

Internal Complaint Mechanism

Code of Practice under § 8 (2) of the Act on Corporate Due Diligence Obligations in Supply Chains

Preamble

VDM Metals is committed to the unconditional respect of human rights and the environment. The declared goal of our risk management is to identify risks to people and the environment at an early stage and to minimize them, or to counteract and/or remedy the violation of related due diligence obligations through appropriate measures.

Applicable laws, such as the German Act on Corporate Due Diligence Obligations in Supply Chains, and international standards and conventions for the protection of people and the environment, such as the principles of the UN Global Compact, form the foundation of our actions.

Detailed information on our expectations regarding the respect for and compliance with human rights and environmental due diligence is set out in the VDM Metals Code of Conduct, the VDM Metals Code of Conduct for Suppliers and our Declaration of Principles. These apply to all employees and business partners, in particular to all our suppliers along the supply chain.

The complaint mechanism described below helps us to identify possible violations of human rights and environmental due diligence as early as possible and to take the necessary countermeasures.

We believe that the professional handling of incoming reports and complaints by people with specific expertise, in accordance with a predefined, homogenous and transparent process, is the key to a successful complaints management. This represents both our commitment and the legitimate expectation of our stakeholders.

1. For What Types of Reports and Complaints Can the Procedure Be Used?

Reports can be submitted on human rights or environmental risks and information on violations of human rights or environmental due diligence. These reports or complaints may concern VDM Metals' own business units, the supply chain or other business partners of VDM Metals.

Human rights and environmental protection positions include, among other things:

- Respect for human dignity,
- Rejection of child labor,
- Rejection of forced labor,
- Humane treatment, anti-discrimination and diversity,
- Ensuring workplace safety and health,
- Right to freedom of association and collective bargaining,
- Fair working conditions and remuneration,
- Equal opportunities in career development,
- Protection of soil, water, air, biodiversity and cultural heritage,

- Reduction of environmental pollution and conservation of resources,
- Safe handling of hazardous substances,
- Responsible handling of wastewater and solid waste,
- Prevention and emergency preparedness

2. Who can use the Complaint Mechanism?

Any person acting in good faith can submit information or complaints if they observe or become aware of human rights or environmental risks or violations of human rights or environmental due diligence. The person does not have to be personally affected.

A person is deemed to be acting in good faith if, at the time of reporting, they assume that the information they are providing is true.

Both employees and external parties can submit information. VDM Metals expressly encourages all employees and apprentices, interns and working students, as well as employees of direct and indirect suppliers or other business partners, to submit information.

3. How Is the Identity of the Whistleblower Protected?

The identity of the person providing the information or any information that may be used to identify that person (e.g. age, gender, etc.) will always be treated confidentially and will never be passed on, unless the information must be disclosed due to legal regulations (e.g. in connection with a preliminary investigation or criminal proceedings).

Furthermore, all incoming information or complaints and the information contained therein will be treated confidentially. VDM Metals keeps the group of persons who receive knowledge of and access to the confidential information as small as possible at all times (“need-to-know principle”).

The persons responsible for processing the information at VDM Metals are bound by law to maintain confidentiality insofar as human rights and environmental violations are reported. They are also contractually obliged to treat incoming information and in particular the identity of a person providing information confidentially. In addition, the persons responsible for processing the information at VDM Metals are independent and not bound by instructions. In particular, they do not receive any instructions from the company management regarding the content or procedure for conducting an investigation, for example regarding the type or scope of the procedure or its termination. VDM Metals ensures that only those persons responsible for processing the information can access the information and the documents submitted with it.

Even if the information is processed internally at VDM Metals, the identity of the person providing the information and circumstances that allow conclusions to be drawn about the identity of the person providing the information may not be passed on without the consent of the person providing the information.

If requested, the reporting person can also submit their report anonymously via all reporting channels. In this case, VDM Metals will not take any measures to determine the identity of the reporting person. If, based on the content of the report, it is possible to draw conclusions about the identity of the reporting person, VDM Metals will treat this knowledge confidentially.

The principles of the General Data Protection Regulation and the Federal Data Protection Act are abided. Information on the handling of personal data is provided in our data protection information (on the whistleblower system).

