

BREACH INTERNAL REPORTING RULES

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1. OBJECTIVE

- 1.1. The Breach internal reporting rules have been established by the Management Board of Toruńskie Zakłady Materiałów Opatrunkowych SA (hereinafter also referred to as: TZMO SA) as:
 - a. the implementation of the TZMO Group breach reporting policy establishing common minimum standards to ensure the operation of the TZMO Group breaches reporting system and a high level of protection for breach reporting individuals and,
 - b. an important element of TZMO Group corporate governance, within which Toruńskie Zakłady Materiałów Opatrunkowych SA occupies an overriding and central position.
- 1.2. The Rules support implementation of corporate social responsibility policy, helps to shape ethical attitudes and ensures compliance with the applicable laws, internal regulations and standards of TZMO Group.
- 1.3. The Rules specify the procedure of accepting and processing reports on breaches and are aimed, among others, at:
 - a. consolidating the image of our organization as reliable and ethical;
 - b. preventing violations of law and internal regulations;
 - c. mitigating the effects of violations and eliminating the causes of their occurrence;
 - d. minimize reputational risk.
- 1.4. The Rules comply with the requirements of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

2. DEFINITIONS

- 2.1. **follow-up** - any action taken by TZMO SA to assess the accuracy of the allegations made in the report and, where relevant, to address the breach reported, including through actions such as a report verification, an internal enquiry, an investigation;
- 2.2. **retaliation** - any direct or indirect act or omission which occurs in a work-related context, is prompted by internal or external reporting or by public disclosure, and which causes or may cause unjustified detriment to the notifying person;
- 2.3. **TZMO Group** - Toruńskie Zakłady Materiałów Opatrunkowych SA and companies in which Toruńskie Zakłady Materiałów Opatrunkowych SA directly or indirectly holds voting rights amounting to at least 50% of all voting rights or a share in the share capital amounting to at least 50% of the share capital, as well as the TZMO Foundation "Razem Zmieniamy Świat" (Together We Change the World) and foundations, of which this Foundation or a company from the TZMO Group is a founder;
- 2.4. **breach report** - information, including reasonable suspicions, about actual or potential breaches, which occurred or are very likely to occur in Toruńskie Zakłady Materiałów Opatrunkowych SA in which the reporting person works or has worked or with which the reporting person is or was in contact through his or her work, and about attempts to conceal such breaches;
- 2.5. **feedback** - the provision to the reporting person of information on the action envisaged or taken as follow-up and on the grounds for such follow-up;
- 2.6. **work-related context** - current or past work activities which, irrespective of the nature of those activities, persons acquire information on breaches;
- 2.7. **retaliation** - unfavourable treatment including in particular:
 - a. refusal to enter into an employment relationship;
 - b. termination or dismissal without notice of the employment relationship;

