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# **Pregis Europe Business Ethics Policy**

# Introduction

Regrettably, bribery and corruption is a feature of corporate and public life in many countries across the world. Even the suggestion of corruption may damage the reputation of a company or Group and affect its ability to do business. Regional and international institutions, such as the OECD, the United Nations and the African Union, have responded to fight the negative impact of corruption with conventions intended to harmonise anti-corruption laws across jurisdictions. As part of our Pregis Purpose, i.e. to Protect, to Preserve and to Inspyre, Pregis is aware of its corporate responsibility and supports the actions being taken to create sustainable corporate integrity.

Pregis does not tolerate any form of bribery or corruption. Pregis will neither give nor accept bribes nor permit others acting on its behalf to do so.

This policy sets out Pregis's approach to unacceptable business practices, including bribery and corruption.

In addition to compliance with this policy there is a duty to comply with the laws of the countries and jurisdictions in which our employees, customers, agents, consultants and suppliers operate.

If you have reason to suspect non-compliance with this policy, you have a duty to raise your concern. Please refer to the 'Reporting violations' section below.

# Scope

All Pregis employees and any person associated with Pregis who performs services for and on behalf of Pregis, including contractors, consultants, agency staff and business partners are required to adhere to this policy, irrespective of the jurisdiction they operate in and the laws applicable to such jurisdiction (where this policy represents a higher standard). Non-compliance may result in disciplinary action being taken which may lead to termination of employment, and/or to the termination of a third party contract (as the case may be).

This policy refers to all kinds of corrupt practices, including but not limited to:

- 1. Active bribery the giving, promising or offering of a bribe;
- 2. Passive bribery the requesting, agreeing to receive or accepting of a bribe;
- 3. The bribing of any public or Government official;
- 4. Illicit enrichment misuse of company assets; and
- 5. Facilitation of tax evasion deliberately and dishonestly taking action to facilitate tax evasion.

All Pregis Europe companies are required to apply this policy and its principles. Where we have a non-controlling interest we should encourage the application of this policy with our business partners. In addition, this policy must be considered when entering into new business relationships, new customers and suppliers. Such new relationships require careful assessment of the ethical conduct and reliability of any business partner.



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Pregis is opposed to corruption and illegal practices in all their forms and shall not offer, pay or accept bribes (however defined) or commit any corrupt deeds in its dealings with governments, foreign public officials and in the commercial market place. Pregis does not engage in bribery or any form of unethical inducement or payment including facilitation payments and does not make political donations or incur political expenditure. Pregis does not tolerate any such activity by Pregis personnel, contractors, consultants and agency staff and those with whom Pregis does business. All personnel are required to avoid any activities that might lead to, or suggest, a conflict of interest with the business of Pregis

All personnel are encouraged to raise any genuine concern about a suspected breach of this policy or any perceived infringement of their rights.

# **Key corruption risks:**

1. Bribery

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- 2. Facilitation payments
- 3. Interactions with Government officials and lobbying
- 4. Gifts and hospitality
- 5. Political donations
- 6. Charitable donations and sponsorship
- 7. Conflicts of interest
- 8. Misuse of company assets
- 9. Facilitation of tax evasion

Each of these key corruption risks is explained in more detail in the appendices to this policy.

# Responsibility

The President Pregis Europe is the main board director with primary responsibility for overseeing the implementation of this policy.

Each business unit will establish appropriate responsibilities and further procedures within their operations to ensure that this policy is fully implemented and that any instances of violation of the policy are reported in accordance with the requirements detailed below. Should any instances of bribery or corruption be identified, remedial steps will be taken immediately.

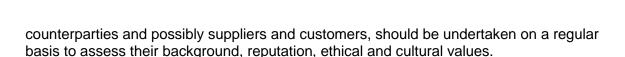
Management will yearly be asked to confirm compliance with this policy.

