Purpose

The Executive Board has established a transparent and effective compliance system in order to protect the company from material and immaterial damages. It defines and implements ethical principles which comply with local laws and regulations and which is a worldwide guide for day-to-day business.

The compliance system seeks to minimize risks and liabilities which might occur due to a lack of organizational governance.

Guidance

Compliance Organization & Whistle Blowing

A global Compliance Office (CO) is available to all employees, suppliers and management to consult and to support them in all questions concerning compliance (and also any kind of harassment and discrimination) and fraud protection.

The CO has direct access to the Audit Committee and ensures that breaches or suspicions of breaches of law/internal guidelines are dealt with appropriately.

The CO is a neutral contact and can be contacted by all employees and suppliers to address complaints, recommendations or to report suspected or actual breaches of laws and/or internal guidelines. When in doubt, questions can be addressed to Springer’s General Counsel and/or to Human Resources.

To provide a possibility for anonymous tips, the company offers a new internet-based whistle-blowing system, Business Keeper Monitoring System (BKMS).

Employees who contact the Compliance Officer or any other related Springer office do so on the basis of confidentiality and will not face any negative consequences for having done so.

Business Conduct

Based on its Mission Statement and Core Objectives, Springer has defined and implemented a set of guidelines and procedures which are either assigned on Group-level, Division-level or locally.

In these Guidelines, Executive Management has put guidelines and procedures in place to ensure that business activities are carried out in the proper manner.

The Code of Conduct plays an especially decisive role and reflects Springer’s approach in its role as an internationally active company to managing day-to-day compliance in a wide diversity of cultural circumstances and many different legal systems.

These Guidelines as well as the Code of Conduct apply to all employees of the Springer Group.
Prevention

Springer’s prevention system contains clear rules and information and is described in the respective Springer’s Guidelines (e.g. Annual Risk Reporting, Internal Audit, Compliance Management Guidelines, etc).

Additionally, legal entities as well as the main business processes are constantly monitored by Internal Audit. Checking the effectiveness and efficiency of processes to avoid breaches of the Code of Conduct is of great significance during an audit.

Detected weaknesses which might promote inappropriate behavior that conflicts with the Code of Conduct will be covered by a corrective action. If Internal Audit considers the discovered weakness to pose a risk on Group-level, further steps will be taken in cooperation with the CO and other involved functions.

Responsibility

All employees are personally responsible for consulting the Code of Conduct to ensure that their business conduct is compliant with it. Advisory services from the CO or the HR department and the Legal department can be made use of at any time.

If suspected or actual breaches come to their attention, employees are obliged to furnish their superiors and/or the CO with all relevant information immediately.

Managers in particular should function as role models and should demonstrate a high degree of ethical awareness.

Managers should organize their departments in such a way that breaches of the Code of Conduct can be detected and actively addressed immediately. Additionally, managers should perform regular checks and seek open discussions with their staff to obtain relevant information.

Information and Communication

The Code of Conduct and Guidelines are made available to employees on the Lounge.

Management information sessions were offered in 2009 in the framework of the implementation to raise awareness of the Code of Conduct’s content and of the compliance management system at Springer.

Additionally, to deepen the knowledge of the Code of Conduct and Guidelines elearning material is available on Lounge and Sproodle. Attendance at these trainings is partly mandatory and will be documented. Content of such trainings is approved by the CO, Head of Internal Audit and the President of Human Resources.

Employees will be provided with an eBooklet to the Code of Conduct and to the main aspects of the Compliance office. Further on, new employees will be asked to go through the mandatory elearning course in the first years of employment.

The information will be cascaded down by the department heads in their respective areas of responsibility. This process is supported not only by information material with tips and guidelines concerning the Code of Conduct but also the compliance topic advisory services by the CO, Legal department or the President HR.
Sanctions
Springer expects these Compliance Management Guidelines and the Code of Conduct to be adhered to and will not tolerate any breaches.

The company will not exempt persons responsible from penal action. Breaches may be punished in the form of warnings or by asserting claims for damages or dismissal.

Additionally, there may be statutory repercussions, including consequences under criminal law.

When employees are in doubt if they adhere to the Code of Conduct, other internal guidelines or laws/regulations, any employee can seek advice from his or her direct supervisor, the CO, the legal department or the works council.

Cooperation with Internal Audit
Suspicions of a breach brought forward by Internal Audit
Suspected fraudulent activities which come to the attention of the Internal Auditor(s) during a regular audit should be forwarded immediately to the Head of Internal Audit, who will coordinate further steps to be taken together with the CO, the President Human Resources and the Group’s General Counsel if applicable.

Defined activities will be provided to the auditor(s) on-site for further proceeding. If the suspicion cannot be confirmed, no information as to the suspicion or person(s) involved will be released.

Suspicions of a breach brought forward by internal/external sources
If suspected fraudulent activities come to the attention of the CO, the CO will coordinate the next steps to be carried out with the parties mentioned above.

Should it prove necessary to initiate an ad hoc audit to carry out further investigations, the Head of Internal Audit will be responsible for the next steps.

This ad hoc audit will be approved by the Group’s CFO, and the Audit Committee will be informed, but the person(s) who might be involved in the reported case will not be named.

The names of the person(s) involved will only be made public if and when a sufficient breach has been established.

Cooperation with Authorities
Springer makes every effort to facilitate a cooperative relationship with all legal authorities while safeguarding its rights and those of its employees.

If employees are involved in a court case pertaining to the company, the criminal proceeding must be taken seriously given the possible effect on both the person(s) concerned and Springer itself.

The persons involved should make use of their right to legal counsel at the earliest stage possible. The provision of information and the submission of records should only take place after consultation with the Group’s General Counsel.

At the express request of the employee and with the consent of Springer, the Legal department can defend, as appropriate, the rights of the parties involved at hearings or examinations by the criminal prosecution authorities.
Compliance Reporting

Together with the Head of Internal Audit the Group’s CO will prepare and distribute an Annual Compliance Report to the Audit Committee and the external auditor. This Report provides an overview of the following subjects:

- Number of calls/tips received
- Of these, the number of cases considered compliance relevant
- Of these, the number of cases investigated, closed, in progress
- Reported number of cases by category: employee, customer, supplier
- Development of cases reported per year since introduction and outlook/next steps

Lounge

The latest version of this Guideline, as well as further information materials providing useful guidance, can be found at Lounge > Springer Group > Compliance Management at Springer.

Management Board Resolution

Resolved at the Board Meeting

Dr. Ulrich Vest  Gregor Karolus
Chief Financial Officer (CFO)  President Human Resources

References

- Springer’s Core Objectives
- Springer’s Mission Statement
- Code of Conduct
- Levels of Authority Guideline