

**ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO ITALIAN  
LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001**

**General section**

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## **THE CONTENT OF ITALIAN LEGISLATIVE DECREE No. 231/2001: THE CRIMES SUBJECT TO PREVENTION**

In implementation of the exception referred to in article 11 of Italian Law no. 300 of 29 September 2000, on 8 June 2001, Italian Legislative Decree no. 231 (hereinafter referred to as the “**Decree**”) was issued and came into effect 4 July 2001. With this Decree the Legislator adapted domestic legislation to international conventions on the liability of legal persons. Specifically, these are the Brussels Convention of 26 July 1995 on the protection of the European Communities’ financial interests, the Convention signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international and economic business transactions.

The Decree, containing the “Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality”, introduced a regime of administrative liability into the Italian legal system (substantially similar to criminal liability) against bodies (to be understood as companies, associations, consortia, etc., hereinafter referred to as “Bodies”) for those crimes explicitly listed in the Decree and committed in the interests or to the advantage of the same Body:

- by natural persons who perform functions of representation, administration or management of the Bodies themselves or of one of their organisational units with financial and functional autonomy, as well as by natural persons who exercise, even de facto, management and control over the Bodies themselves;
- by natural persons subject to the management or supervision of one of the parties indicated above.

The Body’s liability is in addition to that of the natural person, who has materially committed the crime. The provision of administrative liability referred to in the Decree involves, in the suppression of the crimes provided for therein, the Bodies that have derived an interest and/or an advantage from the crime being committed.

Pursuant to Italian Legislative Decree no. 231/01 - and later integrations - the Body’s administrative liability arises with reference to the following types of crime:

- article 24: misappropriation of public funding, fraud against the State or a public body or to obtain public funding or IT fraud against the State or against a public body
- art. 24-bis: IT-related crimes and unlawful processing of data
- art. 24-ter: crimes committed by criminal organisations
- art. 25: embezzlement, extortion, undue inducement to give or promise a benefit, corruption and abuse of office

- art. 25-bis: forgery of money, spending and introducing into the State, acting in concert, counterfeit money
- art. 25-bis.1: crimes against industry and commerce
- art. 25-ter: corporate crime
- art. 25-quater: crimes committed for purposes of terrorism or crimes designed to subvert democracy
- art. 25-quater.1: mutilation of the female genital organs
- art. 25-quinquies: crimes against the individual
- art. 25-sexies: financial crimes or market abuse
- art. 25-septies: manslaughter or injuries committed in breach of the laws governing occupational health and safety
- art. 25-octies: receiving, laundering and using money, goods or benefits of illicit origin, self-laundering
- art. 25-octies.1: crimes relating to non-cash payment instruments
- art. 25-novies: copyright infringement
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- art. 25-undecies: environmental crimes
- art. 25-duodecies: crimes of the irregular employment of foreign workers
- art. 25-terdecies: crimes of racism and xenophobia
- art. 25-quaterdecies: fraud in sports competitions, abusive exercise of gambling or betting and games of chance exercised by means of prohibited devices
- art. 25-quinquiesdecies: tax offences
- art. 25-sexiesdecies: smuggling
- art. 25-septiesdecies: crimes against cultural heritage
- art. 25-duodevicies: laundering cultural assets and the devastation and looting of cultural and landscape assets
- art. 26: attempted crimes
- Italian Law no. 146/2016: transnational crimes
- art. 12 of Italian Law no. 9/2013: liability of Bodies for administrative offences resulting from crime.

**CRIMES COMMITTED ABROAD**

According to article 4 of the Decree, the Body may be held liable in Italy in relation to crimes – considered by the same Decree – committed abroad. The explanatory report to the Decree stresses the need not to leave a frequently occurring criminal situation open to sanctions, including in order to prevent the entire regulatory system in question from being easily circumvented.

The conditions (provided for by law or which can be deduced from the Decree as a whole) on which the Body's liability for crimes committed abroad is based are the following:

- the crime must be committed abroad by a person functionally linked to the Body, pursuant to article 5, paragraph 1 of the Decree;
- the Body must have its head office in the territory governed by the Italian State;
- the Body can only be held liable in the cases and under the conditions provided for in articles 7, 8, 9, 10 of the Italian Criminal Code. This reference must be coordinated with the provisions of articles 24 to 25-duodevices of the Decree so that – also in compliance with the principle of legality referred to in article 2 of the Decree – in the face of the series of crimes mentioned in articles 7 to 10 of the Italian Criminal Code, the company may only be held liable for those crimes for which its liability is provided for by an ad hoc legislative provision;
- the Body may be held liable in those cases where the State, in which the act was committed, does not proceed against it;
- in those cases where the law provides that the perpetrator is punished at the request of the Italian Minister of Justice, the Body is prosecuted only if the request is also made against the latter.

**ATTEMPTED CRIME**

In the event that a crime, under Chapter I of the Decree, is attempted, the pecuniary sanctions (in terms of the amount) and the prohibitory sanctions (in terms of time) are reduced from one third to half, while the imposition of sanctions is excluded in those cases where the Body voluntarily prevents the action from being completed or the event from happening.

With reference to tax offences (as referred to in article 25-quinquiesdecies of the Decree), although, according to the provisions of article 6 of the Decree, unlawful conduct does not assume criminal relevance if only attempted, with the transposition of Directive (EU) 2017/1371 (the so-called "PIF Directive"), the Body is presumed guilty of a predicate crime under articles 2, 3 and 4 of Italian Legislative Decree no. 74/2000 even if attempted, when the following four conditions are met:

- the tax evasion must concern a qualified amount;
- the tax evasion must concern only value added tax;

- it must involve transnational acts that involve several states of the European Union;
- the disputed act must not integrate the crime provided for by article 8 of Italian Legislative Decree no. 74/2000.

### **THE CONDITION EXONERATING THE BODY FROM ADMINISTRATIVE LIABILITY**

Once the administrative liability of a Body has been established, article 6 of the Decree establishes that the Body is not liable in the event that it is able to demonstrate that it has adopted and implemented effectively, before the act was committed, “*management, control and organisation models suitable for preventing crimes of the kind that occurred*”. The same rule also provides for when the Body establishes an internal control body which is assigned the task of monitoring the operation of, the effectiveness of and the compliance with the aforementioned models, as well updates to them.

