conservation, efficiency, and the circular economy. This is linked to our goals of repairing and recycling presentation systems — in other words, extending the service life of products, minimising waste, and considering lighting systems with a positive energy balance, for example.

### Supply chain management

Our customers expect supply chain management that ensures ethical business practices and social standards. A central guideline of our direct procurement is a four-phase supplier qualification process. This ensures that our supplier management is socially just, environmentally responsible, and in line with human rights (cf. GRI 414-1).

### Product innovation

When our customers launch a new product, they expect us to provide innovative, aesthetically appealing presentation systems that reflect the latest sustainable trends and retail requirements. We continuously invest in development and digital solutions to offer creative, perfectly designed products that meet the needs of our customers and their consumers.

### Social and responsible working conditions

Our workforce values fair wages, good working conditions, training opportunities, a safe working environment and a positive working atmosphere. The aim is to ensure the well-being of all employees. Community.

**a.ii.** After evaluating all the information, we focus on the stakeholders who are relevant to our value creation process. We prioritise the interests of these stakeholders, identify opportunities and risks, create a materiality matrix and derive areas for action (cf. Criterion 2: Materiality).

GRI 102-44 Wesentliche Themen und Anliegen/Key topics and concerns						
Anliegen unserer Stakeholder	Mitarbeiter/ employees	Kunden/ customers	Gesetzgeber legislator	Eigentümer owner	Lieferanten suppliers	Banken banks
<b>PRODUKTE</b>						
Produktsicherheit/Product safety	+	+	+	+	+	+
Produktinnovation/product innovation	+	+	+	+	+	+
Nachhaltige Produkte und Verpackungen/sustainable products and packaging	+	+	+	+	+	+
Arbeits- und Sozialstandards in der Lieferkette/Supply Chain (labour and Social standards)	+	+	+	+	+	+
Recyclingfähigkeit/Recyclability	+	+	+	+	+	+
Faire Produktpreise/Fair product prices*	+	+	+	+	+	+
<b>SOZIALE VERANTWORTUNG</b>						
Arbeits- und Sozialstandards/Labour and social standards*	+	+	+	+	+	+
Gerechte Entlohnung und Sozialleistung/Fair pay and benefits	+	+	+	+	+	+
Arbeitsschutz, Gesundheitsprävention/Health&Safety	+	+	+	+	+	+
Ausbildung und Personalentwicklung/Training and personnel development	+	+	+	+	+	+
Vereinbarkeit von Beruf und Familie/Work-life-balance	+	+	+	+	+	+
<b>WIRTSCHAFTLICHER ERFOLG</b>						
Wirtschaftlicher Erfolg & Stabilität/Economic success & stability*	+	+	+	+	+	+
Kundenzufriedenheit/Customer satisfaction	+	+	+	+	+	+
Rechtssicherheit/Legal certainty*	+	+	+	+	+	+
Datenschutz und Datensicherheit/Data protection, data security*	+	+	+	+	+	+
<b>UMWELTSCHUTZ/RESSOURCENEFFIZIENZ</b>						
Klimaschutz (Emissionen)/Climate protection (emissions)*	+	+	+	+	+	+
Ressourceneffizienz/Resource efficiency	+	+	+	+	+	+
Kreislaufwirtschaft/Waste reduction	+	+	+	+	+	+

\*Priority/Priority

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## 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 innovative approaches. The core of the innovation strategy is to create room for manoeuvre, take risks, and embrace a culture of error. At the end of 2024, we participated in a transformation workshop entitled 'Perspectives for Climate Protection: The Role of Recyclates: Opportunities and Challenges'. The aim was to discuss best practices, learn about innovative approaches to using recyclates and gain valuable insights. Cross-team collaboration, innovative thinking and action, and diverse ethnic and cultural perspectives can lead to new ways of thinking and solutions that others have not yet considered. In development and product management, we work with agile teams that combine design, construction, prototyping, and project management. These teams are characterised by a goal-oriented approach, yet they can still react flexibly to customer changes and remain adaptable.

### **S-TEC Project - Modularity to reduce GHG emissions**

Product displays play a decisive role in influencing consumer purchasing behaviour. At the same time, they are a key part of brand identity. Effective communication of brand identity requires individual branding. Presentation systems are often disposed of after use and replaced with new displays for new product lines. In 2024, ARNO initiated the Modularity Project to reduce greenhouse gas emissions. The project aims to enable consistent brand communication through modular systems, supplemented by bespoke solutions, while reducing emissions. The focus was on achieving savings through longer product lifecycles and the more efficient use of resources. To assess the potential for reducing greenhouse gases, ARNO recorded the material and energy flows involved in manufacturing product displays in detail. Based on this data, the project team collaborated with the Centre for Climate-Neutral and Holistic Accounting (ZKP) at the Stuttgart Innovation Campus S-TEC, part of Fraunhofer IPA, to develop a life cycle model. This process identified emission hotspots at the component level of the reference product under investigation. Based on this information, ARNO and the project partners developed specific strategies for the modularisation of individual components during a workshop. The ZKP at Fraunhofer IPA then carried out the final assessment of the greenhouse gas reduction potential. These findings now

provide guidance to other companies on how and to what extent they can achieve measurable emission savings through modular product design. The project was funded by the Baden-Württemberg Ministry of the Environment, Climate and Energy.

### **Climate Hackathon! of the State of Baden-Württemberg!**

As a participating company in [Climate Hackathon! 2.0](#), we contributed real climate protection challenges from our business practice. The focus was on issues relating to the upstream and downstream supply chain. In interdisciplinary teams, students from Baden-Württemberg developed eight innovative solutions to four climate challenges. The excellent contributions from the winning teams are particularly noteworthy, as they demonstrate the potential of fresh perspectives and collaborative approaches to climate protection. The format supports our efforts in sustainable supply chains, demonstrating our commitment to social dialogue and promoting young talent in line with the DNK.

### **Sustainability scoring is incorporated into the development phase**

Eighty percent of all environmental impacts are determined in the development phase. This is why we involve our customers in product development. Shared convictions lead to innovative and sustainable solutions. Recognising that designs must be appealing in terms of appearance, feel, quality, functionality, materiality, and clarity of product arrangement, our design, prototyping, and construction teams develop ideas that reflect the brand's identity and message, based on its core values and key principles. Our strength lies in recognising this potential and applying strategies for raw material recovery, resource efficiency and conservation. At the start of a new project, the team works together to ensure that all aspects of the sustainable product life cycle have been implemented (see section 4: 'Depth of the value chain'). The aim is to offer every potential customer a 'green design' alternative for new projects. Where sustainable solutions exist and design requirements permit, we use environmentally friendly, recyclable, fairly traded materials. During the design phase, we consider the dismantlability and potential for reuse of components. This is particularly important for multi-component parts made from various raw materials. Only if components can be dismantled can the raw materials be separated, the parts repaired or replaced, and the product's life extended, with defective components being sent for high-quality recycling. Throughout this process, our technical production preparation and production team leaders support the development team with their extensive experience in series production. If plastics or plastic packaging are essential, we prefer solutions with recycled content. During the procurement process, we distinguish between PCR (post-consumer recycled) and PIR (post-industrial recycled) materials. This enables us to assess the proportion of recycled materials within our total purchasing volume. Once removed from retail outlets, the plastic parts of our presentation systems can be sent to the recycling industry, where they can be ground and granulated if necessary before being sold and repeatedly processed into plastic products. We primarily use ultrasonic welding

processes for thermoplastics. By melting the plastics, we create durable bonds. Adhesive tapes and hazardous substances, such as glue, are not required. Another advantage is that the welding cycle is completed immediately after the parts are removed from the ultrasonic welding machine. Curing times, which are required for adhesive bonds, are eliminated. Project lead times are significantly reduced. However, we found that plastic parts containing recycled material can sometimes cause problems during ultrasonic welding. In some cases, it is not possible to achieve a permanent bond. Investigations have shown that the welding properties of a plastic product are altered by different recycled material admixtures. This challenge was overcome through training and adjusting the welding time. In summary, we create product displays that enable our customers to increase their market presence while protecting the environment. The modular, interchangeable components found in cosmetics counters pave the way for versatile use. They extend the product life cycle as they can easily be replaced when a brand updates its products or in the event of a defect.

Our innovative capabilities are reflected in the grid systems we have developed: 'Kamm' and 'Register'. The advantage of comb technology is that vertical parts can be variably positioned and elements can be quickly and easily connected to each other. Register technology eliminates the need for traditional mounting systems. 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 part of our 'Continuous Improvement Process (CIP)', which is based on several pillars and includes a **Company Suggestion Scheme (CSS)**, we actively involve all employees in the innovation process (see Criterion 6). Rules and processes, and 14. Employee Rights. Our management encourages employees to think creatively and embrace new approaches. The core of our innovation strategy is creating freedom, taking risks, and embracing a culture of learning from mistakes. Cross-team collaboration, innovative thinking and action, and different ethnic and cultural perspectives encourage new ways of thinking and lead to solutions that have not yet been considered by others. In development and product management, we work with agile teams that combine design, construction, prototyping and project management. These teams are characterised by a goal-oriented approach, yet they can still respond flexibly and adaptively to changes in customer requirements.

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## Key Performance Indicators to criteria 10

### Key Performance Indicator G4-FS11

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

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 metric (cf. 3. Objectives).

## Criteria 11–20: Sustainability Aspects

### Criteria 11–13 concerning ENVIRONMENTAL MATTERS

#### 11. Usage of Natural Resources

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

As a family business, we believe that sustainable thinking and action are key to creating long-term value.

Ecologically responsible behaviour 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)/CO<sub>2</sub> footprint.

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

##### 1. Material:

Various materials can be used depending on requirements, including wood, metals, plastics and electronic components (see GRI 301-1 Materials used). As our products are customised solutions, we do not record weights in our master data management system. Recording weights would not provide sufficient benefit to the company. Product groups are evaluated based on purchase volume, as detailed in GRI 301-1 Materials Used, GRI 301-2 Recycled Materials Used and GRI 301-3 Recycled Products.

##### 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 CO<sub>2</sub> 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:

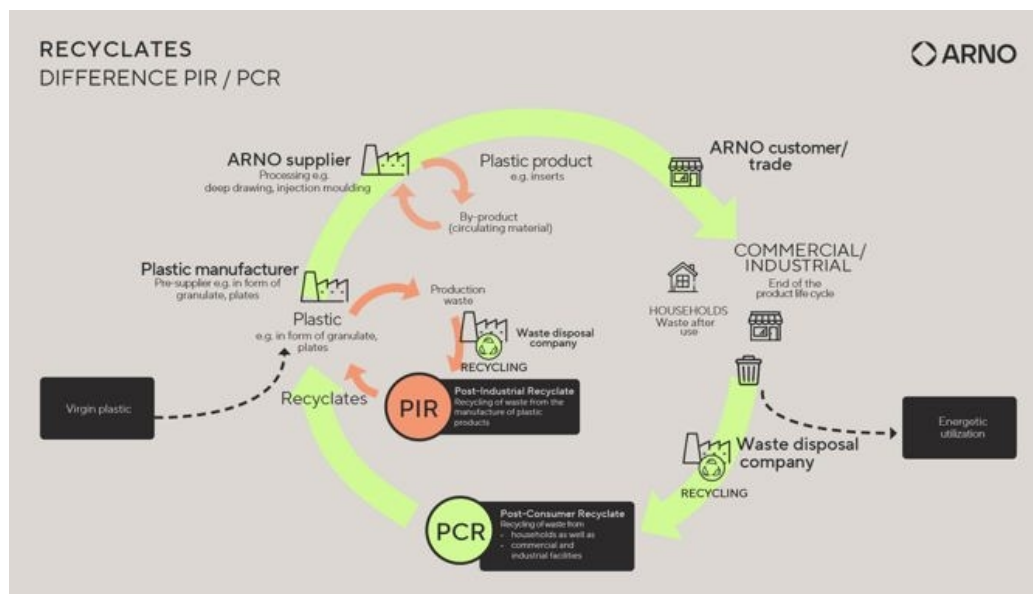
We focus on the circular economy as early as the development phase of a project. We promote the repair and recycling of presentation systems in order to extend the service life of the products, see GRI, 102-44 and criterion 4 Depth of the value chain. We replace defective inserts, carry out insert updates, 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 2024, we collaborated with S-Tec, the Centre for Climate-Neutral Accounting, on the Exploring Project 'Modularity as a Measure for GHG Reduction', which was funded by the Baden-Württemberg Ministry of the Environment, Climate and Energy. The unit of measurement for our waste volume is tonnes; see GRI 306-3 for more information.

An overview of the resources we regularly use can be found in GRI 301-1 and

301-12. Resource Management. We regularly test new materials with a view to incorporating them into our product portfolio. To analyse the suitability of the sustainable materials we procure, we compare their properties. We compile the results of the material analysis in our ARNO decision matrix 'Sustainable Materials' and evaluate them. 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.

In our research into bio-based plastics, we found that some types of plastic still have to be sent for energy recovery or chemical recycling. This is because additives were used during production to meet requirements such as elasticity, stability and fire resistance. These additives prevent high-quality recycling because colour pigments remain in the process. As chemical recycling is energy-intensive and currently uneconomical, a breakthrough seems unlikely in the foreseeable future. We are therefore refraining from using such solutions for the time being. Furthermore, the German Federal Environment Agency does not consider bio-based and biodegradable plastics to be more sustainable than conventional plastics. Consequently, we prioritise 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. In 2023, we handed over 22 tonnes of defective pallets to Stark Dynamics. 60% of these could be repaired and subsequently reused, see 12. Resource Management and 16. Community.

Many elements of our sales displays now carry recycling codes. We are happy to offer our customers the option of returning used sales displays with recycling codes to us free of charge. We ensure that returned materials with this label are recycled by our waste disposal service providers and fed into the recycling cycle for reprocessing. We work exclusively with certified waste disposal companies (EfB) for waste disposal.



As an active company, we believe it is our duty to openly communicate critical information to our customers and employees. Our goal is to balance environmental protection with social responsibility. From an ecological point of view, using recycled materials as starting materials is a responsible and socially acceptable solution for us. Nevertheless, we will continue to research innovative, environmentally friendly materials, document our findings and establish 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 funding for a project to reduce greenhouse gases in product development. A decision on the application is expected on 16 April 2024. See section 13 for details of climate-relevant emissions. Our goal is to become a leader 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.

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.

**According to the [November 2024 Ecovadis Rating ARNO GmbH \(Group\)](#)  
is ranked in the top 6% of furniture industry companies  
in the 'sustainable procurement' segment.**

### **GRI 301: Material**

**Research project: 'Modularity as a measure for reducing greenhouse gases' with S-TEC ZKP at Fraunhofer IPA.**

In 2024, we started the ['Modularity as a Measure for Greenhouse Gas Reduction'](#) project with S-TEC (the Stuttgart Technology and Innovation Campus, also known as the Centre for Climate-Neutral Accounting) at Fraunhofer. This innovative project was realised in close collaboration with three customers. Hot spot analyses and LCA scenarios helped us to identify the main factors that influence emissions. Based on these findings, we have placed particular emphasis on selecting materials for components with high emissions, such as thermoformed and injection-moulded parts. Our goal is to increase the proportion of recycled material used without altering the properties of the materials in the production process. We recognised that modular solutions combined with customer-specific elements enable multiple use and thus actively contribute to avoiding CO<sub>2</sub>-emissions. At the same time, we focused

on ensuring that all materials used were completely recyclable. We are delighted that our flagship project is now available to other companies in Baden-Württemberg. The insights gained are incorporated into the development process by our working group for sustainable product development (see 13. Climate-relevant emissions).

**Participation in the 'The Role of Recyclates' transformation workshop is an exclusive offer for Climate Alliance partners (BW).**

The workshop offered valuable insights into optimising recycling processes and developing innovative ideas for promoting the circular economy. Experts shared practical knowledge on the potential of recycled materials for climate protection and the relevant regulatory framework. Companies received concrete ideas for increasing their use of recycled materials and for integrating sustainable solutions into their value chains.

**GRI 302 Energy and GRI 305 Emissions**

By lowering the heating temperature at weekends, using LEDs and motion detectors, and reducing the water temperature of our boilers, we have been able to reduce GHG emissions by 29% since the Climate Alliance Agreement with the state of Baden-Württemberg came into force. Since mid-2017, we have been operating a photovoltaic system with a nominal output of 413.64 kWp on our green roof. In 2024, our self-consumption rate was 52%. By purchasing certified green electricity, we were able to reduce Scope 2 emissions to zero. We are also committed to climate protection in the area of mobility. We are gradually converting our vehicle fleet to 100% electric drive. In line with this, we have set up a charging infrastructure with eight charging stations. Employees, customers and suppliers can recharge their vehicles here free of charge, see 13. Climate-relevant resources.

**Waste heat**

A condensing boiler is the most efficient way to heat with oil. While conventional heating systems emit hot exhaust gas, a modern condensing boiler cools the gas and uses the released heat for additional heating. Thanks to this principle, virtually no heating oil is lost in the conversion process, saving up to 30 percent of heating oil. Another way to reduce emissions is to convert the oil heating system to a heat pump (see 3. Goals).

**GRI 303: Water**

Water is precious. According to a UNICEF study, 2.2 billion people worldwide lack access to safe water. We monitor all water usage in order to reduce consumption and ensure sustainability; see GRI 303-3 Water Withdrawal for more information.

**GRI 304: Biodiversity**

Our green photovoltaic roof and the natural design of our outdoor facilities play an important role in promoting biodiversity.

**GRI 306: Waste**

Improper disposal of recyclable materials without prior separation prevents reuse and sustainable value creation. To ensure our recycling system functions effectively, we run annual refresher training courses as part of our health and safety programme. These courses provide all employees with the necessary knowledge and raise awareness of the advantages of proper waste separation and sustainable recycling solutions.

**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 could 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.

**GRI 301-1 Materials used**

**a., i., ii.** Since 2020, we have been evaluating our product groups according to GRI 301-1 for renewable and non-renewable materials. As our products are customised solutions — 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 would not be proportionate to the benefit to the company. To differentiate the materials used, we use the material group assigned to the respective material. Our regional recycling company has analysed our product groups with regard to their recyclability. According to this analysis, all the materials we use can be recycled or thermally reprocessed. Just a few years ago, materials made of plastic or paper were considered waste products. Today, they are important recyclable materials, and reusing them 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 material, cf. criterion 11, 'Usage of natural materials'. A comparison of purchase quantities clearly shows that they vary annually per product group as a result of customer-specific contract manufacturing.

