

---

# **Whistleblower policy**

**(also: rules of procedure for the complaint procedure pursuant to the Supply Chain Due Diligence Act)**

---

Last updated: November 2022

TABLE OF CONTENTS

- A. INTRODUCTION.....3
- B. DEFINITIONS .....4
- C. APPLICATION.....6
- D. THE HORNBAACH WHISTLEBLOWER SYSTEM .....7
  - I. Submitting a report.....7
  - II. Scope of the report .....9
  - III. Confirmation of receipt .....10
  - IV. Processing of reports.....11
- E. CONFIDENTIALITY .....12
  - I. Confidentiality of reports .....12
  - II. Protection of affected parties .....12
- F. PROTECTION OF WHISTLEBLOWER FROM REPRISALS.....12
  - I. Protection from negative actions .....12
  - II. Protection in the event that reports are unfounded .....13
  - III. No protection in the event of deliberately false reports.....13
- G. DATA PROTECTION .....14
- H. CONTACT.....14

## A. INTRODUCTION

The success of HORNBAACH Baumarkt AG, HORNBAACH Holding AG & Co. KGaA, and all HORNBAACH companies (collectively ‘**HORNBAACH**’ or the ‘**HORNBAACH Group**’) demands a strong commitment to integrity, responsibility, and compliance with regulations. This means that HORNBAACH does not tolerate any violations of laws or internal company guidelines. To ensure that these principles are upheld at all times and that employees<sup>1</sup>, in particular, can work in a safe environment, it is essential that HORNBAACH be notified of potential compliance violations, including human rights and environmental violations. This is the only way to uphold HORNBAACH’s values, which promote a positive and trusting corporate culture. By submitting a report, whistleblowers assist in the process of uncovering, investigating, and remedying potential misconduct at an early stage. Whistleblowers thus strengthen trust in HORNBAACH, HORNBAACH’s corporate values, and the company’s lasting success.

HORNBAACH’s commitment also encompasses the relationships that exist with suppliers in Germany and abroad. In an increasingly globalised world, HORNBAACH’s relationships with its suppliers are subject to certain challenges that demand best practices from all parties involved. HORNBAACH’s duties of care relate not only to its own business operations, but also to the actions of its (direct and indirect) suppliers. HORNBAACH is committed to avoiding human rights and environmental risks that may exist at any point in its supply chain.

To ensure that all parties involved have the opportunity to report events of potential misconduct, HORNBAACH has expanded its whistleblower system, which has been in place for many years, and integrated the requirements of the EU Whistleblower Directive and the Whistleblower Protection Act (‘**HinGSchG**’), as well as the Supply Chain Due Diligence Act (‘**LkSG**’). The policy set out here summarises the tenets of the HORNBAACH whistleblower system, at the same time providing clear and comprehensible publicly accessible information regarding the accessibility, responsibility, and implementation of the procedure for complaints about human rights and environmental risks and violations (the ‘**policy**’).

With this policy, HORNBAACH would like to encourage whistleblowers to report potential misconduct and at the same time assure them that HORNBAACH will protect any whistleblower who comes forward. This policy is supplemented by a process description. The process description is attached at the end of the policy ([appendix](#)) and can also be viewed on the intranet.<sup>2</sup>

HORNBAACH’s web-based whistleblower system launched in 2017 also offers the whistleblower a secure and, if so desired, anonymous channel for reporting potential misconduct and risks. All information and data communicated via the whistleblower system is encrypted and must be treated as strictly confidential by the recipients. Only authorised persons at HORNBAACH, i.e. the Compliance department of the HORNBAACH Group, which is also tasked with dealing with human rights issues within the meaning of the Supply Chain Due Diligence Act, the Head of Group

<sup>1</sup> To facilitate readability we use only one gender, but always refer to all genders (m/f/d) equally.

<sup>2</sup> Available on the intranet at [[https://hornbach.sharepoint.com/sites/Konzern\\_Compliance/SitePages/HORNBAACH-Hinweisgeber.aspx](https://hornbach.sharepoint.com/sites/Konzern_Compliance/SitePages/HORNBAACH-Hinweisgeber.aspx)].

