



Integrity

Whistleblower  
Guidelines

 **DEMME  
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GROUP**

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## 1. Introduction

The Demmel Group complies with the applicable laws and has also committed itself to upholding its internal values and standards. These are described in the Demmel Group's **Code of Conduct** and **Supplier Code of Conduct**.

To ensure compliance with these legal and internal obligations, the Demmel Group encourages its employees as well as external persons (hereinafter referred to as "whistleblowers") to report potential and actual violations. For this purpose, the Demmel Group has set up a whistleblower system with various reporting channels to submit relevant information.

This document describes for whistleblowers

- the possible reporting channels
- the selection of possible reporting categories
- the information required for a report
- the description of the procedures following a report
- the protections for whistleblowers

## 2. Whistleblowing Channels

The Demmel Group has set up various reporting channels for whistleblowers. In addition to an electronic reporting system through the Internet, reports can also be submitted by telephone, post, e-mail or in person.

**Digital platform:** <https://demmel.hinweisgeberexpertemeldeplattform.de>

*(Languages Englisch | German)*

**Other channels:**

Phone: + 49 (0) 89 21 52 74 33

E-Mail [info@hinweisgeberexperte.de](mailto:info@hinweisgeberexperte.de)

Postal address Compliance Beratung + Service GmbH,  
Maximilianstraße 24 | D-80539 Munich

Personal contact on request by appointment  
(Phone | E-mail)



The reporting channels are available at any time (exception: direct reporting to the supervisor or the respective local compliance contact person). Furthermore, employees of the Demmel Group can also submit information to all compliance contacts within the subsidiaries or their respective supervisors.

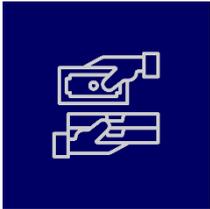
All reports are forwarded to the **Central Reporting Office** (see contact details of the reporting channels), where they are formally checked and documented. General questions about the individual reporting channels, in particular about the electronic whistleblowing system, as well as questions before submitting a report can be submitted directly to our external service provider via the category "I am looking for the advice of a trusted person".

### 3. Whistleblowing Categories

It requires everyone's awareness and willingness to report potential or actual violations in the event of concrete information. For this purpose, our reporting system is available with individual reporting categories to offer whistleblowers guidance on how to classify the report.

The following categories are available in our whistleblower portal:

#### Corruption | Bribery



Situations in which an advantage is offered to a third party or transactions that only arise from advantage-creating relationships can be reported here. Actions, in which employees are able to accept or demand unreasonable advantages on the basis of their employment with the Demmel Group, are also unlawful.

*Examples: Inappropriate gifts or invitations in connection with a negotiation or bidding process, money gift to public officials, manipulated prices in exchange for gifts and invitations.*

#### Theft | Missappropriation | Disclosure of internal information



In this category, possible violations that affect and damage the assets of the Demmel Group can be reported - e.g. unauthorized theft and appropriation of items or money, keeping items provided, pickpocketing other people's items or reaching into the cash register.

The unauthorized disclosure of business secrets and the unauthorized use of stolen business information can also be reported.

*Examples: Creation of illegal cash registers for unauthorized payments, theft and retention of company assets and work materials, issue of manipulated invoices to retain the difference, disclosure of confidential calculations and product information to third parties.*

#### Fraud | Breach of trust



Behaviour aimed at damaging the assets of the Demmel Group or personal enrichment, abuse of authority to cause financial damage for the Demmel Group, including forgery of documents and dishonesty in legal transactions to obtain unfair competitive advantages, must be prevented.

*Examples: Working time fraud with fake working hours or breaks are not properly recorded and stamped. Fake signatures and subsequent adaptation of written documents, abuse of powers of disposition and representation, statement of false facts (distortion of truth).*

## Competition & Antitrust violations



In this category, violations of the free trade and fair competition can be reported, in particular unauthorized price agreements and antitrust agreements.

