

Whistleblowing Group Policy

1. Introduction

We, Shelly Group SE (hereinafter referred to as “the Company”, “Shelly”, “we” or “our”) recognize that a unilateral approach is not enough to fulfil our commitment to create and maintain a positive and secure environment by conducting our business in accordance with applicable laws, internationally recognized standards, business practices, and established corporate policies. We also acknowledge that joint efforts and the involvement of our stakeholders are essential to the effective implementation of our commitment to promote a culture of transparency and dignity. In pursuit of this commitment, we are committed to encouraging proactive behaviour by our stakeholders to ensure compliance with legal provisions, group policies, and rules regarding the Company's activities and operations.

2. Purpose of the Policy

The objective of this Policy is to formalize and set forth principles and procedure of reporting concerns about suspected misconduct, such as violence of legal obligations and legislation, as well as the breach of the adopted Company’s rules, policies and cooperate culture and ethics, without fear of retaliation. These rules are intended to provide the employees, contractors, and other stakeholders with easy-to-understand guidelines and to ensure the report of suspected wrongdoing shall be addressed in a prompt, appropriate and confidential manner. This Policy aims to ensure the required level of protection of anyone who submit signals or publicly discloses information for violations and to ensure proper mechanism of investigation and subsequent measures.

3. Scope of application

The Whistleblowing policy applies to the Shelly Group and Shelly Group’s wholly owned affiliates and subsidiaries, as well as all employees of any joint unit or entity in which Shelly Group has ownership interest or exercises effective control. This Policy applies globally to all individual working for Shelly Group, including employees at all levels, directors, managers, officers, agency workers, seconded workers, volunteers. This Policy also applies to our business relationships, including a third parties that act on behalf of Shelly Group, such as agent, contractors, subcontractors, resellers, external consultants, intermediaries, third party representative, business partners, and other stakeholders of Shelly Group. This Policy covers all aspects of the Company’s operations and activities.

4. Compliance

The Whistleblowing Group Policy complies with the principles of the Directive EU 2019/1937 on the protection of persons who report and in accordance with Bulgarian

legislation under Protection of Persons, Reporting Information, or Publicly Disclosing Information about Breaches Act. In fulfilling our obligations, with this Policy, we establish a channel for internal reporting of signals and providing information on the possibilities for using external channels to disclose concerns about violations of European and Bulgarian legislation or acts of the European Union that threaten or harm the public interest and the protection of individuals in connection with the signals they have submitted.

5. Report of Concerns

5.1. Definition of whistleblowing

Whistleblowing refers to the methods adopted by this policy for voluntarily reporting or making public information about wrongdoing and misconduct within the scope of the Company's operation and activities. Whistleblowing is recognized by Shelly Group as important mechanism to enhance the overall integrity and functionality of the organization, protecting the Company's reputation, enabling internal issue handling that prevent escalation and provide opportunities for timely and appropriate reactions of investigations and corrective measures. Whistleblowing does not refer to reporting personal conflicts and disagreements that do not affect public interests, legal requirements, or corporate rules and ethics. Such reports are not within the scope of this policy and are not eligible for investigation.

5.2. Whistleblowers – Who can report concerns?

Whistleblower could be any natural person who, in good faith, reports a concern of violations of the legal regulations, international recognized standards, business practices and Company's corporate culture and policies, which have been revealed in a work-related context. In respect with our commitment to conduct business by upholding strong ethical value through entire value chain, we encourage our stakeholders who is, or has been, any of the following in relation to Shelly Group, to raise awareness and digging into action of submitting signals of suspected wrongdoing and misconduct:

- An officer or employee, including current and formal employees, whether permanent, part-time or temporary, interns, secondees, managers and directors
- Volunteer or intern.
- Contractors and consultants, current and formal contractors working for the Company.
- Shareholders, member of management or supervisory bodies in Company, and member of the audit committee of an enterprise
- Suppliers and distributors
- Formal employees and job candidates
- Contractors and consultants, current and formal contractors working for the Company.
- Any other stakeholders with a legitimate interest in the Company's operations and activities.