# **Business interfaces**

Given the risk inherent in existing business relationships, a thorough review of third parties who provide services on behalf of Pregis including contractors and other regular



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# **Training**

Training will be provided on this policy and its implementation and will be tailored to the risks identified. In particular, it is anticipated that formal training of all employees involved in procurement, sales or other functions that require regular involvement with business counterparties, covering the contents, application and consequences of this policy, should be undertaken as soon as practicable after the approval of this policy and at regular intervals thereafter.

# **Sanctions**

Violations of this policy will not be tolerated. Whilst violations will be reviewed on a case by case basis, should any instances of bribery, corruption or other misconduct under this policy be identified, appropriate steps will be taken immediately. This may include a review and revision of the business relationship, legal claims or disciplinary action in accordance with the Pregis Group disciplinary procedures. Such disciplinary action may lead to termination of employment.

Disciplinary action may also be instigated for instances of a failure to report a known violation of this policy.

Appropriate action will also be taken vis-a-vis counterparties involved in any breach of this policy, including with regard to contracts concluded with such parties. This may result in the termination of a third party contract.

# Legal penalties

The maximum penalty for active bribery, passive bribery and bribing a foreign public official, under current legislation in the different countries may differ but tends to consist of imprisonment and/or an unlimited fine.

If a company is found to have given or received a bribe or to have bribed a foreign public official with the knowledge of a senior officer, that senior officer could face prosecution leading to a fine and/or imprisonment. A company may be subject to an unlimited fine. If a company is found guilty of failing to take sufficient measures to prevent the facilitation of tax evasion, local regulators can impose unlimited fines and other regulatory sanctions. This is in addition to any penalty that may apply to the individual involved.

# **Compliance**

As part of the yearly internal control confirmation procedure, employees shall be required to confirm their compliance with this policy.

# **Reporting violations**

All personnel are encouraged to raise any genuine concern about suspected misconduct or malpractice, including bribery, facilitation payments, extortion and money laundering, tax evasion, ethical misconduct or any perceived infringement of their rights. Known breaches of this policy must be reported. The reporting procedures are summarised below.



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In the event that corrupt activities are detected, the following reporting guidelines should be followed:

- Report the matter directly to the line manager or head of department responsible for the organisational unit where the suspected misconduct has occurred.
- The line manager or head of department responsible for the organisational unit where the suspected misconduct has occurred shall report it to the President Pregis Europe.

# Monitoring and review

This policy will be enforced through regular monitoring and yearly review by the management team.

Conré Oostrom, President Pregis Europe, April 2020



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## **APPENDIX 1: EXPLANATION OF KEY CORRUPTION RISK.**

#### A.BRIBERY

# **Policy**

Pregis and its representatives will not offer, give, or receive bribes or improper inducements for any purpose whether directly or through a third party.

## What do we mean by bribery?

The receiving or offering of a reward by or to any holder of public office or a private individual designed to influence them to improperly exercise their duty, or to induce them to act contrary to the known rules of honesty and integrity.

# Example(s)

- i. A Pregis employee offers to pay an amount of money to a representative of a potential customer in exchange for that representative awarding a tender to Pregis.
- ii. An agent offers an inducement to a foreign public official in order to secure government approval to award a permit.

## **B.FACILITATION PAYMENTS**

# **Policy**

Pregis will not, and will not tolerate others acting on its behalf to, make facilitation payments to third parties not legally entitled thereto. Pregis will seek to eliminate the practice of facilitation payments in countries in which it does business.

#### What do we mean by facilitation payments

Facilitation payments are (relatively small) unofficial payments made to secure or expedite the performance of a routine or necessary action, usually by public officials, to which the payer of the facilitation payment has legal or other entitlement. Such payments often occur by the recipient extorting the payment using the power of his or her official position and where the consequence of not paying may be out of all proportion to the small payment demanded.

Emergency / express surcharge payments and similar, requested by public officials should be capable of verification or they should be willing to provide a receipt.

If refusing to make a facilitation payment results in some costs or delays being incurred, this is accepted as a normal consequence of this policy.

It does not include fees required to be paid by law.

