

# KENDRION N.V.

## SPEAK-UP PROCEDURE

VERSION NOVEMBER 2020

*“[...] If you do have values before you go in, you should write them down. And if you find something that feels wrong, smells wrong, looks wrong, and you are waiting for somebody to do something about it, I want you to remember: you are the person you are waiting for. We are never more than a single decision away from doing something. [...]”*

## 1. INTRODUCTION

The principles established in our Code of Conduct reflect the main values that guide all of us in the performance of our duties and the actions we take in a variety of circumstances and situations.

We encourage our employees who have a concern about a violation or suspected violation of our Code of Conduct or related internal policies to speak up and express their concerns. We foster a culture in which everyone feels comfortable to raise such concerns, without fear of retaliation or other action against employees who have reported their concerns in good faith and on reasonable grounds.

This **Speak-up Procedure** provides guidance on how to raise your concerns and the way in which your concerns are handled.

Always remember that you have the right to **speak up!**

## 2. SPEAK-UP PROCEDURE: WHY, WHO, WHAT AND HOW?

### 2.1 Why are you encouraged to speak up?

We are committed to conducting business with honesty and integrity. We foster a culture of transparency and accountability in order to prevent illegal, prohibited or otherwise improper conduct. Only in an environment where employees feel empowered to ask questions and to raise their concerns we uphold the values and commitments of our Code of Conduct.

### 2.2 Who can use this Speak-up Procedure?

All employees, including directors, managers, freelancers, temporary workers or trainees, whether working part-time or full-time, are encouraged to raise their concerns about suspected violations of our Code of Conduct and related internal policies.

### 2.3 What kind of concerns can you raise?

If you have reasonable grounds to suspect any irregularity or violation of the Code of Conduct or related internal policies, you are advised to report your concern. Our Code of Conduct can be found on our corporate website at [www.kendrion.com](http://www.kendrion.com) under 'Governance' under 'Principles and Policies' and on our intranet under 'Legal and Compliance' under 'Code of Conduct and Speak-up'.

Examples of irregularities or violations you should always consider reporting include without limitation:

- Situations that may (possibly) endanger public health, threaten the safety of people, the environment or proper functioning of a public service or a business
- (Sexual) harassment or any other form of unacceptable behaviour
- Abuse of authority, including instructions not to report a suspected irregularity under this **Speak-up Procedure**
- Criminal offence (e.g. theft, fraud)
- (Intentional) provision of incorrect information to public authorities
- Questionable or inappropriate accounting practices, internal controls or auditing matters
- Any other conduct that could have a detrimental or adverse effect on the reputation or financial position of Kendrion
- An intentional suppression, destruction or manipulation of information regarding or relating to any suspicion referred to above

Kendrion acknowledges the importance of reporting suspected irregularities and violations and will trust on the judgment of employees to report in good faith and on reasonable grounds.

### 2.4 How to speak up?

#### 2.4.1 Normal reporting procedures

Employees can always report a suspected irregularity or violation through normal reporting procedures. This means that employees are encouraged to firstly contact their direct manager or higher management within the hierarchical line or their HR manager. In most cases this should result in quick and effective resolution of the concern raised.

Remember, where reasonably possible, focus should remain on establishing an open dialogue since we feel this is the best way to raise and address concerns.

#### **2.4.2 Direct report to Kendrion's Compliance Committee**

If you consider reporting a suspected irregularity to your own manager, higher management or HR manager inappropriate, you may report your concerns directly to (a member of) the Compliance Committee. You may also choose to report your concerns to the Compliance Committee in addition to your manager, higher management or HR manager.

The Compliance Committee consists of the Internal Audit and Risk Manager, Chief Financial Officer (CFO), Group HR and the General Counsel | Compliance Officer. Their contact details can be found on our intranet under 'Legal and Compliance'. The role and responsibilities of the Compliance Committee are recorded in a Compliance Committee Charter which can be found on our intranet under 'Legal and Compliance'.

If you have doubts or questions about reporting, you may always ask a Compliance Committee member for advice in confidence prior to discussing or reporting a concern.

#### **2.4.3 Using the SpeakUp Line**

If you consider reporting a suspected irregularity through the normal reporting procedures inappropriate, you may also use the **SpeakUp Line**. Through the **SpeakUp Line** employees can raise their concerns anonymously and without barriers.

The **SpeakUp Line** is globally available twenty-four hours a day and can be reached by phone, email or by using the web-based service. By using the **SpeakUp Line** you can report anonymously and in your own language. This service is managed by an independent party named 'People InTouch'.

The contact details of the **SpeakUp Line** differ per country and can be found on our intranet under 'Legal and Compliance' and are also made available in hard copy in each Kendrion location. You may also contact your HR manager to obtain a hard copy.

#### **2.4.4 Report to the Chair of the Audit Committee**

If the suspected irregularity concerns a member of the Executive Board or a Compliance Committee member, or if a previous, duly submitted internal report has been filed and the irregularity has not been addressed, you may report your concerns directly to the Chair of the Audit Committee of the Supervisory Board.

