



SW//M

Rules of Procedure for the Reporting Procedure

Governance and Compliance

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Preliminary remark

Responsible behaviour and integrity are key prerequisites for the success of our business. Compliance, i.e. adherence to statutory regulations as well as internal corporate policies, is thus of great importance for the SWM companies. A fundamental requirement for functioning compliance is that possible violations of laws and rules can be identified at the earliest possible stage and then rectified. Employees and our business partners alike are therefore expressly encouraged to report such violations immediately.

For this purpose, the SWM companies have implemented a reporting procedure that provides confidential reporting channels and ensures that the whistleblower as well as the person affected by a report are protected. **These Rules of Procedure** summarise the key rules of procedure to be observed in connection with the submission and clarification of whistleblowing reports.



Scope

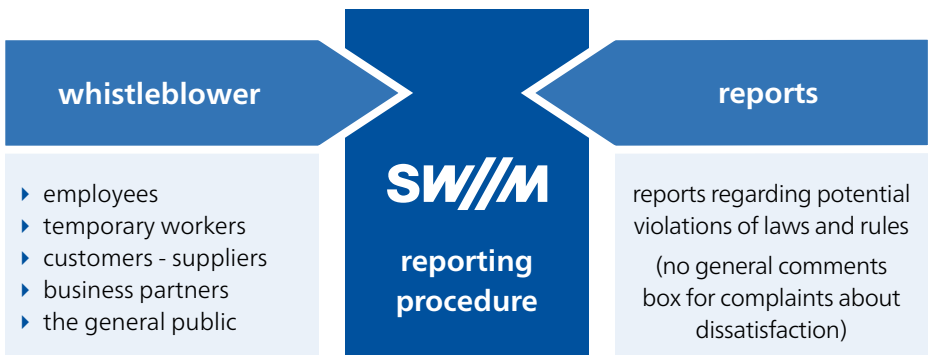
1. Personal scope

The SWM companies accept reports relating to companies belonging to the SWM core group as well as certain shareholdings in which they are majority shareholders (hereinafter referred to as "SWM companies") see **Annex 1** for details.

The possibility to submit reports regarding potential violations of laws and rules is available not only to employees and temporary workers, but also to customers, suppliers, other business partners of the SWM companies and the general public.

2. Factual scope

The reporting procedure implemented at the SWM companies is to be used only for reporting actual or possible violations of laws and regulations (hereinafter also referred to as "compliance violations") that concern the SWM companies or their suppliers. Please note that the reporting procedure is not a general "comments box" (e.g. for complaints about dissatisfaction with the manager or conflicts with colleagues), but is reserved for reporting possible violations of applicable laws or the internal sets of regulations of Stadtwerke München.



Reports are to be filed in particular in the case of suspicion of

- ▶ violations of criminal law, in particular corruption, property offences (theft, misappropriation, fraud, embezzlement), anticompetitive agreements in the context of tenders
- ▶ violations that are penalized with a fine provided that the violated regulation protects the life, limb or health or the rights of employees or their representative bodies
- ▶ violations of legal regulations regarding money laundering and terrorist financing
- ▶ violations of sanctions or embargoes
- ▶ violations of data protection law
- ▶ violations of competition and anti-trust law, in particular public procurement law
- ▶ violations of insider trading and market manipulation rules
- ▶ conflicts of interest (cf. section 4 of the SWM Code of Conduct and section 2.4 of the SWM Business Partner Code of Conduct)
- ▶ violation of the obligation of confidentiality as well as unauthorised disclosure of confidential information
- ▶ violation of employee rights, in particular violations of regulations on the protection of health or safety at the workplace
- ▶ human rights and/or environmental risks
- ▶ violations of human rights and/or environmental duties

Acceptance of reports

The following people (hereinafter also referred to as “report recipient”) are responsible for accepting and dealing with reports at SWM company:

ACCEPTING REPORTS (SWM-INTERNAL)

Dr. Marietje Rotheimer
Compliance Officer
Human Rights Officer

Unit for Governance,
Compliance & Internal Audit

Emmy-Noether-Strasse 2
80287 Munich, Germany

Telefon: +49 89 23 61-62 40
E-Mail: rotheimer.marietje@swm.de

ACCEPTING REPORTS (OMBUDSMAN)

