

KLÉPIERRE

# ANTI-CORRUPTION CODE OF CONDUCT

2018



KLEPIERRE

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## PROFILE

Klépierre, the pan-European leader in shopping malls, combines development, property and asset management skills. As of June 30th 2018, the value of its assets amounts to €24.6 billion and includes large shopping centres in 16 continental European countries that together attract more than 1.1 billion visitors every year.

[klepierre.com](http://klepierre.com)

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# I. GUIDING PRINCIPLES

## 1.1 BACKGROUND

The Klépierre Group ensures that, whatever the country, its business activities are carried out in compliance with the legal provisions in force. For this reason, the Group is particularly vigilant regarding employees' compliance with anti-corruption regulations.

Although not exhaustive, the purpose of this document is to remind employees of what is prohibited and what rules and recommendations are to be followed in order to avoid committing an act of corruption. Corruption, here, should be understood in its broadest sense. The prohibited activities in question relate to all types of corruption, including passive and active corruption, corruption of public and private officers, direct or indirect corruption, influence peddling and so forth.

These rules are also intended to help employees make decisions consistent with the general policy of the Klépierre Group, and resolve any issues they may encounter in this respect.

## 1.2 DEFINITIONS

### 1.2.1 Corruption

Corruption occurs when a person holding a public or private function, solicits/proposes or accepts/gives a gift, an offer, or a promise with a view to accomplishing, postponing, or omitting to accomplish an act falling (either directly or indirectly) within the scope of his or her functions.

Both corruption and the acceptance of corruption are punishable.

### 1.2.2 Influence peddling

Influence peddling occurs when a person invested with public authority, responsible for a public service mission, or holding a publicly elected office, solicits or accepts, without authorisation, at any moment, whether directly or indirectly, offers, promises, gifts, presents or any advantage whatsoever for himself or herself or others:

- either to accomplish or fail to accomplish an act as part of their function, assignment or office;
- or to use their real or alleged influence with a view to obtaining distinctions, employment, contracts, or any other favourable decision from an authority or a public administration.

### 1.2.3 Further information

The beneficiary of the advantage may be the corrupted person or a third party connected to this person (for example, a friend, a relative, or the employer).

“Third party” here should be understood in the broadest sense, since it may also refer to a supplier, an intermediary, a customer, a tenant or a public agent.

Similarly, the concept of advantage should be interpreted in the broadest sense. The advantage may take several forms, including:

- the payment of a sum of money or commission;
- the granting of an asset or a service (travel, etc.);
- the payment of fees;
- the benefit of preferential conditions in the attribution of goods or services (discounts, reductions, rebates, etc.);
- the granting of intangible services such as the acceleration of an administrative procedure;
- the attribution of a function, assignment or job;
- access to economic or strategic information or to a business opportunity.

Such advantages may be attributed to the following ends:

- the accomplishment of an act: awarding a contract, listing, advantageous conditions, attributing benefits in kind, or a pecuniary benefit;
- the non-accomplishment of an act: lack of control, lack of veto on an ineligible project (such as a building permit), etc.



## CORRECT CONDUCT

- Adopting exemplary behaviour, even if the employee is convinced that he or she is working in the Group's interest or seeking to meet the objectives set for him/her.
- Refusing all payments in cash.
- Alerting your line manager immediately of any such solicitation.
- Requesting that consulting assignments be subject to deliverables.
- Demonstrating particular vigilance regarding transparency and traceability when dealing with a person invested with public authority or holding an elected office.
- Seeking assistance and discussing the issue with the management as well as with the Legal Department and the Ethics Function (Internal Audit and Control Department) in the event of any doubt (and especially where certain of a breach).

Any failure to respect the rules specified in this chapter may lead to disciplinary sanctions consistent with the conditions set out in the Company's internal regulations.

These internal disciplinary sanctions may be accompanied by administrative, civil or criminal proceedings.



## INCORRECT CONDUCT

- Committing an act of corruption, whatever the type or objective.
- Accepting any solicitation of this type.
- Offering bribes or accepting them.
- Offering or using the resources or assets of the Klépierre Group to grant advantages to a third party, or providing them with products or services on a preferential basis or free of charge with a view to influencing the result of negotiations.
- Employing other practices (subcontracting, consulting assignments, etc.) to make payments to employees, family members or partners of the co-contractor(s) or to civil servants.
- Discounting a contractual amount without the agreement of his/her management, or overcharging.

