

Internal Reporting and Follow-up Actions Procedure for Whistleblowers at Velvet Care Sp. z o.o. with its registered office in Klucze

The procedure was prepared according to the
Article 25 of the Whistleblower Protection Act of 14 June 2024
(Journal of Laws of 2024, item 928)

Before the adoption, the procedure was consulted
with the trade unions operating at Velvet Care sp. z o.o.

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I. Preamble

In general, we - the employees of Velvet Care sp. z o.o., with its registered office in Klucze (hereinafter referred to as "Velvet Care" or the "Company") - undertake to comply with the provisions of generally applicable law and our internal regulations. We do care about the compliance of our processes with applicable regulations. We do also respect our obligations resulting from concluded contracts, implemented ISO standards and obtained certificates. Velvet Care's prosperity is in the interest of true common good. It ensures attractive job positions, good atmosphere and safety, high quality of our services and products, satisfaction of customers and contractors, and thus – our financial stability and development. The protection of these assets is the joint responsibility of the entire Velvet Care team, including the Company's Management Board, employees, subcontractors, and other parties providing services to the Company under civil law contracts.

In view of the above and in connection with the provisions of the Whistleblower Protection Act of 14 June 2024 (Journal of Laws of 2024, item 928), Velvet Care adopts this "Internal Reporting and Follow-Up Actions Procedure".

II. Objective

1. The objective of this procedure is to:
 - establish secure channels for reporting breaches;
 - establish the rules for reporting;
 - establish transparent and reliable rules for follow-up actions, including the verification of the legitimacy of a report; and
 - protection of individuals who may be victims of retaliation in connection with a report;
2. The long-term objective of this procedure is also to:
 - counteract cases of violation of the law, internal regulations and ethical standards,
 - build a sense of co-responsibility for the workplace in the Velvet Care team; and
 - protection of the interests of employees, the Company, its environment and stakeholders.

III. Subject of Whistleblowing Reporting

1. The subject of whistleblowing is reporting breaches.
2. A breach report shall contain information, including reasonable suspicion of an act or omission that constitutes a breach of the law, internal regulations or ethical standards that has occurred or is likely to occur at Velvet Care. Attempts to conceal breaches are also subject to such a report.

3. In particular, we consider the following documents to be internal regulations:
 - Work Rules and Regulations,
 - Remuneration Regulations,
 - Crisis Management Book,
 - Safety Book,
 - Confidentiality Policy,
 - Regulations of the Company Social Benefits Fund,
 - ISO and environmental procedures,
 - Health and Safety Guide for the Contractor,
 - Traffic Management Procedure (for people and vehicles),
 - Company Vehicle Use Policy,
 - Business Phones Use Policy,
 - Policy on using IT Systems and Resources.

4. The ethical standards are defined, inter alia, in the following documents:
 - Code of Ethics,
 - Anti-Corruption Policy.

IV. Whistleblowing Procedure

1. Reporting breaches reflects our concern about the prosperity of the Company, its stakeholders and operational environment and the interests of the reporting party's co-workers.
2. Any person in a professional relationship with Velvet Care who has witnessed or has knowledge of a breach should report it in accordance with this procedure. This does not exclude the possibility of using official channels for the same purpose.
3. Any person who witnesses an obvious breach, in particular an employee of Velvet Care, and fails to report it, may be held liable for such a neglect. It particularly applies to omissions that endanger other people's life and health or contributes to significant material, social or reputational damage.
4. Whistleblowers may directly report breaches via:
 - a. internal Velvet Care's channels (internal reports);
 - b. external reporting channels set up by the Ombudsman or public authorities and, where applicable, to the European Union institutions, bodies, offices or agencies (external reports).

Velvet Care encourages to use internal channels in accordance with this procedure in the first place, which allows for a quick response to the report using the Company's resources.

V. Internal Reports

1. Violations can be reported through the following internal channels:
 - a. online platform: velvet.liniaetyki.com,
 - b. hotline at 22 290 67 88 operating on working days from 7:00 a.m. to 6:00 p.m.,
 - c. e-mail: velvet@liniaetyki.pl
 - d. Ethics Officer via e-mail: rzecznik.etyki@velvetcare.pl or by phone 664 997 000
 - e. The Ethics Committee established in the Company: (I) orally – by directly meeting a member of the Ethics Committee, arranged within 7 days from the date of submission of the report to any of the members of the Ethics Committee or (II) in document form – by a written or e-mail report addressed to any member of the Ethics Committee,

The channels referred to in points a, b and c above are controlled by an independent entity, Linia Etyki sp. z o.o.

