

# Rules of Procedure for Internal Investigations

in accordance with the decision of the Executive Board of Knorr-Bremse AG dated 24.11.2022

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## **1. Scope of Application**

These Rules of Procedure govern the investigation of possible violations of human rights, laws, the Code of Conduct and internal policies, as well as the handling of complaints and whistleblowing.

Unless otherwise required by local law, the rules apply throughout the Group. Where necessary, the Regional Boards - in consultation with Corporate Compliance - may adopt different rules.

These rules of procedure do not apply to reports of IT disruptions, cyber attacks, data leaks and cases of data theft. For these cases, a separate reporting portal is available on the intranet (INAS - Incident Notification and Alarm Service).

Furthermore, these rules of procedure do not apply to the reporting of occupational accidents and near misses, for which separate reporting channels have also been established.

## **2. Reporting Channels**

Within the Knorr-Bremse Group, the following channels are available for reporting violations of human rights, laws and internal policies, as well as for submitting information and complaints about possible risks or inadequacies in the scope of legal requirements or human rights.

### **2.1. Decentralised Reporting Channels**

Within a Group company, management shall take the necessary measures to ensure that information and complaints can be reported through the following channels:

- Reporting to the responsible manager
- Reporting to the responsible human resources department
- Reporting to the responsible Local Compliance Officer or Regional Compliance Officer.

### **2.2. Central Reporting Channels**

Alternatively, whistleblowers can also contact the following offices at Knorr-Bremse AG:

- Reporting to Corporate Compliance,
- Anonymous reporting via an online portal, e.g. the Speak Up Line,
- Reporting via the external ombudsperson/confidant.

## **3. Free Choice of Reporting Channel**

Whistleblowers can contact one of the reporting offices of their choice.

## **4. Persons Entitled to Report**

The reporting offices accept all types of information and complaints - from employees, freelancers, interns, etc. as well as from external persons, e.g. employees of customers or suppliers, and from the public.

## **5. Form of the Report**

Reports may be submitted informally. As far as possible, they will be received in writing and verbally.

## **6. Principles for Internal Investigations**

The following principles must be observed when dealing with complaints and tips as well as internal investigations.

### **6.1. Principle of Legality**

All investigations shall be conducted in accordance with applicable law. Identified violations must be remedied immediately.

## **6.2. Confidentiality & Anonymity**

To protect the identity of whistleblowers, tips may be submitted anonymously.

All tips and complaints will be treated confidentially. All persons involved in an investigation or the handling of complaints and tips must maintain confidentiality towards third parties. Where necessary, appropriate confidentiality agreements shall be concluded.

The identity of whistleblowers and persons concerned may only be disclosed with their express consent (at least in text form).

Notwithstanding the above, the identity of whistleblowers may be disclosed in the following cases:

- in criminal proceedings at the request of the prosecuting authorities,
- on the basis of an official order,
- on the basis of a court decision,
- on the basis of a statutory regulation, and
- if disclosure is necessary for the implementation of follow-up measures.

No protection of their identity is afforded to persons who intentionally or grossly negligently report inaccurate information about violations.

Moreover, the identity of whistleblowers may only be disclosed to other persons with their express consent. This also applies to all other information from which the identity of the whistleblower can be directly or indirectly deduced.

If disclosure is permissible, the whistleblower shall be informed in advance of the disclosure, provided that the purpose of the investigation or the procedure concerned is not jeopardised thereby.

## **6.3. Prohibition of Discrimination**

No one may be penalised or disadvantaged for making a report or complaint in good faith, even if the report or complaint turns out to be unfounded.

The prohibition of discrimination applies both to own employees and to outsiders.

However, the prohibition of discrimination does not apply if a report or complaint is made against one's better judgement or with gross negligence with the aim of bringing other persons into disrepute, exposing them to criminal prosecution or otherwise harming them, or if the report or complaint is made against one's better judgement in order to avert an already threatened, justified measure under labour law. In these cases, whistleblowers have no right to protection of their identity.

Furthermore, the prohibition of discrimination does not protect against criminal prosecution.

## **6.4. Fair Procedure**

All reports and complaints must be examined impartially and objectively. Both incriminating and exculpatory circumstances must be established in the proceedings. Only means that are legally admissible may be used and sources of knowledge exhausted.

