

SPEAK-UP LINE PROCEDURE



**Per the Whistleblower Protection Act
and the Act on Corporate Due
Diligence Obligations in Supply
Chains**

Version 1.0 | December 2023

Contents

Introduction	3
Reporting subject matter	3
Reporting channels in place.....	4
1.1. Reporting channel with the service provider LegalTegrity	4
1.2. Direct contact.....	4
1.3. External reporting channels.....	4
The reporting process.....	5
2.1. Tasks of the SWG Internal Reporting Office	5
2.2. Subsequent measures and sanctions	6
2.3. Feedback to reporting parties (deadlines).....	6
Effectiveness review	7
Anonymity and confidentiality	7
4.1. Protection of anonymity.....	7
Protection of own employees.....	7

Introduction

The German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) and Whistleblower Protection Act (HinSchG) require Stern-Wywiol Gruppe GmbH & Co. KG and its subsidiaries (hereinafter “SWG”) to address and react appropriately to:

- Complaints of violations of human rights and environmental requirements or associated risks in the respective business activity and its supply chains, and
- Reports pursuant to §2 HinSchG (hereinafter “reports”)

SWG has set up reporting channels per § 16 HinSchG and § 8 LkSG that enable employees and third parties to report such violations.

The SWG reporting procedure pursuant to HinSchG and LkSG is described below.

Reporting subject matter

What kind of reports can the procedure be used for?

1. In cases of “**violations of human rights and environmental requirements or associated risks**” the following risks or violations per LkSG can be reported:
 - a. **Human rights risks or violations**
Child labour, forced labour, slavery, disregard of work safety and work-related health procedures, disregard of freedom of association, unequal treatment, withholding of appropriate pay, destruction of the natural basis of life through environmental pollution, illegal violation of land rights, use of private or public security forces in contravention of human rights, other activity that substantially impinges on protected legal positions.
 - b. **Environmental rights risks or violations**
Disregard of prohibitions for environmental protection
(Minamata Convention, Stockholm Convention, POPs Convention, Basel Convention)Reports pursuant to LkSG relate to risks or violations resulting from the business activities of SWG including its subsidiaries,
 - whether **its own activities** or
 - **those of a direct or indirect supplier**
2. Per § 2 HinSchG, notifications, i.e. reports and disclosures of information on violations, in particular of:
 - a. **Criminal and civil laws** for the protection of life, limb or health
 - b. **Civil laws** for the protection of the rights of employees or their representative bodies (such as work safety or works council law)
 - c. **Certain European regulations**

can also be made.

For example, this affects the areas of:

- Corruption / conflict of interest
- Unfair competition / antitrust law violation
- Fraud / breach of trust / embezzlement / theft etc.
- Tax fraud
- Money-laundering / terrorism finance
- Data security violation
- Violation of social standards / labour laws
- Violations against works council bodies
- Other violations of internal codes of conduct / applicable laws

Reporting channels in place

By what reporting channels can reports be brought into the process?

1.1. Reporting channel with the service provider LegalTegrity

Employees of SWG or external companies can make reports via the LegalTegrity digital reporting system in German or English, and many other languages.

The SWG website informs external parties of this reporting channel. SWG employees are also informed on the weSTERN intranet, and by means of further communication measures for specific target groups.

The digital reporting channel (speak-up line) offers the **option of making reports anonymously**. If this is desired by the reporting party or whistleblower, we request that after submitting the report he or she log in by password from time to time, in case there are questions that need to be answered to supplement the information on the case. The service provider has configured the digital reporting channel in such a way that the identity of the whistleblower is protected.



<https://app.whistle-report.com/report/d6a27e2d-a1bc-4343-9aa5-6ac991c7bc10>

1.2. Direct contact

In addition to the LegalTegrity digital reporting system, employees can also make reports directly to

- a. SWG **managers**,
- b. SWG **HR officers** or
- c. the **Internal Reporting Office**
 - by mail (speak-up@stern-wywiol-gruppe.de) or
 - by phone at +49 40 284039567

1.3. External reporting channels

Of course you can also make a report to the respective competent authority. In Germany, the **Meldestelle des Bundes beim Bundesamt für Justiz (BfJ)**, the **Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)**, and the **Bundeskartellamt** offer reporting processes for the areas under their purview. Reports to these authorities can be made electronically, in writing, by telephone, or in person.

<https://www.bundesjustizamt.de/DE/MeldestelledesBundes/MeldestelledesBundes.html>

https://www.bafin.de/DE/DieBaFin/Hinweisgeberstelle/hinweisgeberstelle_node.html

https://www.bundeskartellamt.de/DE/Kartellverbot/Anonyme_Hinweise/anonymehinweise_node.html

So that we can address a report quickly, efficiently, and comprehensively, and if necessary remedy an abuse or grievance, we encourage all whistleblowers to use the internal SWG digital reporting channel preferentially. By doing so you help affected persons, your colleagues, and the company to correct undesirable developments early on.

The reporting process

What happens when a report comes in?

2.1. Tasks of the SWG Internal Reporting Office

Reports coming in via a reporting channel (internal and/or digital) first go to the Internal Reporting Office, which is staffed by two SWG employees:

- 1) Yvonne Lustig (Legal Counsel and Compliance Contact, and Director Reporting Office)
- 2) Detlef Arlt (Director of Human Resources, deputy Director Reporting Office)

The Internal Reporting Office is tasked with making a cursory check on whether the report falls

- in the category of “violation of human rights or environmental responsibilities or related risks” pursuant to LkSG or
- within the material scope of § 2 HinSchG.