Dr. Karl Sidhu, LL.M.
Lawyer,
Ombudsman of SWM

SvS RECHTSANWÄLTE

Widenmayerstrasse 36
80538 Munich, Germany

Telefon: +49 89 2 44 13 34 60
E-Mail: sidhu@svs-legal.de

Obligations of confidentiality and secrecy

Whistleblowers are responsible themselves for checking, if necessary,

- ▶ whether information that is to be the subject of a report may possibly be subject to a special obligation of secrecy or confidentiality or contain a business secret¹,
- ▶ whether and under which circumstances they are permitted to disclose such information in the context of a report².



¹ For this term, cf. Section 2 German Trade Secrets Protection Act.

² Cf. e.g. Sections 5 and 6 of the law for the better protection of persons providing reports (German Whistleblower Protection Act – Hinweisgeberschutzgesetz, HinSchG) and Section 5 (2) German Trade Secrets Act.

Sequence of the procedure after receipt of a report



1. Submission of a report

Whistleblowers can contact the persons specified in "Acceptance of reports", page 6 with their reports at any time. Reports can be submitted in person, in text form (e.g. via letter or e-mail), verbally (e.g. via telephone) or anonymously.

The more specific information is provided as part of a report (→ When did which specific situation occur and where? Which persons were involved and how?), the better the reported situation can be understood. Existing proof of the reported situation should be included with the report as far as possible.

The report recipients document the received reports in compliance with confidentiality. If a log is created for a report submitted as part of a personal meeting or telephone call, whistleblowers are given the opportunity to check it, correct it if necessary and confirm it with their signature or in electronic form.

Whistleblowers receive an acknowledgement of receipt within seven days after receipt of their report.

2. Conclusiveness check

The person receiving the report – the compliance officer or ombudsman – checks in a first step whether the report is substantive and not a minor offence or an obviously unfounded report (conclusiveness check).

3. Clarification

If this is not the case and there is thus a suspicion of a compliance violation, the unit for Governance and Compliance, possibly with the involvement of employees from the unit of Internal Audit, will investigate the situation further if necessary. This is done, for example, by obtaining information, viewing documents or questioning employees. Unless the report is submitted anonymously, the situation is discussed with the whistleblowers, if necessary.

4. Check and assessment

After a situation has been clarified, the unit for Governance and Compliance carefully checks and assesses the case. If there is no indication of a compliance case, the process is discontinued. If the situation in question is a compliance case, the unit for Governance and Compliance makes a decision on the further procedure and informs the official authorities responsible, if necessary. In both cases, the manager responsible and the persons affected are informed of the outcome of the procedure if and insofar as this is permissible with regard to the protection of confidentiality and specifications under data protection law.

In a final step, the unit for Governance and Compliance checks the necessity of remedial or follow-up action (especially under labour and criminal law, communicatively). If disciplinary measures or measures under labour law, such as a warning, transfer or termination, come into consideration, the Human Resources department is responsible.

5. Final report

The result of the check and assessment as well as recommended measures are documented in a written SWM internal final report intended for the management.

6. Feedback

Whistleblowers receive feedback three months after receipt of their report at the latest. The feedback includes information on planned follow-up action and action that has already been taken as well as the reasons. However, feedback is provided only insofar as this does not affect the internal clarification and the rights of the persons who are the subject of the report or who are named in the context of the report are not infringed.

Participation in questionings

Employees, including relevant managers, are regularly questioned in the context of the clarification process (cf. "Assistance for whistleblowers and persons affected", below).

Participating in the questionings and providing truthful and complete information on their work performance, their work area and their perceptions in connection with the work performance is a secondary obligation regulated in the employees' work contract. Employees are thus obliged to answer all questions in connection with their work and work performance.

On the basis of section 2.3 (2) of the Code of Conduct of Stadtwerke München, the following applies for managers in addition: If they are questioned, managers have a particular obligation to participate in clarifying the situation. However, they shall not exert influence on the clarification or conduct investigations on the clarification process. They participate in possible questionings of their employees only if this is planned by the unit for Governance and Compliance.

