COMPASS GROUP



HONG KONG BUSINESS INTEGRITY POLICY

MAY 2024

CONTENTS



Introduction 02

Purpose and scope 03

Roles and Responsibilities 03

Ethical Decision-making 03

Third Party Engagement 04

Conflicts of Interest 06

Business Integrity Risks 07

Bribery and Corruption 08

Facilitation Payments
Gifts and hospitality
Donations
Sponsorships and community support/investment
Potential or actual conflict of interest
Travel and expense

Fraud and theft 18

Asset misappropriation, financial and non-financial reporting

Competition law compliance 20

Agreements and arrangements with competitors
Inappropriate information exchange with competitors
Participation in trade association or industry events
Vertical agreements
Abuse of dominance
Joint ventures

Money laundering, terrorist financing and tax evasion 26

Handling proceeds of crime
Tax evasion

Sanctions and trade controls 29

Entering into new sectors/new territories
Entering into new third party relationships
New sanctions/asset freezes on existing third parties

Compliance with this Policy 33

Monitoring 33

Compliance with this Business Integrity Policy (the policy) is mandatory and should be implemented in conjunction with the Code of Business Conduct. Failure to comply may result in disciplinary action up to and including dismissal. The policy sets out the minimum thresholds and standards that apply across Compass. This does not prevent a country or region applying more stringent thresholds and standards. If there is a difference between this policy, local policy and applicable laws, the strictest requirement must be applied. Where approval is required by Legal and no country Legal exists, you must obtain Regional General Counsel approval.

INTRODUCTION

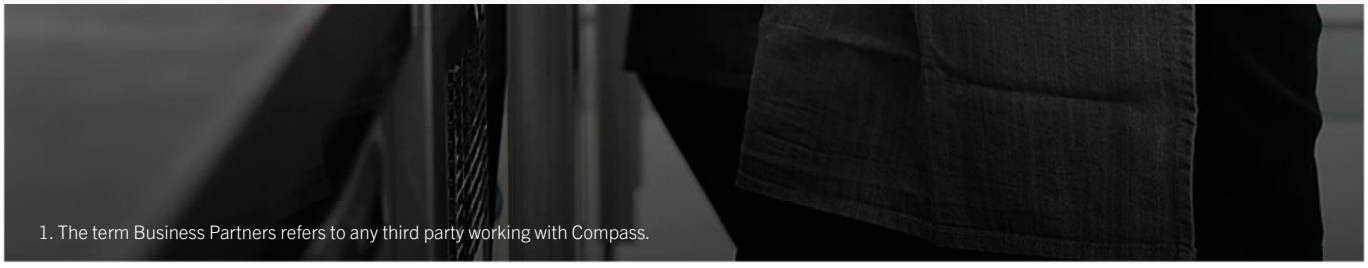


Compass Group ("**Compass**") is passionately committed to upholding the highest standards of business integrity. This commitment has earned us our position as a global leader and trusted partner.

The Code of Business Conduct, our Vision, Values and 5 Golden Rules ("**Compass' Values**") set out the clear standards of behaviour that we expect all Compass personnel to demonstrate in dealing with colleagues and those outside of Compass including customers, clients, suppliers, shareholders and other stakeholders.

As a people business and an organisation with a strong governance framework, we believe in responsible leadership; to set the standard and act as a role model for ethical behaviour and integrity-driven decisions. Compass promotes a workplace where our people and business partners[1] can speak up and be heard, and we foster a culture of openness, trust and integrity, encouraging our people to do what is right.

Conducting business with integrity protects Compass, our people, our assets, our business, our reputation and our relationships with stakeholders.



1. The term Business Partners refers to any third party working with Compass.

PURPOSE AND SCOPE

The aims of this **policy** are to:

- define key business integrity risks;
- establish the principles and requirements for employees, contractors and workers representing Compass to comply, at a minimum, with applicable business integrity laws and regulations[2]; and
- promote a culture of honesty, ethics and integrity within Compass.

What is business integrity?

Business integrity[3] means conducting business honestly and with strong moral and ethical principles. In practice, this means doing what we say we are going to do, owning up to our mistakes and holding each other accountable for our actions. Conducting business with integrity involves living our values through our actions, behaviours and decisions and having the character and courage to always do what is right, not what is easy, even if we don't think anyone is watching.

At Compass, we commit to conducting our business with integrity by:

- acting honestly, fairly and transparently;
- fostering a culture of openness and trust where we respect each other and feel able to speak up when we feel something isn't right; and
- taking responsibility for our actions and accountability for our decisions.

Business integrity is fundamental to building and maintaining trust with all our stakeholders; including our customers, clients, business partners, employees, suppliers, the communities in which we operate, governments, public bodies and investors.

Who does this Policy apply to?

This Policy applies to all "**Compass Personnel**", meaning all directors and officers, employees, contractors and consultants working within Compass and workers working at any Compass business anywhere in the world, whether permanent, fixed term or temporary (individually and collectively "**you**"). This policy also applies to any joint venture companies or consortia that are under Compass' day to day control or are majority owned by Compass.

ROLES AND RESPONSIBILITIES

All Compass employees and those who act on our behalf are expected to be ambassadors for our high ethical standards and demonstrate full commitment to the business integrity principles and requirements set out in this policy by:

- reading and understanding the content of this policy;
- implementing the policy across our respective business areas;
- completing the required ethics and integrity awareness training;
- declaring and managing any potential or actual conflict(s) of interest that may affect, or be thought by others to affect, our decision-making;
- complying with the requirements of the Group Approvals Manual (the "**GAM**");
- discussing this policy's content with the people we work with and stressing the importance of speaking up about concerns and/or breaches of this policy;
- listening to such concerns, whether they have been expressed by team members, colleagues or our leaders, in line with Compass' Speak and Listen Up Policy; and
- always seeking guidance when needed.

ETHICAL DECISION-MAKING

While this policy provides principles, requirements and expectations relating to mitigation and elimination of business integrity risks, as well as some common examples of these risks, it is impossible to anticipate every situation in which a business integrity issue may arise. To ensure that we respond consistently when presented with a business integrity issue, we encourage all Compass Personnel to consider whether the decision being made is ethical, legal and the right thing to do.

Backgrounds, experiences and cultural differences influence decision making and what is perceived as the right or wrong thing to do in a particular situation. The following five questions provide important practical guidance on how to determine if a decision or action is the right thing for you to do in your role at Compass:

- is it free from any actual or potential conflict(s) of interest?
- does it serve a legitimate business purpose?
- is it something you believe reflects your role and responsibilities to uphold Compass' Values?
- would it maintain Compass' reputation for integrity and strong governance if made public (e.g., published in a newspaper or online)?
- does it align with our Code of Business Conduct and 5 Golden Rules?

If you cannot answer 'yes' to all of the above questions, or if you are unsure whether the action or decision being considered may go against Compass' values and principles, it is important to consult with a manager, Legal or Group Ethics & Integrity for guidance or report any concerns using Compass' confidential reporting programme, Speak Up, We're listening.

2. Applicable business integrity laws may include but are not limited to bribery and corruption, conflicts of interest, competition, anti-trust or anti-monopoly, fraud, theft, financial misstatement, books and records, tax evasion, money laundering, terrorist financing, economic and trade sanctions, export controls, human rights, human trafficking and modern slavery.
3. For further information please see our 5 Golden Rules.

THIRD PARTY ENGAGEMENT

Managing third party relationships can be complex and typically involves many different functions spread across Compass' operations.

It is important to *Know Your Third Party*, and ensure our values and goals align. Undertaking risk-based due diligence as a preventative and monitoring control provides an early warning or alert system as part of Compass' Third party Risk Management approach.