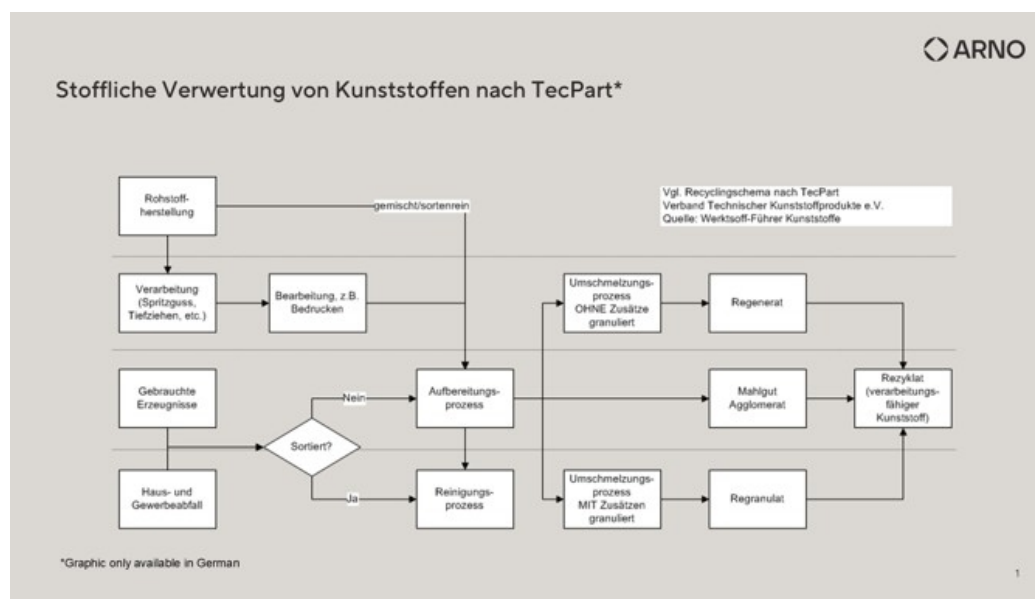


**GRI 301-1 Eingesetzte Materialien/Purchasing Materials**

Warengruppe (SAP)/ material group (SAP)	2024	2023	2022	2021	2020	Materialverwertung/material recycling
Spritzguss teile/injection moulded parts	1.728.038	578.855	908.775	2.761.382	876.707	X
DIN Teile, Schrauben/DIN parts, screws	1.239.938	1.381.299	1.481.255	2.805.489	1.489.934	X, (Axis Vivak, PS, Acryl/acrylic, etc.)
Verpackung allgemein/General packaging	554.690	384.303	362.404	540.328	525.340	100%
Metallteile/Metal parts	498.293	383.648	495.045	1.112.050	599.245	X
Schlosser, Bockhinge/Locks, Hinges	383.582	244.204	310.476	374.744	394.600	X
Kunststoffteile/Plastic Parts	278.438	822.647	540.586	1.225.252	477.508	X
Kartonagen/Cardboards	282.378	231.050	213.474	273.294	237.660	X
Transfo, Vorschaltgeräte/Transformers, ballast	231.645	248.483	444.818	631.253	402.434	X
XT-Profil Aluminium/made of aluminium *	191.972	72.867	47.033	99.327	155.902	
XT-Profil Kunststoff/plastic extrusion*	191.972	72.867	47.033	99.327	155.902	X
Büromaterial, Papere/Office supplies, papers	298.058	300.700	202.300	407.153	202.412	X
Leuchtmittel/Luminants	158.311	68.173	45.389	3.491	6.588	X
Tiefziehfolie/Thermofomed plastics	134.543	40.572	178.549	178.654	555.421	X
Druck, bedruckte Folie/Prints, printed film	85.887	236.788	248.277	497.846	124.554	X
Holzteile/Wooden parts	63.820	69.199	72.346	775.73	64.012	X
Fartgleuchten/Lights	48.252	8.880	49.820	131.605	136.831	X (Neonlichte/LED Elektronische/eletronic waste)
Klebstoffe/Adhesive tapes	21.924	64.914	20.857	256.349	188.545	X
Folien, Schaumstoffe/Foil, foam	12.563	23.937	12.889	6.512	9.472	Schaumstoffe/foam
Stoffe, Textil, Leder/Fabrics, textiles	8.479	303	302	1.375	3.090	X
Allgemeine Roh-Stoffe/General raw materials, operating material	7.826	103.318	81.370	19.701	55.814	X
Paletten/Pallets	3.949	2.654	2.304	8.076	7.490	X
Aluminiumteile - profile/Aluminium parts and profiles	3.063	224.136	25.471	248.254	10.129	X
Glas, Spiegel/Glas, mirrors	2.281	2.032	3.378	8.177	4.656	X
Gefahrenstoffe/Hazardous Substances Capable Komponenten/Chapar	498	696	492	1.007	749	X inkl. Behälter, Besch./incl. containers, can.
	256	5.425	18.192	2.754	844	X

\*annahmebasiert (XT laufen in einer Warengruppe/Assumption-based (XT run in a currency group))


Our focus is on reducing materials that generate greenhouse gases (GHGs), which is why, in 2022, we entered into a [Climate protection agreement with the state of Baden-Württemberg](#) (only available in German), voluntarily committing to permanently reducing Scope 3 GHG emissions by around 75 tonnes by 2032 compared to the 2021 baseline. This equates to a reduction in GHG emissions of around 7.7 percent. We intend to achieve this by increasing our purchasing of lower-emission materials by around 15 percent. Our focus is on plastics, as they account for a significant proportion of purchases in our business sector. Our aim is to source plastics primarily from material recycling. In this process, used plastics are processed to obtain a secondary raw material known as 'recyclates' for new plastic products.



Since 2023, we have been recording whether the plastics listed in the SAP master record are post-consumer or post-industrial recyclates. See the

'Environment' section for more information. This allows us to calculate the proportion of recycled materials in our total purchases. As we do not record weights at goods receipt, the base value is the monetary purchase value. In some of our ongoing projects, we use plastic parts containing 100 per cent recycled material (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 and bears either the FSC or PEFC seal. Alternatively, it must come from sustainable forestry.



**PEFC/FSC Holz**  
Einkaufsstatistik/Purchasing statistics

Auswertungs- zeitraum	SAP Warengruppe/ SAP Material group	Material group description	Anteil am Auswertungs- volumen 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
2024	000000004	Holzteile	94,56%	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 2024, Stark Dynamics received 50 tonnes of pallets from us free of charge. By recycling them, 40 tonnes of CO<sub>2</sub>e could be avoided.

77% of the wood was reused as material, see [Stark Dynamics ARNO Umweltkonformitätsbericht 2024](#) as well as 12. resource management and 18. community.

### Sustainable packaging materials

Since our retail systems are shipped as individual items, the packaging must provide adequate protection. If a complaint arises as a result of inadequate packaging for transport, this results in double transport routes and double CO<sub>2</sub>-emissions. We use sturdy shipping packaging made from corrugated cardboard and edge protectors bearing the FSC seal. At our customers' request, we use paper adhesive tape. 97 per cent of our packaging materials come from southern Germany, avoiding transport emissions.

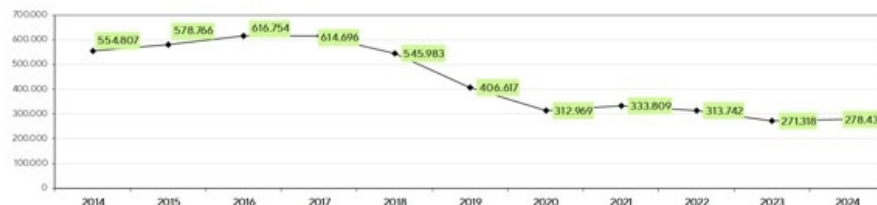
### Print and hygiene paper made from recycled materials

As participants in the [CEO bekennen Farbe](#) (CEOs Show Your Colours campaign), supported by the Federal Ministry for the Environment, NABU Germany, the German Club of Rome, and the Association of German Women Entrepreneurs, we publicly endorse the Initiative Pro Recyclingpapier (IPR). According to the Federal Environment Agency's latest life cycle assessment, producing recycled paper saves an average of 78% of the water, 68% of the energy, and 15% of the CO<sub>2</sub>-emissions used in producing virgin paper. Our hygiene papers are FSC Mix certified and made from 100% recycled fibres. All our toilet paper carries the FSC seal or the Blue Angel eco-label. We use recycled paper with the Blue Angel label for printing paper. Thanks to radical digitisation measures, we have reduced paper consumption by 50% over the last 10 years. In 2024, increased sales led to a rise in the print volume of material management labels. We expect paper consumption to decrease significantly in 2025 as a result of the introduction of ELO in financial accounting.



#### Papierverbrauch/Paper consumption

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Anzahl/Quantity	554.807	578.766	616.754	614.696	545.983	406.617	312.969	333.809	313.742	271.318	278.439
% Änderung zu 2014/ percentage change to 2010		4,3%	11,2%	-0,3%	-11,2%	-26,7%	-43,6%	-39,8%	-43,5%	-51,1%	-49,8%
% Änderung zum Vorjahr percentage change vs. year ago		4,3%	6,6%	-0,3%	-11,2%	-25,5%	-23,0%	6,7%	-6,0%	-13,5%	2,6%



### Hazardous Substances

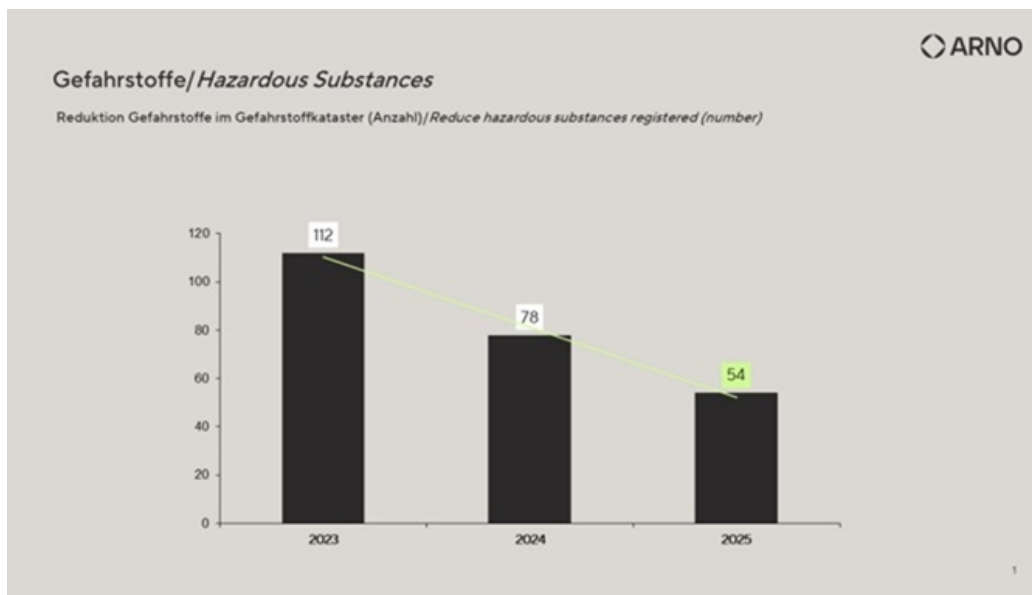
We only use hazardous substances, such as adhesives, when it is not possible to create permanent connections using fasteners (screws, rivets, etc.) or ultrasonic welding, for example when different materials need to be joined. If the use of a hazardous substance is unavoidable, a release application must be submitted for any new substances. The safety expert uses the GefStoffV, BetrSichV and WGK to determine if the substance poses any hazards. If several hazards apply, or if the substance is classified as dangerous goods, it will not be approved. However, if the hazard can be avoided by wearing PPE and the substance is stored and disposed of in the hazardous substance cabinet, and if no bio-based alternative is possible, the hazardous substance will be approved in writing. After approval, the procedure is as follows:

- Entry in the ARNO hazardous substances register.
- Attachment of the safety data sheet
- Creation of hazardous substance operating instructions

- Entry of the risk assessment, including the safety data sheet and hazardous substance operating instructions
- Entry in the hazardous substance disposal key file;
- Relabelling of disposal containers
- Procurement of new PPE (personal protective equipment) if necessary
- Inform the Head of Manufacturing and the Head of Logistics that employees have been instructed based on the entered documents.
- Monitoring the instruction measures

### Reduction in hazardous substances

During the reporting period, we systematically reduced the range of hazardous substances that we use, with the aim of minimising our handling of substances that are harmful to health and the environment even further.



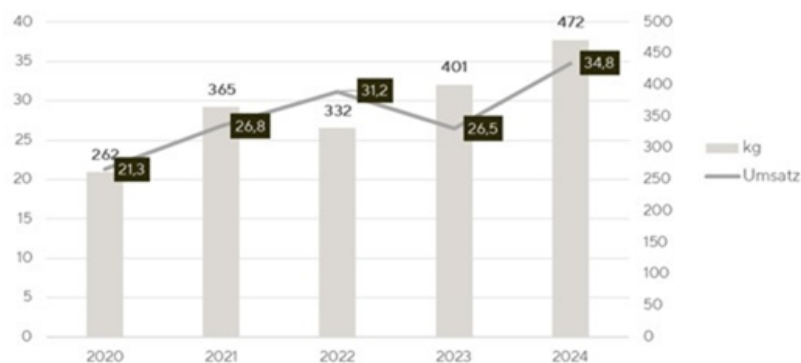
However, the use of hazardous substances is sometimes technically necessary, as alternative materials often do not meet the required performance characteristics. Additionally, as a contract manufacturer for specific customers, our choice of materials is based on their particular requirements, which often involve defined combinations of materials. Despite these conditions, we continue to consistently pursue the goal of minimising the use of hazardous substances wherever technical developments, substitution options or consultation allow. In 2024, it was not possible to reduce the total purchase volume of hazardous substances. As a custom contract manufacturer, our influence over the materials used is limited, as they are determined by specific customer requirements and technical specifications. Nevertheless, we continue to pursue the goal of minimising the use of hazardous substances wherever technically and regulatorily possible, particularly through consultation, substitution tests and identifying suitable alternatives.

The total purchase volume of hazardous substances could not be reduced as required. As a customer-specific contract manufacturer, we have limited

influence over the materials and quantities used, as these must meet technical requirements and are determined on a customer-specific basis. Nevertheless, we continue to pursue the goal of gradually reducing the use of hazardous substances wherever possible, through consultation, substitution testing, and exploring technical alternatives.

### Gefahrstoffe/ Hazardous Substances

Entwicklung Einkauf Gefahrstoffe (kg) zum Umsatz/ Development of purchase of hazardous substances (kg) in relation to sales



### GRI 301-3: Recycled products

Some of our orders come from the cosmetics industry. For this sector, we develop and produce table and floor displays, as well as cosmetics counters, which are placed in retail outlets, primarily drugstores. Often, our customers want to refurbish their counters when they update their products, for example. Sometimes, they also request refurbishment of the counters. We proactively support this, as it significantly extends the lifespan of the display units. We develop suitable inserts for our customers' new products, produce them, and distribute them to merchandisers who replace old inserts with new modules directly in retail outlets. Alternatively, we offer refurbishment of used cosmetics counters at our premises in Wolfschlügen. For this purpose, the counters are:

- Items returned from retail outlets to our logistics centre.
- Their condition is checked by project management.
- Used inserts in good condition are removed.
- Defective inserts are disposed of by a certified waste disposal company (EfB).
- Cosmetics counters in good condition are fitted with new and used inserts.
- The refurbished counters are returned to retailers.

We sort heavily damaged or irreparable parts according to waste codes before handing them over to certified waste disposal companies. The sorted inserts are granulated through a high-quality recycling process. This recycled material

can then 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.-g. Total fuel consumption within the organization from renewable and non-renewable sources

## GRI 302-1 Energieverbrauch/Energy consumption

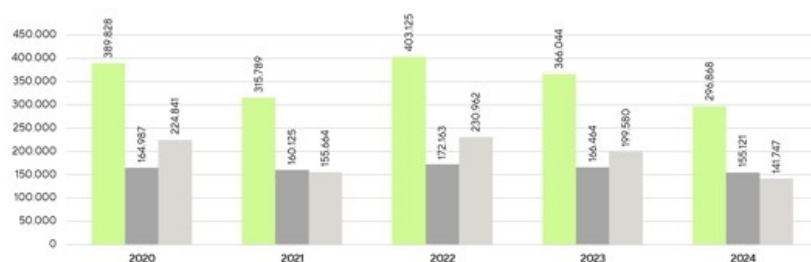
Jahr/Year	2020		2021		2022		2023*		2024	
Energiequelle/Power source	kWh	Tonnen/ tons CO <sub>2</sub> e	kWh	Tonnen/ tons CO <sub>2</sub> e	kWh	Tonnen/ tons CO <sub>2</sub> e	kWh	Tonnen/ tons CO <sub>2</sub> e	kWh	Tonnen/ tons CO <sub>2</sub> e
Scope 1										
Propangas/Propane kWh	203.589	15	210.018	15	191.717	14	186.017	13	23.929	12
Heizöl/Heating oil kWh	283.430	83	518.000	151	335.040	98	350.050	110	250.283	79
Treibstoffe/Fuels kWh	316.785	86	296.043	80	308.792	84	297.250	98	281.982	84
Summe/Total Scope 1	803.804	183	1.024.061	247	835.549	195	833.317	221	556.193	175
Scope 2										
Konventioneller Strom/Electricity	194.894	78	96.844	39	0	0	0	0	0	0
Photovoltaik/Photovoltaics	164.987	0	160.125	0	160.125	0	166.464	0	155.121	0
Ökostromtarif/Green electricity kWh	0	0	117.697	0	185.583	0	199.580	0	213.114	0
Erneuerbare Energie kWh	164.987	0	277.822	0	345.708	0	366.044	0	368.235	0
Ladung E-Fahrz./Charging E-vehicles							27.060	0	43.323	0
Summe/Total Scope 2	359.881		374.667		345.708		366.044		368.235	
Summe/Total Scope 1 + 2	1.163.684	261	1.398.728	286	1.181.257	195	1.199.361	221	967.752	175

*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*  
*\* 2023 Wechsel zu EcoCockpit Rechner BMW in Folge neue Datenquelle für Propangas "EEW 2022" Klima-neutral handeln.de (UBA) wurde eingestellt. / \* 2023 Switch to EcoCockpit calculator BMW subsequently new data source for propane "EEW 2022" Klima-neutral handeln.de (UBA) has been discontinued*

In 2024, our photovoltaic system generated 296,868 kWh of solar power. Our **self-consumption rate was 52%**. Any surplus electricity was fed into the public grid. The surplus generated by our photovoltaic system in 2024 amounted to 141,747 kWh.