This organisation, management and control model pursuant to article 6, paragraphs 2 and 3 of Italian Legislative Decree no. 231/01, must:

- identify the activities within which the crimes provided for by the Decree could be committed;
- provide for specific protocols aimed at planning the development and implementation of the Body’s decisions in relation to the crimes to be prevented;
- identify ways to manage financial resources such that committing these crimes can be prevented;
- provide for mandatory information to be forwarded to the body responsible for monitoring the operation and observance of the models;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

Where the crime is committed by individuals assigned functions of representation, administration or management of the Body or of one of its organisational units with financial and functional autonomy, or by individuals who exercise, even de facto, management and control over the same, the Body is not liable if it is able to show that:

- the management body had adopted and implemented effectively, before the act was committed, a Model suitable for preventing crimes of the kind that occurred;
- the task of monitoring the operation and observance of the Model, and updating it, had been entrusted to an organisation within the Body itself which has autonomous powers of initiative and control;
- the individuals who committed the crime did so by fraudulently circumventing the Model;
- there had been no omission or inadequate supervision by the control body with regard to the Model.

In the event that, on the other hand, the crime is committed by individuals subject to the management or supervision of one of the individuals indicated above, the Body is liable if the crime committed was made possible by failing to comply with the obligations of management and supervision. Such non-compliance is, in any case, excluded if the Body, prior to the crime being committed, had adopted and implemented effectively a Model suitable for preventing crimes of the kind that occurred.

Lastly, article 6 of the aforementioned Decree provides that the organisation and management models may be adopted on the basis of codes of conduct drawn up by representative trade associations, communicated to the Italian Ministry of Justice, which, in agreement with the competent Ministries, may provide, within 30 days, observations on the suitability or otherwise of the models to prevent crimes.

### **THE SANCTIONS THAT MAY BE APPLIED, PURSUANT TO THE DECREE, AGAINST THE BODY**

The sanctions provided for by the Decree for administrative offences resulting from crime are divided into:

- pecuniary sanctions;
- prohibitory sanctions;
- confiscation;
- publication of the ruling.

The pecuniary sanction, of an administrative nature, governed by articles 10 *et seq.* of the Decree, constitutes the “basic” sanction that needs to be applied (i.e. including in the event that the Body settles the consequences deriving from the crime), for which the Body is liable with its assets or with the common fund. The Legislator has adopted an innovative criterion for determining the sanction, giving the Judge the obligation to proceed with two different and successive appraisal operations. This results in the opportunity to adapt the sanction to a greater degree on the basis of the seriousness of the crime and the Body’s economic situation.

The first assessment requires the Judge to determine a “score” (in any case at least 100 and no more than 1,000), taking into account the seriousness of the crime, the Body’s degree of liability, and the action taken to eliminate or mitigate the consequences of the crime and to prevent further crimes from being committed.

During the second assessment, the Judge determines, within the predetermined minimum and maximum values in relation to the crimes to be sanctioned, the value of each “score”, from a minimum of €258.00 to a maximum of €1,549.00. This amount is set “*on the basis of the Body’s economic and financial situation in order to ensure the effectiveness of the sanction*” (article 10-11 of the Decree).

Furthermore, with regard to the methods of ascertaining the Body’s economic and financial situation, the Judge may use the Body’s financial statements or other records deemed suitable for describing the situation in detail. In some cases, proof may also be obtained by taking into account the size of the Body and its position on the

market. The Judge will, essentially, have to analyse, with the aid of consultants, the actual condition of the company, from which the Judge will also be able to obtain information relating to the state of the Body's economic, financial and capital solidity.

The prohibitory sanctions provided for by the Decree are given below and only apply in relation to the crimes for which they are expressly provided for under this regulatory text:

- disqualification from carrying out business activities;
- suspension or revocation of authorisations, licences or concessions functional to the crime committed;
- prohibition of contracting with the Public Administration, except to obtain a public service;
- exclusion from concessions, loans, contributions and subsidies, and/or the revocation of those already granted;
- prohibition to advertise goods or services.

In order for them to be imposed, at least one of the conditions referred to in article 13 of Italian Legislative Decree no. 231/01 must also be met, namely a) that the Body made a significant profit from the crime and the crime has been committed by individuals holding a senior position or by individuals subject to the management of others when, in this case, committing the crime was determined or facilitated by serious organisational deficiencies, b) crimes are repeated.

In any case, prohibitory sanctions are not applied when the crime has been committed in the prevailing interests of the perpetrator or a third party and the Body has obtained minimal or no benefit or the financial damage caused is particularly light. The application of prohibitory sanctions is also excluded when the Body has implemented the reparative measures provided for in article 17 of the Decree, when the following conditions are met:

- the Body has provided full compensation for the damage and has eliminated the harmful or dangerous consequences of the crime or has, in any case, acted effectively in this regard;
- the Body has eliminated the organisational deficiencies that led to the crime being committed or attempted by adopting and implementing organisational models suitable for preventing crimes of the kind that occurred;
- the Body has made available the profit resulting from the crime for the purposes of confiscation.

The prohibitory sanctions have a duration of not less than three months and not more than two years and the choice of the measure to be applied and its duration is made by the Judge on the basis of the criteria previously indicated to determine the pecuniary sanction, "*taking into account the suitability of the individual sanctions to prevent crimes of the type committed*" (article 14 of Italian Legislative Decree no. 231/01). The prohibition of the activity has a residual nature compared to the other prohibitory sanctions.



Pursuant to article 19 of Italian Legislative Decree no. 231/01, always ordered with the conviction ruling is the confiscation – or equivalent – of the price (money or other economic utility given or promised to induce or lead another party to commit the crime) or of the profit (immediate economic utility obtained) from the crime, except for the portion that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.

The publication of the conviction ruling in one or more newspapers, in extract or in full, may be ordered by the Judge, together with a notification to be posted in the municipality in which the Body is based, when a prohibitory sanction is applied. The publication is carried out by the Court Registry Office and at the expense of the Body.

