ANTI-CORRUPTION CODE OF CONDUCT

PAPREC
COMPLIANCE

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I. A message from the Management

Since its inception, the Paprec Group has based its development on a key pillar – a core value – instilled to inspire every employee in their day-to-day work: business ethics, and more specifically the fight against all forms of breaches of integrity and corruption.

The world in which we operate demands far more from us than just economic performance. It demands integrity. Corruption is not just a breach of the law. It runs counter to the values on which Paprec has built its reputation and history, betrays the trust of our partners and undermines our economic environment.

The Paprec Group is committed to combating corruption and all forms of misconduct; the Group has formalised this commitment through its membership of the United Nations Global Compact and by implementing a compliance programme every day. The resulting rules, which safeguard our reputation, are set out in detail in this Anti-Corruption Code of Conduct. Elles s'appliquent également à nos parties prenantes, notamment nos clients, fournisseurs et partenaires.

However rigorous it may be, this Code of Conduct cannot replace the vigilance of each and every one of you, the Group's employees. You must make these rules your own and apply them, so that you can act with sound judgement, report what needs to be reported, and refuse offers that must not be accepted.

The rules detailed here also apply to our stakeholders, including our customers, suppliers and partners.

Line managers at all levels play a vital role in this regard; by setting an example, they are the primary ambassadors for the Group's values.

The Paprec Group will not tolerate any breach of these rules, which have always been at the heart of its identity.

We are counting on you to ensure strict compliance with this Code of Conduct.

Sébastien Petithuguenin
Mathieu Petithuguenin

II. Framework and scope

The Paprec Group's Anti-Corruption Code of Conduct aims to establish a set of common rules for all the Group's employees, associates and stakeholders in continuing the fight against all forms of breaches of integrity and corruption.

It applies to the entire Paprec Group and its (wholly-owned) subsidiaries in France and internationally, hereinafter referred to as 'the Paprec Group', 'the Group' or 'Paprec', as well as to all stakeholders, both internal and external, with whom a business relationship currently exists or is being considered.

III. Definitions

Code of Conduct: A reference document that clearly explains the rules of conduct to be followed in order to prevent corruption and related practices. It sets out what is permitted, what is prohibited and what should give cause for concern and, where appropriate, be reported, enabling everyone to adopt the right way of thinking and reacting. It is supplemented by related policies and procedures on certain topics.

Employees: All Paprec Group staff, regardless of their role, position within the organisation or the type of contract they have with the Group.

Compliance Department: Ensures the implementation of and compliance with the Anti-corruption Compliance Programme in accordance with the Sapin II Law. It supports all Paprec Group staff in implementing this policy.

Internal whistleblowing system: The overall framework for the collection and handling of reports within the Paprec Group, including the Group's Internal Whistleblowing Policy and the reporting channels, in particular the platform for receiving reports.

Governing body: Chairpersons, chief executive officers and managing directors.

Anti-corruption Compliance Programme: The programme implemented by the Compliance Department to ensure the Group's compliance with anti-corruption regulations.

Disciplinary measures: Sanctions that may be imposed in accordance with the provisions of applicable employment law in the event of a breach of the Code of Conduct.

Third parties: External stakeholders, such as customers, key suppliers or intermediaries with whom the Group has, has had, or is considering establishing a relationship.

IV. Preventing corruption within the Paprec Group

The Group is subject to various anti-corruption regulations.

An internal whistleblowing system is in place, comprising a central reporting channel via a platform and local channels via all line managers. It enables anyone to report breaches of these provisions and of the rules set out in this Code. There is a specific policy setting out the operating procedures for this system.

A. WHAT ARE CORRUPTION AND INFLUENCE PEDDLING?

Corruption and influence peddling are criminal offences punishable under the legislation applicable to the Paprec Group[1].

In order to prevent, detect and manage the risks of corruption and influence peddling, the Paprec Group has implemented a compliance programme, of which this Code of Conduct forms the foundation.

1 - Corruption

Active corruption can be defined as offering, promising or granting an undue advantage to a person in order to induce them to perform or refrain from performing an act.

Passive corruption is when a person accepts, solicits or agrees to receive an undue advantage in order to perform or refrain from performing an act.



The corruptor: Active corruption
Offers, promises, gives, or agrees to provide an undue advantage (gift, money, sponsorship, patronage, etc.)

