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Project Group Compliance

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Customer ERNI Group

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1 Introduction

ERNI Group is committed to the highest levels of ethics and integrity in the way that we do business. Our core values lie at the heart of our corporate culture and distinguish ERNI as a very special enterprise. We understand that this is crucial to our continued success and reputation. Our Code of Conduct and internal Regulations guide our professional conduct in every business situation. Therefore, we have a professional responsibility to speak up and report unethical behavior.

1.1 Background

We have developed this Regulation, having regard to the relevant legal requirements included in the Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and national laws.

1.2 Aim and purpose

In line with ERNI's Code of Conduct, we want to protect employees who come forward and report concerns in good faith by encouraging a culture in which employees can raise concerns regarding unethical conducts without having to fear any adverse consequences so they can be addressed to help ERNI getting better and safer business by preventing non-compliance with the Code of Conduct, ERNI Regulations and national laws which may lead to impairment of ERNI's integrity, financial loss, regulatory sanctions and/or reputational damage.

1.3 Scope

This Regulation applies to:

- All companies of ERNI Group;
- All ERNI Group employees;

1.4 Other relevant documents

- ERNI's Code of Conduct

2 Initial position and intention

2.1 Initial position

ERNI's Whistleblowing Regulation is an important element in detecting corrupt, illegal or other undesirable conduct. ERNI strongly encourages you to speak up if you suspect or witness any matters of concern.

2.2 Intention

This Regulation describes the protections available to whistleblowers, what matters are reportable, the report procedure and how ERNI will support and protect the whistleblowers.

3 Regulation

3.1 Definitions

Detrimental conduct - Detrimental conduct is negative action taken against any person who, in good faith, makes a whistleblower report or assists or participates in an investigation of the disclosure and as a result suffers detriment.

Integrity Line - ERNI's Integrity Line service is an anonymous and secure whistleblower service delivered by EQS.

Whistleblower Committee - The WB Committee (including its members individually) are responsible for managing the whistleblower program and overseeing its implementation and effectiveness.

Whistleblower Investigation Officer (**WIO**) - The WIO is a person who has been nominated to carry out an investigation of a whistleblower report and to provide support and assistance to the whistleblower as needed.

Whistleblower Report Officer (**WRO**) - A WRO is a person who has been nominated to receive disclosures of reportable conduct from a whistleblower.

3.2 Principles

Who is a whistleblower?

A whistleblower is someone who discloses a reportable conduct under this Regulation. Also, a whistleblower can be a current or former employee, principal or a service provider of ERNI.

If a third party transfers a complaint to an employee, such employee will have the obligation to report it to the WIO.

What is a reportable conduct?

Reportable conduct is anything that you have reasonable grounds to suspect. In relation to ERNI, reportable conducts are included in section 3.6 of this Regulation. Some examples of reportable conduct include but are not limited to:

- fraud, money laundering or misappropriation of funds;
- offering or accepting a bribe; and
- failure to comply with, or breach of, legal or regulatory requirements.

Reportable conduct excludes personal work-related grievances as described below.

A personal work-related grievance is a report of behavior that has implications for the discloser personally and does not have significant implications for ERNI (for example an interpersonal conflict between two employees, etc.)

Personal work-related grievances do not qualify for protection under the whistleblower laws or this Regulation. Personal work-related grievances must be raised internally with your superior or Human Resources Department.

What protection will I have as a whistleblower?

A whistleblower must make a whistleblower report through the Integrity Line service to qualify for protections under the whistleblower laws and this Regulation. These protections include:

- Identity protection;
- Protection from detriment;
- Civil, criminal and administrative liability protection.

ERNI does not tolerate any form of Detrimental Conduct taken by any person against the whistleblower or any people who are involved in an investigation of a whistleblower report. Examples of Detrimental Conduct can include, but are not limited to:

- harassment, intimidation, or bullying; and
- threats to cause detriment.

Examples of actions that are not Detrimental Conduct may, for example, include:

- managing a whistleblower's unsatisfactory work performance;
- administrative action that is reasonable to protect the whistleblower from detriment.

ERNI takes all allegations of Detrimental Conduct very seriously. If you believe that you are suffering detriment please contact a WIO through the ERNI Integrity Line tool.

False or misleading disclosures

When making a disclosure, you will be expected to have reasonable grounds to suspect the information you are disclosing is true, but you will not be subject to a penalty if the information turns out to be incorrect. However, you must not make a report that you know is not true or is misleading. This may be a breach of our Code of Conduct and will be considered a serious matter that may result in disciplinary action. There may also be legal consequences if you make a knowingly false report.

3.3 Report Procedure

When can I make a whistleblower report?

Before making your whistleblower report you should satisfy yourself that you have reasonable grounds to suspect a reportable conduct. A mere allegation with no supporting information is unlikely to reach that standard.

However, a whistleblower does not need to prove their allegations. In addition, the disclosure can still qualify for protection even if the disclosure turns out to be incorrect.

How can I make a whistleblower report?