- c. failure to convert a probationary employment contract into a fixed-term employment contract on expiry date, failure to conclude another fixed-term employment contract or to convert a fixed-term employment contract into a permanent one on expiry date - where the worker had legitimate expectations that such a contract would be offered;
 - d. termination of, or refusal to enter into, another legal relationship under which work is or is to be provided;
 - e. reduction in salary;
 - f. withholding or failing to promote;
 - g. disregard of benefits other than pay connected with work;
 - h. transfer of the employee to a lower post;
 - i. suspension from employment or duties;
 - j. transfer of the employee's existing employment duties to another employee;
 - k. an adverse change to the employee's place of work or to the employee's work schedule;
 - l. a negative evaluation of performance or of the employee's negative opinion of his work;
 - m. the imposition or application of any disciplinary measure, including financial penalty or any measure of a similar nature;
 - n. withholding attendance at or absence from vocational training courses;
 - o. unjustified referral for medical examination, including psychiatric examination, provided that separate regulations provide for the possibility of referring an employee for such examination;
 - p. action to make it more difficult to find future employment in a particular sector or industry on the basis of an informal or formal sectoral or industry agreement.
- 2.8. **central authority** - a public administration authority competent to provide information and support in matters of notifying and public disclosure of infringements of the law and to receive external reports of infringements of the law in the areas covered by the act, their initial verification and transmission to the competent authorities for follow-up;
- 2.9. **public authority** - a public administration body that has established a procedure for receiving external reports of infringements in the field of its competence;
- 2.10. **person concerned** - a natural or legal person or an organisation without legal entity who is referred to in the breach report or public disclosure as a person to whom the breach is attributed or with whom that person is associated;
- 2.11. **facilitator** - a natural person who assists a reporting person in the reporting process in a work-related context, and whose assistance should be confidential;
- 2.12. **person associated with the reporting individual** - an person who may experience retaliation, including a co-worker or family member of the notifier;
- 2.13. **employer** - Toruńskie Zakłady Materiałów Opatrunkowych SA;
- 2.14. **employee** - a person employed on the basis of an employment contract, appointment, selection, nomination or co-operative employment contract and an employee employed by a temporary work agency solely for the purpose of performing temporary work for and under the direction of TZMO SA;
- 2.15. **GDPR** - Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);
- 2.16. **public disclosure** - the making of information on breaches available in the public domain;
- 2.17. **breach report** - internal report or external report on a breach;
- 2.18. **breach internal report** - communication a breach of law to Toruńskie Zakłady Materiałów Opatrunkowych SA in accordance with the Breach internal reporting rules;

- 2.19. **breach external report** - communication of the infringement to a public authority or a central authority.

3. BREACHES TO BE REPORTED

- 3.1. Reported shall be breaches in the form of an unlawful act or omission or an act intended to circumvent the law, including but not limited to:
- a. public procurement;
 - b. financial services, products and markets;
 - c. prevention of money laundering and terrorist financing;
 - d. product safety and compliance;
 - e. transport safety;
 - f. protection of the environment;
 - g. radiation protection and nuclear safety;
 - h. public health;
 - i. consumer protection;
 - j. protection of privacy and personal data;
 - k. security of network and information systems;
 - l. the financial interests of the European Union;
 - m. the internal market of the European Union, including competition and state aid rules, and corporate taxation.
- 3.2. Other breaches of the law concerning, in particular, the following shall also be reported:
- a. human rights which poses or could pose a threat to life, health or personal freedom;
 - b. employment rights, including bullying and discrimination, and all forms of abuse of a relationship of dependency in employment or work relations;
 - c. corrupt activities, including giving or receiving bribes, fraud, forgery, extortion or false statements;
 - d. any other generally applicable law, in particular with respect to obligations under tax, customs, duties and other public-law provisions and criminal law provisions.
- 3.3. Violations of the applicable internal regulations and standards of the TZMO Group, particularly with regard to asset management and the prevention of conflicts of interest, shall also be reported.

4. BREACH REPORTING INDIVIDUAL

- 4.1. The breach report may be submitted to TZMO SA by an individual who obtained the information about the breach of the law in the context related to work, including:
- a. employee, including where the employment relationship has already ended;
 - b. job applicant who becomes aware of a breach of the law in the recruitment or pre-contractual negotiation process;
 - c. person providing work on a basis other than employment relationship, including under a civil law contract;
 - d. entrepreneur;
 - e. shareholder or stakeholder;
 - f. member of the management or supervisory body;
 - g. person who performs work under the supervision and direction of a contractor, subcontractor or supplier, including under a civil law contract;
 - h. intern;

- i. trainee;
- j. volunteer.