2. Oral reports referred to in point V.1. p. a-b are documented in the form of a recording, a transcript of the recording or – if they are not recorded – in the form of the minutes from the meeting.
3. Whistleblowers have the right to check, correct and approve the minutes.
4. The report may be of the following nature:
 - a. personal – when the whistleblower provides his/her personal data together with his/her correspondence address or e-mail address or when his/her identity can be recognized on the basis of other information contained in the report;
 - b. anonymous – when the whistleblower does not provide their personal data, and it is not possible to determine their identity on the basis of other information contained in the report.
5. The decision to provide personal data is made by the whistleblower. In the case of anonymous reporting, the identity of the whistleblower will not be established during the investigation or outside of it.
6. The personal data of the whistleblower and other persons referred to in the report **are confidential**. Personal data is considered to be any information that can be used to identify a person directly, such as a name and surname, or indirectly, such as the circumstances in which he or she participated, or by an e-mail address and the job name – if they are of a unique nature.
7. If the identity of the anonymous whistleblower has been identified in the course of the investigation, the anonymous whistleblower retains all his/her personal data confidentiality protection rights in accordance with Section V.6.

8. Subject to the exception referred to in point V.9. below, the whistleblower's personal data may not be disclosed without their express consent to any person other than those authorized to receive reports and follow up.
9. The data of the whistleblower may only be transferred if it is a necessary and proportionate means for the competent authorities to carry out investigations or legal proceedings. In this case, the whistleblower shall be informed of the planned date of data submission.
10. The whistleblower shall receive a confirmation of receipt of the report within 7 (in words: seven) days from the date of receipt of the report, unless the whistleblower has not provided the address to which the confirmation should be sent. In the case of reports submitted through the channels referred to in point 1 letters b – d, the whistleblower receives an automatic confirmation on the velvet.liniaetyki.com platform.

VI. External Reports

Information needed to file an external report, including

- contact details, in particular postal and electronic addresses and hotline number,
 - the procedure applicable to a given external report,
- are available on the websites of the Ombudsman and the public authorities operating external reporting channels and the relevant institutions, bodies, offices or agencies of the European Union.

VII. Follow-up actions

1. Persons undertaking follow-up actions are required to carry out them with due diligence.
2. Follow-up actions include:
 - a. the verifications of the veracity of the allegations contained in the report;
 - b. actions and decisions resulting from the verification of the legitimacy of the report, in particular:
 - proceedings conducted on the basis of internal regulations and policies;
 - actions aimed at recovering funds or other losses incurred as a result of the breach;
 - decisions concerning persons named in the report or other persons responsible for the violation, including decisions enforcing their liability in connection with the violation;
 - decisions on the protection of the whistleblower against retaliation;
 - decisions enforcing employee liability against persons using retaliatory actions;

- planning activities to prevent similar violations in the future;
 - closing the proceedings.
3. An Ethics Committee has been established in the Company. The composition of the Ethics Committee shall be announced by a separate Ordinance of the Velvet Care Management Board. The Management Board of the Company also elects its Chairperson from among the members of the Ethics Committee.
 4. The tasks of the Ethics Committee include:
 - a. conducting an investigation and verification of the legitimacy of the report
 - b. preparation of a report of the whistleblower with recommendations to the decisions resulting from the investigation proceedings.
 5. Decisions resulting from the verification of the legitimacy of the report are made by the Velvet Care Management Board. The Management Board of Velvet Care may delegate certain decisions to other relevant employees of the Company, in particular to the superior of the person to whom the report relates, the superior of the person undertaking retaliatory actions, the internal auditor or the head of the relevant department.
 6. Before taking any actions, Members of the Ethics Committee must:
 - a. receive written authorization; and
 - b. sign a confidentiality agreement, valid also after the end of their employment at Velvet Care.

Authorizations and commitments regarding the confidentiality obligations are handed over to the appropriate person for signature, and then they are archived by the Chairperson of the Ethics Committee.

7. Persons involved in the follow-up actions shall carry out their activities in an impartial manner. In the event of circumstances giving rise to justified doubts as to such impartiality, the person involved in the follow-up actions is obliged to refrain from the action and must notify the Chairperson of the Ethics Committee of the reasons for doing so. The Chairperson of the Ethics Committee may, on his or her own initiative, remove a person from follow-up action if he or she is suspected of a conflict of interest.