The corrupted person: Passive corruption
They accept, offer, promise or propose to perform or refrain from performing an act falling within their powers or duties.

There are several types of corruption. The law distinguishes between private corruption and public corruption. Public corruption implies that a public official is involved in the corrupt scheme[2]. It is dealt with more severely.

[1][2]A public official is any person who performs a public function or a public service role, either on a permanent or temporary basis. The following are regarded as public officials: civil servants and contract staff of the State, local authorities or public bodies; elected representatives; staff of public enterprises; and staff of foreign public administrations or organisations.

In some cases, corruption may involve an intermediary, who acts as a go-between for the briber or the bribee. This is known as indirect bribery.

The benefits or advantages that may be offered or received in connection with an act of corruption or influence peddling can take various forms:



Presents, invitations, donations



Patronage, sponsorship



Favouritism in Recruitment



Procurement operations



Hidden commissions



Political contributions



Commissions paid to agents



Kickbacks



Facilitation payments



Benefits in kind



Benefits for family members



Bribe

2 - Influence peddling

Influence peddling is when an individual uses their influence to secure a favourable decision for another person, organisation or company that has granted them an advantage. It can be active or passive.



Public money: the person being influenced

They make a decision in favour of the briber whilst under the influence of the person exercising their influence.

3 - Penalties incurred

Corruption and influence peddling are criminal offences in relation to the Paprec Group, its subsidiaries, its directors or any employee found guilty of such acts.

The law therefore criminalises acts of corruption and attempts to commit such acts, and subjects the perpetrators to civil and criminal proceedings, which may result in prison sentences, fines or administrative sanctions such as exclusion from public procurement contracts.

Apart from criminal penalties, the commission or mere suspicion of such acts may have a negative impact on Paprec's financial results, reputation or the development of its business.

B. RECOGNISING AND MANAGING HIGH-RISK SITUATIONS

Group employees may find themselves faced with situations involving illegal corruption (such as facilitation payments) or situations that may present a risk of corruption or breaches of integrity.

This Code of Conduct is intended to illustrate these principles. However, it is not exhaustive. This Code is therefore designed to encourage you to reflect on the behaviour you should adopt.

If you are unsure about a particular situation, please do not hesitate to consult the Group's policies and procedures team, or to speak to your line manager, your compliance officer or the Compliance Department.



1 - Gifts and hospitality

Definition

A gift refers to a benefit offered or received, intended to establish or maintain commercial relations that form part of normal business practice.
Hospitality refers to any form of service, entertainment, travel or accommodation offered or received with a view to establishing and maintaining business relationships that form part of normal business practice.

Explanation of high-risk situations

Offering or accepting gifts and hospitality is a courteous and common practice in business; however, it can present a risk, as it may be interpreted as an act of corruption or influence peddling.

Examples

— *A key account sales representative offers a rugby ticket to attend a match played by a club sponsored by the Group to the purchasing manager of a private client, with the aim of securing the renewal of the contract.*

— *A supplier offers a case of champagne to a buyer from the Group with a view to securing the renewal of a contract.*

What to do

Gifts and hospitality are permitted within the Group, provided that they comply with the applicable legislation in the country where they are given, as well as the Gifts and Hospitality Policy.

Any gift or hospitality invitation must be of an appropriate nature, of reasonable value, given only on an occasional basis, and at a stage in the relationship where there is no room for ambiguity. Only gifts or hospitality invitations that fall within the normal and legitimate scope of business relations are permitted.

✗ *What i must not Don't:*

— *Accept a gift in the form of cash or gift vouchers*

— *Accept a gift that is not in keeping with proper etiquette*

— *Request an invitation to an event*

— *Offer a public official a place at an event sponsore by the Group during a tender process*

— *Accept a gift or a hospitality invitation during business negotiations*

✓ *What i can Do:*

— *Offer an invitation to an event sponsored by Paprec as part of normal business dealings*

— *Accept a gift or a hospitality invitation without offering anything in return*

— *Record any gift or hospitality invitation intended for a public official*

To find out more about this, please see the Gifts and Hospitality Policy

2 - Philanthropy, donations and sponsorship

Definition

Philanthropy aims to provide selfless support to a cause, a legal entity or an individual for the purpose of carrying out activities that are in the public interest. This support may take the form of expertise, the provision of equipment or materials, or the payment of a sum of money.