Third parties can be clients, customers, suppliers (including, but not limited to consultants, advisors, agents, intermediaries, contractors, distributors and lobbyists), financial partners, joint venture partners, merger, acquisition or divestment targets. It includes individuals and/or entities intended to be engaged to negotiate, represent, intermediate, introduce or act on behalf of Compass (or any Compass subsidiary) in relation to interactions with government officials, governmental agencies (or representatives).

Certain categories of third parties (including those closely associated to them such as immediate family members) expose us to higher business integrity risks, particularly bribery and corruption. These are intermediaries, agents and government officials.

- An **intermediary** is a third party, engaged to assist Compass with its business by acting as a middleman between Compass and another third party. They are the conduit through which Compass may give or receive goods or services. Sales agents and consultants, customs brokers and agents, joint venture partners, professional advisers such as lawyers, accountants or financiers, and distributors can all be intermediaries.
- An **agent** is a particular type of intermediary who has the ability to represent, negotiate and act on Compass' behalf. Whilst intermediaries might facilitate business and communications between Compass and a third party, agents have the power to create binding legal relationships between Compass and third parties, presenting heightened legal and reputational risk.
- **Government officials** include:
  - employees of state-owned enterprises or of a government or local government agency;
  - employees or officers of a regulatory authority, or any administrative, municipal, fiscal or judicial body, department, tribunal or authority (as long as controlled organisation is majority-owned by the government or managed by government officials);
  - employees or officers of an international public organisation such as the United Nations, World Bank or International Monetary Fund;
  - politicians or political party officials, or officers or employees of political parties, and all candidates for political office;
  - individuals who hold or perform the duties of an appointment, office or position created by custom or convention, including some members of royal families, traditional authorities and some tribal leaders; and
  - police officers or other law enforcement agencies, senior/high ranking military personnel, customs officials, border control or an agent of the crown, special advisers to governments, or individual government officials, whether paid or unpaid, formal or informal.

Our Expectations

- know who you are dealing with and properly assess your risk exposure in relation to Business Integrity risks as defined in the *Third-party Integrity Due Diligence Policy*.
- do not hire or engage a third party on behalf of Compass to be involved in inappropriate dealings.
- take extra care when engaging a third party (intermediary or agent for example) that is likely to interact with government officials on behalf of Compass.
- do not engage any third party (individuals or organisation) that is subject to economic sanctions.

Red Flags/Warning Signs

The following are typically **red flags** or warning signs requiring careful consideration when dealing with a third party:

- the third party, agency or consultancy is headquartered in a country with a reputation for corruption.
- the third party is incorporated in a tax haven[4] and the third party has not demonstrated that the tax haven is the jurisdiction where its business substantially operates.
- the transaction involves or takes place in a country with a general reputation for bribery and corruption.
- third party has no track record in the industry.
- third party has close ties to an existing or former government official.
- the third party or consultant resides outside the country in which the services are to be rendered other than where there are proper commercial reasons for this.
- the third party or consultant requests or requires payment in cash.
- the third party or consultant requests that payments be made to a bank located in a foreign country unrelated to the transaction or be made to undisclosed third parties.
- the third party or consultant requests a substantial up-front payment or fee which is unusual for the type of services being rendered.
- the third party's fees are not commensurate with the services being provided.
- the third party or consultant insists on the involvement of other individuals or parties who bring no apparent value to the process and/or are not involved in the transaction.
- the third party or consultant requests that false invoices or other documents be prepared in connection with a transaction.
- there is a lack of transparency in expenses and/or accounting records.
- the third party is uncooperative with, or resistant to, our third party due diligence processes and/or unwilling to agree to our standard contractual protections.

What You need to do

- conduct Third-party Integrity Due Diligence before entering into a legally binding agreement with a third party, in accordance with the *Third-party Integrity Due Diligence Policy* and *Guidance*.
- ensure any approval requirements are obtained for high risk third parties as a result of due diligence screening prior to engaging the potentially high risk third party.
- request completion of a third-party risk assessment from applicable individuals/entities as outlined in the Consultants and Advisors section of the *GAM* and pursuant to the *Third Party Integrity Due Diligence Policy* and *Guidance*.
- ensure that standard legal business integrity contractual clauses are included in third party contractual arrangements.
- in relation to **government officials** (or individuals closely linked to them) obtain approval from your country and Regional General Counsel (or delegate) to:
  - engage a current or former (within 2 years from holding office) government official as a consultant, agent or intermediary; or
  - appoint a current or former government official to a managerial Compass role.

4. When we refer to a tax haven, we mean those jurisdictions that are uncooperative in terms of tax, corporate transparency and tax rates. For more information see EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu)

CONFLICTS OF INTEREST

It is not unusual for ***actual*** or ***potential*** conflicts of interest to arise when conducting business. A conflict of interest is a situation in which your personal interests (or those of someone close to you) are, or appear to be, incompatible with Compass' best interests. Conflicts of interest may be perceived or actual, and both present significant business integrity risks. It is therefore important to be able to recognise, eliminate or mitigate conflicts of interest.

A conflict of interest creates a risk that a decision will be influenced by a personal interest. All Compass Personnel should avoid situations in which personal interests are, or appear to be, incompatible with the best interests of Compass. If it is not possible to avoid a conflict of interest situation, and/or you become aware of an actual or potential conflict of interest, you must immediately inform your manager or Unit Manager and disclose it in the Compass Group Disclosures Register.

Disclosing potential and/or actual conflicts of interest fosters a culture of integrity and openness.

The following are examples of situations that may give rise to an actual or perceived conflict of interest which may be resolved by ensuring various guardrails are put in place:

- having a direct or indirect personal or financial interest in a business that is a Compass supplier, potential supplier, customer, potential customer or competitor;
- having secondary employment, whether paid or voluntary, outside of Compass;
- insider dealing;
- having personal relationships that may influence the decision-making process;
- accepting personal payments, fees, discounts, gifts and/or entertainment from a competitor or business partner of Compass;
- having direct or indirect decision-making authority relating to the employment or employment conditions of a family member or close friend, or vice-versa, at work; and
- being a member or executive of an industry body or serving on a Board of Directors of another organisation.

BUSINESS INTEGRITY RISKS



BUSINESS INTEGRITY RISKS COVERED UNDER THIS POLICY INCLUDE [5]:

1. Bribery and Corruption
2. Fraud and Theft
3. Competition Law Compliance
4. Money Laundering
5. Terrorist Financing
6. Tax evasion
7. Sanctions and Trade Controls

5. Human Rights is covered in our Human Rights Policy available here

BRIBERY AND CORRUPTION 1

Bribery occurs when someone directly or indirectly offers, promises, gives to or accepts or requests a financial or other advantage from anyone intending that the person receiving the benefit improperly performs their duties or obligations.

An advantage can include anything of value such as money, gifts, hospitality, favours, improper signing bonus or rebates, donations, sponsorships or community investments. It could also include non-monetary benefits or an opportunity, such as the promise of employment for a family member or close friend.

Corruption is an abuse of entrusted power (e.g., by a government official) for private gain, typically involving bribery.

All forms of bribery are business integrity risks. Compass Personnel are required to recognise and to escalate them appropriately.

OUR PRINCIPLE

Compass has zero-tolerance to bribery or corruption and Compass Personnel must not engage in or implicitly authorise bribery or corruption under any circumstances.