5. PROTECTION OF BREACH REPORTING INDIVIDUAL

- 5.1. Toruńskie Zakłady Materiałów Opatrunkowych SA shall take all reasonable measures to ensure the protection of the individual reporting the breach.
- 5.2. The breach reporting individual is protected provided he or she had reasonable grounds to believe that the reported breach information was true at the time of reporting and that such information constitutes breach information within the meaning of Section 3 of the Breach internal reporting rules.
- 5.3. The breach reporting individual, a facilitator as well as a legal person or any other organisational entity associated with, in particular one owned by or employing the breach reporting individual, shall not be disadvantaged by reason of the breach report.
- 5.4. The individual reporting breach referred to in Section 3.1. of the Breach internal reporting rules shall not benefit from protection if the breach is reported solely in the individual's interest.
- 5.5. Toruńskie Zakłady Materiałów Opatrunkowych SA does not retaliate against the breach reporting individual. It also does not threaten or attempt to use retaliatory measures. It is forbidden and Toruńskie Zakłady Materiałów Opatrunkowych SA will draw severe consequences (on the basis of the appropriate regulations governing liability and sanctions) against those who, at least, attempt to retaliate or hinder the reporting individual and investigation of violations.

6. BREACH REPORTING PROCEDURE

- 6.1. The breach reporting individual is entitled to communicate the breach in the following form:
 - a. breach internal report;
 - b. breach external report;
 - c. public disclosure.
- 6.2. If a report of violation of the law can be effectively dealt with inside Toruńskie Zakłady Materiałów Opatrunkowych SA or if the report concerns the violation of internal regulations and standards of TZMO Group, it should first be submitted using the internal procedure for submission of breach reports at Toruńskie Zakłady Materiałów Opatrunkowych SA specified in these Rules.

7. BREACH INTERNAL REPORTING

- 7.1. The Management Board of Toruńskie Zakłady Materiałów Opatrunkowych SA establishes the Breach Investigation Committee, whose members act on the basis of written authorisation. The members of the Committee shall be appointed by the President of the Management Board, who nominates one of the members as its Chairman. The Breach Investigation Committee reports directly to the President of the Management Board of TZMO SA in terms of its functions and content. The Committee submits periodical reports to the President of the Management Board. The Breach Investigation Committee may adopt rules of procedure for the Committee, specifying its organisation and method of performance..
- 7.2. The Breach Investigation Committee is responsible for:
 - a. receiving breach internal reports,
 - b. follow-up, including further communication with the breach reporting individual, involving requests for additional information and feedback,

- c. initiating measures following the breaches, including, where appropriate, to prevent further breaches, taking into account their gravity,
 - d. keeping a register of breach internal reports.
- 7.3. The breach internal report should be submitted to TZMO SA in writing, using one of the following forms of electronic communication or by post:
- a. filling in an electronic form made available on the website www.tzmo-global.com/naruszenia;
 - b. sending an e-mail to: naruszenia.tzmo@tzmo-global.com;
 - c. by post, in a closed envelope marked "BREACH REPORT", to the following address: TZMO SA, ul. Żółkiewskiego 20/26, 87-100 Toruń.
- 7.4. In special cases and upon the request of the breach reporting individual, the report may be submitted during a face-to-face meeting with a member of the Breach Investigation Committee, organised in a place designated by Toruńskie Zakłady Materiałów Opatunkowych SA within 7 days from the receipt of such request.
- 7.5. The breach internal report should include at least:
- a. a detailed description of the event breaching the law, internal regulations or ethical standards;
 - b. an indication of the TZMO Group company and, if possible, of the person concerned;
 - c. an indication of the place where the breach occurred;
 - d. an indication of how the applicant became aware of the breach;
 - e. personal data of breach reporting individual, unless the report is submitted anonymously.
- 7.6. Internal breach can be done anonymously.
- 7.7. The means of communication adopted by TZMO SA for the purpose of receiving breach internal reports are designed, established and function independently of communication channels used in the ordinary course of business. They ensure confidentiality, identity protection and integrity of data, including their protection against use by unauthorised persons.
- 7.8. The Breach Investigation Committee shall acknowledge receipt of the breach report to the breach reporting individual within 7 days of its receipt, unless the individual has left no contact details to which the acknowledgement should be sent.
- 7.9. The Breach Investigation Committee shall provide feedback to the breach reporting individual (unless the individual has left no contact details) within a maximum of 3 months from its acknowledgement of the breach report or, if no acknowledgement has been provided to the reporting individual, within 3 months from the expiry of 7 days after the report had been received.
- 7.10. The feedback includes, in particular, information on whether or not a violation of the law, internal regulations or TZMO Group standards has or has not been identified, and on possible measures that have been or will be applied in response to the identified violation.
- 7.11. The Breach Investigation Committee shall follow up with due diligence and shall have the right of access to:
- a. all documents, materials, information, records and data needed for follow-up action,
 - b. management, managers, employees and co-workers and obtain information and explanations from them in order to follow up properly and effectively.
- 7.12. Follow-up action shall be taken in order to assess the veracity of the allegations contained in the notification and, where appropriate, to prevent the breach reported. In particular, the following are considered as follow-up actions:
- a. impartial verification of the breach report;
 - b. internal enquiry;
 - c. investigation;
 - d. further communication with the breach reporting individual.

