

SUPPLIER CODE OF CONDUCT

Version of March 2023

INTRODUCTION

Kempinski AG and its affiliates (referred to hereafter as “Kempinski”) are committed to making a positive contribution to society through our focus on the environment, responsible and ethical business practices, and social and human rights. We can do this by identifying, preventing, mitigating and accounting for potential negative impacts on our own operations and supply chain, and we, therefore, expect the same commitment from our own suppliers.

We are responsible for the economic, environmental, and social impacts our activities have on this world and on future generations. Therefore, Kempinski has developed sustainability targets, a Code of Conduct and Business Ethics, and a Supplier Code of Conduct (hereafter referred to as the “Supplier Code”), which together guide us in this responsibility and help us contribute to sustainable development. The Supplier Code applies to all our suppliers, service providers and manufacturers (hereafter referred to as “Suppliers”).

Our Suppliers play one of the most important roles in upholding Kempinski’s reputation for excellence through our relationships with guests, associates, business partners, investors, contractors and other stakeholders. We want to do business with companies that share similar values and we want to develop relationships with Suppliers that are ready to collaborate with us in order to reach our sustainability targets.

The Supplier Code sets forth the standards and guidelines that we expect our Suppliers to uphold and that are applicable to all Kempinski employees in our global operation. As a Kempinski Supplier, it is expected that you and your employees will strive to follow a comparable Code of Conduct and will respect the obligations of Kempinski partners to adhere to Kempinski policies and applicable standards.

IMPLEMENTATION AND COMPLIANCE

When evaluating a Supplier’s compliance with the Supplier Code, Kempinski will consider the scope and applicability of the requirements in relation to the nature of the business and associated risks.

Additional Supplier-specific sustainability requirements may be defined in commercial agreements since the nature of the business of the Supplier needs to be considered.

Kempinski's Suppliers are responsible for reading the entire Supplier Code and understanding how it applies to them, as well as how to respond to situations which might not be in conformity with such a Supplier Code.

Kempinski may take steps to assess a Supplier's compliance with these principles, standards and guidelines.

Failure by the Supplier to allow Kempinski access to verify compliance with the Supplier Code of Conduct, or to remedy any non-compliance within a reasonable time, shall be regarded as a material breach of the Supplier Code. This would entitle Kempinski to terminate the contractual relationship with the Supplier.

MONITORING

All business relationships between Kempinski and Suppliers must be based on integrity, trust, honesty and cooperation. By accepting the Supplier Code, the Supplier commits to meeting these requirements within its own operations and supply chain. This can only be achieved by cooperating in a transparent manner and Suppliers must be able to demonstrate their compliance upon request. Kempinski may verify compliance with the Supplier Code by means of a conversation, self-assessment questionnaire or onsite audits at the Supplier or sub-contractor premises where necessary. This may include permission to conduct interviews with employees and a request to access complete documentation related to the Supplier Code. Compliance verifications are conducted either by Kempinski employees or by an independent third party appointed by Kempinski.

It is the responsibility of the Supplier to ensure that any of its supply chain partners comply with the Supplier Code or equivalent set of requirements.

If the Supplier Code is broken, it is expected that the Supplier shall bring such an instance to the attention of Kempinski so it can be evaluated accordingly and any risk mitigated against.

Violations of the Supplier Code are to be reported to Kempinski either through a Kempinski contact person or through sustainability@kempinski.com.

SOCIAL & HUMAN RIGHTS

Respecting human and labour rights is of great importance to Kempinski. This includes treating employees equally, in an inclusive environment, in a fair manner, with respect and dignity; and avoiding any abuse of human and labour rights. We expect and encourage our Suppliers to uphold the highest standards with regards to recruitment, employment and human rights. Suppliers shall support and respect the protection of human rights, as defined in the United Nations (UN) Universal Declaration on Human Rights. We encourage all Suppliers to be familiar with Kempinski's Policy on Human Rights, which can be found at: <https://kempinski-dev.s3.amazonaws.com/34396998/human-rights-policy-kempinski.pdf>

Suppliers must proceed with all their business operations in a non-discriminatory and inclusive way and must not be complicit with any Human Rights abuses, including modern slavery and human trafficking. As such, Suppliers must be compliant with all applicable laws including (but not limited to) those associated with Equal Opportunity, Child Labour, Forced or Compulsory Labour, Working Hours, Compensation, Freedom of Association, Collective Bargaining and Harassment-Free Work Environment.