AREAS OF RISK

- Facilitation payments
- Gifts and hospitality
- Donations
- Sponsorships
- Community support/investment
- Potential or actual conflict of interest
- Travel and expense
- Third party engagement (covered in third party engagement section above)

FACILITATION PAYMENTS

Area of Risk	1 **Bribery and Corruption**
Definition	– **Payments** of money or goods typically made to government officials to expedite an existing duty, such as a routine approval or administrative process.
Expectation	– Never make a facilitation payment unless your personal safety is threatened in any way.
Red Flags/Warning Signs	– Food standards or health and safety official requesting a cash payment or "sweetener" for issuing or reissuing a license or permit. – Law enforcement officer or security personnel requests a fee to allow you to drive in a certain area or enter a particular location. – An immigration official at a border control requires you to pay a small fee to advance you quicker through passport control.
What You need to do	– Reject any requests for facilitation payments in writing as they are strictly prohibited and constitute bribery. – If you are unsure if a fee request is valid, request to see the official published fee rate and request a receipt. – Contact your country or Regional General Counsel if you receive a request to make such a payment. They will inform the Group General Counsel & Company Secretary and Group Head of Ethics & Integrity. – If your personal safety is at risk, make the payment and report the incident as soon as practicable to your Line Manager and your country or Regional General Counsel. They will inform the Group General Counsel & Company Secretary and Group Head of Ethics & Integrity. – Any facilitation payments made in the circumstances where your personal safety is at risk, must be accurately and transparently recorded in our accounts with the appropriate supporting documentation and authorisations. This helps ensure we comply with relevant accounting standards and avoids potentially being seen to hide such payments which may violate other laws, such as the US Foreign Corrupt Practices Act (FCPA) books and records provisions.

GIFTS AND HOSPITALITY

Area of Risk	1 **Bribery and Corruption**
Definition	– A **gift** is anything of value, including an item, cash or cash equivalent, goods or services, offered or given to, or accepted or received from, a person or company outside of Compass. – **Hospitality** refers to any form of travel, food, beverage, accommodation, entertainment, marketing, cultural or sporting event (participating or watching), offered or given to, or accepted or received from, a person or company outside of Compass. – Gifts and hospitality are commonly used as a gesture of goodwill and respect, and to strengthen working relationships among business partners.
Expectation	– Any gifts or hospitality that you wish to offer or accept must be legitimate, have a **business purpose**, and be **transparent**, **reasonable** and **proportionate** in value, nature and scale. When making this judgment consider whether offering or accepting the gift or hospitality might reasonably appear to compromise your personal judgment or integrity or place you under an improper obligation such as being expected to do something inappropriate in return.[6] – Any gifts or hospitality must always be appropriate to a professional business environment and not put yours or Compass' reputation at risk. Remember the perception of the gift and hospitality is as important as the reality. – Any gifts and hospitality accepted or offered must not be undervalued or deflated to avoid scrutiny. – Gifts or hospitality must never be offered or accepted, regardless of their value, if they could be perceived as an attempt to influence the third party's decision-making or business purpose. This includes when a third party is involved in/or in anticipation of a competitive bid, tender process or contract renewal in your business area. For example, an expensive meal, free tickets to a sports game or concert offered by a supplier during or upon conclusion of a tender process. – Do not misuse access to gifts and hospitality offered to you, for you, someone close to you or for a team member. For example, using your position in Compass to arrange or facilitate tickets to a sports game or event hospitality for the benefit of a family member or close friend, without appropriate approval. – The consumption of alcohol at any meals or hospitality should be controlled and not excessive. – Gifts of cash (or cash equivalents), or inappropriately paying someone else's personal bills or expenses is strictly prohibited. Contact a member of your Legal team if you are offered a gift of cash (or cash equivalents). – Never accept or offer invitations to any major sporting events (e.g., tennis tournament, World Cup finals, Olympics, F1 race) or cultural events (e.g., concert, play, performance, or show) where no business purpose is provided or justified other than for personal enjoyment in attending the event itself. – Any gifts or hospitality that are offered to you, but not accepted, or those that are rejected, are not required to be entered into the Compass Group Disclosures Register.
Red Flags/Warning Signs	– A gift or hospitality arising as a special favour to, or request from, a government official or business contact on behalf of or exclusively for their partner/spouse or close family member. – Gifts and hospitality offered, given to, accepted, or received from any third parties involved in, or in anticipation of a competitive bid, tender process, or contract renewal in your business area. – There is an actual or perceived conflict of interest between parties (e.g., a Compass employee provides to or receives from a partner/spouse, friend, associate, family member a gift or hospitality which might reasonably appear to compromise their personal judgement or integrity or place the Compass employee under an improper obligation). – The gift or hospitality is exchanged in the context of obtaining a commercial advantage and is in fact considered as a reward (or inducement). – The gift or hospitality offered or accepted is outside the authority limits or in breach of the third party's policy. – Expensive and highly sought-after tickets for a major international sporting event or a cultural event attended by an *employee and their partner* that have been provided to/by a third party where no justifiable business purpose is provided. – Travel and lodging provided at a lavish, popular or exclusive resort to/by a third party for a business meeting. – Numerous gifts and hospitality offered, given, accepted, or received to/from a third party over the course of a year.

What You need to do	– Ensure the gift or hospitality is legitimate, has a **business purpose** and is **transparent**, **reasonable** and **proportionate** in value, nature and scale. – As an approver, pay attention when approving repeated benefits to or from the same person/company. – As a requester, keep a copy of expenses incurred, approvals obtained and other relevant records. – Any gift or hospitality involving government officials requires **prior** review by Legal since these can give rise to bribery risks and are generally discouraged. – Seek **prior** approval for and record in the Compass Group Disclosures Register, gifts or hospitality received or given in accordance with the applicable country or Group thresholds (whichever is more stringent).[7] – If you are unsure about the appropriateness of a gift or hospitality, you should discuss it with your Line Manager or contact a member of your country, Regional or Group Legal team, or a member of Group Ethics & Integrity. For requirements related to **Disclosure Thresholds** and **Approval Limits**, please refer to *Appendix A* located here.

6. A business purpose may include facilitating or building business relationships (e.g., being introduced to other key stakeholders, celebrating a project's success or team building), providing a reasonable and compliant bona fide gift to respect local business or traditional custom, networking for the purpose of appropriately sharing better practices amongst business partners or showcasing or promoting Compass services or values.
7. Where it is not reasonably practicable to obtain prior approval from your Line Manager prior to receiving or giving gifts or hospitality you must ensure you inform them as soon as possible of the circumstances and record such notification, as required, in the Compass Group Disclosures Register.

DONATIONS

Area of Risk	1 **Bribery and Corruption**
Definition	– A **donation** is a gift of money or the equivalent of money (for example products, materials, services or employees' time, known as "in-kind") without receiving anything in return, including gifts given in response to a significant unforeseen external event or natural disaster, potentially material business crisis or resilience issue or to a charity. – A **charity** is a voluntary, not-for-profit organisation established and registered for charitable, social and philanthropic purposes for the benefit of society e.g., the prevention or relief of poverty, the advancement of education, health, citizenship or community development, arts, culture, heritage, science or sport. – A **charitable organisation** is a legal entity which is able to receive donations in its principal jurisdiction of operation. – A **political donation** has the meaning given to it in the UK Companies Act 2006. Compass does not make political donations. – Payments made as part of a contractual negotiation or commitment (including capital investment or expenditure), to a client that is neither a charity nor charitable organisation, are not a donation as they represent an overall financial return to the client and may form part of the client's revenue stream. In these circumstances, advice must be taken from your country or Regional General Counsel and Finance Director to review the appropriateness of the payments and advise on the applicable delegation of authority, accounting treatment and record keeping required.
Expectation	– Donations that you wish to make must be legitimate, have a **business purpose**, be **transparent**, **reasonable** and **proportionate** in value, nature and scale. – Through donations, Compass aims to improve its impact on the environments in which it operates and the communities it serves. Therefore, only make *donations to a charity or charitable organisation* in support of *one or more of the Group's corporate responsibility goals* which focus on the themes of: - environment and sustainability; - occupational health and safety; - healthy eating and nutritional education; - people development and education; - community engagement and outreach; - diversity, equity and inclusion; and - responsible business practice. – Any donations meeting the above criteria may be considered provided that it does not fall within any of the following excluded categories: - any entity which is not a charity, charitable organisation or equivalent in its country of incorporation; - any organisation the dominant purpose of which is to promote religion or faith or only undertake religious activities; - any political organisation or individual which promotes party political activities; - any organisation whose objectives or purpose are inconsistent with this policy, the Group's corporate responsibility goals or Code of Business Conduct. – Preference should be given to those charities or charitable organisations with activities or projects in communities in which we operate. – Payments must be appropriate and authorised in accordance with the *GAM* and applicable local delegation of authority prior to entering into any arrangement or transferring the funds. – Do not use donations to conceal corrupt, fraudulent, or other improper payments or to improperly and unfairly influence a business decision or potential future or past decisions.