Internal Audit, and the case manager in charge ('authorised persons') have access to the information and data provided.

HORNBACH encourages whistleblowers to submit reports via the whistleblower system, above all to enable misconduct to be investigated and remedied quickly. Whistleblowers can also submit their reports to the authorities through external reporting channels, i.e. those not operated by HORNBACH. The competent authorities also offer whistleblowers comprehensive protection.

It remains possible to submit reports outside the web-based whistleblower system via the HORNBACH compliance hotline, in person, by letter, or by email. We recommend, however, that whistleblowers choose the whistleblower system as their means of communication in order to ensure the encrypted transmission of confidential personal information.

It is important that every report, whether submitted through an internal or external reporting channel, is effectively followed up and that whistleblowers do not have to fear reprisals.

## B. DEFINITIONS

- **Compliance department:** The central compliance function in the HORNBACH Group, which manages and coordinates Group-wide compliance activities. This department is also tasked with dealing with human rights issues within the meaning of the Supply Chain Due Diligence Act.
- **Case Management:** Impartial and independent internal unit of the HORNBACH Group that is not bound by instructions in the exercise of its activities and is responsible for processing reports submitted via the whistleblower system after being given the relevant responsibility and internal assignment by the Compliance department.
- **Whistleblower:** Any natural or legal person, such as employees, self-employed persons, shareholders, volunteers, interns, persons working under the supervision and direction of contractors, subcontractors, or suppliers, as well as customers, residents, investors, other companies, or non-governmental organisations (NGOs).
- **Whistleblower system:** For the purposes of this policy, includes both the web-based system technically operated by an external provider and all other channels for reporting potential misconduct, violations, and malpractice as set out in section C.
- **HORNBACH:** Hornbach Baumarkt AG, HORNBACH Holding AG & Co. KGaA and all HORNBACH companies, collectively also referred to as the 'HORNBACH Group'.
- **Suppliers:** All direct and indirect suppliers of HORNBACH.
- **Supply chain:** The supply chain relates to all HORNBACH products and services. It encompasses all steps in Germany and abroad that are required to manufacture the products and provide the services, starting with the extraction of the raw materials through to delivery to the end customer, and covers the actions of a company in its particular scope of

business and the actions of its direct and indirect suppliers. HORNBAACH's own scope of business covers all activities undertaken by HORNBAACH to achieve its corporate objectives. This includes all activities relating to the manufacture and sale of products and the provision of services, irrespective of whether they are carried out at a location in Germany or abroad. In affiliated companies, the parent company's own scope of business includes a Group company if the parent company (HORNBAACH Holding AG & Co. KGaA) exercises a determining influence over the Group company.<sup>3</sup>

- **Report:** Verbal or written communication of information about (potential) violations in the sense of a complaint according to the LkSG or other incidents by Hornbach employees or other persons associated with Hornbach.
- **Human rights:** Human rights are rights that derive from and are founded on human dignity; rights that are inalienable, indivisible, and indispensable. All persons are entitled to these rights, regardless of where they live and how they live. They include, for example, the prohibition of child labour, forced labour, slavery, disregard for occupational health and safety when this creates the risk of accidents at work or work-related health hazards, disregard of freedom of association, or unequal treatment in employment.
- **Human rights risks:** A human rights risk is a situation where, on the basis of actual circumstances, there is a sufficient probability of a violation of one of the prohibitions listed in Section 2(2) of the LkSG, e.g. the prohibition of child labour, forced labour, slavery, or disregard for occupational health and safety.
- **Indirect suppliers:** Companies that are not direct suppliers and whose services or supplies are an integral part of the product or are necessary for the provision and use of the HORNBAACH service in question.
- **Reprisal<sup>4</sup>:** Action designed to exert pressure on whistleblowers, e.g. dismissal, transfer to another position, harassment, negative references.
- **Policy:** This whistleblower policy of the HORNBAACH Group (also: rules of procedure for the complaint procedure pursuant to the LkSG);
- **Environmental risks:** An environmental risk is a situation where, on the basis of actual circumstances, there is a sufficient probability of a violation of one of the prohibitions listed in Section 2(3) of the LkSG, e.g. the prohibition of non-environmentally sound handling, collection, storage, and disposal of waste.
- **Direct suppliers:** Partner in a contract for the supply of goods or the provision of services whose supply is necessary for the manufacture of the product or for the provision and use