#### **Exception**

Whilst Pregis has a zero tolerance policy to bribery and corruption in all its forms, we do recognise that there may be exceptional emergencies where an employee is under threat of violence or personal harm. Put safety first, make the payment and report the circumstances and amount of the payment immediately in accordance with the reporting procedures set out.

## **Examples Facilitation payments**

- An immigration official demands €50 'entry fee' from an employee at an airport used frequently by company employees to be allowed entry to the country, even though the employee's passport and visa are all in order.
- A customs official demands €150 to give priority clearance to goods arriving in port even though all import duties and paperwork are in order.



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# C.INTERACTIONS WITH GOVERNMENT OFFICIALS AND LOBBYING Policy

Pregis and its representatives will conduct all its dealings with governments and public officials in a transparent and ethical way, promoting honest and constructive engagement. Pregis and its representatives will not offer, promise or provide money or any benefit to a government or public official with the intention of influencing such official in the performance his/her official function and thereby obtaining or retaining business or obtaining an improper advantage in the conduct of business.

# What do we mean by interactions with Government officials and lobbying

During Pregis's normal business activities there will routinely be interaction with government bodies and public officials. Some business outcomes will be dependent upon how we deal with the relevant government department, ministers or public officials. All such dealings must be carried out in a transparent and ethical way.

# **Examples**

- A lobbyist requests payment up front to 'oil the wheels'.
- A government official who is potentially able to influence business outcomes requests a donation to be made to a charity in which they have an interest.

## **D.GIFTS AND HOSPITALITY**

#### **Policy**

Pregis and its representatives will not offer, give or receive any gifts or hospitality which is intended, or may be construed, as a bribe, or which may place, or be perceived to place (directly or indirectly) the recipient under an obligation towards the party offering or giving such gift or hospitality.

# Policy on giving gifts and business courtesies

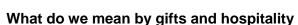
- 1. Only modest gifts and entertainment that are business courtesies, reasonable and proportionate, designed to build relationships and goodwill in an appropriate way, should be offered. They should not obligate a recipient.
- 2. Conflicts of interest, or the appearance of conflicts of interest, should be avoided for a recipient.
- 3. You should not gain any commercial, contractual or regulatory advantage for the Group in a way which is unethical or inappropriate.
- 4. You should not, directly or indirectly, gain any personal advantage, pecuniary or otherwise.
- 5. Gifts of money or cash equivalents must never be given.

# Policy on receiving gifts and business courtesy

- 1. Reasonable and proportionate business-related modest gifts or entertainment that are business courtesies and that is conducted in the best interests of Pregis and fosters business discussions and relationships may be accepted.
- 2. Such gift or entertainment should not obligate you or influence your decisions to Pregis's detriment.
- 3. The recipient should not be offered any business or personal advantage over others as a result of receiving the gift or entertainment.
- 4. Gifts of money or cash equivalents must never be accepted.



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'Gifts and hospitality' means anything of value eg tickets, transport, loans, accommodation, meals. etc.

Whilst the exchange of gifts and hospitality can build goodwill in business relationships, if done inappropriately it can create improper influence or a conflict of interest (or the appearance of improper influence or conflict). This policy aims to ensure that Pregis acts professionally and in a manner that will stand up to scrutiny consistent with its corporate responsibilities in the marketplace.

Pregis should be, and should be seen to be, free from bias in all its dealings and transactions with its suppliers, customers, potential customers and other relevant third parties.

#### **Further Guidance**

Pregis recognises that laws and market practices may vary across the jurisdictions in which it does business and what is considered acceptable may vary. This policy prohibits the giving or receiving of gifts and hospitality that would result in a personal / business gain or advantage to the recipient, giver or anyone connected with them.

Always adopt a common sense approach and consider the intent, materiality, frequency, legality, transparency and also the rules of the other party when giving or receiving gifts or entertainment. Also consider the timing of any business courtesy. If given or received around the time of a contract negotiation then there is more likelihood of a negative interpretation. Each business unit and corporate office must have in place a process whereby any gift or hospitality given or received of €250 or above (or the local currency equivalent) must be approved by the individual's line manager and be recorded in a register for this purpose. Notwithstanding this, the general principle that, no matter what the sum involved, any gift or hospitality given or received must not deflect you from performing your responsibilities to Pregis in a correct and ethical manner.