Red Flags/ Warning Signs	– Charities connected to a government official who can use their influence to give special preference to the donor. – The payment or arrangement is connected with a current or potential vendor or customer of Compass. Such payments, even if well intentioned, increase the personal and corporate risk of a criminal breach of competition law or bribery laws. – The donation only benefits those with whom we are dealing such as a Compass customer who is also the owner or shareholder of the company receiving the donation or where the donation only benefits an exclusive/privileged group such as a private hospital or privately funded school. – The charity trustees and board members are politicians, officials, and other highly placed and influential people. – Request is from someone involved in a religious organisation. – Payments made to individuals rather than to one of the community's institutions.
What You need to do	– Ensure donations are legitimate, have a **business purpose** and is **transparent**, **reasonable** and **proportionate** in value, nature and scale. – Conduct Third-party Integrity Due Diligence on applicable recipients (individuals and/or entities) prior to engagement/payment, in accordance with the *Third-party Integrity Due Diligence Policy* and *Guidance*, to ensure there is a full understanding of the beneficiaries and their potential connections (e.g., government officials/politically exposed persons). – Seek **prior** approval for any donations and record in the Compass Group Disclosures Register in accordance with the applicable country or Group thresholds (whichever is more stringent). – Any donation from or in the name of Compass Group PLC requires Group approval in accordance with the *GAM*. – Any donations made by any company in the Group should be notified to Compass Group PLC head office at the end of each financial year, in order to: (a) verify that this policy has been complied with and that the Compass Group corporate responsibility strategy is being advanced; and (b) assist Compass Group PLC in reporting accurately its charitable activity and money spent. – If you are unsure about the appropriateness of a donation, you should discuss it with your Line Manager or contact a member of your country, Regional or Group Legal team, or a member of Group Ethics & Integrity. For requirements related to **Disclosure Thresholds** and **Approval Limits**, please refer to *Appendix A* located here.

SPONSORSHIPS AND COMMUNITY SUPPORT/INVESTMENT

Area of Risk	1 **Bribery and Corruption**
Definition	– **Sponsorship** refers to the payment of money with the expectation or agreement that Compass receives a benefit, for example, increased publicity, brand awareness or business development opportunities. – **Community support/investment** is considered a contribution of any item of value, cash, or cash equivalent for the benefit of a community, including but not limited to services, Compass assets, or equipment.
Expectation	– Through community support/investment, Compass aims to improve its impact on the environments in which it operates and the communities it serves in support of *one or more of the Group's corporate responsibility goals* which focuses on the themes of: - environment and sustainability; - occupational health and safety; - healthy eating and nutritional education; - people development and education; - community engagement and outreach; - diversity, equity and inclusion; and - responsible business practice. – Seek **prior** approval for sponsorship or community support/investment and record in the Compass Group Disclosures Register in accordance with the applicable country or Group thresholds (whichever is more stringent). – Payments must be appropriate and authorised in accordance with the *GAM* and the applicable local delegation of authority prior to entering into any arrangement or transferring the funds. – Do not provide sponsorship or community support/investment to improperly and unfairly influence a business decision or potential future or past decisions or where a decision is being sought from a government official, such as approval of a licence or resolution of an issue. – Do not use sponsorships or community support/investment to conceal corrupt, fraudulent or other improper payments or to improperly influence a business decision or potential future or past decision. – Do not provide sponsorship or community support/investment to political parties or religious groups (support for events representative of an indigenous culture may be permissible).
Red Flags/ Warning Signs	– Sponsorship or community support/investment is provided by or to someone with an actual or perceived conflict of interest, e.g., sponsor an event managed by a family member, friend or government official. – Sponsorship or community support/investment is not sufficiently supported by documentation that clearly identifies the donor, recipient, nature, purpose, value and occasion. – The recipient organisation has been set up, controlled by, or has some connection with a government official or relative of a government official. – The size or value of the community support/investment is disproportionate for the community: this could be perceived as influencing the decision to award a contract. – The facility is unnecessary and does not meet the needs of the community. – Lack of consultation and transparency around the sponsorship or community support/investment: this can be perceived by the public as improper, misdirected or unnecessary.

What You need to do	– Ensure sponsorships or community support/investment are legitimate, have a **business purpose** and is **transparent**, **reasonable** and **proportionate** in value, nature and scale. – Conduct Third-party Integrity Due Diligence on applicable recipients (individuals and/or entities) prior to engagement/payment, in accordance with the *Third-party Integrity Due Diligence Policy* and *Guidance*, to ensure there is a full understanding of the beneficiaries and their potential connections (e.g., government officials/politically exposed persons). – Seek **prior** approval for sponsorships or community support/investment and record in the Compass Group Disclosures Register in accordance with the applicable country or Group thresholds (whichever is more stringent). – Any sponsorships or community support/investment payment from or in the name of Compass Group PLC, including those in response to a significant unforeseen external event or natural disaster, potentially material business crisis or resilience issue giving rise to Compass Group PLC interest or oversight requires Group approval in accordance with the *GAM*. – Any sponsorships or community support/investment made by a Group company should be notified to Compass Group PLC head office at the end of each financial year, in order to: (a) provide confirmation that this policy has been complied with and that the Compass Group corporate responsibility strategy is being advanced; and (b) assist Compass Group PLC in reporting accurately its sponsorship and community investment activity and money spent. – If you are unsure about the appropriateness of a sponsorship or community support/investment, you should discuss it with your Line Manager or contact a member of your country, Regional or Group Legal team, or a member of Group Ethics & Integrity. For requirements related to **Disclosure Thresholds** and **Approval Limits**, please refer to *Appendix A* located here.

POTENTIAL OR ACTUAL CONFLICT OF INTEREST

Area of Risk	1 **Bribery and Corruption**
Definition	A situation in which your personal interests (or that of someone close to you) are, or appear to be, incompatible with Compass' best interests. A **conflict of interest** may arise due to: - ***relationships within or outside Compass Group*** where we have a personal relationship with a person within the Group; or you or a direct family member or friend have a personal, social or business relationship with a government official or person from an organisation that conducts business or competes with Compass. - ***outside work interests*** where you do work for a third party, have a secondary business or arrangement which would impact your commitments and responsibilities to Compass. - ***investments and financial interests*** where you, a relative, friend or a business associate have a controlling or significant interest in or are a director, officer, trustee of a company (or its connected companies) that does business or competes with Compass. - ***family relationships*** where a member of our family works for a company that does business or competes with Compass.
Expectation	– Proactively disclose any potential or actual conflicts of interest and manage the situation with your Line Manager. – Line Managers should ensure they properly assess and take appropriate steps to mitigate identified or potential business integrity risks including minimizing perception of a conflict of interest and report such conflicts of interest to Legal or HR.
Red Flags/Warning Signs	– Having a part-time or secondary employment with a company which competes with, provides services to, or has a business relationship with, Compass. – A family member or friend working for a Compass supplier or government body using Compass services can influence your decision-making process. – A close friend or family member is an employee within your line of management. – Having an ownership interest in a local company supplying goods to the Compass unit you manage.
What You need to do	– Inform your Line Manager or Unit Manager immediately if you become aware of a potential or actual conflict of interest. Including where you may be privy to confidential information relating to M&A activity. – Employees and relevant third parties should be required to disclose any conflicts of interest before appointment and then following appointment to advise Compass of any changes. – Record the potential or actual conflict of interest in the Compass Group Disclosures Register. – Line Managers should ensure that an action plan is in place to actively and effectively manage conflicts of interest and undertake a review of the action plan annually.