## GRI 302-1 Photovoltaik Stromerzeugung und Eigenverbrauchsquote Photovoltaic Power Generation and Self-Consumption Rate

	2020	2021	2022	2023	2024	Veränderung zu 2020 Change to 2020	Mittelwert Average
Stromerzeugung/Power generation kWh	389.828	315.789	403.125	366.044	296.868	-23,8%	354.331
Umrechnungsfaktor	0,67	0,67	0,67	0,67	0,67		
EINSPARUNG/SAVINGS CO <sub>2</sub>	261,2	211,6	270,1	245,2	198,9	-23,8%	247,0
Eigenverbrauch/own consumption kWh	164.987	160.125	172.163	166.464	155.121	-6,0%	
Einspeisung/Feed-in	224.841	155.664	230.962	199.580	141.747	-37,0%	
Eigenverbrauchsquote/ own consumption rate	42,3%	50,7%	42,7%	45,5%	52,3%	23,5%	46,7%



Fuel consumption values are determined using invoices from electricity providers and petrol station operators. This data is reviewed annually by TÜV auditors as part of the ISO 14001 audit process. Emissions from our vehicle fleet fell by around 15,000 kWh. Until 2022, CO<sub>2</sub>e was calculated based on the principles set out by the Federal Motor Transport Authority (KBA). Since 2023, we have been using Ecocockpit.



**GRI 302-1 Kraftstoffverbrauch/Fuel consumption**

Jahr/year	2020		2021		2022*		2023*		2024	
Treibstoffe/fuels	Benzin/ petrol	Diesel/ diesel	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	18.009	14.711
Summe/sum kWh*	316.785		296.043		308.792		297.250		281.982	
Umrechnung/conversion to Richtlinie/guideline 80/1268/EWG 93/116/EG	2,32	2,65	2,32	2,65	2,32	2,65	Emissionsrechner/ Emissions calculator		Emissionsrechner/ Emissions calculator	
Tonnen/tons CO <sub>2</sub> e	29,3	56,6	33,9	46,4	35,9	47,9	51,9	45,6	41,1	42,7
Gesamt/total t CO <sub>2</sub> e	85,9		80,4		83,8		97,5		83,8	

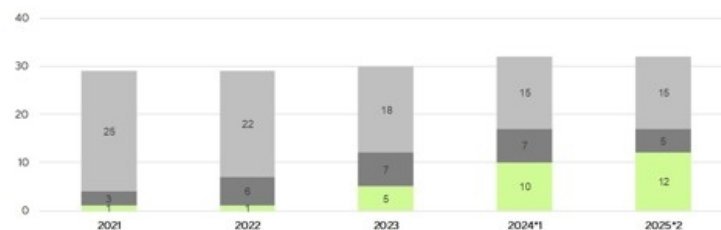
\*Berechnungsgrundlagen/Basis von calculation  
l in kWh

Benzin/petrol 8,4 kWh/l  
Diesel/diesel 9,6 kWh/l

In 2024, we put significantly more electric vehicles into operation than planned. By 2030, our entire fleet will be converted to 100% electric mobility (see Goal 3).

**GRI 302-1 / GRI 305-5 Fuhrpark - Antriebsarten/Fleet - Types of drive**

Antriebsarten/Types of drive	2021	2022	2023	2024* <sup>1</sup>	2025* <sup>2</sup>
Elektro/electric	1	1	5	10	12
Hybrid/hybrid	3	6	7	7	5
Verbrenner/combustion engine	25	22	18	15	15
Summe/total	29	29	30	32	32
Ladestationen am Standort charging stations on site	2	2	8	8	8



2024\*<sup>1</sup> Ziel/target for 2024: 6 Elektrofahrzeuge. Dieser Wert wurde deutlich gesteigert / 6 electric vehicles. This figure has been significantly increased  
2025\*<sup>2</sup> Ziel/target 2025

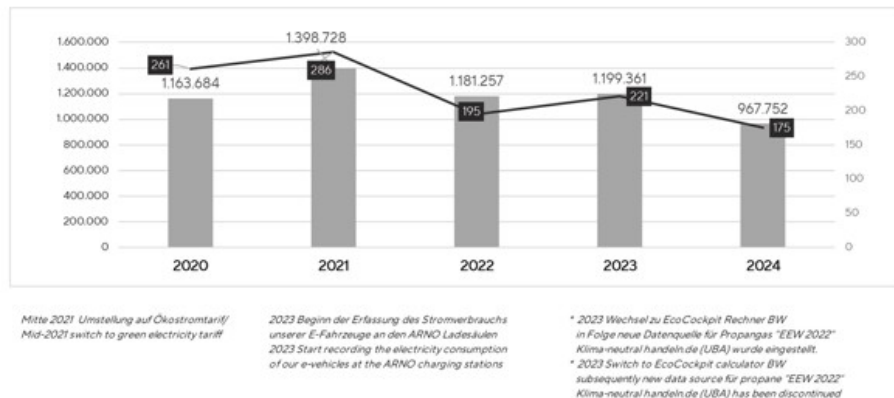
Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption

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.

Since 2017, we have operated a photovoltaic system on the roof of our logistics centre (see section 13). Climate-relevant emissions. If we do not produce enough electricity ourselves, we purchase 100% green electricity with the [RenewablePlus certificate from TÜV Rheinland](#). This guarantees investment in expanding renewable energies, 100% climate neutrality, and monthly synchronisation by the provider. By purchasing green electricity and operating our photovoltaic green roof, we have been able to permanently reduce CO<sub>2</sub>-emissions by around 50 per cent, relieving the atmosphere of approximately 40 tonnes of CO<sub>2</sub>. Intelligent heating systems that lower the temperature at weekends and at night, official switches in sanitary facilities, close-meshed leak detection in compressed air lines, shut-off valves that monitor the operating hours of industrial trucks, and reducing their size and the number of application servers have led to a significant reduction in energy consumption and CO<sub>2</sub>-emissions of 41 tonnes (see 3. Goals and 12.). Resource Management and Figure 302-1 Energy Consumption. In 2023, consumption increased slightly compared to the previous year due to gas tanks being refilled at the end of December. Emissions are calculated using the Ecocockpit tool.

**GRI 302-4 Verringerung des Energieverbrauchs und der CO<sub>2</sub> Emissionen/  
Reduction of energy consumption and CO<sub>2</sub> emissions**



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.: Water is a valuable resource, and we recognise this too.**

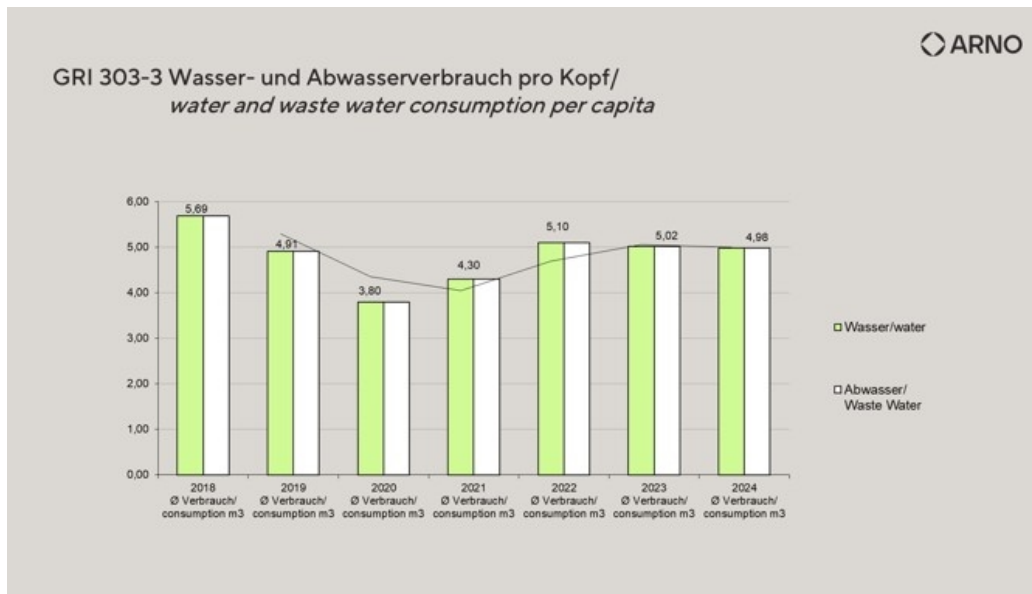
Although none of our sites are located in areas threatened by water scarcity, we systematically monitor all water usage. No process water is used for cooling equipment at our production sites. Water is exclusively used for non-productive purposes, such as in kitchens, sanitary facilities, and the canteen. The accuracy of this information is verified annually as part of the combined audit by TÜV Süd, see [audit report](#).

Our employees play a major role in reducing water consumption. The following measures were decisive in achieving this reduction:

- permanent consumption monitoring;
- awareness training in the event of rising consumption;
- regular inspections of water extraction points for leaks and to check that self-closing valves are functioning correctly.
- replacement of defective sealing rings;
- Installation of flow limiters on fittings (saving 10–12 litres of water per minute);
- Restriction of green space irrigation to the minimum necessary.

Our goal is to make water consumption more sustainable and avoid single-use bottles wherever possible. Since 2022, our main location in Wolfschlugen has had an **osmosis system**, which our employees can use to fill up with filtered, chilled drinking water. Our main location in Wolfschlugen is supplied with water by the [Filderwasserversorgung special-purpose association](#). Two-thirds of the drinking water comes from Lake Constance, and the remaining third comes from the association's own waterworks in Neckartailfingen. To ensure consistently high drinking water quality, Netze BW Wasser GmbH's certified laboratory in Stuttgart regularly takes water samples in accordance with the Drinking Water Ordinance. The Esslingen Health Authority also monitors compliance with the regulations by taking its own samples. **The water analysis carried out in 2024** by Bodensee Wasserversorgung (BWV) and Filder Wasserversorgung (FIWA) can be viewed in the [2024 Filder Water Analysis report](#).

Wastewater is generated exclusively by our sanitary and kitchen facilities. The municipality of Wolfschlugen is responsible for its disposal, in accordance with the Water Resources Act (WHG). This evaluation is based on invoices from the Water Supply Department of the municipality of Wolfschlugen. The receipts show consumption per meter number.



In 2020, many of our employees worked from home due to the Coronavirus pandemic, leading to a significant drop in water consumption. A comparison of the figures from 2024 with those from the base year of 2018 shows that the measures we have implemented to reduce water consumption are having an effect. However, slight changes have occurred due to the irrigation of our green spaces (see section 3: Goals). **Water consumption of less than 5 m³ per capita per year demonstrates the responsibility of our employees.** Wastewater is generated exclusively by our sanitary and kitchen facilities. The municipality of Wolfschlügen is responsible for its disposal. The legal basis for this is the Water Resources Act (WHG).

#### Key Performance Indicator GRI SRS-306-3: Waste generated

The reporting organization shall report the following information:

- Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
- Contextual information necessary to understand the data and how the data has been compiled.

#### **a.-b. Recycling and waste management**

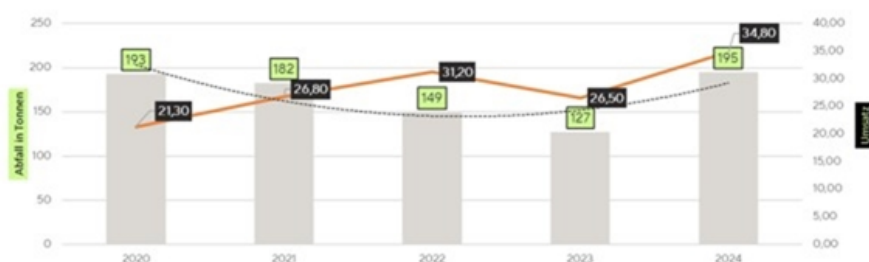
Our quality and environmental management manual lists the specialist waste disposal companies (EfB) and the respective forms of recycling. We are happy to provide our stakeholders with these documents on request. We determine our waste volume on the basis of waste disposal certificates from the certified EfB companies working for us. In 2024, 195 tonnes of non-hazardous waste were disposed of. As a result of a significant increase in sales, the purchasing volume rose. As a contract manufacturer, we have to procure smaller batch sizes and a greater variety of materials, which are usually delivered in disposable packaging. It is almost impossible to establish standardised

packaging solutions with changing suppliers. In addition, more frequent and smaller deliveries require more packaging to protect the materials during transport. With higher sales, the purchasing volume and packaging waste increase proportionally.

**B7 Abfall/ Waste**

Abfallarten/ Types of waste	Abfallmenge/Waste generated									
	2020		2021		2022		2023		2024	
	t	m³	t	m³	t	m³	t	m³	t	m³
Aluminium/aluminum	0,00	0,00	3,62	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bauschutt/Building rubble mixture	0,00	0,00	0,00	0,00	0,00	0,00	0,30	0,00	0,00	0,00
Elektronikschrott	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,45	0,00
Folie bunt/ Foil coloured	7,41	0,00	7,14	4,40	10,17	0,00	6,31	0,00	8,04	0,00
Gewerbeabfall/ Commercial waste	11,12	0,00	12,30	0,00	13,99	0,00	12,32	0,00	25,76	0,00
Glas/glass	0,00	0,00	0,00	0,00	8,31	0,00	0,00	0,00	3,22	0,00
Holz/Verunreinigung	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Mischpapiere/ mixed papers	48,79	0,00	41,62	0,00	50,94	0,00	44,46	0,00	82,70	0,00
Kunststoff/Plastics	5,82	0,00	7,51	0,00	7,90	0,00	5,58	0,00	5,16	0,00
Metall/metal	0,00	0,00	0,00	0,00	0,90	0,00	0,00	0,00	0,00	0,00
Mischholz/ mixed wood	56,70	0,00	62,09	0,00	45,22	0,00	39,00	0,00	57,70	0,00
Schrott/Scrap	30,71	0,00	14,60	0,00	11,60	0,00	18,65	0,00	12,06	0,00
Palettenholz/ broken pallets	31,72	0,00	33,46	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Styropor/ Styrofoam	0,00	66,00	0,00	0,00	0,00	8,00	0,00	20,00	0,00	11,00
Gefährliche Abfälle/ hazardous waste	0,33		0,00		0,11		0,16		0,00	11,00
Gesamtmenge/ Waste generated	192,60	66,00	182,34	4,40	149,14	8,00	126,78	20,00	195,09	22,00
Reduktion/ Reduction			-5%	-93%	-23%	-88%	-34%	-70%	1%	-67%

**B7 Abfall – Relation zum Umsatz/ Waste - Relative to Turnover**



We maintain an internal table listing our recycling partners (certified waste disposal companies) and the types of recycling they offer. This table is made available to customers and partners upon request.

### Handling of hazardous substances

We only use hazardous substances in exceptional cases, for example to bond different materials (see GRI 301-1). Our explosion-proof hazardous materials room contains a small number of waste drums, which are mainly used to collect residues, such as opened containers that have to be disposed of due to changes in the range of hazardous materials or expired shelf life dates.

Disposal takes place at most once a year. Monitored waste is collected and disposed of professionally by a specialised recycling company. Proof of commissioning these companies can be viewed at our premises. Our recycling and disposal processes undergo an annual review as part of the ISO 14001 audit conducted by TÜV Süd. Further information on our waste prevention and optimisation measures can be found in Chapters 12 (Resource Management) and 18 (Community), Section 2.4 (Working Together for a Project "People – Economy – Environment").

#### **External check of our recycling concept**

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

- 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 channels?
- Are there other types of waste that we are not aware of that could be profitable?
- To what extent can waste separation and delivery to recycling companies be made more cost-effective?

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

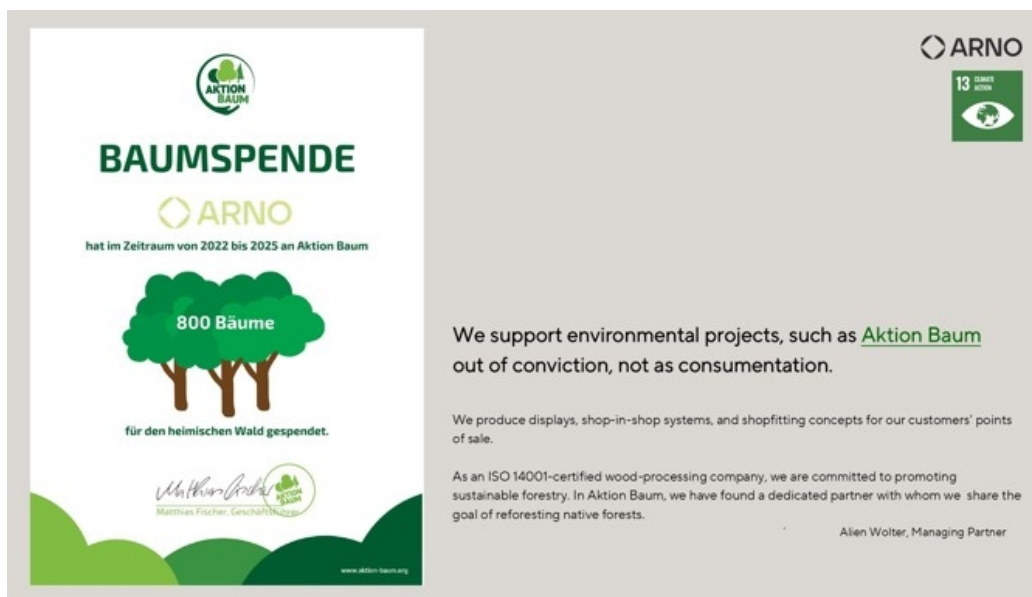
## 13. Climate-Relevant Emissions

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.

