



Publicly accessible RULES OF PROCEDURE
of the VDE Group according to Section 8 of the
German Supply Chain Due Diligence Act
(Lieferkettensorgfaltspflichtengesetz, LkSG)

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1. Preamble

These Rules of Procedure apply to all entities of the VDE Group, in which VDE Verband der Elektrotechnik Elektronik Informationstechnik e.V. directly or indirectly holds a majority interest or over which it exercises a controlling influence in some other way (in the following also referred to as "VDE"). VDE has set up a reporting procedure to receive information on human-rights and environmental risks in the supply chain and violations of human-rights and environmental obligations. The purpose is to report risks and violations of obligations as a result of the commercial actions of VDE in its own business area or as a result of the actions of a direct supplier of VDE.

The internal Reporting Office helps to uncover human-rights and environmental risks and violations in the supply chains of VDE at an early stage (early warning system) and is intended to protect those damaged and suffering from disadvantages due to the violation of human-rights and environmental obligations and the related risks (access to appropriate remedy).

VDE assures responsible and careful handling of all incoming information, guarantees confidential, neutral and objective treatment and careful examination of any necessary measures. Whistleblower reports aim to help identify human-rights and environmental risks and related violations in our companies and supply chains, to optimise internal processes and strengthen the trust of employees, customers and suppliers in VDE and its procurement processes.

The reporting system protects the whistleblowers in particular, but also the persons concerned from disadvantages they could experience due to whistleblower reports. For VDE it is of the utmost importance treating all whistleblower reports confidentially.

The VDE reporting system therefore complies with the legal requirements of the German Supply Chain Due Diligence Act, the German Whistleblower Protection Act (Hinweisgeberschutzgesetz, HinSchG) and other applicable regulations and laws (such as the General Data Protection Regulation).

These publicly accessible rules of procedure explain who can report which facts, how reporting is carried out in detail, which procedural steps are provided for and what happens and must be observed following a whistleblower report.

2. Whistleblowers

Information can be reported by all persons who have become aware of human-rights and environmental risks or violations of human-rights or environmental obligations in connection with the activities of the VDE (hereinafter: "whistleblowers").

They include in particular persons affected by human-rights and environmental risks or persons affected and damaged by violations of human-rights or environmental obligations, such as employees of VDE (workers, those employed for vocational training, temporary workers, and individuals who are to be considered similar to employees due to their financial non-independence).

In addition, whistleblower reports can be made by third parties who have some kind of relationship or contact with VDE and observe a violation or misconduct there, such as fee-based staff, freelancers, employees and workers of (sub-)contractors, suppliers, business partners and customers. All business partners of VDE are urged to inform their employees and workers, as potentially affected parties, about VDE's reporting system.

The Reporting Office is also open to external persons who are not directly affected and who do not (yet) have any relationship (or no longer have any relationship) to the VDE or its direct and indirect suppliers for the aforementioned purposes.

3. Content of whistleblower reports

All facts that fall within the scope of the German Supply Chain Due Diligence Act and that, by being disclosed through whistleblowing, serve to recognise human-rights and environmental risks and to clarify, minimise and end violations of human-rights or environmental obligations, can and should be reported.

Note:

Human-rights risks are conditions in which, due to actual circumstances, there is a reasonable probability that a violation of one of the following prohibitions may occur:

- Prohibition of child labour, forced labour, slavery,
- Prohibition of disregard for labour protection and freedom of association,
- Prohibition of discrimination,
- Prohibition of withholding a fair wage,
- Of causing harmful soil contamination, water pollution, air pollution, harmful noise emission or excessive water consumption,
- Prohibition of unlawful eviction and prohibition of unlawful deprivation of land, forests and waters, the use of which secures a person's livelihood,
- Prohibition of the hiring or use of private or public security guards if the use of the security guards violates, infringes or interferes with any legal prohibitions due to lack of instruction or control by the Company; or
- Prohibition of an act or omission in breach of duty that is not included herein and that is directly capable of impairing a protected legal position in a particularly serious manner and the unlawfulness of which is evident upon a reasonable assessment of all the circumstances under consideration.

A violation of a human rights-related obligation is a breach of one of the aforementioned prohibitions.

Environmental risks are conditions in which, due to actual circumstances, there is a reasonable probability that a violation of one of the following prohibitions may occur:

- Prohibition of the manufacture of mercury-added products, the use of mercury and mercury compounds in manufacturing processes and the treatment of mercury waste contrary to the provisions of the relevant conventions,
- Prohibition of the production and use of chemicals contrary to the provision of the relevant conventions,
- Prohibition of non-environmentally sound handling, collection, storage and disposal of waste in accordance with the regulations of the relevant conventions,
- Prohibition of export and import of hazardous waste and other waste as defined in the relevant conventions and European regulations.

A violation of an environmental obligation is a breach of one of the aforementioned prohibitions.

All whistleblower reports that promote the resolution of disputes and the settlement of claims of affected parties are also covered by the scope of application mentioned above.