TRAVEL AND EXPENSE

Area of Risk	1 **Bribery and Corruption**
Definition	– **Travel** and **non-travel** related **expenses** that may be paid via P-cards, corporate credit cards or otherwise incurred by an employee and claimed through an expense management system. Such expenses can include travel, entertainment and other expenses that are permissible and incurred while engaged in or conducting business on behalf of Compass.
Expectation	– Travel and expenses must be incurred while conducting business on behalf of Compass and must be proportionate to the circumstances and in line with local policy. – The most senior Compass person present should pay for and seek reimbursement of expenses incurred in relation to gifts and hospitality involving internal and/or external third parties. In this situation, unless exceptional circumstances exist, paying an invoice or bill must not be delegated.
Red Flags/Warning Signs	– Expense payments made in large round sums. – Expense claims which have no or insufficient supporting documentation and lack explanation of purpose. – Expenses appear excessive for the activities. – Lack of verification about attendees to meals. – The most senior Compass manager present did not pay the final bill for a meal or other hospitality. – Handwritten expenses submitted as a substitute to electronic receipts or invoices.
What You need to do	– Ensure such expenses are not lavish, have a legitimate business purpose and are supported by adequate documentation. – If you are the most senior person present, you must pay the final bill for a meal or other hospitality. – Maintain adequate segregation of duties and delegation of financial authority in approval processes. – Ensure that any expenses involving a third party, which may fall under the definition of gift and hospitality and meet the thresholds as per the gifts and hospitality policy above, are pre-approved (where required), recorded and disclosed in the Compass Group Disclosures Register in accordance with the applicable country or Group thresholds (whichever is more stringent). – As an approver, review expenses for appropriateness and correctness.

FRAUD AND THEFT 2

Fraud means being untruthful (either by what you do or do not do) or using your position inappropriately for your own benefit. It may include situations when an employee obtains personal gain or advantage at Compass' expense, such as fraudulent financial reporting or expenses, manipulation, falsification or alteration of a document, account or submission, falsification of Compass books and records.

Theft means taking the personal benefit of that which does not belong to you.

Fraud is often closely connected to many other types of financial crime, including bribery and corruption, insider trading, money laundering, sanctions, and tax evasion.

OUR PRINCIPLE

Compass Personnel must not knowingly be involved with or commit fraud or theft.

AREAS OF RISK

- Asset misappropriation
- Financial and Non-Financial Reporting

ASSET MISAPPROPRIATION, FINANCIAL AND NON-FINANCIAL REPORTING

Area of Risk	2 **Fraud and Theft**
Definition	– Examples of **asset misappropriation** include theft or misuse of Compass assets; misuse of Compass equipment or resources for personal benefit, such as theft of inventory, equipment or cash; false invoicing; or improper expenditures or liabilities. – Inconsistency between **financial** and **non-financial information**, usually in the form of falsification of financial statements to obtain some form of improper benefit. It includes falsifying documents, overstating revenues, profits, and assets, and understating expenses, losses, and liabilities, deliberate misapplication of accounting or other regulations or policies, recording transactions without genuine substance or with deliberate inaccuracies, manipulating vendor master data details or bank accounts, creating invalid or non-existent vendors.
Expectation	– Do not knowingly commit, be a party to or be involved in fraudulent activities whatsoever whether you personally benefit or not. – Report all frauds or series of frauds, including suspicions or attempts to commit fraud, in accordance with the Speak and Listen Up Policy, the *Investigations Policy* and the *GAM*[8]. The escalation of fraud and theft reporting is dependent upon both the value of the expected financial loss, or the potential reputational damage to Compass.
Red Flags/ Warning Signs	– Employee maintaining unusual relationship with supplier(s)/customer(s) and/or not disclosing a conflict. – Employee living beyond their means or sudden lifestyle changes. – Colleague unwilling to share duties or take vacations. – Not following usual and routine procedures. – Unusual credit card payments (e.g., unclear, delayed, inflated, lack of justification or insufficient receipts). – Splitting of purchase orders or payment or consistently using low quotes from one vendor. – Frequent practice of urgent purchase order requests or use of one-time vendor account. – Contracts, agreements, purchase orders and invoices lacking details relative to services. – Request to pay in a different currency, location or address. – Anomalies in spend analysis or accounts/balances not in line with projections or forecasts.
What You need to do	– Assess fraud as part of regular business risk reviews and develop/implement required risk management response plans where relevant. – Report and record frauds or series of frauds, including suspicions or attempts to commit fraud which could result in an actual or potential loss of: - ***US$3,000 (or local equivalent)*** or more in accordance with local practice and the *GAM* notification requirements; and - ***US$20,000 (or local equivalent)*** or more in Compass Group's Case Management System and ensure compliance with the *GAM*[8] notification requirements. – Major frauds (e.g., where the amount involved is expected to exceed ***US$250,000 (or local equivalent)*** or, ***irrespective of the value of loss***, there could be ***serious reputational damage*** to Compass Group, or a senior executive, must be reported immediately to Group CEO, Group CFO, Regional MD & FD, Group Director of Risk and Internal Audit, Group General Counsel & Company Secretary and Group Head of Ethics & Integrity and recorded in Compass Group's Case Management System. – Where required, investigate fraud matters in accordance with the *Investigations Policy*. – Ensure all financial books and records accurately reflect the rationale, purpose, substance and legality of transactions and payments. – Do not pay expenses that are improper, unauthorised, and/or not supported by adequate documentation. – As an approver, ensure that transactions are sufficiently checked and scrutinized before approving.

8. Please see section 12.2 of GAM

COMPETITION LAW COMPLIANCE 3

Competition or Anti-trust law is designed to promote fair and free competition within industry and between commercial entities in order that businesses compete and win business on a level playing field.

Most countries in the world have competition laws that regulate how companies must not eliminate, reduce or distort competition in any markets in which they do business. Although the scope and content of applicable competition law may vary from region to region, in general competition law seeks to prohibit anti-competitive agreements and practices and abuse of a dominant position or substantial market power. The majority of competition laws extend beyond national boundaries, meaning that domestic laws could potentially apply to conduct that occurs outside national boundaries. That's why we need to ensure compliance with the rules set out below wherever we operate.

Anti-competitive behaviour can expose Compass and Compass Personnel to civil and criminal penalties and damage our brand and reputation. Compass could face lengthy investigations culminating in civil and criminal penalties as well as damages claims and individuals can also be guilty of committing a criminal offence.

OUR PRINCIPLE

Compass is a company that can and does win business fairly. Compass Personnel must comply with competition laws – or antitrust laws - to uphold Compass' commitment to compete fairly with competitors to secure the trust of Compass' customers, suppliers, and its other stakeholders.