### **CONFINDUSTRIA GUIDELINES**

Article 6 of the Decree states that the Organisation and Management Models (hereinafter, also the “**OMM**”) may be adopted on the basis of codes of conduct drawn up by the representative associations to which the Body belongs, communicated to the Italian Ministry of Justice. The company is a member of Confindustria, which, in June 2021, issued an updated version of its “Guidelines for constructing Organisation, Management and Control Models pursuant to Italian Legislative Decree no. 231 of 8 June 2001”.

The Confindustria Guidelines lay out a path that can be summarised as follows:

- identification of risk areas (hereinafter, also “**Sensitive Activities**”), in order to highlight the corporate functions within which a harmful event, as provided for by the Decree, could be committed;
- preparation of a control system capable of preventing risks through the adoption of specific protocols.

The most relevant components of the control system devised by Confindustria are:

- Code Of Ethics
- Organisational system
- Manual and IT procedures
- Authorisation and powers of signature
- Control and management systems
- Communication to personnel and their training.

The components of the control system must be based on the following principles:

- verifiability, documentability, consistency and congruence of each operation;
- application of the principle of segregation of duties;
- documentation of controls;
- provision of an adequate sanctions system for breaches of the Code of Ethics and procedures;

- identification of a Supervisory Body whose requirements are:
  1. autonomy and independence;
  2. professionalism;
  3. continuity of action;
  4. provision of methods for managing financial resources;
  5. obligation, on the part of the corporate functions, and in particular those identified as most “at risk of crime”, to provide information to the Supervisory Body, both on a structured basis (periodic information in implementation of the Model itself) and to report anomalies or atypical situations found in the available information.

### **THIS MODEL**

Through the adoption of this Model, built in compliance with the Decree and the Guidelines issued by Confindustria, taking into account best practices and legal guidelines on the administrative liability of Bodies, Gpack will pursue the following main purposes:

1. to install a comprehensive system of procedures and control activities designed to prevent, as far as possible, conduct being adopted which might form part of any of the crimes covered by the Decree
2. to ensure, with regard to all those individuals who operate in the name and on behalf of the company in the activity areas at risk, the awareness that these individuals, in the event they breach the provisions contained therein, may be committing a crime and, hence, may be punished by criminal sanctions as well as administrative sanctions imposed on the company;
3. to reiterate that these forms of illegal conduct shall not be tolerated by the company, since they are (even if the company was apparently in a position to take advantage of them), in any case, contrary, not only to the law but also to the Code of Ethics, with which the company intends to comply in running its business;
4. to allow the company, thanks to monitoring the activity areas at risk, to intervene promptly to prevent or counteract the commission of the crimes themselves, with a view to continuous improvement.

### **THE METHOD FOLLOWED TO DRAFT THE MODEL**

The drafting process used for this OMM was divided into the following phases:

1. Business Context Analysis

The goal of this phase is identify and analyse, through documentary analysis, inspections at every company location, interviews with informed subjects within the company structure (i.e. First-level Key Officers;

Second-level Key Officers and external consultants), (i) the organisation and activities carried out by the various business functions, as well as (ii) the business processes governed and conducted by the latter.

2. Identification of areas of activity and business processes at risk of crime (hereinafter, also “**Sensitive Activities**”). With a view to creating a programme of systematic and rational interventions for drafting and updating the OMM, the company has prepared a map of the company’s operations and has identified within them the Sensitive Activities (and the related processes) or those that, by their nature, are among the activities to be analysed and monitored in the light of the Decree, since, within them, opportunities may exist or be created to commit a crime as provided for by the Decree;

3. Risk Assessment

Following the identification of the Sensitive Activities and the processes related to them, the company has defined the reference principles of the Organisational Model that it intends to implement (i.e. General Transparency Standards and Specific Control Standards for each Sensitive Activity), adopted from the analysis of the relevant legislation and the guidelines developed on the subject by trade associations. Based on the statements of the First- and Second-level Key Officers and an examination of the existing procedures, the company carried out a risk assessment concerning the commission of crimes, in the *As-Is situation (i.e. at the time of the Risk Assessment)*.

4. Gap Analysis

A Gap Analysis (i.e. deviation analysis) was carried out by comparing the practices and rules adopted by the organisation, as declared by the company during the Risk Assessment exercise, with the General Transparency Standards and Specific Control Standards relating to each Sensitive Activity. An assessment of the gap, or deviation, was illustrated, in a descriptive way, through the following three levels: Red = high; Orange = partial; Green = null).

Subsequently, the company took action, with a view to continuous improvement, to establish a structured, organic system of procedures and verification activities (in compliance with the General Transparency Standards and Specific Control Standards) aimed at mitigating the gap and preventing, as far as possible, conduct being adopted which might form part of any of the crimes covered by the Decree.

Specifically, with reference to preventing the crimes referred to in article 25-septies of Italian Legislative Decree no. 231/2001 (i.e. manslaughter and serious or very serious personal injury as referred to in articles 589 and 590, paragraph III, of the Italian Criminal Code), the company has decided to implement and adopt an Occupational Health and Safety Management System in accordance with the article 30 of Italian Legislative Decree no. 81/2008.

The company is committed to monitoring its operations continuously, both in relation to the crimes provided for by the Decree and in relation to the regulatory expansion to which the Decree may be subject. Should the

relevance of one or more of the aforementioned crimes emerge, or of any new crime that the Legislator might include within the scope of Decree 231, the company will assess the need to supplement this Model with new control measures and/or new Special Sections.

### **AMENDING AND UPDATING THE MODEL AND RELATED PROCEDURES**

The Board of Directors, except as expressly provided for below, has the exclusive responsibility for adopting and amending the Model.

The Chief Executive Officer of Gpack - also following a proposal and, in any case, after informing the Supervisory Body (see below) - has the right to make changes or additions of a formal nature to the text of the Model, if necessary for better organisation, clarity or effectiveness of presentation.

The Board of Directors, on its own initiative or following a proposal from the Supervisory Body, will promptly modify the Model if:

- significant breaches or circumventions of the provisions contained therein are uncovered that highlight the Model's inadequacy to ensure the effective prevention of crime;
- changes are made to the regulatory system;
- changes are made to the company's organisation or operation.

The Supervisory Body must promptly report in writing, without delay, any facts to the Chief Executive Officer and the Chairperson that highlight the need for the Model to be reviewed.

