

POLICY

Anti-Corruption Policy

Introduction

Kempinski is adopting an Anti-Corruption Policy, to show its commitment towards conducting business in an ethical and legally compliant manner, in all the geographical locations where the Group operates. The Anti-Corruption Policy is an underlying policy of the Kempinski Code of Conduct and Business Ethics.

This policy sets out the framework and clarifies the responsibilities that every employee has in tackling with presumed or confirmed corruption situations.

Policy Statement

Kempinski makes a clear statement against corruption, which is not condoned in any way, shape or form, and is fully committed to acting and conducting business within a legal and ethical framework. Our Anti-Corruption Policy aims to prevent and discourage conduct that is dishonest, fraudulent, or illegal. Kempinski is committed towards engaging in fair and correct business practices and act in a sustainable manner and in compliance with both locally and internationally anti-corruptions laws, regulations and principles.

This policy provides minimum requirements however it is to be understood that local legislations or regulations adopted in the countries where the Group operates must be fully adhered to.

Scope

This policy is strictly applicable to all employees of Kempinski Hotels and Residences worldwide as well as Corporate and Regional Offices. Moreover, Kempinski expects that its business partners and supply chain (vendors, contractors etc.) uphold this policy and abide to the practices and laws applicable in the countries where they operate.

Definitions

Corruption – Transparency International (TI), the global coalition against corruption, defines corruption as the “abuse of entrusted power for private gain”

Bribery - TI defines bribery as “the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of money, gifts, loans, fees, rewards or other advantages (taxes, services, donations, favours etc.).”

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Fraud - TI defines fraud as “the offence of intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political or otherwise)”

Extortion – TI defines extortion as “the act of utilising, either directly or indirectly, one’s access to a position of power or knowledge to demand unmerited cooperation or compensation as a result of coercive threats.”

Money Laundering - TI defines money laundering as “the act of disguising illegally obtained funds as legitimate ones”

Facilitation Payments – TI defines facilitation payments as a payment “made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement”

Policy Content

Conflict of Interest

Our policy is to make business decisions based on impartial assessment of facts and sound commercial reasoning. A conflict of interest may be defined as a situation in which an employee’s own personal interests and motivations are influenced by factors to the extent that they impact their objectivity and differ from the organisation’s own interests. Conflicts of interest, commercial competition with our organisation, and diversion of business by employee are strictly forbidden. Transparency is a key principle for avoiding conflicts of interest arising: employees have a responsibility to avoid situations that may be perceived as conflicts of interest and to be transparent in declaring the existence of conflicts to their line management and to HR if they arise or develop. Failure to declare the existence of relationships that could be perceived as conflicts of interest or to respond truthfully if asked represent violations of our policies.

- **Beneficial relationships with third parties.** Scenarios in which employees maintain relationships through which they receive a direct or indirect financial benefit from an external party as a result of that party’s relationship with our organisation (for instance, receiving personal commission payments from a particular supplier or service provider) represent a conflict of interest and are strictly prohibited.
- **Related parties.** Within our organisation, spouses, partners, and members of the same family may be employed by the same hotel or office – provided that their recruitment and appointment are based on objective assessments of their qualifications, performance, skills and experience and the recruitment decision has been taken without reference to the personal relationship and by members of the management team who have no such personal relationship with the candidate. However, an employee may not report directly or indirectly to another family member, partner or

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spouse; or interact significantly in a professional capacity with one of these parties. Employees are also forbidden from using personal influence to induce our organisation to conduct business with an external organisation in which a spouse/partner or immediate family maintains a commercial interest.

- **External employment.** We prohibit external employment that could interfere with an employee's ability to perform their professional duties at our organisation to the highest standards. Likewise, employment by commercial competitors, suppliers or service providers to our organisation, or entities that support the activities of these parties, is prohibited. Failure to proactively disclose external employment to HR may potentially be interpreted as an attempt to conceal the existence of a potential conflict of interest and may lead to disciplinary action.
- **External investments.** Employees should not maintain external private business interests or investments that could jeopardise their ability to perform duties at our organisation to the highest standards of professionalism, or that could potentially influence their ability to objectively make decisions in relation to their role within our organisation.
- **Other external organisational affiliations.** Affiliations held by employees to commercial and non-commercial organisations may include – but are not limited to: directorships, trusteeships, membership of advisory or supervisory committees; or consultancy arrangements. We consider such affiliations with commercial competitors, suppliers or service providers to represent conflicts of interest. Whether affiliations to other categories of external organisation may represent a conflict of interest will vary according to individual circumstances. Please consult your local HR Department to obtain clarification regarding individual circumstances.

The conflict of interest scenarios above are not exhaustive. Employees should exercise best judgement when considering whether a conflict of interest situation may have arisen. If in doubt, employees should consult their Line Manager or a representative of the HR Department.

Bribery

Bribery accounts for offering, promising, requesting or accepting certain advantage / gratification that can be of financial or non-financial nature with an aim to solicit improper performance or misuse the power a person has in their position. If the advantage can influence the ability to make objective business decisions by the person being offered this advantage, this can be seen as bribery.