You may also choose to report these concerns by using the **SpeakUp Line**, in which case the Compliance Officer is obliged to immediately forward your report to the Chair of the Audit Committee of the Supervisory Board.

#### **2.4.5 Provision of information**

Please provide as much detail as possible to enable the person(s) involved in the investigation to adequately and efficiently assess the matter. Examples might be a description of what you noticed, background reasons for your concerns, names, dates, places and other information. However, the absence of certain detail or incompleteness of information should not prevent you from raising your concerns.

### **3. WHAT HAPPENS AFTER YOU HAVE RAISED YOUR CONCERN?**

#### **3.1 Written record of report**

When you have reported your concern to (a member of) the Compliance Committee or (as the case may be) the Chair of the Audit Committee, a written record of the report and the date on which it was received will be made and submitted to the (other members of

the) Compliance Committee or Audit Committee. All receipts of reports of suspected irregularities, including reports coming in through the **SpeakUp Line**, will be investigated by the Compliance Committee or the Audit Committee of the Supervisory Board.

If you have contacted the external **SpeakUp Line**, you will receive a unique case number that can be used to check the status of your report and/or to add additional information.

### **3.2 Persons accused will be notified**

If you raised a concern about specific person(s), they will be informed about the suspected violation, unless such notification can be expected to (i) prejudice the investigation; or (ii) impede the enforcement of Kendrion's rights within the framework of legal proceedings; or (iii) be in breach of applicable law or regulation. In the event that the person(s) involved cannot be informed immediately or fully, they will be (further) informed as and when permitted. If necessary and appropriate, they will be interviewed to enable them to give their view on the facts presented in the final report.

### **3.3 Purpose and possible outcome of investigation**

The purpose of an investigation is first and foremost the gathering of facts that are or may be relevant to the reported irregularity, so that the Compliance Committee (or the Audit Committee) can make a credible and prudent determination based on the available information. Investigations should be structured in such a way as to minimise disruption to the business without compromising the quality of the investigation. The Compliance Committee and the Audit Committee of the Supervisory Board have the discretionary authority not to further pursue a report. This can for instance be the case when:

- There is insufficient information for an adequate investigation and there is no possibility of obtaining further information.
- It is concluded that the report was made in bad faith.

The Compliance Committee and the Audit Committee can appoint one or more investigators and have the authority to instruct others to take or implement recommended measures and actions.

Depending on the findings of the investigation, the Compliance Committee will – in consultation with management and/or the Executive Board – determine the appropriate course of action. Similarly, the Audit Committee of the Supervisory Board may determine the course of action in consultation with the Compliance Committee, the Executive Board and/or management. Decisions of the Compliance Committee or the Audit Committee may include without limitation:

- Taking corrective actions, which may take the form of disciplinary and/or organisational actions (e.g. official warning, suspension, demotion, dismissal). Any such disciplinary action shall properly reflect the severity of the violation.
- Developing additional measures, such a (mandatory) training, adjusting or adding new internal controls, establishment of additional procedures and/or policies or any other measures with a view to protecting and enhancing the endorsement of a culture of integrity and compliance.
- Declaring the report inadmissible.
- Taking any other action or decision deemed appropriate and equitable in the given circumstances.

The Compliance Committee will give binding advice on the measures to be taken. Similarly, the Audit Committee will render a binding advice and will accordingly notify the Compliance Committee and – as appropriate – the Executive Board.

The Compliance Committee will monitor the due implementation of the measures in accordance with its own binding advice or (as the case may be) the binding advice of the Audit Committee.

### **3.4 Timeframe**

Within eight weeks from the date you submitted a report, you shall be notified about the position of the Compliance Committee or (as the case may be) Audit Committee with regard to the suspected irregularity reported, unless:

- the report was made anonymously (and not through the **SpeakUp Line**, see also below); or
- such notification would be in breach of any applicable law or regulation or otherwise interfere with or compromise the investigation.

If no position can be given within eight weeks, you will be notified thereof by the Compliance Committee (or Audit Committee) and you will be given an indication as to when you will be informed of the position of the Compliance Committee or (as the case may be) the Audit Committee.

If you have reported your concern through the **SpeakUp Line**, you can use your unique case number to check the status of and response to your report as outlined above.

The need for confidentiality may prevent the Compliance Committee and the Audit Committee from giving specific details about the investigations and the actions taken.

You should treat information about your report and the investigation as confidential. Do not provide information to others inside or outside the Kendrion organisation without the approval of the Compliance Committee or (as the case may be) the Audit Committee.

### **3.5 Necessary disclosure of investigation results**

The Compliance Committee provides its investigation results, conclusions and decisions to the Executive Board and – if and when appropriate – to the Supervisory Board. Similarly, the Audit Committee notifies the Compliance Committee, the Executive Board and the other members of the Supervisory Board about its investigation, conclusions and related decisions.

