

## REPORT REVIEW PROCEDURE AT ŚNIEŻKA GROUP

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**Drawn up by:**

Izabela Chmiel - Corporate Governance Officer

Sławomir Wilkos - Compliance Officer

**Approved by:** The President of the Management Board of Śnieżka Trade of Colours sp. z o.o. – Joanna Wróbel-Lipa

Śnieżka Trade of Colours sp. z o.o.

siedziba spółki: 00-867 Warszawa, ul. Chłodna 51, adres do korespondencji: 39-207 Brzeźnica, ul. Dębicka 44

tel. +48 22 221 93 19 lub +48 14 681 11 11, fax +48 14 682 22 22, KRS 0000373430 Sąd Rejonowy dla m. st. Warszawy w Warszawie

XIII Wydział Gospodarczy KRS, NIP 872-23-87-389, REGON 180632944, BDO 000499445, kapitał zakładowy 303 558 000 PLN

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## 1. PREAMBLE

This Procedure for handling reports, hereinafter referred to as the "**Procedure**", is a supplement to the Internal Reporting Procedure applicable at Śnieżka Trade of Colours sp. z o.o., hereinafter referred to as the "**Reporting Procedure**", and serves as a manual for entities appointed to explain the submitted Reports.

The procedure contains instructions allowing to carry out the investigation and ensure independent verification of the reported signals of possible Violations, compliance with applicable law and internal regulations. The Procedure contains principles determining how appropriate steps should be taken and what corrective actions should be planned.

## 2. PURPOSE AND APPLICATION

2.1. The purpose of this Procedure is:

- 1) unification and standardization of the process of reviewing Reports within the "Śnieżka" Group;
- 2) establishing rules ensuring the confidentiality of the investigation and the actions taken;
- 3) indication of sample criteria for assessing the information provided in the Report and ensuring due diligence when considering them.

2.2. This Procedure applies in conjunction with the Internal Reporting Procedure.

2.3. Each company comprising the Śnieżka Group applies the principles of considering Reports and taking corrective actions established herein.

## 3. DEFINITIONS

All terms defined in the Report Procedure have the same meaning in this Procedure, unless otherwise stated herein.

## 4. RESPONSIBILITY

4.1. The procedure applies to:

- 1) Team members in the area of taking actions related to receiving Reports;
- 2) The Śnieżka ToC Management Board in the area of taking follow-up actions;
- 3) all Employees as for support in reviewing Reports, indicated in detail by the Śnieżka ToC Management Board, consisting in providing documents and conveying any information in their possession that may be relevant to the Report being subject to clarification.

4.2. The Śnieżka ToC Management Board is an entity responsible for updating the Procedure, ensuring its availability and clarifying any doubts related to its application.

## 5. RECEIPT AND REGISTER OF REPORTS

5.1. An entity authorized to receive Reports is the Team, acting on the basis of authorization.

5.2. Within 7 days of submitting the Report, the Team shall confirm to the Whistleblower that the Report has been received, unless the Whistleblower submits the Report anonymously and does not

provide contact details for receiving feedback.

- 5.3. After completing the activities indicated in sec. 5.2., the Team shall forward the received Report to the Śnieżka TOC Management Board for verification of the Report and taking further steps in accordance with sec. 6.3.
- 5.4. The Śnieżka TOC Management Board maintains report register in electronic form on the EY VCO Platform;
- 5.5. The report register records Reports regardless of their substantive value, method of submission and assessment of their validity. Due to the confidential nature of the data collected in the report register, only members of the Śnieżka TOC Management Board have access to it.
- 5.6. Reports are automatically numbered and catalogued in the report register.
- 5.7. A Report submitted via the EY VCO Platform automatically confirms to the Whistleblower that the Report has been sent. The Team confirms receipt of the report by changing its status on the EY VCO Platform - within 7 days from the date of submitting the Report.
- 5.8. The Team is obliged to update the Report status on the EY VCO Platform (the Report statuses are indicated in Annex 2 to the Procedure).