The Chairperson of the Board of Directors, in this case, must convene the Board of Directors, so that it can adopt the resolutions for which it is responsible.

The company's management team provides for changes to the procedures necessary for the Model to be implemented.

New procedures and changes to them must be communicated promptly by the department managers to the Supervisory Body

### **THE MODEL'S STRUCTURE AND INTEGRATED DOCUMENTS**

The OMM is structured as follows:

A **General Section**, which includes:

- a brief description of the organisation;
- a brief review of the regulations contained in the Decree;
- a brief review of the Confindustria Guidelines;
- the method followed for drafting the OMM;
- the essential characteristics and components of the OMM;

- the relationship between the OMM and the Code of Ethics/Code of Conduct;
- the regulation of the functions and powers of the Supervisory Body;
- the system of information flows to the Supervisory Body;
- the sanctions system to monitor breaches of the OMM;
- the OMM's communication and staff training obligations;
- the whistleblowing system.

A **Special Section**, which includes:

- Eleven Sections dedicated to the various categories of crime in which the related Sensitive Activities, the General Transparency Standards and the Specific Control Standards are identified, compliance with which is designed to prevent the crime risk. The Mapping of Sensitive Activities for Gpack is therefore located in the Special Section of the OMM.

**In addition to the above**, the following are an integral part of the OMM:

- Gpack's Code of Ethics, which defines the principles of conduct and the ethical and social values that are to guide the company in the pursuit of its corporate purpose and objectives;
- Risk Assessment and Gap Analysis documents;
- the corporate procedures/policies concerning the Sensitive Activities;
- the Organisation Chart and the system of mandates and proxies or the breakdown of functions that ensures the technical skills and powers necessary for the management and control of activities at risk pursuant to the Special Section of the OMM.

## **THE RELEVANT PREDICATE CRIMES FOR GPACK**

In light of the Risk Assessment and the nature, size and activities of Gpack, not every incidence of crime provided for by the Decree has an actual likelihood of being committed within the scope of the company's operations.

Only the following categories of predicate crimes are considered relevant to the company. They are listed in order of importance, based on a descriptive assessment of the crime risk:

- **Manslaughter or serious or very serious injuries committed in breach of the rules on the protection of health and safety at work** (see Section One, Special Section);
- **Employment of illegally staying third-country nationals and crimes against the individual** (see Section Two, Special Section);
- **Environmental crimes** (see Section Three, Special Section);
- **Corporate crime** (see Section Four, Special Section);

- **Crimes against industry and commerce and Forgery of money, legal tender, revenue stamps and identification tools and marks** (see Section Five, Special Section);
- **Copyright infringement** (Section Six, Special Section);
- **IT-related crimes** (see Section Seven, Special Section);
- **Smuggling** (see Section Eight, Special Section);
- **Crimes against the Public Administration and against the Heritage of the State or other Public Body or of the European Union and against the administration of justice** (see Section Nine, Special Section);
- **Tax offences** (see Section Ten, Special Section);
- **Receiving, laundering, use of money, goods or benefits of illicit origin, as well as self-laundering; Crimes committed by criminal organisations (article 416 of the Italian Criminal Code) and Transnational Crimes** (see Section Eleven, Special Section)

The crimes of terrorism referred to in article 25-quater, the crimes relating to non-cash payment instruments referred to in article 25-octies 1, the crimes relating to racism and xenophobia referred to in article 25-terdecies, the crimes committed by criminal organisations (with the exception of the crime of association for criminal offences pursuant to article 416 of the Italian Criminal Code), the crimes of fraud in sports competitions, abusive exercise of gambling or betting and games of chance exercised by means of prohibited devices referred to in article 25-quatordecies, the crimes against cultural heritage referred to in article 25-septiesdecies, the crimes of laundering cultural assets and the devastation and looting of cultural and landscape assets referred to in article 25-duodecies, and some of the crimes referred to in the categories listed above have been analysed in the mapping of instrumental activities and processes.

However, after a careful preliminary assessment, supported by a broad cycle of interviews and documentary verification in the company, with respect to them, no specific opportunities for committing such crimes have been identified since, although committing them in the abstract cannot be completely excluded, their actual execution is unlikely, both in consideration of the company's actual operational situation and in consideration of the elements necessary for the crimes in question to be committed.

With regard to the crime of association for a criminal offence, pursuant to article 416 of the Italian Criminal Code, the analysis focused on the profiles of the connection between the case in hand and the crimes taken into consideration in the mapping of instrumental activities and processes. Therefore, without prejudice to the cases of crime identified in the mapping with respect to the individual activities and sensitive processes, and without prejudice to the control protocols identified in the context of this Model (developed in compliance with the principle of specificity of predicate crimes), the crime referred to in article 416 of the Italian Criminal Code is

considered based on the “associative” nature with which the criminal manifestation of the presupposed cases identified in the mapping can be realised.

Specifically, the fact that the crime can - hypothetically - be committed or even planned by three or more subjects within the organisation or outside its control (e.g. in relations with suppliers or business partners) is taken into account.

Following the transposition of Directive (EU) 2017/1371 (the so-called “PIF Directive”), limited to the cases of crime already identified in the mapping, this meaning is also considered to include cases of the pursuit of illicit purposes detrimental to the financial interests of the European Union.

With regard to the crime of “self-laundering” introduced by Italian Law no. 186/2014 under article 25-octies of Italian Legislative Decree no. 231/01, the analysis, in light of the strict compliance with the principles expressed in articles 2 and 3 of Italian Legislative Decree no. 231/01, with particular reference to the specificity of the presupposed cases, was conducted according to two profiles:

- by considering the crime of self-laundering as a way in which money, assets or other benefits derived from crimes that already constitute a prerequisite for the purposes of the Decree subject to mapping in the risk analysis exercise could be used, replaced or transferred, within the scope of the company’s economic or business operations. In concrete terms, the crime of self-laundering can be considered in this sense as an “instrumental” crime to the presupposed cases already identified in the mapping. According to this profile, the protocols for controlling the “source” crime of self-laundering, with exclusive reference to the categories of crime that fall within the list of presupposed cases pursuant to the Decree, are those established in the Special Section of the Model for each macro-category of crime;
- by considering, moreover, self-laundering with attention to the moment the crime itself is committed, with particular reference to the modal clause of the law that highlights, for the crime of self-laundering to be carried out, the need for conduct aimed at concretely hindering the identification of the criminal origin of the money, goods or other benefits which derive from the commission of any crime/offence punished with arrest for a maximum of one year and a minimum of six months (including, therefore, those not subject to mapping).