As long as a tip or complaint has not been confirmed, the presumption of innocence applies.

If not already required by local law, data subjects shall have the right to a hearing before any action is taken against them.

## **6.5. Conflict of Interest**

No one may participate in the investigation or decision on follow-up measures who has, or appears to have, a vested interest in the outcome of the proceedings, for example because of a close relationship with the persons concerned or because the allegations concern their own area of responsibility.

Potential conflicts of interest must be disclosed without delay.

If conflicts of interest are to be feared, the persons concerned must not be informed about the course of the proceedings if this would jeopardise the purpose of the investigation.

#### **6.6. Data Economy**

During the investigation, care must be taken to ensure that only such data is collected and processed as is necessary for the processing of the information and complaints and for their legal evaluation.

#### **6.7. Prompt Clarification**

Information and complaints shall be clarified promptly and violations shall be remedied without delay.

#### **6.8. Cooperation with Government Agencies & Safeguarding Legitimate Interests**

Knorr-Bremse AG and its affiliated companies reserve the right to

- to involve the authorities or courts on their own initiative in response to a tip-off or complaint, e.g. by filing a criminal complaint, a leniency application or a lawsuit;
- to cooperate with government agencies in the investigation of a matter, to respond to justified requests for information from government agencies and to defend itself against civil lawsuits in order to protect its legitimate interests and rights of defence.

In doing so, the company concerned may, within the limits of what is legally permissible, decide at its own discretion to disclose the identity of a whistleblower known to it as well as such information as has been provided to it by a whistleblower. Furthermore, other persons may be named as witnesses and documents may be passed on.

The Group Data Protection Officer must be consulted prior to any transfer of data to authorities outside the European Union.

Furthermore, any disclosure or reporting obligations, e.g. according to Art. 17 of the EU Market Abuse Regulation or § 43 of the Money Laundering Act or corresponding foreign regulations, remain unaffected.

#### **6.9. Appropriate Sanctions & Remedial Measures**

Violations of the law shall be remedied immediately.

Furthermore, appropriate measures shall be taken to remedy confirmed complaints and indications and to sanction violations appropriately.

The type and extent of a sanction will be determined at the due discretion of the company, taking into account the circumstances of the individual case, in particular the severity and duration of the violation, the degree of fault, the risk of repetition, the role of the person concerned in the company and the subsequent offence.

Knorr-Bremse AG and its affiliated companies reserve the right to exhaust all legally permissible options.

#### **6.10. Error Culture & Root Cause Analysis**

Information and complaints should be taken as an opportunity to learn from mistakes and to scrutinize and, if necessary, adjust the corporate culture as well as the existing risk assessments, processes and controls.

### **7. Responsibility**

#### **7.1. Principle of Local Responsibility**

Information and complaints must always be dealt with by the company that receives the information or complaint or to which the information or complaint relates.

The respective management or the persons designated by the management, in case of doubt the Local Compliance Officer, shall be responsible for the processing.

The details can be found in the RACI matrix (**Appendix 1**).

## 7.2. Cases with Group-wide Significance

If a case has Group-wide significance, it is handled under the leadership of the responsible specialist department at Knorr-Bremse AG. A case has Group-wide significance in the following cases:

- The allegations concern members of the Executive Board, a Regional Board or a management team.
- The allegations concern more than one company or more than one country.
- As a result of the violations at local or regional level, the information in the consolidated financial statements, stock exchange prospectuses or other communications of Knorr-Bremse AG to capital markets, banks or investors could be incorrect.
- The allegations relate to:
  - Product safety or product integrity;
  - Modern slavery and human rights violations, e.g. child or forced labor;
  - Bribery of public officials or business partners;
  - Antitrust violations;
  - Money laundering;
  - violations of embargoes or sanctions.
- For the allegations, fines or penalties could be calculated on the basis of Group sales.
- Knorr-Bremse AG or a subsidiary could be held jointly and severally liable for fines or claims for damages.
- The allegations could lead to reputational damage for the entire Group, e.g. due to national reporting.

