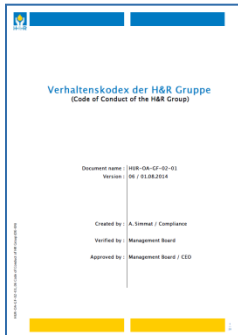Brief Overview

Compliance Management System (CMS)

Corporate Policy

The Corporate Policy and the Code of Conduct are the main directives guiding our actions and shaping H&R's principles and values.

## Code of Conduct

Principles and Values

- ☑ We want to set an example in the way we treat our customers, colleagues, business partners, shareholders and the public.

- ☑ Integrity, honesty, fairness and respect for all people, both inside and outside our company, form the cornerstone of our business.

- ☑ All employees are required to comply with applicable laws, regulations, the Code of Conduct and other guidelines at all times.

- ☑ Therefore, it is important for everyone to be familiar with the legal requirements and H&R Group internal guidelines applicable to his/her area of responsibility.
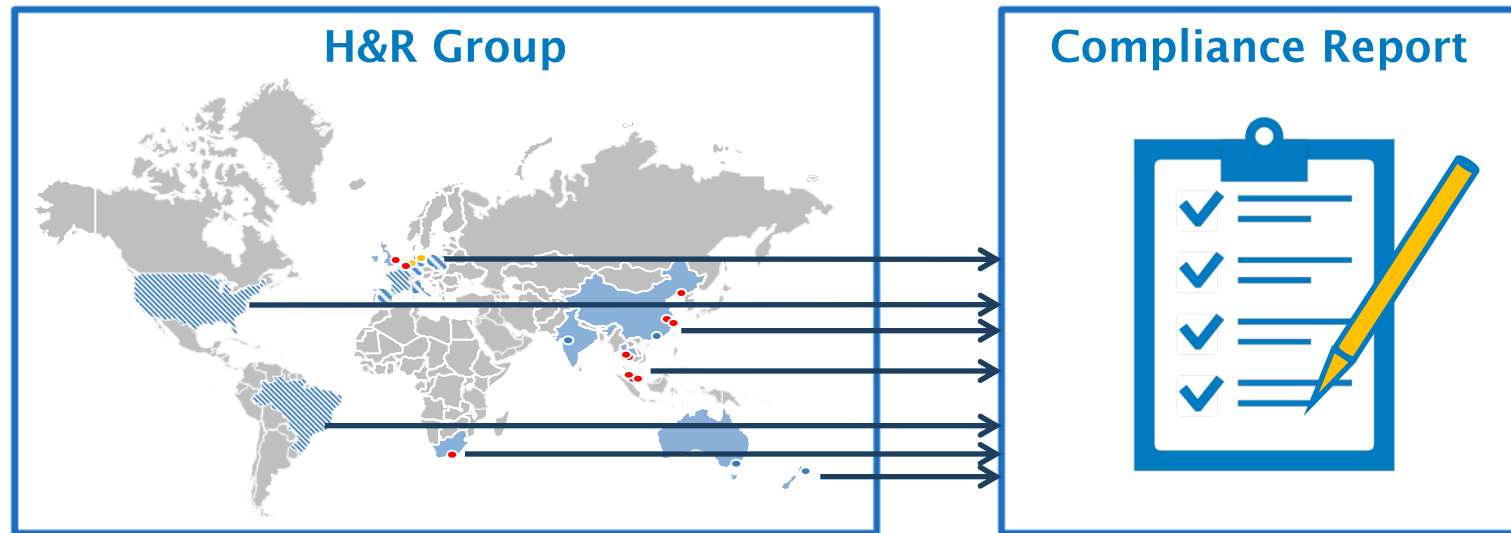
How the Compliance Management System Works

The goal of **Prevention** is to prevent compliance violations.

One of the key elements to achieving this is through initial and ongoing Code of Conduct training courses. These preventive measures can be backed up by managers who act as compliance role models and through additional, farther-reaching guidelines and more in-depth training.

Compliance violations may still occur, despite such preventive measures. These can be **detected** both through internal processes (e. g. audits, controls) as well as through reports to Compliance Management or to the Management Team. Such reports may be made anonymously. Processing is strictly confidential.


Prevention

Reaction
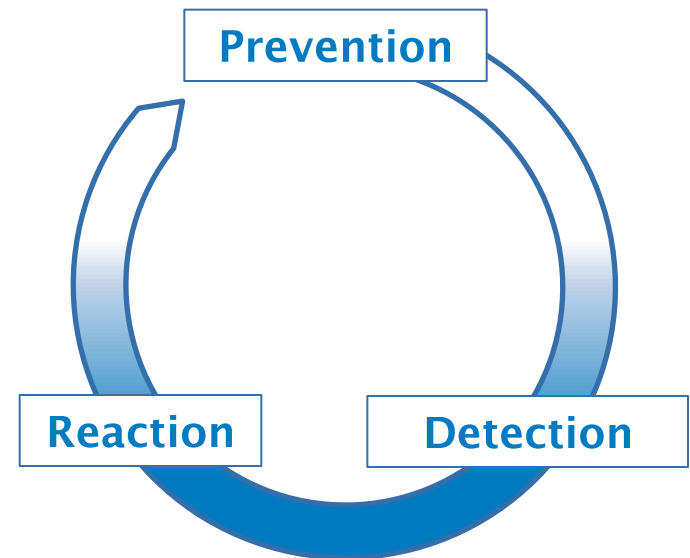
Detection

The direct result of detection is a **reaction**; this involves adjusting existing processes, guidelines and training and may also include organizational changes. Consequently, it simultaneously improves and leads to further development of individual aspects of the **Compliance Management System**.