Sponsorship involves providing financial support to an event, a person, a product or an organisation with a view to receiving a direct benefit in return, often in the form of publicity designed to boost the company's profile.

A gift is an act by which one person voluntarily transfers property or assets to another person without charge.

Explanation of a high-risk situation

Philan thropic and sponsorship initiatives may carry risks of corruption or influence peddling if doubts arise as to the reasons behind the initiative.

Examples

— *An employee of a client that generates waste approaches a Paprec sales representative to ask the Group to sponsor his judo club, in exchange for favourable consideration in connection with the renewal of a contract.*

— *A local councillor has approached Paprec to ask the Group to support a local artist. In return, he has undertaken to fast-track an application for authorisation to expand the Paprec site located in the municipality. In this situation, the involvement of a public official increases the risk.*

What to do

Philanthropy, charitable giving and sponsorship activities are permitted within the Group, provided that they comply with the applicable legislation in the country in which they take place, as well as with the Philanthropy, Charitable Giving and Sponsorship Policy. These operations must be carried out transparently; they must be in line with the Group's values and there must be no doubt whatsoever as to their motivation.

✓ *What I have to Do:*

— *Determine the nature of the arrangement: a donation, patronage or sponsorship;*

— *Check the beneficiary's details;*

— *Ensure that the arrangement does not take place during a tender or contract negotiation period;*

— *Be more vigilant when a public official is involved;*

✗ *What I must not Don't:*

— *Initiate an arrangement without managerial approval;*

— *make a payment in cash or into an individual's bank account;*

— *Initiate an arrangement involving a disproportionate amount*

For further information on this subject, please refer to the Donations, Philanthropy and Sponsorship Policy.



3 - Facilitation payments

Definition

Facilitation payments refer to any payment, benefit or remuneration granted to a public official, generally of small value, with the aim of obtaining, expediting or facilitating the completion of an administrative procedure to which the Group or its employees are legitimately entitled.

Explanation of high-risk situations

Owing to the nature of its activities, the Group is exposed to the risk of facilitation payments, which constitute an act of corruption under French law and are illegal in many countries.

Examples

— *A Paprec employee decided to pay a customs officer to speed up the clearance of bales of paper through customs.*

— *A site manager is approached by a public official who asks for a sum of money to speed up the processing of a visa for a new member of staff at his branch.*

What to do

Under no circumstances must Paprec employees offer to speed up or facilitate administrative procedures in exchange for money or any other benefit. Similarly, Paprec staff must refuse any requests made for this purpose.

If approached by a public official, Paprec staff members must use the channels made available to them to inform their line manager or the Compliance Department.

Should the Group find itself operating in high-risk countries where employees are subjected to extreme attempts at extortion, posing a risk to their lives, health or freedom, they may, in exceptional circumstances, be justified in making the payments demanded for their protection. In such a scenario, they must immediately contact their line managers and a member of the Executive Committee.

✓ *What I have to Do:*

— *Refuse any request for payment of money*

— *Report any unsolicited approaches to the compliance department and/or my line managers*

— *Request an official receipt for any payment that exceeds standard practice*

✗ *What I must not Don't:*

— *Make a facilitation payment*

— *Accept or make a payment without knowing what it is for*

For further information on this subject, please refer to the Donations, Philanthropy and Sponsorship Policy.



4 - Conflicts of interest

Definition

A conflict of interest arises when a Paprec employee's personal or financial interests interfere with their professional duties. This situation may arise from professional, family, financial or non-professional ties (such as those within voluntary organisations, charities, politics, etc.).

Explanation of a high-risk situation

A conflict of interest is not unlawful, but it may lead to an act of corruption, particularly where one person receives an undue advantage from another as a result of the conflict of interest.

Examples

— *A procurement officer selects his brother's company for a contract, without disclosing this connection, in exchange for gifts.*

— *A sales director holds shares in a client company and grants it unjustified discounts in order to further his own financial interests.*

What to do

In the event of a potential or actual conflict of interest, the Paprec employee concerned must declare it using the procedures in place within the Group.

The Compliance Department, in collaboration with the other relevant stakeholders, will take appropriate measures to put an end to this situation (for example, in a procurement process or during recruitment, the employee may be excluded from the process).

