

Supply Chain Management



Preamble

This document describes the principles of

Herbert Arnold GmbH & Co.KG, Glastechnischer Maschinenbau

for a responsible Supply Chain Management concerning ethics, working conditions, health and safety, environment and management systems that are related to.

As reliable company, ARNOLD is firmly convinced that the best support to the society and the corporate objectives can be achieved by reliable behaviours and practices. We consider it to be a minimum requirement that a company has to be managed by full compliance of all applicable laws, regulations and instructions.

ARNOLD is fully aware of the different cultures and challenges, consisting in connection with the global interpretation and application of these principles. Although ARNOLD is strictly convinced that these principles should apply everywhere, it has to be considered that methods to fulfil these expectations can be different and must be in conformity with the laws, values and cultural expectations of different societies of the world. We declare our solidarity with the principles of *United Nations Global Compact* (UN GC) and the declaration of the *International Labour Organization* (ILO) regarding fundamental principles and employment laws.

ARNOLD is of the opinion, that implementation of these principles can be done best by continuous improvements, pushing the supplier performance forward as time goes on.

Ethics

In business transactions, suppliers must act according to ethical principles and behave with integrity. Including:

Business Integrity and Fair Competition

Any corruption, blackmail and embezzlements are prohibited. Suppliers do not take bribes and do not participate on other illegal incentives for business relations or relations with the public sector. Suppliers manage their business in conformity with a fair and strong competition and under compliance of all valid anti-trust laws. Suppliers are required to use fair business practises as well as an exact and truthful advertising.

Identification of Problems

All employees shall be encouraged to report about problems or illegal activities at their job, without being threatened by repressive measures, intimidation or victimization.

If necessary, suppliers will carry out appropriate investigations and take corrective action.

Non-disclosure

Confidential information are kept secret by the suppliers and made sure, that right for protection of privacy of companies, employees and customers is guaranteed.

Staff

Suppliers commit themselves, to comply with human rights of employees and treat them with dignity and respect. Including:

Works, chosen on a voluntary basis

Suppliers are not allowed to employ forced or slave labourer or unintentional prisoners.

Children- and Youth Work

Suppliers are not allowed to employ children. Young employees, below 18 years are exclusively allowed to be employed with non-hazardous works, under the condition, that they have exceeded the minimum age, which is legally valid in the individual country.

No Discrimination

Suppliers do not allow any discrimination and harassment at work.

Fair Treatment

Suppliers have to take care of a workplace free from unfair and cruel treatment.

Wages, Benefits and Working Time

Suppliers must pay the employees in accordance with the corresponding law of wages.

Freedom of Association

Open communication and direct arrangements with employees are facilitated to solve problems with the workplace and wage / salary. Suppliers must respect rights of employees, which are established in the local laws. Employees must be able to honestly communicate with the management regarding workplace conditions, without any threat of repressive measures, intimidation or victimization.

Environmentalism

Suppliers must run their company environment-friendly and –efficiently, to minimize harmful impact to the environment. Suppliers are encouraged to preserve natural resources, to avoid hazardous material if possible and to use recycling- and re-usable possibilities. Including:

Environmental Authorization

Suppliers must comply with all applicable environmental regulations. All necessary environmental approvals, licences, information, registrations and releases must be provided and its operational demands and the required obligations of reporting must be kept to.

Waste and Emission

Suppliers must have systems or processes implemented, to grant the safe handling, shipment, storage, recycling, re-use or disposal of waste, air emission and discharge of waste water.

Use of Conflict Materials

For the use of conflict materials, being in relation with the “Dodd-Frank Wall Street Reform” and “Consumer Protection Act (AllStreet Reform Act)” put into effect since 2010, ARNOLD as manufacturer of special machinery, declares to support the traceability of obtained minerals and the transparency of the supply chain.

Product Procurement

ARNOLD does not directly import so-called „conflict minerals“, such as cassiterite (black tin), columbite-tantalite (coltan, tantalum) gold or tungsten ore. ARNOLD obtains primary products exclusively from designated manufacturers, who are evaluated according to our quality standards. However, as manufacturer of terminal devices, ARNOLD does not have any influence on the origin of minerals, used by sub-contractors, thus being unable to submit any guarantees, taking for granted that material was subject to corresponding investigations.

Supplier Obligations

ARNOLD expects from their suppliers, to take care of traceability and supply chain transparency at the same extent and to be responsible for obtaining DRC-conflict free materials. Resulting thereby, suppliers are engaged to exclusively buy from independent certified (CSFP) smelteries. Therefore Arnold requests all involved suppliers for corresponding information regarding used conflict material data and supplying smelteries. This process is controlled in the procurement area of ARNOLD’s quality management.

Supplier Rating

According to the information available at ARNOLD and to the current state of knowledge, if referring to afore mentioned conflict materials, our suppliers exclusively obtain materials from countries, which are compliant with regulations mentioned in the preamble.

Management-Systems

Suppliers should preferably use management systems, or at least have corresponding processes implemented, to ease a continuous improvement and adherence of these principles. Including:

Obligation and Liability

Suppliers must unveil their obligation to these principles.

Legal Requirements and Customer Requirements

Suppliers must identify and fulfil applicable laws, regulations, standards and relevant customer requirements.

Management of Risk

Suppliers must have mechanisms available, to determine and evaluate risks, of all areas mentioned in this document and take reasonable countermeasures.

Documentation

Suppliers must maintain a documentation, to prove conformity with these principles and compliance with applicable regulations.

Education and Qualification

Suppliers must have a training programme established, thus both, management and employees, will have an adequate standard of knowledge, skill and capability, to comply with expectations of interested parties.

Removal of Defects and Improvements

Suppliers are expected to use a sustainable method to work on complaints, if defects have been identified by internal or external notifications, investigations or management audits. Besides the stipulation of adequate immediate measures, this method must include an error analysis to determine causes, planning and introduction of corrective measures and reasonable measures to avoid repeating errors, by a continuous communication with the notifier of defects.

Weilburg, 11.09.2015

Wolfram Arnold
- Geschäftsführung -

Reference:

- UN Global Impact
- International Labour Organization

<http://www.unglobalcompact.org>
<http://www.ilo.org>