Compliance Reporting

H&R Group

Compliance Report

Regular reporting by local Compliance Coordinators (with approval by the local Management Team) via Compliance Management to the Management Team.

Ad-hoc reporting directly to the Management Team and/or to Compliance Management.

Management Team

Compliance Management

Subsidiaries' Local Management Teams

Subsidiaries' Local Coordinators
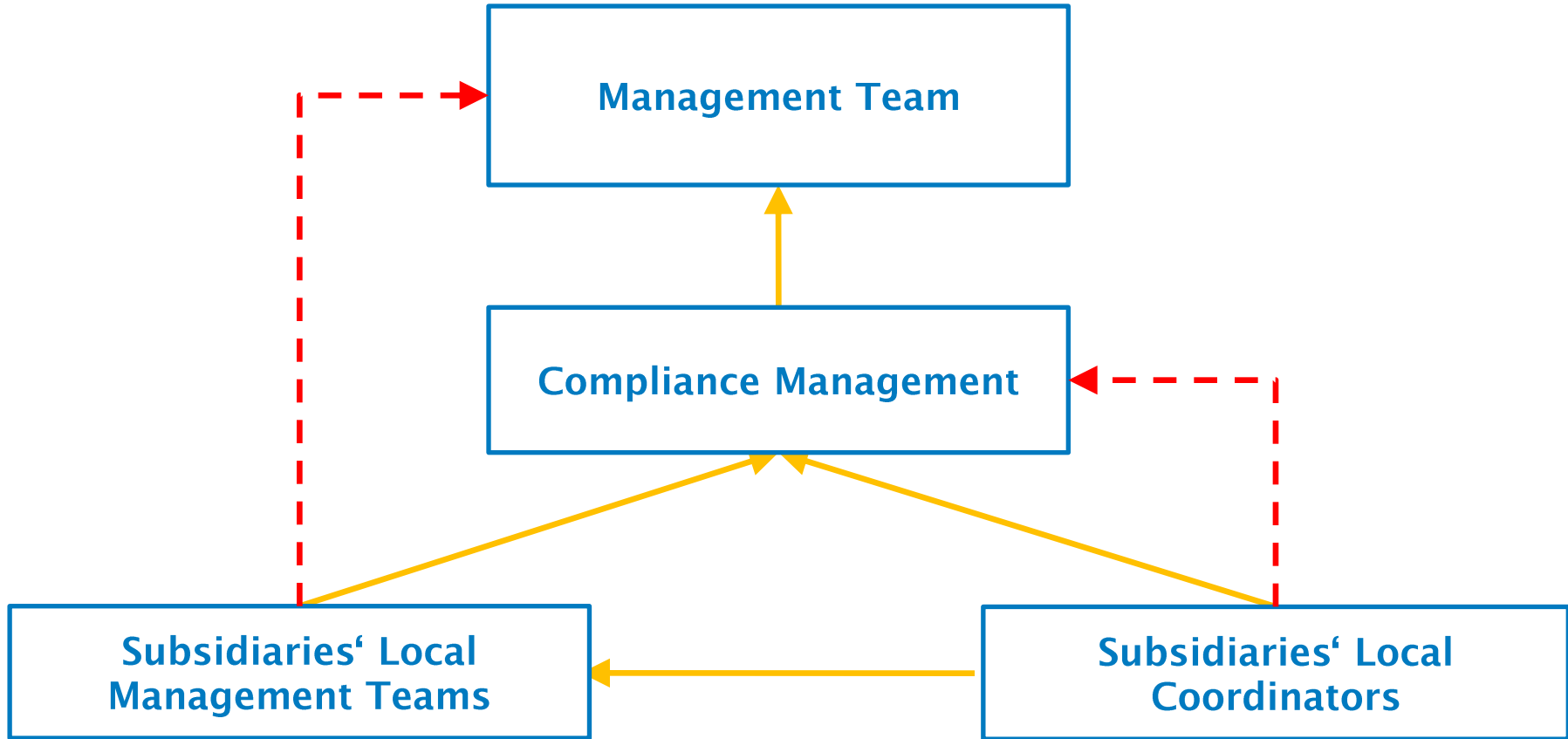
Legend:

Continuous Reporting Process ⟶   Ad–hoc Reporting ⤍ →