

Rules of Procedures
in Accordance with the German Law on
Corporate Due Diligence in Supply Chains



Ear4U

The Joint Grievance Mechanism of the
German Coffee Association

Short Version 1.0

1 January 2023

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1 Introduction

Ear4U is a grievance mechanism for the coffee supply chain. Ear4U can be used to report risks in the areas of human rights and environmental protection. For this purpose, several companies (CAFEA GmbH, J.J. Darboven GmbH & Co. KG, HACOFKO mbH, Melitta Group Management GmbH & Co. KG, Tchibo GmbH, Gebr. Westhoff GmbH & Co. KG) have joined forces under the umbrella of the German Coffee Association.

Ear4U is a grievance mechanism in accordance with the German "Law on Corporate Due Diligence in Supply Chains" (LkSG). The grievance mechanism is intended to enable people to "*report human rights and environment-related risks as well as violations of human rights and environment-related obligations that have arisen as a result of the economic actions of an enterprise*". It is open to information that concerns the participating companies' own business areas as well as the business areas of their direct and indirect suppliers. The aim of this joint grievance mechanism is to give the persons concerned the opportunity to assert their rights in an accessible, fair and confidential reporting procedure. Specifically, reports can be submitted on the following topics:

- Child labor
- Forced labor and slavery
- Lack of occupational health and safety / work-related health hazards
- Violation of freedom of rights (for example, freedom of association and the right to collective bargaining)
- Unequal treatment at work
- Inadequate wages
- Environmental pollution
- Violation of land rights
- Violation of human rights by security forces in the work environment

The grievance mechanism is operated by the external service provider Global Risk Assessment Services GmbH (GRAS):

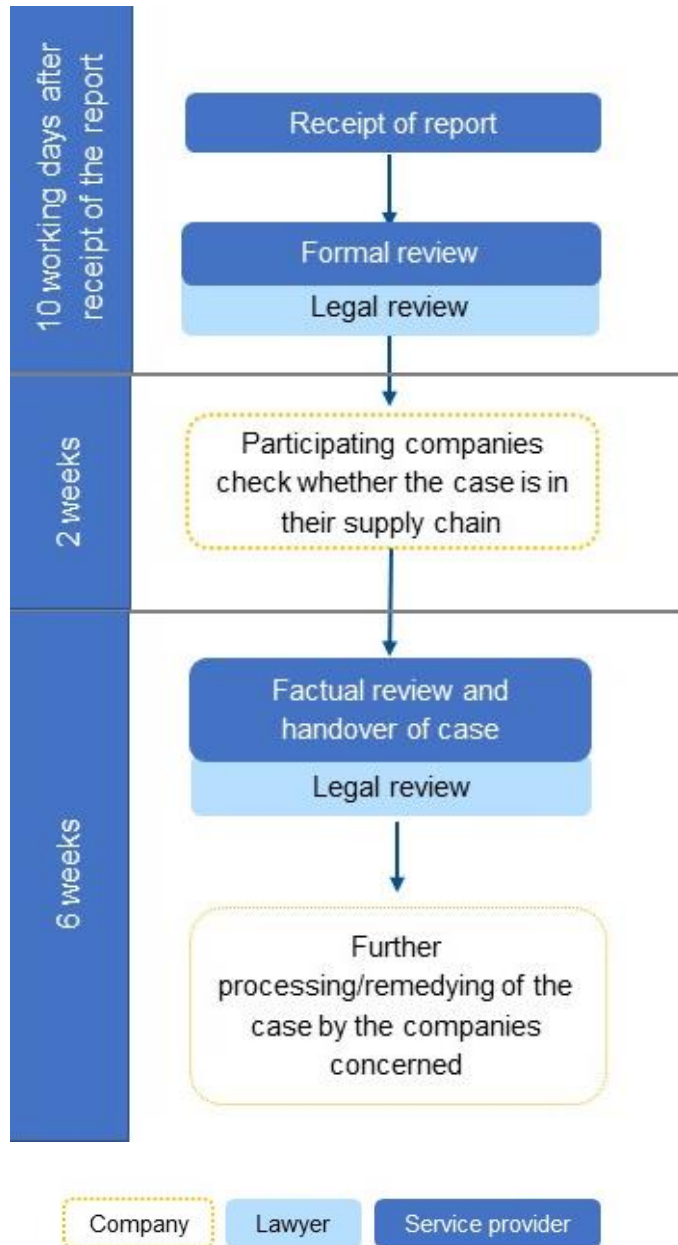
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The service provider operates independently and autonomously. It is impartial and is not subject to any instructions by the companies with regard to the factual treatment of the content of reports. The service provider is bound to confidentiality. Upon request, the service provider shall maintain the confidentiality of the identity of the person providing the information as far as legally possible.