Gifts and entertainment that are sufficiently modest may be deemed acceptable eg modest occasional meals with people with whom Pregis does business; occasional attendance at sporting and cultural events or the theatre; and gifts where the value is nominal or they are small promotional items.

Hospitality that is frequent, disproportionately long or lavish should not be accepted or offered.

If you are in any doubt regarding the acceptance of gifts or hospitality they should be returned or declined with a note advising that acceptance would be contrary to Pregis's policy. Alternatively, if matters are not clear or you consider that it may give rise to a business problem then please refer the matter to your line manager.

business partners pay for their own travel and accommodation, would be acceptable.

#### **E.POLITICAL DONATIONS**

#### **Policy**

Neither Pregis Europe nor any company or business unit within Pregis Europe, will make any political donations, contributions or incur any political expenditure, in any form, whether to political parties, causes or to support individual candidates, anywhere in the world.

What do we mean by political donations



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The direct or indirect contributions to political parties, other political organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions. A political contribution, financial or in kind, to support a political cause.

One area where great care will need to be exercised is where the Group acquires a new subsidiary company. Careful due diligence will need to be carried out to establish whether any political donations have been made or political expenditure incurred prior to acquisition.

#### Exception

We recognise the rights of individuals to participate in the political process, acting in a personal capacity.

Employees must not, however, use Pregis time, property or equipment to carry out or support those personal political activities.

Subscriptions to, and activities for, trade and industry associations and donations to trade unions are not deemed 'political donations' for the purposes of this policy.

# F.CHARITABLE DONATIONS AND SPONSORSHIP

## **Policy**

We will support, sponsor and contribute to social and community activities that are aligned with Pregis's business objectives and values. Such donations and social investment will not be made so as to create the perception of impropriety, in particular with dealings with government officials, politicians and others of influence.

# What do we mean by charitable donations and sponsorship

Pregis contributes to society and invests in programmes, relevant to the needs of employees and the communities in which we live and work. It is important that in all cases we act transparently, ethically and in good faith.

Cash donations paid to individuals should be avoided.

Care needs to be taken in situations where, for example, in connection with a tender, collateral investment in the local community is requested by a public official. If the local written laws permit or require such off-set arrangements, then it is unlikely to be caught under bribery legislation. If not, then it may depend on whether or not it amounts to an offer of advantage to influence the officials to favour of the company.

Please also refer to the corporate social responsibility policies.

#### **G.CONFLICTS OF INTEREST**

## **Policy**

All Pregis employees will avoid actual or perceived conflicts of interest, whether involving themselves or close relatives (spouse, civil partner, adult children or other close relatives), and will discuss any issues that may potentially conflict with the interests of Pregis with their line manager.

## What do we mean by conflicts of interest

Conflicts of interest occur when we find ourselves in a situation where two or more competing interests conflict and impair our ability to make objective, unbiased business decisions. A conflict of interest can take many forms:

- private and company interests are mixed;
- allowing private interests to influence business decisions; and
- financial or personal considerations may influence judgement when carrying out employment duties and responsibilities.



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Potential conflicts of interest must be avoided or carefully managed. All conflicts or potential conflicts must be disclosed as soon as you become aware of it. It is important that such issues are dealt with promptly and in a transparent manner. You should inform your superior in the case of a potential conflict of interest and obtain his/her prior approval in writing before taking any action or business decision that could be affected by such a conflict of interest.

# **Examples**

- An employee having a second job in a third party organisation which is a customer, competitor or potential business partner of Pregis.
- Recruiting a close family member or close friend or such persons performing services for Pregis customers, suppliers or business partners.
- Serving on the board of directors of certain organisations external to Pregis.

# H.MISUSE OF COMPANY ASSETS

#### **Policy**

Pregis and its representatives will protect all Pregis equipment, property and information from loss, disclosure or misuse and they will not be provided for the personal or discretionary use of customers, public officials and in dealings with the private sector.