According to this profile, the analysis focused on the traceability of treasury and cash flows, these being the processes in which the creation of an actual obstacle to the identification of the criminal origin is concretely conceivable, with particular but not exclusive reference to flows related to non-ordinary transactions, such as mergers, acquisitions, sales of business units or branches, shareholder or intercompany loans, investments and asset and investment management.

For simplicity and in consideration of the uniformity of the relevant Sensitive Activities and the related specific Control Protocols, the crimes of employing illegally staying third-country nationals and crimes against the individual have been dealt with jointly in the same Special Section (i.e. Section Two, Special Section).

For simplicity and in consideration of the uniformity of the relevant Sensitive Activities and the related specific Control Protocols, crimes against industry and commerce and the crime of forgery of money, legal tender, revenue stamps and identification tools and marks have been treated together in the same section of the Special Section (i.e. Section Five, Special Section).

For simplicity and, in consideration of the uniformity of the relevant Sensitive Activities and the related specific Control Protocols, the crimes of receiving, laundering, use of money, goods or benefits of illicit origin, as well as self-laundering; Crimes committed by criminal organisations and transnational crimes, have been treated together in the same section of the Special Section (i.e. Section Eleven, Special Section).

With reference to the crimes relevant to Gpack, a series of Sensitive Activities have been identified, i.e. activities at risk within which a predicate crime may, potentially, be committed.

Sensitive Activities are mapped in the Special Section of this Model

## **RECIPIENTS**

This Model applies to:

- anyone who performs, even de facto, the management, administration, direction or control functions of the company or of one of its autonomous organisational units in Italy;
- employees of the company, even if posted abroad to perform an activity;
- anyone who collaborates with the company by virtue of a temporary, interim or para-subordinate employment relationship;
- anyone who, although not belonging to the company, operates in the name and on behalf of Gpack in the context of activities at risk of crime, within the limits specified below.

With reference to people who are not part of the company's staff, the following rules apply:

- if a third party operates in the name of or on behalf of or by representing Gpack in the context of the Sensitive Activities referred to in the Special Section of this Model, the Model's provisions for the Sensitive Activities managed apply to them, provided that the contracts governing relationships with such a party provide for specific clauses indicating clear responsibilities regarding non-compliance with this Model, as well as, if deemed appropriate, the obligation to comply with requests made by the company's Supervisory Body for information or for documents to be submitted;
- if a third party acts in the interests of Gpack in the context of the Sensitive Activities referred to in the Special Section of this Model, as they are bound to it by a contractual legal relationship or by another



agreement (such as, for example, a partner in a joint venture or a partner to realise or acquire a business project), the Model's provisions for the Sensitive Activities managed in the interests of Gpack apply to them provided that the contracts or agreements binding this party to the company provide for specific clauses indicating clear responsibilities regarding non-compliance with this Model, as well as, if deemed appropriate, the obligation to comply with requests made by the company's Supervisory Body for information or for documents to be submitted.

For the purposes of implementing the Model with respect to third parties, the company's management team and the Supervisory Body establish the types of legal relationships from which to require compliance with this Model in the light of:

- the nature of the activity carried out by the third party with respect to the Sensitive Activities and the prevention protocols identified in the following Special Section;
- the quantitative and qualitative importance of the activity carried out by the third party with respect to its possible role in the potential commission of a crime.

The Human Resources function, after consulting with the Supervisory Body, referred to in the following paragraph, determines the methods of communicating the Model to these parties.

The Model determines, in the following paragraphs, the "disciplinary system" and the sanctioning measures applicable to the third-party recipients of this Model in the event of ascertained breach of the provisions contained therein. Every party to whom the Model is addressed is required to promptly comply with all the Model's provisions, including the fulfilment of the duties of loyalty, correctness and diligence that arise from the legal relationships established with Gpack.

Gpack will not tolerate any behaviour that differs from, in addition to the law, the provisions laid out in the Model, even if behaviour is adopted in the interests of the company or with the intention of creating a benefit for it.

## **THE SUPERVISORY BODY**

### Appointment and composition

The task of monitoring the operation and observance of the Model and the updates to it is entrusted to an organisation within the Body itself with autonomous powers of initiative and control (article 6.1(b) of Italian Legislative Decree no. 231/2001), called the Supervisory Body. Gpack's Supervisory Body is appointed by the Board of Directors with a justified resolution and reports directly to this body.

The members of the Supervisory Body must ensure:

- autonomy, understood as freedom of initiative, decision and execution of functions;

- independence, understood as the absence of links, interests or forms of interference with corporate bodies or other corporate functions;
- professionalism, understood as a richness of tools and specialist technical knowledge (legal, accounting, corporate and organisational or internal control);
- continuity of action, understood as the body's ability to act quickly and to operate with diligent and constant commitment over time.

Every member of the Supervisory Body must meet the following eligibility requirements:

- they have not been convicted and have not negotiated the penalty for one of the crimes provided for by Italian Legislative Decree no. 231/2001;
- they have not declared themselves bankrupt and have not been declared bankrupt, and have not been sentenced to a penalty involving disqualification, even temporary, from holding public office or the incapacity to exercise managerial roles;
- they have no ties of kinship with any member of the Board of Directors or of the senior management team, nor are they connected to Gpack by economic interests such as to generate a situation of a conflict of interest that may affect their objectivity of judgement.

Any conflict of interest situation that might arise following the appointment of a member of the Supervisory Body will be assessed by the Board of Directors, after consulting the Board of Statutory Auditors. Gpack's Supervisory Body is constituted in a collegial form and consists of three members:

- Chairperson (external professional);
- External member (external professional);
- External member (external professional).

The Board of Directors appoints the Chairperson of the Supervisory Board and the external members, to whom the Supervisory Board may delegate specific functions.