## 7.3. Responsible Departments

In the case of cases with Group-wide significance, the following specialist departments are responsible for the processing of information, complaints and other suspected cases as well as for any follow-up measures:

Subject	Responsible Department
Product safety & Product integrity	QM (Truck bzw. Rail)
Financial reporting, Accounting & Taxes	F/B
Capital Market Manipulation, Insider Trading, Capital Market Communication, Corporate Governance	L/RGC
Antitrust violations & Abuse of market power	L/RM
Bribery, Fraud & Money Laundering	L/CO
Embargoes & Sanctions	L/CO
Modern Slavery & Human Rights Violations	L/CO

As a rule, the actual investigative actions are to be carried out in cases with group-wide significance after coordination by Internal Audit (V/A).

The details can be found in the RACI matrix in **Appendix 1**.

Depending on the circumstances, however, the processing may also be assigned to another group function or to suitable service providers, e.g. lawyers or auditors.

#### 7.4. Right of Evocation

In the following cases, the responsible specialist departments of Knorr-Bremse AG may also refer local cases to them, if necessary on the basis of an instruction from the Executive Board to the local management:

- The allegations concern the local management.
- There are indications that no objective and independent investigation of the allegations can be expected locally or that the protection of whistleblowers against reprisals would not be sufficiently guaranteed.
- The company does not have the necessary resources to investigate the matter.

### 8. Procedure of the Investigation

#### 8.1. Incoming Inspection

The person or body receiving the tip-off or complaint shall check whether

- whether the information or complaint appears plausible at first sight;
- whether it is prima facie a case of Group-wide significance (see **section 7.2**);
- in which category the information prima facie falls; and
- whether an immediate remedy is possible.

Implausible information should, if possible, be clarified by further inquiries. As far as possible, the information or complaint should be discussed with the whistleblower.

#### 8.2. Immediate Remedy

If the complaint can be remedied immediately, the person or body who received the tip-off will take the necessary steps. The case can then be closed.

#### 8.3. Forwarding the Information

If the tip or complaint is plausible and an immediate remedy is not possible, the Reporting Office forwards the tip or complaint to the competent department according to **section 7.3** (if the Reporting Office is not competent anyway).

If the report is received locally, the reporting office also informs the responsible specialist department at Knorr-Bremse AG in accordance with the RACI matrix in **Appendix 1**.

Conversely, reports that concern local processes but are received by Knorr-Bremse AG are forwarded to the responsible Local Compliance Officer.

#### 8.4. Review of the Report & Internal Communication

The relevant department checks the plausibility of the report and carries out an initial assessment. As far as possible, it discusses the report with the whistleblower. The data protection department responsible for the respective company must be involved in the plausibility check.

If it is of the opinion that it is not responsible, but another unit within the group, it passes the case on to this unit. To this end, it shall consult with the unit concerned.

The competent department also decides on the further procedure and which offices are to be informed about the information. The details are regulated by the RACI-Matrix in **Appendix 1**.

Furthermore, it checks whether the matter must be reported to an insurance company (e.g. D&O, liability or credit default insurances) or whether a SAR is required according to money laundering regulations.

In the case of a suspicious activity report under money laundering law, the legal requirements regarding confidentiality must be observed ("tipping-off" prohibition); in such cases, internal disclosure of the information may be inadmissible.

Information to the supervisory board and the audit committee shall be provided via the executive board in accordance with the provisions of its rules of procedure, unless the allegations concern the executive board itself.

#### **8.5. Involvement of Authorities**

Unless otherwise provided for by local law, the competent management or, in the case of centrally processed matters, the executive board shall decide whether a matter is to be reported to an authority, e.g. by means of a criminal complaint or a Crown prosecution.

#### **8.6. Initiation of an Investigation**

An investigation shall be initiated if

- there are conclusive factual indications which make it appear possible that a violation of human rights, laws or internal guidelines has occurred (initial suspicion) and furthermore
- there is the prospect that the matter can be clarified with the existing possibilities in a legally permissible manner and with a reasonable effort in relation to the presumed seriousness of the accusation.

Otherwise, the case shall be closed. Furthermore, an investigation may be dispensed with if the violation no longer continues and no remedy or sanction is possible, e.g. because the parties involved have left the company or because of the statute of limitations under criminal law.

The reasons for initiating an investigation as well as for the decision not to initiate an investigation shall be documented.

#### **8.7. Decision on Access to Communication Systems**

If communication systems are to be accessed in the course of the investigation, the decision on access requires the consent of the Chief Compliance Officer and the Head of Corporate Human Resources, who shall consult with the Corporate Privacy Officer.