- 7.13. Closure of the breach report verification procedure on the grounds that the report did not require further follow-up shall also be considered as an appropriate follow-up.
- 7.14. Toruńskie Zakłady Materiałów Opatunkowych SA keeps a breach internal reports register in which the following data is collected:
- a. case number;
 - b. the subject of the breach;
 - c. the date of breach internal report;
 - d. information on the follow-up actions taken;
 - e. the date on which the case was closed.
- 7.15. Data in the register are kept for 5 years from the date of acceptance of the breach internal report.
- 7.16. Authorised to keep a register of breach internal reports is the Breach Investigation Committee.
- 7.17. The administrator of the data collected in the breach internal reports register is Toruńskie Zakłady Materiałów Opatunkowych SA.
- 7.18. In order to ensure the surveillance and central position of Toruńskie Zakłady Materiałów Opatunkowych S.A. in the breaches reporting system and protection of breach reporting individuals in the TZMO Group and in order to ensure a consistent interpretation of the regulations and uniform practice to avoid significant discrepancies in the activities of the breach reporting system and protection of breach reporting individuals in particular companies of TZMO Group:
- a. members of the Breach Investigation Committee at Toruńskie Zakłady Materiałów Opatunkowych SA have permanent and unrestricted access to information on breach reports and proceedings at subsidiaries, including through the use of appropriately high privileges in IT systems for processing breach internal reports,
 - b. members of the Breach Investigation Committee at Toruńskie Zakłady Materiałów Opatunkowych SA may participate in the investigation of any reported infringement at a subsidiary,
 - c. the Breach Investigation Committee at Toruńskie Zakłady Materiałów Opatunkowych SA receives periodic reports from the Breach Investigation Committees at subsidiaries,
 - d. access by members of the Breach Investigation Committee at Toruńskie Zakłady Materiałów Opatunkowych SA to breach internal reports and investigations in subsidiaries takes place in accordance with the law, if necessary on the basis of written authorisations and commitments.
- 7.19. The operation of the breaches reporting system in TZMO Group is coordinated by the Breach Investigation Committee in Toruńskie Zakłady Materiałów Opatunkowych SA in the following scope:
- a. determining the position of committees or other entities within the company's organisational structure and giving an opinion on their independence and impartiality,
 - b. real-time access to the breach internal reports registers and reports itself,
 - c. ensuring a coherent working methodology,
 - d. knowledge acquisition, collection and distribution,
 - e. participating in the planning of training,
 - f. standardisation of internal regulations.
- 7.20. The Breach Investigation Committee at Toruńskie Zakłady Materiałów Opatunkowych SA has the right to supervise and evaluate the actions of TZMO Group companies taken to ensure and improve the quality of breach reporting system and protection of breach reporting individuals.