<sup>3</sup> You can find the Group structure and more detailed information on the individual shareholdings of HORNBAACH Holding AG & Co. KGaA at <https://www.hornbach-holding.de/unternehmen/>

<sup>4</sup> Often also referred to as 'retaliation'.

of the HORNBAACH services in question, e.g. timber suppliers or construction equipment manufacturers.

### C. APPLICATION

The whistleblower policy and the whistleblower system apply to the HORNBAACH Group and its suppliers. All potential whistleblowers are free to report any incidents that have arisen or could arise in connection with the business activities of HORNBAACH within its own scope of business or its suppliers via the available reporting channels (see section D, point I):

- incidents in connection with the activities of HORNBAACH
- human rights or environmental risks and violations of related obligations in the supply chains of HORNBAACH.

This includes violations of national and international laws, regulations, and guidelines.

Whistleblowers may also report incidents involving HORNBAACH employees or other persons associated with HORNBAACH, such as members of the management board, internal and external auditors, chartered accountants, solicitors, and suppliers.

Reports may cover, for example, the following areas:

- Violations of HORNBAACH guidelines, in particular the HORNBAACH code of conduct
- Financial crime, e.g. corruption, fraud, embezzlement, forgery, crime in connection with financial services and markets, money laundering, financing of terrorism
- Failure to respect the right to form employee representative bodies
- Public health
- Public procurement<sup>5</sup>
- Product and transport safety
- Privacy and personal data protection, as well as network and information systems security
- Slavery and forced labour

---

<sup>5</sup> In the course of ‘public procurement,’ public bodies (e.g. municipalities, ministries) acquire works, goods, or services from companies they have selected for this purpose in a contractually regulated manner. In the process, public procurement law includes rules and regulations that public bodies must follow.

- Environmental protection, such as fly-tipping and pollution of water bodies, and consumer protection
- Violations related to the EU internal market<sup>6</sup>, including violations of EU competition and state aid rules, e.g. competition law violations
- Unequal treatment in employment based on e.g. age, gender, religion, or other personal characteristics
- Wage withholding

Reports that do not fall within the personal or factual scope of the whistleblower system are also treated confidentially and forwarded to the relevant specialist department for further handling.

## D. THE HORNBACH WHISTLEBLOWER SYSTEM

### I. Submitting a report

HORNBACH offers whistleblowers five ways to submit reports securely and confidentially. This is especially important when whistleblowers feel they cannot address their concerns directly with the person or supervisor in question, e.g. if they are concerned about reprisals.

Reports can be

- discussed **in person** with HORNBACH's central Compliance Department (see section 1)
- submitted verbally via the HORNBACH **compliance hotline** (see section 2)
- submitted in writing via the **web-based HORNBACH whistleblower system** (see section 3)
- submitted by **letter** (see section 4)
- submitted by **email** (see section 5)

The more detailed the information and the description of the situation, the more effectively Case Management can process, evaluate, and investigate reports (see section II below).

---

<sup>6</sup> The EU internal market is a single market in which the free movement of goods, services, capital, and persons is guaranteed and in which European citizens can freely choose their place of residence and freely pursue work, education, or entrepreneurial activity.

## 1. Personal discussion

- 1.1 Employees of the Compliance department will accept reports in a personal meeting at Hornbachstr. 11, 76879 Bornheim, during office hours (Monday to Friday from 9:00 am to 4:00 pm CET) or by appointment by calling +49 6348 601122.
- 1.2 The Compliance department documents the personal meeting by means of a transcript. The whistleblower is given the opportunity to view the transcript, make any necessary adjustments, and confirm them with their signature.
- 1.3 If desired by the respective whistleblower, the transcript may be prepared without documenting the whistleblower's name in order to protect their anonymity.