Furthermore, the Compliance Committee will, as is appropriate and on a regular basis, inform the Audit Committee of the Supervisory Board on its activities and key findings.

## **4. HOW DO WE PROTECT YOU?**

### **4.1 Non-retaliation**

We aim to encourage openness and transparency and will not tolerate retaliation when you raise a concern in good faith and on reasonable grounds in accordance with this **Speak-up Procedure**.

Good faith means that a person in the same circumstances would reasonably believe or suspect that any issue regarding the company or one of its group companies is not entirely in line with our Code of Conduct or or related internal policies. In other words, that it was reasonable to raise a concern in such a case. If upon investigation you turn out to be

mistaken, no action will be taken against you if you raised your concern in good faith and on reasonable grounds.

If you believe you have suffered retaliation as a result of the report, such as dismissal, disciplinary action or threats, you should immediately inform your manager, higher management or your HR manager. If you consider such inappropriate, you may choose to inform (a member of) the Compliance Committee or the Chair of the Audit Committee. Anyone involved in such retaliation may be subject to disciplinary action.

If you are not satisfied with the follow-up and/or outcome of the report made or when you do not feel protected, you can file a complaint to the Compliance Committee, or when it involves the Compliance Committee or the Executive Board, to the Chair of the Audit Committee.

We cannot allow reporting in bad faith. Bad faith means that you know that you are reporting maliciously or dishonestly, that you are abusing this **Speak-up Procedure** or the **SpeakUp Line** whether or not with a view to personal gain or because you have personal grievances. If it is fairly concluded that you have raised concerns in bad faith, you may be subject to disciplinary action which may include dismissal and/or payment of damages.

#### **4.2 Protection of your identity**

All reported concerns will be handled confidentially. Your name will only be known to the people that you report your concern to and to the appointed investigators. You can help us to protect your identity by being discreet and by not discussing your concerns or an ongoing investigation with any of your colleagues.

The people that you have reported your concerns to are not allowed to communicate your identity to anyone other than the investigators without your permission. The only exceptions are if this is required by law, if you submitted a report in bad faith, if an important public interest is at stake or if the justified interests of Kendrion are prejudiced. When your anonymity can no longer be guaranteed, you will be notified. However, please note that keeping your identity secret can seriously hinder or complicate investigations. Sometimes it even prevents us from taking the appropriate actions. After you give your permission, your identity will only be revealed to those people who have a need to know. In all cases the reasonable interests of the employee reporting a suspected irregularity will be treated with the utmost care.

If you wish to be completely anonymous, you can use the **SpeakUp Line**.

#### **4.3 Confidentiality**

The Compliance Committee and the Audit Committee will treat all information received in strict confidence. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate investigation of the report and the applicable statutory requirements.

Any employee who reported a suspected irregularity or who is involved in the investigation or handling of the suspected irregularity must keep all information of which they become aware of as a result of their involvement strictly confidential.

Other than explained in paragraphs 3.4 and 3.5 above, the investigation results, conclusions and the underlying information may only be disclosed by the Compliance Committee, the Audit Committee, the Executive Board and the Supervisory Board to any other persons or authorities if: (i) disclosure is required by applicable law or regulation or by a court or regulatory or governmental body; (ii) disclosure is necessary to apply, invoke

or enforce the suspected irregularity in court proceedings or disciplinary proceedings; (iii) disclosure is necessary to obtain advice from any professional advisor; (iv) disclosure is necessary within the Kendrion organization, in each case only on a need-to-know basis.

In the event of required disclosure of the investigation results, conclusions and the underlying information pursuant to any of the above exceptions, the Compliance Committee shall notify the person(s) under investigation and the employee who reported the suspected irregularity or participated in the investigation, in each case to the extent appropriate and without prejudice to the investigation and as and to the extent permitted by applicable law and regulation.

#### **4.4 Protection of personal data**

Kendrion follows all the requirements of applicable data protection laws and regulations. This includes ensuring the necessary level of transparency by comprehensively providing relevant information in regard to the collection, processing and use of personal data under this **Speak-up Procedure**, and adequately maintaining your rights to individually request information about your personal data and, if necessary, to demand its correction or deletion.

Any files and documents generated in connection with the reporting of any concerns will be held securely and stored separately from regular employee data. Such information will be accessible only by a restricted number of individuals and only on a strictly enforced need-to-know basis. Relevant files and documents will only be kept for as long as is necessary to properly clarify the facts of the relevant case and deal with any irregularities exposed. Subsequently, any personal data which is then irrelevant or unnecessary will be irretrievably deleted or destroyed. In order to periodically generate statistical reports about the number and subject of reported concerns, Kendrion will use anonymous data only.

Kendrion will not disclose any personal data collected, processed or used under this **Speak-up Procedure** to third parties, unless explicitly required or allowed for by law or if an important public interest is at stake.

The external supplier of the **SpeakUp Line** is only entitled to process personal data as instructed by Kendrion.

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