VIII. Verification of reports

1. The Ethics Committee makes decisions in a composition of at least three people, including the Chairperson. The Ethics Committee or the Chairperson may also delegate a member of the Ethics Committee to carry out a specific action individually.
2. After receiving the report, the entity referred to in pt. V.1 undertakes the following activities:

- a. registers the report in the register of internal reports,
 - b. provides the whistleblower with a confirmation of the report receipt and its reference number;
 - c. opens an investigation and forwards the report to the members of the Ethics Committee.
3. The Ethics Committee initially verifies the report to determine whether it is not manifestly unfounded. If it is found that the report is obviously unfounded, the Chairperson of the Committee provides appropriate feedback to the whistleblower, and the Ethics Committee closes the investigation.
4. The Ethics Committee also closes the proceedings if the information contained in the report does not allow for the continuation of the investigation and the whistleblower has not answered detailed questions or has not left their contact details.
5. After the initial verification, the Ethics Committee determines the activities to be taken as part of the investigation and the calendar of these activities.
6. The Ethics Committee conducts a thorough investigation based on the following principles:
 - a. The Ethics Commission seeks to establish the actual state of affairs;
 - b. The Ethics Committee exhaustively collects and conducts evidence - both confirming and questioning the legitimacy of the report;
 - c. The Ethics Commission may not disregard evidence on the grounds that it is to demonstrate a circumstance contrary to the findings made so far;
 - d. Any doubts that cannot be removed are resolved in favour of the person reported;
 - e. The Ethics Committee takes care to maintain the confidentiality of personal data, including conducting correspondence, providing any necessary information to relevant persons, organizing hearings of employees, consulting experts and taking other actions in a manner that guarantees confidentiality; if necessary, personal data shall be anonymised;
 - f. The Ethics Commission respects the rights of participants in the investigation, in particular the rights of the whistleblower and the person to whom the report relates;
 - g. The Ethics Committee conducts the investigation within a reasonable time, taking into account the deadlines specified by law.
7. The Ethics Committee may use the support of an external or internal expert.
8. As a result of the investigation, the Ethics Committee prepares a report
 - a. stating that:
 - the report is justified - in whole or in part and indicates the legal norms or ethical standards that have been violated; or that

- the report is unfounded; or that
 - is not able to decide on the legitimacy of the report on the basis of the available information;
- b. in which it may determine the occurrence of violations not indicated in the report;
 - c. recommending actions resulting from the verification of the legitimacy of the report,

and then submits such a report to the Velvet Care Management Board.

9. After submitting the report, the Chairperson of the Ethics Committee closes the investigation, and appropriate entries are made in the register of internal reports.
10. The Chairperson of the Ethics Committee provides the whistleblower with feedback including at least information on the actions that have been or will be taken in response to the report, along with a justification for the decision to take such and not other actions. The feedback must be provided within 3 months from the confirmation of receipt of the report or, if the confirmation is not provided, within 3 months from the lapse of 7 days from the date of filing the report.

IX. Protection of Whistleblowers

1. Velvet Care shall protect internal or external whistleblowers from retaliation. The provisions on protection against retaliation apply mutatis mutandis to the person assisting in filling the report and the person associated with the whistleblower (e.g. a person related to the whistleblower) if they are also in a professional relationship with Velvet Care.
2. Retaliation means acts or omissions in a professional context caused by an internal or external report that violate or may violate the rights of the whistleblower or cause or are likely to cause unjustified harm to the whistleblower.
3. Retaliatory actions, in particular those involving the violation of employee rights and the use of mobbing and discrimination, are strictly prohibited at Velvet Care and are subject to disciplinary penalties.
4. Attempts or threats of retaliation are also prohibited.
5. Undertaking retaliation actions against the whistleblower by superiors or co-workers or subordinates violates the interest of Velvet Care.
6. A whistleblower is protected provided that:

