



Covestro Grievance Mechanism Operating Procedure

**Handling of reported risks or possible violations
of human rights and certain environment-related
obligations**

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Operating Procedure for Reported Risks or Possible Violations of Human Rights and Certain Environment-Related Obligations

Purpose

In living up to our purpose to “make the world a brighter place”, we expect that our operations and those of our suppliers are managed with integrity and a sense of responsibility towards individuals, society, and the environment. We acknowledge that an open line of communication to report risks and potential violations of rights (i.e., a “grievance mechanism”) is an important element to foster an open dialogue with our stakeholders, especially regarding concerns. Therefore, we appreciate your report and will follow up accordingly. This procedure aims to provide transparency to users on how reports received by our grievance mechanism are handled.

Scope

In the event of a suspected risk associated with or a breach of human rights and environment-related obligations in scope of the German Act of Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (i.e., the Minamata Convention, the Basel Convention, and the Stockholm Convention) or related internal policies and procedures, both Covestro employees as well as third-parties are encouraged to report such a suspected risk or breach (i.e., a “grievance”). These may be associated with the own operations of Covestro or with the operations of any of its direct or indirect suppliers when they are linked with the raw materials, goods, or services being provided to any Covestro company.

How to Report

To report grievances within the scope of this procedure we encourage you to reach out to us via our [SpeakUp! Line](#), which consists of a worldwide hotline and an online tool. In addition, Covestro employees may reach out to the established internal reporting channels, including their local Compliance Officer.

Our Commitment to Grievance Handling

To ensure the effectiveness of our mechanism, we commit to ensuring that reported grievances are handled with the following guiding principles:



- **Acknowledgement of Receipt**

If you don't receive a confirmation that your report has been received within 7 days, please check your spam folder. In case you did not receive a notification, please contact us again. This will help us to identify and remediate errors in our process.

- **Anonymity and Confidentiality**

Grievances may be submitted anonymously. If you reveal your identity, it will be handled with strictest confidentiality (i.e., on a "need-to-know" basis) by the persons entrusted with the investigation. These persons may approach you to discuss the facts of your report and obtain other information helpful for the effective investigation of your grievance.

- **Impartiality and Independence**

The persons responsible for investigating your grievance are knowledgeable and bound to impartiality and independence (i.e., they will strive to identify all facts which are relevant to confirm or rebut the risk or potential violation in a fair and unbiased way).

- **Non-retaliation**

Any form of retaliation or intimidation for reporting a grievance in good faith or for good faith participation in any investigation is prohibited and will be considered a violation of the rules and regulations of Covestro.

- **Legality**

The investigation will be conducted in accordance with all applicable laws, including, but not limited to, applicable data privacy laws, employment laws and whistle-blower protection laws. If any requirement of this procedure conflicts with mandatory laws, such mandatory laws shall prevail.

Our Investigation Procedure

Please find in Figure 1 below, an overview of the steps taken during the investigation of your grievance. The total duration of the investigation and decision making will differ from case to case. The person guiding the investigation will consider the severity of the risk or potential violation on the affected person(s), as well as its scope and complexity, with the aim of conducting the investigation in a timely and effective manner.

Please understand that although we endeavour to handle all cases in a timely manner, due to the diverse nature of the facts and circumstances of each case (e.g., such as where along the supply chain the risk or potential violation has occurred), the time frame needed to conclude individual investigations may vary greatly.

Figure 1. Grievance Handling Process*



**This figure is model based. Depending on the initial case, individual steps may be omitted or take place in a different order.*

Grievance Handling Responsibilities

To ensure reported grievances are handled in the best possible way, experienced professionals from various internal departments may be involved. Covestro's Whistleblowing System ([SpeakUp! Line](#)) is operated by Covestro's Compliance Department. Our local Compliance Officers ensure that all cases related to Covestro's operations are handled in an appropriate manner. Covestro's Human Rights Office, a Covestro cross-departmental working group who is responsible for the integration of human rights requirements into our group's activities, is responsible for handling reported cases related to Covestro's supply chain. They are supported in the investigation of those cases by the Procurement Department.

Conclusion and Follow-Up with Reporting Person

Within the completion phase, you will be informed about the conclusion of the investigation and where appropriate, we will share information about its outcome (considering the necessary protection of personal data and business secrets).

The implementation of planned remedial measures, if any, may take time. Processes are established to follow-up on their execution.