## 2. HORNBACH compliance hotline

- 2.1 Whistleblowers can also submit reports directly, in either English or German, via the HORNBACH compliance hotline. The hotline can be reached from Monday to Friday between 9:00 am and 4:00 pm on +49-6348-601122.
- 2.2 The Compliance department documents the reports submitted via the HORNBACH compliance hotline by means of a transcript. In this case, the whistleblower is given the opportunity to view the transcript, make any necessary adjustments, and confirm them with their signature.

## 3. Web-based Hornbach whistleblower system

- 3.1 The web-based whistleblower system is operated by the external software specialist EQS Group AG based in Zürich (Switzerland). The whistleblower system is accessible around the clock, 365 days a year at the following link <sup>7</sup>

<https://hornbach.integrityplatform.org/>

- 3.2 Reports via the web-based HORNBACH whistleblower system can be submitted in writing in the available languages.
- 3.3 The web-based whistleblower system takes whistleblowers step by step through the reporting process. Files that may be relevant to processing of the case can also be uploaded.
- 3.4 Before submitting a report, the whistleblower receives a personal case number, which should be noted and treated confidentially. Whistleblowers will be asked to create a personal password. They can then use their incident number and password to log into their personal and protected mailbox at any time.

---

<sup>7</sup> Click on the hyperlink or copy the link into your browser.



The mailbox is used to communicate with the whistleblower. All communication is confidential and based solely on the willingness of the whistleblower to log into the system and answer further questions.

- 3.5 Multiple reports should each be submitted as an individual report to ensure separate allocation and processing.
- 3.6 At the whistleblower's request, a personal meeting with Case Management takes place after a verbal report is submitted. Reports made in the course of a personal meeting are documented by an authorised audio recording or a transcript. Whistleblowers are given the opportunity to review any transcript, correct it if necessary, and confirm it by signature.
- 3.7 The web-based HORNBACH whistleblower system allows anonymous reports to be submitted, as well as anonymous communication with the whistleblower. The identity of the whistleblower cannot be traced in the whistleblower system unless the whistleblower personally provides personal data when describing the incident. Files can also be transmitted anonymously. In this case, it is important that the whistleblower deletes personal details prior to transmitting files and file names.

HORNBACH encourages whistleblowers to provide names and contact details. This enables Case Management to ensure that the report is processed quickly. HORNBACH warrants that every report will be treated confidentially.

#### 4. Letter

Reports by letter can be sent to the following address:

HORNBACH Holding AG & Co. KGaA  
Abteilung: Compliance - persönlich  
Hornbachstr. 11, 76879 Bornheim

#### 5. E-mail

- 5.1 Reports can be submitted by email to [compliance@hornbach.com](mailto:compliance@hornbach.com) around the clock, 365 days a year.
- 5.2 The central Compliance Group function also represents the function of the human rights officer. Reports sent to the above-mentioned email address will be managed and processed accordingly by the authorised persons as defined in this document.

## II. Scope of the report

The more detailed the information and the description of the situation, the more effectively Case Management can process, evaluate, and investigate reports. HORNBACH Case Management can

only effectively investigate reports that contain sufficient information about the potential misconduct or human rights and/or environmental risk.

The following questions can help to describe the situation:

- What exactly happened?
- How did the incident unfold?
- Is this an ongoing incident?
- Where did or is the incident taking place?
- Which persons are involved in the incident?
- Does the incident also concern you as a whistleblower?
- How and when did you learn about the incident?
- Over what period of time did the incident take place?
- Which other persons were aware of the incident?
- Can they confirm your description?

In order to be available for any queries, we recommend that whistleblowers who have submitted reports via the whistleblower system regularly check the status of their case in the whistleblower system.