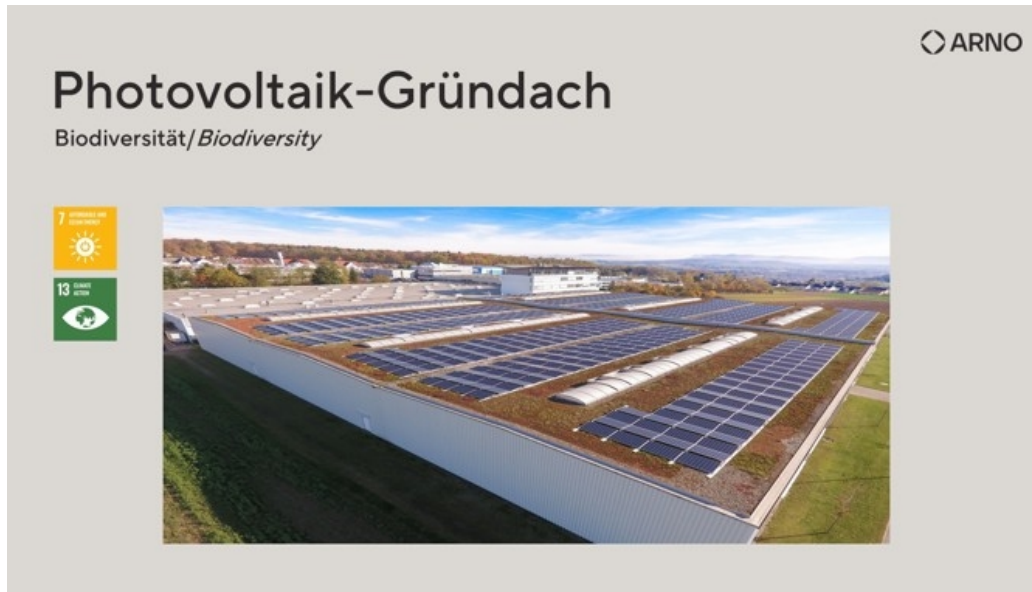
We are exploring innovative approaches to climate financing, with the clear goal of consistently meeting our emission reduction targets. Our primary concern is to contribute effectively to climate protection by implementing the most effective measures possible. Only once the full potential of these internal reduction measures has been realised will we consider additional instruments. Through substantial additional investments, we also make a significant contribution to global climate protection. In doing so, we support the necessary paradigm shift of directing urgently needed financial resources into effective climate protection measures, without prematurely claiming climate



neutrality until this has been achieved through our own emissions reductions. Investments in emission reduction projects or carbon sinks outside our own value chain can be a useful addition to global climate protection efforts. However, offsetting corresponding CO<sub>2</sub>-credits against our own greenhouse gas balance is not compatible with science-based reduction pathways. For this reason, scientific discourse rejects the term 'offsetting', cf. [SBTi Corporate Net-Zero-Standard-Criteria](#).



We have been operating a photovoltaic system on the green roof of our logistics centre since mid-2017. Spanning 6,300 m<sup>2</sup>, the system comprises 1,532 solar modules with a total output of 413.64 kWp. In 2022, our PV system produced over 400,000 kWh of electricity. Our photovoltaic green roof, covered with green plants, makes an important contribution to climate protection. The combination of greening and photovoltaics has been proven to promote biodiversity. It provides a habitat for a variety of insects. In 2024, our photovoltaic system generated 296,868 kWh of electricity (compared to 356,722 kWh in 2023). This corresponds to a self-consumption rate of 52.3 percent (in 2023, it was 46.7 percent). This decline was due to fewer hours of sunshine combined with increased greening. We feed surplus electricity into the public grid. If we require more electricity than our system generates, we purchase 100% climate-neutral green electricity bearing the 'RenewablePLUS' certified environmental label from TÜV Rheinland.



In 2022, we installed solar-powered spotlights to illuminate our covered bicycle racks. By 2025, we plan to replace the remaining T8 fluorescent tubes with LED lighting. To this end, we have submitted a funding application to EENergy, the Enterprise Europe Network. We will also replace other lighting, such as outdoor spotlights, with LED technology. According to calculations by an independent energy consultant, these measures will save around 108 MWh of electricity. This equates to a reduction in CO<sub>2</sub>-emissions of around 67 tonnes per year.

### **We are a Climate Alliance partner of the State of Baden-Württemberg**

We became a [Climate Alliance partner of the State of Baden-Württemberg](#) in 2022. We are the 33rd company to voluntarily commit to reducing CO<sub>2</sub> emissions. In implementing this commitment, we are guided by the Science Based Targets initiative's (SBTi) 1.5-degree target. We calculated our initial GHG balance with UTBW (Umwelttechnik Baden-Württemberg) for the Wolfschlugen site, specified measures to reduce CO<sub>2</sub>-emissions, and set interim targets for 2027 and final targets for 2032. Thekla Walker, the Baden-Württemberg Minister for the Environment, and our managing partner Alien Wolter signed the [climate protection agreement](#). We will submit an interim report in 2027. The State of Baden-Württemberg will monitor the results.



**In our journey towards climate neutrality, we have set ourselves the goal of reducing our greenhouse gas (GHG) emissions by at least 195 tonnes by 2032, compared to the 2021 baseline. This equates to a 15 percent reduction in greenhouse gases, which is divided between Scope 1, 2 and 3 reductions and targets.** In accordance with the climate protection principle under Section 5 of the Baden-Württemberg Climate Protection Act, our measures will promote energy conservation and the expansion of renewable energies, as well as resource efficiency and e-mobility.

### **Scope 1**

ARNO has set itself the goal of reducing its Scope 1 GHG emissions by at least 80 tonnes by 2032 compared to the base year of 2021. This equates to a reduction in GHG emissions of around 40 per cent.

- The night-time heating temperature has been set at 17°C for over 10 years.
- Replace our oil heating system with a heat pump by 2040.
- Gradually converting the vehicle fleet to e-mobility by 2030.

### **Scope 2**

ARNO has set itself the goal of permanently reducing its Scope 2 GHG emissions by 40 tonnes compared to the 2021 baseline by 2032. This equates to a 100 per cent reduction in Scope 2 GHG emissions.

- Since 2022, 100 per cent of our electricity has been supplied by renewable energies (photovoltaic green roof, green electricity tariff). According to the German electricity mix, this equates to saving approx. 260 tonnes of CO<sub>2</sub>e and achieving a 100 per cent reduction in GHG emissions.

### Scope 3

ARNO aims to reduce recorded GHG emissions by around 75 tonnes by 2032 compared to 2021. This equates to a reduction in GHG emissions of around 7.7%.

- The purchase volume of recycled materials or materials that generate fewer GHGs should be increased by around 15 per cent.
- Incorporate sustainability scoring in the development phase.
- Offer green design
- Expand the sourcing of biomaterials.
- Sustainable, environmentally friendly packaging concepts

### **KEFF+ Check in 2025 by the Regional Resource Efficiency Competence Centre (Stuttgart Region)**

In order to continuously improve our environmental and climate balance, we regularly analyse our starting position in the key areas of environmental and climate protection. Our measures focus on energy saving and efficiency, the expansion of renewable energies and the promotion of sustainable mobility. An energy audit in accordance with ISO 16247 was carried out. Building on this, we will conduct a **KEFF+ Check** in early 2025 in cooperation with the Regional Resource Efficiency Competence Centre (Stuttgart Region) with the aim of identifying additional reduction options and developing further approaches to increase energy and material efficiency and strengthen the circular economy.

### **Certified according to ISO 14001 since 2008**

Due to local conditions and the structure of our projects and manufacturing, the previous certification bodies have classified us as a company with low environmental relevance within the framework of ISO 14001. Our production core competencies are assembly and packaging activities involving standard processes such as sawing, drilling, screwing, riveting, pressing, laminating, ultrasonic welding, bending, edging and gluing, as well as electrical and electronic assembly, including testing, cleaning and packaging. At our production site in Wolfschlugen, only a few stationary machines are used, including CNC systems, an edge banding machine, and ultrasonic welding equipment. Process water is not required. As our operating facilities are primarily used for hourly prototype construction, the emissions produced are minimal. Building technology does not permit the recording of particle emissions, such as fine dust.

### **Accounting according to GHG**

Since 2020, we have been calculating our greenhouse gas (GHG) emissions in accordance with the GHG Protocol. Our main location in Wolfschlugen near Stuttgart is the organisational system boundary. The accounting period is 2024. The analysis focuses on the company level. Due to data availability and comparability issues, we use consumption-based data sources for Scopes 1 and

2 and monetary data sources for Scope 3. In practice, this means that we determine Scope 1 and 2 consumption data based on utility invoices and calculate it using the CO<sub>2</sub> coefficients stored in Ecocockpit. We take a different approach to Scope 3 emissions. Due to a lack of data availability in SAP, we use the Scope3Analyzer tool for accounting purposes. This tool is based on monetary purchase values (cf. GRI 305-3). In recent years, we have invested in numerous measures to permanently reduce emissions. In addition to ISO 14001 certification, which has been in place since 2008 and requires the setting of annual environmental targets, we have carried out an energy audit in accordance with ISO 16247-1. We have identified measures to increase energy efficiency, prioritised them in terms of feasibility, investment volume, and economic efficiency, and implemented them. Ten years ago, we switched from an oil heating system to a condensing boiler. This technology utilises the waste heat from the exhaust gases, significantly increasing efficiency. This reduces fuel consumption and emissions while ensuring sustainable energy efficiency. We plan to install a heat pump by 2040 at the latest.

### **Collaborating with S-TEC, the Stuttgart Centre for Climate-Neutral Production and Holistic Accounting at Fraunhofer IPA, on the Exploring Project.**

In March, S-TEC launched the Exploring Project Modularity to reduce GHG emissions, and we secured a project partner for this initiative. The project investigated the effect of modular concepts on the environmental balance (especially greenhouse gas emissions) of product displays in the cosmetics sector. The aim was to identify measures to reduce the CO<sub>2</sub>-emissions of a product display.

## S-TEC ZKP

### Exploring Project als Maßnahme zur THG-Reduktion



Abbildung:  
S-TEC ZKP ARNO-Gesetz, Campus vor der Witten-Klimawand aus der Sitzung mit der Fraunhofer Campus Stuttgart

**Zentrale Ergebnisse**

- Hauptverursacher von CO<sub>2</sub>-Emissionen sind die Herstellung (Material- und Energiebedarf).
- Transport und Stromverbrauch (Beleuchtung) spielen eine kleinere Rolle, können aber je nach Anwendung wichtiger werden.

**Abbildung in drei Szenarien**

- Verlängerung Produktlebensdauer ermöglicht ein Einsparpotenzial von rund 10 % gegenüber der Baseline.
- Wiederverwendung (modulare Bauweise) führt zu einem Einsparpotenzial von rund 36 %.
- Recyclingfreundliches Lebensende (hochwertige Wiederverwertung, weniger Müllverbrennung) führen zu einem Einsparpotenzial von rund 23 %.

**Erkenntnisse**

- Bereits eine einzelne Modularisierungsmaßnahme senkt den CO<sub>2</sub>-Fußabdruck deutlich.
- Die Kombination der Ansätze Produktlebensdauer + Wiederverwendung + Recycling ermöglichen eine Einsparung bis zu 49 % der THG im Vergleich zum Ausgangszustand.



By publishing this example of best practice, we aim to demonstrate to manufacturers and brands the strategic advantages and positive environmental aspects that arise in retail when modularity strategies are implemented and

assembly and disassembly concepts are in place. We also aim to demonstrate the advantages of logistics solutions and take-back programmes that ensure recycling and return to the material cycle.

**We firmly believe that  
choosing a sustainable product presentation system  
will have an impact not only on the ecological balance,  
but also on a brand's appearance and positive perception in retail.**

### **Company mobility management**

At ARNO, company mobility management is driven by various initiatives. We offer our employees bicycle leasing. Whether it's an e-bike, city bike, touring bike, racing bike, cargo bike, pedelec or S-pedelec, our employees can lease their dream bike through JobRad. Every bike is covered by comprehensive insurance, including a mobility guarantee. Thanks to favourable tax breaks, our employees can save up to 40 per cent. We are also converting our vehicle fleet to electric vehicles. Eight electric charging stations, powered by our in-house photovoltaic system, are available to employees, customers and suppliers free of charge at our Wolfschlugen site (see criterion 12, GRI 302 Fuels).

### **Reuse of waste wood**

Since August 2021, we have been handing over our old pallets to [Stark Dynamics GmbH](#), thereby indirectly supporting the StarkDynamics project 'People, Economy, Environment'. 31.5 tonnes were reused, avoiding 58 tonnes of CO<sub>2</sub>, cf. [ARNO StarkDynamics Environmental Compliance Report 2024](#).

### **Life cycle assessment / Product Carbon Footprint (PCF)**

As a leading manufacturer of innovative presentation systems in the B2B retail sector, we are committed to not only offering high-quality products, but also to continuously minimising their environmental impact. In order to obtain a comprehensive overview of the ecological impact – from raw material extraction and production to use and disposal – we began evaluating the CO<sub>2</sub> footprint of various products with a partner in 2022, for example: [Product Carbon Footprint](#).

Our current emission targets are listed in criterion 3. In order to halt the progression of climate change, it is essential that we all get involved. We value the ideas that our employees share with us via our suggestion box. We have implemented ideas with potential, such as installing solar lights on bicycle racks, adjusting the switching times of motion detectors and permanently switching off radiators in corridors. Going forward, we will continue to promote sustainability projects and the expansion of renewable energies, use resource-saving and energy-efficient materials, and provide our workforce with training in the economical use of resources.



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**To us, sustainability means  
passing on an intact environment to future generations.**

## Key Performance Indicators to criteria 13

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

The reporting organization shall report the following information:

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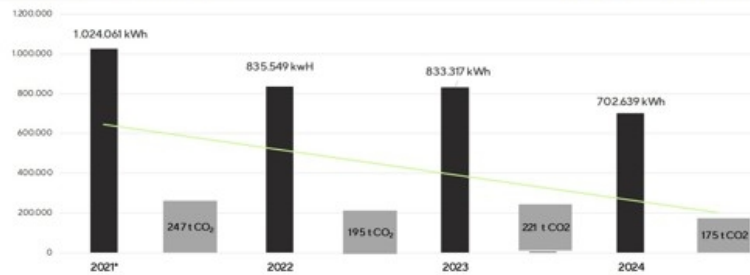


a. Gross <u>direct (Scope 1)</u> GHG emissions in metric tons of <u>CO<sub>2</sub> equivalent</u> ..	175 t CO <sub>2</sub>
GHG 1.1 Direct emissions from combustion processes - Stationary plants Propane gas heating oil	12 t CO <sub>2</sub> 79 t CO <sub>2</sub>
GHG 1.2 Direct emissions from combustion processes Fuels	84 t CO <sub>2</sub>
GHG 1.3 Direct emissions from processes	not applicable
b. Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> or all.	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.	2021 i. Climate protection agreement with the state of Baden-Württemberg (accession year) ii. 247 t CO <sub>2</sub> 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 <a href="#">Ecocockpit-BW</a>
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 <a href="#">Ecocockpit-BW (market-based)</a>

Since 2020 (the base year), we have been calculating CO<sub>2</sub>-emissions for our main location in Wolfschlügen (the system boundary). We use operational data, i.e. the consumption figures stated in energy service provider invoices, to determine greenhouse gas (GHG) emissions. The accounting tool used is Ecocockpit. The calculation method is market-based, cf. [Ecocockpit report ARNO GmbH 2024](#).

## GRI 305-1: Scope 1

Jahr/Year	2021*		2022		2023		2024	
Energiequelle/Power source	kWh	Tonnen/ tons CO <sub>2</sub>	kWh	Tonnen/ tons CO <sub>2</sub>	kWh	Tonnen/ tons CO <sub>2</sub>	kWh	Tonnen/ tons CO <sub>2</sub>
Propangas/Propane kWh	210.018	15	191.717	14	186.017	13	170.374	12
Heizöl/Heating oil kWh	518.000	151	335.040	98	350.050	110	250.283	79
Treibstoffe/Fuels kWh	296.043	80	308.792	84	297.250	98	281.982	84
<b>Gesamt/Total</b>	<b>1.024.061</b>	<b>247</b>	<b>835.549</b>	<b>195</b>	<b>833.317</b>	<b>221</b>	<b>702.639</b>	<b>175</b>
*Basinjahr Klimabundes BW						Einsparung t CO <sub>2</sub> 72		



See 3. Objectives and 12. Resource Management, GRI 302-1 Energy Consumption.

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

The reporting organization shall report the following information:

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

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

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

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

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

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

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

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

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

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

a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	0 t CO <sub>2</sub> (market-based), <a href="#">Ecocockpit Bericht ARNO GmbH 2024</a>
GHG 2.1: Indirect emissions from purchased electricity	0 t CO <sub>2</sub>
GHG 2.2: Indirect emissions from district heating/cooling	0 t CO <sub>2</sub>
GHG 2.3: Indirect emissions from purchased steam	0 t CO <sub>2</sub>
c. If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	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. 39 t CO <sub>2</sub> iii. none
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	<a href="#">Ecocockpit-BW (market-based)</a>
f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	"operational control"
g. Standards, methodologies, assumptions, and/or calculation tools used.	<a href="#">Ecocockpit-BW (market-based)</a>

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

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

The reporting organization shall report the following information:

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

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

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

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

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

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

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

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

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

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

An internal cost-benefit analysis showed that, as a contract manufacturer with a high degree of part variance, recording the weights of our purchased materials and components in SAP is not economical for us. The effort involved in recording weights is not proportionate to the benefit for our company due to the constantly changing customer-specific components. To calculate our **Scope 3 emissions**, we use the **purchase volume of each product group in euros** rather than weight specifications. This is done using the Scope3analyzer database, which takes into account the emissions of all product groups, including pre-products, as well as direct and indirect emissions in Wolfschlügen. This tool was developed by the Institute for Industrial Ecology (INEC) at Pforzheim University in collaboration with the Think Tank for Industrial Resource Strategies in Karlsruhe. The result is a clear view of our GHG hotspots, offering the following advantages:

- Reporting compliance: The methodology complies with standards such as GHG, CDP and SBTi.
- High accuracy: CO<sub>2</sub>-emissions often correlate more strongly with price than weight; this enables us to capture the true impact.
- Holistic analysis: The database considers all product groups, as well as

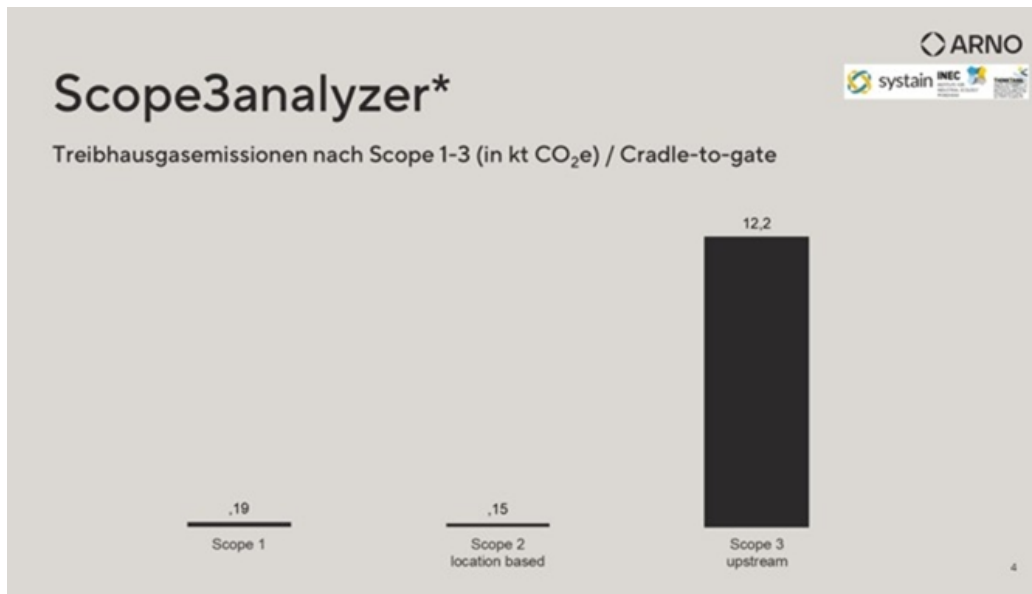
direct and indirect emissions.