In the event of a tied vote, the Chairperson's vote shall prevail. The Supervisory Body may adopt its own Regulations, which regulate the methods of carrying out its activities.

The members of the Supervisory Body remain in office until the expiry of the term of office of the Board of Directors that appointed them, except in cases of withdrawal, forfeiture or revocation of office, as specified below. Members may be re-elected.

Each member of the Supervisory Body may withdraw from office at any time by giving at least two months' notice, by means of a written and reasoned communication, to the Board of Directors.

In addition to withdrawal, the death or the supervening inability or impossibility to exercise their assignment will constitute causes of forfeiture of the assignment.

In the event of the withdrawal or forfeiture of one of the members of the Supervisory Body, the Board of Directors shall promptly replace that member or members.

A member of the Supervisory Body may be removed from office through a resolution of the Board of Directors and only in the presence of just cause.

Considered just causes are:

- loss of the eligibility requirements;
- failure to comply with the obligations relating to the assignment entrusted;
- lack of good faith and diligence in exercising the assignment;
- failure to collaborate with other members of the Supervisory Body;
- the unjustified absence of more than two meetings of the Supervisory Body or, in general, the impossibility of guaranteeing continuity of action;
- a breach of the obligation of confidentiality over information acquired in the course of carrying out their supervisory activities (including with reference to article 6, paragraph 2, letter e) of Italian Legislative Decree no. 231/2001).

In the presence of just cause, the Board of Directors may revoke the member who has become unsuitable, giving adequate reasons, and immediately replaces them.

The Supervisory Body meets at least quarterly and, in any case, in accordance with the resolutions it makes regarding its “operating regulations”.

For the purposes of a better understanding and the correct monitoring of the business context, the Supervisory Body may request the presence at its meetings, even on a permanent basis, of parties such as, by way of example,

- members of the Board of Statutory Auditors and the managers of those corporate functions related to control issues.

These individuals participate in the meetings exclusively as invited guests.

### Function

The Supervisory Body at Gpack is responsible for the following functions, which it exercises within the limits of the powers expressly conferred upon it and through the methods specifically described in this Model:

- to monitor, with continuity of action, observance of the Model by all its recipients; to monitor, with continuity of action, the effectiveness of the Model in relation to its ability to prevent, in an effective way, a crime, with relevance to Gpack, from being committed;

- to monitor, with continuity of action, the effective implementation of the principles and requirements laid out in the Model, in the company's procedures, operating practices and internal control system;
- to acquire information relating to breaches of the Model through the reporting system and the establishment of information flows with staff;
- to coordinate with other corporate bodies with supervisory powers;
- to initiate disciplinary proceedings for breaches of the Model;
- to monitor the update status of the Model and to push for its amendment when there are changes in the structure or organisation of the company or the regulatory framework of reference;
- to promote and/or develop, in agreement with the company functions responsible, information and internal communication programmes, with reference to the Model, to standards of conduct and to the procedures adopted pursuant to Italian Legislative Decree no. 231/2001.

#### Powers and duties

The Supervisory Body has autonomous powers of initiative and control, such as to allow it to exercise its functions effectively.

The Supervisory Body decides on its actions and initiatives without having to request authorisations from and without having to inform the Board of Directors or the company's management team in advance.

The Supervisory Body does not have, nor can it be attributed, even in substitution, management intervention powers relating to the performance of Gpack's operations.

The Supervisory Body, having the following powers of initiative and control, which it exercises in compliance with the law and the individual rights of workers and individuals concerned, may:

- access all company information concerning the Sensitive Activities listed in the Special Section of this Model;
- request information or documents, which are relevant to the activities at risk, from any member of staff or corporate body;
- summon Gpack personnel;
- convene the directors of Gpack through a written and reasoned request for information, clarification or documents to be submitted;
- convene the Board of Statutory Auditors and the auditing firm through a written and reasoned request for information, clarification or documents to be submitted;
- request information or documents to be submitted from parties not belonging to Gpack, provided that the obligation to comply with requests made by the Supervisory Body is expressly provided for in the contracts or mandates that bind the external party to the company;

- be periodically informed by the department managers through the information flows organised by the Supervisory Body itself;
- make use of, in the performance of its supervisory activities, the help and support of Gpack employees, giving adequate notice and in compliance with the individual rights of workers;
- make use of, using its own budget, external consultants for issues of particular complexity or that require specific skills, or to carry out an inspection activity;
- receive reports about breaches or suspected breaches of the Model, ascertain them and propose to the body or function holding the disciplinary power that sanctions be adopted in reference to the sanctions system provided for in this Model.

The Supervisory Body has autonomous spending power, within an annual budget approved by the Board of Directors. The annual budget is intended to be used in the performance of ordinary supervisory activities and, in particular, for inspection activities.

If, in the event of a report, there is a need to carry out urgent internal investigations or checks, the Supervisory Body may forward a request for additional funds to the Chairperson of Gpack's Board of Directors. Any refusal to the Supervisory Body's request must be justified in writing. The Supervisory Body, in pursuit of the purpose of monitoring the effective implementation of the Model adopted by the company, must comply with the following duties:

- to carry out or arrange to have carried out, under its direct supervision and responsibility, periodic inspection activities, occasionally even unannounced, the frequency of which is predetermined by the Supervisory Body itself in consideration of the various sectors of intervention;
- to subject the Model to periodic review and, if necessary, propose changes or updates to the Board of Directors;
- to inform the Board of Directors of any relevant facts or any urgent issues regarding the Model that may have emerged as part of its supervisory activity;
- to prepare, at least annually, a written report for the Board of Directors, having the minimum contents indicated in this Model;
- to ascertain the reports received;
- to engage a system of information flows, including through personal meetings, with the managers of company functions and with senior managers with executive powers;
- to document, in a timely way, all the activities carried out by it, the initiatives and measures adopted, as well as the information collected and the reports received, in order to guarantee the complete traceability of the interventions undertaken and the indications provided to the company functions concerned by the supervisory action.

### The Supervisory Body's information obligations

The Supervisory Body reports *exclusively* to the Board of Directors.

In urgent cases, it may report directly to Gpack's Chairperson as long as the entire Board of Directors is subsequently informed.

If the relevant facts relate to a breach of the Model from which harmful consequences may arise for Gpack, the Supervisory Body will also inform the Board of Statutory Auditors.

