



## HILTON FOOD GROUP PLC

### ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

#### Introduction

Hilton Food Group Plc and its subsidiary companies (the “Group”) have a zero tolerance approach to bribery and corruption and this policy sets out the general rules and principles which the Group applies and with which all Group staff must comply. It applies throughout the Group and to all business dealings and transactions in all countries in which it or its subsidiaries and associates operate. To the extent that this policy conflicts with any local law or regulation, that law or regulation will take precedence.

It will be communicated to all businesses and workers overseen by the Board of the Group, as well as relevant third-party representatives and other necessary individuals and entities. Those who work in areas within our business identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities.

This policy explains the procedures through which the Group can maintain its high ethical standards and protect our business counterparties and ourselves against any allegations of bribery and corruption. By following this policy and making sensible decisions, you can help maintain the Group's reputation as an ethical and highly reputable company and ensure you comply with laws which apply to you. The Group will keep the contents of this policy under review and so from time to time you may be issued with amendments to policies and procedures.

The success implementation of this policy needs people to actively support it at the following levels:

- All individuals working for the Group, regardless of where you may work, are required to understand all aspects of this policy, and abide by it as well as any applicable local laws. You are not required to be experts in the relevant laws but are expected to comply with the Group's ethical standards and to seek guidance from your local or the UK Human Resources Department whenever any uncertainty regarding those laws or standards arises. You must review these guidelines carefully and discuss any questions you may have with your local or the UK Human Resources Department.
- Local Management – the Group Site Managing Directors have primary and day-to-day responsibility for overseeing adherence with this policy. The Group Company Secretary and Group Internal Auditor will assist the Group Site Managing Directors by monitoring the policy's use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.
- The Board – The board of directors will assist with continuous refreshing and reinforcing of this policy via application guidance and monitoring.

## Policy Statement

### 1. **It is the Group's policy to conduct business in an honest way and without the use of corrupt practices or acts of bribery to obtain an unfair advantage. Failure to comply with this policy may result in disciplinary action being taken.**

1.1 The Group is committed to ensuring the highest legal and ethical standards across the Group. This must be reflected in every aspect of the way in which we operate. We must bring integrity to all our dealings. Bribery and corruption harms the societies in which these acts are committed and prevent economic growth and development.

1.2 This is not just a cultural commitment on the part of the organisation; it is a moral issue and a legal requirement. Bribery is a criminal offence in many countries, and corrupt acts expose the Group and its employees to the risk of prosecution, fines and imprisonment, as well as endangering our reputation.

1.3 This policy has been adopted by the Group and is to be communicated to everyone involved in our business across the Group including third parties (such as suppliers, contractors and business partners) to ensure their commitment to it. The Board attaches the utmost importance to this policy and will apply a "zero tolerance" approach to acts of bribery and corruption by any of our workers or third-party representatives.

**Any breach of this policy will be regarded as a serious matter by the Group and is likely to result in disciplinary action, up to and including dismissal with or without notice.**

### 2. **Who is covered by this policy?**

2.1 This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees across the Group, wherever located (collectively referred to as workers in this policy).

2.2 This policy applies across the Group, however where Group companies have in place provisions that are more restrictive than those detailed in this policy the employees and persons associated with that company must comply with those more restrictive provisions.

### 3. **What is bribery and corruption?**

3.1 **Bribery** is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

**Corruption** is the misuse of public office or power for private gain or misuse of private power in relation to business outside the realm of government.

3.2 Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant.

3.3 The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

### 3.4 *What is a bribe?*

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'quid pro quo' – both parties will or are expected to benefit. A bribe could be:

- the direct or indirect promise, offering, or authorisation, of anything of value;
- the offer or receipt of (or agreement to receive) any kickback, loan, fee, reward or other advantage; or
- the giving of aid, donations or voting designed to exert improper influence.

There need not be an immediate benefit: an expectation of a later benefit will make it a bribe. A third party benefit will also constitute a bribe.