- Clarity for climate protection: We identify where the largest emissions occur in the supply chain, which is a crucial step for implementing targeted reduction measures.

The ARNO CCF 2024 provided a comprehensive overview and identified our GHG hotspots. According to Prof. Dr. Mario Schmidt of Pforzheim University, 'the calculation method also has the advantage that the CCF of many products correlates more with price than weight, as higher added value is usually associated with greater energy consumption and thus higher CO<sub>2</sub>-emissions'.

Upstream emissions in the supply chain are the largest source of emissions for almost every company, including ARNO.

a. Gross <u>other indirect (Scope 3) GHG emissions</u> in metric tons of <u>CO<sub>2</sub> equivalent</u> .	12.200 CO <sub>2</sub> e
b. If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	no reporting
c. <u>Biogenic CO<sub>2</sub> emissions</u> in metric tons of CO <sub>2</sub> equivalent.	no reporting
d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.	Business trips
e. Base year for the calculation, if applicable, including:	2024 First-time full accounting of Scope 3 cradle-to-gate (upstream)
i. the rationale for choosing it;	full availability and preparation of data
ii. emissions in the base year;	2024 first-time full accounting of Scope 3 cradle-to-gate (upstream). Previous years: partial calculation only
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	none
f. Source of the emission factors and the <u>global warming potential (GWP)</u> rates used, or a reference to the GWP source.	see FAQ Scope3analyzer
g. Standards, methodologies, assumptions, and/or calculation tools used	<a href="#">Scope3analyzer</a> The calculator is report-compliant. GHG, CDP, and SBTi accept the methodology.



Minor shift in Scope 1 due to calculation programmes used, see GRI 305-1

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

The reporting organization shall report the following information:

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

#### **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 (direct emissions).



**Scope 1 GRI 305-5 Senkung der THG-Emissionen/Reduction of GHG emissions**

GRI-305-5	CO <sub>2</sub> Ausstoß Scope 1 + 2 CO <sub>2</sub> emissions Scope 1 + 2	261,4	285,4	195,1	220,4	174,4
	J. CO <sub>2</sub> -Einsparung Photovoltaikanlage CO <sub>2</sub> savings Photovoltaic system	261,2	211,6	270,1	245,2	198,9
	Scope 1+2 Bilanzielles Ergebnis CO <sub>2</sub> zum Vorjahr Scope 1+2 Accounting Result CO <sub>2</sub> compared to Previous Year	0,3	73,8	-75,0	-24,8	-24,5
	Scope 1+2 Bilanzielles Ergebnis CO <sub>2</sub> zum Vorjahr Scope 1+2 Accounting Result CO <sub>2</sub> compared to Base Year					-62,5

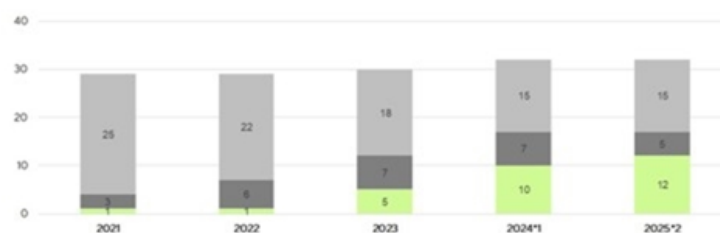
Our aim is to promote e-mobility. Six additional charging stations were installed at the beginning of 2023. This brings the total number of charging stations available for our employees and visitors to recharge their vehicles free of charge to eight. We are in the process of converting our car fleet to electric vehicles (see criterion 12, GRI-302-1).

Following a data-based analysis of driving profiles, the following regulations were adopted to promote e-mobility in company vehicles:

At least 70% of the energy requirements of drivers of electric and hybrid vehicles are met by the company's own ARNO photovoltaic system. Those who drive fully electric vehicles receive a monthly tax-free subsidy of €30 for charging at their own station. Those driving hybrid vehicles receive a monthly tax-free allowance of €15 for charging at their own station.

**GRI 302-1 / GRI 305-5 Fuhrpark - Antriebsarten/Fleet - Types of drive**

Antriebsarten/Types of drive	2021	2022	2023	2024* <sup>1</sup>	2025* <sup>2</sup>
Elektro/electric	1	1	5	10	12
Hybrid/hybrid	3	6	7	7	5
Verbrenner/combustion engine	25	22	18	15	15
Summe/total	29	29	30	32	32
Ladestationen am Standort charging stations on site	2	2	8	8	8



2024\*<sup>1</sup> Ziel/target for 2024: 6 Elektrofahrzeuge. Dieser Wert wurde deutlich gesteigert / 6 electric vehicles. This figure has been significantly increased  
2025\*<sup>2</sup> Ziel/target 2025

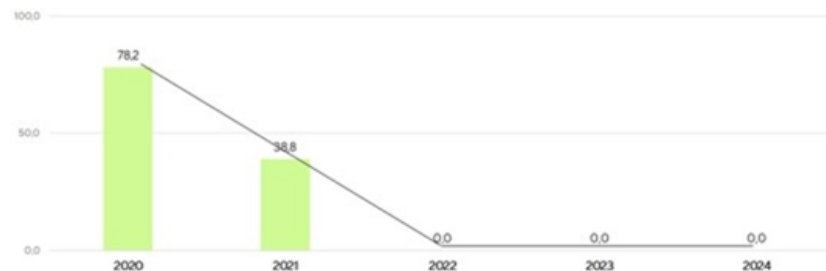
### Sustainable mobility and greenhouse gas (GHG) emissions (GRI 305-1 and 305-2):

To promote sustainable mobility, we offer our employees the option of leasing bicycles through [JobRad](#). Currently, around 20% of the workforce takes advantage of this offer. Employees can lease their desired bicycle and benefit from tax-efficient financing, enabling savings of up to 40% compared to a direct purchase. Apart from reduced fuel consumption, the CO<sub>2</sub>-emissions saved by cycling to work can only be quantified on the basis of assumptions at present. For reasons of data quality and in accordance with the requirements of GRI 305-1 (Direct GHG Emissions), we therefore refrain from providing a detailed evaluation. Conversely, we view developments in the area of Scope 2 emissions (GRI 305-2) positively: since 2022, we have permanently limited our CO<sub>2</sub>-emissions in this area to zero tonnes by using our own photovoltaic system and covering all additional electricity requirements with certified green electricity.



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

	2020	2021	2022	2023	2024
Gesamtverbrauch konventioneller Strom kWh/ Total consumption of conventional electricity kWh	194.894	96.844	0	0	0
Gesamtverbrauch Ökostrom/ Total consumption of Green Electricity kWh	0	117.697	185.583	199.580	213.114
zzgl. Eigenverbrauch Photovoltaik/plus own consumption photovoltaics kWh	164.987	160.125	160.125	166.464	155.121
GESAMTVERBRAUCH Strom/ TOTAL Electricity consumption	359.881	374.667	345.708	366.044	368.235
Verbrauchsänderung kWh/Change in consumption kWh					
Summe t CO <sub>2</sub> / Total t CO <sub>2</sub>	78,2	38,8	0,0	0,0	0,0
Reduktion t CO <sub>2</sub> /Reduction t CO <sub>2</sub>		-50%	-100%	-100%	-100%



### Scope 3: regional sourcing.

Our packaging solutions are environmentally friendly. 97% of our packaging materials are sourced from southern Germany, reducing greenhouse gas emissions (see section 12, 'Resource Management').

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## 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. People at the heart of the company**

To us, sustainable entrepreneurship means more than just economic success; it also involves taking responsibility for people and society. Our corporate DNA is firmly anchored in ethical and moral values, forming the foundation for fair, respectful and cooperative collaboration. As a family-owned company, we naturally protect the rights of our employees and actively promote social standards. We are committed to an open and appreciative corporate culture, where everyone, regardless of position or hierarchy, communicates on an equal footing. Constructive dialogue, fresh ideas and innovation are essential for our future success. Together, we create an inspiring working environment that fosters trust, motivation and job satisfaction – for a sustainable and successful future. The standards and guidelines applicable to the parent company are applied uniformly to all other ARNO GmbH locations (see 1. Strategic Analysis and Measures).





### Communication

At company meetings, our management team regularly provides updates on the corporate strategy, the performance of the parent company and its subsidiaries, and the ESG goals, which form an integral part of the broader corporate objectives. We strive 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. Currently, there is no employee representation. Employees can participate directly by exchanging views with managers or management in 'how are you' or feedback meetings. They can also participate indirectly by recording suggestions for improvement on the lessons learned list or anonymously via our [ARNO whistleblower software](#). We monitor applicable legal and environmental regulations, check their scope of application, and apply them at the highest level. Our legal register is audited annually by independent external auditors as part of the ISO 9001 and ISO 14001 recertification process (cf. 20). We conduct our business in compliance with laws and guidelines. All our employees are required to comply with our [ARNO Code of Conduct](#), [anti-corruption guidelines](#), and the UN's conventions, laws, and standards. We are committed to these principles without exception. We are committed to conducting all business in an ethical and legally compliant manner, and this commitment naturally extends to our subsidiaries and stakeholders. All partners within the supply chain are responsible for implementing the ARNO Code of Conduct and Anti-Corruption Policy. As we only work with individuals or organisations that commit to complying with our ARNO Code of Conduct, and as we regularly check compliance during on-site visits, we have not yet identified any significant risks arising from our business activities, relationships, products or services that could negatively impact employee rights (cf. 4. Depth of the value chain, 14.). Employee rights and 17. Human rights.

### Risk assessment at process level

Risks are systematically recorded and evaluated using turtle diagrams. This method is used to analyse individual processes in a structured way and to identify potential influencing factors, particularly with regard to sustainability aspects. The turtle diagram clearly shows the central elements of a process, enabling a well-founded risk assessment. The following aspects are taken into account in the diagram:

- Type of process;

- Process inputs;
- Process outputs;
- Implementation with what: equipment, operating resources, etc.
- Implementation with whom: process participants and the skills of those involved;
- Process key figures and KPIs.
- Process control (specifications/standards).

It goes without saying that we involve our workforce in processing all suggestions for improvement. This could involve introducing processes that make everyday work easier, contribute to environmental protection, or enable customer projects to be managed more efficiently and effectively. As our employees are experts in their field, we can utilise their knowledge and experience to proactively drive improvements. We are a strong community of people who take a sustainable approach to creating successful shopping experiences. Together, we are making our ESG fit for the future. To this end, we use the quality management tools mentioned below. These tools enable our employees to express praise, criticism, ideas, suggestions for improvement and opinions. The content is collected and published in our integrated quality management system, and the processing methods are defined. Workshops are held to optimally implement sustainability potential.

## **2 Interaction**

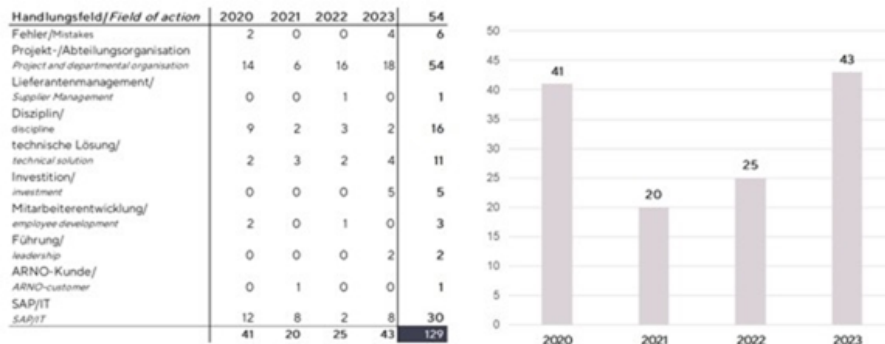
### **2.1 Operational suggestion scheme**

The ideas of our employees represent invaluable potential for the further development of our organisation. That is why we value and encourage our staff to share their ideas and suggestions for improvement with us. They can express their positive and negative observations, either anonymously or by name, via the digital lessons learned list or the manual lessons learned ticket. We want them to communicate openly about what needs to be improved and what measures would increase process efficiency, employee and customer satisfaction and project success. Lessons Learned Tickets are processed internally on a monthly basis, with the results published digitally and on the notice board. Processing suggestions for improvement on an ongoing basis and providing feedback to all employees creates a continuous process of improvement within the company. This strengthens the sense of belonging and community. Between 2020 and 2023, a total of 129 improvement suggestions were submitted. These ideas have contributed significantly to improvements in process and project organisation, technical solutions, employee development, optimisation of our ERP system, ESG guidelines, the integrated QMS and optimisation of the supplier management system. They have also contributed to the profitability and sustainability of the company (see section 10). Innovation and Product Management. Commitment is rewarded! Participation in the company suggestion scheme has a positive effect on employee performance reviews.



## Betriebliches Vorschlagswesen (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 and turnover

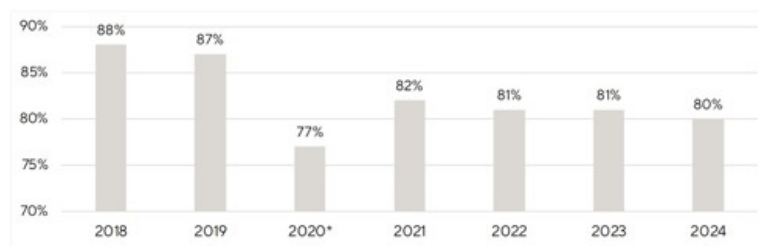
We recognise that satisfied employees are more committed, perform better and cooperate more effectively with partners and customers. Following positive results in 2018 and 2019, when satisfaction rates were 88% and 87% respectively, satisfaction fell to 77% in 2020. This was due to factors including Coronavirus-related short-time working, financial aspects, fears about the future and government measures. A survey of our workforce conducted in autumn 2024 revealed a satisfaction rate of 80%, which is below our target of 85%. We are not satisfied with this result. Through corporate culture workshops, digital employee surveys, training measures (see section 16, 'Qualification'), the promotion of work-life balance (see section 15, 'Equal opportunities'), and parties and activities for all employees (see section 18, 'Community'), we aim to foster a stronger sense of community and boost employee satisfaction to 85% by 2025. The turnover rate in 2024 was 9.7%.



## Mitarbeiterzufriedenheit/Employee satisfaction

	2018	2019	2020*	2021	2022	2023	2024
Zielquote/target quote 2023						85%	85%
Anzahl Mitarbeiter/number of employees	200	158	132	146	132	134	134
Rücklauf in Stück/return in units	125	103	105	80	111	103	105
Rücklaufquote/return rate in %	63%	65%	80%	55%	84%	77%	78%
Zufriedenheitsquote/ employee satisfaction index	88%	87%	77%	82%	81%	81%	80%

\* 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

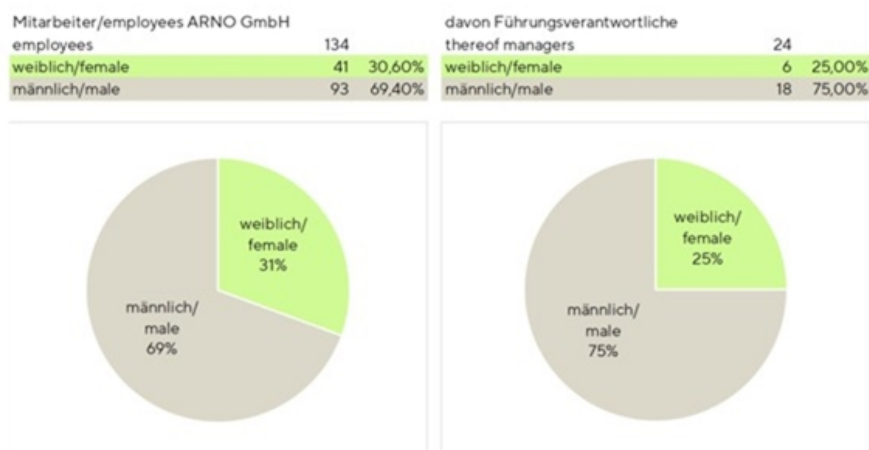
### Equal rights - Gender equality

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, 25% 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



### 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 guideline anti-discrimination, for first aiders, safety specialists, safety officers, fire safety officers, etc.

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

In summary, we can conclude that fairly distributed, equitable training opportunities positively impact the motivation and performance of our employees. Our goal for 2024 is to provide a total of 1,400 training hours. Each employee should benefit from at least 10 hours of training.

