

ANTI-CORRUPTION

Code of conduct



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INTRODUCTION



The AccorInvest Group wishes to ensure and encourage business behaviour and ethics that meet strict rules in terms of integrity. The Group has therefore put in place a zero tolerance policy as regards any unethical behaviour, and any risk of corruption in particular. **The Group has made the prevention and detection of corrupt practices a priority.**



Corruption is defined as the unlawful direct or indirect proposing, offering or promising to offer (active corruption) or soliciting or accepting (passive corruption) of offers, promises, gifts or benefits of any kind to accomplish or refrain from accomplishing (or to have accomplished or refrained from accomplishing) an action in connection with one's position, task or mandate.

Corruption has negative consequences for companies, institutions and the population as a whole. **It acts as a brake on the healthy functioning of the economy and development of many countries.**

Most countries are aware of these effects and of the need to make economic operators accountable, and have strengthened their anti-corruption arrangements in recent years.

Corrupt practices are a criminal offence, whether committed with government/public officials or private persons.

Certain types of behaviour, which were tolerated in the past in view of local practice or the modest sums involved, are now prohibited and penalised.

The resulting penalties are very substantial and may apply both to a company and its management.

For example, for bribing a government/public official,

- French Law provides for:
 - a fine of up to EUR 5,000,000 or (if greater) twice the proceeds of the offence, for a company;
 - a fine of up to EUR 1,000,000 and a custodial sentence of up to 10 years for an individual;
- English Law provides for:
 - an unlimited fine for a company;
 - an unlimited fine and/or a custodial sentence of up to 10 years for an individual. ...

INTRODUCTION



... In addition, a company and its officers may be pursued for acts committed in the countries in which the company operates and also **for acts committed abroad** by any person with which it is associated, be they officers, managers, employees, agents or partners of the company.

Lastly, **the company's shareholders and partners are, in line with public opinion, extremely aware of these matters** and are demanding the effective implementation of an effective zero-tolerance anti-corruption policy.

In addition to the legal and financial risks to which it exposes the AccorInvest Group, **it also incurs a major commercial and reputational risk.**

This Code of Conduct is therefore sent to and applies to all of the Group's officers and employees, in order to remind them of:

- the Group's responsibilities and commitments as regards combating corruption;
- the rules that apply to all employees and officers, and the expected and prohibited behaviour.

THE ACCORINVEST GROUP'S COMMITMENTS

The AccorInvest Group undertakes not to use corrupt practices in the conduct of its business, in its dealings with private persons or public officials or in its relations with its suppliers or clients.



The AccorInvest Group prohibits any act of bribery committed by an employee or a representative:

- regardless of the country in which the act is committed;
- regardless of the value of the gift or benefit offered;
- irrespective of the benefit expected in return;
- regardless of whether it involves active corruption (bribing a public official or a private company) or passive corruption (accepting a gift from a private company).



The AccorInvest Group prevents, detects and stops all corrupt practices by implementing measures such as:

- **an alert procedure** for the use of employees (the “alert line” or “whistleblowing”);
- **the application of disciplinary sanctions** when behaviour does not comply with the Group’s anti-corruption commitments. These sanctions may include dismissal.



Therefore an employee or representative may not under any circumstances, for himself or on behalf of a third party, or have a third party on behalf of the employee:

- make, promise to make or offer a payment, a pecuniary donation, a commission, a gift, a trip, an invitation or any other kind of reward in the expectation or hope of gaining an undue advantage therefrom or in return for an undue advantage already received;
- accept or solicit a payment, a pecuniary donation, a commission, a gift, a trip, an invitation or any other kind of reward from a third party who is known for or is suspected of expecting an undue advantage,
- making a facilitating payment of any kind whatsoever to a representative of the civil service, an agent or an intermediary in order to facilitate or accelerate a routine procedure.

THE ACCORINVEST GROUP'S COMMITMENTS



The Group complies with the anti-corruption rules under all circumstances, and in particular in connection with **its public interest, patronage and sponsorship activities**. The Group must not therefore undertake such activities with the aim of obtaining undue advantages.