**A third party** is any individual or organisation you come into contact with during the course of your work for us, and includes but is not limited to actual and potential clients, other employees, customers, suppliers, distributors, business contacts, agents, advisers, joint venture partners, consultants and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Bribes are not limited to cash payments. Job offers, gifts and entertainment (please also see section 6.2 and 6.3 below), excessive business promotional activities, covering or reimbursing expenses, in-kind or political contributions, investment opportunities, subcontracts, stock options and similar items provided to third parties are all things of value that can contravene the applicable legislation.

### 3.5 *Who can engage in bribery or corruption?*

In the eyes of the law, bribery and corrupt behaviour can be committed by:

- an employee, worker, officer or director;
- any person acting on behalf of the Group (such as third-party representatives); and
- individuals and organisations where they authorise someone else to carry out these acts.

Acts of bribery and corruption may involve public or government officials (but will not always as it can be anyone connected to the business). For the purposes of this policy, a government official could be: (i) a public official, whether foreign or domestic; (ii) a political candidate or party official; (iii) a representative of a government-owned/majority-controlled organisation; or (iv) an employee of a public international organisation.

Please note, there is no distinction between commercial parties and public or foreign officials and our policy prohibits bribes of any kind to anyone, whether they are employed by a commercial business or considered a public or foreign official. As a general guiding principle, you must not offer anything to, or receive anything from, third parties, whether or not you consider them to be foreign officials and whether directly or indirectly, in return for or in the expectation of favourable treatment.

#### **4. What does the law say about bribery and corruption?**

- 4.1 Bribery is a criminal offence in a number of countries and penalties can be severe. In the UK, the Bribery Act 2010 not only makes bribery and corruption illegal, but also **holds UK companies liable for failing to prevent such acts by those working for or on its behalf, no matter where the act takes place.** In addition, current US legislation (Foreign Corrupt Practices Act or FCPA) offers similar prohibitions and potential penalties and is enforced with vigour by the US authorities. It is therefore in your interests, as well as those of the Group, that you act with propriety at all times. Corrupt acts committed abroad may well result in a prosecution at home. The whole Group is held to the standards set out in this policy and recognise the importance of the Group's and worker's obligations in this regard.
- 4.2 **You should never give or offer bribes to further the Group's business nor should you accept or agree to accept bribes to further the Group's business.**
- 4.3 Any individual with a "connection" to the UK can commit an offence under the Bribery Act 2010. A connection will include all employees working in the UK, working for a UK company from abroad, as well as those ordinarily resident in the UK and British citizens. Any person found guilty of an offence can be liable to a prison sentence of up to ten years and a fine.
- 4.4 In addition, the Group can be held responsible if anyone "associated" with the Group (such as employees, workers, consultants and even joint venture partners) bribes a third party. A conviction for this offence could result in the Group receiving a potentially unlimited fine.

#### **5. What steps can we take to prevent bribery and corruption?**

We can take the following steps to assist in the prevention of bribery and corruption:

##### *5.1 Risk assessment*

Effective risk assessment lies at the very core of the success or failure of this policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary. Local Management must assess the vulnerability of each business unit to these risks on an ongoing basis, which will be subject to review by the Group Internal Auditor.

##### *5.2 Accurate books and record-keeping*

Many serious global bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting within the Group and Group businesses and make good faith efforts to ensure that all third-party representatives working on our behalf do the same. Our books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each of the underlying transactions. False, misleading or inaccurate records of any kind could potentially damage the Group and the Group.

### 5.3 *Effective monitoring and internal control*

Our business must maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a comprehensive control and monitoring programme in order to help mitigate these risks on an ongoing basis.

Each Site Managing Director must ensure that local Management takes the necessary steps to prevent bribery and corruption. As these steps will vary by geography and business unit, Site Managing Directors will be supported by the Group Company Secretary who will involve the UK and Ireland Business Director or the European Business Director as required, to make available guidelines, principles and methodologies for the identification, mitigation and monitoring of these risks.