## 6. REPORT VERIFICATION

- 6.1. After receiving the Report and performing the activities referred to above, Śnieżka ToC Management Board proceeds to the initial report verification. Initial verification includes in particular:
  - 1) checking whether the Report meets the formal requirements, i.e. whether it was submitted by an authorised person and whether it concerns a Violation of the areas of common law indicated in section 5.2 of the Reporting Procedure or internal regulations indicated in section 5.3 of the Reporting Procedure;
  - 2) checking whether the person submitting the Report has the status of a Whistleblower and is subject to the protection provided for in the Reporting Procedure;
  - 3) an initial assessment of whether the Report contains information allowing for initiating explanatory proceedings, such as, among others, a description of the Violation, place and time of the Violation, the manner in which the Violation was committed, the persons committing it;
  - 4) an assessment of whether the Report is clearly false;
  - 5) an assessment of the potential consequences for the Śnieżka Group that the Violation may cause;
  - 6) estimation of resources needed to conduct the investigation.
- 6.2. If the Śnieżka ToC Management Board considers that the data provided in the Report is insufficient to verify the Report, it may contact the Whistleblower to provide additional information.
- 6.3. Based on the conclusions from the initial verification of the Report, the Śnieżka ToC Management Board decides on:
  - 1) referring the Report for explanatory procedure, or
  - 2) closing the Report if:
    - a) it does not meet the formal requirements,
    - b) meets formal requirements but is clearly false,
    - c) the information provided in the Report is insufficient and it is not possible to contact the Whistleblower, there is no objective possibility of supplementing or confirming it.
- 6.4. If the Śnieżka ToC Management Board decides to close the Report, it is obliged to provide the Whistleblower with feedback on the follow-up actions taken or – if there are no grounds to take follow-

up actions – on the reasons for not taking them, within 3 months from the date of receipt of the Report, and to enter the following information into the appropriate report register:

- 1) information about any follow-up actions taken or the reasons for not taking them;
- 2) date of case completion.

## 7. EXPLANATORY PROCEDURE HANDLING

- 7.1. The explanatory procedure is conducted by the Śnieżka ToC Management Board.
- 7.2. Each person conducting the explanatory procedure is obliged to exercise due diligence in undertaking explanatory activities and:
  - 1) reliably and objectively present the facts, causes and effects of the Violation and the scope of responsibility for its occurrence;
  - 2) maintain confidentiality of all information that comes into its possession as part of the investigation;
  - 3) document the course of the investigation;
  - 4) appropriately secure evidence collected during the investigation;
  - 5) appropriately record the actions taken.
- 7.3. Each person conducting the explanatory procedure takes steps to determine the factual events and circumstances described in the Violation Report, including:
  - 1) analyses documentation (paper and electronic);
  - 2) analyses publicly available information (e.g. in the case of possible connections – relevant business registers or press archives);
  - 3) consults the details of the case with internal experts or, after obtaining appropriate consent, with external consultants (e.g. industry experts, lawyers, appraisers, advisors);
  - 4) conducts explanatory talks with employees.Annex No. 1 contains examples of activities that are worth performing during the Report verification and activities that should not be performed.
- 7.4. Each person conducting the investigation is obliged to take all actions in a manner that minimizes the risk of disclosing the identity of:
  - 1) The Whistleblower;
  - 2) A person the Report refers to;
  - 3) A person assisting in submitting the Report;
  - 4) A person associated with the Whistleblower.
- 7.5. The explanatory procedure should be completed no later than within 3 months from the date of receipt of the Report, unless there are objective and justified grounds for extending the procedure. If, due to the complexity of the case or other justified circumstances, the procedure is not concluded within the above deadline, the person in charge of the explanatory procedure is obliged to record in the appropriate report register the fact of extending the explanatory procedure and provide the reason. An extended procedure does not exempt the Śnieżka ToC Management Board from providing the Whistleblower with feedback within 3 months from the date of receipt of the Report.
- 7.6. Once the explanatory procedure has been completed, regardless of its outcome, the Śnieżka ToC Management Board is obliged to enter the following into the appropriate report register:
  - 1) information on any follow-up actions taken, including the outcome and result of the investigation;

- 2) date of case completion.

## **8. TEAM CONDUCTING THE EXPLANATORY PROCEDURE**

- 8.1. If the conduct of the explanatory procedure requires an increase in human resources, specialist knowledge or skills, the Śnieżka ToC Management Board may take advantage of the support of:
  - 1) The team authorized to receive Reports, consisting of:
    - a) Corporate Governance Officer employed at Fabryka Farb i Lakierów „Śnieżka” S.A., who is also the chairman of the Team,
    - b) Compliance Officer employed at Fabryka Farb i Lakierów „Śnieżka” S.A.,
  - 2) An employee with knowledge that may assist in clarifying the Report;
  - 3) an external advisor who is not an Employee.  
– provided that the above-mentioned persons comply with the obligation of confidentiality on the same terms as those applicable to the Śnieżka TOC Management Board.
- 8.2. The Śnieżka TOC Management Board may take advantage of the following support:
  - 1) The Whistleblower;
  - 2) A person the Report refers to;
  - 3) A person assisting in submitting the Report;
  - 4) A person associated with the Whistleblower;
  - 5) any other person whose legal or factual relations with any of the persons indicated in points 1–4 may affect their impartiality and objectivity.
- 8.3. Each entity appointed by the Śnieżka TOC Management Board to support the conducted explanatory procedure is obliged to immediately inform the Śnieżka TOC Management Board about the occurrence of any obstacle indicated in sec. 8.2. In the event of an obstacle confirmed, the Śnieżka TOC Management Board excludes this person from participation in the explanatory procedure.
- 8.4. Each entity appointed by the Śnieżka TOC Management Board to support the conducted explanatory procedure is obliged to keep confidential all information that they have learned as part of being allowed to participate in the explanatory procedure.