Discrimination & Harassment

Workplace discrimination is unacceptable. Inclusive and diverse teams contribute to creating a stronger team and can generate enhanced performance and results for the company. Kempinski places great value on the diversity of its Suppliers, staff, clients and business partners, and does not condone discriminatory practices of any kind. We are committed to the protection and welfare of our members of staff, guests and other parties such as Suppliers and contractors.

Kempinski expects Suppliers to provide a fair and safe workplace that is secure, free from any harassment and that creates the right working environment for all employees.

Kempinski expects Suppliers to foster an inclusive environment that promotes mutual respect, inclusion, equal opportunities and diversity with employees, customers and business partners.

Suppliers must respect the personal dignity, privacy and rights of each employee and must not tolerate any kind of abuse, whether physical or mental harassment expressed verbally or non-verbally.

Suppliers must prohibit language, behaviour or physical contact that is abusive, threatening, sexual or exploitative.

Suppliers must also avoid public warnings or punishment systems that might be degrading for any employee or stakeholder.

Suppliers must not discriminate unfairly in recruitment or during the employment period on the grounds of age, nationality, ethnicity, political beliefs, religion, sexual orientation, gender identity or expression, physical ability or any other characteristic that is protected by law or by the UN Bill of Human Rights, or the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Health & Safety

Kempinski expects Suppliers to provide all their employees with a safe and healthy working environment that meets all applicable requirements, whether local regulations or industry working standards. All necessary steps should be taken to prevent incidents and injuries.

Suppliers must have a suitable risk-assessed approach to safety, which needs to include adequate training and instructions that can be understood by all employees.

The employee must have the right to refuse to enter into a work situation if they reasonably believe that it poses an immediate risk to their health and safety.

All work premises, including in some cases staff canteens or accommodation, need to be inspected regularly to maintain hygiene and fire and safety standards for the well-being of the employees. If accommodation is provided, each employee must have the right to their own bed and separate sleeping areas must be provided for men and women.

Suppliers must ensure that all equipment and machinery is regularly inspected to ensure that it can be safely used by employees. Regular maintenance checks need to be implemented and this needs to be tracked and recorded.

Working Hours & Compensation

Suppliers are expected to offer reasonable working hours and fair remuneration to their employees. At a minimum, employees must be offered compensation and benefits in accordance with local legal requirements, or with applicable collective agreements.

There needs to be sufficient rest and time off from work to prevent injuries and illnesses. Excessive overtime must not be the norm. A rested workforce tends to increase efficiency and productivity.

Freedom of Association & Collective Bargaining

Kempinski encourages Suppliers to respect an employee's freedom of association and right to lawfully and peacefully bargain collectively, shall it be so desired by their employees. We encourage Suppliers to engage in productive talks with their employees to motivate and improve workplace culture.

Prevention of Forced Labour & Human Trafficking

Kempinski expects Suppliers to respect the employee's freedom of movement. Modern slavery including but not limited to forced, bonded or compulsory labour, deceptive recruiting and human trafficking are unacceptable.

Suppliers must also ensure that their recruitment agencies follow their principles against modern slavery. Suppliers including their recruitment agencies must not tolerate restrictions of movement, recruitment fees as part of the application process, confiscation of identity documents, withholding of wages, abusive working conditions or use of fraudulent recruitment processes.

Child Labour

Child Labour is unacceptable. Suppliers must prevent child labour in their operation and in their supply chain.

Kempinski expects Suppliers to adhere to minimum age provisions as applicable by local regulations. Suppliers should only employ workers who are of the applicable age for employment, or above the minimum applicable age for completion of the compulsory education, whichever is the highest.

Young workers (below 18 years old) shall be excluded from any work that is mentally, physically, socially or morally hazardous or that interferes with their compulsory schooling.

ENVIRONMENTAL SUSTAINABILITY

Kempinski is committed to reducing environmental impacts by sourcing responsibly, making better use of its resources, integrating sustainability across our supply value chain, building and operating more sustainable hotels, and mitigating climate-related risks.