To combat corruption and conflicts of interest, **the Group refuses gifts and personal advantages:**

- offered by third parties to its officers and employees,
- offered by its officers and employees to third parties.

However, a successful business relationship may include an exchange of low value gifts or invitations, provided that it does not take place while negotiations or a call for tender are ongoing.

Thus, in the course of their professional duties, employees may offer or receive low-value gifts or benefits in kind, especially of a promotional nature. Similarly, employees are authorised to occasionally and reasonably make or accept invitations to professional events that relate strictly to their activities within the Group.

If an employee has any doubts as to whether to accept a gift or an advantage, he/she must consult his/her manager, Compliance officer, or legal department.



Lobbying is a **constructive and transparent contribution to the development of public policy on matters relating to the Group's business**.

This contribution is intended to ensure that public decision makers are appropriately informed.

When the Group advises government authorities on its position on matters of public interest that relate to its business or acts to protect its interests, it shall:

- not seek to gain an undue political or regulatory advantage;
- act with integrity and intellectual probity in all its dealings with government/public officials and bodies, irrespective of the situation or the interests it is seeking to protect.

THE DIFFERENT TYPES OF CORRUPTION AND THE CONDUCT TO ADOPT

BRIBING A PUBLIC OFFICIAL



Constituent elements

- The unauthorised offering or promising, directly or indirectly, of a gift or advantage of any kind,
- to a person with a public service mission (e.g., an elected representative or civil servant, or a state-owned company),
- so that he/she:
 - carries out or does not carry out an action relating to his or her office (bribery);
 - uses his/her influence to obtain an advantage of any kind from a government office (peddling of influence).

Examples

- Paying a bribe to an elected representative or employing one of his/her friends in order to get planning permission.
- A facilitation payment, namely a modest sum paid to a civil servant to speed up a routine administrative approval to which the company is entitled anyway.



Be aware

- Using an intermediary (e.g., an agent or consultant) for discussions and payments does not limit liability or risks.
- The company can be pursued:
 - even if we are unaware of the actions undertaken by the employee or intermediary on our behalf;
 - merely on the basis of a proposition or promise, even if the money or advantage is ultimately never delivered;
 - even if the person receiving the bribe does not subsequently commit a wrongful act.
- Certain types of behaviour that were previously tolerated in certain legal systems or jurisdictions in view of local practices, or the modest sums involved (e.g. facilitation payments) are now prohibited and sanctioned.
 - ▶ The existence of practices that are actually or allegedly tolerated in a given context does not authorise the Group's employees to do likewise.

THE DIFFERENT TYPES OF CORRUPTION AND THE CONDUCT TO ADOPT / Bribing a public official

POTENTIAL SITUATIONS

1



Following a tax audit you receive a reassessment notice (avis de redressement). You and your accountant consider this reassessment to be unjustified. Moreover, the amount of the reassessment and the fine correspond to an entire year's sales. **The tax inspectors inform you, via an intermediary, that the fine will 'go away' if you pay a modest sum in cash.**

► By paying this sum you would be exposed to the risk of bribing a foreign government agent, including under French law, and would be liable for prosecution, as would the Group. This is clearly a matter of attempted extortion. **The Group's legal and finance departments will help you to use all means available to dispute the reassessment and the fine.**

2



You run into a problem with the customs clearance of furniture or other items for the hotel you are opening. The situation is all the more critical as the hotel must open in the next few days to welcome guests who have already made bookings. The customs officer handling the import hints that a "modest gift" might speed up the customs formalities.

► Facilitation payments are strictly prohibited under all circumstances, even in an emergency. If you receive a proposition of this kind, **you must inform your line managers, your Compliance Officer or the legal department accordingly, or report an alert using the Group's alert procedure.**

3



The Group has applied for planning permission for a hotel in a new developing country. The local mayor imposes an arrangement whereby the Group undertakes **to finance certain public interest projects** in the town (such as building a nursery school) **in exchange for planning permission.** This appears to be a fair trade-off.

