

Whistleblowing Policy

Rules of procedure for Human Rights-relevant and environmental grievances

Introduction

NKD Group is committed to maintaining the highest standards of integrity, honesty, and accountability. The scale of NKD's actions is to avoid any violations that could have serious consequences for the company or its employees. Despite these efforts, a violation in the context of business activities cannot be completely ruled out. NKD therefore follows an “open door” policy, which aims to encourage and enable all employees to report any work-related misconduct or violation of the law. The whistleblowing system described below was set up in accordance with the EU Whistleblower Directive (“EUWR”) and can be used by all stakeholders of the NKD Group.

Purpose

This Whistleblowing Policy aims to:

- encourage all employees to report any suspicion of a possible violation as soon as possible while maintaining complete confidentiality and peace of mind.
- take all reports seriously, and to process and investigate them in accordance with the EU Whistleblower Directive.
- inform employees by this policy how possible violations or complaints can be reported.
- assure employees that reports can be made without fear of reprisals (definition: all direct or indirect acts or omissions in a professional context, which are triggered by an internal or external report or disclosure and which may result in an unjustified disadvantage for those who provided the information (e.g. termination or suspension, warning, transfer or transfer of duties, lack of promotion, non-approval of further training, social exclusion, bullying, etc.)).
- provide access to all stakeholders of NKD Group and the use of reporting channels through the whistleblower system that has been set up.
- report, investigate and end or minimize any Human rights-related and environmental violations along the global value chain - at direct or indirect suppliers of the NKD Group GmbH - at an early stage.
- design both access and use of the whistleblower system and complaint channels in such a way that they can also be used by vulnerable groups without barriers.

Communication

This whistleblowing policy is publicly available on the NKD homepage at <https://supplier.nkd.com/en/supplier-manual/csr/policies/whistleblowing-policy/>, it was communicated internally, is posted internally and employees have been trained with regard to the content. Business partners and suppliers are obliged to post the NKD Code of Conduct poster with the access data for the whistleblower system and the contact details for local complaint channels in the production facilities that produce goods for NKD in a freely accessible place. This whistleblower guideline is available in German and English. The NKD Code of Conduct is available in 13 different national languages and partly in pictograms.

Who can refer to this Whistleblowing Policy?

All internal and external stakeholders of NKD Group GmbH have access to the whistleblower system, can use it and refer to this whistleblower guideline. NKD ensures that whistleblowers do not suffer reprisals because of their tip/report.

Scope

This whistleblowing policy applies to all employees of the NKD Group and includes all stakeholders (e. g. suppliers, business partners, customers, etc.). In reliance on this policy, any form of grievance, misconduct or possible violation can be reported anonymously, classified under the following case categories:

- Money Laundering (Money Laundering Act)
- Data protection
- Environmental protection
- Embezzlement
- Conflict of interests
- Manipulation of business documents / balance sheets
- Antitrust and Competition Law
- Violations of Codes of Conduct in the workplace and Human Rights

Whistleblowing System

Employees and stakeholders of NKD Group can access the whistleblowing system under following link (URL) on the NKD homepage (www.nkd.vispato.com).

Grievance Channels

Grievances can also be sent directly to the complaints office:

- by post to NKD Group GmbH, Global CSR & Compliance, Bühlstraße 5 – 7, D-95463 Bindlach
- by telephone using the local contact details on the NKD Code of Conduct posters in the respective production countries
- digitally via NKD's whistleblowing system at www.nkd.vispato.com
- by phone to the Human Rights Commissioner of NKD Group GmbH at +49 (0)9208 699-295

Anonymous Notices, Data Collection, Processing and Confidentiality

A company can only protect against misconduct and act in accordance with the law if whistleblowers have a completely anonymous opportunity to make reports. No registration is therefore required to use the whistleblower system. Whistleblowers can choose whether they are also available for inquiries from anonymous reports. All submitted texts are automatically lowercase and punctuation removed to prevent stylistic analysis. Anonymity measures that are published on the whistleblower page enable whistleblowers to be fully informed. The whistleblower system has end-to-end encryption, is certified according to DIN ISO 27001 (IT security standard) and is GDPR / ePVO compliant. The data is processed on servers located in Europe.

The whistleblowing system thus complies with all key whistleblowing regulations and complies with key data protection laws, including GDPR, as described below:

- EU Whistleblowing Directive 2019/1937
- US SOX Act Section 301 on Corporate Responsibility
- UK FCA
- German Corporate Governance Code (DCGK)
- French Loi Sapin II
- Global data protection laws including GDPR
- Requirements for data residency policies

Feedback Requirement

The whistleblowers receive as much information as possible about how the notice is dealt with. This includes both a confirmation of receipt and a description of the follow-up measures planned and taken, as well as the results of any investigation and the remedial measures to be derived therefrom. Within a period of 7 days after receipt of the notice, the whistleblower must receive a confirmation of receipt. Feedback on follow-up action must be provided to the whistleblower within a reasonable timeframe – maximum 3 months.

The effectiveness of the procedure is checked annually and as required. If necessary, adjustments are made to the procedure or remedial measures that have been taken. The basis for the annual and event-related review is the written documentation of the complaints, the remedial and preventive measures initiated, and the sustainability of the measures implemented.

Disclosure – Company trade secrets and / or confidential information

Whistleblowers who disclose information to the public can only invoke the envisaged whistleblower protection if the company (internal) and/or the authority (external) have not taken appropriate measures within the envisaged time frame or, in exceptional cases, if there is sufficient reason to assume that the public interest is endangered, fear of reprisals (see definition above) or no prospect of clarification.

False Reports

If a whistleblower makes a report, complaint, or violation to knowingly harm an individual, appropriate disciplinary action may be taken. Whistleblowers who demonstrably abuse the whistleblower system for base motives cannot invoke whistleblower protection.

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Stefan Macheleidt
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