- a. he/she has reasonable grounds to believe that the information contained in the report is true at the time of filling the report and that such information constitutes information about a violation of the law, internal regulations or ethical standards, and when:
 - b. he/she complies with this procedure.
 7. The following whistleblowers are protected:
 - a. current and former employees of Velvet Care;
 - b. temporary workers;
 - c. persons providing work for Velvet Care on a basis other than an employment relationship, including a civil law contract;
 - d. entrepreneurs cooperating with Velvet Care;
 - e. partners of Velvet Care;
 - f. members of Velvet Care bodies;
 - g. proxies;
 - h. persons performing work under the supervision and direction of a contractor, subcontractor or supplier of Velvet Care, including a civil law contract;
 - i. trainees;
 - j. volunteers;
 - k. apprentices;
 - l. any persons before entering into an employment contract or entering into another contract with Velvet Care.
 8. Velvet Care prohibits obstructing or attempting to obstruct reports, in particular through violence, threat or deception.
 9. Disclosure of the whistleblowers' identities without their express consent is prohibited.
 10. Persons who knowingly report or manipulate false information are not protected.
 11. Notwithstanding protection against retaliation, the whistleblower may be held liable to the appropriate extent, in particular employee liability, if he or she himself/herself participated in the violation.
- X. Rights of persons concerned
1. The personal data of any persons to whom reports relate is confidential.
 2. Until the investigation is completed and the allegation of violation of the law or ethical standards is resolved, the person concerned is presumed innocent.

3. The person to whom the report relates has the right to a fair investigation, in particular:
 - a. the right to have the case resolved within a reasonable time before the Ethics Committee in a composition guaranteeing impartiality;
 - b. the right to be informed about the initiation of an investigation, provided that the Ethics Committee informs the person to whom the report relates at the appropriate time, taking into account the need for undisturbed collection of evidence, prevention of destruction or concealment of evidence, and the interests of the whistleblower, the aggrieved party and witnesses;
 - c. to be informed about the outcome of the investigation, and the Ethics Committee may refrain from informing the person to whom the report relates about the outcome of the investigation if the content of the report turns out to be manifestly unfounded or is not confirmed;
 - d. the right of defence, including the right to know the reasons for the Ethics Committee's decision and to refer to the findings of fact and conclusions of the Ethics Committee;
 - e. the right to submit motions for evidence in order to demonstrate the groundlessness of an allegation of violation of law or ethical standards.

XI. Education and communication

The Chairperson of the Ethics Committee supervises the organization of:

- a. communication for employees in connection with the implementation of whistleblowing channels and this procedure,
- b. communication with new employees within the scope covered by the procedure,
- c. periodic communication on the functioning of whistleblowing channels.

XII. Register of internal reports

1. The Ethics Committee keeps a record of all internal reports. As for the reports received via Linia Etyki sp. z o.o., this entity additionally keeps its own register of reports received.
2. The Controller of the data collected in the register of reports is Velvet Care.
3. The following information shall be entered in the register:
 - a. report ref. number
 - b. subject matter of the infringement;
 - c. date of filing the report;
 - d. personal data of the whistleblower and the person to whom the report concerns, if provided;
 - e. the whistleblower's contact address, if provided;
 - f. undertaken follow-up actions;
 - g. the date of case closing.

4. The information contained in the report register is confidential and subject to confidentiality obligation. Access to the register of reports is granted to persons with a written authorization.
5. The template of the register of reports is attached as Appendix 1 to this procedure.
6. The information in the register of internal reports is stored for a period of 3 years after the end of the calendar year in which the follow-up actions were completed or after the end of the investigations initiated by these actions.
7. Personal data that are not relevant to the consideration of the case are not collected in the register, and in the event of accidental collection, they are deleted no later than 14 days from the date of determining that their storage is redundant.

XIII. Publication and access to the procedure

1. The procedure was consulted with all Trade Unions and communicated to employees through an announcement on 26 August 2024.
2. The content of the procedure is available in the HR and Payroll Department and on the Velvet CARE network drive.
3. Information about the procedure is provided each time to persons or legal entities applying for employment, mandate or contract at Velvet Care at the stage before signing the relevant contract.

XIV. Final provisions

1. This procedure shall enter into force on 25 September 2024, but not earlier than 7 days from the date of its notification to the Company's employees.
2. This procedure is subject to consultation with the company's trade unions.
3. The provisions of this procedure shall be reviewed at least once a year.
4. In matters not covered by this procedure, the relevant provisions of Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of whistleblowers reporting breaches of EU laws, the Act of 14 June 2024 on the protection of whistleblowers and the Labour Code shall apply.

XV. Attachments

Appendix 1. Template of the register of internal reports

Report Ref. No.	Subject matter of the breach	Date of report receipt	Personal data of the whistleblower	Contact to the whistleblower	Contact to the person concerned	Follow-up actions	Date of Case Closure

