

Rules of Procedure for the Complaints Procedure under the German Supply Chain Due Dilligence Act

Preamble

Compliance with the German Supply Chain Due Diligence Act is a high priority at the SMS group. Violations must be identified at an early stage to ensure appropriate countermeasures can be taken and potential damage to customers, employees, business partners, the company and other affected parties can be averted.

This requires everyone's attention as well as your willingness to point out possible serious violations of the rules in the event of substantiated indications. We also attach importance to corresponding reports from business partners, customers and other third parties.

Within the framework of a transparent procedure, the complaints procedure protects the whistleblowers, the affected parties and the company. Uniform and fast processes as well as confidential and professional processing of reports through internal experts are the foundation of this system.

The complaints procedure enables any internal or external person to confidentially point out human rights or environmental risks or violations within the SMS group's supply chain or in their own division.

The most important information on the complaints procedure is presented below.

1 For what kind of complaints and reports can our complaints procedure be used?

Reports on serious violations of statutory and internal company rules that adversely affect the SMS group - including, in particular, human rights and environmental risks or obligations - can be submitted via the complaints procedure.

Human rights risks include, in particular, the violation of the prohibition of child labor, the violation of the prohibition of forced labor and all forms of slavery, the disregard of occupational health and safety and work-related health hazards, the disregard of the freedom of association and the right of collective bargaining, the violation of the prohibition of unequal treatment in employment, the violation of the prohibition of withholding an adequate living wage, the destruction of natural resources through environmental pollution, the unlawful violation of land rights, and the violation of the prohibition of hiring or using private/public security forces that may cause bodily harm due to a lack of instruction or control.

Environmental risks arise, in particular, in connection with mercury, persistent organic pollutants (POPs) and hazardous waste.

2 Who can submit complaints and reports?

The complaints procedure is accessible to everyone. Employees as well as persons and organizations outside the SMS group can submit complaints and reports here.

3 Which whistleblowing channels can be used to submit reports?

The following whistleblowing channels can be used to submit reports:

- Via the Internet, an online whistleblowing system for submitting the complaint or report can be accessed at: <https://sms-group.integrityline.app/>. The report can be submitted either under a name or anonymously. The input mask is available in several languages. It can be accessed without any time restrictions. Whistleblowers may incur telecommunications costs when using the Internet.
If whistleblowers use the aforesaid online tool to submit a complaint or report, they can set up a postbox. Whistleblowers will receive feedback via this postbox, they can answer questions and are generally informed about the progress of their reports. When setting up the postbox, whistleblowers select their own pseudonym/user name and password.
- Complaints can also be made by post or by internal mail to the person appointed by the company [complaints officer] at the following address

SMS GmbH – Compliance
Wiesenstrasse 30, D-57271 Hilchenbach

or

via e-mail at compliance@sms-group.com

4 How will my report be handled? Who will know about it?

Regardless of the communication channel chosen by whistleblowers, we treat all reports confidentially. However, we are required to comply with any legal obligations to provide information to authorities and any legal exceptions to the confidentiality obligation.

The confidentiality of a whistleblower's identity is maintained throughout the process. This also includes persons who are the subject of a report and any other persons named in the report. Unauthorized employees are denied access to the reporting channels.

All information shall be processed, taking into account the principle of confidentiality, by an employee assigned by the company to implement the complaints procedure. The persons appointed by the company to implement the complaints procedure are impartial, i.e. they are independent in the performance of their duties and are not bound by instructions.

Personal information that enables identification may only be disclosed on a "need to know basis" if this information is necessary to investigate the report and consistent with data protection requirements. The reports are processed within the framework of the applicable data protection regulations.

Unnecessary exposure and reputational damage must be avoided. Observe the regulations in point 7.

5 What happens after I have submitted my report?

If a complaint is received via the reporting channels, its receipt is documented internally.

Confirmation of receipt

Regardless of the communication channel chosen, whistleblowers will receive confirmation of receipt no later than seven days after receipt of their report, provided that communication is possible. This may be done in writing, by e-mail or electronically via the digital whistleblowing system, depending on the communication channel chosen.

Utilization of the digital whistleblowing system

If you have submitted a report through our digital whistleblowing system, you can set up a postbox. Please write down the user name and password and keep them safe. You can submit additional information and communicate with the complaints officers at any time via the postbox.