Whistleblowing of a mere suspicion of a risk or a violation is permitted if the whistleblower has reasonable grounds to believe that the information reported is accurate and that such information constitutes a reportable matter.

It is not required for the whistleblower to have full knowledge or evidence of their suspicion in order to make a whistleblower report. A justified assumption in itself, i.e. sufficient factual indications that a corresponding violation has been or will be committed or that a corresponding risk has materialised or will materialise.

Whistleblowers who are unsure whether their whistleblower report is covered by the provisions of the German Supply Chain Due Diligence Act can obtain information on this at any time from the Reporting Office.

4. How to get in contact

Whistleblowers have the possibility to submit whistleblower reports in the following ways:

a. Reporting channels

The whistleblower report can be submitted to the Reporting Office through our [BKMS-reporting system](#), via email, post or telephone under the contact details listed in the [Compliance Management System](#).

The reported information will be recorded and processed by experienced employees and then forwarded in a legally compliant manner to the responsible office in VDE.

The submission of reports is generally not connected with any costs for whistleblowers. Any costs for a telephone report will be reimbursed on presentation of proof. Reports may be submitted in German and English.

b. Communication and dispute resolution

The internal Reporting Office is available to the whistleblower through the reporting channels for follow-up questions and a discussion of the facts reported with experienced employees. The whistleblower will be expressly informed of this offer also in the confirmation email.

If the whistleblower has indicated contact details and has agreed to be contacted, follow-up questions and consultation can be initiated on both sides with regard to the reported facts, the processing status of the whistleblower report and for the purpose of dispute resolution.

5. Confidentiality, Anonymity

The confidential treatment of all information and data provided to the Reporting Office is ensured at all times and at every step of the process.

This applies in particular to the identity and personal data of the whistleblower and the person(s) affected by the report.

Only individual, previously defined, authorised persons who are obliged to confidentiality have access to incoming whistleblower reports and information on the processing of whistleblower reports or follow-up actions.

If the whistleblower report concerns another company of the company group of VDE or another organisational unit, the contents of the whistleblower report and the results of the further clarification of the facts may be passed on to the company or organisational unit concerned for further processing of the whistleblower report.

In the course of the clarification measures and in the assertion, exercise or defence of legal claims, VDE may also make use of the support of professionals who are bound to secrecy, such as law firms or auditing companies. In addition, (technical) service providers may be involved in the clarification and processing of the reported facts; said parties act for us as processors bound by instructions on the basis of corresponding agreements. They may also become aware of the contents of the whistleblower report, but are obliged to handle the data concerned confidentially.

In exceptional situations, information on the identity of the whistleblower or other circumstances that may point to the identity of the whistleblower may have to be forwarded to authorities, courts or third parties despite maintaining confidentiality.

This is the case if the disclosure of this information to the listed bodies and individuals is obligatory for VDE, for example in the context of an official investigation (such as a preliminary investigation) or if this is necessary for the assertion, exercise or defence of legal claims. Furthermore, under certain conditions, the information reported must also be disclosed by VDE to any other person mentioned in the whistleblower report.

In such cases of disclosure of the reported information by VDE, the whistleblower – insofar as their identity and/or contact details are known to VDE – shall be informed in writing or in textual form of the disclosure and the reasons for it before the disclosure is made to third parties. This notification shall only be omitted if an authority or court notifies the Reporting Office that such disclosure would jeopardise its investigations or court proceedings.

Whistleblowers can also make their reports anonymously. We recommend using the BKMS reporting system for this purpose.

6. Acting impartially

All persons familiar with the whistleblower report or with the clarification of the facts shall act impartially when processing the whistleblower report. In particular, they act independently and without being influenced and are not bound by instructions regarding their activities in connection with the Reporting Office.

7. Whistleblower processing and follow-up actions

After the whistleblower report is received by the Reporting Office, it is recorded and further processed. If appropriate, follow-up actions (preventive and remedial measures) are initiated following examination of the whistleblower report.

The procedure after receipt of a whistleblower report by the Reporting Office usually includes the following steps:

a. Acknowledgement of receipt and review of the record filed

The whistleblower will promptly receive an acknowledgement of receipt from the Reporting Office, no later than seven days after receipt of their whistleblower report by the Reporting Office, if they have included contact details

for follow-up questions in their whistle-blower report. The acknowledgement of receipt shall include, among other things, the per-sonal data entered by the whistleblower and a statement of the facts reported.

If the contents of a (oral) whistleblower report have been recorded by the Reporting Office, and if the whistleblower included contact details for follow-up questions in their whistleblower report, the Reporting Office will also give them the opportunity to review the record, correct it as required and confirm it with their signature or in electronic form.

If the whistleblower does not include any contact details in the whistleblower report, neither confirmation of receipt nor review of the record can take place.

b. Filtering and control

After receiving the whistleblower report, the Reporting Office first examines the facts reported on the basis of the information provided to determine their validity and credibility, as well as their relevance for VDE.