In the case of locally processed cases, this decision is made by the responsible management in accordance with the locally applicable legal provisions and the Group Data Protection Policy.

### **9. Investigative Powers**

Within the scope of what is legally permissible, the competent department or body responsible for the investigation shall take the measures it deems necessary and proportionate to clarify the facts of the case.

#### **9.1. Independence and Freedom from Instructions**

Only persons with sufficient expertise and who can guarantee impartiality are to be entrusted with the investigation.

In carrying out the investigation, the persons entrusted with the investigation shall be professionally independent. They are not subject to any general or specific professional directives which preclude or impede an independent investigation and analysis of the facts. They shall independently determine the objective of the investigation and the procedure to be followed.

#### **9.2. Securing Evidence („legal hold“)**

The body responsible for the investigation shall immediately take the necessary steps to secure evidence, e.g. by involving IT to prevent the deletion of data.

#### **9.3. Interviews**

Unless local law provides otherwise, all employees are required to attend an interview during working hours and provide truthful and complete information.

If the allegations are against the interviewees, they may refuse to answer questions that would put themselves or a close relative at risk of prosecution. The persons concerned shall be informed of this right before the interview. In doing so, they shall be informed that their



statements may, under certain circumstances, be recorded in the files of investigating authorities or courts.

A note of the interview shall be made.

#### **9.4. Access to business premises**

The persons commissioned with the investigation shall have access to all company premises and business premises of the companies of the Knorr-Bremse Group.

#### **9.5. Access to Documents**

Upon request, all existing documents must be presented in full to the persons commissioned with the investigation, explained if necessary and handed over upon request. This does not apply to private documents and objects.

The right to inspect and surrender also extends to board minutes and board documents. With regard to these documents, the prior consent of the member of the executive board responsible for legal affairs and integrity must be obtained, unless he or she is himself or herself the subject of the investigation.

The seizure or transfer of documents must be documented (date of request, reason for request). The originals shall be secured against unauthorised access and alteration.

#### **9.6. Access to and Evaluation of Communications**

On the occasion of the investigation, letters, emails, chats or other forms of correspondence conducted via devices and/or addresses provided by companies of the Knorr-Bremse Group may be accessed and evaluated if

- there is reason to believe that relevant information can be obtained in this way, and
- the measure appears to be proportionate in view of the accusation in question and any other possibilities of gaining knowledge.

In these cases, forensic software may also be used, taking into account data protection regulations.

When accessing data, the principles of data economy must be observed. Suitable filters and search terms must be used to ensure that the search is limited to the purpose of the investigation and the persons concerned.

For documentation purposes, the search criteria and search steps as well as the affected accounts and time periods must be described.

The data protection officers responsible for the affected sites or, if applicable, their representatives must be involved.

#### **9.7. Involvement of Other departments and external parties**

Depending on the circumstances, the investigation can also be assigned to another department or carried out by suitable external parties, e.g. auditors, lawyers or IT service providers. In the same way, other departments may be called in to assist. The principles of data protection law must be observed, e.g. by concluding confidentiality and order processing agreements.

The participation rights of employee representatives must also be observed.

#### **9.8. Disclosure of Personal Data**

Insofar as this is necessary and proportionate for the processing of information and complaints and the conduct of the investigation, personal data may also be passed on to other group companies or to lawyers, auditors or similar persons involved in the investigation and processed there without the express consent of the persons concerned. The requirements of data protection law must be taken into account.

## **10. Conclusion of the Investigation**

The investigation is concluded with an investigation report or a concluding note. The report or memo summarises the essential facts of the case, gives an overview of the course of the investigation and the examination procedures as well as the results brought to light and their legal assessment.

On the basis of the report, the competent department prepares a proposal for a decision on sanctioning and any remedial measures.

## **11. Sanctioning & Remedial Measures**

Decisions on disciplinary measures and the necessary remedial action shall be taken by the relevant management or, in the case of investigations conducted by Knorr-Bremse AG, by the Executive Board.

In serious cases, the Sanctioning Committee, which is convened at the suggestion of the Executive Board member responsible for Legal Affairs and Integrity, shall be consulted in preparation for the decision.

The assessment of the seriousness of the allegation shall be made with the help of the criteria in **Appendix 2**. This is a guideline, other or further criteria may be considered at any time.