## **9. DOCUMENTING ACTIVITIES**

- 9.1. All actions taken during the investigation must be properly documented.
- 9.2. The documentation of the explanatory procedure is prepared on an on-going basis, including all minutes and other materials relevant to the explanatory procedure.
- 9.3. Whenever there is a need to conduct an inspection, it is carried out in a committee, i.e. in the presence of at least two persons involved in explaining the Report and, if necessary, the person in charge of the organisational unit where the inspection is carried out or another person responsible for the item subject to inspection, unless this is the Person the report relates to.
- 9.4. All documents collected during the explanatory procedure, including minutes of the activities carried out, constitute the secret of the Śnieżka Group company to which they relate and may not be disclosed to unauthorized persons.

## **10. EXPLANATORY PROCEDURE REPORT**

- 10.1. Every explanatory procedure, regardless of its outcome, ends with a written report. The Report is signed by the Śnieżka ToC Management Board and all entities appointed by it to support the conducted explanatory procedure
- 10.2. The report indicates:
- 1) all actions taken to establish the factual situation;
  - 2) general conclusions drawn from the explanatory procedure;
  - 3) explanatory procedure outcome;
  - 4) recommendations for corrective actions.
- 10.3. The report constitutes the basis for providing the Whistleblower with feedback on the follow-up actions taken, unless the feedback was provided before the report was issued as a result of an extended explanatory procedure.

## **11. CORRECTIVE ACTIONS**

- 11.1. If a Violation is found, the Śnieżka ToC Management Board may oblige the person in charge of the organizational unit in which the Violation occurred or another appointed person to take appropriate corrective actions.
- 11.2. Corrective actions may include, in particular:
- 1) implementation of additional processes and procedures;
  - 2) modification of existing processes and procedures;
  - 3) conducting appropriate training or taking action to raise awareness of applicable rules or regulations;
  - 4) initiating disciplinary proceedings against the person the Report refers to;
  - 5) reporting the situation to law enforcement authorities.
- 11.3. The basis for taking corrective action is the explanatory procedure report.

## **12. PERSONAL DATA**

Entities reviewing the Report collect only the personal data that is relevant to reviewing the Report. Personal data that is clearly irrelevant to the review of the Report is not collected, and in the event of accidental collection, the person participating in the explanatory procedure is obliged to immediately delete such data.

## **13. PROCEDURE REVIEW**

Given its experience in verifying Reports, the Śnieżka ToC Management Board reviews this Procedure on an annual basis.

## **14. ENTRY INTO FORCE**

The Procedure enters into force on 1 August 2023. The updated version of the Procedure is effective from 25 September 2024.

## Annex No. 1

### Sample Internal Explanatory Procedure Framework Plan

Planning is key to an effective and efficient process of clarifying the Report and managing the risks that may arise in connection with the Violation and the fact of its reporting. Below you will find a framework action plan that can be helpful in thinking through and designing a strategy for an action:

#### 1

#### Initial Report verification

1. Complete the formalities and make sure that:
  - The Report is recorded on the EY VCO Platform/in the report register (if the Report was received via another channel, enter the report manually into the EY VCO Platform),  
The Whistleblower received confirmation of receipt of the Report (the Whistleblower must confirm receipt of the Report within 7 days; A report submitted via the EY VCO Platform will automatically provide the Whistleblower with confirmation that it has been sent;)
2. Carry out an initial formal verification of the Report, i.e. consider whether the Report:
  - fits into the catalogue of Violations?
  - was submitted by a person entitled to Whistleblower status and should be protected against Retaliatory Actions?
  - is not obviously false and does not constitute groundless slander that would violate anyone's personal rights?
  - requires immediate formal, administrative or legal actions, such as notifying the relevant authorities?
3. Carry out an initial substantive verification of the Report, i.e. assess:
  - credibility of the Report, i.e. consider whether the Report contains information that would allow for initiating explanatory procedure, such as, among others, a description of the Violation, place and time of the Violation, the manner in which the Violation was committed, the persons committing it;
  - the consequences that a potential Violation may have for the Śnieżka Group;
  - how complex the case may be and how serious the Violations are.