The Demmel Group is guided by existing antitrust and competition regulations and prohibits agreements and coordination between companies that hinder competition.

*Examples: Price fixing, territorial agreements or customer assignments between competitors, non-competition or non-aggression pact agreements, exchange of sensitive (prices, margins, capacities, turnovers) and strategic information (competitive information) with market participants.*

## Money laundering | Financing of terrorism



Money laundering describes the process by which money of illegal origin is smuggled into the financial circuit, such as payment or the granting of loans with money from profits from drug deals, arms trafficking, etc.

Financial resources that are used in whole or in part to commit or support a terrorist offense fall under terrorist financing and are prohibited.

*Examples: Unknown customers or individuals want to pay large amounts in cash, monetary transactions without equivalent value across multiple accounts, acceptance of large amounts of money for deposit and safekeeping without proof of funds and business reference.*

## Conflicts of interest



Conflicts of interest are described in our Code of Conduct and are specified and regulated internally. Whistleblowers can report possible unauthorized secondary employment and business relationships with relatives and related parties where personal interests may conflict with the interests of the Demmel Group.

*Examples: Employees promote or approve the awarding of contracts to business partners who are related to the respective employee in terms of relatives or social ties.*

## Product safety | Consumer protection



In this category, violations of product-related obligations (laws, customer specifications, etc.) and consumer protection can be reported. The products of the Demmel Group have high safety standards and fulfill the product-related obligations.

*Examples: Placing safety-critical products on the market, omission of product recalls and communication measures, modification of legal safety regulations in the products to our own advantage.*

## Accounting fraud | Accounting violations | Taxes | Customs & restrictions



Violations of proper accounting, such as bookkeeping, accounting, auditing and financial reporting requirements, which lead to incorrect values and have an impact on the economic situation and reporting of the Demmel Group, must be reported here.

Potential violations of tax and foreign trade regulations (customs, sanctions and trade embargoes) can also be reported in this category.

*Examples: False statements in tax matters, falsification of balance sheets, misleading and non-transparent accounting without traceability, tax evasion through adjusted invoice amounts, business relationships with persons and countries on international sanctions lists.*

## Health protection | Workplace safety

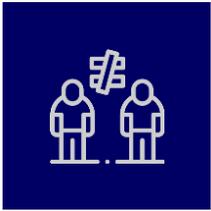


In this category, violations of health and safety regulations in the workplace that are intended to prevent health hazards and accidents at work can be reported.

This also includes incidents relating to non-compliance with the Demmel Group's occupational health and safety regulations and company rules.

*Examples: Fire doors are regularly blocked with doorstops, escape routes are actively blocked by objects, safety clothing is not worn, noise protection is not worn in noisy environments.*

## Discrimination | Harassment | #metoo



Violations of the principle of equal treatment and the prohibition of discrimination based on origin, religion, gender, personal orientation etc. as well as harassment of privacy, including bullying or bossing, can be reported here.

Incidents of possible sexual harassment and sexual assault – socially known as #metoo – are also reported in this category.

*Examples: Bullying based on sexual orientation, violation of human dignity through racist and insulting comments, sexual assault through intrusive, sexist flirting or touching of intimate areas.*

## Environmental protection



Violations of environmental protection obligations by the Demmel Group or by suppliers in an organization's supply chain can be reported here. This includes exemplary air, waste water and soil pollution, as well as violations in the transportation of dangerous goods.

*Examples: Unfiltered discharge of solvents into wastewater, bypassing and deactivating filter systems, improper disposal of waste and lack of waste separation, use of prohibited chemicals in the products or production processes used.*

## Human rights | Violations of the Supply Chain Due Diligence Act



Infringements of human rights in the Demmel Group's supply chain are not tolerable and must be reported to fulfill the Demmel Group's due diligence obligations.

In particular, reports on forced labor, child labor, disregard for minorities and the protection of indigenous peoples, human trafficking or violations of international human rights conventions (ILO conventions) must be reported here.