Further processing of information received that is credible and valid (forwarding of the facts to the responsible office in VDE, clarification of the facts, implementation of follow-up actions) will only take place if this is provided for by law and/or legally permissible. In order to check this, the facts reported are first examined with regard to the applicability of the legal reporting option under the German Supply Chain Due Diligence Act and classified according to the type of risks and violations reported.

Inconclusive, incomprehensible, unsubstantiated or implausible whistleblower reports are not processed further (so-called baseless whistleblower reports). This also applies to baseless whistleblower reports that have no connection whatsoever to human-rights and environmental risks or with the clarification, minimisation and end of violations of human-rights or environmental obligations. In such cases, only an anonymised report without personal data will be drafted and filed. It will state that such information has been received, together with the reasons why the personal data will not be processed and the report will not be processed further. The whistleblower will be informed by the Reporting Office – insofar as they have included contact details in their whistleblower report – about the decision not to further process their report. If the whistleblower does not include any contact details in the report, this information cannot be provided. For clarification: reports of rule violations or other misconduct do not constitute a baseless whistleblower report as described above and are therefore excluded from this provision.

If the whistleblower has included contact details and has agreed to be contacted, follow-up questions and consultation can be initiated by both parties with regard to the reported facts and the processing status of the report. Contact between whistleblowers and the Reporting Office enables further processing of the report in case of initially “inadequate” reports: if a report cannot be further examined for legal reasons on the basis of the information available to the Reporting Office, additional information can be obtained before it is deleted: the whistleblower can either contact the Reporting Office again on the basis of the relevant information and provide the missing information required for further examination, or the Reporting Office can contact the whistleblower and request further information or documents.

c. Report

The further processing of the whistleblower report and all further actions concerning the whistleblower report shall be carried out in compliance with the confidentiality requirement for each person and body handling a whistleblower report.

Insofar as the whistleblower report or individual pieces of information from it are to be for-warded to other persons or departments within the company or also to third parties (for example for the implementation of follow-up actions), the legality and permissibility of such a disclosure of information must be legally examined in advance; confidential treatment by the responsible department within the company must also be ensured in advance.

d. Follow-up actions

After receipt of the whistleblower report, the responsible office examines the facts reported in terms of their validity and credibility and of the possibility of further data processing on the basis of the information provided and of the information available.

If there is reasonable suspicion, actions will be initiated – in compliance with the legal regulations – to clarify the facts reported and to follow-up on them.

Follow-up actions can include:

- (Further) contact with the whistleblower
- Conducting internal investigations in the own business unit or at the suppliers concerned or their relevant organisational unit; as required, this may be carried out by a commissioned body (such as a law firm)

- Contacting affected persons and work units
- Referral of the whistleblower to another (competent) body
- Conclusion of the procedure
- Submission of the procedure to a responsible office of the company, the relevant organisational unit or the competent authority for the purpose of initiating preventive or remedial measures.

e. Discussion of the facts and offer of dispute resolution

The aim of the VDE reporting system is, among other things, to uncover and minimise or end human-rights or environmental risks or violations of human-rights or environmental obligations within the meaning of the German Supply Chain Due Diligence Act.

Against this background, VDE can also offer the whistleblower a dispute resolution procedure following examination of the facts.

f. Final feedback

If the whistleblower has provided contact details, they will receive feedback no later than three months after confirmation of receipt of the whistleblower report as to what follow-up actions are planned or have been implemented with regard to their report and the reasons for this decision.

If the whistleblower does not include any contact details in the whistleblower report, this information cannot be provided.

g. Data protection Use of the Reporting Office is voluntary.

The processing of personal data shall be carried out in particular with regard to the personal data of the whistleblower and the persons affected by the whistleblower report in compliance with the data protection provisions of the General Data Protection Regulation and the German Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG).

8. Review

The effectiveness of the reporting procedure shall be reviewed at least once a year and when the situation calls for it.

Such a review takes place if VDE must expect a significantly changed or significantly expanded human-rights or environmental risk situation in its own business area or for the direct supplier, for example through the introduction of new products and projects or the establishment of a new business area of VDE.

If necessary, the review is repeated immediately, and the corresponding measures are updated without delay.

9. Protection against retaliation

Whistleblowers who report a suspicion about a reportable matter will be protected. They may not – and will not – suffer retaliation for whistleblowing.

Whistleblowers therefore need not fear any adverse consequences under criminal, civil or labour law. In particular, whistleblowers are not at risk of suffering any adverse consequences in relation to their employment position or their professional advancement within VDE. This shall also apply if a report should subsequently prove to be unjustified. Similarly, VDE will in no way tolerate any retaliation or disadvantage suffered by whistleblowers as a result of using the whistleblower system.

However, this does not apply to whistleblowers who report untrue information either knowingly and intentionally or through gross negligence. In this case, VDE reserves the right to take civil, labour and criminal action to the extent permitted by law.

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