Community Engagement & Environmental Laws

Kempinski encourages Suppliers to engage with and contribute to the communities in which they operate, as this will be an opportunity to further develop the business economically and sustainably. Furthermore, Suppliers should also comply with applicable regulations by ensuring that all environmental permits and registrations required to conduct business are obtained and maintained.

Reducing Greenhouse Gas Emissions

Kempinski encourages its Suppliers to transit to a low-carbon business strategy to reduce the ecological impact on Earth. This can be done through policies, incentives and services that seek the mitigation of climate impact.

Waste Management

Kempinski encourages Suppliers to reuse and recycle products as much as possible to minimise waste, including single-use plastic, packaging material and hazardous waste, amongst others. We also encourage our Suppliers to investigate alternatives to reduce such material from the production cycle by implementing prevention, reuse, recycling or other waste reduction methods that can help reduce environmental impact.

Resource Management

Kempinski encourages Suppliers to have efficient and sustainable processes in place with respect to water and energy consumption.

Animal Welfare

Kempinski is committed to the humane treatment of animals. Kempinski encourages its Suppliers to implement processes to always prevent the mistreatment of animals when they are raised, cared for, transported and processed.

Sustainable Forestry

Kempinski expects its Suppliers of wood and paper products to be compliant with laws and regulations regarding their operations and the products they manufacture. Kempinski will not purchase wood or paper products from illegally harvested or traded wood. We encourage our Suppliers to be transparent and engage in responsible sourcing as Kempinski gives preference to recycled and certified products.

ETHICAL & BUSINESS PRACTICES

Kempinski is committed to conducting business respecting high ethical and legal standards. We expect our Suppliers to comply with all relevant laws regulating business conduct, but also to conduct business in an ethical manner.

Business Integrity

Kempinski expects Suppliers to engage in fair and honest business practices without conspiracy, bribery, corruption, coercion or abuse of economic power. Suppliers, their employees and their sub-suppliers are forbidden from giving or promising anything of value to any person for the purpose of influencing official action or gaining an improper advantage, taking any other action that creates a sense of obligation, or engaging in any unlawful conduct.

Intellectual Property

Kempinski expects Suppliers to safeguard Kempinski's resources including assets, information and intellectual property (patents and trademarks), and its reputation by never using such resources for personal gain or in a manner that might create a conflict of interest. Suppliers are obligated to protect such resources by only using them for legitimate business purposes.

Confidentiality

Suppliers often have access to confidential information. We are committed to protecting and upholding the confidentiality of this information. Confidential information may be the subject of local laws and regulations regarding data protection and privacy.

Suppliers must protect Kempinski's confidentiality and must not disclose information, either deliberately or accidentally, obtained during duties without authorisation. For the avoidance of doubt, approval requirements apply to sharing information on industry platforms.

Anti-Corruption

All forms of corruption and bribery are strictly prohibited. The Supplier must comply with all anti-corruption laws, rules and regulations applicable in the country in which it operates, and with international anti-corruption conventions.

Gifts & Entertainment

Suppliers must ensure that gifts or entertainment are modest and within Kempinski guidelines when interacting with Kempinski employees. Such offers might create a sense of obligation from Kempinski's side, and since our goal is to maintain optimal commercial terms, we expect Suppliers to work with us without interfering in any business decision.

Competition

Suppliers must always negotiate agreements with fair competition principles and observe the highest level of professionalism and diligence. Suppliers must not conclude any formal or informal contracts that are intended to or result in the prevention or restriction of competition, or that are in breach of applicable laws in relation to competition or fair trade.

Disclosure of Information

Suppliers are encouraged to maintain consistently truthful, reliable and accurate records. Deliberate falsification of records or misrepresentation of data contained in records is prohibited and is a serious violation of our policies. For the avoidance of doubt, misrepresentation of data includes the recording of any payments made with the intention that part of such payments will be used for an alternative purpose than is described in the documents supporting the payment. Deliberately ignoring or circumventing internal controls designed to ensure the accuracy of records or obstruction of audits intended to monitor compliance with our policies is also a violation of policy.