

appellando Grievance Mechanism

- Rules of Procedure (RoP) -

Preamble

The German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG) and the European Corporate Sustainability Due Diligence Directive (CSDDD), as well as UN Guiding Principles on Business and Human Rights (UNGPHR) require companies above a certain size to establish a grievance mechanism and access to remedy procedures.

The establishment of such a grievance mechanism is a core element of the due diligence obligations. Every company following this procedure must have a grievance mechanism in place through which internal and external persons can inform the company about complaints concerning certain human rights or environmental risks or violations in its own business area and/or in the supply chain. A distinction must be made between a direct supplier (hereinafter referred to as "DS") and indirect supplier (hereinafter referred to as "IS").

Companies that do not fall under the scope of the law may **voluntarily** establish the same grievance mechanism. In the context of these Rules of Procedure, both types of companies are called "Reporting Companies". Those that fall under the scope of the law are "Obliged" and the other "non-obliged".

Grievance mechanisms serve as an early warning system through which problems are recognized and, in the best case, resolved or minimized before people or the environment are actually harmed. In addition, effective grievance mechanisms provide access to appropriate remediation where necessary. If information or complaints are received about imminent or actual breaches of duty and these are confirmed, the Reporting Company must take remedial action to prevent, end or at least minimize these grievances. The Reporting Company must then take preventive actions to prevent further violations of the same kind or to minimize the risk thereof.

In the best-case scenario, complaints are resolved internally. Internal grievance mechanisms are often easier to access for those affected. This also applies to cases in global supply chains. However, in cases where there is a lack of trust in internal procedures, or they are not available, alternative back-up or escalation mechanisms from buying companies or relevant multi-stakeholder initiatives or certification organizations play an important role. If the Reporting Company is informed of problems through these channels, influence can be exerted jointly or individually on suppliers to rectify and remediate together local grievances.

Each Reporting Company has the choice to set up its own internal grievance mechanism and/or to set up an external (third party) grievance mechanism to provide the platform for drawing attention and

remediate certain human rights or environmental risks or violations in its own business area and/or in the supply chain. When setting up and operating a grievance mechanism, the Reporting Company must comply with several detailed legal requirements provided by the applicable laws, such as the LkSG, CSDDD, or whistleblowing legislation.

These Rules of Procedure apply to the Reporting Company's grievance mechanism whenever the complaints procedure is conducted by a contracted Operational Grievance Mechanism Partner ("OGM") and licensed by appellando GmbH, Cologne Germany.

Scope of the appellando Grievance Mechanism

The appellando Grievance Mechanism ("GM") applies to all human rights or environmental risks or violations in the own business area of an Reporting Company and/or in the supply chain listed in section 2 (2) and (3) LkSG and/or the Parts I and II of the annex of the EU CSDDD.

Target groups of the appellando Grievance Mechanism and protection of Complainants

The target groups of the appellando complaints mechanism are persons who are aware of - possibly imminent - human rights or environmental violations or who may potentially be affected by the violation of a legal position. The violation of such a legal position may be imminent or occur in the obligated company's own business area and/or in the supply chain of the obligated company. Persons with knowledge or potentially affected persons may be, for example, employees of suppliers or communities living in the vicinity of supplier sites (hereinafter referred to as complainants ("C")).

All appellando system participants shall implement measures to effectively protect Complainants against discrimination or penalization/retaliation based on a complaint. The confidentiality of the Company's identity is essential for this.

The appellando Grievance Mechanism can also be used by the appellando Alliance supporting stakeholders of the aforementioned target groups, particularly if Complainants do not wish to make a direct complaint. These stakeholders include, for example, trade unions, certain non-governmental organizations or civil society organizations (hereinafter for all supporting stakeholders: Civil Society Organization ("CSO")).