These rules of procedure provide information on how incoming reports from affected persons and/or stakeholders are processed. The present version is a short form of the detailed rules of procedure. The detailed long version of the Rules of Procedure is available in English and/or German upon request at GRAS.

2 Sequence of the reporting procedure

The reporting procedure includes five steps: 1. receipt of the report 2. formal review of the report, 3. verification of supply chain involvement by companies, 4. factual review and handover of the case to companies, and 5. further processing of the case by the companies concerned.



2.1 Receipt of the report

2.1.1 Reporting channels

Reports can be submitted through one of the following channels:

- Via web form (text)
- Via mobile app (text and voice message)
- By phone (in selected countries)

The reporter has the option to submit reports anonymously and request anonymous communication. The system offers the reporter the option to provide an email address to be notified of further communication. This e-mail address remains anonymous to all parties involved at all times.

The person making the report must first specify the country in which the incident occurred and then has the option of providing a description of the case. If evidence is available to substantiate the case (e.g., documents, photos, etc.), the person making the report has the option of uploading it when using the web form and mobile app.

Use of the grievance mechanism is voluntary and free of charge for the person making the report, and is generally available 24/7.

2.1.2 Confirmation of report receipt

According to the LkSG, receipt of the report is confirmed by an automatic notification. The notification also states that the report will undergo an initial formal review and that this will take up to ten working days. If the review takes longer, the reporter will receive information about the expected time until the outcome of the review is ready. It will be communicated to the reporter that his or her identity may be disclosed to the company in the event of intentional misuse of the grievance mechanism.

2.1.3 Offer for dialogue

The confirmation of receipt contains a formal offer to enter into a dialogue about the case with the reporter. The service provider also asks the reporter whether he or she would like to appoint a representative for the dialogue. The mediator can be a representative of a non-governmental organization or an independent third party. If the reporter chooses not to engage in a dialogue or to appoint a representative, the service provider shall ensure that this does not result in any disadvantages for the reporter in the further proceedings.

2.1.4 Invitation to provide additional information

After the reporter has agreed to the dialogue, a questionnaire is sent out in case it is necessary to collect additional information about the case. This information is intended to facilitate the assessment of the case. Answering the questionnaire is voluntary and optional. Answering the questions is not a prerequisite for further processing of the case. The questionnaire contains the following questions:

- What is the name of the company to which the report refers?
- In which country did the incident occur?

- Where exactly did the incident occur? (e.g., company, city, region).
- Have you filed a report in the same matter before? If yes, when?

The reporter is requested to submit their responses within five days of receiving the questionnaire. However, responses received after five days will still be accepted for processing the report.

2.2 Formal review

The aim of the formal review is to decide on the admissibility of the report. For this purpose, the following questions should serve as guidance:

- Does the report refer to a standard violation according to the LkSG?
- Does the report mention companies participating in the Ear4U grievance mechanism (Chapter 1)?
- Is there any indication that one of the participating companies may be affected?
- Has an identical or similar report not yet been filed by the same person?
- Does the report relate to the coffee sector?

If the answer to any question is NO, the report is not admissible.

Within ten working days of receiving the report, the service provider will contact the reporter and inform them whether their report is admissible. If a report is not admissible, the response will explain the reasons for that decision.

If the report is admissible, the reporter will receive a message stating that his or her reporter will be further reviewed and how long the further review is expected to take.