► Even though this type of financing would help to finance a public interest project, it constitutes bribery liable for criminal sanctions. **You must inform your management, your Compliance Officer or the legal department of any proposal of this type.**

ACTIVE CORRUPTION OF A PRIVATE AGENT



Constituent elements

- The unauthorised offering or promising, directly or indirectly, of a gift or advantage of any kind,
- to a person who occupies a position with a private company,
- so that he/she:
 - carries out or does not carry out an action relating to his/her position (bribery),
 - or uses his/her influence to obtain an advantage of any kind from a government office (peddling of influence).

Examples

- Money or an advantage given to an employee of a potential client to encourage them to book stays or conferences at our hotels.
- Money or an advantage given to a third party to facilitate the purchase or sale of a property.



Be aware

- Using an intermediary (e.g., an agent or consultant) for discussions and payments does not limit liability or risks.
- The company can be pursued:
 - even if we are unaware of the actions undertaken by the employee or intermediary on our behalf;
 - merely on the basis of a proposition or promise, even if the money or advantage is ultimately never delivered;
 - even if the person receiving the bribe does not subsequently commit a wrongful act.
- ▶ The existence of practices of this type in connection with the relevant business sector or the local context does not mean that the Group's employees are authorised to do likewise.

POTENTIAL SITUATIONS

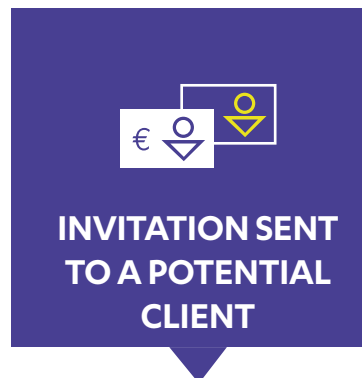
4



The Group has been looking to strengthen its presence in the centre of a major Latin American capital city. You know someone on the ground who has close links to hotel owners in the country in question and is offering to contact one of them on your behalf, as they may wish to sell one of their properties. **This intermediary is requesting a fee, in the event that a sale is agreed, based on a rate that seems unusually high.**

▶ The involvement of intermediaries in this type of transaction may be necessary, but involves risks and must be monitored. Their fee may include sums to be paid on as bribe to persons who have a say over whether the transaction goes ahead. **You must ask your Compliance Officer to carry out due diligence on this intermediary and to take protective measures** against corrupt practices that may happen on our behalf but without our agreement.

5



You have heard that a major European company is planning to hold its annual convention in the Horn of Africa, a region in which you have a presence. This contract would involve hosting 300 persons over two days during peak season. Your hotel is ideally situated and would be perfect for an event of this type. You have contacted the person responsible for organising the convention. **He would like to come for a week, with his assistant. He will be travelling with his wife and his assistant will bring her husband.** You want to welcome them as hospitably as possible.

▶ You can of course welcome them, but must take care not to commit an act of private corruption, i.e., offering the convention organiser a personal advantage in order to win the contract with his company. You can thus offer them both a double room for no charge, limiting the free nights to the two or three days required to show them round the hotel's facilities and to introduce them to service providers that can organise their event. However, their spouses' use of the facilities (spa, golf, safari, etc.) will be for their account. You cannot pay for any of their flights, of course. **As a precaution you should send them a letter (which they should sign and return to you) setting out the practical details of your invitation (services included and excluded) and a detailed programme of their visit: meeting, visits, introductions to service providers, etc.**

PASSIVE CORRUPTION OF A PRIVATE AGENT



Constituent elements

- The unauthorised solicitation or acceptance of a gift, an advantage of any kind or a promise,
- from an employee or a representative of a private company,
- in order that the recipient improperly performs or arranges the improper performance of an action or decision.

