



Policy Statement on Respect for Human Rights and the Environment pursuant to § 6 (2) of the the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz - LkSG)

A. Preamble

We are committed to respecting internationally recognised human rights in all our business processes. At the same time, we are actively committed to protecting the environment by promoting ecologically sustainable measures and minimising environmental risks. In doing so, we not only focus on compliance with human rights and environmental standards in our own business area, but also take suitable and appropriate measures to ensure that our suppliers, customers and business partners comply with these standards. Our responsibility also extends to taking preventative measures against human rights and environmental violations and providing those affected with access to effective remedial measures in the event of violations.

B. Human rights strategy

Our management is responsible for implementing an appropriate human rights strategy and for implementing this declaration of principles. Internal guidelines, processes and procedures ensure that every area of our company is aware of its own responsibility for respecting human and environmental rights and implementing them on a daily basis.

In designing and implementing our human rights and environmental due diligence processes, we are guided by the following international reference instruments, to which we hereby commit ourselves:

- the Universal Declaration of Human Rights of the United Nations (UN)
- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- the United Nations Guiding Principles on Business and Human Rights (UNGP)
- the conventions and recommendations of the International Labour Organization (ILO) on labour and social standards
- the ten principles of the United Nations Global Compact (UNGC)
- the Charta of Fundamental Rights of the European Union
- the UN Convention on the Rights of the Child
- the UN Convention on the Elimination of All Forms of Discrimination against Women
- the Basel Convention on the Transboundary Movement and Control of Hazardous Wastes and their Disposal
- the Stockholm Convention on Persistent Organic Pollutants
- the Minamata Convention on Mercury

C. Implementation of measures to fulfil due diligence obligations

We are committed to complying with the statutory human rights and environmental due diligence obligations of the LkSG in an appropriate manner with the aim of preventing or minimising human rights or environmental risks or ending the violation of human rights or environmental obligations.

The duties of care include in particular:

- The ban on child labour, forced labour and human trafficking
- The prohibition of all forms of slavery, harassment and discrimination
- The prohibition of disregarding the occupational health and safety obligations applicable under the law of the place of employment
- The ban on disregarding the freedom of association
- The prohibition of unequal treatment in employment
- The prohibition of withholding an appropriate wage
- The prohibition of unlawful forced evictions or the unlawful seizure of land, forests and waters
- The ban on pollution

Establishment of a risk management system, § 4 LkSG

We have adapted our existing processes to the requirements of the LkSG and established an appropriate and effective risk management system to comply with the due diligence obligations pursuant to Section 3 (1) LkSG. The risk management system has been integrated into all relevant business processes of our company through appropriate measures.

In addition to the implementation of due diligence obligations, the risk management system includes the establishment of processes for regular and ad hoc reviews of effectiveness. This ensures that we are in a position to prevent or end violations of human rights or environmental obligations or to minimize their extent if ARRK has caused or contributed to these risks or violations within the supply chain.

We have ensured that our risk management system fulfils the prescribed legal requirements and at the same time focuses on the interests of those potentially affected. When establishing and implementing our risk management system, we have taken appropriate account of the interests of our employees, the employees of our suppliers and those who may be directly affected in a protected legal position by the economic actions of our company or the economic actions of a company in our supply chain.

We have appointed a human rights officer who is responsible for monitoring the risk management system within our company. The management is regularly informed, at least once a year, about the work of the human rights officer and other persons responsible for the implementation of due diligence obligations.

Risk analysis procedure in own business area and at suppliers, § 5 LkSG

As part of its risk management, ARRK regularly carries out an appropriate risk analysis in accordance with the requirements of the LkSG in order to determine the human rights and environmental risks in its own business area and at its direct suppliers.

The risk analysis is carried out in accordance with legal requirements once during the current fiscal year and on an ad hoc basis as needed. The identified human rights and environmental risks are appropriately weighted and prioritized, taking into account the criteria set out in Section 3 (2) LkSG. Indirect suppliers are also included in the analyses and measures mentioned, particularly if we have concrete indications suggesting that a violation of a human rights-related or environmental obligation by an indirect supplier is possible or likely.

To ensure that the results of our risk analysis are incorporated into the decision-making processes, they are communicated internally to the management and the relevant decision-makers.

Preventive measures, § 6 LkSG

We incorporate the results of the risk analysis into all relevant business processes, both in our own business divisions and in our supplier management system. In accordance with the requirements of the German Supply Chain Duty of Care Act, the effectiveness of existing preventive measures is regularly reviewed and, if necessary, improvements are made or additional measures implemented.

In order to ensure respect for human and environmental rights and to guarantee equivalent corporate standards, we have established the following preventive measures in particular in our own business area, irrespective of the results of the risk analysis:

- Publication of this policy statement and implementation of the human rights strategy set out in the policy statement in all relevant business processes
- Complaints procedure
- Mandatory Code of Conduct for all employees
- Regular trainings in the relevant business areas
- Quality management system
- Environmental management system
- Occupational health and safety management system

We have established the following measures in particular for our direct suppliers:

- Consideration of human rights and environmental expectations when selecting a direct supplier on the basis of our sustainability and compliance commitment for suppliers
- Obtain contractual assurances regarding compliance with and transfer of our human rights and environmental expectations along the supply chain
- Agreement on appropriate control mechanisms and their risk-based implementation in order to verify compliance with the human rights strategy at direct suppliers
- Complaints procedure

Remedial measures, § 7 LkSG

As part of our corporate due diligence obligations, we have implemented processes to immediately prevent, end or minimise the extent of violations of human rights or environmental obligations in our own business area and at direct suppliers by taking appropriate remedial measures.

We reserve the right to terminate the business relationship with our direct suppliers in the event of particularly serious violations, if suitable remedial measures have not been implemented after an agreed implementation period has expired or if no other milder means are available or an increase in influence does not appear promising. The aforementioned measures are regularly reviewed for their effectiveness and updated as necessary.

Complaints procedure, § 8 LkSG

With our ARRK Engineering online reporting system, we maintain a legally compliant complaints procedure in accordance with the provisions of the LkSG. This enables us to inform affected persons inside and outside the company about human rights and environmental risks and violations that have arisen as a result of the business activities of a company in its own business area or a direct supplier.

The use of the online reporting system and the handling of incoming reports are subject to a clearly defined process that is set out in detail in publicly accessible rules of procedure.

The online reporting system can be accessed via the following link:

<https://engineering.ark.com/de/unternehmen/ueber-ark-engineering>

All reports and complaints are treated with the utmost confidentiality, while the identity and integrity of the persons concerned are also fully protected.

Documentation and reporting, § 10 LkSG

The fulfilment of due diligence obligations is continuously documented internally at ARRK and archived in accordance with legal requirements. We also report annually to the Federal Office of Economics and Export Control ("BAFA") on our progress in implementing and developing due diligence processes. This report is available on our website no later than four months after the end of the financial year.