AREAS OF RISK

- Agreements and arrangements with competitors
- Inappropriate information exchange with competitors
- Participation in trade association or industry events
- Vertical agreements between different levels of the supply chain
- Abuse of dominance
- Joint ventures

AGREEMENTS AND ARRANGEMENTS WITH COMPETITORS (INCLUDING ORAL AGREEMENTS AND UNDERSTANDINGS)

Area of Risk	3 **Competition Law Compliance**
Definition	– Improper dealings or agreements (written or verbal) between competitors, which includes conduct that could be considered "cartel" behaviour, including agreeing or fixing sale or purchase prices ("price-fixing"), market sharing or customer allocation, bid rigging, restricting capacity or output, or arrangements that exclude competing firms from a market or collective boycotts. – Care needs to be taken regarding discussing with a competitor the possibility of, and entering into, any arrangement, even an informal one, without it being assessed and approved by Legal.
Expectation	– Compass prohibits participation in cartels in all countries, even those that do not have competition laws. – Do not participate in any conversation or discussion or enter into an arrangement, either directly or indirectly (including an informal, unwritten agreement or understanding) with a competitor relating to price fixing, bid rigging, reducing output or capacity, delaying expansions, collective boycott, or other schemes to exclude a competitor, customer allocation or market sharing.
Red Flags/ Warning Signs	– Discussing prices, rates or fees with a competitor. – Discussing customers or territories of operation with a competitor. – Discussing future plans for the business with a competitor, including bidding intentions in relation to specific business opportunities. – Sharing any other commercially sensitive information that isn't in the public domain, such as business costs, profit margins, sales volumes. (See further in the "Inappropriate Information Exchange" section below.) – A request by any third party, including a customer, to do any of the above.
What You need to do	– If you have any concerns that a competitor is seeking to discuss and/or agree with you any form of cartel conduct immediately end it, making clear your objection to receiving such a proposal or information immediately inform Legal. – Inform Legal immediately if a customer has requested coordination of bidding activity or other competitive conduct or contract terms. – Inform Legal of any suspected third- party cartel behaviour, involving our competitors or suppliers. – Seek further guidance from Legal at the outset when any contracts or other commercial arrangements with competitors are being contemplated. – Obtain approval from Legal prior to these contracts/arrangements being entered into. – Report suspicions of competition law violations to country and Regional General Counsel, who, in turn, will escalate to the Group General Counsel and Company Secretary and Group Head of Ethics & Integrity. It doesn't matter if you believe that the conduct has been going on for a long time, or that everyone else in the market does it. You must report any such suspicions regardless.

INAPPROPRIATE INFORMATION EXCHANGE WITH COMPETITORS

Area of Risk	3 Competition Law Compliance
Definition	– **Exchanging confidential or competitively sensitive information** with competitors either directly or indirectly e.g., information that is not public and relating to prices (including supplier prices, customer prices, discounts, rebates), recent current or future revenue, unit cost, profit levels, market shares, customer and supplier lists, salary or wage rates, or bidding intentions.
Expectation	– Compass Personnel should not exchange competitively sensitive information with a competitor either directly or indirectly (e.g., via a third party, customer, industry analyst, journalist, trade publication or social media) unless it is in relation to an official joint bid that is being dealt with by Legal. – Compass Personnel should make very clear to distance Compass if a competitor attempts to share competitively sensitive information with us or invites us to engage in any form of collusion. – Compass Personnel should never agree or even discuss with competitors pricing, including the price at which Compass sells or intends to sell goods or services, or any other financial or nonfinancial commercial strategies
Red Flags/ Warning Signs	– Any communication, oral or written, from a competitor regarding its own or Compass' bidding intentions, commercial pricing or non-public financial and non-financial strategies. – An industry contact working for a competitor offers competitively sensitively information about his/her own company or suggests you each share information confidentially. This sensitivity exists whatever the context, e.g. if it is at a social function as well as in a business setting.
What You need to do	– Seek advice from Legal if you have any concerns that you may have received or shared commercially sensitive information or have been asked to provide such information. – Seek advice from Legal before sharing Compass information with competitors (a non-disclosure agreement may be needed even if Legal agree to the disclosure in the very specific circumstances). – Seek advice from Legal before issuing public communications on pricing, volume, or bidding intentions. – If a competitor shares competitively sensitive information, or suggests coordinating behaviour, you should object, end the discussion and report the incident immediately to Legal. If the information is shared with you by email, seek guidance from Legal as to how to respond. It will usually be necessary to send a response back underlining that you did not want the information and that you do not wish to receive more of it.

PARTICIPATION IN TRADE ASSOCIATION OR INDUSTRY EVENTS

Area of Risk	3 **Competition Law Compliance**
Definition	– **Trade associations, industry bodies, conferences** and **other industry** events can be a beneficial and legitimate part of our business. However, as Compass' competitors are also likely to be in attendance, it is important that special care is taken in relation to any discussions, whether formal or informal, at these meetings.
Expectation	– Do not use attendance at such events, or any associated social events afterwards, as a forum or cover for the improper or inappropriate exchange of commercially sensitive information between competitors. – Seek approval from Legal prior to joining a trade association.
Red Flags/ Warning Signs	– Discussions which move away from the agenda items or encroach upon non-public or competitively sensitive information.
What You need to do	– Seek advice from Legal if you are a member of a trade association and/or are attending an informal meeting involving competitors or other industry forum, and ensure compliance protocols are followed (e.g., written agenda, competition compliance reminder and a record of what you discussed). – Seek advice from Legal if intending to collaborate with competitors or suppliers in relation to industry, environmental, sustainability or other governance initiatives to ensure any agreement does not restrict or have a negative effect on competition. – Disclose attendance/membership payments in Compass Group Disclosures Register. – Do not discuss topics that relate to competitively sensitive information (in particular marketing/production strategy or pricing/volume of individual competitors and cost data). – Ensure that any information shared at the event is either public or has been aggregated and anonymised. – If the formal meeting strays into commercially sensitive information, or a competitor shares commercially sensitive information or suggests coordinating behaviour, seek an end to the discussion immediately and, if this does not occur, leave the meeting after requesting your objection and departure be recorded in the minutes and then inform Legal or Ethics and Integrity. – Be prepared to follow this advice firmly and visibly. It is not sufficient to slip away quietly. Don't worry if it feels awkward or embarrassing to act in this way in front of your peers or your seniors. If you do not believe you can do this, do not attend the meeting.

VERTICAL AGREEMENTS

Area of Risk	3 Competition Law Compliance
Definition	– **Vertical agreements** made between companies at different levels in the supply chain (e.g., between a supplier or food producer and purchasing business). – Most vertical agreements do not cause concerns including exclusive supply of food services at client's premises. However, a vertical agreement can breach competition law if it has the effect of stopping or restricting customers from on-selling products, imposes exclusive supply or purchasing obligations, allocates exclusive territories or customer groups, or imposes a minimum or fixed resale price.
Expectation	– We should not seek to impose any potentially restrictive clauses on commercial partners without clearance from Legal.
Red Flags/ Warning Signs	– Exclusive supply agreements with Compass suppliers. – Suppliers who are insistent that Compass adopts their recommend retail pricing and threaten to terminate supply if it does not.
What You need to do	– Seek advice from Legal before entering into a vertical agreement. Be particularly aware in areas where Compass may be considered to be dominant or to have strong market power.

ABUSE OF DOMINANCE

Area of Risk	3 Competition Law Compliance
Definition	– A business may be considered dominant where it has a market share of around 40% or more although in some circumstances a market share of 25% or above may be sufficient to establish dominance. A dominant company is not permitted to abuse its market power through exclusionary or exploitative conduct, for example, by charging excessive, discriminatory or predatory prices, tying or bundling supply to other goods or services, refusing to deal, requiring exclusive dealing or long-term arrangements.
Expectation	– We should not abuse a dominant position by excluding competitors or exploiting customers, in markets where a Compass business may be considered dominant.
Red Flags/ Warning Signs	– Offering prices/discounts below cost. – Excessively high pricing.
What You need to do	– Seek advice from Legal if Compass potentially is dominant or has strong market power.