## 2

### Development of an action strategy and preliminary assessment of its effects

1. Based on the analysis of the problem, develop an action strategy, assessing the effects that the Violation may cause and the fact of its disclosure (the Whistleblower has reasonable grounds to claim that the Violation has occurred or will occur):
  - outside the organization (reputational and regulatory effects, the need to inform stakeholders or other bodies and institutions, e.g. the Warsaw Stock Exchange, regulators, the Tax Office, shareholders, the supervisory board, the management board, etc.),
  - within the organization (whether anyone other than the Whistleblower has knowledge of the Violation, whether anyone has knowledge of the Report sent, whether the identity of the Person the Report refers to is adequately protected).

## 3

### Planning and preparation

1. Assess the human and technical resources needed to conduct the explanatory procedure:
  - whether to appoint a Team and in what composition (who will have the knowledge that will help in explaining and collecting information from the area covered by the Report),
  - whether to engage external consultants and experts.
2. Identify the following entities:
  - contact persons regarding the case (e.g. Finance Department, IT)
  - who may have knowledge of the Violation or have witnessed unethical practices,
  - others who should be spoken to during the explanatory procedure.
3. Identify and secure evidence, i.e. determine:
  - what are the key data sources that need to be secured and analysed,
  - how to collect documentation and evidence (save files, take screenshots, etc.),
  - whether an inspection should be carried out and physical evidence should be secured.

## 4

### Conducting the explanatory procedure

1. Plan what facts you want to establish and what actions need to be taken to obtain answers to the questions asked.
2. Tailor the specifics of your activities to the Report. It's worth weighing up the following tools:
  - financial and accounting analysis and document review to determine the actual nature of the

transaction,

- review of digital documents, e.g. documents sent to a contractor or office, e-mail communications,
- clarification interviews of a set nature, based on a structured plan,
- review of available monitoring,
- analysis of electronic data, e.g. employee entries and exits, system login times, metadata and document modifications.

## 5

### Reporting

1. Plan your document structure, which includes:
  - Report description
  - performed activities,
  - results of the analyses performed,
  - final conclusions supported by documentation collected during the procedure,
  - recommendations and corrective actions.
2. Consult whether the findings of the procedure should result in specific legal actions being taken outside the organization.

## 6

### Corrective actions

1. Plan corrective actions and consult them with key stakeholders within the organization.
2. Monitor the implementation of corrective actions and ensure appropriate communication of changes within the organization.

## Annex No. 2

### A compendium of good practices in explanatory procedure

1. During the initial verification and explanatory procedure, **remember to:**
  - 1) secure and protect data and source documents;
  - 2) maintain confidentiality, protect information related to the proceedings, in particular the identity (personal data) of both the Whistleblower and the suspects, i.e. the persons the Report refers to;
  - 3) limit the group of people familiar with the Report and the initiation of the procedure;
  - 4) establish communication channels and information exchange enabling the achievement of the above objectives.
2. During the explanatory procedure you **must not:**
  - 1) share personal data or any other data that allows the identification of the Whistleblower and the Persons the Report refers to;
  - 2) involve a large group of employees in the initial stages of the procedure;
  - 3) undertake or tolerate Retaliatory Actions (including termination of employment) against the Whistleblower, Persons assisting in the Report, Persons associated with the Whistleblower or Persons the Report refers to before the explanatory procedure has been completed;if the Person the Report refers to has been dismissed, delete data from devices previously entrusted to them.

### Annex No. 3

#### Report Statuses – EY VCO Platform

The Report status depends on the action taken and the stage of the Report handling. The Report Statuses available on the EY VCO Platform are as follows:

	STATUS	ACTION	RESULT
1	SENT	A report from the Whistleblower was received by the “Śnieżka” Group.	The Whistleblower receives automatic confirmation from the system that the Report has been sent.
2	RECEIVED	<p>The entity authorized to receive Reports must open the Report in the system to assign it the status <b>RECEIVED</b>.</p> <p>The entity receiving the Report then assigns the Report to a dedicated, authorized person – even if only one such person is registered in the system.</p>	If the Whistleblower has provided an e-mail contact address, he or she is automatically notified by the system that the report has been received. The report status changes to <b>RECEIVED</b> .
3	IN PROGRESS	<p>After being assigned to an authorized person, that person decides whether to give the Report the status <b>IN PROGRESS</b> or <b>CLOSED</b>.</p> <p>Information about the change in status is automatically sent by the system to the Whistleblower.</p>	<p>The entity authorized to receive Reports has received it for verification and is taking action and explanatory steps.</p> <p>The Status Name is visible to the Whistleblower after logging in to the Report.</p>
4	CLOSED		<b>CLOSED</b> status represents the end of the explanatory procedure.