✓ *What I have to Do:*

— *Declare immediately any situation in which my professional and personal interests might conflict;*

— *Withdraw from decision-making processes in which a conflict of interest exists or may appear to exist.*

✗ *What I must not Don't:*

— *Knowingly conceal information about a potential or actual conflict of interest;*

— *Carry out decision-making processes whilst being fully aware of the conflict situation.*

For further information on this subject, please refer to the Management of Conflicts of Interest Policy.



5- Favouritism in recruitment

Definition

Favouritism is a situation in which a person is recruited on the basis of their personal or professional ties with a Group employee or with a third party (partner, supplier or customer), in return for an undue advantage or in the expectation of such an advantage.

Explanation of a high-risk situation

These practices undermine the principle of equal opportunities and the transparency of recruitment processes, and may give rise to a conflict of interest or corruption.

Examples

— *An employee proposes creating a work-study position for a candidate who has a family connection with a client's representative, so that the latter can influence the renewal of the contract.*

What to do

The Group is committed to fair, objective and transparent recruitment practices. As such, all recruitment must be based on objective criteria relating to the skills required for the post in question and the company's actual needs. It is strictly forbidden to offer a job or an internship in return for any form of undue advantage.

Any conflict of interest, whether actual or potential, must be declared without delay.

✓ *What I have to Do:*

— *Ensure the impartiality and transparency of the recruitment process, whatever the circumstances.*

— *Report any situation that could give rise to a conflict of interest in the context of recruitment as soon as it is identified.*

✗ *What I must not Don't:*

— *Offer a job in exchange for an undue advantage.*

— *Bypass or relax the recruitment procedure to favour a relative of a public servant at the site of operations.*

For further information on this subject, please refer to the Management of Conflicts of Interest Policy.



6 - Representation of interests – Lobbying

Definition

Lobbying involves contacting public decision-makers (at local, national or international level) with the aim of enabling them to make decisions based on a sound understanding of the issues at stake and their implications. These activities are lawful provided they are transparent and are monitored and managed by the Group. In accordance with the law, Paprec declares its interest representatives and lobbying activities to the relevant authorities.

Explanation of a high-risk situation

The sector in which Paprec operates requires regular dialogue with the public authorities, creating opportunities to exert influence where the line between lobbying and corruption can be blurred. Without proper oversight, the Group could face allegations of attempting to exert undue influence or of corruption.

Examples

— *A Paprec employee invites a representative of a trade association to an event sponsored by the Group and offers to cover the cost of their travel and accommodation.*

— *A member of staff from the Directorate for Institutional Affairs is meeting a Member of the European Parliament in Brussels; the MEP is the former mayor of a municipality where a tender for an energy recovery plant is currently underway. Following a dinner, they reach an agreement to exclude waste treatment plants from a set of regulations currently under discussion in Brussels, in exchange for a favourable fee offer for the local authority's project.*

What to do

Only competent and authorised persons may engage in lobbying activities. All actions undertaken in relation to bodies such as professional agencies or federations, which are likely to influence public decision-making, must be transparent and justified by a legitimate interest. Any improper advantage sought with a view to securing a favourable position for the Group is strictly prohibited.

Any external representative engaged by the Group is subject to this Code and to the relevant accompanying policies and procedures.

✓ *What I have to Do:*

— *Carry out lobbying activities that fall within the scope of my duties in a transparent and clear manner, whilst complying with the framework set by the group .*

✗ *What I must not Don't:*

— *Take part in lobbying activities without authorisation to do so;*

— *Grant a benefit with the aim of securing a favourable decision.*



7 - Relations with suppliers and subcontractors

Definition

A supplier is a third party to the Group that provides a service as part of a commercial relationship. It may entrust all or part of its service to a third party, who then acts as a subcontractor. These partners act on behalf of or in the interests of the Group, which means the Group is liable – legally, financially and in terms of its reputation – in the event of any ethical breach on their part.

Explanation of a high-risk situation

Suppliers and subcontractors play a key role in the Group's operations. Their actions may expose the company to legal, financial and reputational risks, particularly in relation to corruption, influence peddling or non-compliance with applicable laws.

