

Rules of procedure for dealing with tips under the Whistleblower Protection Act (HinSchG)

Preliminary remark

Behaving responsibly and with integrity is crucial to the success of the SCHAKE Group, which includes SCHAKE GmbH and its brands as well as SCHAKE India, our wholly owned subsidiary in India. Compliance with legal regulations and internal rules is therefore a high priority for us. Effective compliance requires that potential violations of laws and regulations are identified at an early stage and can be rectified immediately. For this reason, all our employees are required to report such violations immediately. To this end, SCHAKE has set up a whistleblower system that provides confidential reporting channels and ensures the protection of both whistleblowers and the individuals concerned. With these rules of procedure, we would like to gain your trust as a whistleblower by transparently explaining how we receive and process reports of possible misconduct. We also explain how we protect you as a sincere whistleblower.

I. Objective and scope of application

All employees of the SCHAKE Group as well as external persons have the opportunity to report actual or suspected violations of legal regulations and internal guidelines in their own business area.

Please note that the whistleblowing procedure is not a general “grievance box” for issues such as dissatisfaction with management or conflicts with colleagues. It serves exclusively to report potential violations of applicable laws or the internal guidelines of the SCHAKE Group.

II. Access to the system

All employees of the SCHAKE Group, as well as external persons, have the opportunity to address information and complaints to the complaints office. This expressly includes employees who are in a training or temporary employment relationship with the SCHAKE Group companies.

The following reporting channels are available for this purpose:

Digital reporting system: <https://app.whistle-report.com/report/60a99678-9ad0-485c-8400-7ccc5f468043>



Our whistleblowing system is accessible from any internet-enabled device. It is available to you worldwide, around the clock, in German and English. Whistleblowers can also submit their reports completely anonymously if they wish.

Whistleblower hotline:

From abroad: +49 69 9999 8839

From Germany: +49 800 3800 999

You can make telephone reports securely and confidentially in German and English from Monday to Friday between 09:00 and 17:00.

You also have the option of using external reporting procedures, although you should give preference to internal reporting if effective action can be taken internally against the infringement. Information on external reporting procedures can be found on the homepage of the Federal Office of Justice (BfJ)

https://www.bundesjustizamt.de/DE/MeldestelledesBundes/MeldestelledesBundes_node.html]. The processing of incoming reports follows the process defined below.

III. Procedural principles and course of the notification/complaint procedure

1. incoming inspection (conclusiveness check)

At the beginning of the procedure, it is checked whether the reported facts fall within the material scope of the Whistleblower Protection Act (HinSchG). In a first step, the ombudsman, an external lawyer, as the recipient of the information, checks the substance of the information to determine whether it is not a trivial case or an obviously unfounded report (conclusiveness check).

The more detailed the information about the incident, such as the time, place and persons involved, the easier it is to understand the reported facts. If possible, evidence of the reported facts should also be attached to the notice.

The whistleblower will receive confirmation of receipt of the report within 7 (seven) days, if and insofar as there is a possibility of contacting the person making the report. If there are no indications of a compliance case, the process will be discontinued.

2. clarification and investigation of the facts

In the event of justified and comprehensible indications of a breach of legal regulations and/or internal guidelines, the necessary follow-up measures are taken. An investigation is initiated to determine whether a violation and/or risks actually exist. The facts of the case are clarified further and, if necessary, the whistleblower is contacted to discuss the content of the report in more detail and to gain a better understanding of the facts. If necessary, the persons concerned will also be involved in the investigation.

Depending on the nature of the report, it may be necessary to call in experts from other areas of the company. The investigation is carried out as quickly as possible and without major interruptions, always ensuring confidentiality, data protection and the protection of the identity of the whistleblower.

The employees involved in the reports have been obliged and authorized by the management to carry out their activities independently, impartially and in accordance with the principles of confidentiality and diligence. They are bound to secrecy.

In the course of the awareness-raising process, regular employee surveys are conducted, with relevant managers also being involved.

It is the duty of employees to participate in these surveys and to provide truthful and complete information about their work performance. Employees are therefore obliged to answer all questions relating to their work performance.

Managers are also obliged to actively contribute to the clarification of the facts. They must participate in the interviews and contribute to the clarification of the matter, but may not exert any influence on the clarification process or conduct their own research into the investigation. They may only participate in the interviews with their employees if instructed to do so by the management of the SCHAKE Group. This ensures that the interviews are conducted fairly and impartially, without external influences affecting the process.