Even if a whistleblower does not know all the details of an incident, HORNBAACH encourages them to come forward as soon as possible and provide all relevant known facts. HORNBAACH is aware that whistleblowers report a snapshot and not a comprehensively investigated incident.

### III. Confirmation of receipt

Provided they have given contact details, whistleblowers receive an acknowledgement of receipt from the Compliance department within seven days. If a personal mailbox is created in the web-based HORNBAACH whistleblower system, the whistleblower will receive an acknowledgement of receipt in this mailbox. Please note that automatic notifications will *not* be sent when new messages are deposited in the whistleblower's personal mailbox.

## IV. Processing of reports

### 1. Receipt of report

- 1.1 Once a report has been received via the web-based HORNBAACH whistleblower system, the authorised persons will automatically receive a message confirming receipt by email. Other HORNBAACH employees do not have access to the reports. The identity of the whistleblower will be treated with the utmost confidentiality at all times.
- 1.2 If, when submitting a report by letter or email, contact information is stored or can be seen enabling written confirmation of receipt (e.g. by post or email), the Compliance department will confirm receipt of the report using this information in accordance with section D, point III within seven days.
- 1.3 If a report is submitted via the Compliance hotline, receipt of the report will be confirmed directly in the personal conversation. This also applies in the event that a report is submitted in a personal conversation.

### 2. Review of the report, discussion of facts, and action

- 2.1 Case Management will review each report and investigate further if necessary. The whistleblower is offered the opportunity to discuss the facts with Case Management – in person, by telephone, or in writing, and in a confidential manner.
- 2.2 After an initial review of the report, further investigation will be conducted by Case Management as appropriate. If necessary, the case may also be referred to external authorities, e.g. the police, for further investigation, taking into account section E, point I.
- 2.3 Once an investigation has been completed and violations have been found, appropriate follow-up action will be taken.

At the discretion of Case Management, a consensual resolution process may be offered.

### 3. Feedback to the whistleblower

Within three months of acknowledgement of receipt, whistleblowers will be informed of the current status of their report via any contact details provided. This does not mean that the investigation has been completed. As HORNBAACH carries out a comprehensive and responsible investigation of the information, it may take more than three months in some cases.

If a personal mailbox was created in HORNBAACH's web-based whistleblower system when the report was submitted, the feedback can be accessed there. If this is not the case, or if the whistleblower has not disclosed a different contact address, this may mean that no feedback can be provided to the whistleblower.

Feedback may only be provided to the whistleblower to the extent that this does not affect ongoing internal enquiries or investigations and does not impair the rights of the persons who are the subject of a report or who are named in the report.

## **E. CONFIDENTIALITY**

### **I. Confidentiality of reports**

The security and confidentiality of the identity of whistleblowers is of the highest priority for HORNBAACH. As HORNBAACH wishes to ensure the highest possible level of confidentiality and security, Case Management and authorised persons are obliged to maintain appropriate confidentiality. Case Management and authorised persons will only disclose the identity of a whistleblower and any other information from which the identity of the whistleblower can be directly or indirectly deduced with the whistleblower's consent. Without the whistleblower's consent, the whistleblower's identity will only be disclosed if HORNBAACH is obliged to do so in the course of investigations by national authorities or legal proceedings. Neither IP addresses nor access to the whistleblower system can be traced. This also guarantees the option to submit anonymous reports.

Reports from whistleblowers who have had sufficient reason to believe that a violation falling within the scope of this policy has occurred will be treated as confidentially as possible. HORNBAACH will only disclose information if this is necessary for the investigation of the case and for follow-up action. Information about the identity of a whistleblower and other information from which the whistleblower's identity can be directly or indirectly inferred may not be disclosed to anyone other than Case Management staff responsible for following up reports without the whistleblower's express consent or a legal obligation to do so.

### **II. Protection of affected parties**

The whistleblower system ensures confidentiality with regard to the persons named in the report. Persons suspected of a violation are given the opportunity to comment on the circumstances described, especially if the suspicions are substantiated. In some cases, the whistleblower may be summoned to appear as a witness before the authorities or in court. It should be noted that this also applies to information provided through other reporting channels.