### 1.3 PROFESSIONAL WHISTLEBLOWING SYSTEM

If an employee observes a serious breach to this Anti-Corruption Code of Conduct, and on the condition that he/she is acting in good faith and has personal knowledge of the facts that he/she feels should be revealed or reported, he/she may use the professional whistleblowing system.

#### EMPLOYEES MAY CHOOSE BETWEEN TWO REPORTING CHANNELS

## 01

### INTERNAL CHANNEL

The alert may be brought to the attention of the designated Referent within the Ethics Function

By email at:  
[ks\\_alert\\_line@klepierre.com](mailto:ks_alert_line@klepierre.com)

## 02

### EXTERNAL CHANNEL

To a dedicated external service provider: Expolink Europe Ltd. Expolink can be contacted 24/7 in the following ways:

By email at:  
[klepierre@expolink.co.uk](mailto:klepierre@expolink.co.uk)

By telephone via a free number (available all year, except Christmas Day): The list of telephone numbers is available at:  
[www.expolink.co.uk/whistleblowing-hotline/PDF/International-Freephone-listing.pdf](http://www.expolink.co.uk/whistleblowing-hotline/PDF/International-Freephone-listing.pdf)

By filing a report at the following address:  
[wrs.expolink.co.uk/klepierre](http://wrs.expolink.co.uk/klepierre)



Employees are asked to read the specific procedure entitled "Professional Whistleblowing System – Klépierre Group". This procedure explains the conditions for identifying and raising an issue. It is important to remember that:

- The information provided is kept strictly confidential at every step of the process;

- The law and procedure protect the whistleblower against any form of retaliation;
- This process is optional. Given the large number of alert methods available (through a line manager, external auditors, etc.), an employee may not be sanctioned if he/she does not want to use the internal whistleblowing system.

## 2. INTERNAL REGULATIONS

### 2.1 GIFTS

#### 2.1.1 Definition

“Gifts” should be understood in their broadest sense, as objects, services, or advantages. A gift must be refused if it makes the employee beholden to any counterparty and leads to a subsequent obligation towards the gift giver.

More broadly, any initiative that may be seen as exceeding the boundaries of normal business relations is to be avoided.

#### 2.1.2 Gifts received by employees



##### CORRECT CONDUCT

- Asking for the explicit approval of the line manager before accepting a gift when the value exceeds €100.
- Accepting a gift (whatever the value) from a third party, providing the following three conditions are all met:
  - The gift is not the payment of money in cash or a similar form of payment (gift card, voucher, etc.).
  - The frequency of gift giving is reasonable (a gift per employee per year and per business partner).
  - The timing of the gift does not generate any doubts as to the honesty of the giver or the impartiality of the receiver.
- Returning a gift to the giver if it fails to meet the previous conditions.
- Keeping an updated list of gifts received that may be addressed at any time at the request of the Ethics Function.
- Asking the advice of the line manager when in doubt.



##### INCORRECT CONDUCT

- Accepting a gift or advantage exceeding either €100 or a more restrictive threshold established by a local regulation and clearly explained to local employees by their management, without the express authorisation of the line manager.
- Accepting a gift received at home.
- Accepting a gift offered to a friend/family member.
- During sensitive periods in which a consultation or a tender procedure is under way, or during a financial transaction: accepting a gift, advantage or invitation, regardless of the amount, for the duration of the employee's involvement in these operations.

### 2.1.3 Gifts offered by employees



#### CORRECT CONDUCT

- Respecting all of the following conditions:
  - Gifts must have a professional justification.
  - The frequency and timing of gift-giving must not raise doubts as to the honesty of the giver or the impartiality of the receiver.
  - Gifts must be of a maximum amount similar to that of gifts that are acceptable without the express approval of his/her line manager: €100.
- Paying attention to the status of the people for whom the gifts are intended, in order to protect the independence of these third parties. Their status, their employer, or their professional code of conduct may sometimes prohibit them from accepting a gift (even if it meets the aforementioned conditions).
- Demonstrating the utmost vigilance in relations with public officers and public authorities.



