

German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz)

Rules of Procedure in respect of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG)

Preamble:

These Rules of Procedure define the measures and processes required to ensure that SPITZKE Group complies with the due diligence requirements under the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz – LkSG*). The objective is to identify, prevent and minimise risks in respect of human rights and the environment.

1. Scope of application

These Rules of Procedure apply to all SPITZKE Group divisions and subsidiaries, as well as to all direct and indirect suppliers within the supply chain.

2. Principles

- a. **Human rights:** Upholding and protecting human rights throughout the entire supply chain.
- b. **Environment:** Preventing risks and damage to the environment.
- c. **Transparency:** Disclosure of relevant information regarding the supply chain.
- d. **Prevention:** Preventive action to avoid non-compliance.
- e. **Complaints mechanisms:** Establishing and maintaining an effective complaints mechanism.

3. Responsibilities

- a. Management bears overall responsibility for compliance with the *LkSG* and is accountable for implementing and ensuring compliance with these Rules of Procedure.
- b. A chief supply chain officer (CSCO) is appointed to monitor and regularly report on compliance with due diligence obligations.
- c. The Purchasing division is tasked with monitoring and assessing suppliers with regard to compliance with due diligence requirements.
- d. Every employee is obliged to support and implement the measures and processes set out in these Rules of Procedure.
- e. Relevant issues must be reported without undue delay. This pertains both to internal inquiries or reports and any inquiries by third parties external to SPITZKE relating to a matter within the scope of the *LkSG* or any other misconduct or matter that could result in the same.

4. Risk analysis

- a. Performance of an annual risk analysis to identify human rights and environmental risks in the supply chain.
- b. Identifying the most significant risks based on their severity and likelihood of occurrence.
- c. Documenting and assessing the identified risks based on their severity and probability.
- d. Preparation of a risk report to be submitted to management.

5. Preventive measures

- a. Developing and implementing preventive measures to prevent and mitigate identified risks.
- b. Training and raising awareness among employees and suppliers with regard to human rights and environment-related issues.
- c. Inclusion of due diligence obligations in contracts and agreements with suppliers.

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6. Remedial action

- a. Developing and implementing remedial action in the event of violations of human rights and environmental standards.
- b. Cooperation with relevant parties and external third parties to resolve issues and rectify non-compliance.
- c. Documenting and monitoring the effectiveness of the remedial action.

7. Complaints procedure

- a. Establishing a transparent and accessible complaints mechanism for employees, suppliers and external individuals.
- b. As a matter of principle, relevant facts and queries can be addressed to any member of the Compliance team and the CSCO in writing, in person, over the telephone or by e-mail to compliance@spitzke.com. The query must include all information and documents necessary in order to assess and process it, or failing this, subsequently submitted without undue delay and/or provided upon request. Should the party submitting the query have any questions or wish to clarify the facts of the matter, they can provide information in text form, in writing or orally.
- c. In addition, information can be submitted to the company anonymously on the compliance page on the intranet (http://intranet/Zentrale_Abteilungen/Compliance/Seiten/Dokumente_Infos.aspx) or via the ombudsman (<https://www.spitzke.com/nachhaltigkeit/compliance/>).
- d. Complaints are addressed in a fair and timely manner. Provided the report is not anonymous, the person submitting the report will receive confirmation of receipt within seven days. The person submitting the report will be informed of the follow-up measures that are being planned or have already been implemented, together with the reasons for such measures, at the latest within three months of the confirmation of receipt of the report. The procedure is documented in the Whistleblower Policy.
- e. The office handling incoming reports decides how to process the facts of the matter/query. This office is made up of the Compliance team and the CSCO. As a rule, at least two people are appointed to handle the matter, in line with the principle of dual control. The members of the Compliance team are equipped with the necessary expertise to perform the tasks involved in the work of this office.
- f. The company warrants that whistleblowers will be protected from retaliation and discrimination.

8. Reporting and documentation

- a. Annual reporting on the implementation of due diligence requirements pursuant to *LkSG*.
- b. Publication of the report on the company website and making it available to the relevant authorities.
- c. Documenting all measures and processes in a manner consistent with legal requirements.
- d. All personal data provided in connection with a report will be processed in accordance with the EU General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (*BDSG*). All documentation will be deleted three years after the proceedings have been concluded, unless other legal provisions require that it be archived for a longer period. In this case, it is retained for as long as is deemed necessary and reasonable.
- e. The designated individuals will decide what further action is to be taken, how to respond and how to communicate externally, and will inform the person submitting the report accordingly.

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9. Monitoring and improvement

- a. Regular review and assessment of the effectiveness of the measures and processes.
- b. Ongoing improvement of the Rules of Procedure and bringing them into line with new legal requirements and findings.
- c. Conducting audits to monitor compliance with due diligence requirements.

10. Penalties

- a. Penalties will be imposed in the event of violations of these Rules of Procedure by employees or suppliers.
- b. Disciplinary measures up to and including the cancellation of business relationships in the event of serious violations.

11. Final provisions

- a. These Rules of Procedure are brought to the attention of all employees and published on the company website. They are an integral component of the company's corporate strategy and culture and are regularly reviewed and amended.
- b. These Rules of Procedure serve as a guideline for the compliance with the due diligence obligations under the German Supply Chain Due Diligence Act (*LkSG*) and serve to promote responsible and sustainable corporate governance.