Fundamental Declaration on Human Rights and Human Rights Due Diligence

Scope

ARNOLD UMFORMTECHNIK GmbH & Co. KG (hereinafter "ARNOLD") is committed to complying with and implementing this Fundamental Declaration across all its locations in Germany as well as in all subsidiaries and business relationships. Every employee is responsible for respecting and applying the Würth Group's commitment to human rights within their daily work and sphere of influence. Overall responsibility lies with ARNOLD's management. Implementation is coordinated by the sustainability team led by the Human Rights Officer. With this publication, ARNOLD also meets the requirements of the German Supply Chain Due Diligence Act (LkSG).

Our Responsibility

Out of responsibility for sustainability and human rights, ARNOLD has joined the United Nations Global Compact – the world's largest initiative for responsible corporate governance. We also align our actions with internationally recognised standards, such as the Universal Declaration of Human Rights (UDHR), the International Bill of Human Rights, ILO Core Labour Standards, the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the Rio Declaration on Environment and Development. This commitment enables us to uphold our values throughout the supply chain and contribute to sustainable business practices.

ARNOLD operates an integrated management system certified to ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Occupational Health & Safety), and ISO 50001 (Energy). These certifications demonstrate our commitment to continuous improvement and support the implementation of sustainability and human rights principles across all business processes.

Risk Management

ARNOLD conducts systematic risk assessments of all materials, products and processes to fulfil its human rights due diligence obligations. Risk analyses include country-specific and sector-specific factors as well as potential impacts of ARNOLD's business model and sourcing practices. Internal expertise (e.g. audits, procurement) and external sources are considered. Our main risks arise in the upstream supply chain. The findings form the basis for supplier selection and evaluation. The last risk analysis identified anti-corruption, environmental protection, human and labour rights, occupational safety, supply chain responsibility and conflict minerals as key topics.

In Business Operations

All employees receive regular compliance training, including human rights topics. Target-specific training covers Supplier Code of Conduct requirements and the principles of a sustainable supply chain. The Würth Academy's "Sustainability Management" programme covers relevant strategies for implementing sustainability in companies and supply chains.

In the Supply Chain

All business partners and suppliers – including direct and indirect subcontractors – must respect, uphold and promote human rights. Suppliers commit to the ARNOLD Code of Compliance and the ARNOLD Supplier Code of Conduct, which are based on the ten principles of the UN Global Compact. Human rights exclusion criteria include child labour, forced labour, non-compliance with working hours, environmental pollution, harmful product composition, absence of quality management, and severe occupational safety violations. In case of violations, corrective actions are required and monitored. Persistent non-compliance may lead to termination of the business relationship, but improvement of conditions is always preferred.

The following are considered human rights exclusion criteria, in particular:

- Child labor, forced labor, and non-compliance with working time regulations.
- Operational environmental pollution (e.g., unauthorized wastewater discharge).
- Product-related environmental damage (e.g., hazardous substances).
- Lack of a quality management system.
- Serious violations of occupational safety.

If these criteria occur with a supplier, depending on the severity of the violation, improvement measures are required by a defined deadline and their implementation is subsequently monitored. If no improvements are observed, this may lead to the termination of the supplier relationship. However, the preferred solution is always to generally improve the conditions in our suppliers' factories rather than simply changing the supplier.

Complaint Mechanism

ARNOLD offers both internal and external parties a secure complaint mechanism to confidentially report possible human rights violations. In particular, a reporting office is available via e-mail (e.g., compliance@arnold-fastening.com) as well as the anonymous, group-wide whistleblower system of the Würth Group. Incoming reports are treated confidentially and reviewed promptly.

Continuous Improvement

ARNOLD will regularly critically review its attitude and its implementation and continuously further develop them. This policy statement is checked annually and on an ad-hoc basis (together with the Supplier Code of Conduct) for its relevance and adjusted if necessary – for example, based on new results from the risk analysis. Through the annual report, ARNOLD informs all stakeholders about the development of the strategy for preventing human rights violations in our supply chains. Further information on human rights can be found in the Würth Group Sustainability Report as well as in ARNOLD's Sustainability Report.

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