

## **Rules of Complaints Procedure** **(§ 8 II LkSG/ Supply Chain Sourcing Obligations Act)**

### **1. Background and Purpose**

On 01.01.2023, the Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains (Supply Chain Due Diligence Act – LkSG) came into force.

The aim of the Supply Chain Due Diligence Act is for companies to identify human rights and environmental risks within their own organisation and along their supply chains, and to prevent them where possible, or at least limit their impact. To this end, the law imposes a number of due diligence obligations on the companies concerned, including an appropriate complaints procedure.

### **2. What Is the Function of the Complaints Procedure?**

The complaints procedure is intended to fulfil two functions:

- On the one hand, the complaints procedure serves as an early warning system through which problems are identified and, in the best case, solved before people or the environment are actually harmed.
- On the other hand, complaints procedures provide access to appropriate remedies. In this way, companies can be alerted to imminent or actual violations of rights and subsequently take effective remedial action.

### **3. To which Companies do these Rules of Procedure Apply?**

These rules of procedure shall apply to the following company or companies:

- L-SHOP-TEAM GmbH

### **4. Who Can Submit Reports?**

All persons or groups of persons who are potentially or actually affected by human rights or environmental violations in their own business area or within the supply chain of L-SHOP-TEAM GmbH, or who are aware of such violations, can submit information via the complaints procedure.

These include, for example:

- Employees of L-SHOP-TEAM GmbH and its companies,
- employees of direct and indirect suppliers and business partners,
- customers,
- relatives of employees,
- trade unions, non-governmental organisations and other organisations that become aware of risks or damage and/or support those affected.

### **5. Which Facts Can Be Reported?**

Reports or complaints can be made if there is a potential human rights or environmental risk.

A human rights risk is a situation in which it is likely that prohibited conduct related to one of the human rights listed below is imminent or has already occurred:

- child labour,
- forced labour,
- forms of slavery,
- disregard for labour protection standards,
- disrespect for freedom of association,
- discrimination and equality of workers,
- withholding of adequate remuneration for work performed,
- human rights violations through environmental degradation, disregard for land rights,
- violence by private and public security forces.

In addition, reports or complaints can be made about human rights risks related to potential environmental damage, which often go hand in hand with human rights risks. This concerns:

- harmful soil changes,
- water pollution,
- air pollution,
- harmful noise emissions
- excessive water consumption,

if they affect natural livelihoods, e.g. because they affect access to food, drinking water or sanitation, or health in general (e.g. if chemicals enter rivers and would contaminate drinking water for local residents).

In addition, environmental risks may also be indicated in the following cases:

- prohibited use of mercury in manufacturing processes (as defined by the Minamata Convention on the Control of Mercury Emissions),
- violation of the prohibition or restriction of the production and use of so-called persistent organic substances (as defined in the Stockholm Convention on Persistent Organic Pollutants),
- Violation of the requirement to minimise transboundary movements of hazardous wastes and to dispose of them in an environmentally sound manner close to the place of generation (as defined in the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes).

## **6. How can reports be submitted?**

L-SHOP-TEAM GmbH offers an electronic whistleblowing system "CrefoSupply" as a digital reporting channel. This has a secure mailbox for complete and anonymous communication.

This system can be used to submit complaints and tips about the issues mentioned under 5).

The whistleblower system can be accessed at the following link:

<https://l-shop-team.crefosupply.de/>

<https://l-shop-team.crefosupply.de/en>

## **7. Responsibilities and Contact Persons**

Complaints are handled by employees of L-SHOP-TEAM GmbH, if necessary with the support of other experts. The management is responsible for handling complaints.



Wir haben die Marken,  
Sie haben die Wahl!

The employees are impartial, independent, not bound by instructions and obliged to maintain confidentiality.

#### **8. ~~Course of the Appeals Procedure~~ Course of the Complaints Procedure**

Complaints can be submitted via the digital whistleblowing channel CrefoSupply. The whistleblower receives a confirmation of receipt in a timely manner.

First of all, an initial assessment is carried out to determine whether the reported violation falls within the material scope of the complaints procedure, whether the process described is to be assessed as plausible overall and fundamentally possible, and whether it could constitute a violation of a law or a serious violation of an internal rule. This initial assessment is carried out by the Compliance Office of Creditreform Compliance Services GmbH (hereinafter "CCS"). The dialogue is also possible on a completely anonymous basis if desired. Information on identity is voluntary. All information is technically secured against access by unauthorised third parties via special encryption technology.

Subsequently, L-SHOP-TEAM GmbH clarifies the facts of each individual case and attempts to gather all relevant information. Indications of violations at direct or indirect suppliers are investigated together with these suppliers. If necessary, L-SHOP-TEAM GmbH will contact the person who provided the information - if he or she enables contact - in order to better understand the facts. Depending on the complexity of the matter, it will also estimate the duration of the processing.

If, in the course of clarifying the facts, it is determined that a violation of human rights or the environment is imminent or already taking place, appropriate remedial action will be taken in a timely manner. The employees of L-SHOP-TEAM GmbH keep track of whether the remedial measures have been implemented and effectively led to the termination or minimisation of dangers.

The person providing the information receives a notification on the status and time frame of the processing. In addition, he or she will also receive information about the result of the processing to the extent legally permissible, i.e. when the facts of the case have been processed in such a way that the essential information has been collected and evaluated.

If the matter is not processed further for factual reasons (e.g. because the matter is already known and has already been clarified or has not proven to be plausible), this will also be communicated to the person providing the information, together with an explanation.

#### **9. Protection of Whistleblowers**

Throughout the procedure, individual measures are developed and taken on a case-by-case basis to ensure the protection of whistleblowers from disadvantage or punishment as a result of whistleblowing.

In general, the following measures serve to protect the whistleblower:

- Reports or complaints will be treated strictly confidentially - during and after the conclusion of the procedure. Names, personal data or other information that allow conclusions to be drawn about the identity of the person providing the information (better: whistleblowers) will not be

passed on without reason. Communication, in particular with suppliers, is anonymised or pseudonymised if this is necessary for protection or if the person providing the information so wishes.

- If possible and desired, L-SHOP-TEAM GmbH will maintain contact with the person providing the information throughout the entire process and can react to any indications of discrimination.
- Unjustifiably disadvantageous actions or even punishments of persons providing information (better: whistleblowers) due to or in connection with complaints or information will not be tolerated by L-SHOP-TEAM GmbH and - if they occur in its own business area - may be associated with consequences under labour law.

