



GRIEVANCE MECHANISM

RULES FOR PROCESSING COMPLAINTS

ACCORDING TO SECTION 8 OF THE

GERMAN SUPPLY CHAIN DUE

DILLIGENCE ACT (LKSG) AND TO THE

GERMAN WHISTLEBLOWER

PROTECTION ACT (HINSCHG)

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Responsible department: Head of Legal & Compliance



Table of contents

1	FOREWORD AND PURPOSE OF THE GRIEVANCE MECHANISM	2
2	AUTHORISED COMPLAINANTS /WHISTLEBLOWERS, OBJECTS OF COMPLAINTS	2
3	COMPETENCE AND PROFESSIONAL FREEDOM FROM INSTRUCTIONS, IMPARTIALITY AND EXPERTISE OF THE COMPLAINTS OFFICERS	4
4	CONDUCT OF PROCEEDINGS, PROTECTION OF WHISTLEBLOWERS AND THE DEFENDANTS	4
4.1	Protection from discrimination or punishment	4
4.2	Confidentiality of identity and reporting system	4
4.3	Available reporting channels	5
5	GROUNDS FOR COMPLAINT AND PROCESSING OF THE INFORMATION	6
5.1	Confirmation of receipt	7
5.2	Examination of the report, discussion, investigation, information on the outcome of the grievance mechanism	7





1 Foreword and purpose of the grievance mechanism

Behaving with integrity and in compliance with the law (in particular respecting and improving human and environmental rights in the value chains in accordance with the United Nations Guiding Principles and the 10 principles of the UN Global Compact) is of significant importance to STI - Gustav Stabernack GmbH ("**STI Group**") and its affiliated companies, both in its own business area and in relation to all business and cooperation partners and suppliers in the context of all business activities. Compliance with due diligence obligations, respect for human rights and environmental protection within the meaning of the Supply Chain Due Diligence Act ("**LkSG**") of 16 July 2021 are of great importance. STI considers transparency in this area to be essential in order to recognise human rights and environmental risks and violations in good time. Effective remedial and preventive measures can therefore only be taken and damage prevented or mitigated if risks or violations are known.

The purpose of STI's grievance mechanism (within the meaning of Section 8 (2) LkSG) is therefore to enable individuals (both internal and external persons), companies and other organisations, i.e. anyone, to draw attention to human rights and environmental risks or violations (e.g. child or forced labour) of human rights or environmental due diligence obligations that are protected by the LkSG and have arisen through the economic activities of (i) STI in **its own business area** or (ii) a **direct supplier** or (iii) an **indirect supplier**. **Furthermore**, violations of applicable law (e.g. bribery, fraud) against STI's internal guidelines (e.g. Code of Conduct for STI employees), STI's Supplier Code of Conduct or concerns regarding potential or actual violations of these regulations can also be reported.

The grievance mechanism ensures that all complaints received, particularly in the compliance categories "Human rights (child/forced labour and modern slavery)" and "Environmental impact", are investigated and dealt with in a transparent and fair manner.

2 Authorised complainants /whistleblowers, objects of complaints

All external persons (e.g. temporary workers, employees of external service providers, business partners/customers, suppliers or cooperation partners and other external "stakeholders"/third parties) as well as internal employees who may be affected by economic activities in STI's own business area or by the economic activities of a direct supplier or an indirect supplier or whose protected legal position may have been violated ("**self-affected whistleblowers**") are entitled to lodge a complaint. Persons who are aware of the possible violation of a protected legal position or an environmental obligation without being affected themselves ("**informing whistleblowers**"), who are aware of facts in accordance with Section 2 (2) LkSG, whereby these are facts with a human rights risk, which, based on factual circumstances, are sufficiently likely to be a violation of one of the prohibitions for the protection of human rights in accordance with Section 2 (1) LkSG, are also entitled to lodge a complaint. Persons with knowledge of facts pursuant to Section 2 (3) LkSG are also entitled to lodge a



complaint, whereby these are environment-related risks within the meaning of the LkSG, i.e. situations in which, based on factual circumstances, there is a sufficient probability of a breach of an environment-related obligation due to a breach of one of the prohibitions regulated in Section 2 (3) (1-8).

Subsequent violations can be reported by whistleblowers:

- Prohibition of child labour;
- Prohibition of forced labour and all forms of slavery;
- Disregard for occupational health and safety and work-related health hazards;
- Disregard for freedom of association, freedom of unionisation and the right to collective bargaining;
- Prohibition of unequal treatment in employment;
- Prohibition of withholding an appropriate wage;
- Destruction of the natural basis of life through environmental pollution;
- Unlawful violation of land rights;
- Prohibition of hiring or using private/public security forces that can lead to impairments due to lack of instruction or control;
- The prohibition of an act or omission in breach of duty that is directly capable of impairing a protected legal position (arising from the human rights conventions within the meaning of Section 2 (1) LkSG) in a particularly serious manner and the unlawfulness of which is obvious on a reasonable assessment of all the circumstances in question;
- Prohibited production, use and/or disposal of mercury (Minamata Convention);
- Prohibited production and/or use of substances within the scope of the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs;
- Prohibited import/export of hazardous waste within the meaning of the Basel Convention.