## **6. Where do the bribery and corruption risks typically arise?**

Bribery and corruption risks typically fall within the following categories:

### 6.1 *Use of third-party representatives*

The definition of a third-party is broad, and could include agents, distributors, consultants and joint venture partners. Whilst the use of third-parties can help us reach our goals, we need to be aware that these arrangements can potentially present the Group with significant risks.

Risk can be identified where a third-party conducts business activities on the Group's behalf, so that the result of their actions can be seen as benefiting the Group. Third-Party representatives who pose significant risks and act on the Group's behalf must operate at all times in accordance with this policy. Local Management is responsible for the evaluation of each third-party relationship and determining whether or not it falls into this category.

Where risk regarding a third-party arrangement has been identified, Local Management must:

- evaluate the background, experience, and reputation of the third-party;
- understand the services to be provided, and methods of compensation and payment;
- evaluate the business rationale for engaging the third-party;
- take reasonable steps to monitor the transactions of third-parties appropriately; and
- ensure there is a written agreement in place which acknowledges the third-party's understanding and compliance with this policy.

The Group is ultimately responsible for ensuring that third-parties who pose significant risks are compliant with this policy as well as any local laws. Ignorance or "turning a blind eye" is not an excuse. As the third-party evaluation process will vary by business unit and type of third-party, Local Management should consult in the first instance with their Site Managing Director, who will make available guidelines, principles and methodologies for the evaluation and vetting of third-parties. Site Managing Directors will be supported by the Group Company Secretary who will involve the UK and Ireland Business Director or the European Business Director as required.

## 6.2 *Gifts, entertainment and hospitality*

This policy does not prohibit normal and appropriate hospitality (given and received) to and from third parties. Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. If workers have any doubt over the permissibility or propriety of accepting a gift or hospitality offer they should decline the offer or alternatively, contact the HR Department as soon as possible to request guidance and advice in this regard. Nothing should be accepted which would bring the Group into disrepute. You should be tactful and let the sender know that future gifts are not appropriate to the Group's way of doing business.

Save for gifts of low value (on an individual and aggregate basis) and which are mere tokens (such as promotional pens, calendars and stationery), excluding money, employees of the Group are not permitted to accept any gifts from customers, suppliers or other third parties involved with the Group.

The Group recognises that there may be exceptional instances when refusing a gift will cause significant offence or embarrassment. In such instances the gift may be accepted and subsequently donated to a charity of the Group's choosing. Where practicable any employee minded to accept a gift should first seek approval from your Site Managing Director. If it is not practicable to gain prior approval, the accepting employee should inform your Site Managing Director as soon as possible after receiving the gift.

For the purposes of this policy, Corporate Hospitality is any form of accommodation, entertainment or other hospitality provided for an employee of the Group by a third party and which is extended to the employee solely or significantly due to his position as a representative of the Group. All employees are required to obtain approval from their Site Managing Director before accepting any form of Corporate Hospitality which is offered to them. Please also note that a particularly sensitive time is during a period when tendering for a contract – in this period, no Corporate Hospitality or client / supplier entertaining of any form should take place relating to that specific contract.

For the purposes of this policy and for the sake of clarity, the following are not normally considered Corporate Hospitality and will not require any approval prior to acceptance:

- normal working lunches or refreshments provided during a business visit;
- hospitality extended to employees attending a Group approved seminar, conference or other external event, provided that such hospitality is extended to all who are in attendance; and/or
- free seminars, talks or workshops, provided that they are free to all in attendance and are not provided solely for employees of the Group.

An accurate record must be kept of all gift offers and offers of Corporate Hospitality made to the Group or to employees of the Group by third parties and employees must adhere to any applicable gifts and hospitality policy.

6.3 Any form of gift, entertainment or hospitality given, received or offered must be approved by your Site Managing Director. The UK and Ireland Business Director or the European Business Director must give prior approval of any expenditure on gifts, entertainment or hospitality that will exceed £500 in value. Any form of gift, entertainment or hospitality given, received or offered which exceeds the equivalent of £250 must be recorded in a hospitality register, it is the responsibility of each Site Managing Director to maintain a register.