Complaints channels

Complaints can be submitted to licensed Operators of the appellando Grievance Mechanism by simple means, with various forms of complaints channels, for example via phone, email, social media, websites, and personal meetings. Therefore, Operators set up centers or desks where complaints - including anonymized complaints - can be submitted. Direct Suppliers or Indirect Suppliers shall publish each complaint channel they provide and make sure that workers and other rightsholders in the community are aware of the various forms of complaints channels and have access to them.

Requirements for Operators and their employees and/or the persons mandated by them

The requirement to act impartially is a crucial element of an effective grievance mechanism, as there is a fundamental risk of a conflict of interest when people investigate and process allegations against a company that directly or indirectly (co-)finances the grievance mechanism.

The employees of an Operator and the persons mandated by the Operator act impartially and independently. In particular, they are not bound by instructions from the Direct Supplier, Indirect Supplier or the Reporting Company in the fulfilment of their tasks and are obliged to maintain confidentiality.

The Operator of the appellando Grievance Mechanism will make sure that anyone who deals with complaints, whether they are Operator's employees or appointed by them, with the employers, Direct Suppliers or Indirect Suppliers, has received appropriate training or education based on appellando's training standard.

Operator of the appellando Grievance Mechanism will establish a process that protects anyone who makes a complaint from being discriminated against or punished/reprised.

Procedure rules of the appellando Grievance Mechanism and time frame

Complainants will receive an **acknowledgement of receipt** and **information on the next steps**, including timeline as well as information on his/her rights in relation to protection from retaliation or penalization as a result of the procedure at the latest within seven days of receipt of the complaint.

A **preliminary examination** of the complaint is carried out by the Operator to determine whether the subject of the information received falls within the scope of the LkSG or of the EU CSDDD respectively (see scope of procedure).

If this is not the case, but it is recognizable that the complaint should correctly be forwarded to another reporting channel (e.g. in accordance with EU Directive 2019/1937 on whistleblower protection) or to state investigative bodies, appropriate steps will be taken. The **complaint then will be rejected** within the frame of the appellando Grievance Mechanism and the Complainant is informed accordingly. It must be decided on a case-by-case basis whether the complaint should be handed over to another body, for example in the event of a suspected criminal offence that does not fall within the scope of the appellando Grievance Mechanism. In such cases, the Complainant shall be informed by the Operator about further support opportunities including access to legal advice and support that may be offered by the OGM or other partners of the appellando Alliance. All rejected complaints shall be reviewed under the supervision of the appellando Multi-Stakeholder Advisory Board ("MAB").

If the **complaint is accepted**, the Operator will discuss the facts of the case with the Complainant with the aim of gaining a better understanding of the facts and finding out the Complainant's expectations with regard to possible preventive or remedial measures. This is documented.

The aim of the appellando Grievance Mechanism is to find a consensual solution that is acceptable to all parties involved and that leads to a clear and complete remedy for the complained about situation. The procedure of the appellando Grievance Mechanism is divided into various escalation levels ("Remedy Levels"). Appropriate timelines for responses and resolutions are defined in a separate protocol document.

At **Remedy Level 1**, the Direct Supplier or Indirect Supplier works directly with the Complainant through existing operational structures towards a consensual solution, either directly without the Operator has been contacted or after the case has been communicated by the Operator to the Direct Supplier or Indirect Supplier solely as messenger.

If a consensual solution cannot be reached between the parties involved, or any party has concerns that it will not be resolved amicably, e.g. a Direct Supplier or Indirect Supplier does not engage, the Operator offers mediation at **Remedy Level 2** and, if necessary, calls in recognized Investigators ("IV") and/or recognized Remediators ("RM") for the purpose of further investigations and mediation between the parties involved. This is the case, for example, if a direct or indirect supplier does not comply. Again with the aim of reaching a consensual solution between the parties involved.