8. BREACH EXTERNAL REPORTING

- 8.1. Breach report may in any case also be made to a public authority or a central authority without following the procedure laid down in the Breach internal reporting rules, in particular where:
- a. Toruńskie Zakłady Materiałów Opatunkowych SA fails to follow up or provide feedback to the breach reporting individual within the deadline for feedback established in the Breach internal reporting rules, or
 - b. the breach reporting individual has reasonable grounds to believe that the breach is likely to constitute a direct or obvious threat to the public interest and, in particular, that there is a risk of irreparable harm, or
 - c. breach internal report will expose the reporting individual to retaliation, or
 - d. in case of an breach internal report, there is a low probability of effective counteraction of the breach by TZMO SA due to special circumstances of the case, such as the possibility to hide or destroy evidence or the possibility of collusion between TZMO SA and the perpetrator of the breach or participation of TZMO SA in the breach.

9. PERSONAL DATA PROTECTION

- 9.1. The personal data of the breach reporting individual and other data enabling his/her identity to be determined shall not be disclosed, except with his/her express consent.
- 9.2. Toruńskie Zakłady Materiałów Opatunkowych SA may collect and process personal data of the person concerned for the purpose of verifying the breach report and taking follow-up actions, even without his or her consent.
- 9.3. Personal data processed in connection with the acceptance of the breach report are kept by Toruńskie Zakłady Materiałów Opatunkowych SA for no longer than 5 years from the date of acceptance.
- 9.4. Personal data are processed only by authorised employees of TZMO Group.
- 9.5. Toruńskie Zakłady Materiałów Opatunkowych SA is the controller of personal data collected in relation to the proceedings concerning the reports of the breaches of law, internal regulations and standards of TZMO Group.
- 9.6. In matters concerning the processing of personal data and the exercise of rights related to the processing of personal data, you can contact the Data Protection Officer: Mr Jan Stemposz, Toruńskie Zakłady Materiałów Opatunkowych SA ul. Żółkiewskiego 20/26, 87-100 Toruń, e-mail address: iod@tzmo-global.com
- 9.7. Any breach report submitted in accordance with the Breach internal reporting rules, together with the details of the breach reporting individual and the person concerned or details that may enable those persons to be identified, shall be confidential.
- 9.8. The purpose, legal basis, retention period of personal data and other information required by the RODO are set out in the Information Clause which is attached as Appendix 1 to this Rules.
- 9.9. The information obligation imposed on the controller by the provisions of the GDPR in relation to the processing of personal data in the breach reporting system is implemented:
- a. at the time of the collection of data from data subjects. The breach reporting individual (as well as the facilitator) at the time of the breach report has the information clause available with the breach report form,
 - b. through the information campaign addressed to the employees of TZMO Group (including those employed on the basis other than employment contract) in connection with the launch of the channel for reporting breaches. In this way the information obligation towards TZMO Group employees, whose personal data as a result of breach report may be processed as the data of a person considered or a witness, is realized. In the event that the controller obtains personal data from a source other than the data subject, then in accordance with Article 14(5)

- of the GDPR, the controller does not have to fulfil the information obligation in the event that the data subject already has the information required by the GDPR,
- c. for newly recruited staff, information on the whistle-blowing channel, the Breach internal reporting system and the Information clause is provided during the training carried out as part of the adaptation programme,
 - d. In the case of third parties (persons concerned) who are not employees of TZMO Group, the information obligation will be fulfilled as soon as possible. The Breach Investigation Committee will individually decide on the moment of fulfilling this obligation in order to meet the requirements of GDPR and at the same time not to provide information at too early a stage of proceedings. In this case the obligation will be fulfilled by sending the content of the Information clause or providing a link to the website with the Information clause to the e-mail address, correspondence address, text message, in a direct conversation, etc.
- 9.10. Any persons, including employees of TZMO SA, who are not properly authorised to receive and consider breach internal reports, in the case of coming into possession of the content of the report or information allowing for identification of the reporting individual, the person concerned a witness, etc:
- a. may not disclose the content of the breach report or any of this information,
 - b. are obliged to immediately forward the content of the breach report and any information to the Breach Investigation Committee.

10. FINAL PROVISIONS

- 10.1. The Regulation shall enter into force on 1 January 2022.