### **Childcare at work 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 allowance.

### **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.



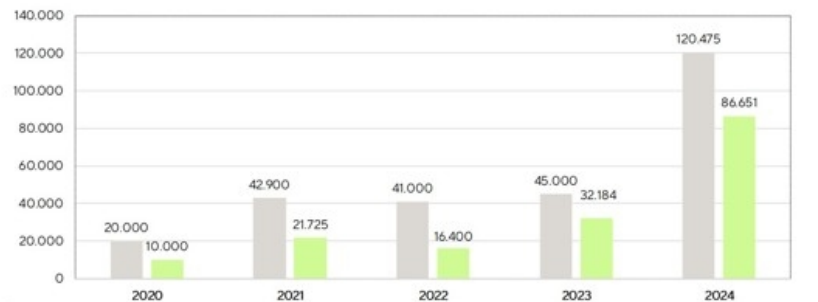
## 16. Qualifications

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 270,000 available for the further training of our employees from 2020 to 2024. 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	2024	Summe
Schulungsbudget/ Training Budget €	20.000	42.900	41.000	45.000	120.475	269.375,00
Abgerufenes Budget/ Training Budget used Costs) €	10.000	21.725	16.400	32.184	86.651	166.960,00
Abgerufenes Budget/ Training Costs used) %	50,0%	50,6%	40,0%	71,5%	71,9%	62,0%



### 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. Mindfulness training**

We offer our employees voluntary mindfulness training programmes, including ones on stress management through breathing techniques (Breath Work) and dealing with challenging situations (Staying calm when things go wrong). These programmes are very popular and widely used.

## **3. 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.

## **4. Training**

In accordance with DGU V1 and ArbSchG, all employees must receive adequate health and safety training. This means that the training must be tailored to the individual's work situation. During the first quarter of each year, trainers explain to relevant employees how they should behave in the workplace to ensure their own safety. Each instruction is documented in writing. The annual health and safety training includes instruction on waste separation and the release process for hazardous substances, including the relevant register. As a precautionary measure, it also covers the most frequent workplace accidents of the previous year and provides information on the use of personal protective equipment (PPE). The annual health and safety training is based on our digital occupational health and safety concept in accordance with ISO 45001.

## **5. Occupational safety and health protection**

### **5.1 Safety leadership**

Our managers play a central role in preventing occupational safety and health risks. Their responsible attitude, sensitivity to safety-related issues, exemplary handling of risky situations, and adherence to processes and guidelines ensure a working environment that guarantees safety and health protection.

Supported by the ESG Circle, which includes management team members, ESG managers, security personnel and safety officers, they raise awareness of safety-related issues and foster a positive working environment. Should risky situations arise, you, the safety officer and the safety representative are responsible for investigating them, taking precautions to avoid similar hazards and enforcing compliance with safety guidelines. Training sessions are held to highlight the relevance of our occupational health and safety concept as a know-how tool, as are site inspections with the following objectives:

- Identification of potential risks and possible improvements
- Dialogue with employees in the workplace to stimulate safety activities and identify areas for improvement
- Promoting order and cleanliness to avoid safety risks (5S method).

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

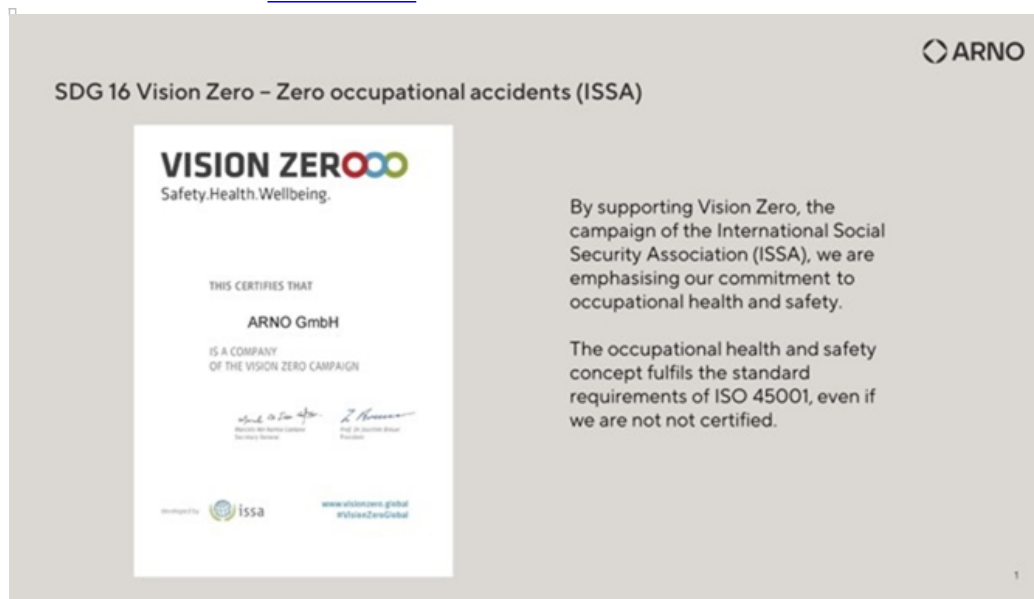
The legal basis for instruction is Section 12 of the Occupational Health and Safety Act. This states that employers must provide their employees with sufficient and appropriate instruction on health and safety at work during their working hours. In order to offer our employees the best possible health 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 of topics.



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.

### 5.3 Vision Zero



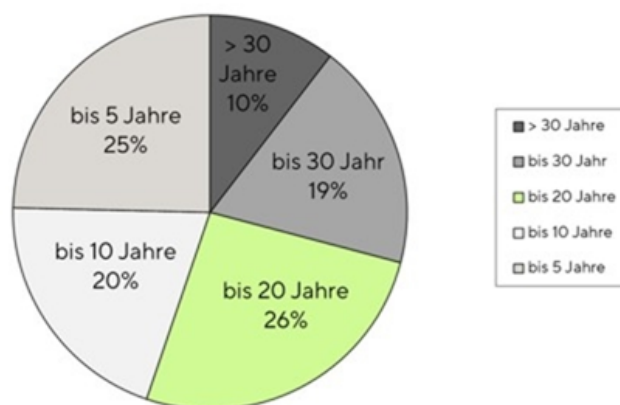
#### 5.4 Offers for health prevention

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 Wolfschlügen, 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 2024, the sickness rate was 4.5% (2023: 4,9%, 2022: 5.19 per cent), see GRI 403-9 and GRI-403-10.

#### 6. 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. 55 per cent of our employees have been with ARNO for more than 10 years.

**Betriebszugehörigkeit/Length of service**



#### 7. 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.

#### **8. 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 SRS-403-9: Work-related injuries

### a. For all employees:

- i. The number and rate of fatalities as a result of work-related injury; 0
- ii. The number and rate of high-consequence work-related injuries (excluding fatalities); 0
- iii. The number and rate of recordable work-related injuries; 25 / 1 day lost
- iv. The main types of work-related injury; cuts, falls
- v. The number of hours worked including temporary staff such as pupils and students 134 200.215

### 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; 0
- ii. The number and rate of high-consequence work-related injuries (excluding fatalities); 0
- iii. The number and rate of recordable work-related injuries; 8 / 10 days lost
- iv. The main types of work-related injury; bruising, cutter knives cuts
- v. The number of hours worked. 29.814

### 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

- 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

Risk assessments are an integral part of our digital occupational health and safety concept. They are used to identify key areas for action, manage operational activities and improve occupational safety, as well as assess their effectiveness. If it is not possible to eliminate the hazard through technical measures, preventive measures are defined and documented in the occupational health and safety concept. These guidelines are binding.

#### ii. which of these hazards caused or contributed to injuries with serious consequences during the reporting period; none

**iii und d.** Any measures taken or implemented to eliminate these hazards and minimise risks should use the hierarchy of control measures. Our health and safety representatives recommend using safety knives. These knives have automatic blade retraction or concealed blades to 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. Alongside the safety and environmental committee, they promote the safety culture of the ARNO Group through exemplary behaviour in risky situations and by implementing the established guidelines.

**e.** The basis for calculating the instalments is 200,000 of the 1,000,000 working hours. The instalments have been calculated on this basis.

2021:  $(5/160.284) \times 1.000.000 = 31$

2022:  $(16/164.050) \times 1.000.000 = 98$

2023:  $(13/206.383) \times 1.000.000 = 63$

2024:  $(25/200.215) \times 1.000.000 = 125$  (with 200,000 = rate 24 )

**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: Work-related ill health**

**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

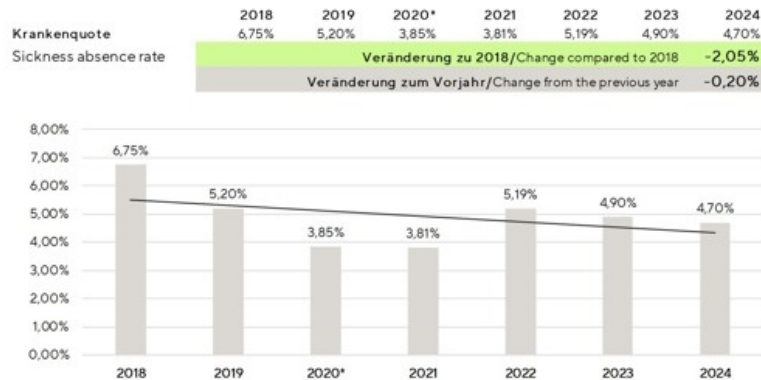
2022: 0

2023: 0

2024: 0

**e.** The calculation was based on data from our ARNO personnel management system and the association's records. Sick leave fell to 4.7% in 2024 (compared to 4.9% in 2023 and 5.2% in 2022). This is an excellent result. According to Statista, [the average sick leave rate in statutory health insurance \(GKV\)](#) was around 5.8% in 2024. The decline in sick leave reports demonstrates the positive impact of our health prevention measures and corporate culture workshops, cf. 16. Qualification, point 7. Company health protection system, cf. 16. Qualification, point 7: Company health protection system. Company health protection system.

**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. Employee participation procedures**

We introduced our digital occupational health and safety management system in 2008. We support the **ISSA's global 'Vision Zero'** campaign for managing safety, health and well-being in the workplace. Even without certification, we practise occupational health and safety in accordance with ISO 45001. Thanks to our continuous training and improvement measures, which ensure the best possible health, safety and environmental protection for our employees, our occupational health and safety concept has become an indispensable part of our integrated management system! All documents, such as risk assessments, safety data sheets and our hazardous substances register, are accessible to our commercial and industrial employees from their workplace or via a freely accessible tool in the digital occupational health and safety concept. Safety-related content, our crisis and emergency plan, and prevention guidelines (e.g.

for pregnancies) ensure that our employees are comprehensively informed, as do tips on occupational safety. We practise **Safety Leadership**. This means that, together with the safety officer and those responsible for safety-compliant behaviour, our managers have a special responsibility to ensure the safe condition and proper use of work equipment and materials, as well as environmental protection. Personal protective equipment (PPE) is available to all employees. Our safety officers continuously check first aid kits. Visitors receive instruction on safety regulations before entering the premises. Despite all these precautions, if accidents occur or employees experience health problems, our trained first aid team is immediately available. They refresh their knowledge every two years in accordance with DGUV. An emergency telephone chain ensures that first aiders can always be contacted. All workplace accidents, including those occurring during commuting, are recorded in our ARNO first aid log and reported to the BG. In accordance with the provisions of the Occupational Safety and Health Act, our department heads conduct the annual occupational safety training required by law, which includes refresher training on ESG, the ARNO Code of Conduct, the Anti-Corruption Policy, the Diversity and Inclusion Policy, waste separation (recycling) and company regulations. All training is documented via a training certificate. Refresher training courses recap essential topics to help our employees recognise dangerous situations and act appropriately. Safety officers have been appointed to oversee specific areas in production and logistics. If employees recognise a dangerous situation, they must immediately contact their area manager and/or supervisor (safety leadership). They will then ensure that the source of the hazard is eliminated immediately. In addition, our area safety officers carry out rolling occupational safety checks. The results are recorded in checklists. The checklists show:

- 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, ESG will raise the issue at the next 'ESG Circle' meeting, see b.

#### **b. ESG Circle:**

The ESG Circle includes representatives from management, production, logistics, human resources, trained occupational safety specialists, officers and the ESG manager. The ESG Circle meets two to three times a year, or more frequently if necessary. It is responsible for dealing with relevant ESG issues, implementing laws, defining measures and making decisions on occupational safety and environmental protection. Due to the importance of these issues, decisions are usually 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;

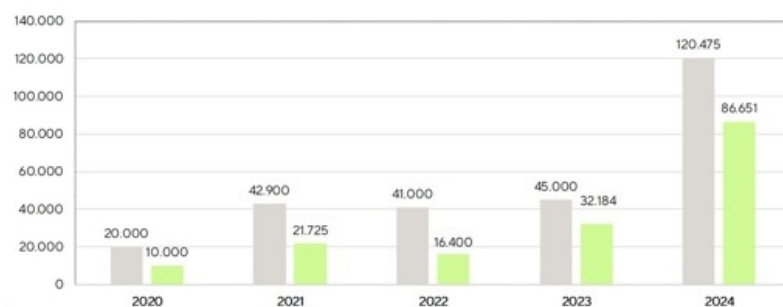
**ii.** employee category.

In addition to the demographic information requested in criterion 16, qualification point 8 (length of service), we would also like to provide insights into the further training and development of our employees. Our minimum requirement is 10 training hours per employee per year. This policy ensures that all employees have equal access to further training, regardless of their department or position. It prevents discrimination and promotes consistent, forward-looking skills development throughout the company. For 2025, we have allocated a **training budget of 111,870 Euros**, see section 3. Objectives.



### Schulungsbudget /Training Budget

	2020	2021	2022	2023	2024	Summe
Schulungsbudget/ Training Budget €	20.000	42.900	41.000	45.000	120.475	269.375,00
Abgerufenes Budget/ Training Budget used Costs) €	10.000	21.725	16.400	32.184	86.651	166.960,00
Abgerufenes Budget/ Training Costs used) %	50,0%	50,6%	40,0%	71,5%	71,9%	62,0%



### i.-ii. Gender and employee category

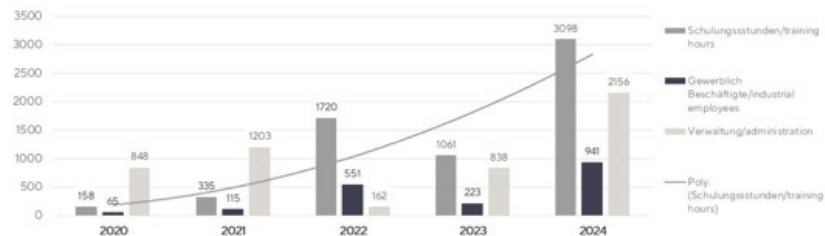
Providing targeted further training for all employees reflects our commitment to promoting equality among all employees. The aim is to equip industrial and commercial employees with the necessary skills and knowledge, and to continuously expand their qualifications. A fixed training budget, individual qualification matrices and detailed training hour evaluations underscore our commitment to lifelong learning. This strengthens the adaptability of our workforce and promotes a positive attitude towards change, particularly with regard to technological developments, digital transformation, new legal requirements, and changing market conditions.

In the 2024 reporting year, 31% of employees were female and 69% were male. A total of 3,098 training hours were completed. Female employees accounted for 960 training hours (31%). The male workforce invested 2,138 hours, or 69%, in further training. This means that the gender-specific distribution of training hours is balanced.



### Schulungsstunden/Average hours of training

	2020	2021	2022	2023	2024
Schulungsstunden/training hours	158	335	1720	1061	3098
weiblich/female	26	101	562	299	960
männlich/male	132	234	1158	762	2138
Gewerblich Beschäftigte/industrial employees	65	115	551	223	941
Verwaltung/administration	848	1203	162	838	2156



Commercial employees attended an average of 22:25 training hours. Commercial employees completed an average of 22:27 hours.



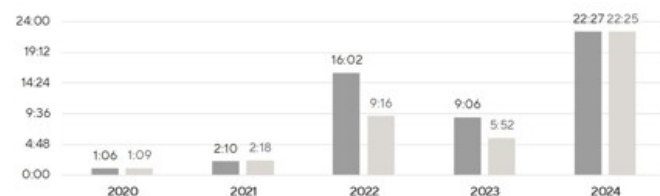
GRI 404-1

Ø Anzahl Schulungsstunden  
Verwaltungs- und  
gewerbliche Angestellte

Ø Number of training  
hours administrative  
and commercial staff

	2020	2021	2022	2023	2024
Ø Anzahl Schulungsstunden kaufmännische Mitarbeiterinnen	1.06	2.10	16.02	9.06	22.27
Ø Anzahl Schulungsstunden gewerbliche Mitarbeiterinnen	1.09	2.18	9.16	5.52	22.25

Ziel 2024 mindestens 10 Schulungsstunden pro Mitarbeiter



Our training programmes demonstrate our commitment to lifelong learning. By doing so, we strengthen the adaptability and future viability of our workforce and encourage a positive attitude towards potential changes.