#### What do we mean by use of company assets

Corruption is not confined to the payment of cash bribes or the provision of gifts, hospitality and business courtesies. Making Pregis assets available to public officials or customers for their personal use, eg premises, equipment or vehicles, is likely to represent something of value for the intended recipient. Where such use is by those who may be in a position to influence Pregis's commercial dealings it can be perceived as being with the intention of obtaining an improper advantage in the conduct of that business.

Employees have a responsibility to protect Pregis assets against theft, loss, abuse, unauthorised access and disposal.

Employees may only use Pregis assets for the purpose of discharging their Pregis job responsibilities or where Pregis policy or statutory rights permit.

Information about Pregis and it's operations, including intellectual property, also represent valuable assets that must be protected. While Pregis has a separate policy in place relating specifically to the maintenance of confidentiality of inside information, this Business Integrity Policy applies generally to the requirement for all employees to maintain confidentiality of key Group information. The unauthorised sharing or passing on of confidential information amounts to the misuse of company assets and will be treated accordingly.

## Example(s)

 A Pregis employee discloses a Pregis product price list to a competitor in exchange for the competitor granting employment to a family member of the Pregis employee.

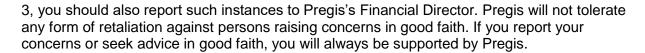
# I.FACILITATION OF TAX EVASION

### **Policy**

Pregis does not tolerate any form of tax evasion. Any concern of suspected violation must be reported immediately. Every Pregis person has a duty to report a genuine concern. In addition to reporting suspected violations in accordance with the procedure set out on page



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# What do we mean by facilitation of tax evasion

On 30 September 2017, the corporate criminal offence ('CCO') of the failure to prevent the facilitation of tax evasion took effect in the UK. Tax evasion is already a criminal offence in the UK and most other countries, but this offence makes it easier for the UK regulators to attribute criminal liability to corporations rather than individuals. The fines for a corporation found guilty of this offence are unlimited and additional regulatory sanctions can be severe. The offence would be relevant to Pregis in circumstances where:

- 1. There is criminal **UK or non-UK** tax evasion by an individual or company under an existing UK or non-UK law;
- 2. There is deliberate and dishonest facilitation of the evasion by an associated person of Pregis (i.e. a Pregis employee, contractor, agent, advisor or someone else acting on behalf of Pregis); and
- 3. Pregis failed to prevent the associated person from committing the facilitation.

For these purposes tax evasion requires an associated person to commit a criminal fraud by deliberately and dishonestly taking action to facilitate tax evasion. Individuals acting on behalf of Pregis who act accidentally, mistakenly or negligently are **not** within the scope of this offence.

The law is wide reaching particularly because:

- it could be applied to tax evasion in any country; and
- it could relate to an associated person of Pregis facilitating tax evasion of other parties such as suppliers, customers, partners, advisors, shareholders, parties involved in M&A transactions, etc, providing there is intention on the part of the Pregis associated person.

For overseas (non-UK) tax evasion, some UK nexus is required to commit an offence, such as malpractice by an individual whilst physically working in or visiting the UK.

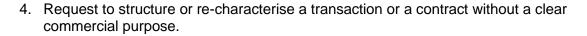
# Indicators associated with tax evasion risk

The following areas are examples of high risk indicators but the list is not exhaustive. Even where an indicator is relevant, the offence is only committed where there is assistance from a Pregis associated person (employee, contractor etc.) who acts deliberately and dishonestly to facilitate tax evasion.

- 1. Request for cash payment to an associated person.
- 2. Request to make a payment to a bank account in a territory associated with secrecy and/or tax haven status.
- 3. Request to carry out a transaction without a clear commercial purpose.



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- 5. Sole access rights to important information/documents/systems (e.g. only one user possesses log-in details for an accounts payable system).
- 6. The opportunity for an individual to process transactions/payments without any review or approval processes in place.
- 7. Pressure or incentive not to discuss or report a genuine concern.