*Examples: Child labor discovered at a supplier, employment and payment of employees below the respective minimum wage requirements, neglecting the freedom of assembly at the Demmel Group's business premises.*

## Data protection | Privacy | Security in information technology



Violations of data protection and personal rights (e.g. GDPR), as well as unauthorized use of personal data can be reported here.

Reports relating to information technology and IT security can also be submitted in this category.

*Examples: Theft of data and information on data carriers, storage of personal data without authorization or agreement, disclosure of personal data (unauthorized distribution groups in e-mails), reporting of possible violations or non-compliance with IT security requirements (no or omitted virus check) that could damage Demmel Group's company network.*

## Violations of internal guiding documents or guidelines



In this category, violations of internal standards, guidelines and internal rules and regulations can be reported. These include the Code of Conduct, which is obligatory for all Demmel Group employees.

This category can also be used to report violations of the Supplier Code of Conduct that do not relate to previously mentioned environmental and human issues in the supply chain.

*Examples: Managers or employees demonstrably violate the Code of Conduct with their behavior, indications of possible compliance violations through irregular behavior, actions that are against the law or may cause sanctions for the Demmel Group.*

If a violation be assigned to any of the enumerated category or if it affects non-mentioned categories, the whistleblower can also contact our service provider directly with the last category.

## I am seeking advice from a trusted person



If you are unable to assign your report to one of the enumerated categories, please report your issue directly to our service provider (team of associates) here.

You can also send us questions about a compliance relevant topic via our portal, even if it is not yet a clearly assignable reference.

*Examples: Suspicious behavior perceived, but unclear about the area of law affected or whether it is an actual violation.*

## 4. Content

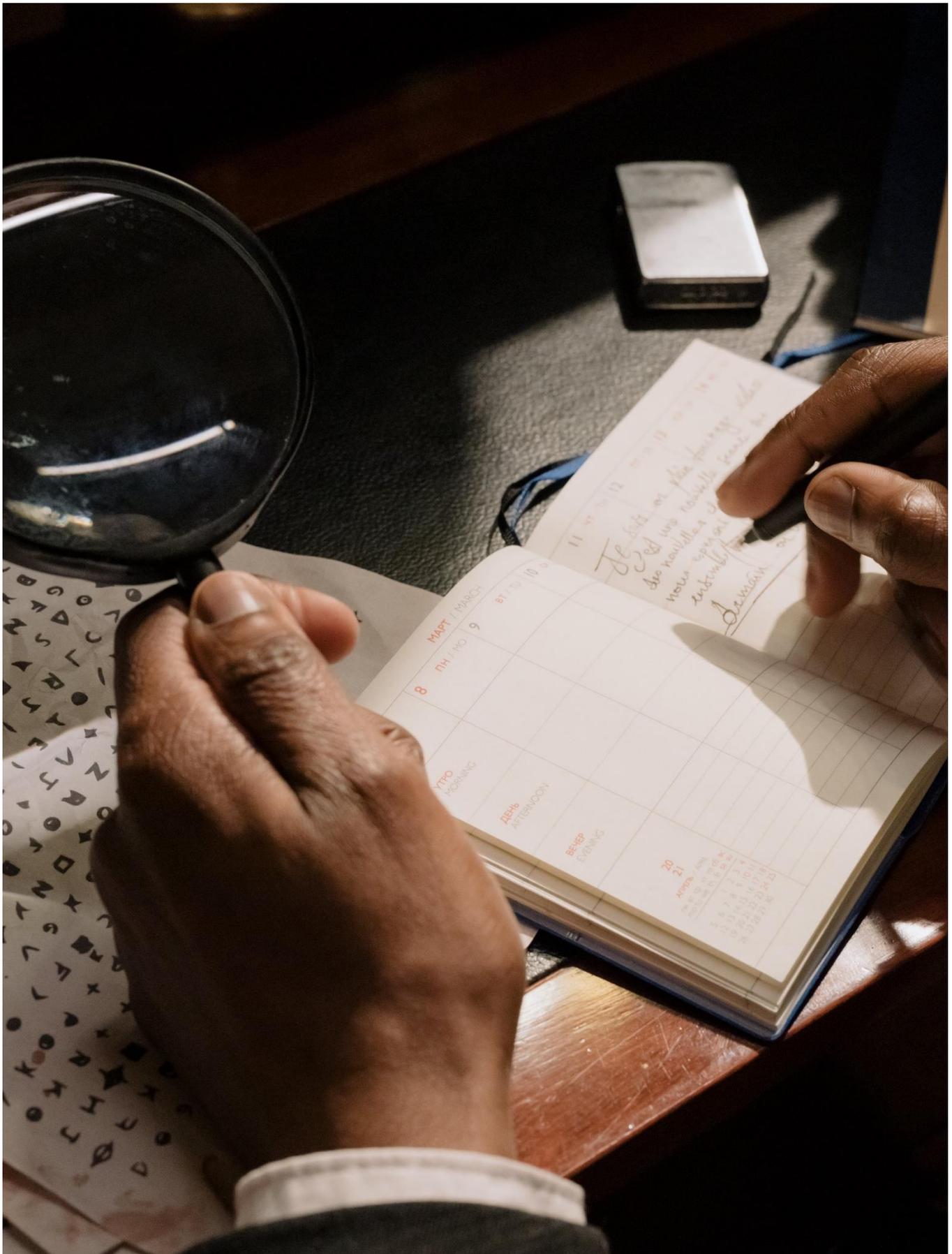
In order to process and analyse misconduct in business, it is important that the report is formulated as specifically as possible. It is helpful if you consider the following five questions when making a report:

- Who - Who is involved? Who is affected?
- What - What has happened? Describe the facts of the case.
- When - When was the incident?
- How - How often did the incident happen?
- Where - Where did the incident take place?

The person providing the information should ensure that the descriptions can also be understood by independent people outside the Demmel Group. Furthermore, it is helpful if the whistleblowers are also available to answer further questions. The anonymity of the whistleblower - if desired - will be strictly maintained by our contracted service provider.

Files, videos or photos can be uploaded in the electronic whistleblowing system to complete the report for our service provider. A digital mailbox is also available in the electronic portal to guarantee an encrypted communication between our external service provider and the whistleblowers. The communication channels are important to enable an exchange of further details or questions about the report - also anonymous if desired.





## 5. Procedures

After receiving the information, our service provider will process it in compliance with all necessary technical principles (e.g. confidentiality, protection of the whistleblower) and in accordance with the following sub-chapters.

In addition to our external service provider, other departments within the Demmel Group (relevant specialist departments, individual persons) may also be involved in the processing of reports.

Subsidiaries of the Demmel Group are also taken into account and participate in the review, investigation and processing of the information based on their responsibility and the corporate reporting structures.

### 5.1 Awareness and submission of reports

The procedure begins with the perception of non-compliant behavior and processes. In many cases, it is advisable and helpful to speak directly with the person concerned about the perception. If a direct approach is not possible or is a non-preferred option for you, please contact your supervisor or the relevant management directly.

If you feel, for whatever reason, you cannot address your concerns to your supervisor or the relevant management, please contact our service provider via the reporting channels mentioned (see chapter 2).

### 5.2 Notification and plausibility check

Our service provider receives the reports from the whistleblowers from the various channels (see chapter 2), documents them and confirms the receipt to the whistleblowers within 7 days of submitting the report.

However, confirmation can only be given if the whistleblowers have provided a contact option in their reports or - in the case of an anonymous report via the electronic whistleblowing system - protected access for anonymous communication has been set up.

Once a report has been received, it is checked by our service provider to determine whether it meets the requirements of the whistleblower system and whether the content is relevant and sufficient for further clarification.

Whistleblowers should ensure that the descriptions can also be understood by non-specialists. If the information received is insufficient or incomplete for further clarification and investigation, our service provider will attempt to contact the whistleblower in order to obtain further information or documents.

