

RULES OF PROCEDURE: KfW'S COMPLAINTS PROCEDURE (LKSG)

For KfW, the "bank by responsibility", respect for human rights and sustainable protection of the environment are a central pillar of its own actions but also the actions of suppliers in the supply chains.

KfW, KfW IPEX-Bank, DEG and KfW Capital have therefore implemented procedures to appropriately address complaints and hints related to potential human rights and environmental risks or related breaches of duty.

Subject of the procedure

The subject of this procedure may be all complaints and hints that point to potential human rights or environment-related risks and related breaches of duty.

Potential human rights risks and violations that may be the subject of the complaint/ the hints may relate in particular to the following aspects:

- Child labor
- Forced labor and all forms of slavery
- Disregard of occupational health and safety and work-related health hazards
- Disregard of freedom of association and the right to collective bargaining
- Unequal treatment in employment
- Withholding of a fair wage
- Destruction of vital natural resources through environmental pollution
- Illegal violation of land rights
- Hiring or use of private/ public security forces without an adequate command structure or proper oversight to prevent harm
- Any other behavior, by action or omission, in breach of a duty to act, which is directly interferes with a protected legal position (= other human rights) in a particularly serious manner and which is obviously illegal in a reasonable assessment of the circumstances

Potential, reportable environment-related risks and violations may, in particular, exist in the following forms:

- Violation of a prohibition resulting from the Minamata Convention, which aims to protect human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds into the air, water, and soil
- Violation of the ban on production and/ or use of substances within the scope of the Stockholm Convention (POPs), as well as non-environmentally friendly handling of waste containing POPs (note: the objective of the Stockholm Convention of 2001 is to protect human health and the environment from persistent organic chemicals) ([BVL - Stockholm Convention \(bund.de\)](#))
- Violation of the ban of importing and exporting hazardous waste as defined by the Basel Convention ([Basel Convention on the control of transboundary movements of hazardous wastes and their disposal | Laws | BMUV](#))

Reporting persons/ the complainant

Any person is entitled to report hints of breaches or to complaint regarding potential human rights or environmental risks and violations.

Channels for reporting complaints/ hints on breaches

Complaints and hints connecting to risks/ breaches of duty with respect to human rights and the environmental can be made through KfW's established complaint channels as well as through the complaint channels of the entities within the group structure. Contact details can be found on the websites of KfW and the respective entities within the group:

- KfW: [Whistleblower System | KfW](#)
- KfW IPEX-Bank: [Principles of complaint management at KfW IPEX-Bank \(kfw-ipex-bank.de\)](#)
- DEG: [Compliance | DEG \(deginvest.de\)](#)
- KfW Capital: [Complaints Management Policy - KfW Capital - KfW Capital](#)

Procedure

Upon receipt of the complaint or hint of a breach, an assessment is made as to whether the complaint or hint is related to possible human rights violations or environmental concerns. The receipt of the complaint/ hint is documented internally. The reporting person/ the complainant will receive an acknowledgement of receipt within seven calendar days at the latest.

The complaint/ the hint regarding a breach is forwarded to the responsible unit for further processing. Complaints and hints of breaches that reach KfW, KfW IPEX-Bank, DEG or KfW Capital are individually processed by a processing unit of Compliance of the concerned entity of the group. The unit is responsible for processing and clarifying the facts. KfW's central evidence unit, located in KfW's Compliance unit acts as a supervisory body and is to be informed about the processing of the complaint respectively the information on breaches. In case a complaint is involving human rights and environmental risks or breaches of duty, remedial measures shall be developed by them, and existing preventive measures adapted (as necessary).

The facts of the individual complaint/ hint are discussed (if possible and necessary) with the reporting person/ complainant, with the aim of gaining a better understanding of the facts and measures to be initiated by the respective processing unit. In this context, it is particularly important to identify expectations with regards to possible remedial and preventive measures of the reporting person/ the complainant.

Once the matter regarding the individual complaint/ hint has been finalized by the respective processing unit, the result must be communicated in writing to the reporting person/ the complainant (if he or she has disclosed his or her identity). The reporting person/ the complainant must be informed within three months. Should the processing of the facts by the respective processing unit take longer than three months, the reporting person/ the complainant must be informed accordingly.

Duration of the procedure

The duration of the complaint procedure depends on the complexity of the respective complaint/ hint of the breach.

Principles of the procedure

Preservation of the impartial and not instruction-bound acting as well as confidentiality

Impartiality, actions not bound by instruction and confidentiality are ensured in terms of personnel and processes throughout the processing of complaints/ hints of breaches by Compliance of KfW and the entities within the group.

Preservation of anonymity

The preservation of anonymity for complaints/ hints of breaches reported via the ombudsperson, is ensured. As a lawyer, the ombudsperson is bound to confidentiality. Only upon request and with the express consent of the reporting person/ the complainant will his or her identity be disclosed to Compliance of KfW or the concerned entity within the group.

Protection against disadvantage or punishment based on a complaint/ hint of breach

Protection against disadvantage or punishment based on a complaint is derived from the MaRisk regulatory requirements for the compliance function. The compliance function shall ensure the implementation of effective procedures for complying with the legal regulations and regulations that are material to the institution and corresponding controls. The reporting of facts that violate regulatory requirements or general KfW regulations thus support the compliance function in properly fulfilling its role.

Costs of the procedure

The reporting of complaints/ hints of breaches is free of charge for the reporting person/ the complainant.

Review of the effectiveness of the procedure

The review of the appropriateness and effectiveness of the complaint procedure is carried out annually as well as on an event driven basis.