Without prejudice to mandatory communications to the Board of Directors and the obligations relating to the discovery and management of reports, the members of the Supervisory Body, as well as the parties of which the Body makes use in any capacity, are bound by the obligation of confidentiality over all information of which they become aware in the exercise of their functions or activities.

The Supervisory Body may be convened at any time by the Board of Directors or may, in turn, submit requests to this effect, to report on the operation of the Model or on specific situations.

The Board of Statutory Auditors has the right to convene the Supervisory Body, if necessary for the performance of its functions, to request information on the supervisory activities on the Model or to inform it about critical issues that may have emerged in the context of audit control.

The Supervisory Body is required to prepare, at least annually, a written report for the Board of Directors, containing at least the following information:

- the number and date of the meetings;
- the checks and inspections carried out with proof of the results and any issues that may have emerged. In the event of a critical issue, the Supervisory Body may propose appropriate corrective actions;
- any gaps or problems arising with regard to the operational procedures implementing the provisions of the Model, including, in particular: (i) a lack of procedures, (ii) inconsistency between the procedure and the operating practice, (iii) a lack of knowledge of the procedure by Gpack staff;
- any gaps or problems reported by department managers with reference to the effective implementation of the Model;
- any new activities for which the Model does not provide for preventive measures;
- a summary of the reports of breaches of Gpack's Code of Conduct or the Model deemed relevant and, therefore, ascertained, a summary of their results (if previously already communicated), the corrective actions implemented by the company or to be implemented in the future;
- the disciplinary procedures and any sanctions applied by the company with reference to the activities at risk as referred to in the following Special Section;
- an overall assessment of the functioning and effectiveness of the Model with proposals for additions, corrections or changes in form or content;

- any changes to the regulatory framework that require an update to the Model.

Since the company is not among the recipients, listed in articles 10 *et seq.*, of Italian Legislative Decree no. 231/2007 on anti-money laundering, the Supervisory Body is not subject to the reporting obligations provided for by article 52 of the same decree.

However, in the event that it becomes aware of, in the course of its activities, sensitive events with respect to the types of crime provided for in article 25-octies of Italian Legislative Decree no. 231/2001, the Supervisory Body is required to promptly assess the situation and take every action deemed appropriate (communications to the Board of Directors, initiation of the sanctions system, etc.).

This is without prejudice, in any case, to the strict application of the control protocols regarding receiving, laundering and use of money, goods or benefits of illicit origin, as well as self-laundering, as referred to in this Model.

#### Information obligations towards the Supervisory Board

Each Recipient of the Model is required to collaborate in the full and effective implementation of the crime prevention system adopted by Gpack, providing any necessary or useful information for the Body to perform its supervisory function.

The following information flows are mandatory:

- by all recipients of the Model:
  - “reports” of breaches of the Model, pursuant to the paragraph, “Whistleblowing and information duties”;
- by individuals who are occasionally requested to collaborate by the Supervisory Body: - the information requested from time to time by the Supervisory Body in the context of inspections or ordinary supervisory activities;
- by department managers, each for their own area of responsibility:
  - with a frequency predetermined by the Supervisory Body itself, through personal meetings or written requests or in the manner deemed most effective from time to time, the information flows shown below, by way of example but not limited to:
    - the organisation chart and its updates;
    - the attribution of new proxies or mandates, the revocation or amendment of existing ones;
    - the establishment of new proceedings and the status of proceedings already pending before a Judicial Authority for facts relating to the company’s operations;

- the measures and/or notifications from a competent authority (e.g. a police body), financial administration or any other supervisory authority, from which it can be inferred that investigations are being carried out, even against unknown persons, concerning the company's operations;
- the initiation and outcome of verification and control procedures of any kind carried out by a public supervisory authority or a public body (the Italian Revenue Agency, the Italian *Guardia di Finanza*, ARPA (Regional Environmental Protection Agency), ASL (Local Health Authority), Ministries, etc.);
- serious accidents at work, with a description of the event and, where possible, a reconstruction of what caused it.

➤ by the holder of the disciplinary power: disciplinary proceedings for breaches of Gpack's Code of Conduct or the Model.

## **WHISTLEBLOWING**

The Italian legal system, with Italian Law 179/2017, introduced so-called Whistleblowing into the framework of the discipline on the administrative liability of bodies, thus establishing the obligation to include this process in the organisation and management models.

The matter was recently taken up by Italian Legislative Decree no.24 of 10 March 2023 (hereinafter, also Italian Legislative Decree no. 24/2023), which came into effect on 30 March 2023, transposing the principles established by Community Directive no. 2019/1937 on the protection of persons who report alleged breaches, as indicated below.

From the combined provisions of article 1 and article 2 of Italian Legislative Decree no. 24/2023 it follows that the "Whistleblower" is the individual who reports or discloses a breach, or who files a report of a breach with a judicial or accounting authority, of a national or European Union regulatory provision that harms the public interest or the integrity of the public administration or a private body, of which they have become aware in a public or private work context.

The **Report** may be made by the following whistleblowers who have a legal or de facto relationship with Gpack (hereinafter, the "**Whistleblowers**"): employees, self-employed workers, including those operating under a collaborative relationship, freelancers, consultants, volunteers, trainees and interns, shareholders and people with administrative, management, control, supervisory or representative functions even if these functions are exercised on a purely de facto basis at Gpack.

Gpack guarantees, with the most suitable means, the protection of Whistleblowers beyond the mere employment relationship and extends this protection to situations brought to the interested party's knowledge



during the pre-contractual phase or during a recruitment or selection procedure. Protection also exists during any trial period and at the end of the employment relationship, when expired.

The subject of the Report (hereinafter, also “**Breaches**”) may be conduct, acts or omissions that, in the whistleblower’s opinion and in good faith, are detrimental to a public interest or a private interest and include:

- a breach of national regulations (hereinafter, “**National Breaches**”):
  - (i) administrative, accounting, civil or criminal offences; (ii) relevant unlawful conduct pursuant to the Decree; (iii) breaches of the Model and/or the Code of Ethics;
- a breach of European regulations (hereinafter, also “**European Breaches**”):
  - (i) crimes within the scope of the laws passed by the European Union relating to the following sectors: public procurement, services, products and financial markets and... money laundering and financing terrorism; product safety and compliance; security of ... , of the environment; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and protection of .... and security of networks and information systems;
  - (ii) acts or omissions that harm the Union’s financial interests;
  - (iii) acts or omissions affecting the internal market;
  - (iv) acts or conduct that defeat the objective or purpose of the provisions ... of the acts of the Union.