The whistleblowing channel (Integrity Line) will be accessible through:

- <https://whistleblower.erni>
- <https://betteraskerni.integrityline.com>

The whistleblowing channel is implemented for all ERNI Group companies.

ERNI recommends using the ERNI Integrity Line service to make your whistleblower report. As an exception, If you are making a disclosure concerning the WIO you must report directly to a WRO.

ERNI WROs, include:

- ERNI CFO

There are other ways you can make disclosures in limited circumstances, including to a regulator, or when making an emergency or public interest disclosure. Before you make any such disclosure you should seek independent legal advice to understand the criteria for making such a disclosure.

What should I include in the report?

Please provide as much detailed information as possible so that your report can be investigated.

Some useful details include:

- date, time and location;
- names of person(s) involved, roles and their business group;
- your relationship with the person(s) involved;
- the general nature of your concern;
- how you became aware of the issue;
- possible witnesses; and
- other information that you have to support your report.

Should I make a whistleblower report anonymously?

You can choose to make your disclosure anonymously and if so, you will still be protected under the whistleblower laws. However, requiring complete anonymity may practically make it more difficult for us to investigate the issue or take the action we would like to take.

Identity Protection

Where you make a disclosure, your identity will only be shared if:

- you provide consent; or
- ERNI is permitted or required by law.

3.4 Registration and classification

Once the whistleblower report is received, it shall be assigned an identification code, and shall be incorporated into a database in which the processing status shall be recorded. The database will be updated throughout the different phases of the procedure.

The whistleblower shall be provided with a receipt for the presentation and registration of the communication made in the channel.

The complaints shall be classified in order of importance. The following are aspects considered to be most relevant:

- Situations that may give rise to possible criminal liabilities of the company or its executives, including (but not limited to) those that may involve acts, that if confirmed, could be classified as corruption in the public sphere, in any of its forms;
- Situations in which there is a risk of violating any current legislation;
- Situations which, if known outside of the company, may cause damage to the image of ERNI group;
- Situations which represent a “business continuity” risk;
- High amount associated with the founded complaint; and
- Number of people or areas affected by the alleged facts.

3.5 Investigation Procedure

Who will assess or investigate my matter?

All whistleblower reports will be considered by the WB Committee, who will appoint a WIO to investigate the whistleblower report.

How will my whistleblower report be reviewed by ERNI?

All whistleblower reports will be taken seriously by ERNI. They will be assessed carefully to determine whether an investigation is required. The WIO will review the outcome and determine appropriate actions to respond to the matter.

What is the investigation process?

All investigations will:

- follow a fair process;
- be conducted as quickly and efficiently as the circumstances permit;
- determine whether there is enough evidence to substantiate the matters reported; and
- be independent of the person(s) concerned with the allegations.

We will provide you with feedback, as appropriate on the progress and expected timeframes of the investigation.

3.5.1 Preliminary analysis of the alleged facts

Once a whistleblower report is received, the WIO shall determine whether or not to give process to said communication, considering if it does or does not meet the minimum requirements for this purpose. In the event that the whistleblower report is manifestly unfounded, or that, being anonymous, does not provide sufficient information for the verification of the alleged facts, it shall not be admitted for processing, documenting such decision.

3.5.2 Verification of the alleged facts

When according to the preliminary analysis of the complaint is appropriated, the WIO shall proceed to the verification and analysis of the alleged facts; for this purpose, the collaboration of other areas of ERNI, or of third parties, may be requested if necessary. Throughout the investigation process, the presumption of innocence is guaranteed to all affected persons.

3.5.3 Resolution of the complaint

Once the audit of the alleged facts has been concluded, the WIO will reach conclusions that will be transferred to the competent areas and according, to what it is established in this Regulation, said conclusions could be formalized in a report.

Additionally, adequate compliance with the applicable data protection laws and, in particular, regarding the rights of the owners of such data must be ensured.

On the one side, if it is determined that the perpetration of any irregularity, act contrary to the law or the internal standards, has not been accredited, an agreement shall be reached to close the file without the need to adopt any measure, proceeding with its filing and documenting said decision.

On the other side, if it is determined that the perpetration of any irregularity, act contrary to the law or the internal standards of ERNI group, has been accredited, said situation will be transferred to the head of the affected area and to Human Resources Department for the appropriate disciplinary effects.

Once an investigation has been completed ERNI will notify you but please be aware that ERNI may be unable to disclose particular details or the outcome of the investigation.

3.6 Categories of reportable conduct

3.6.1 Mobbing / harassment

Moral harassment at work, also known as “mobbing”, is any conduct, practice, or behaviour that, systematically and recurring over time, represents within the centre of the working relationship represents and undermining or offence against the dignity of the worker, trying to emotionally and psychologically submit him/her, and attempting to cancel his/her capacity, professional promotion, or permanence in the workplace, creating a hostile environment, and negatively affecting the working environment.

Excluded from the concept of harassment at work are those temporary interpersonal conflicts located at a specific time that can occur within the framework of human relationships and that affect the work and development of the organization, but do not have as purpose the personal or professional destruction of the parties involved in the conflict.