5.3. Whistleblower protection

The whistleblower is enabled of protection under condition he/she reports or discloses information for misconduct or breach in a good faith and has had a reasonable ground to suspect to belief that the provided information is true at the time of the submission and that information falls within the scope of the areas outline as disclosable matters herein. Eligible whistleblower who reports concern about confirmed or suspected violations is under protection from the moment of submitting the signal or disclosing publicly information of violation. Shelly Group is committed to protecting eligible whistleblower from any form of retaliation or adverse consequences. We ensure to apply all necessary measures to safeguard the identity and confidentiality of whistleblower.

The legal protection we guarantee for whistleblowers also applies to any person who has assisted whistleblowers in the process of reporting and whose assistance should remain confidential, as well as persons who are connected through work or relatives of the whistleblower and may be subject to retaliation due to the report, as well as legal entities in which the whistleblower has a shareholding, for which they work or with which they are otherwise connected in a work context. Whistleblowers who disclose information about misconduct anonymously are also subject to legal protection if they have subsequently been identified.

The whistleblower can still be qualified for protection regardless of the incorrectness of the disclosed information and no remedies shall be taken against the whistleblower, regardless of the investigation outcomes.

The whistleblower who submitted disclosures that are not about disclosable matters, specified in this Policy and submission of the information is not in compliance with the requirements set out in this Policy, shall not be qualified for protection.

5.4. False and malicious allegations

Each signal reported through the internal channels of the Company and each signal made by public disclosure shall be handled with care to identify or avoid malicious or false accusations. Shelly Group prohibit any malicious allegations which are mad whit the clear knowledge that they are untrue and malicious in nature. Shelly Group reserves the right to take all necessary actions and measures permitted by applicable legislation in the event of malicious allegations that abused the procedure under this policy and its meaning.

In the event of deliberate and intentional submission of reports containing false or misleading information, the person submitting the report may not be entitled to legal protection.

5.5. Disclosable matters - What Concerns can be reported?

The Whistleblower can report potential misconduct, which may be a suspected infringement of the applicable laws and regulations, or a suspected violation of Company's rules, policies, and codes. Submission of signal or public disclosure on suspected breaches and irregularities have to result in the operations and activities of the Company.

Such disclosable matters may include information about:

- Governance and Business Misconduct: Fraud, Money laundering, Bribery and Corruption, Conflict of interest, Financial irregularities, Failure to meet the legal or regulatory requirements, Public procurement and financing of terrorism.

- Socia, Human Rights and Workplace violations: Discrimination, Harassment, Health and Safety workplace (both physical and mental), infringement of Human Rights and violation of the applicable Labor laws.
- Other Misconduct: Safety and compliance of the products and service; Customer protection, Digital security, Cyber security, Data protection, Environmental protection, and greenwashing.

As well as information on

- infringements affecting the fiscal interests of the European Union within the meaning of Article 325 of the Treaty on the Functioning of the European Union and further specified in the relevant Union measures.
- infringements of internal market rules within the meaning of Article 26(2) of the Treaty on the Functioning of the European Union, including European Union and local regulation on competition and State aid.
- infringements related to cross-border tax schemes aimed at obtaining a tax advantage that is contrary to the object or purpose of the applicable corporate tax law.

Exclusions of the scope of the disclosable matters

- violation on the rules for awarding public contracts in the field of defence and national security, when they fall within the scope of Article 346 of the Treaty on the Functioning of the European Union.
- Violation on the protection of classified information
- Violation on the information protected by the confidentiality of conversations and correspondence between lawyers and their clients.
- Violation on the confidentiality of health information
- Violation on the secrecy of judicial deliberations.
- Violation on the rules of criminal proceedings.