## 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 2024 MIT Aushilfen Employees 2024 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	21	16	76%	5	24%	0	0%
kaufmännisch Mitarbeiter/commercial employees	65	40	62%	25	38%	0	0%
Gewerbliche Mitarbeiter inkl. Aushilfen/ Industrial employees incl. temporary staff	78	58	74%	20	26%	0	0%
Duale Studenten/students	2	2	100%	0	0%	0	0%
Auszubildende/trainees	8	5	63%	3	38%	0	0%
<b>Summe aller Beschäftigten mit Aushilfen/ Total of all employees incl. temporary staff</b>	<b>177</b>	<b>123</b>	<b>69%</b>	<b>54</b>	<b>31%</b>	<b>0</b>	<b>0%</b>
davon Aushilfen gewerblich/ thereof tempory staff commercial	43	35	81%	8	19%	0	0%
davon Angestellte in Teilzeit/ employees in part-time	18	3	17%	15	83%	0	0%
davon Gewerbliche mit Behinderung/ thereof industrial employees with disabilities	2	2	100%	1	50%	0	0%
Kaufmännische Angestellte mit Behinderung commerial employees with disabilities	1	1	100%	0	0%	0	0%

Beschäftigte 2024 OHNE Aushilfen Employee structure 2024 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	21	0	0%	12	57%	9	43%
kaufmännisch Mitarbeiter/commercial employees	65	5	8%	31	48%	29	45%
Gewerbliche Mitarbeiter ohne Aushilfen/ Industrial employees without temporary staff	35	2	6%	14	40%	19	54%
Duale Studenten/students	2	2	0%	0	0%	0	0%
Auszubildende/trainees	8	8	100%	0	0%	0	0%
<b>Summe aller Beschäftigten ohne Aushilfen Total of all employees without temporary staff</b>	<b>134</b>	<b>17</b>	<b>13%</b>	<b>59</b>	<b>44%</b>	<b>58</b>	<b>43%</b>

## 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.

<b>a.</b> Total number of incidents of <u>discrimination</u> during the reporting period.	Zero
<b>b.</b> Status of the incidents and actions taken with reference to the following:	
<b>i.</b> Incident reviewed by the organization;	Zero
<b>ii.</b> Remediation plans being implemented;	ARNO Code of Conduct, ARNO Guideline on diversity and inclusion
<b>iii.</b> Remediation plans that have been implemented, with results reviewed through routine internal management review processes;	Documented annual refresher training on the guidelines as part of the annual occupational safety training.
<b>iv.</b> Incident no longer subject to action	no incidents

## 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  
Ethical conduct and lawful action are fundamental prerequisites for business



credibility and success. We have been committed to respecting human rights, both within and outside the company, for many years. We aim to promote the principles of the UNGC throughout our supply chain. ARNO is a small and medium-sized enterprise (SME). As an SME, ARNO is not required to report. Nevertheless, we wish to fulfil our duty of care and present this information transparently to the public. We are happy to support our customers in analysing risks and help with preventive and/or remedial measures. We also offer support in complaint procedures, of course. We recognise that our supply chains present opportunities as well as risks. This applies in particular to workers' rights within the supply chains. Risks such as the persecution of political dissidents, child labour, and discrimination based on sexual orientation are possible. We therefore require our suppliers to respect and apply the ten principles of the UN Global Compact (UNGC) and the five principles of the International Labour Organization (ILO). These principles include the elimination of forced labour and child labour, the prohibition of discrimination in employment and occupation, and the promotion of occupational health and safety and freedom of association. These guidelines have always formed an integral part of our international corporate strategy. Supplier audits in accordance with ISO 26000 form part of our procurement strategy.

**We expect both our employees and our suppliers to observe and implement the regulations listed below. These documents are an integral part of every contractual relationship when orders are placed.** In practice, this means that we only accept suppliers and service providers into 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 advocate banning the import of products associated with forced labour and modern slavery. Our purchasing department, consisting of Direct Procurement and Project Management employees, is responsible for assessing and evaluating the risks posed by our suppliers. Due to our limited manufacturing capabilities, our suppliers play a key role. As we maintain long-standing, partnership-based supply relationships and regularly visit our suppliers' production sites, we can say with almost complete certainty that they fulfil their human rights due diligence obligations in accordance with the UN Guiding Principles on Business and Human Rights. To rule out social or environmental problems with potential new suppliers, we only work with those who confirm their corporate responsibility in writing, publicly committing to respect human

rights within the supply chain. As part of our supplier monitoring and evaluation process, we verify compliance with all the aforementioned guidelines and contractual components. We also visit the production facility and, if necessary, carry out an on-site audit. If the potential supplier does not respond to the questionnaire, provides an inadequate response (i.e. does not sufficiently meet the ESG requirements) or does not provide the required evidence (e.g. certificates, memberships or sustainability reports), we will refrain from entering into a business relationship (cf. Criterion 17). Human rights, GRI 414-1. During supplier visits and audits, we regularly check that the agreed rules and conditions are being complied with on site (see GRI 412-1). We also prefer to work with suppliers who are certified according to ISO 9001, ISO 14001 and/or ISO 45001, i.e. those who undergo regular audits by external auditors. Our current objectives in the area of 'social responsibility and human rights' are set out in Criterion 3. Objectives.

## **2. Inclusion of minorities and disadvantaged groups**

As part of our annual health and safety training, we provide our employees with awareness training to raise their awareness of the needs of disadvantaged groups, eliminate stereotypes and encourage an understanding and appreciation of diversity and inclusion. We place great importance on fostering a diverse and inclusive working environment. This includes hiring employees from different cultural backgrounds, genders, and age groups, among other things. We do not discriminate in this regard, making decisions based solely on suitability for the job in question. We have appointed a diversity and inclusion officer to serve as a contact person for the workforce and ensure that diversity and inclusion measures are implemented. Our integration officer is supported by the Esslingen Integration Service (IFD). We offer flexible working models tailored to the needs of minorities and disadvantaged groups, including part-time employment, flexible working hours and the option to work from home. We 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, through regular assessments and tailored measures. We are also committed to promoting inclusion and diversity in our supply chains. This means ensuring that all suppliers receive equal opportunities and treatment, regardless of gender, origin, or other factors. For instance, in 2022, our contractors included workshops for disabled people, such as [Filderwerkstatt](#) and [Arbeitsring Anerkannter Blindenwerkstätten Schlich GmbH](#). We communicate with our suppliers transparently and in a partnership-based manner. We openly share our expectations with regard to social aspects and work closely with them to bring about positive change, as set out in section 18. Corporate Citizenship (Order volume for sheltered workshops).

## **3. Reports from whistleblowers**

Our primary goal is to avoid risks that could harm our company, our employees, or our business partners. Suppliers are subject to a comprehensive analysis, as detailed in GRI 414-1. We have set up whistleblower software to enable us to investigate reports of violations appropriately and fairly. We

encourage anyone within or outside the ARNO Group who observes or becomes aware of a violation of the rules to report it openly and without fear. Such violations may include corruption, money laundering, bribery, human rights violations, environmental regulations violations, technical specification or standard violations, and abuse of power. Whistleblowers are fully protected by us. Further information on whistleblower protection can be found in our Anti-Corruption Policy on page 4. The ISO 27001-certified, ISAE 3000-audited whistleblower software uses end-to-end encryption to ensure compliance with the Schrems II ruling. Voice distortion is automatically applied to voice recordings. When reporting a compliance incident, whistleblowers can select the intended recipient of the compliance report. This ensures that compliance officers are also notified. Both male and female compliance officers are available to process reports. If the report is deemed credible, an internal investigation will be initiated. If necessary, government institutions are involved. Whistleblowers receive feedback via the whistleblower software no later than seven days after submitting their report (see section 14). Employee rights. See GRI 205-3, 'Incidents of corruption'. The aim is not to receive any whistleblower reports.

#### **4. Compliance violations**

The ARNO Group did not receive any reports of compliance violations in 2022 or 2024. In 2024, one violation was reported. After a thorough investigation, labour law consequences were imposed. We investigate any compliance violations without delay and using all available means, see GRI 406-1 Cases of discrimination.

### **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 standards 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,

including the ILO's core labour standards. The ARNO Code of Conduct forms an integral part of our corporate culture and guides our actions worldwide. The declaration of principles on respect for human rights has been adopted and is actively supported by company management. As a member of the [United Nations Global Compact \(UNGC\)](#), the world's largest corporate sustainability initiative, we are committed to contributing to a fair global economy. By signing the [UNGC Letter of Commitment on 20 February 2022](#), we are committing to the ten universal UNGC principles relating to human rights, labour standards, the environment, and corruption prevention, as well as the five fundamental principles of the [ILO](#) (see section 1: Strategic Analysis and Measures). As a UNGC member, we are also a partner of the [UN Global Compact Network Germany \(UN GCN\)](#).



Internal communication takes place through regular training and awareness-raising measures for all employees. We communicate our policy on respect for human rights externally through our sustainability report and company website. We are open to dialogue with stakeholders, supporting transparency and exchange. Responsibility for human rights issues is embedded at various levels within the company. Company management is responsible for implementing and monitoring the policy, and for overall responsibility. All managers and employees are also required to actively contribute to compliance with the policy. The scope of our Human Rights Policy extends to all locations and subsidiaries. Furthermore, we collaborate with suppliers and partners who share our standards and principles throughout the entire value chain, ensuring that these are upheld, see section 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?

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).	Our department heads receive annual refresher training on the ESG, the ARNO Code of Conduct, the Guideline Anti-Corruption, the Diversity on Diversity and inclusion, the company regulations and occupational health and safety, see GRI 403-4.
b. ) Are especially vulnerable groups of people incorporated into the risk assessment?	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..
c. ) What is your company's assessment of the human rights risks and its ability to counter these itself?	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.
d. ) How are human rights risks incorporated into your company's risk management?	Yes, for detailed information see 3. Reports from whistleblowers/whistleblowers

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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 Guideline Anti-Discrimination](#) 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.

a. Is there a suppliers' code of conduct that comprises the four ILO core labour standards?	ARNO Code of Conduct
b. State whether and how a check is performed for human rights risks prior to entering into a business partnership.	Before working with a new supplier, we conduct a thorough analysis. Using our questionnaire, which covers topics such as respect for human rights and the implementation of quality, environmental, occupational safety and energy management standards, we assess whether the supplier meets our procurement standards. We also require potential suppliers to comply with our ARNO Code of Conduct. If they meet our requirements, we assess their suitability in three further phases. Suppliers who have passed our monitoring process and met our standards are added to the ARNO Group's supplier database. At the same time, we carry out regular supplier evaluations. As a certified company, we prefer to work with suppliers who are certified and environmentally friendly. Based on evaluations or on-site visits, we decide which suppliers will undergo a supplier audit. Where possible, we conduct on-site audits so that we can obtain an accurate picture of the working conditions in the production facilities, cf. Criterion 17, Human Rights, GRI 414-1.
c. Are suppliers given training on human rights?	If we encounter a lack of knowledge about human rights during supplier audits, we document the measures taken in the audit report. One possible measure may be training on human rights.
d. What processes does your company use to guarantee that its suppliers uphold human rights?	We conduct supplier audits in accordance with ISO 26000, the guidance standard on social responsibility, if necessary. The results are documented in audit reports and, in the event of any deviations, the necessary measures are initiated and monitored throughout the processing and implementation stages. Training courses are held if necessary.
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?	Should we discover serious economic, ecological or social irregularities at a supplier, we will terminate the cooperation.
f. What redress policies are there? Report on incidents in the reporting period	To date, no cases have been identified. Therefore, no concepts were required.



## 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’.

Transparency and sustainability are central to our business activities. We report on them openly and comprehensively. We define significant investments as orders worth €100,000 or more per contractor. In line with responsible corporate governance, we adhere to GRI 412-3. We support the objective of evaluating investments transparently from social and environmental perspectives. Our contractors undertake to comply with our Code of Conduct, which expressly prohibits any human rights violations, and to adhere to our anti-corruption policy. We prioritise European business partners when awarding investments. Since 2024, investment contracts have been awarded exclusively after an ESG questionnaire has been reviewed and approved by the Group Financial Director. In 2024, preparatory measures were taken in preparation for 2025. As no significant investments were made in 2024, a separate ESG review was not necessary. From 2025 onwards, we will also review our financial investments from social and environmental perspectives. As our company does not regularly make financial investments, this assessment will be based on defined qualitative criteria rather than quantitative indicators, cf 3. Objectives, SDG16.

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.

Our company places great importance on protecting human rights. This commitment has been enshrined in Article 1 of the United Nations Charter since 1945. This self-imposed obligation is reflected in both our principles and the concrete measures we take to ensure that the facilities in our supply chain meet the highest human rights standards. Ensuring human rights in our supply chain is an integral part of our operational processes. We require every supplier worldwide to comply with human rights through the processes and

documents described in Criterion 17. Human Rights, GRI 414-1. We continuously review all operating sites for compliance with human rights standards through supplier visits or audits. Our aim is to ensure that all sites operating on our behalf adhere to internationally recognised human rights standards. Our audits are comprehensive and cover aspects such as working conditions, non-discrimination, working hours, and remuneration. During supplier visits, we monitor compliance with human rights guidelines on site and ensure that workers are treated with respect. We promote a corporate culture based on inclusion and diversity. We are committed to equal treatment at our facilities and among our suppliers, regardless of origin, gender or other characteristics. We have implemented clear guidelines and governance structures to ensure that human rights are respected in all locations. Every year, we provide our employees with awareness training on the [ARNO Code of Conduct](#). We also use our [whistleblower software](#) to highlight possible consequences (see criterion 17). Human rights – 3. Reports from whistleblowers. We support organisations and initiatives that promote human rights. These partnerships strengthen our own efforts and help bring about positive change at an industry level. We work with a network of suppliers that has grown over decades in both development and series production. We firmly believe that respect for human rights is an ethical responsibility and forms the basis of a sustainable and 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		2024	
	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	ARNO Code of Conduct dokumentiert reported	Vor Ort identifiziert On-site identified
Gesetze und gesellschaftliche Normen <i>Laws and societal norms</i>	0	0	0	0	0	0	0	0	0	0
ARNO Code of Conduct	0	0	0	0	0	0	0	0	0	0
Diskriminierung <i>Discrimination</i>	0	0	0	0	0	0	0	0	0	0
Arbeitssicherheit & Gesundheitsschutz <i>Health &amp; Safety</i>	0	0	0	0	0	0	0	0	0	0
Meldungen durch Hinweisgeber <i>Whistleblowing</i>	0	0	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 on product quality, delivery times and price-performance ratio. ARNO considers this approach insufficient. Within a four-stage supplier approval process, ecological and social aspects are part of the assessment. Only suppliers and service providers who have passed the testing process become qualified delivery partners, i.e. members of our supplier network.

**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) sets out the requirements for quality management and quality assurance. Chapter 5.3 of the document stipulates that the supplier must comply with applicable country- and region-specific environmental laws, as well as European Union regulations. Chapter 5.5 requires the supplier to guarantee compliance with all statutory health and safety regulations of the country of manufacture in the production of the products. Section 5.4 obliges the supplier to comply with the ARNO Code of Conduct in writing. Section 5.1 announces supplier audits, if necessary.

**Phase 3:**

The potential supplier's offer is evaluated internally. If suitable, the supplier is approved by a cross-team decision.

#### 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 prevent human rights violations. During these audits, we check that occupational safety regulations, legal requirements and our ARNO Code of Conduct are being complied with. If serious ecological, economic or social deviations are identified, we terminate the business relationship (see criterion 17). Human rights.

During our ISO 26000 social audits, we assess whether our suppliers' production sites are meeting the required standards. We prioritise monitoring suppliers in non-EU countries. When doing so, we are guided by the UNGC principles, the ILO core labour standards, and all applicable laws. Key elements of the assessment include fair pay, reasonable working hours, the absence of forced or child labour, safe working conditions and the right to unionise. If deficiencies are identified, we define measures to improve sustainability performance and monitor their implementation by the supplier. If a supplier is found to lack the necessary knowledge of ISO 26000, we arrange 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
CN	1	1	1	1	1		100%	100%
DE	4	4	3	4	1	1	100%	100%
PL	1	1		1			100%	100%
RO	1	1	1	1	1	1	100%	100%
SI	1	1	1	1			100%	100%
TR	2	2	2	2	2	2	100%	100%
Summe/ Total	10	10	8	10			100%	100%

Our ESG supplier selection and evaluation process enables us to make responsible decisions when selecting new suppliers, ensuring that our social values and standards align with those of our partners. We believe that an ethical supply chain reflects our responsibility to our stakeholders and is the key to achieving economic success and sustainability. We are committed to continuing our ESG activities to fulfil our social obligations and drive positive change across the industry.

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 we accept a new supplier into our network, we check that they fulfil our standards. This means that negative social impacts, both actual and potential, can be virtually ruled out. Nevertheless, if necessary, e.g. in the event of recognisable irregularities during a supplier visit or product release, we initiate an ISO 26000 audit.

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.

**Our commitment as a family business: working together voluntarily for a strong community.**

As a small-to-medium enterprise (SME), we are committed to the community on a voluntary basis and out of conviction. This commitment is an expression of our corporate responsibility towards the society in which we operate. We view sustainability as both an internal issue and an active contribution to strengthening social cohesion, local development, and social participation. As a third-generation family business, we take responsibility for our employees, customers, and the regions in which we operate. In times of growing inequality, we are actively committed to building a strong, liveable community. We believe in the power of dialogue and collaborate closely with charitable initiatives and public institutions. Through targeted support initiatives, we promote education and health projects, strengthen cultural and sporting activities, and stimulate the local economy. Our goal is to achieve a lasting impact, not just provide short-term impetus. As part of our sustainability programme, we define specific goals every year that we implement and regularly review. Our management team plays an active role in planning and implementation, ensuring that our commitments align with our long-term strategy. We ensure that our resources are allocated where they can have the greatest positive impact. Through continuous dialogue with the communities we support, we measure the effectiveness of our initiatives and optimise them as necessary. We do not foresee any risks arising from our community involvement. In fact, our community engagement — for instance, through local partnerships, educational initiatives, and support for social projects — demonstrably contributes to social development, social cohesion, and local resilience. In this way, we are actively shaping the future for a fairer, more sustainable society. We implement our measures based on the corporate processes outlined in criteria 1 to 7. Two building blocks inform our decision-making:

1. **SOCIAL PARTNERSHIPS**
2. **EMPOWERMENT THROUGH EDUCATION**

## **1. SOCIAL PARTNERSHIPS**

We gain an awareness of people's needs through discussions with social organisations. We invest in our community by making monetary contributions and donations in kind. We support local and global projects that address pressing social and ecological issues. We also support initiatives launched by our employees, such as collecting donations for Ukraine and purchasing poinsettias for disadvantaged children and people receiving social assistance.

### **1.1 Support for KLIMA.LÄND.TAGE**

As part of European Sustainability Week, the state of Baden-Württemberg organised the KLIMA.LÄND.TAGE campaign. Around 1,500 events on the topics of climate protection, sustainability and the energy transition took place during the campaign period from 18 September to 8 October! ARNO supported the campaign '[Used Computers for Hey Alter!](#)', a volunteer organisation that refurbishes old computers and laptops and distributes them to students who cannot afford one. In total, 39 states presented just over 4,000 events. More than a third of these came from Baden-Württemberg. This once again put Baden-Württemberg at the top of the list in Germany and Europe. In 2025, we will launch a [public mobile phone collection campaign](#). During this period, you can hand in your old mobile phones to us. In collaboration with the Baden-Württemberg mobile phone campaign, we will ensure that your old devices are properly recycled or reused.