11. LIST OF ATTACHMENTS

- 11.1. [Attachment 1 - Information clause](#)

Attachment 1 to the Internal Notifications Regulation - Information clause

Information clause in relation to the processing of data in the breach reporting system.

In fulfillment of the information obligation under the General Data Protection Regulation of the European Parliament and of the Council (GDPR), we inform you that:

The personal data we process has been received directly from the data subject (if the breach report has not been made anonymously) or the data has been provided to us by breach reporting individual (reporting individual's[[data, witnesses).

Controller

The controller of your personal data is Toruńskie Zakłady Materiałów Opatrunkowych SA, Żółkiewskiego Street 20/26, 87-100 Toruń.

Data Protection Officer

In all matters concerning the processing of personal data and the exercise of rights arising from data processing, you can contact the Data Protection Officer appointed by the controller, Mr. Jan Stemposz:

- phone: 56 612 3264
- e-mail: iod@tzmo-global.com
- in writing to the address of the administrator's registered office.

Purpose, legal basis of processing and duration of storage

Your personal data will be processed on a purpose-dependent legal basis:

1. In order to analyse the breach report received, based on the Controller's legitimate interest to be able to verify the information received and to carry out an internal investigation (Article 6(1)(f) of the GDPR), for the duration of this analysis and thereafter:
 - a. when we process the data only to verify the breach report but do not investigate and report externally to the authorities due to lack of grounds, then we process the data for one year after completion of internal verification,
 - b. when we process data for the purpose of carrying out an internal investigation, but this does not involve proceedings before an authority, in which case we process for the duration of the investigation/verification, but for a minimum of one year,
 - c. when we process in connection with proceedings before authorities (e.g. law enforcement) - until such proceedings have become final.
2. For the purpose of maintaining the Breach internal reports register - data will be processed to the extent necessary to comply with legal obligations for a period of 5 years from the completion of the analysis of the breach report and entry in the register (Article 6(1)(c) of the RODO).
3. For the purpose of possibly establishing, asserting or defending against claims - for the duration of the proceedings and the limitation period for potential claims (Article 6(1)(f) RODO).

Recipients of personal data

The Controller ensures the confidentiality of your data in connection with the application received. Therefore, data may be disclosed only to entities authorised to do so under the provisions of law.

The intended recipients of your personal data are:

- entities comprising the TZMO Group in the scope of matters concerning them,

- postal or courier companies,
- entities operating IT systems and providing IT services,
- entities providing advisory, consulting, audit, tax and accounting services,
- in case of data processing in connection with proceedings before authorities: law enforcement bodies, courts, government administration bodies, local authorities, state agencies, public institutions.

Rights of data subjects

You have the right to withdraw your consent to the processing of personal data in the case of personal data processed with your consent (withdrawal of consent does not affect the legality of the processing performed on the basis of your consent before its withdrawal), the right to demand access to your data, including obtaining a copy thereof, rectification (amendment), transfer of the data provided. You also have the right to demand erasure, restriction of processing and the right to object to the processing of your personal data, but only if further processing is not necessary for the fulfillment of a legal obligation by the Controller and there are no other overriding legal grounds for processing.

You also have the right to lodge a complaint with the President of the Office for Personal Data Protection (uodo.gov.pl) if you consider that the processing of your personal data violates the provisions of the GDPR.

Information on data requirements

The provision of personal data by the person reporting the breach, in particular name, surname, contact details, is voluntary. The data of persons covered by the breach report (the person possibly committing the breach, a witness) may be disclosed to e.g. law enforcement agencies, courts, government administration bodies, etc. regardless of whether the person agrees to it. The above-mentioned entities may, in cases determined by the law, request the Controller to provide personal data for the needs of proceedings conducted within their respective areas of competence, and the Controller shall be legally obliged to provide such data to them.

Information about intentions to transfer data outside the European Economic Area

Personal data will not be transferred to a third country or international organization.

Profiling and automated decision-making

Personal data will not be subject to automated decision-making or profiling.