

## **Semikron Danfoss Rules of Procedure – LkSG Complaints**

### **Introduction**

Since January 1, 2024, Semikron Danfoss has been subject to the regulations of the German Supply Chain Due Diligence Act (LkSG). The requirements of the LkSG contain human rights and environmental due diligence obligations in its own business area as well as within the entire supply chain.

Semikron Danfoss and its associated entities are committed to adhering human rights and protecting the environment. Violations of internationally recognized human rights and national as well as international environmental protection regulations are not tolerated. Semikron Danfoss takes appropriate and effective measures to identify, verify and mitigate human rights and environmental risks in its own operations and throughout the whole supply chain.

### **Establishment a complaints procedure**

One crucial part of the human rights and environmental due diligence obligations of LkSG is the establishment of an effective complaints procedure, through which whistleblowers can report (potential) violations, risks and other issues related to the LkSG.

The following rules of procedure explain the process for submitting and handing incoming reports. It sets out how the complaints can be reported, who is responsible for the complaints procedure, what the specific process workflow looks like once a complaint has been submitted and what measures are taken to protect whistleblowers.

The aim of the complaints procedure is to enable whistleblowers to report human rights and environmental risks and violations within the supply chain in an unsophisticated and secured way, so that they can be identified as well as minimized and remedied at an early stage.

### **Users - Who can use the complaints procedure?**

The complaints procedure is publicly accessible and is available to all persons - whether in Germany or in other countries worldwide - in various languages.

### **Scope of application - What can be reported by using the complaints procedure?**

The complaints mechanism enables individuals to report human rights or environmental risks and (potential) violations resulting from the business activities of Semikron Danfoss and/or its associated entities or throughout the supply chain.

### **Reporting - How can I report complaints?**

Complaints or issues can be submitted by whistleblowers via an internet-based reporting portal of the Danfoss Group, Ethics Hotline, which is accessible in various languages via the following link:

<https://danfoss.whistleblownetwork.net/frontpage>

Reports are submitted confidentially and, if necessary, anonymously on this reporting portal.

### **Receiving and Handling of complaints - What happens to the complaints?**

After receiving a report via the Ethics Hotline, the person submitting the report will receive a confirmation of receipt, which is usually sent immediately but may be delayed by up to one week.

Reports and complaints submitted via the Danfoss Ethics Hotline are received centrally by the Danfoss Group Risk & Compliance department and, if necessary, forwarded to the concerned functions of other Danfoss entities for further confidential handling and investigation of the issue.

The whistleblower will be contacted. The issue will be investigated and, if necessary, further discussed with the whistleblower. In addition, other internal measures will be taken to clarify the reported issue, such as reviewing relevant documents or interviewing witnesses.

If a human rights or environmental risk arises from a complaint without an identified violation having occurred, preventive measures are going to be defined. In case a violation of human rights or environmental obligations is identified, remedial measures need to be immediately initiated. The definition and implementation of preventive and remedial measures are the responsibility of the local Danfoss entities who are subject to the LkSG.

The (interim) results of the investigation will be communicated to the whistleblower within a defined timeframe (generally within three months) and, if necessary, further steps are going to be discussed with the whistleblower.

### **Anonymity and confidentiality - How is the whistleblower protected?**

In principle, reports can be submitted anonymously. In this case, no data of the whistleblower will be collected which could allow an identification of the whistleblower.

Furthermore, the confidentiality of personal data and other information that could allow an identification of the whistleblower is guaranteed after the submitting of a report. Only Danfoss Risk & Compliance and the function(s) of the corresponding local entity responsible for investigation of the issue are allowed to view the information.

A report in good faith as to its accuracy will not be treated as a breach of trust and will not lead to disadvantaged or sanctioned actions.