#### 6.4 *How to evaluate what is 'acceptable':*

First, take a step back and ask yourself the following:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If you find it difficult to answer one of the above questions, there may be a risk involved which could potentially damage the Group's reputation and business. The action could well be unlawful. If at all uncertain, please contact a member of the Human Resources Department to discuss your concerns.

Although no two situations are the same, the following guidance should be considered globally:

##### (a) *Never acceptable*

Circumstances which are never permissible include examples that involve:

- a 'quid pro quo' (offered for something in return);
- gifts in the form of cash/or cash equivalent vouchers;
- entertainment of a sexual or similarly inappropriate nature.

The guidance and principles above should also be followed when considering giving gifts on the Group's behalf. All proposed gifts and hospitality over £200 should be approved by your line manager prior to being given or provided.

##### (b) *Facilitation payments*

We do not make, and will not accept, facilitation payments of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions and so all workers need to be aware of this.

If you are asked to make a payment on our behalf, you should be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt and ensure it is accurately recorded. In the event that a facilitation payment is being extorted, or if you are forced to pay under duress or faced with potential safety issues or harm, such a payment may be made. If you are ever placed in such a situation, you must contact your Site Managing Director as soon as possible and you must record the payment appropriately within the Group's books and records to reflect the substance of the underlying transaction.

If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact the Group Company Secretary.

##### (c) *Donations*

We do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No charitable donation over the equivalent of £250 must be offered or made without the prior approval of your Site Managing Director. No charitable donation over the equivalent of £500 must be

offered or made without the prior approval of UK and Ireland Business Director or the European Business Director.

## **7. Local adaptation**

- 7.1 In order for this policy to be effective, it is necessary for it to be applied across the Group and the Group, taking into consideration the diverse cultural environments in which we may operate and conduct business. This may require each business unit to adapt certain sections of this policy – such as gifts, entertainment and hospitality – to ensure they are fair, appropriate and applicable. If any local anti-bribery and anti-corruption practices are in place, these should be read in conjunction with this policy. If any parts of the local policy are in conflict with this policy, please contact the Group Company Secretary as soon as possible to notify them of this.
- 7.2 Local Management must agree and confirm any local adaption to this policy with the main board of the Group where appropriate.

## **8. How to raise a concern**

- 8.1 As individuals who work on behalf of the Group and across the Group, we all have a responsibility to help detect, prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing. The Group is absolutely committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every one to know how they can “speak up”.
- 8.2 **If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance can only help.** The sooner you act, the better for you and for the Group. To help, we have created multiple channels to allow you to do this. It is important that you tell your Site Managing Director as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.
- 8.3 If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised as soon as possible with your Site Managing Director
- 8.4 If you are concerned that a corrupt act of some kind is being considered or carried out – either within the Group or the Group, by any of our third-parties or by any of our competitors – you must report by following the Whistle Blowing procedure.
- 8.5 In the event that an incident of bribery, corruption, or wrongdoing is reported, action will be taken as soon as possible to evaluate the situation.
- 8.6 If you have any questions in relation to this policy, please contact the Group Company Secretary.

## **9. Conclusion**

- 9.1 It is the ultimate responsibility of the main Board routinely to refresh and reinforce this policy and its underlying principles and guidelines.
- 9.2 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing. Local Management, under the overview of the Group Internal Auditor and Group Company Secretary, are responsible for the establishment and ongoing monitoring of this policy.

## SCHEDULE

### Potential risk scenarios: red flags

The following is a list of possible red flags that may arise during the course of your work for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly.

- (a) you become aware that a person or company engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a person or company has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a person or company insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a person or company requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a person or company requests that payment is made to a country or geographic location different from where the person or company resides or conducts business;
- (f) a person or company requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a person or company demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a person or company requests that a payment is made to "overlook" potential legal violations;
- (i) a person or company requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a person or company that appears to be non-standard or customised;
- (k) a person or company insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a person or company requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a person or company or you are asked to offer one to someone else; or
- (o) You are invited to provide a facilitation payment to expedite goods through customs.