JOINT VENTURES

Area of Risk	3 **Competition Law Compliance**
Definition	– A **joint venture ("JV")** is a business arrangement in which two or more parties agree to cooperate to accomplish a particular task/objective. This task can be a new project or any other business activity. JVs can take many different forms.
Expectation	– Always obtain advice from Legal or the Group Legal M&A team in relation to any potential joint venture arrangement. – In a JV with a competitor, do not share or discuss Compass' competitively sensitive information with the JV's directors or employees, or with Compass Personnel seconded to a JV – unless expressly authorised by Legal. – Compass Personnel seconded to a JV should not disclose competitively sensitive information about that JV to other Compass Personnel unless expressly authorised by Legal. – Any JV in which Compass participates will similarly be required to follow an appropriate compliance policy.
Red Flags/ Warning Signs	– Any proposal to enter into a JV with a competitor – think about whether it is essential that Compass partners with a competitor. – Any suggestion that Compass shares competitively sensitive information with a competitor to assess the attractiveness of a JV. – During the operation of an established JV, any information sharing (whether you have given or received it) or joint activity which goes beyond the scope of the JV. – The due diligence does not reveal an ultimate beneficial owner or is suspected to be a shell company or hidden behind a trust or nominated director.
What You need to do	– Seek advice from Legal before entering into discussions regarding a potential JV. – Follow the protocols advised by Legal if approval is given for commencing discussions, including agreeing an information-sharing protocol with the joint venture partner(s). – Obtain prior approval from Legal before entering into any JV agreements and arrangements. – Conduct Third Party Integrity Due Diligence on entities/individuals receiving/issuing payments in accordance with the *Third-party Integrity Due Diligence Policy and Guidance*. – Agree an agenda in advance of JV meetings where competitors are present. Stick to the agenda and take minutes of the meeting. Get the minutes agreed by all those present as an accurate record of the business of the meetings and have the minutes signed.

MONEY LAUNDERING, TERRORIST FINANCING AND TAX EVASION 4-6

Crime of all types often generates a benefit (e.g., creates profits or results in the acquisition of property), sometimes called the proceeds of crime. **Money laundering** is the effort made to hide or disguise the proceeds of crime and keep them in criminal hands. It includes the receipt or dealing in criminal property, including by innocent third parties.

Terrorist financing includes receiving or providing money or property where it's intended, or potentially used for, the purposes of terrorism or laundering terrorist property. It is often connected to money laundering.

Tax Evasion is the illegal non-payment or underpayment of tax anywhere in the world. **The facilitation of tax evasion** involves knowingly helping another person commit tax evasion or otherwise being complicit in their actions.

OUR PRINCIPLE

Money laundering and terrorist financing offences may be committed if you know - or should have reasonably suspected - that the money or other assets Compass receives (e.g., from a third party including a customer, supplier or joint venture partner) constitutes the proceeds of crime or are tainted by criminal or terrorist conduct, or that Compass is involved in an arrangement whereby money or other property will be used for terrorist activity.

Compass does not facilitate or condone money laundering, terrorist financing or tax evasion.

AREAS OF RISK

- Handling proceeds of crime
- Facilitating tax evasion/failure to prevent tax evasion

HANDLING PROCEEDS OF CRIME

Area of Risk	4 **Money laundering/** 5 **Terrorist financing**
Definition	– **Handling, or facilitating the handling of property** derived or obtained, directly or indirectly, by any person as a result of criminal or unlawful activity, or the handling, or facilitating the handling of, money which represents the value of any such property.
Expectation	– Compass Personnel: - must ensure Compass does not receive the proceeds of criminal activities as this can amount to a criminal offence; - must not under any circumstances enter any form of commercial arrangement that involves illegally acquired funds or assets, or that results in the financing of terrorism; and - must not knowingly engage a counterparty who is connected to criminal activity. – Never tip off a counterparty that a potential referral to a law enforcement agency will be made or has already been made as this could potentially violate applicable laws.
Red Flags/ Warning Signs	– Payment and/or invoices are requested by or sent from a counterparty split into multiple forms (e.g., cash, bank transfer, cheques) or multiple entities. – Payment and/or invoices are requested to or made from a bank account from or to an entity or individual in a different name to that of the contractual counterparty. – Use of multiple foreign bank accounts outside of the counterparty's business registration. – The due diligence does not reveal an ultimate beneficial owner or is suspected to be a shell company or hidden behind a trust or nominated director. – A counterparty uses unusual or suspicious documents, and the details and references cannot be readily verified. – The counterparty's background differs from what we would expect given their business activities. – The customer suggests an unusual or non-customary way of handling the transaction. – The origin or purported use of funds is not consistent with the organisation's purpose. – Payments to the third party are to be made outside the country and/or to a country linked to money laundering activity. – The transaction involves, or relates to, a country with close links to terrorism or where proscribed organisations are active.
What You need to do	– Conduct Third Party Integrity Due Diligence on entities/individuals receiving/issuing payments in accordance with the *Third-party Integrity Due Diligence Policy and Guidance*. – Monitor the dealings and activities of counterparties for red flags that may give rise to a suspicion that they are engaging in money laundering and refer to Legal or Group Ethics & Integrity as soon as possible. – Ensure that relevant checks relating to the source of the proceeds are completed on monies that will be received by agents acting on behalf of Compass and appropriate anti-money laundering and counter-terrorism financing representations and warranties are included in the agreement/contract. – Report suspicions of money laundering or that we may be dealing with the proceeds of crime to your country and Regional General Counsel, who, in turn, will escalate to the Group Head of Ethics & Integrity. – Ensure jurisdiction or business unit specific Anti-Money Laundering policies/procedures are implemented as required to comply with applicable local laws and regulations. – Assess money laundering and terrorist financing as part of regular business risk reviews and develop/implement required risk management response plans where relevant.

TAX EVASION

Area of Risk	6 **Tax evasion**
Definition	– **Facilitating tax evasion** occurs when someone knowingly helps another person commit a relevant tax evasion offence or otherwise being complicit in their action, even if doing so does not benefit them in any way.
Expectation	– Compass Personnel: - must not under any circumstances participate in, advise on or otherwise encourage, assist or facilitate any form of tax evasion; and - must comply with all prevention procedures put in place by Compass in relation to tax evasion, including completing any applicable training and appropriately escalating any concerns. – Never tip off a counterparty that a potential referral to a law enforcement agency will be made or has already been made as this could potentially violate applicable laws.
Red Flags/ Warning Signs	– Payment and/or invoices are requested by or sent from a counterparty split between multiple forms (e.g., cash, bank transfer, cheques) or multiple entities. – Payment and/or invoices are requested to or made from a bank account from or to an entity or individual in a different name to that of the contractual counterparty. – Use of multiple foreign bank accounts outside of the counterparty's place of business registration. – The due diligence does not reveal an ultimate beneficial owner or is suspected to be a shell company or hidden behind a trust or nominated director. – A counterparty uses unusual or suspicious documents, and the details and references cannot be readily verified. – The customer suggests an unusual or non-customary way of handling the transaction. – The origin or purported use of funds is not consistent with the organisation's purpose.
What You need to do	– Monitor the dealings and activities of counterparties for red flags that may raise suspicion that they are engaging in tax evasion and refer to Legal or Group Ethics & Integrity as soon as possible. – Ensure that relevant checks relating to the source of the proceeds are completed on monies that will be received by agents acting on behalf of Compass and appropriate anti-tax evasion representations and warranties are included in the agreement/contract. – Report suspicions of tax evasion or facilitation of tax evasion or that we may be dealing with the proceeds of crime to your country and Regional General Counsel, who, in turn, will escalate to the Group Head of Ethics & Integrity. – Ensure jurisdiction or business unit specific tax compliance policies/procedures are implemented as required to comply with applicable local laws and regulations. Consult Group Tax to ensure compliance with relevant minimum standards and alignment with Group Tax strategy. – Assess tax evasion as part of regular business risk reviews and develop/implement required risk management response plans where relevant.