If this is not successful, an independent expert committee of the Operator is called in at **Remedy Level 3**, which makes further recommendations without knowing the identity of the Complainant and of the Direct Supplier and/or Indirect Supplier. The Operator or expert committee may suggest including further consultation from additional downstream bodies in the supply chain, still without sharing the identity of the Complainant and the Direct Supplier and/or Indirect Supplier.

If the referral to the independent expert committee does not lead to a solution of the complaint in the sense of a satisfactory remedial measure, the Operator at **Remedy Level 4** will involve downstream

bodies – such as buying companies, other customers and certification standard owners – in whose supply chain the Direct Supplier and/or Indirect Supplier was active for the past 12 months on a bilateral basis ("Customer Involvement"). At Remedy level 4, the identity of the direct and/or indirect supplier is disclosed to these bodies and discussed with them, before disclosure must be communicated to the supplier through established communication channels. Due to antitrust compliance rules, no involved downstream body is informed about which other downstream bodies besides itself have also been involved by the Operator.

If the nature and frequency of the complaints received give rise to a suspicion of systemic causes for repeated human rights or environmental risks or violations, the Operator, the independent expert panel or a downstream body in the supply chain can refer the matter at **Remedy Level 5** to a National Multi-Stakeholder Dialogue ("NMSD"), which then seeks a (national) political or project-oriented approach to address such causes. The identity of Direct Supplier and/or Indirect Supplier at Remedy Level 5 is not disclosed to NMSD. Remedy Level 5 activities shall be complementary to the resolution of any individually raised case and do not affect them. They focus rather on preventative measures.

Documentation of the appellando Grievance Mechanism process and transparency

Each Operator of the appellando Grievance Mechanism documents a complaint and its processing and prepares a case report following the appellando Standard for communicating cases. The Complainant / Civil Society Organization will be informed about the progress of the complaint.

Implementation of the remedial measures

If the procedure leads to a **consensual solution (Remedy Level 1 to 3)**, this shall also be deemed a remedial measure within the meaning of section 7 LkSG.

If the incident is escalated to the responsible Reporting Companies (remediation level 4), they discuss the options presented for suitable remedial measures separately with the operator and listen to the position of the direct supplier/indirect supplier involved. Each Reporting Company is then free to take this recommendation into account when taking their own appropriate remedial action in accordance with the Reporting Company under their legal obligation.

Data protection

Personal data is handled in strict compliance with Regulation (EU) 2016/679 on General Data Protection Regulation (GDPR) and based on the required declarations of consent.

If a Complainant provides personal data, these will be processed and stored by the Operator exclusively for the purpose of conducting the complaints procedure. In Remedy Level 2, Complainant's personal data may be passed on to Investigators and/or Remediations if they consider consultation with the Complainant to be useful or necessary and the Complainant expressly consents to the passing on of the data to the aforementioned groups of persons. The Complainant's personal data will not be passed on in Remedy Levels 3 to 5.

Personal data of Direct Suppliers and Indirect Suppliers will only be passed on in accordance with the rules of Remedy Levels 4.

If the Complainant provides personal data of third parties (not Direct Supplier or Indirect supplier) in the context of his or her report or complaint, the identity of these persons or companies is as a general rule anonymized, unless special circumstances in individual cases require the disclosure of the corresponding personal data, for example if these persons or companies are suspected of being involved in a criminal act.

appellando GmbH and its employees and/or people assigned by them must follow the same data protection rules.

List of abbreviations

APL	appellando
C	Complainant
CSDDD	Corporate Sustainability Due Diligence Directive
CSO	Civil Society Organization
DS	Direct Supplier
GM	appellando Grievance Mechanism
IS	Indirect Supplier
IV	Investigator
LkSG	Lieferkettensorgfaltspflichtengesetz (Supply Chain Due Diligence Act)
MAB	Multi-Stakeholder Advisory Board
NMSD	National Multi-Stakeholder Dialogue
RC	Reporting Company
OC	Obliged Company
OGM	Operator of the appellando Grievance Mechanism
RM	Remediator