### **1.2 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](#)".

### **1.3 Promoting sustainable cities and communities**

We support local sports clubs by helping them to finance their operating costs and expand their youth programmes. For instance, we have sponsored the TSV Wolfschlugen handball team regularly since 2007. In 2019, we provided financial support to SV Hardt for the Hardt Highland Games. Similarly, in 2023, we supported the Sauhag Run, organised by TSV Wolfschlugen.

### **1.4 Fairtrade coffee and meal allowance for the canteen**

Our employees and guests can help themselves to free Fairtrade coffee from the machine in our foyer. We only serve Fairtrade coffee. Employees and temporary staff (including school pupils, students, and temporary workers) receive a €4.13 Euro meal allowance for the canteen per day.



### **1.5 Events for our employees**

Every Thursday, our employees meet for 'Happy Thursday', an after-work drinks event held in our ARNO Lounge. All drinks are free of charge. The event provides an opportunity for personal dialogue in an informal and cheerful atmosphere. We also organise summer barbecues and Christmas parties. We also organise summer barbecues and Christmas parties. In a relaxed, social atmosphere, we play games, have a DJ and eat and socialise together. 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 believe it is our responsibility to empower society for the future through education. Our training programmes and internal and external further training initiatives emphasise this. See sections 15 and 16 for more information on equal opportunities and qualifications.

### **2.1 Chamber of Industry and Commerce**

We deliver training to our apprentices in collaboration with the Chamber of Industry and Commerce, making use of seminars and courses for further training. To implement our occupational health and safety concept in accordance with the regulations, we obtain information from the Chamber of Industry and Commerce regarding 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.

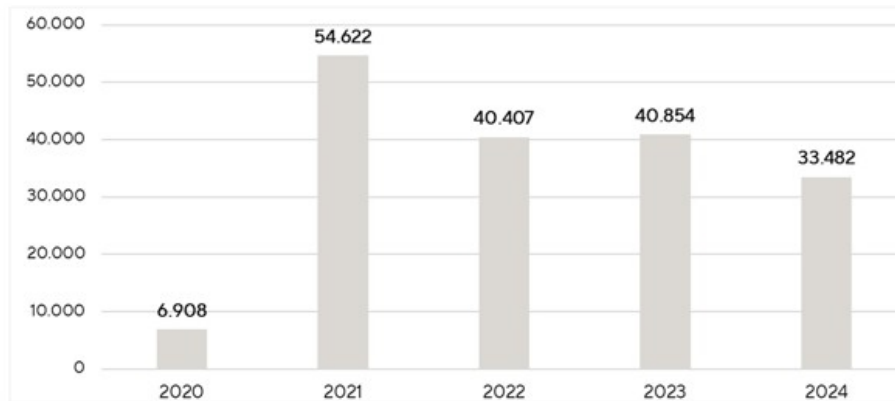
### **2.2 Cooperation with the 'GARP' training centre**

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

### **2.3 Sheltered workshops**

We work closely with sheltered workshops for disabled people, such as Filderwerkstatt, Schwarzwaldwerkstatt and Behindertenförderung Linsenhofen e.V. In 2023, we awarded contracts totalling €33.482.

**Auftragsvergaben an Behindertenwerkstätten**  
Order volume for sheltered workshops



**Working together on a project called 'People – Economy – Environment'.**

Since August 2021, we have been handing over our old pallets to Stark Dynamics GmbH, thereby indirectly supporting the Stark project. In 2024, Stark Dynamics GmbH received 948 defective pallets from ARNO, equating to 40 tonnes of waste wood (dry weight). The old pallets are sorted and divided into intact and defective pallets. Heavily damaged pallets are dismantled into individual parts, which are then used to repair other pallets. In cooperation with BruderhausDiakonie Reutlingen, Stark Dynamics offers people with physical or mental disabilities the opportunity to participate actively in working life. Through our cooperation with Stark Dynamics, we achieve two important effects: Thanks to the reuse of 31.5 tonnes of waste wood, we avoided 58 tonnes of CO<sub>2</sub> in 2024 and supported our project partner in enabling disadvantaged people to participate in society. See the [ARNO-Stark Dynamics Environmental Compliance Report 2024](#).

**2.5 We have long-standing partnerships with two universities: the Peter Behrens School of Arts in Düsseldorf and the University of Design in Schwäbisch Gmünd**

Promoting young creative talent forms an integral part of our corporate philosophy. We actively support junior designers by participating in student projects. Working with students creates a win-win situation. There are synergy effects, too. Thanks to our collaboration with young creative minds, we always stay up to date. At the same time, we can pass on our knowledge of over 80 years of experience in the retail business to the younger generation.

**2.6 Professional Association for Wood and Metal (BGhm)**

The BGhm supports us in preventing occupational accidents, occupational diseases, and work-related health hazards. We train our safety specialists and safety officers at 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;	€34.722.743
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;	€33.128.061
a. iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.	€1.594.683
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.

We want to make independent decisions, and we expect the same from our business partners. Therefore, we do not exert any political influence. We do not make party donations or 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 (UNGC)

### 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. As we do not make any donations to political parties, the GRI SRS-415-1 performance indicator is not relevant to 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.

Please enter the relevant information in text form according to the Sustainable Code.

Please note that inserted images/files are only used to supplement the reporting (text). The uploads themselves are not part of the check.

- [ARNO Code of Conduct, ARNO Guideline on diversity and inclusion, GL-007-A.ARNO Guideline Anti-Corruption.pdf](#) (150.25 KB)
- **Training, instruction and awareness campaigns for all employees** to raise awareness of corruption and other legal violations. These measures ensure **that our employees can carry out their activities in compliance with the rules.**
- [ARNO Whistleblower Software](#)

To us, compliance means adhering fully to all relevant regulations and rules. Our goal is to meet 100% of all legal and regulatory requirements. This objective demonstrates our commitment to clear positioning and stances on regulations, which are ensured by robust processes. We achieve this qualitative goal through the continuous monitoring and adaptation of our processes, as described in criterion 3. We ensure that the standards applicable to our business activities, as well as the legal and environmental regulations, are continuously reviewed. We carry out regular and systematic audits of new or amended legal regulations. Currently, we have not defined any specific quantitative targets. Our main focus is on ensuring comprehensive compliance with all relevant regulations and standards. This enables us to respond flexibly to regulatory changes and consistently achieve our compliance goals.

### Processes for complying with all relevant regulations

- **Legal register:** We have implemented a comprehensive system for monitoring and complying with all legal and regulatory requirements. Every employee has digital access to this system. Each law and area is assigned to a named employee, who ensures that these regulations are

up to date and complied with.

- **Standards register:** When reviewing standards relevant to product development, we distinguish between basic standards and project-specific standards. Basic standards are regularly monitored and updated by the Head of Development. Before starting a new project, the project management team checks which project-specific standards apply, which country-specific or regional laws must be taken into account, and which guidelines and environmental protection regulations must be observed.
- **Risk assessment:** The legal register is a regular agenda item at ESG Circle meetings, attended by members of the Executive Board, senior management, the ESG manager and the Safety and Environment Committee (see section 17, 'Human rights'). Changes in legislation are discussed here, their impact on the company is analysed, and measures for implementation are initiated, monitored, and checked for compliance. Regular risk analyses to identify potential weaknesses and develop preventive measures are also on the agenda. Feedback loops ensure that internal controls and internal and external audits are optimally combined.
- **External and internal controls:** Our business processes comply with regulations thanks to strict internal control mechanisms, including internal audits and reviews by the ESG Circle. As part of the ISO 9001 and ISO 14001 certifications, TÜV Süd auditors check annually that our legal register is up to date and that all legal requirements and standards are being met. Full compliance is expected to be achieved by 2024, [see ARNO GmbH Kombi Audit Report](#).

If any violations of the law are discovered by internal or external persons or organisations, we ask them to report this via our ARNO whistleblower software. Documentation from internal and external audits shows that our compliance systems are effective. We collect key performance indicators (KPIs) to measure the effectiveness of compliance measures.

Although we are not ISO 45001 certified, we ensure that the current standard requirements are applied through an internal process. As part of the annual health and safety training required by law, our managers must provide their employees with preventive occupational health and safety training in the first quarter of each year. As part of our occupational safety concept, each department has access to risk assessments, technical operating instructions and further occupational safety information (cf. 16). Qualification. Our Group Financial Director ensures that all approvals are in place. They also ensure that all official approvals are in place and adjust existing approvals if 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 undermine fair competition and damage trust in our company. The Group Financial Director and the ESG Manager are the points of contact for compliance issues. Together with the health and safety officer, who is responsible for occupational health and safety issues, they support employees in complying with compliance guidelines.

Our integrated quality and environmental management system describes these processes, which ensure that all relevant regulations and other requirements are identified, fulfilled and anchored in the legal register. If necessary, we submit our legal register to a public institution for independent review. This procedure documents legal compliance and the effectiveness of legal conformity, ensuring maximum legal certainty.

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

### **The Workplace Ordinance (ArbStättV)**

This specifies what employers must observe when setting up and operating workplaces with regard to the safety and health protection of employees. We fully comply with these requirements. ARNO Anti-Corruption Guidelines. These guidelines explain to our employees how they can recognise and prevent corrupt behaviour. We also outline the measures for compliance and reporting violations. The guidelines send a clear signal that ARNO vehemently opposes any form of fraud, embezzlement, bribery or corruption. Our clear objective is 'zero corruption'. To this end, we provide annual training on the ARNO Code of Conduct and the Anti-Corruption Guidelines for all our employees. As a member of the United Nations Global Compact (UNGC), we require our suppliers to comply with UNGC regulations, as well as those of the ILO and SA 8000. Potential bribery risks exclusively exist in the area of procurement. For this reason, we have established a supplier approval process that takes environmental and social aspects into account to ensure that only suitable suppliers are included in our supplier base. See GRI 412-1. A supplier is not included in the supplier database by one person, but by a team. Following the request for quotation, a project team awards the contract to a supplier based on specified award criteria. Orders are approved by different individuals using a value-based approval mechanism stored in SAP. Depending on the order value, approval and decision-making responsibility lie with other parties. To date, ARNO is not aware of any cases of corruption (cf. GRI 412-3, GRI 412-1, GRI 414-1, GRI 205-1). We rule out bribery and corruption. This may be due to the specific nature of our industry; neither illegal activities nor undeclared work have become publicly known (cf. 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. The Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains (LkSG) will come into force on 1 January 2023, followed by the CSRD in 2024. Due to the size of our company, we are not required to report. Nevertheless, we support the introduction of appropriate EU supply chain legislation and the European Sustainability Reporting Standards (see criterion 17). Human rights. We have responded to initial enquiries from customers.



### **Federal Data Protection Act (BDSG) and General Data Protection Regulation (DSGVO).**

In accordance with Article 37 of the DSGVO, we have appointed an independent data protection officer (DPO) and data protection coordinator for the company. The DPO performs the tasks assigned to them by law, applying their specialist knowledge and professional qualifications. This includes processing personal data by external service providers. The DPO informs and advises our management and employees of their data protection obligations. Furthermore, they monitor compliance with data protection regulations, the assignment of responsibilities, and employee training. An internal approval process is in place for granting access to data. We process the personal data of our employees, customers, and business partners in accordance with applicable legal provisions on data protection and security. We only collect personal data from employees with the written consent of the individual concerned. In accordance with the Federal Data Protection Act (DSGVO), we only store data for as long as it is necessary within the employment relationship. The ARNO Data Protection Policy specifies the types of personal data that are collected, how this data is used, to whom it is transmitted, and what choices and rights data subjects have in relation to the processing of their data. The policy regulates data protection-compliant information processing, responsibilities and compliance obligations for 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, cf. 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. An IT compliance audit is conducted once a year. Independent IT security experts check that legal requirements, security regulations and data protection and retention regulations are being complied with. Due to the sensitive nature of the data, only the Head of IT can view the IT system audit report.

### **EU Ecolabel for electronic displays (monitors and digital signage displays), Decision (EU) 2020/1804.**

The EU Ecolabel is awarded to electronic displays that are energy-efficient, repairable and easily dismantled for recycling, made from a minimum amount of recycled materials and containing only a limited quantity of hazardous substances. We only use displays with the EU Ecolabel in our systems.

**EUDR (EU Deforestation Regulation):**

Following an EU decision, the EUDR will only come into force for SMEs on 30 June 2026. We anticipate that the greatest challenges in implementing the EUDR will be the procurement of geolocation and legality data, creating transparency across the supply chain, and submitting due diligence declarations.

**LUCID**

ARNO is registered in the LUCID packaging register.

**Product Liability Act (ProdHaftG):** The Product Liability Act obliges us to provide products that are safe and environmentally friendly. Transparent safety measures and evident testing ensure the lawful use of our products and minimise risks.

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The Product Liability Act obliges us to provide products that are safe and environmentally friendly. Transparent safety measures and evident testing ensure the lawful use of our products and minimise risks.

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

ARNO is classified as a manufacturer of presentation systems under REACH as a so-called *downstream user*. Our products are considered complex articles under the EU Chemicals Regulation and are therefore not subject to registration requirements pursuant to Article 7. As a downstream user, we process substances in our products that are pre-registered, registered, and authorised. In our own interest and in that of our customers, we maintain close dialogue with our suppliers to ensure that all delivered products are REACH-compliant. We fulfil the information obligations under Article 33 towards our customers and confirm that, to the best of our knowledge and at the present time, none of our products contain substances on the ECHA Candidate List (Article 59 (1)) in concentrations exceeding 0.1% by weight. An exception may apply to fasteners used by us, which, however, play only a minor role and are of negligible significance. Complex articles composed of several products may be joined either mechanically (using fasteners such as sleeves, studs, etc.) or by means of a substance. The fasteners we use (sleeves, welding studs, connecting studs, etc.) may contain a lead content exceeding 0.1% by weight. In summary, it can be stated that no special precautions need to be observed when using our products.

**RoHS (Restriction of Hazardous Substances)**

ARNO products are subject to the RoHS Directive if they qualify as electrical or electronic equipment within the meaning of the Directive.

**Sanctions List Screening**

We naturally comply with the statutory regulations on [international economic sanctions](#). For sanctions list screening, we have engaged an external service

provider. This provider screens *all* business partners against the published national and international sanctions lists. The sanctions list screening applies to exports, imports, as well as all domestic transactions.

**Stiftung EAR (German WEEE Register Foundation)**

The Stiftung EAR is the "Common Body of Manufacturers" within the meaning of the German Electrical and Electronic Equipment Act (ElektroG). By official authorisation of the German Environment Agency, it has been entrusted with sovereign tasks under the ElektroG. The quantities of electrical equipment (B2B) placed on the market in Germany in 2024 have been duly reported to the Stiftung EAR.

**Authorised Exporter**

ARNO is an Authorised Exporter. For authorised exporters, the so-called presentation requirement does not apply, i.e. the 24-hour waiting period during which customs may reserve the right to inspect goods on site. Thanks to a pre-declared number of customs tariff codes, we receive export clearance within 24 hours.

**CE (Conformité Européenne)**

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

**(Underwriters Laboratories)**

The North American equivalent of the CE marking is the UL certification. Electrified products intended for export to North America can be certified by UL. We commission a qualified test laboratory to verify compliance with U.S. safety regulations, thereby facilitating market access.

## 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.** At our sites, no identifiable risk of corruption exists. We require all employees across all facilities to comply with the [Anti-Corruption Guideline](#) and the [ARNO Code of Conduct](#).

By signing the declaration of commitment, the management at all sites

acknowledge their binding obligation to adhere to the established guidelines, which include a strict prohibition of corruption. Once a year, all employees receive training on the ARNO Code of Conduct and the Anti-Corruption Guideline as part of the mandatory safety instruction. Each employee is required to provide written confirmation of their compliance with these regulations. Our Managing Director and Group Financial Director conduct regular compliance audits at the sites. To date, no irregularities have been identified or reported, and therefore no structured investigations have been necessary. Should violations become known or be reported via our [whistleblower software](#), disciplinary measures under employment law will follow.

**b.** Potential risks of bribery exist exclusively in the procurement area. For supplier approval and the awarding of orders, we have established processes in our Quality Management Manual. Supplier selection is carried out by a project team on the basis of defined selection criteria. After obtaining and recording various offers, order approval takes place via a value-dependent release mechanism embedded in the SAP system. Depending on the order value, the approval – and thus the decision-making responsibility for releasing the order – lies with different levels of management. This approval process prevents corrupt contract awards.

To date, no cases of corruption have been identified 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.** During the reporting period, ARNO received no indications or incidents suggesting corruption. 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.** During the reporting period, ARNO was not subject to any fines, other penalties, or non-monetary sanctions for non-compliance with laws and/or regulations.

# Overview of the GRI indicators in the Sustainable Code declaration

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

Areas	Sustainable Code criteria	GRI SRS indicators
STRATEGY	<ol style="list-style-type: none"> <li>Strategic Analysis and Action</li> <li>Materiality</li> <li>Objectives</li> <li>Depth of the Value Chain</li> </ol>	
PROCESS MANAGEMENT	<ol style="list-style-type: none"> <li>Responsibility</li> <li>Rules and Processes</li> <li>Control</li> </ol>	GRI SRS 102-16
	<ol style="list-style-type: none"> <li>Incentive Systems</li> </ol>	GRI SRS 102-35 GRI SRS 102-38
	<ol style="list-style-type: none"> <li>Stakeholder Engagement</li> </ol>	GRI SRS 102-44
	<ol style="list-style-type: none"> <li>Innovation and Product Management</li> </ol>	G4-FS11
ENVIRONMENT	<ol style="list-style-type: none"> <li>Usage of Natural Resources</li> <li>Resource-Management</li> </ol>	GRI SRS 301-1 GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	<ol style="list-style-type: none"> <li>Climate-Relevant Emissions</li> </ol>	GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5
SOCIETY	<ol style="list-style-type: none"> <li>Employment Rights</li> <li>Equal-Opportunities</li> <li>Qualifications</li> </ol>	GRI SRS 403-4 (2018) GRI SRS 403-9 (2018) GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	<ol style="list-style-type: none"> <li>Human Rights</li> </ol>	GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2
	<ol style="list-style-type: none"> <li>Corporate-Citizenship</li> </ol>	GRI SRS 201-1
	<ol style="list-style-type: none"> <li>Political Influence</li> </ol>	GRI SRS 415-1
	<ol style="list-style-type: none"> <li>Conduct that Complies with the Law and Policy</li> </ol>	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.