3.6.2 Sexual harassment

Any behaviour of an unwanted sexual nature and that can be perceived, or causing, offence or humiliation to a person. When said behaviour interferes with work or creates an intimidating, hostile, or offensive working environment. Although it generally involves a pattern of behaviour, it can also take the form of a single incident.

3.6.3 Discrimination

Any unfair treatment or arbitrary differentiation based on the race of the person, gender, religion, nationality, ethnic origin, sexual orientation, disability, age, language, social origin, or any other social condition whatsoever. Discrimination can be an isolated occurrence that affects a person or group of people in a similar situation

3.6.4 Inappropriate behaviour and other conflicts in the workplace

One-time or recurring behaviours of abuse of power both by area managers or heads of companies towards their subordinates, and abuse towards an employee that occurs among people who do not have a control or hierarchy relationship between each other, or if they had, said control or hierarchy relationship would not be relevant.

3.6.5 Working Conditions

Errors in the remuneration process to employees (payment of salaries, overtime, bonus, etc.) which are not associated with issues of fraud. Furthermore also includes those situations that involve a labour risk for the worker (unhealthiness, risk of fire...).

3.6.6 Information security / privacy

Use of the information of the company, customers, employees, shareholders, or providers for one's own benefit or the benefit of third parties. Breach of processes that manage the confidentiality, integrity, and availability of information assets.

3.6.7 Conflicts of Interest

Situations in which a personal or private benefit or interest influences the professional decisions adopted by an employee, being this personal interest or benefit able to conflict with the interests of any company of the ERNI group. The conflict of interest can be due to relationship, participation in companies, or for any other reason whatsoever that the employee considers that limited or conditioned his/her objective decision-making capacity regarding third parties. An employee's decision-making capacity is considered conditioned when said employee or coordinated persons directly or indirectly attempt, or try to attempt, to exercise control, a significant influence, or an administration or management position in companies or entities involved in a potential conflict of interest.

3.6.8 Corruption of public officers

Those behaviors carried out by ERNI employees, or through third parties, against the integrity of ERNI, consisting of promising, offering, paying, giving, or authorizing the delivery of gifts, invitations, or other types of incentives to a civil servant or public employee with the purpose of influencing or obtaining a benefit for ERNI.

3.6.9 Acts contrary to integrity in the private scope

Those conducts carried out by ERNI employees, or through third parties, against the integrity of ERNI, consisting of: (a) either promising, offering, paying, giving, or authorizing the delivery of gifts, invitations, or other types of incentives to any natural or legal person, in the private scope, with which there is no personal or economic link, with the purpose of conditioning the conduct of the party receiving the incentive; (b) either receiving or accepting gifts, invitations, or other types of incentives from any natural or legal person in the private scope, with which there is no personal or economic link, with the purpose of obtaining an advantage or a reward.

3.6.10 External Fraud

Intentional or deliberate action against ERNI in order to dispossess it of property or money through deception, scheme, or other unfair medium. In this case, employees of ERNI are not involved, and neither are persons who act in their capacity as public officers.

3.6.11 Internal Fraud

Intentional or deliberate action against ERNI in order to dispossess it of property or money through deception, scheme, or other unfair medium. In this case, employees of ERNI are involved in the fraud, and in the event that there are external natural persons, these will not be persons who act in their capacity as public officers.

3.6.12 Favourable treatment

Act through which privileges, concessions, or benefits are granted to a third party or an employee of the ERNI Group with which there is no personal or economic link, or said link is unknown, giving the other party an advantage over others in such a way that eliminates the concept of equal terms. Favourable treatment situations not contrary to the integrity of ERNI and that are not linked to a Conflict of Interest, will be included in this category.

3.6.13 Internal Control of the Financial Reporting

Accounting irregularities related to the internal control of the financial information or regarding audit issues.

3.6.14 Legal Non-compliance

Any other non-compliance with national laws not included in the previous categories.

3.6.15 Regulatory Non-compliance

Any other intentional or unintentional non-compliances with internal regulations, not reflected in the previous sections. Non-exhaustively in the event that the non-compliance is related to the Conflict of Interest Regulations, the “Conflict of Interest” characteristics will be applied, if it is related to the Anti-corruption Policy, it will be classified in the corresponding “Public Officials Corruption” or “Acts Contrary to Integrity in the Private Scope” sections.

3.6.16 Non-compliance with Customer Commitments

Non-compliance with the commitments contracted with customers in relation to the contracted services, billing, quality of products and services, etc. or bad practices contrary to the customer’s interests.

3.6.17 Other

Any other complaint that may not be assigned to any of the aforementioned characteristics. To the extent possible, this category will be used as little as possible.

4 Control of compliance with the regulation

The owner of this document is the WB Committee who must check and, if necessary, update the document at least once a year.

5 Final and transitional regulations

5.1 Implementation

This regulation enters into force on 01.05.2022

Place and date:

Zurich, 26.04.2022

Approved by:

Group CEO