## **F. PROTECTION OF WHISTLEBLOWER FROM REPRISALS**

### **I. Protection from negative actions**

Whistleblowers are always protected from reprisals by HORNBAACH if, at the time of the report, they had sufficient reason to believe that the reported information about violations was true and fell within the scope of this policy. This applies irrespective of whether the report turns out to be justified or unfounded after review.

HORNBACH will not tolerate any reprisals, sanctions, or other retaliatory measures by HORNBACH employees against a whistleblower who had reason to believe that a violation existed at the time of the report. As the employer, HORNBACH will ensure that no employee suffers any disadvantage as a result of making a report. HORNBACH expressly emphasises that reports made in this way will have no effect on the employment, professional prospects, career, or duties of whistleblowers employed by HORNBACH.

If a whistleblower is disadvantaged because of a report or learns of disadvantages in connection with a report, the HR department should be contacted immediately. These reports will be investigated confidentially.

HORNBACH works towards ensuring that its suppliers implement appropriate effective protection from discrimination.

Protection from reprisals with regard to whistleblowers employed by HORNBACH also extends to persons who are connected to the whistleblower and who could be threatened with reprisals due to a possible close connection, e.g. family or similar (e.g. family members also employed by HORNBACH). Furthermore, the whistleblower is granted immunity from liability for the breach of possible confidentiality obligations existing between the whistleblower and HORNBACH in connection with a report to HORNBACH.

## **II. Protection in the event that reports are unfounded**

Whistleblowers are required to verify, in light of the circumstances, that the reports they submit are reliable and accurate. Reports for which whistleblowers had reasonable grounds at the time of reporting to believe were true and within the scope of this policy will not be sanctioned by HORNBACH, even if they later prove to be unfounded.

Whistleblowers should never investigate the possible violation or the circumstances related to the reported violation themselves. HORNBACH will ensure adequate and effective protection against reprisals, disciplinary action, or other retaliation against whistleblowers if a legitimate concern is later found to be false or misdirected. The protection of the whistleblower, however, can only be guaranteed to the extent of HORNBACH's (legal) influence.

## **III. No protection in the event of deliberately false reports**

The whistleblower system is not to be used for deliberately false or malicious allegations. If the whistleblower deliberately provides false or inaccurate information, HORNBACH will not provide any protection from reprisals. In this case, HORNBACH reserves the right to take disciplinary and/or criminal action.

## G. DATA PROTECTION

Data protection is taken very seriously at HORNBAACH. Personal data is used and processed in compliance with applicable data protection regulations.

The software provided by EQS Group AG, based in Zürich (Switzerland), used within the web-based whistleblower system ensures that the identity of the whistleblower cannot be traced by technical means. Irrespective of whether the whistleblower wishes to remain anonymous, the content of the report is always transmitted in encrypted form.

The software complies with German data protection standards in accordance with the requirements of the EU Whistleblower Directive<sup>8</sup>. Furthermore, the software ensures full compliance with the EU General Data Protection Regulation (GDPR)<sup>9</sup> and global data protection regulations, both for the whistleblower in the reporting process and for the case manager and authorised persons. All information and data in the web-based whistleblower system is encrypted and can only be accessed by authorised persons at HORNBAACH. It runs on high-security servers operated by EQS Group AG. The software provider does not use any subcontracted data processors outside the EU. There is no transfer of data to other third countries. More information on data protection in connection with the whistleblower system can be found directly on the reporting platform by going to 'Data protection'.

## H. CONTACT

If you have any further questions about this policy and/or our whistleblower system, please feel free to contact us at [compliance@hornbach.com](mailto:compliance@hornbach.com).

\* \* \* \* \*

---

<sup>8</sup> Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019.

<sup>9</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016.

## APPENDIX: GRAPHICAL PROCESS DESCRIPTION

### Process description for whistleblowers: how the HORNBAACH whistleblower system works