Assistance for whistleblowers and persons affected

It is within the discretion of whistleblowers and persons affected by a report to obtain assistance (from the Works Council or a third-party internal or external confidant) at any point during the procedure.

The compliance officer and contact persons of the unit for Governance and Compliance are available at any time to answer questions on the report procedure.

Protection of the whistleblowers and supporters

1. Protection of identity

The confidentiality of the whistleblowers' identity with regard to reports within the scope of "Scope", page 4, is protected by both the report recipients listed above and SWM as an employer³ unless the person submitting the report voluntarily and verifiably waives the protection of their identity. The employer is prohibited from attempting to uncover the identity of the whistleblower. The employer shall prevent any investigations into the identity of the whistleblower on the part of their managers. However, the identity of whistleblowers who report incorrect information on violations deliberately or in a grossly negligent way is not protected.



³ Information on the identity or other circumstances that allow conclusions to be drawn on a person's identity may be disclosed under certain legal circumstances, see Section 8 of the law for better protection of persons providing reports (German Whistleblower Protection Act – Hinweisgeberschutzgesetz, HinSchG).

2. Protection against discrimination, including reprisals

In addition, whistleblowers are protected against discrimination, including reprisals. Therefore, any discrimination as well as any threat of or attempt at discrimination of whistleblowers who submitted a report justifiably and in good faith is prohibited, even if the suspicion later turns out to be unfounded. The employer shall prevent any discrimination upon gaining knowledge thereof. In addition, whistleblowers cannot be held responsible for obtaining or accessing the reported information provided that the procurement itself does not constitute an offence (e.g. trespassing). The same also applies to the report provided that whistleblowers considered this necessary for the purpose of uncovering the violation.

The protection mentioned above also includes persons who provide confidential support to whistleblowers with a report in a professional context provided that the reported or disclosed information is accurate or the supporting person had sufficient reason to believe that the information was true at the time they provided support.

3. Measures under labour law

Violations against the above sections 1. and 2., such as investigations conducted into the identity of whistleblowers or discrimination, are penalised with measures under labour law.

Protection of affected persons

The requirement of confidentiality also applies with regard to the identity of a person affected by a report. Affected persons are persons who are incriminated by a report⁴.

Affected persons are informed of existing reports against them and are given the opportunity to make a statement (right to a fair hearing). The presumption of innocence shall apply. Clarification measures are conducted in an unbiased manner. Incriminating and exonerating circumstances are investigated to the same extent.

Documentation, protection of confidentiality and data protection

Received reports are treated in compliance with the highest confidentiality requirements. This applies toward both the whistleblowers themselves and the employees involved in the procedure, including managers (see above). The persons involved are entitled neither to the disclosure of the identity of whistleblowers and other persons involved in the procedure nor to the disclosure of possible contents of conversations. Information shall be passed on only in the required scope (need-to-know principle) and confidentially in every respect. The confidential information relating to a report is documented and stored in a protected manner at the offices specified in "Acceptance of reports", page 6.

Personal data are handled in accordance with the applicable data protection regulations.

⁴ Information on the identity or other circumstances that allow conclusions to be drawn on a person's identity may be disclosed under certain legal circumstances, see Section 8 of the law for better protection of persons providing reports (German Whistleblower Protection Act – *Hinweisgeberschutzgesetz*, HinSchG).

Anlage 1

SWM core group:

- ▶ Stadtwerke München GmbH
- ▶ SWM Services GmbH
- ▶ SWM Versorgungs GmbH
- ▶ SWM Kundenservice GmbH
- ▶ Münchner Verkehrsgesellschaft mbH
- ▶ SWM Infrastruktur GmbH & Co. KG
- ▶ SWM Infrastruktur Verwaltungs GmbH

Shareholdings:

- ▶ Eta Energieberatung GmbH
- ▶ Hanse Windkraft GmbH
- ▶ Gasversorgung Germering GmbH
- ▶ BioEnergie Taufkirchen GmbH & Co. KG
- ▶ Praterkraftwerk GmbH
- ▶ SWM 50 MW Windpark Portfolio GmbH & Co. KG
- ▶ SWM Wind Havelland Umspannwerk GmbH
- ▶ SWM Windpark Havelland GmbH & Co. KG



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