The receipt of goods or services is a critical stage in the procurement process. Approving a non-compliant delivery (whether in terms of quantity, quality, lead time or contractual specifications) exposes Paprec to risks. These risks are exacerbated when goods are accepted without rigorous checks, under tight deadlines, or when there is a close relationship with the supplier that leads to established procedures being disregarded.

Examples

— *A supplier arranges for a state-of-the-art coffee machine to be delivered to an employee in order to be selected as the Group's coffee supplier.*

— *An employee approves a delivery as 'compliant' without carrying out the necessary checks, in order to speed up payment and secure a discount from the supplier.*

What to do

The use of a supplier or subcontractor is subject to compliance with the Group's third-party assessment procedure. The business relationship must be formalised in a contract that includes anti-corruption provisions, and must be subject to ongoing monitoring.

Any breach must be reported to your line manager or the Compliance Department. The Group reserves the right to terminate any contractual relationship in the event of a breach of its ethical commitments.

✓ *What I have to Do:*

— *Identify potential subcontractors who could be involved;*

— *Formalise the relationship through a contract that includes anti-corruption clauses;*

— *Maintain vigilance throughout the business relationship;*

— *Check each delivery before signing the delivery note;*

— *Raise written objections as soon as the first discrepancy is identified.*

✗ *What I must not Don't:*

— *Favour a supplier in return for an undue advantage;*

— *Enter into or maintain a contractual relationship with a third party of dubious integrity without taking appropriate action;*

— *Ignore warning signs to speed up processes ;*

— *Accept an incomplete or non-compliant delivery in exchange for a 'favour'.*

For further information on this subject, please refer to the Group's Third-Party Evaluation Policy.



8 - Business relationships with customers

Definition

A business relationship (whether with a legal entity or an individual, in the public or private sector) refers to all interactions and dealings between the Group and its customers, from prospecting and negotiation through to the performance of contracts and their renewal. It covers every stage of the sales cycle and involves adhering to principles of integrity, fairness and compliance with applicable internal policies.

Explanation of a high-risk situation

Providing the best possible service to our customers and growing the Group's business are at the heart of the Group's activities. Business development involves identifying opportunities, participating in tenders, negotiating contracts and renewing contracts; it is crucial to the Group's growth.

If these activities are carried out in breach of the rules established within the Group, they expose it to risks of corruption, influence peddling or anti-competitive practices, particularly in relation to public officials.

Examples

— *An employee promises that the Group will fund the refurbishment of a nursery in order to secure a waste collection contract.*

— *A contract is awarded following a non-transparent negotiation process that is not based on objective criteria.*

What to do

All business relationships with clients must be subject to due diligence checks regarding the partner's integrity, be formalised by a contract containing anti-corruption provisions, and be subject to ongoing monitoring.

The Group ensures that the awarding of contracts, whether public or private, is based exclusively on objective criteria – in particular technical, financial and innovation-related criteria – within a transparent and fair framework.

Employees must act with integrity at every stage of the business relationship, whilst complying with the policies and procedures applicable to each situation they encounter.

✓ *What I have to Do:*

— *Conduct all commercial activities (prospecting, tendering, negotiation, contract renewal) in accordance with the law, regulations and the group's internal procedures;*

— *Base my proposals, offers and decisions on objective, traceable and transparent criteria, and document key discussions;*

— *Exercise greater vigilance when a public official is involved.*

✗ *What I must not Don't:*

— *Conduct negotiations in a non-transparent manner or accept unjustified conditions (bypassing official channels, unrecorded exchanges, 'informal agreements', unusual requests);*

— *Enter into or renew a business relationship without clear justification, without an appropriate contract, or without complying with the required internal approvals.*

For further information on this subject, please refer to the Third-Party Evaluation Policy.



9 - Intermediaries

Definition

Intermediaries are individuals or companies acting in the name and on behalf of the Group. These may include, for example, commercial intermediaries, business introducers or representatives.

Explanation of a high-risk situation

The use of intermediaries is not unlawful, but these situations pose a risk due to the lack of transparency in the relationship between the intermediary and the potential client. If any intermediary is found guilty of corruption or influence peddling whilst carrying out their duties on behalf of the Group, the Group will be held liable.