The grievance mechanism also enables individuals to report misconduct by STI Group employees or other persons. Any behaviour that violates legal provisions, internal guidelines or company agreements is considered misconduct within the meaning of these rules of procedure. Misconduct includes in particular

- Criminal offences, in particular, but not exclusively, in the areas of corruption, competition law, fraud and breach of trust, violation of legally protected secrets, criminal manipulation, money laundering or misuse of data;
- Criminal offences and administrative offences in the areas of environmental protection and occupational safety;
- Attempted and preparatory acts for criminal offences;
- Administrative offences subject to fines, insofar as the violated regulation serves to protect life, limb or health or to protect the rights of employees or their representative bodies;





- Violations of labour law regulations that may justify termination without notice for good cause, in particular violations of the General Equal Treatment Act (AGG), (sexual) harassment and bullying.

3 Competence and professional freedom from instructions, impartiality and expertise of the complaints officers

The persons entrusted with this grievance mechanism are the compliance organisation or the responsible (local) Compliance Officers and the Chief Compliance Officer ("Grievance Mechanism Officers"). In accordance with Section 8 (3) LkSG, the Grievance Mechanism Officers guarantee impartial behaviour. They are independent and not bound by instructions. Finally, they are obliged to maintain confidentiality. This means, for example, that STI employees who are named in the complaint themselves or who have a close personal relationship with the whistleblower cannot be appointed as Grievance Mechanism Officers. The STI Group also ensures that the persons entrusted with the implementation of the grievance mechanism are competent.

4 Conduct of proceedings, protection of whistleblowers and the defendants

4.1 Protection from discrimination or punishment

STI Group will ensure appropriate and effective protection for whistleblowers against unfavourable treatment or punishment. Adverse treatment includes dismissal, disciplinary action, threats or any other adverse treatment in connection with raising a concern. This applies if and insofar as the whistleblower reports actual or suspected misconduct to the best of their knowledge and belief (in good faith) and therefore had reasonable grounds to believe that the information in the report is true. The protection of whistleblowers can only ever be guaranteed to the extent of the STI Group's legal influence.

The STI Group does not tolerate any discrimination or penalisation of whistleblowers. Supervisors or employees who nevertheless discriminate against or punish whistleblowers must expect consequences under labour law. The STI Group also protects the rights of the accused person(s). The constitutional presumption of innocence applies until the opposite is proven.

4.2 Confidentiality of identity and reporting system

The STI Group ensures that the identity of the whistleblower and any third parties named in the whistleblowing report is protected and that unauthorised employees do not have access to this information. Only persons who need to be involved are included in the investigation. To this end, confidential discussions may be held with employees, contractors or other



persons who are relevant to the investigation of the incident. Confidentiality of identity is maintained throughout the process and the protection of personal data is guaranteed. Confidentiality in this grievance mechanism can only be disclosed or the identity of the whistleblower passed on to the competent authorities if this is necessary due to a legal obligation, a court or official order, if there is sufficient suspicion of a criminal offence or if the whistleblower waives the confidentiality of their personal details. The confidentiality requirement serves to protect whistleblowers from being penalised.

The reporting of information may involve the disclosure of personal data. The acceptance and processing of non-anonymous reports therefore requires that whistleblowers confirm that they have read the data protection notice and consent to the processing of personal data as part of the handling of a compliance case.

Every notification and the measures taken in connection with the information provided must be documented. This documentation also takes place confidentially and in compliance with all data protection regulations.

4.3 Available reporting channels

The STI Group provides whistleblowers with barrier-free access via various reporting channels so that whistleblowers can submit a report via this grievance mechanism at any time. The available reporting channels are

- Report via grievance mechanism form on STI Group website
The grievance mechanism form can be accessed via the link "Whistleblower protection" at the end of the website => link "Grievance mechanism according to LkSG" => "To the grievance mechanism form" and offers various input options via normal text fields and mandatory fields
- Messages by e-mail to:
 - compliance@sti-group.com
- Notifications in writing by letter to:
STI - Gustav Stabernack GmbH
Chief Compliance Officer
Richard-Stabernack-Straße
DE-36341 Lauterbach (Hesse)
- Messages by telephone at:
 - Compliance Officer for Germany: +49 6641 81 210
 - Compliance Officer for Hungary: +36 76 510 282
 - Compliance Officer for the Czech Republic: +420 412 353 802
 - Compliance Officer for United Kingdom: +44 1634 224 338



- Reports (in the context of a personal meeting) by STI employees to the management, line managers, the Chief Compliance Officer or other designated contact persons or Local Compliance Officers of the respective subsidiary.
- Employees can also contact their line manager, the works council or the HR department.