If something is unclear or further information is needed to determine the facts of the matter, the Internal Reporting Office will get back to the reporting party with a request for clarification. After completion of an initial **plausibility check** the Internal Reporting Office clarifies the matter sufficiently to determine whether there is **tangible initial ground for suspicion**

- of a violation of human rights and/or environmental responsibilities or a related risk pursuant to LkSG, or
- a violation of criminal or civil laws for the protection of life, limb or health, civil laws for the protection of the rights of employees or their representative bodies, or certain European regulations.

If the investigation by the Internal Reporting Office does not turn up a tangible initial ground for suspicion, the matter will be closed and the reporting party informed accordingly.

If the Internal Reporting Office determines that there is a tangible initial ground for suspicion of a violation of

- human rights and/or environmental responsibilities or a related risk pursuant to LkSG or,
- in particular, criminal or civil laws for the protection of life, limb or health, civil laws for the protection of the rights of employees or their representative bodies, or certain European regulations,

the report(s) including other information known to the Internal Reporting Office will be forwarded to the **Reporting Office Panel**.

Regular participants in this panel are:

- 1) Yvonne Lustig (Legal Counsel and Director Reporting Office)
- 2) Detlef Arlt (Director of Human Resources, Deputy Director Reporting Office).
- 3) Nadine Jacobi, Attorney (Compliance Customized)

If there is initial ground for suspicion of a possible violation of human rights and/or environmental responsibilities or a related risk pursuant to LkSG,

- 4) Jan Thoele (Director Global Quality & Standards, Human Rights Officer of SWG)

will be called in to join the panel.

Depending on the report and the department affected, the Reporting Office Panel can call further participants to the panel session as needed to determine the facts. The Reporting Office Panel can task selected persons with **fact-finding**. This selection follows criteria such as expertise, objectivity, and assurance of confidentiality.

If there is an indication in the category of “violation of human rights and/or environmental responsibilities or related risks” further processing and investigation within SWG will be performed by the human rights officer or his/her representative.

The individuals at SWG tasked with receiving and processing the reports can do so independently and autonomously, and are not bound by instructions. They are also under obligation to maintain secrecy.

2.2. Subsequent measures and sanctions

The results of the fact-finding are presented to the Reporting Office Panel by the selected find-finder.

If the initial suspicion is strengthened by the fact-finding investigation and a **violation or abuse is found in the company**, **remedial measures** will be taken with the involvement of the affected departments and the CEO, Torsten Wywiol, in order to immediately eliminate the risk or end the violation or abuse, and prevent it from recurring.

If a report pursuant to LkSG refers to a **direct supplier**, contact is made with them via the responsible purchaser and **conversations** are held. If these further strengthen the suspicion, a **plan for ending or minimizing the violation** will be worked out and implemented with the involvement of SWG Procurement and the supplier. The same applies to reports concerning or violations by an indirect supplier.

If a violation pursuant to § 2 HinSchG is found, the Reporting Office Panel prepares suggested sanctions (with involved SWG staff) including measures for process improvement or closing process gaps, and presents these suggestions to SWG Executive Management for their decision.

2.3. Feedback to reporting parties (deadlines)

The reporting party will be informed of **receipt of the report** within seven days. No later than three months after confirmation of receipt, the reporting party will receive **feedback on the outcome** of the investigation of the matter reported. However, this can only take place when there is a way to communicate with the reporting party, such as an e-mail address, or when the reporting party logs back onto the digital reporting channel with their password. The duration of the process can vary depending on the scope and complexity of the report.

Processing a report – phases and deadlines		
Action	Process phase	Duration
New report	Pending	1 week
Confirmation of receipt	Processing: Investigation of the matter, clarifying questions to the reporting party	3 months
Communication of outcome	Review: Feedback to the reporting party	Flexible
Process completed	Closed	Flexible
Archive	Archived	3 years
Automatic deletion of all data	Deleted	3 years (HinSchG) and 7 years (LkSG) after communication of the outcome

Effectiveness review

How is the effectiveness of the process assured?

The reporting process is reviewed for effectiveness **at least annually, and if required by circumstance**. Adjustments will be made to the process or remedial measures as required.

Anonymity and confidentiality

How are reporting parties protected from repercussions or punishment, and how is their anonymity assured?

4.1. Protection of anonymity

Protection of anonymity is assured when using the LegalTegrity digital reporting channel. The channel is administered online via a standardized portal with high data and access security. The portal is designed in such a way that it is not possible for SWG, its employees, or the Reporting Office to identify reporting parties. Processing is done on an external third-party server, which is located in Germany and has the highest class of security.

The Reporting Office, and internal personnel handling reports once these have been assigned, are technically able to communicate with the reporting party **while maintaining anonymity**. This permits further questions if needed for clarification or completeness. Reporting parties can also choose to forego anonymity.

Protection of own employees

Per HinSchG whistleblowers may not be personally or legally disadvantaged because they report an abuse. Likewise, reports accusing employees that turn out to be baseless must not result in personal or legal disadvantaging of the falsely accused person(s).

Personal data as well as all documentation is automatically deleted **three years after conclusion of the process per HinSchG**. The documentation may be retained longer in order to meet the requirements of this or other legislation, if necessary and reasonable. In cases in the category “violation of human rights or environmental responsibilities or related risks” pursuant to **LkSG**, all data is **automatically deleted seven years** after communication of the outcome.