4. How is the Whistleblower Protected from Professional Disadvantages?

VDM Metals does not tolerate any pressure, coercion or retaliation against whistleblowers and intermediaries, but also against any other persons who contribute to promote compliant behavior. Any reporting person who does not intentionally or recklessly provide false information will be protected, to the extent legally possible for VDM Metals, from any type of retaliation that is based, even indirectly, on the report or complaint.

In addition, Section 2.1 of the VDM Metals Supplier Code of Conduct contains provisions prohibiting VDM Metals suppliers from taking reprisals when reporting individuals make a report. This also applies to the threat and attempt to exercise reprisals. Retaliation for reporting will not be tolerated. Whistleblowers are encouraged to report any victimization or retaliation they experience at the hands of VDM Metals employees or suppliers for reporting in good faith.

VDM Metals will respond to such employees or suppliers in an appropriate manner (e.g., written warning, conducting a workshop, demanding compensation).

As part of the reporting process and also at the conclusion of the reporting process, the reporting persons will be asked whether they have been subjected to reprisals by employees of VDM Metals or suppliers of VDM Metals as a result of the report. Even after the procedure has been completed, whistleblowers can report that they have been subjected to reprisals by employees of VDM Metals or suppliers of VDM Metals as a result of the report.

5. How Can I Provide Information and Complaints?

VDM Metals provides various internal and external channels for submitting complaints, information or hints:

- Web-based, multilingual whistleblower system that can be accessed 24/7 and can also be used anonymously via <https://acerinoxgroup.integrityline.app/>
- Email to the VDM Compliance department at compliance@vdm-metals.com or compliance.vdm@vdm-metals.com or, for information security issues, at isecurity.vdm@vdm-metals.com
- Use of the internal compliance hotline by dialing -7777 (from outside the company: +49 2392 55 7777)
- Personally notifying the Head of Compliance/Chief Compliance Officer, the compliance officers, the managers or the employees in supervisory roles
- Information and complaints can also be sent by (internal) mail to the internal compliance department:
VDM Metals Holding GmbH
Compliance Plettenberger Str.2
58791 Werdohl

Reporting persons may request that, if they meet in person with the Compliance Department, VDM Metals bear the costs of an interpreter who is specially bound to confidentiality and who can translate from and into the reporting person's native language.

6. How Does the Complaint Mechanism Work?

a. Receipt of the complaint or report

The whistleblower will receive confirmation of receipt within seven days and the matter will be documented internally.

b. Investigation of the complaint and clarification of the facts

The complaint or report is reviewed by the Head of Compliance/Chief Compliance Officer of VDM

Metals. This person exercises their role in a trained and autonomous manner.

If the report or complaint is plausible and there is initial suspicion of potential human rights or environmental risks or violations of human rights or environmental aspects, an appropriate investigation of the case will follow and further proceedings and responsibilities will be determined. The persons responsible for the investigation are trained for their work and carry it out independently. While the facts of the case are being examined, the responsible department shall be in contact with the person providing the information – as far as this is possible and – as far as the person providing the information wishes. The duration of the examination depends on the scope and complexity of the facts of the case. The reporting person will receive feedback on the status of the procedure no later than three months after confirmation of receipt of the report.

If the responsible department does not consider the report or complaint to be sufficiently plausible, contact will be made – as far as possible – with the person making the report so that additional information can be provided by the person making the report if necessary.

If the additional information does not lead to a better understanding, the procedure is discontinued and the parties involved are informed. In the event of a rejection, the whistleblower will receive a statement of reasons.

If the reported incident do not fall within the scope of the Act on Corporate Due Diligence Obligations in Supply Chains, the whistleblower will also be informed of this.

c. Working out a solution

In exchange with the reporting person, a proposal for a remedy is developed based on the clarification of the facts. In doing so, the expectations of the reporting person are taken into account. If necessary, agreements on reparation are also made.

d. Implementation of the corrective measures

The agreed remediation actions are implemented and tracked. The whistleblower is encouraged to report if they believe the remediation actions taken are insufficient.

e. Review and conclusion

When the case is closed, a summary report of the findings of the investigation is prepared and made available to the relevant stakeholders. If necessary and possible, contact is also maintained with the reporting person at this stage in order to monitor the effectiveness of the remedial action(s) and the protection against retaliation.

f. Costs

The person providing the information does not incur any costs in connection with the use of the complaint mechanism.

g. Effectiveness

The effectiveness of the procedure is reviewed annually and as needed. If necessary, adjustments to the procedure are made and/or further remedial measures are implemented.