6. Procedure for whistleblowing – How and Where to Report?

Concerns of wrongdoing and misconduct may be reported through the internal and external whistleblowing channel, or both. The whistleblower is free to choose the channel that is considered most appropriate, although we encourage disclosures through the internal channel before external disclosure, unless there are good reasons and circumstances for not preferring the internal channel.

6.1. External whistleblowing channel:

Whistleblowers may submit a report of concern through the external reporting channels defined by the Directive EU 2019/1937 in the Commission for Personal Data Protection (CPDP), which acts as the central authority for external reporting and whistleblowing protection in Republic of Bulgaria when they consider that there is a risk of retaliation or that the breach is unlikely to be effectively addressed, as well as when they consider that there is a conflict of interest with the persons appointed as eligible receiver.

A written reports of concern shall be submitted to Directorate “External Whistleblowing Channel” in the CPDP:

1. In person on paper at the specially created registry of the CPDP at the following address: Sofia 1592, Prof. Tsvetan Lazarov Blvd. No. 2;
2. By letter to the following address: Sofia 1592, Prof. Tsvetan Lazarov Blvd. No. 2, Commission for Personal Data Protection;
3. By fax – 02/915 35 25;
4. By email to whistleblowing@cpdp.bg as an electronic document signed with a qualified electronic signature (QES);
5. Through the Secure Electronic Delivery System (SEDS) maintained by the Ministry of Electronic Governance.

A verbal report of concern shall be made via private meeting with official of Directorate “External Whistleblowing Channel”

6.2. Internal whistleblowing channel:

Reports of concern may be made in writing and/or verbally, as follows:

- via email at: breaches@shelly.com; for Shelly Europe Ltd. only dpo@shelly.com
- In written to the address of the Company, to the attention of the Head of Human Resource: 51, “Cherni Vrah” Blvd., building 3, fl. 2-3, 1407, Sofia, Bulgaria
- Via phone number: +359 2 988 6954, during Business days form 09:00 AM till 06:00 PM EEST/EET.
- via private meeting with eligible receiver responsible for handling reports.

The Eligible receivers specified below are only ones who are entitled to access the specified email address and are authorised to review, make an initial assessment of the report, and investigation of concern, as follows:

Head of Human Resources Department of Shelly Group ES
Head of Legal Department of Shelly Group ES

For Shelly Europe Ltd. only: Data Protection Officer

Reports of concern shall be filed using an approved form by sample CPDP, which is available on our website: <https://corporate.shelly.com/>, and containing the following information:

1. Identification of the whistleblower: Full name, address/email address, and telephone number of the whistleblower, if available.
2. Who? - Full name and job title/position in the Company of the person concerned, if the report is filed against specific persons and they are known.
3. What? - Specific details about the violation or the possibility of such a violation being committed.
4. Where? - The place where the violation was committed or could be committed.
5. When? - The period during which the violation was committed.
6. How? - A description of the violation and the circumstances surrounding it, as far as they are known to whistleblower.

When the whistleblowing is submitted verbally, whatever through the above-mentioned phone number or through private meeting, the eligible receiver should file the report using the approved form.

When the whistleblowing is submitted in writing whatever via specified email address or by letter to the specified post address, the whistleblower shall file the concern information on the approved form by sample CPDP.

In compliance the Bulgarian legislation, proceedings are not initiated on the basis of anonymous reports.

Any kind of sources of information and or documents supporting the concern of misconduct or wrongdoing can be attached to reports, including details of persons who could confirm the information or provide additional information.

7. Procedure of filed and investigation – What happens after whistleblowing?

All reports of concern are taken seriously and are investigated thoroughly and diligently in accordance with the requirements for objectivity and timeliness, according to the Investigation Policy. Participants in the investigation shall be treated with fairness and respect.

When the whistleblowing is submitted verbally through private meeting, the eligible receiver should file the report using the approved form.