## 5.3 Evaluation

Following a plausibility check, an initial evaluation and assessment is carried out by our service provider and forwarded to the affected company or department with a recommended actions based on the applicable legal areas.

## 5.4 Internal investigation

Once the report has been forwarded, both our service provider and relevant departments within the affected company are involved in processing the information.

In the case of confirmed misconducts, the Demmel Group investigates the facts, if necessary with the assistance of internal or external experts. Furthermore, the HR is involved in the investigation to link the interests of the employer and employees. Subsidiaries of the Demmel Group will aid the investigations alongside the business and reporting structures.

## 5.5 Dialogue and proposals

If further information is required to complete the investigation report, it is helpful if the whistleblowers are available to answer further questions. Communication takes place via the provided reporting channels by our service provider. If the whistleblower wishes, the anonymity of the whistleblower will be strictly maintained by our contracted service provider.

Once the investigation has been carried out and all the facts have been collected, a proposal is set up, which lays the foundation for decisions on further activities.

## 5.6 Decision and actions

On the basis of the proposal, the respective management can decide and initiate described actions or validate the decisions already taken.

## 5.7 Feedback

No later than three months after the whistleblower submits the report, our contracted services partner sends an interim report to the whistleblower on the current status of the investigation. Once the activities have been completed, the whistleblower receives feedback on the outcome.

## 5.8 Data protection

The data and information of the entire reporting system and the documentation of the individual investigations are processed by our external service provider in accordance with the applicable data protection regulations.

## 6. Protection of Whistleblowers

The Demmel Group ensures that whistleblowers who make a legitimate report do not suffer any negative consequences under employment law or other negative consequences from Demmel Group, unless the whistleblower is involved in the reported misconduct (by action or omission). The Demmel Group takes the measures described below to ensure the protection of whistleblowers and to prevent paybacks.

### 6.1 Confidentiality

The confidentiality of the report and the whistleblower is of paramount importance, especially if the whistleblower does not submit the report anonymously or if the identity of the whistleblower can be determined from the report information.

All reporting channels of the Demmel Group are designed in such a way that only the assigned people for receiving, processing and taking follow-up action on the reports, as well as the people assisting in the fulfillment of these tasks, have access to the reports.

### 6.2 Anonymity

As described above, all reports are treated confidentially and can be submitted anonymously if desired. The anonymity of the whistleblower is ensured by our external service provider and can be guaranteed in the best way through the electronic reporting channel.

### 6.3 Prohibition of reprisals

The Demmel Group ensures that punishments or disciplinary measures against whistleblowers are prohibited. The organization also ensures that any operational measures and changes to the whistleblowers are not related to the exposure of grievances.

### 6.4 Limitations

**A whistleblower who deliberately or through gross negligence submits a false report will not be protected by the Demmel Group. In this case, deliberately incorrect reports and false accusations will be subject to disciplinary action!**

In this context, we refer to the Whistleblower Protection Act (German Law) and emphasize that in the event of an intentional or grossly negligent false report, the whistleblower is obliged to reimburse the resulting damage.

## 7. External Channels

If neither the communication channels via supervisors, management or the **preferred whistleblowing channels through our contracted partner** are effective, whistleblowers can report their issues to external reporting offices.

In the country of the Demmel AG (legal owner of the Demmel Group), external reporting offices have currently been set up at the Federal Office of Justice, the Federal Financial Supervisory Authority and the Federal Cartel Office.

All information on the responsibilities of the external reporting offices and how to contact them can be found on the website of the Federal Office of Justice:

[https://www.bundesjustizamt.de/DE/MeldestelledesBundes/MeldestelledesBundes\\_node.html](https://www.bundesjustizamt.de/DE/MeldestelledesBundes/MeldestelledesBundes_node.html)



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\* For reasons of easier readability, only the masculine formulations are used in this document and in all regulations based on it, insofar as gender-neutral formulations cannot be used. However, this always refers to people of all gender identities, i.e. male, female and diverse and, where provided for in other countries, corresponding differentiations for the collective term "diverse".





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