Examples

— *The Group wants to expand its operations into a new country. It decides to appoint an intermediary to approach potential clients. In order to secure their commission, which is based on the success of the deal, the intermediary organises lavish events to which they invite potential clients.*

— *The Group appoints a commercial intermediary. Part of their remuneration is misappropriated to fund a bribe paid to a local elected representative, with a view to ensuring that Paprec is selected in a tender process.*

What to do

The use of an intermediary is subject to compliance with the Group's third-party assessment procedure, which requires the Compliance Department to carry out a thorough assessment of the third party.

Every relationship between Paprec and an intermediary, regardless of the assignment entrusted to them, must be formalised by a contract that sets out the terms of the assignment in detail, along with the terms of remuneration. The contract must also include a clause setting out the ethical and compliance standards with which it must comply.

Any suspicious behaviour on the part of an intermediary acting on behalf of the Paprec Group must be reported.

✓ *What I have to Do:*

— *Comply with the third-party assessment procedure;*

— *Report any solicitation that contravenes the principles set out in the code of conduct;*

— *Ensure that remuneration is objective, reasonable and commensurate with the services rendered;*

— *Request an activity report .*

✗ *What I must not Don't:*

— *Enter into a relationship with an intermediary without a contract;*

— *Rely on verbal agreements or contracts drawn up retrospectively;*

— *Allow an intermediary to operate without supervision, even if they are based in a remote geographical area.*

For further information on this subject, please refer to the Third-Party Evaluation Policy.

10 - Consultants and advisers

Definition

Consultants and advisers are individuals or companies acting in the name and on behalf of the company who assist the Group with matters requiring specialist expertise. These may include engineering consultancies, specialist consultants, project management assistants or lobbyists.

Explanation of a high-risk situation

Consultants and advisers may pose a risk due to their access to confidential information, their close ties with public officials, or their role as intermediaries. They are subject to particular scrutiny and are expected to adhere to the same standards of conduct in terms of ethics and compliance.

Examples

— *A former senator has become a consultant for the Group. He decides to use his influence to secure a favourable decision on a new bill relating to waste collection by inviting MPs to a luxury restaurant.*

— *Paprec decides to train its teams through a climate workshop. It entrusts this task to a former MP, at a time when a bill is being debated to require 50 per cent recycled plastic in food packaging. The service is invoiced at a rate higher than the market price, so as to influence the vote of the MP's former colleagues in a way that favours the Group.*

— *An engineering consultancy has agreed to work for the Group at an unusually favourable rate. In return, the contract contains a clause requiring the use of a designated supplier, which may constitute a mechanism for indirect consideration or a conflict of interest.*

What to do

The use of a consultant or adviser is subject to compliance with the Group's third-party assessment procedure, which requires the Compliance Department to carry out a thorough evaluation of the third party.

Any engagement of an adviser or consultant is subject to the signing of a written contract, regardless of the nature of the assignment. The contract sets out in detail the services to be provided and the terms of remuneration, and includes a clause requiring compliance with the Group's ethical and compliance standards. Any suspicious behaviour on the part of an intermediary acting on behalf of the Group must be reported.

✓ *What I have to Do:*

— *Comply with the third-party assessment procedure;*

— *Report any solicitation that contravenes this code;*

— *Ensure that remuneration is objective, reasonable and commensurate with the services rendered;*

— *Include a provision in the contract that requires an activity report*

✗ *What I must not Don't:*

— *Enter into a relationship with an intermediary without formalising the relationship and without a compliance review;*

— *Rely on verbal agreements or contracts drawn up retrospectively;*

— *Pay excessive commissions, particularly where these are conditional on being awarded a public contract*

For further information on this subject, please refer to the Third-Party Evaluation Policy.



11 - Mergers and acquisitions

Definition

Mergers and acquisitions are a growth strategy for the Group, which involves the acquisition and integration of third-party companies.

Explanation of a high-risk situation

When acquiring an entity, the Group may inherit the consequences of unlawful conduct or practices that occurred prior to the acquisition. Furthermore, mergers and acquisitions are high-stakes transactions, in which certain parties may be tempted to resort to potentially illegal practices in order to ensure they go through.