#### INCORRECT CONDUCT

- Offering money (even in the form of a gift card or a voucher).
- Sending a gift to the personal address of the recipient.

## 2.2 INVITATIONS

### 2.2.1 Invitations received by employees



#### CORRECT CONDUCT

- Paying all the ancillary expenses related to one's partner (travel, accommodation, etc.) where a third party invites an employee and their partner to an event.



#### INCORRECT CONDUCT

- Accepting an invitation that does not relate to the building of business relationships useful to the Klépierre Group.

#### 2.2.1.1 Demonstration invitations

These are invitations addressed to a customer, supplier or third party to an event such as a plant visit, premises visit, seminar, conference, or a product/service/analysis presentation.



#### CORRECT CONDUCT

- Obtaining the agreement of the line manager before accepting a demonstration invitation.



#### INCORRECT CONDUCT

- Accepting a demonstration invitation, which main purpose would be a leisure activity.

### 2.2.1.2 Representation invitations

These are invitations from a customer, supplier or third party to events at which the employee is asked to talk about the policy or opinions of the Klépierre Group on a specific subject related to a customer relationship or to a supplier offering, either by himself/herself, or as part of a forum or collective event.



#### CORRECT CONDUCT

- Obtaining the prior agreement of the line manager and informing the Communications Department to determine whether the Klépierre Group wishes to associate its image with the third party and to define the content of the message regarding both the Group and its relations with customers and suppliers, as well as the issue addressed at the event.
- In case of paid service, have the sum directly paid to the Klépierre Group.



#### INCORRECT CONDUCT

- Accepting any kind of compensation on a personal basis.

### 2.2.1.3 Business meals

These are invitations to business lunches or dinners.



#### CORRECT CONDUCT

- Ensuring that business meals are useful to the Klépierre Group or to one of its subsidiaries.



#### INCORRECT CONDUCT

- Accepting a third invitation (over a 12-month period) from the same third party without having obtained the prior explicit agreement of the line manager.
- Accepting an invitation that goes beyond customary business conduct.

### 2.2.1.4 Other invitations (leisure, etc.)

These are invitations to events that are not purely professional (such as drinks or evening events, etc.) or are leisure-based (sports, culture, etc.). These invitations are subject to the thresholds and rules set out in the paragraph on gifts received by employees.

### 2.2.2 INVITATIONS FROM EMPLOYEES

Employees are authorised to reciprocate an invitation to a business meal wherever this appears possible and desirable.



#### CORRECT CONDUCT

- Having the line manager authorise the invitation regardless of its value.



#### INCORRECT CONDUCT

- Sending an invitation with no professional justification or constituting a pretext for leisure travel or a pleasure trip.
- Sending invitations whose value, frequency or timing may be such as to raise doubts as to the honesty of the giver or the impartiality of the receiver.

### 2.3 CONFLICTS OF INTEREST

#### 2.3.1 Definition

A conflict of interest exists where a personal interest (emotional, family-related, financial, charitable, cultural, religious, political, etc.), not shared with the company, is likely to interfere with the position or decision taken by an employee as part of his/her duties. The risk is that, as both judge and jury, the employee loses his or her independence or objectiveness, and makes a decision without taking into account the sole interests of the Klépierre Group, but instead favouring his/her own interests or those of a friend/family member.

“Interests” here means any benefit, pecuniary or otherwise, such as obtaining an authorisation, avoiding a sanction, overvaluing an asset, accepting an invitation going beyond the bounds of customary business conduct, or obtaining a favour for one’s self or for a friend/family member, etc.

A conflict of interest may notably arise when an employee:

- has personal relationships with third parties in business relationships with the Klépierre Group or in competition with the Group. While not questionable in themselves, the existence of these relationships, be they direct or indirect, may potentially interfere with the processing of a transaction in which the third party and the employee are involved, and which is carried out by the employee, or in which the employee is involved on behalf of the Klépierre Group;
- has interests (as owner, shareholder, agent, consultant or employee) in a company, association, body or economic interest group that is also a customer, supplier, service provider, partner or rival of the Klépierre Group.