Step 1. Initial review

Each report received shall be assessed to determine whether it (i) falls within the scope of this Policy, (ii) gives reason to be considered credible, (iii) contains all the required information, and (iv) is appropriate to conduct a thorough investigation. Reports of concern that do not fall within the scope of this Policy or are clearly untruthful and unreliable, shall not be investigated. The whistleblower shall be notified thereof.

Step 2. Registration

Each report received shall be registered with a dedicated Whistleblowing Register and the eligible receiver shall confirm receipt of the report to the whistleblower within 7 days. The Whistleblowing Register is not public and access to only the eligible receivers shall have access to it.

If the report of concern fails to meet any of these requirements, the whistleblower shall be notified to remedy the irregularities within seven days of receipt of the report. If the irregularities are not removed within that period, the report and its attachments shall be returned to the whistleblower.

Step 3. Investigation

During the investigation of a valid whistleblowing report, all facts and circumstances must be established by gathering relevant evidence. If necessary, additional information is requested from the whistleblower, as well as from other people who may provide relevant information. In the case of a report of concern against a specific person (reported person), during the investigation, the reported person shall be given the opportunity to provide explanations by being questioned or by submitting written explanations. The reported person shall be provided with all the evidence gathered, on which he/she may

raise objections within 7 days. The reported person may also submit and indicate new evidence that should be gathered and included in the investigation procedure. All communication during the investigation of the report should be conducted with strict confidence and in accordance with the rules on the protection of personal data. The investigation process is conducted in accordance with the principle of providing information on the basis “need-to know”, and the principle of minimalist processing of personal data.

Step 4. Post-investigation

When the investigation is complete, an individual report shall be issued, based on the results of the investigation. The conclusion of the investigation could be substantiated (i.e., the reported misconduct or violation is confirmed), unsubstantiated, impossible to prove, or insignificant (minor case). Only in case of confirmed wrongdoing and misconduct, the appropriate corrective measures shall be applied, depending on the type and scope of the violation.

These corrective measures vary depending on the situation, examples of which include, but not limited to:

- disciplinary, financial, and other liability in accordance with applicable labour legislation.
- changes in responsibilities and assigned powers.
- changes in processes, procedures, etc.

An internal investigation may lead to a report to relevant law enforcement authorities if there is evidence of crime.

Regardless of the outcome of the investigation, follow-up feedback shall be provided to the whistleblower within three months of the whistleblowing registration through an individual report summarizing all relevant information, including brief information contained in the whistleblowing report, the actions taken, final results of the investigation, measures taken to remedy and prevent subsequent violations, if any.

8. Personal data privacy

For the purposes of processing the whistleblowing process and follow-up procedures of investigation, we shall collect and process personal data of the natural persons, such as whistleblowers, reported persons, witnesses and other third parties, if any, based on the Company’s legitimate interests pursuant to Art. 6 (1) (f) of GDPR.

The Company will process only the data required for the purposes of reporting and investigation of reports of concerns, specified herein.

The Company will process the personal data of all participants of the whistleblowing process or been collected during the investigation process. The Company is committed to applying principle of “data minimization” and processing the personal information to what is directly relevant and necessary to accomplish the handling of whistleblowing reports. Relevant personal data processed for the purposes of handling the whistleblowing reporting and investigation pursuant this Policy will be retained for period of 5 years from the date the internal investigation has been completed.

The Company applies the necessary organizational and technical measures to guarantee personal data is processed in accordance with the applicable data protection legislation and regulations. The Company ensures that all whistleblowing reports made under this Policy will be treated as confidential, insofar as this is consistent by conducting a full and fair investigation.

9. Governance and updates

The Company communicated the Whistleblowing Global Policy with all employees at each one of its subsidiaries, and stakeholders, ensuring that they are informed and understand the whistleblowing mechanisms and procedures.

This Policy will be reviewed periodically, at least once every three years, and updated as required to align with changes to processes, regulatory requirements as well as consideration of analysis its implementation.

The Company reserves the right to modify or amend this Whistleblowing Global Policy at any time, without prior written notice.