Examples

— *One of the companies Paprec is looking to acquire is a major player in the European recycling sector. It secures contracts with local authorities through kickbacks.*

— *Paprec has been approached by a competitor seeking a buyer for its hazardous waste recycling business. This takeover could make the Group a dominant player in the relevant geographical area, which would require prior approval from the competition authority. A representative of the seller invites a member of the competition authority to a Top 14 match in order to influence their vote.*

What to do

Mergers and acquisitions are governed by an internal procedure. It stipulates that any proposed takeover must be subject to an assessment of the company's practices and integrity.

Paprec's compliance programme is rolled out within the entities that become part of the Group, in accordance with an internally defined process developed jointly by Paprec's teams and those of the acquired entity.

Nor should the merger and acquisition process be used to circumvent the competition rules in force.

✓ *What I have to Do:*

— *Carry out an in-depth assessment of the targets, their directors, shareholders and beneficial owners*

— *Work with the compliance department to roll out the paprec group's ethics and compliance programme*

✗ *What I must not Don't:*

— *Accept benefits, gifts or invitations from a supplier, customer or business partner of an acquired company, with the aim of maintaining the business relationship with the group.*

V. Report any behaviour that contravenes the Code of Conduct

Paprec encourages its employees and all its stakeholders to bring to its attention, without delay, any behaviour that contravenes applicable laws, regulations and internal rules, including this Code of Conduct.

Paprec has set up a system for collecting and processing reports, which guarantees confidentiality and allows the reporter to remain anonymous. These reports go to the Compliance Department.

Reports can be made on its website, its intranet, via the following QR code or the following link:

https://whistleblowersoftware.com/secure/Ligne-alerte-Paprec

You can report an issue to any line manager within the Group. All reports are treated as confidential.

The Group protects whistleblowers against any form of reprisal. No retaliatory or discriminatory action may be taken against any person who, in good faith, has raised a concern or reported facts in accordance with the Internal Whistleblowing Policy. To find out more about this topic, please have a look at the policy.

VI. Disciplinary measures for breaches of the Code of Conduct

Paprec has a zero-tolerance policy towards behaviour that contravenes this Code of Conduct and the applicable laws and regulations.

Any breach of the provisions of this Code shall render the employee personally liable and may result in disciplinary action commensurate with the seriousness of the offence, in accordance with applicable employment law. Civil or criminal proceedings may also be brought, depending on the applicable legislation.

Each disciplinary measure is imposed in a proportionate manner, in strict compliance with the legal procedures in force and the rights and safeguards to which the employee concerned is entitled.

APPENDIX: HOW TO READ THIS CODE OF CONDUCT

Theme

2. GIFTS AND HOSPITALITY

Relevant definitions

Definition

A gift refers to a benefit offered or received, intended to establish or maintain commercial relations that form part of normal business practice. Hospitality refers to any form of service, entertainment, travel or accommodation offered or received with a view to establishing and maintaining business relationships that form part of normal business practice.

Practical examples

Examples

A key account sales representative offers a rugby ticket to attend a match played by a club sponsored by the Group to the purchasing manager of a private client, with the aim of securing the renewal of the contract.

A supplier offers a case of champagne to a buyer from the Group with a view to securing the renewal of a contract.

Overview of the situation

Explanation of high-risk situations

Offering or accepting gifts and hospitality is a courteous and common practice in business; however, it can present a risk, as it may be interpreted as an act of corruption or influence peddling.

Steps to be taken to minimise the risk

What to do

Gifts and hospitality are permitted within the Group, provided that they comply with the applicable legislation in the country where they are given, as well as the Gifts and Hospitality Policy.
Any gift or hospitality invitation must be of an appropriate nature, of reasonable value, given only on an occasional basis, and at a stage in the relationship where there is no room for ambiguity. Only gifts or hospitality invitations that fall within the normal and legitimate scope of business relations are permitted.

A non-exhaustive summary of the measures to be taken in response to this risk

✓ *What I have to Do:*

- *Offer an invitation to an event sponsored by Paprec as part of normal business dealings;*
- *Accept a gift or a hospitality invitation without offering anything in return;*
- *Record any gift or hospitality invitation intended for a public official.*

✕ *What I must not Don't:*

- *Accept a gift in the form of cash or gift vouchers;*
- *Accept a gift that is not in keeping with proper etiquette;*
- *Request an invitation to an event;*
- *Offer a public official a place at an event sponsored by the Group during a tender process;*
- *Accept a gift or a hospitality invitation during business negotiations.*


PAPREC
COMPLIANCE