Whistleblowers are free to choose which of the various complaint channels they wish to use.

Whistleblowers are free to contact the internal or an external reporting centre¹. However, we recommend that you first contact the internal reporting centre set up within the company in order to be able to investigate the report as effectively and objectively as possible. If an internally reported violation has not been remedied, the whistleblower is free to contact an external reporting centre.

5 Grounds for complaint and processing of the information

Whistleblowers must describe the facts on the basis of which the violation of or risk to protected legal positions occurs or appears possible.

The reported facts should be described as precisely as possible. The more information a report contains, the more efficiently it can be processed. The following information may be useful:

- What has actually happened?
- When did the incident occur or during what period of time did it occur or is it still ongoing?
- Where did the incident occur (e.g. in which country, in which production facility, at which supplier)?
- Which persons are involved?
- How many people are affected?
- Are you affected yourself?
- Which other people were aware of the incident?
- Is there an immediate danger to life and limb?
- Has STI already been notified of the risk or violation?
- If yes, have measures been taken to minimise or eliminate the risk or violation?
- Is there any evidence?

All information received is carefully checked and processed by the STI Group. As a rule, the handling process takes place in the following steps:

¹ External reporting centres are, for example Federal Office of Justice (BfJ), Adenauerallee 9-103, 53113 Bonn; Federal Financial Supervisory Authority (BaFin), Whistleblower Reporting Centre, Graurheindorfer Straße 108, 53117 Bonn; Federal Cartel Office, Kaiser-Friedrich-Straße 16, 53113 Bonn.





5.1 Confirmation of receipt

The receipt of the report must be confirmed and documented by the Grievance Mechanism Officer within seven (7) days. If a confirmation of receipt is not possible due to the reporting channel chosen by the whistleblower (e.g. anonymous letter/notification), the STI Group is not obliged to send a confirmation of receipt.

5.2 Examination of the report, discussion, investigation, information on the outcome of the grievance mechanism

Grievance Mechanism Officers will then carefully review the information in the notice to determine whether sufficient information is available to review and investigate the reported facts.

Grievance Mechanism Officers will then - where possible - contact the whistleblower and discuss the facts of the case and the whistleblower's expectations with regard to possible measures with the whistleblower. Grievance Mechanism Officers shall schedule an appointment for an oral discussion within one (1) month of receipt of the complaint. During the discussion, an amicable settlement of the subject matter of the complaint may be offered.

If neither sufficient information is available nor is it possible to make contact (e.g. in the case of anonymous information), the case is archived.

Grievance Mechanism Officers must then assess and document the information provided. If Grievance Mechanism Officers come to the conclusion that there may be a risk/violation or imminent violation, the procedure will be continued. In this process, Grievance Mechanism Officers may forward the complaint to the Compliance Officer of the respective country in which the incident is alleged to have taken place. The investigation is then led by the local Compliance Officer, who conducts the investigation independently and impartially and also protects the confidentiality of the whistleblower's identity. Grievance Mechanism Officers may also consult with other persons in the STI Group if this is necessary for the assessment.

The outcome of the grievance mechanism must be documented and any infringement of the protected legal position must be terminated or minimised and the risks addressed by means of appropriate protective/preventive measures.

Whistleblowers will be notified of the progress of the whistleblowing process by the Grievance Mechanism Officer within three (3) months of confirmation of receipt. If the investigation or preventive and/or remedial measures have not yet been completed at the time the whistleblower is notified, the whistleblower will be informed of the results of the investigation and the measures taken as part of a follow-up notification.

If Grievance Mechanism Officers come to the conclusion that there is no risk / violation or imminent violation, they will discontinue the procedure and whistleblowers will also be informed within three (3) months of the confirmation of receipt. A report is unfounded, for example, if the facts of the report are not confirmed, no violation of applicable law or the LkSG has been identified or a report has no material connection with the STI Group or its direct or indirect suppliers.

Information may only be provided if this does not affect overriding legally protected interests,



in particular internal enquiries or investigations or the rights of the persons who are the subject of a whistleblowing report or who are named in the whistleblowing report. The obligation to provide information also does not apply in cases where it is not possible to make contact due to the reporting channel chosen by the whistleblower (e.g. due to anonymity).



Note: The grievance mechanism form can be found on the STI Group website.