### CORRECT CONDUCT

- Avoiding any situation or activity that could lead to a conflict of interest, or interfere with the capacity to make impartial decisions, so as to protect the interests of the Klépierre Group.
- Informing in writing, on a preventive basis, the line manager and the local legal department of all interests external to the Klépierre Group likely to generate a conflict of interest.
- When an employee who has to make a decision or may influence a decision is in a situation of conflict of interest, he/she must immediately inform his/her line manager and refrain from interfering in the relations that the Klépierre Group has with the third party concerned, until a solution is found.



### INCORRECT CONDUCT

- Accepting any gift, invitation or advantage from a third party with which a conflict of interest exists.
- Taking the decision alone when there is a potential conflict of interest.
- Allowing an at-risk situation to occur without reacting or asking for advice.

## 2.4 FACILITATION PAYMENTS

### 2.4.1 Definition

These are small payments in cash or small gifts offered to public officers to ensure the smooth functioning of processes or speed up the issuance of certificates, acts, or deeds, where this benefit is legally due. They differ from bribes in this respect, as bribes target undue or undeserved benefits. Such payments may be made as part of customs inspections, visa or work permit applications, or for the filing or registration of administrative documents.

### 2.4.2 Background

This practice is forbidden in most countries. As such, employees are prohibited from taking part in such acts. As a last resort (for example, in the event of a threat), the employee may be forced to make such a payment. The employee must immediately inform his/her line manager and will have to justify the reasons that led him/her to make such a payment.



### CORRECT CONDUCT

- Finding out about local administrative requirements.
- Anticipating administrative procedures in order to avoid situations leading to facilitation payments.
- Trying to dissuade the public officer, when solicited, by asking for:
  - a receipt or invoice
  - his/her identity
  - a meeting with his/her line manager
  - a banking address to which the transfers are to be made, as cash payments are prohibited by the Klépierre Group.



### INCORRECT CONDUCT

- Considering facilitation payments as inevitable or as an obligation.
- Considering facilitation payments amounts as insignificant.

## 2.5 PATRONAGE AND SPONSORSHIP

### 2.5.1 Definitions

Patronage involves providing financial or material support to an association, cause or person to carry out activities of general interest with no direct compensation on the part of the beneficiary.

Sponsorship consists in providing financial or material support to an event or person in exchange for various forms of visibility.

### 2.5.2 Background

The Klépierre Group is committed to providing public disclosures on its patronage and sponsorship initiatives (overall budget, attribution criteria and beneficiaries).



#### CORRECT CONDUCT

- Gathering information on the targeted association, event or person (and on their partners, directors, etc.).
- Having one's line manager approve any financial or material support provided to an association, body, event or person. Informing the Sustainable Development and Communications departments of such support.
- Recording any support in writing.



#### INCORRECT CONDUCT

- Granting support with a view to obtaining an undue advantage on the part of the beneficiary.
- Paying a contribution to a political party, an elected official (or candidate for such an office), a trade union, or a religious organisation.

## 2.6 LOBBYING AND REPRESENTATION OF INTERESTS

Lobbying and representation of interests, i.e., any communication with a public officer with a view to influencing a public decision, is strictly regulated.



#### CORRECT CONDUCT

- Alerting one's line manager of any action taken with an elected official or public decision-maker.
- Being able to report one's lobbying/representation of interests initiatives.



#### INCORRECT CONDUCT

- Offering or presenting an elected official or a public decision-maker with a gift or invitation without respecting the provisions laid out in the preceding paragraphs on gifts and invitations.
- Encouraging an elected official or a public decision-maker to violate ethical or legal rules.
- Using fraudulent measures with an elected official or a public decision-maker to obtain information or decisions.
- Deliberately disclosing false information to an elected official or a public decision-maker, or employing deceitful measures to obtain information or decisions.
- Organising conferences, events or meetings with the paid participation of an elected official or a public decision-maker.
- Using documents obtained from an elected official or a public decision-maker for commercial or advertising purposes.



For any further information, please contact the Internal Audit and Control Department at: [ks\\_deontologie@klepierre.com](mailto:ks_deontologie@klepierre.com)

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