Examples

- Money or an advantage given by a service provider to encourage us to confirm or renew a contract.
- Money or an advantage given by us to a third party to facilitate our purchase or sale of a property.



Be aware

- Using an intermediary (e.g., an agent or consultant) for discussions and receipt of payments does not limit liability nor risks.
- The company can be pursued:
 - even if we are unaware of the actions undertaken by the employee or intermediary on our behalf;
 - merely on the basis of a proposition or promise, even if the money or advantage is ultimately never received;
 - even if after receiving the money or advantage we do not subsequently commit a wrongful act.
- ▶ The existence of practices of this type in connection with the relevant business sector or the local context does not mean that the Group's employees are authorised to do likewise.

POTENTIAL SITUATION

6



You are to select the company that will carry out a major renovation of one of the Group's hotels.

The usual call for tender procedure is launched. However, the manager of one of the candidate companies tries to meet with you in private, suggesting that **if you pass him information about his competitors' proposals he will make sure your daughter is offered an interesting job with his company.**

- ▶ Accepting a proposal of this type would make you guilty of passive corruption and would result in the unfair and unreasonable selection of a contractor for the Group. This would also expose the Group to legal and reputational risk. **You must refuse to meet this person and should contact your legal department** to decide on how to respond and how to proceed with the subsequent call for tender.

IMPLEMENTATION OF THE CODE OF CONDUCT

The principles set forth in the Code of Conduct apply to all AccorInvest Group's officers and employees.

So that the Group can react appropriately, all officers and employees undertake:

- **not to use corrupt practices;**
- if they observe a risk or have a doubt, **to inform:**
 - their manager, Compliance Officer or legal department;
 - or by using the alert procedure.

They must all familiarise themselves with the Group's commitments and with the practices referred to and the potential situations described on the next section of this Code of Conduct.

The Code of Conduct is **available on the Group's intranet** so that everybody can refer to it.

In addition, **each manager shall promote the commitments** derived from this Code to his/her staff and ensure that they are implemented.

Where appropriate, depending on the regulatory requirements in each country, **the Code of Conduct may be inserted in the internal regulations** of the relevant AccorInvest legal entity or be appended to each employee's **employment contract**.

IMPLEMENTATION OF THE CODE OF CONDUCT



The Group has an alert procedure so that **any employee can report behaviour** that does not comply with the Group's legal rules and ethical commitments.

This alert procedure is one of the commitments made by the Group to ensure that its business activities and its labour relations comply strictly with the principles set forth in the anti-corruption Code of Conduct.

To ensure that this alert procedure is effective, **reports are received in the language of the countries in which the Group operates.**

The specific operating details of this alert procedure and the associated guarantees are presented to the employees in accordance with the labour relations procedures in force in each country concerned.

The alert procedure is in addition to other reporting methods available to all employees (line manager, Human Resources, staff representatives) and is not a substitute for them. Employees should use the ethical alert line whenever they consider that the circumstances so require.



The Group performs a corruption risk mapping and updates it regularly.



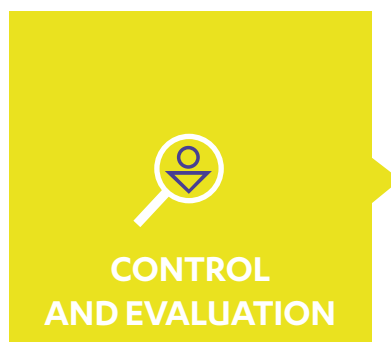
The Group puts in place **a conflict of interest identification, prevention and management procedure.**



Depending on the extent of their exposure to corruption risks, the Group's officers and employees receive **the appropriate training so that they can fulfil the undertakings set forth in this Code of Conduct in the course of their professional activity.**



The Group deploys and maintains third party evaluation procedures (for suppliers, intermediaries, partners, etc.) **in order to assess the specific risks involved in the relationship** in place or expected with a given third party.



The Group deploys and maintains **procedures for checking and evaluating** the compliance measures implemented.

ACCOR**INVEST** 



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