



Grievance Mechanism of HSBC Germany – Rules of Procedure

pursuant to Supply Chain Due Diligence Act (SCDDA) Section 8

1st of January 2024

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1 Preface¹

HSBC Germany has established a complaint procedure for the reporting of human rights or environmental concerns. It constitutes a fundamental element of the due diligence obligations under the German Supply Chain Due Diligence Act (SCDDA). The present procedural guidelines outline the processes of the implemented complaint procedure.

2 Scope

The scope of the complaint procedure extends to notifications related to specific human rights or environmental risks as well as violations within HSBC Germany's own business unit or its associated supply chains. The complaint procedure under the SCDDA, however, does not apply to product-specific and service-related customer concerns and complaints. Matters of this nature must be separately addressed to HSBC Germany through the designated complaint channels.

The SCDDA complaint process is applicable to anyone, without exception, directly or indirectly affected by a potential violation of human rights or the environment. The subject of a complaint can encompass all concerns related to a past, present, or potential future human rights or environmental risk pursuant to SCDDA section 2, paragraphs 2 and 3, within HSBC Germany's own business area or its supply chain. The latter includes both, direct and indirect suppliers. In summary, though not exhaustively, complaints may apply to the following human rights violations:

- Child labor
- Forced labor
- All forms of slavery
- Disregard of labor protection standards
- Disregard of freedom of association
- Discrimination and equal treatment of employees
- Withholding fair compensation for labor
- Human rights violations due to environmental damage
- Disregard of land rights
- Violence by private and public security forces

Additionally, complaints may be related to potential environmental damages, which, in turn, are often associated with human rights risks, such as:

- Harmful soil changes
- Water pollution
- Air pollution
- Harmful noise emissions
- Excessive water consumption

Also encompassed in SCDDA relevant complaints are indications related to environmental risks. For a comprehensive overview of all relevant human rights and environmental risks, reference is made to SCDDA section 2, paragraphs 2 and 3.

¹ HSBC Germany provides its SCDDA grievances mechanism's rules of procedure in both versions, German and English. It is pointed out that the English version serves informational purposes only and that the German version therefore shall be authoritative.

3 Reporting Channels

HSBC Germany has established a central complaints office, represented as the primary point of contact by the external ombudsman and lawyer, Mr. Albrecht Vahl. All complaints relevant to the SCDDA can be submitted in writing or by phone to Mr. Vahl. The contact details are as follows:

Email: HSBC-Germany@ombudsmann-vahl.de

Contact Form: <https://ombudsmann-vahl.de/kontakt/>

Phone: +49 (0) 152 22412424

For an efficient and prompt complaint handling, the following information is helpful:

- Narrative of the facts in chronological order, preferably containing the following details:
 - Detailed description of the incident and context (What?)
 - Specification of the location, if applicable the department and unit (Where?)
 - Indication of the timeframe of the incident / whether the incident is ongoing (When?)
 - Identification of the involved, affected, or harmed individuals (Who?)
- Explanation of human rights or environmental concerns and how they are connected to HSBC Germany.
- Indication of the preferred method of further communication (Email, Phone).

This list is intended as guidance for the reporting of a complaint, but does not represent a mandatory requirement for complaint processing in general. Complaints may also be submitted anonymously.

4 Complaint Procedure

After the complaint is submitted to the ombudsman, the complainant receives an acknowledgment within 7 days, provided the contact information is available. An initial review is conducted to determine whether the subject of the complaint relates to a past, present or potential future human rights risk or environmental risk within the own business unit of HSBC Germany or its supply chain (pursuant to SCDDA section 2, paragraphs 2 and 3). If the complaint does not relate to the SCDDA, the matter cannot be processed within this complaint procedure. In this case, the complainant is informed with appropriate justification, given the contact information is available.

All reported complaints are initially reviewed by the HSBC SCDDA Complaint Committee and, depending on the individual case circumstances, are assigned to a dedicated case expert for further processing. The case expert examines the details of the submitted complaint. Depending on the criticality of the case and the availability of the complainant's contact details, the specific processing steps vary.

A potential solution proposal is developed based on the information collected and case details received. If a violation of human rights or the environment is present or imminent, remedial actions are taken. The complainant receives feedback on the case within three months of receiving the acknowledgment of the complaint, with interim reports provided if necessary.

All HSBC employees involved in the examination and processing of a complaint are bound by confidentiality and independently review the case. Each incoming complaint is treated confidentially, ensuring effective protection against discrimination or retaliation by HSBC Germany. Every case, from the receipt of the complaint through all processing steps to the final resolution and feedback to the complainant, is continuously and comprehensively documented and stored in accordance with the applicable legal retention periods within the company.