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Receipt of Gifts, Favours and Benefits

At times, employees may be offered gifts or entertainment by external parties such as business partners, suppliers or clients. Employees have a responsibility to express gratitude and politeness when offered gifts by external parties, regardless of whether or not such gifts can be accepted. Please consult the local Employee Handbook relevant to your hotel/office for detail and guidance regarding the circumstances regarding whether or not gifts or entertainment may be accepted and the appropriate mechanism for declaring gifts. For the avoidance of doubts, product samples or the inclusion of “rebates” or bonuses of additional products in bulk orders from suppliers and potential suppliers are not considered gifts or “perks” for individuals; but are company assets provided to our organisation that should be accounted for appropriately.

Independently of the local Employee Handbook the following minimum rules apply:

Soliciting gifts, entertainment or benefits from external parties by any employee represents a violation of our policies.

Our policy is to make decisions regarding suppliers and vendors objectively and impartially, and to operate without the appearance of influence as a result of employees accepting gifts and entertainment from external parties. Employees in procurement functions may not accept any gifts from suppliers or vendors apart from advertising or promotional items of nominal value (such as pens, keychains, cups or glasses, or hats).

Any other employee may only accept gifts, entertainment, or benefits if the value is below €40 or the equivalent in other currencies (local policy limits may be lower).

The employee has to declare the receipt of any gift, favour, or benefit to her/his line manager. If refusing a gift or benefit is deemed culturally not acceptable, the decision about what to do with it will be taken by the General Manager or Hotel Manager if so delegated by the General Manager; in case of the receipt of a gift by a General Manager or corporate / regional employee, by the senior executive in charge of the region or corporate department. In case of receipt of a gift by any of the above-mentioned senior managers themselves, they will proactively notify their own line managers.

In case refusing the receipt of a gift or benefit is deemed culturally not acceptable, the decision maker mentioned above will either politely decline on behalf of the employee or, if the gift or benefit could not be refused without damaging a business relationship, incorporate it into company property or put it to common use for all the employees of the location.

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Giving of Gifts, Entertainment and Other Benefits

Anti-corruption laws, including the US Foreign Corrupt Practices Act and the UK Bribery Act, prohibit companies and their employees, agents, and officers from providing items of value (including gifts and entertainment) to government officials and employees for the purpose of securing business or other governmental benefits. Our policy is to comply with national and international laws and regulations concerning acceptance by government employees of entertainment, meals, gifts and benefits or officials from organisations and persons with which they conduct business or over which they exercise regulatory authority. We are committed to not using the exchange of gifts or business courtesies to gain unfair competitive advantages. Employees are responsible for avoiding scenarios that are open to interpretation as attempts to improperly influence external parties.

Business gifts, meals and entertainment of reasonable value may be offered and provided to non-government individuals in support of our organisation's business activities, so long as they are not offered for any improper purpose and do not violate any law or regulation. Please refer to the local Employee Handbook relevant to your hotel/office for further detail.

Donations & Sponsoring

Only donations or sponsorships that are charitable in nature, made without expectations or ulterior gains are permitted. Moreover, donations and sponsorships should always be made with transparency and in compliance with the local legislation.

Kempinski Group does not make contributions or sponsors political parties, neither directly nor indirectly (i.e. a donation towards an organisation as a substitute for a political donation). Moreover, Kempinski expects that its business partners and supply chain (vendors, contractors etc.) apply the same principles.

Financial Crimes: Fraud, Extortion & Money Laundering

Kempinski is strictly against any action that qualifies as Fraud, Extortion and Money Laundering.

Moreover, and in line with legal regulations applicable, employees may be requested to cooperate with the concerned authorities or any internal / external investigators in order to support in the process of taking corrective actions.

Facilitation Payments

Kempinski strictly prohibits making facilitation payments, which are regarded as a form of corruption.

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Fair Competition & Tender Processes

Kempinski embraces fair competition and believes that this enables us to conduct reliable business operations in the markets where we operate. It is part of our business ethos to comply with local and international competition laws and guidelines.

Kempinski commits to bidding as part of a tender process in a transparent manner.

Failure to adhere to the guidelines set out in this Policy can have severe financial and reputational consequences for Kempinski and may result in disciplinary action, up to and including termination.

In cases of local or international anti-bribery or anti-corruption laws being breached, Kempinski commits to cooperate with the relevant authorities. Employees, who are proved to be implicated in the breach, risk aside from disciplinary action, various official legal repercussions.

Employees or Third Parties who suspect or witness corruption practices are expected to report these to their superior or by raising a whistleblower.

Kempinski is committed to communicating this policy to our business partners and suppliers and to ensuring the contracts / service agreements contain the necessary stipulations.

Responsibility

It is the responsibility of the General Manager, Human Resources Leaders and Department Heads to ensure that all Kempinski Employees read and understand this Anti-Corruption Policy.

It is the responsibility of each Kempinski Employee to ensure that their behaviour and actions consistently comply with the guidelines of this policy.

All Business Partners and Third Parties working with/for Kempinski Group must commit to not engage in corruption practices.