Substantiation

The employees entrusted with the implementation of the complaints procedure shall examine the facts communicated with the submitted complaint. The complaint received is classified and prioritized according to topic and severity.

If an investigation is not possible due to a lack of sufficient information, the employee entrusted with the implementation of the complaints procedure will contact the whistleblower to request further information, if possible.

If neither sufficient fact-based information is available nor contact can be made, the compliance case will be closed due to a lack of substantiation.

Assessment/Investigation

The employee entrusted with the implementation of the complaints procedure shall fully assess the facts of the case and ensure that all reports are appropriately investigated. The facts of the case will be discussed with the person who submitted the report, but in the case of anonymous reports only to the extent possible. If necessary, the case will be forwarded to another responsible department for processing and clarification.

The employees entrusted with the implementation of the complaints procedure are bound by the principle of confidentiality, are impartial and are not bound by instructions. Furthermore, they are obliged to comply with data protection regulations and to ensure transparency and the rights of all data subjects. This includes the protection of the whistleblower.

If, after clarification of the facts, discussion and investigation, the employee entrusted with the implementation of the complaints procedure is convinced that there are no human rights or environmental risks or violations of human rights or environmental obligations in the company's own division or at supplier facilities, the person submitting the report will be informed of this in writing or by e-mail. The procedure will be closed in this case.

If the investigation confirms human rights and environmental risks or violations of human rights or environmental obligations in the company's own division and at supplier facilities, appropriate follow-up measures (preventive and remedial measures) shall be initiated by the unit responsible in the company. This may include appropriate disciplinary action on a case-by-case basis.

In exchange with the whistleblower, a proposal for remedial action can be prepared.

The processing time depends on the actual case and can take from a few days to several months, based on the complexity of the case. However, the company will make every effort to complete processing in a timely manner.

The whistleblower will be notified of the conclusion of the complaints procedure, if possible.

6 Optional procedure for an amicable settlement of disputes

The company is free to also offer a procedure for an amicable settlement of disputes, in particular an arbitration or mediation process, at any stage of the complaints procedure. The whistleblower is free to participate in this procedure for an amicable settlement of disputes. Details of the procedure for an amicable settlement of disputes shall be discussed jointly by the parties involved and regulated in an agreement to be concluded separately.

7 What right do I have to raise compliance concerns?

The company will ensure that employees who have raised suspected or actual misconduct relevant to the German Supply Chain Due Diligence Act (LkSG) in good faith are protected from any intimidation or reprisals, even if the reported suspicion is not confirmed. "In good faith" means that the person is convinced that the report is true, whether or not a subsequent investigation confirms the report. Knowingly making a false report of a violation of the German Supply Chain Due Diligence Act (LkSG) with the intent to intentionally and untruthfully incriminate another person constitutes a compliance violation and will be subject to appropriate action.

Intimidation and reprisals against employees who report actual or suspected misconduct in good faith will not be tolerated.

If you feel that you are experiencing intimidation or reprisals as a result of reporting concerns regarding the German Supply Chain Due Diligence Act (LkSG), please contact Global Support Function Compliance.

Compliance concerns involving intimidation or reprisals after submitting a report regarding the German Supply Chain Due Diligence Act (LkSG) will also be investigated using the principles outlined above.

Insofar as the whistleblowers affected are employees of a direct supplier, the company shall endeavor to make appropriate contractual arrangements with the supplier.

Das Unternehmen stellt sicher, dass Mitarbeitende, die ein vermutetes oder tatsächliches LkSG relevantes-Fehlverhalten in gutem Glauben angesprochen haben, vor allen Einschüchterungen oder Repressalien geschützt sind, auch wenn sich der gemeldete Verdacht nicht bestätigt hat. „In gutem Glauben“ bedeutet, dass die Person überzeugt ist, dass die Darstellung der Wahrheit entspricht, unabhängig davon, ob eine spätere Untersuchung diese Darstellung bestätigt oder nicht. Eine wissentliche Falschmeldung über einen LkSG-Verstoß mit dem Ziel, eine andere Person vorsätzlich und wahrheitswidrig zu beschuldigen, stellt einen Compliance-Verstoß dar und wird mit angemessenen Maßnahmen geahndet.

8 Which department is responsible for the complaints procedure in the company?

Global Support Function Compliance is responsible for the complaints procedure.

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