

Publicly accessible RULES OF PROCEDURE of

Netto ApS & Co. KG

for Information According to Section 8 of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG)

1. Preamble

Netto ApS & Co. KG has set up a reporting procedure in the form of an internal Reporting Office to receive information on human-rights and environmental risks in the supply chain and violations of human-rights and environmental obligations. This Reporting Office has been outsourced to the law firm Heuking Kühn Lüer Wojtek (“**outsourced internal Reporting Office**”). The purpose of this outsourced internal Reporting Office is to report risks and violations of obligations as a result of the financial actions of Netto ApS & Co. KG in its own business area or as a result of the actions of a direct supplier of Netto ApS & Co. KG.

The outsourced internal Reporting Office is part of the Netto-Group compliance management system. It helps to uncover human-rights and environmental risks and violations in the supply chain of Netto ApS & Co. KG 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). Human-rights or environmental issues can not only cause lasting harm to those affected, but can also trigger a punishing liability for the Netto ApS & Co. KG and the responsible Netto ApS & Co. KG employees. The outsourced internal Reporting Office aims to prevent these dangers.

The Netto ApS & Co. KG 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 company and supply chains, to optimise internal processes and strengthen the trust of employees, customers and suppliers in the company and its manufacturing and procurement processes.

The reporting system protects the whistleblowers, in particular, but also the persons concerned from disadvantages they could experience due to whistleblower reports. The Netto

ApS & Co. KG attaches the utmost importance to treating all whistleblower reports confidentially.

The Netto ApS & Co. KG 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 Netto ApS & Co. KG (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 the Netto ApS & Co. KG (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 the Netto ApS & Co. KG and observe a violation or misconduct there, such as fee-based staff, freelancers, employees and workers of (sub-)contractors, suppliers, business partners and customers. 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 Netto ApS & Co. KG 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 Office

The Netto ApS & Co. KG has assigned the tasks of an outsourced internal Reporting Office to the law firm Heuking Kühn Lüer Wojtek.

It can be reached by whistleblowers under the following contact details:

Dr André-M. Szesny, LL.M. Attorney at Law
Heuking Kühn Lüer Wojtek
Georg-Glock-Straße 4
40474 Düsseldorf/Germany
Email: a.szesny@heuking.de
Telephone: +49 (0) 211 60055 217
Fax: +49 (0) 211 60055 210

The reported information will be recorded and processed by experienced lawyers at Heuking Kühn Lüer Wojtek and then forwarded in a legally compliant manner to the office of the Netto ApS & Co. KG responsible for whistleblower reports.

b) Reporting channels

The whistleblower report can be submitted to the Reporting Office under the contact details given above

- electronically, using the web form on the website <https://whistlefox.heuking.de/start/netto-aps-co-kg>
- by telephone,
- by email,
- by fax,
- by post,
- or in person.

c) Communication and dispute resolution

The internal Reporting Office outsourced to Heuking Kühn Lüer Wojtek is available to the whistleblower through the reporting channels for follow-up questions and a discussion of the facts reported with experienced lawyers. 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

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. They are usually the responsible persons of the (outsourced) internal Reporting Office at Heuking Kühn Lüer Wojtek and the personnel department and the works council of the Netto ApS & Co. KG. The reported data are treated confidentially, they are not actively disclosed to third parties and are protected from access by unauthorised persons.

If the whistleblower report concerns another company of the company group of Netto ApS & Co. KG or another organisational unit, the company may pass on the contents of the whistleblower report and the results of the further clarification of the facts 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, the Netto ApS & Co. KG 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.

The personal data of the whistleblowers and of the persons concerned may come to the knowledge of authorities, courts or third parties in exceptional situations despite confidentiality having been maintained. This is the case if the disclosure of this information to the listed bodies and individuals is obligatory for the Netto ApS & Co. KG, 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 the Netto ApS & Co. KG to the person affected by the whistleblower report.