SANCTIONS AND TRADE CONTROLS 7

Compass is committed to conducting its business in an honest and ethical manner wherever it operates. As part of this culture, all relevant laws and regulations must be complied with, including applicable sanctions and trade control programmes ("sanctions programmes").

Sanctions programmes are put in place by governments and intergovernmental organisations that prohibit or restrict transactions by or with certain individuals, entities, sectors and/or countries.

Compass complies with a range of domestic and international sanctions programmes. These programmes may relate to countries where we do business, who our customers are, the people who work for us or on our behalf, how we enter into transactions, and the banking services we make use of.

Compass aims to take effective and necessary precautions to manage the risks of breaching sanctions and trade controls regulations. Compass does not interact directly or indirectly with sanctioned parties without prior approval that the prospective transaction does not violate applicable sanctions or otherwise expose Compass to unnecessary risk. Any activity with countries, individuals, entities, goods or services subject to sanctions or trade controls can only occur where appropriate approvals, licenses or exemptions are in place.

OUR PRINCIPLE

Compass respects and adheres to all sanctions programmes that apply to our company. We do not do business with sanctioned individuals, entities, sectors, or countries.

You must not under any circumstances knowingly enter into any form of transaction or commercial relationship that could potentially violate the sanctions programmes applicable to Compass. This includes transactions involving individuals or entities on sanctions lists, transactions involving sanctioned countries or prohibited transactions with sanctioned sectors.

AREAS OF RISK

- Entering into new sectors/new territories
- Entering into new third-party relationships
- New sanctions/asset freezes on existing third parties

ENTERING INTO NEW SECTORS/NEW TERRITORIES

Area of Risk	7 **Sanctions and Trade controls**
Definition	– Establishment of any business which involves the establishment of a branch or the incorporation of a company in a country in which Compass does not currently operate or the introduction of any new business or entry into a new contract in any territory or territorial waters outside the country of residence of the operating company or the introduction of a new business sector/line in an existing country. – Entry into new territories/sectors can potentially create sanctions risks as the relevant territory/sector may be subject to sanctions in another jurisdiction where Compass operates. In addition, new territories may have their own unique sanctions requirements which Compass will have to ensure we adhere to.
Expectation	– Compass respects and adheres to all sanctions programmes and will not do business with relevant prohibited sanctioned countries or sectors.
Red Flags/ Warning Signs	– New businesses in the following jurisdictions or that border/have close connections to the following jurisdictions may pose particular sanctions risks: Belarus, Burundi, Central African Republic, Cuba, Crimea, Democratic Republic of the Congo, Iraq, Iran, Lebanon, Libya, Nicaragua, North Korea, Russia, Somalia, Sudan, South Sudan, Syria, Ukraine, Venezuela, Yemen, Zimbabwe.[9]
What You need to do	– Follow the *GAM* in relation to entering new countries, territories or sectors. – Obtain appropriate approval from the relevant country or Regional General Counsel and Group Head of Ethics & Integrity before having any dealings involving an individual or entity linked to a sanctioned country or sector.

9. Please consult Group Ethics & Integrity for the most recent high/very high risk country list.

ENTERING INTO NEW THIRD PARTY RELATIONSHIPS

Area of Risk	7 **Sanctions and Trade controls**
Definition	– Entering into new third-party relationships presents potential sanctions risks as these third parties may be subject to sanctions or owned/controlled by individuals/entities subject to sanctions. Third parties subject to sanctions may also attempt to conceal this fact from Compass in order to circumvent sanctions requirements. – Third parties include customers, suppliers, contractors/subcontractors, organisations we partner with (such as joint venture partners, acquisition and divestment targets), advisers (business, financial, legal and lobbyists), intermediaries, distributors, agents and all other contractual counterparties.
Expectation	– All new third parties should be screened against sanctions lists in accordance with the Consultants and Advisors section of the *GAM* and pursuant to the *Third Party Integrity Due Diligence Policy* and *Guidance r*equirements.
Red Flags/ Warning Signs	– Third party affiliated or associated with any individual or entity targeted by sanctions. – Third Party has been recently established and has significant financial resources at its disposal, and it is unclear how it came into possession of these financial resources. – The Third party's corporate structure involves a holding company located in an offshore jurisdiction. – The Third party is not familiar with the use of the goods or services and/or does not ask any commercial or technical questions that would normally be asked during business negotiations. – The payment terms or method of payment are unusual (e.g., the Third party is willing to pay a large amount in cash immediately (non-bank transfers)).
What You need to do	– Conduct Third Party Integrity Due Diligence for all new and existing third parties in accordance with the *Third-Party Integrity Due Diligence Policy and Guidance*. – Be alert to potential attempts by third parties to conceal their connection to sanctioned individuals/entities. – Ensure all written contracts with third parties contain a requirement to comply with all applicable laws, including those related to trade sanctions.

NEW SANCTIONS/ASSET FREEZES ON EXISTING THIRD PARTIES

Area of Risk	7 Sanctions and Trade controls
Definition	– On some occasions, an existing third party may become subject to sanctions/an asset freeze during the course of their relationship with Compass. This creates a risk that Compass may unintentionally breach sanctions by continuing with an ongoing transaction that has become prohibited while in progress.
Compass Rule	– Any transaction involving a third party who becomes sanctioned by a relevant jurisdiction at any point during the course of the transaction must immediately be put on hold and relevant assets/funds frozen. – Do not, under any circumstances, edit or conceal the details of a transaction potentially involving a sanctioned individual, entity, country or sector in order to allow it to proceed in breach of this policy.
Red Flags/ Warning Signs	– A third party makes a sudden or unexplained change to a transaction. – A third party applies undue or disproportionate pressure to complete a transaction quickly. – A third party requests that material details of a transaction are omitted or concealed in key documents. – A bank involved in a transaction freeze or refuses to process that transaction.
What You need to do	– Perform ongoing and regular monitoring on onboarded third parties in accordance with the *Third-party Integrity Due Diligence Policy* and *Guidance* to detect if they become sanctioned. – Do not under any circumstances continue with a transaction if you know or suspect that a connected third party has become subject to relevant sanctions. This includes receiving any payments from or making any payments to the third party, or otherwise dealing with their assets in any way. – You should immediately inform the Country and Regional General Counsel, who, in turn, will notify the Group Head of Ethics & Integrity of any transactions that are in progress involving a third party that has become sanctioned so that they can determine the appropriate next steps.

FURTHER INFORMATION

COMPLIANCE WITH THIS POLICY

You must ensure that you read, understand and comply with this policy and complete all mandatory training in relation to it. You must avoid any activity or behaviour that might lead to, or suggest, a breach of this policy, which in turn could give rise to non-compliance with applicable business integrity laws and could amount to a criminal offence.

Everyone at Compass has a responsibility to report potential breaches of this Policy. Compass encourages reporting of all concerns and is committed to protecting reporters from suffering detriment or retaliation as a result.

If you know or suspect a breach of this policy, you may raise your concern with your manager or Unit Manager, your local Human Resources Manager or Listen Up Champion, a member of your country, regional or Group Legal team, or a member of Group Ethics & Integrity.

Compass Personnel and our business partners may also use our confidential global whistleblowing and reporting programme Speak Up, We're Listening to seek guidance and/or report any concerns of non-compliance with this policy.

MONITORING AND REVIEW

This policy will be reviewed periodically by the Compass Group Executive Committee.

Compass Personnel are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions, and queries should be submitted via the Group Ethics & Integrity portal using the ask a question function.



MISCELLANEOUS

This Policy does not form part of any Compass Personnel's contract of employment, and we may amend it at any time.

This Policy has been approved by the Compass Group Executive Committee.

Dominic

DOMINIC BLAKEMORE
GROUP CHIEF EXECUTIVE, COMPASS GROUP PLC