3. remedial measures

If and to the extent that the internal investigation reveals a violation of legal regulations and/or internal guidelines of the SCHAKE Group, effective and appropriate remedial measures will be taken to end or minimize the extent of the violation, risk or infringement. Remedial action may include, in particular, labor law, civil law or criminal law. After the final report, we review the implemented measures with regard to their effectiveness in relation to the intended objective. If the objective has not been achieved, we take appropriate additional measures to the best of our ability. The measures are generally evaluated within one year of their completion. If you have given us the opportunity to do so, we will also contact you to evaluate the measures, for example to ensure that protection against disadvantages for you is guaranteed.

The findings from the procedure are also used to review existing work and compliance processes and, if necessary, to adapt and optimize them and, if necessary, to implement further preventive measures.

4. conclusion of the procedure

The investigation of the notification can be terminated for various reasons:

1. the tip-off or complaint does not fall within the material scope of the Whistleblower Protection Act,
2. violations of legal regulations and/or internal guidelines were
 - a. not confirmed or
 - b. remedied by the corrective measures taken.

Within 3 (three) months of confirmation of receipt, the whistleblower will receive reasoned feedback on the status or conclusion of the procedure, if and insofar as there is a possibility of contacting the person making the report. The feedback shall include notification of the reason why the procedure was terminated.

To the extent permitted by law, information on planned or already taken follow-up measures will be provided if and to the extent that this communication does not affect internal inquiries or investigations and the rights of the persons who are the subject of the report or who are named in the report are not impaired.

The results of the audit and assessment as well as recommendations for action are documented in a written SCHAKE internal final report intended for the company management.

5. confidentiality and protection from discrimination and punishment

The protection of the whistleblower has the highest priority at SCHAKE. Persons who report actual or suspected misconduct in good faith need not fear any disadvantages or punishments because of their report. The protective measures include:

- Further processing of the information and complaints is carried out by a small group of trained SCHAKE employees.
- The identity of the whistleblower will be treated confidentially and their personal data will be protected in accordance with data protection regulations.

SCHAKE does not tolerate any discrimination, intimidation or reprisals against whistleblowers. Such behavior is considered a possible violation of the compliance guidelines and will be treated accordingly. The confidentiality requirement also extends to the identity of the persons who are incriminated by a tip-off. These persons will be informed of the information provided and given the opportunity to comment (right to be heard). The presumption of innocence applies and the investigation is conducted impartially. Both incriminating and exonerating circumstances are investigated equally.

Note: Intentionally or grossly negligently false information and reports that are submitted improperly are not covered by whistleblower protection.

The parties involved have no right to the disclosure of the identity of the whistleblower or other persons involved in the proceedings, nor to the disclosure of the content of the conversation. Information is only passed on to the extent necessary (need-to-know principle) and is always treated confidentially. Personal data is handled in accordance with the applicable data protection regulations.

Whistleblowers cannot be held responsible for obtaining or accessing the reported information unless the procurement itself constitutes a criminal offense, such as trespassing. This protection also applies to the report if the whistleblower considered it necessary to uncover the violation. The protection also covers persons who provide confidential support to whistleblowers in a professional context, provided that the information reported or disclosed is correct or the person providing support had reasonable grounds to believe that the information was true at the time of the support.

IV. Review of the effectiveness of the complaints procedure and the rules of procedure

The effectiveness of the complaints procedure and these rules of procedure will be reviewed annually and on an ad hoc basis. If necessary, the complaints procedure and the rules of procedure will be adapted.

V. Roles and responsibilities

The SCHAKE Group's whistleblower system is operated by an external third party appointed for this purpose. The entrusted person guarantees impartial action, is independent, is not bound by instructions and is obliged to maintain confidentiality.

Diese Funktion des ersten Ansprechpartners nimmt der Rechtsanwalt Herr Dr. Thomas Altenbach ein. Er ist ein Experte auf diesem Gebiet und unterstützt SCHAKE mit seiner Expertise.

If information and complaints prove to be justified, they will be forwarded to our internal contact person Antje Oberland (Human Resources & Corporate Culture) or her representative Daniel Gutmann (Sustainability).