In such cases of disclosure of the reported information by the Netto ApS & Co. KG, the whistleblower – insofar as their identity and/or contact details are known to the Netto ApS & Co. KG – shall be informed in writing of the disclosure and the reasons for it by the personnel department and the works council at the Netto ApS & Co. KG before the disclosure is made to third parties. This notification shall only be omitted if it would jeopardise the official investigation.

Whistleblowers can also make their reports anonymously.

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 by the Netto ApS & Co. KG and are not bound by instructions (from the Netto ApS & Co. KG) 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 whistleblower report. The acknowledgement of receipt shall include, among other things, the personal 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 the Netto ApS & Co. KG.

Further processing of information received that is credible and valid (forwarding of the facts to the responsible office in the company, 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** by the outsourced internal Reporting Office (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**

Following the procedure described above and after a legal review, the outsourced internal Reporting Office prepares a report on the whistleblower report – anonymised if necessary (see above) – with all the relevant information on the whistleblower report that is permissible under data protection law.

In the next step, this report is then forwarded to the responsible office in the company, the personnel department and the works council

From this point on, the personnel department and the works council is responsible for the further legally compliant and confidential processing of the whistleblower 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 forwarded 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. In particular, the persons who are allowed to gain knowledge of these data and the steps of the intended data processing must be defined in advance. All persons addressed shall be expressly informed of the confidentiality requirement and shall undertake to observe it.

d) Follow-up actions

After receipt of the whistleblower report, the responsible office in the company 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, the Netto ApS & Co. KG, represented by its management, is obliged – in compliance with the legal regulations – to initiate actions to clarify the facts reported and to follow-up on them. The personnel department and the works council decides (if necessary in consultation with the outsourced internal Reporting Office) on the implementation of said actions.

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.

These and other follow-up actions can also be carried out by the law firm Heuking Kühn Lüer Wojtek, which has been assigned performance of the tasks of the internal Reporting Office on behalf of the company.

e) Discussion of the facts and offer of dispute resolution

The aim of the Netto ApS & Co. KG whistleblower 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, the Netto ApS & Co. KG can also offer the whistleblower a dispute resolution procedure following examination of the facts between the outsourced internal Reporting Office and the whistleblower.

f) Final feedback by the Reporting Office

If the whistleblower has provided contact details to the Reporting Office, they will receive feedback from the personnel department and the works council 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).

For the data processing of whistleblower reports within the Netto ApS & Co. KG, the data protection notices <https://www.netto.de/datenschutz/> apply.

The [data protection information](#) provided applies to data processing carried out by Heuking Kühn Lüer Wojtek.

8. Review

The effectiveness of the reporting procedure shall be reviewed by the Netto ApS & Co. KG at least once a year and when the situation calls for it.

Such a review takes place if the Netto ApS & Co. KG 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 the Netto ApS & Co. KG.

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. Retaliation or a reprisal because of providing this type of information is prohibited by law and may result in both civil liability (damages) and responsibility under administrative law for the responsible persons or the Netto ApS & Co. KG.

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 the Netto ApS & Co. KG. This shall also apply if a report should subsequently prove to be unjustified. Similarly, the Netto ApS & Co. KG 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, the Netto ApS & Co. KG reserves the right to take civil, labour and criminal action against the person who deliberately makes a false report to the extent permitted by law.

10. Follow-up questions & contact

For follow-up questions, all persons affected by these Rules of Procedure can make use of the following contact options:

outsourced internal Report Office of the Netto ApS & Co. KG

Dr André-M. Szesny, LL.M. Attorney at Law
Heuking Kühn Lüer Wojtek
Georg-Glock-Straße 4
40474 Düsseldorf/Germany
Email: a.szesny@heuking.de
Telephone: +49 (0) 211 60055 217
Fax: +49 (0) 211 60055 210

Netto ApS & Co KG
Personnel department
Mareen Komossa-Römer
mareen.komossa-roemer@netto.de
works council
betriebsrat@netto.de

Preetzer Straße 22
17153 Stavenhagen