2.3 Participating companies check whether the case is in their supply chain

The participating companies check whether the reported case concerns their own company or that of an indirect or direct supplier. The companies can also classify cases that they cannot assign to their supply chain as relevant for further review. The companies' decision is made within two weeks. If the decision takes longer, the companies state a deadline within which they can make the decision.

If none of the participating companies decide to commission a factual review, the reporter is informed of the decision and, if permissible, of the reasons. The reporter may challenge the rejection of the report by providing sufficient new information to justify the relevance of the case. If this is not the case, the reported case is closed and archived.

2.4 Factual review and handover of the case

Factual review of cases includes further examination and dialogue with the reporter and relevant stakeholders with the goal of gaining more insight into the case and formulating recommendations for handling the case.

Persons affected by an examination must be treated fairly and respectfully. The presumption of innocence applies to all affected persons. The right to be heard must be granted. Therefore, persons affected by a reported case will be notified as soon as possible about the report received and advised of their rights to information and rectification. However, if there is a serious

risk that notification would jeopardize the examination of the report, notification may be postponed until after the examination has been completed or until the risk has been eliminated.

After the factual review of the case, the following information is passed on to the respective companies concerned:

- Brief summary of the case and general information (date, location, identified risk).
- Detailed description of the case
- Summary of the most important points from the correspondence with the reporter (incl. description of the evidence supporting the report)
- Evaluation of the case and recommendations to remedy the grievance/remedial action. If an on-site visit is deemed necessary, recommendations are made

The contact details of the reporter will be passed on to the relevant company if the contact details are available and the reporter has given their consent.

The assessment of the facts should be completed within 4 weeks if possible. It is important that reports are processed promptly. However, for more complex matters, the review of reports may sometimes require more time and the time period for review may be extended if necessary and justified. An extension will be communicated to the person making the report.

2.5 Further processing/remedying of the case by the companies concerned

The legal assessment of the facts under investigation and the decision on appropriate measures to eliminate and prevent improper business practices are made by the company, which may consult the service provider or a lawyer for this purpose. Measures may include, for example, appropriate civil action or the involvement of an authority. Even if no violations are found in a specific case, proposals for changes to work and business processes as well as changes to organizational and behavioral rules may be appropriate.

The companies concerned are entitled, in the course of their own report handling:

- to forward information on reports to affiliated companies and, if applicable, to business partners in the supply chains
- to forward information on reports to their own, company-specific mechanisms, tools and processes for dealing with information.

3 Protection of the reporter

The reporter is generally protected from discriminatory or disciplinary action. Any retaliatory action directed against them will not be tolerated. In the event of indications of retaliatory measures against reporters, the service provider must be called in immediately.

If the service provider has assured a reporter of confidentiality, it will not disclose the reporter's name and identity to the company or any third party without the reporter's consent. Should the service provider be questioned as a witness in criminal, civil or other proceedings, it shall only disclose the name and identity of the person providing the information if this results a) from a legal obligation or b) if the reporter has expressly consented to this.

The wish of the reporter to protect his or her identity is opposed by the interest of the persons affected by the information in the disclosure of the facts. For this reason, deliberate abuse of



the opportunity to submit reports will not be tolerated. In addition to the general information provided in the description of the reporting procedure, the service provider shall inform the reporter in the first conversation that his or her identity may be disclosed to the company in the event of intentional misuse of the grievance mechanism.

4 Data protection

The service provider ensures compliance with the statutory retention obligations and the provisions of data protection law. The personal data collected is limited to information on the identity, function and contact information of the reporter and affected persons, as well as to the other personal data that is absolutely necessary for processing the matter. In addition, only reported facts, processing details, follow-up on the report and inspection reports are stored.

The retention period for personal data recorded in the course of reports and reviews is generally two months after completion of the review. The participating company is free to opt for longer storage periods if necessary in the event of its own involvement in the processing of individual reports. This period shall be extended accordingly if the conclusion of the review is followed by disciplinary or legal proceedings or other disputes for which the data could be used.