Further details can be found in the "Rules of Procedure" of the Sanctioning Committee (**Appendix 3**).

## **12. Root Cause Analysis**

If the investigation has confirmed the tip or the complaint, the responsible department examines the causes of the violation, in particular whether the violation had systemic causes and whether the previous assessment of compliance risks must be adjusted.

## **13. Deadlines & Information for Whistleblowers and Affected Parties**

### **13.1. Acknowledgement of receipt**

Whistleblowers will receive an acknowledgement of receipt within seven calendar days of receipt of their report.

This contains information on the further process as well as the required data protection information on the type and scope of data processing and the procedure with regard to reports to authorities or other external complaint channels.

### **13.2. First Status Report (3-month report)**

Whistleblowers will receive a status report within three months of receipt of their report with the following information:

- Whether the case has been closed or is still open;
- Whether the tip or complaint has been confirmed;
- Whether follow-up action has been taken or is planned and, if so, what follow-up action has been taken or is planned (e.g. referral to other dispute resolution mechanisms, disciplinary action, involvement of authorities, changes in processes and controls, etc.).

However, no information may be disclosed that would jeopardise internal enquiries or the investigation or affect the rights of the person concerned by the report. Furthermore, no trade secrets or personal data may be disclosed.

### **13.3. Further Status Reports**

If the case was still open at the time of the first status report, whistleblowers will receive a further status report no later than six months after receipt of the report.

Further status notifications will be sent every six months if the procedure continues to drag on.

#### **13.4. Final Notification to Whistleblowers**

After the investigation has been completed and a decision has been made on any follow-up measures, the whistleblower will receive a final notification.

The content of the final notification is subject to the requirements for the status report.

#### **13.5. Information on the Disclosure of Identity**

Insofar as the identity of a whistleblower is to be disclosed in a legally permissible manner, the whistleblower shall be informed of the disclosure in advance.

This does not apply if the disclosure would jeopardise the investigation or legal proceedings.

#### **13.6. Information of the Persons Concerned**

The data subjects shall be informed of investigative measures directed against them and in particular of targeted access to their personal data. The information shall include

- the purpose of the data processing,
- the categories of personal data being processed
- the recipients of the data concerned
- the expected duration of storage, and
- the legal rights of the data subjects.

This does not apply if informing the data subjects would impair the assertion, exercise or defence of legal claims or jeopardise the purpose of the investigation. The data subjects shall then be informed within two weeks after the impediment has ceased to exist.

Information is also not provided if it would jeopardise the confidential transmission of data to public authorities, e.g. in the case of a leniency application to a cartel authority or prior to the submission of a suspected money laundering report.

If government investigations or legal proceedings are pending, disclosure must be agreed in advance with the competent authorities.

Information is not required if and to the extent that the data subject already has the information. Furthermore, the data subject does not need to be informed if, in the context of a plausibility check, the authorised person merely inspects data already available in the company and no new data collection, data processing or transmission to third parties takes place.

#### **13.7. Responsibility for Status Reports**

The department responsible for the process as a whole is responsible for the status reports and for informing the data subjects.

#### **13.8. Correction, Deletion, Right of Objection and Right of Appeal**

The rights of correction and deletion under data protection law as well as the legal rights of objection and complaint remain unaffected. The storage and deletion of the collected data is carried out in accordance with the deletion concept described below.

### **14. Documentation**

#### **14.1. Documentation requirements**

Information and complaints, the investigation report and the evidence collected during the investigation shall be documented in a permanent manner and protected from access. Furthermore, the sanctions and corrective measures imposed or taken shall be documented.

#### **14.2. Storage Location**

Processes with group-wide significance must be documented in the Integrity Line tool or, if a successor solution is introduced, in the latter.

### 14.3. Retention Period & Deletion Concept

The documentation shall be retained for the duration of the investigation and thereafter as follows:

<b>Result of the investigation</b>	<b>Retention Period</b>
Confirmed evidence	24 months
Non-confirmed evidence	6 months

The periods begin to run on the New Year's Day following the end of the year in which the case was closed.

**Example (confirmed evidence):**

Case closed on: 01 March 2022. .

⇒ Start of time limit: 01.01.2023, 00:00 hrs.

⇒ Deadline end: 31.12.2025, 24:00 hrs.

After expiry of the deadline, the documentation must be deleted immediately.

This does not apply if court or official proceedings are still pending in relation to the subject matter of the case or if it is still being examined whether the documents are required for further legal action, e.g. the filing of a lawsuit. In this case, the documents must be kept until the proceedings have been concluded with legal effect. They must then be deleted immediately.

The deletion must be recorded.

General information on the proceedings without reference to persons, e.g. the presentation of proceedings in external reporting or for internal statistics, need not be deleted.

### 15. Internal Reporting

Internal reporting is carried out along the reporting lines of the functions involved while respecting the personal rights of the persons concerned and data protection (need-to-know principle).

For the purposes of Group-wide risk management and sustainability reporting, the following also applies:

#### 15.1. Local Cases

The Local Compliance Officers report the following information to Corporate Compliance (L/CO):

- Number of complaints and notices handled locally
- Number of confirmed complaints and notices
- Type of remedial action, including notification regarding the reasons for the violation.

Personal data is not to be transmitted.

The format of the reports is defined separately by Corporate Compliance (L/CO).

#### 15.2. Cases with Group-wide Significance

Corporate Compliance reports cases with Group-wide significance as well as the statistics on local cases to the Executive Board, the Compliance Committee and the Audit Committee.

### 16. Data Protection

Personal data of whistleblowers, affected persons and, if applicable, other third parties are processed when receiving information and complaints and during further case review and investigation.

#### 16.1. Legal obligation (Art. 6 para. 1 letter c GDPR)

The collection and processing of data in accordance with these Rules of Procedure serve to implement legal requirements, namely the following provisions:

- Section 10 HinwSchG,
- EU Notifying Party Directive 2019/1937 or the respective national transposition acts of the EU Member States,
- Section 8 of the German Supply Chain Act (LkSG),
- Section 6 (5) of the German Money Laundering Act (GwG),
- § 13 General Equal Treatment Act (AGG),
- §§ 289 to 289f of the German Commercial Code (HGB), and
- the general duty of legality of the management and the executive board and
- the employer's duty of care under labour law.

## **16.2. Legitimate Interest (Art. 6 para. 1 lit. f GDPR)**

Irrespective of this, the management as well as the business owners are obliged to prevent violations of the law in their companies, to protect the rights of defence of the company and its bodies and to prevent damage from outside. In addition, the protection of (internal) whistleblowers is a consequence of the employer's duty of care.

To this end, it is necessary to clarify allegations and collect evidence in order to be able to take legal action and remedial measures if necessary. To avoid or limit liability, the company and its management must also be able to demonstrate that it has taken the necessary measures, e.g. to exonerate itself vis-à-vis supervisory bodies, law enforcement agencies or insurance companies.

Against this background, a company has a legitimate interest within the meaning of Article 6(1)(f) of the GDPR in using a whistleblowing system to obtain knowledge of legal and regulatory violations committed in connection with or on the occasion of its business activities and to clarify them as far as possible. Furthermore, companies have a legitimate interest in protecting their economic interests and their rights of defence, e.g. through leniency applications or cooperation with law enforcement authorities.

The interests of the whistleblower and the persons concerned in not being involved in an investigation or possibly being held accountable are secondary to these interests.

It is true that the examination and investigation of tips and complaints can have considerable consequences for the persons concerned, e.g. through criminal prosecution, termination of employment or claims for damages. However, these disadvantages are not the consequence of the data collection, but of the behaviour of the persons concerned. There is no legitimate interest in not being held accountable for one's own conduct if this is done within the framework of the law and in accordance with the principles of the rule of law. The present Rules of Procedure ensure that this is the case.

## **17. Adaptation to Local Legal Requirements**

These Rules of Procedure may be adapted to local legal provisions by the competent Regional Board in consultation with Corporate Compliance.

## **18. Periodic Review of the Procedure**

The effectiveness and appropriateness of the whistleblower and complaint procedure shall be reviewed once a year and adjusted as necessary.

Independently of this, the procedure shall be reviewed on an ad hoc basis, e.g. if a significantly changed or significantly expanded risk situation is to be expected, e.g. due to the introduction of new products, projects or a new business field.

Corporate Compliance (L/CO) is responsible for the review.

\* \* \*