Gpack has provided for Reporting Channels (hereinafter, also the “**Channels**”) to be made available that guarantee the a Whistleblower’s anonymity and confidentiality, as well as those of the person responsible for the alleged breach and who, in any case, is named in the report. Gpack also guarantees the confidentiality of any documentation produced and the contents of them.

Gpack has entrusted the implementation of the Internal Reporting Channels to external parties of proven professionalism and with adequate autonomy and independence.

Gpack has made Internal Reporting Channels available, suitable to guarantee the following conditions:

- the security, integrity and confidentiality of the report regarding an alleged breach;
- a notice of the receipt of the report regarding an alleged breach sent to the respective Whistleblower in a time fashion.

Gpack has also implemented an independent, impartial and competent Whistleblowing Service to follow up on any report regarding an alleged breach.

Gpack has provided potential Whistleblowers with clear, easily accessible information on the procedures regarding a report regarding an alleged breach.

Specifically, Gpack has defined how reports will be managed by identifying and assessing: (i) the roles and responsibilities of the parties involved in various ways; (ii) the Channels to be used to make a report regarding

an alleged breach, (iii) the methods of receiving and analysing a report regarding an alleged breach, (iv) the methods of protecting Whistleblowers and any third parties related to them. To this end, Gpack has informed all potential Whistleblowers of the methods to make a report of a breach through clear, generalised information and a procedure called, *Reporting Suspected Breaches - Whistleblowing*, and attached forms (to be considered an integral part of the Model), distributed at the place where operations take place, through the intranet, and through the company's website. This information is provided when a person begins their employment relationship with the company.

Gpack has also informed potential Whistleblowers of the ability to make a report regarding an alleged breach through reporting channels other than the Internal Reporting Channels, under certain conditions, as defined by article 6 of Italian Legislative Decree no. 24/2023 and as a residual measure with respect to the use of the Internal Signalling Channels made available by Gpack.

Gpack prohibits any act of retaliation against a Whistleblower who made a report regarding an alleged breach. Pursuant to current legislation, retaliation means *“any conduct, act or omission, even if only attempted or threatened, carried out by reason of the report, or the complaint filed with a judicial or accounting authority, or the public disclosure and that causes or that may cause the person who made the report or the person who filed a complaint, whether directly or indirectly, unfair injury”*.

By way of example and not limited to, the following acts are considered retaliatory:

- a) Dismissal;
- b) Suspension, including of a disciplinary nature or similar measure;
- c) Failure to promote or demotion;
- d) A change of duties/work;
- e) A transfer;
- f) Modification to working hours;
- g) Ostracism and harassment;
- h) Discrimination and unfavourable treatment;
- i) Failure to renew a fixed-term contract or the early termination of one.

In order to promote a corporate culture based on respect for legality and transparency, the company ensures the widest dissemination of the Model and the effective knowledge of it by those who are required to comply with it. A copy of the Model - as well as a copy of any changes and updates to it - is delivered, in addition to

the Board of Directors and each member of the Supervisory Body, to each employee and each individual required to comply with the provisions in the Model.

A copy, in electronic format, is also posted on the company server in order to allow employees to access it easily, as well as being published on the company's website in order to make it available to every interested party.

Newly hired employees receive a copy of the Model prior to starting their job.

The adoption of the Model and its subsequent modifications and integrations will be brought to the attention of every party with whom the company has significant business relationships. Each year, the company will prepare a training programme for its employees and senior personnel in order to help them fully acquire the contents of the management model.

#### **A BREACH OF THE MODEL AND THE DISCIPLINARY SYSTEM**

Article 6, paragraph 2, letter e) and article 7, paragraph 4, letter b) of Italian Legislative Decree no. 231/01 establish, with reference to both those individuals in senior management positions and those subject to management, the necessary preparation of "a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model".

The effective implementation of the Model and the Code of Conduct cannot be separated from the preparation of an adequate sanctions system, which plays an essential role in the system of the Decree, constituting the protection of internal procedures.

In other words, the provision of an adequate system that is suitable for sanctioning breaches of the provisions and organisational procedures referred to in the Model is a qualifying element of the Model and an essential condition for its effective operation, application and compliance by all Recipients.

In this regard, it should be noted that the application of sanctions is independent of the actual commission of a crime and the possible initiation of criminal proceedings: the purpose of the sanctions provided for herein is, in fact, to deter any breach of the Model established for the purpose of preventing a criminal offence from being committed, promoting, in company staff and in all those who collaborate in any capacity with the company, the awareness of the company's intent to pursue any breach of the rules put in place to ensure the correct performance of the tasks and/or assignments assigned.

More precisely, failure to comply with the rules and provisions, contained in the Model and in the related procedures, damages, in itself, the relationship of trust with the company and may lead to sanctioning and disciplinary actions being taken regardless of the possible initiation or the outcome of criminal proceedings in those cases where the breach constitutes a crime. This is also in compliance with the principles of timeliness

and immediacy of the dispute (including of a disciplinary nature) and the imposition of sanctions, in compliance with the laws in effect on the subject.

Therefore, the disciplinary system applicable in the event of a breach of the Model is designed to ensure the Model's adoption and that the Supervisory Body's actions are both effective and efficient.

This Model's sanctions system is an autonomous system designed to reinforce compliance with and the effective implementation of the Model. Every recipient of the Model is also subject to the disciplinary system (for third parties, within the limits of the agreed obligations).

The Model constitutes a set of rules with which employees are expected to comply, including in accordance with the provisions of the respective national collective bargaining agreement concerning rules of conduct and disciplinary sanctions.

Compliance with the Model applies in the context of employment contracts of any type and nature whatsoever, including those with managers and those individuals working under a project, part-time, or collaboration contract falling within the so-called para-subordination regime. The sanctions system contained in this Model must be duly publicised by posting it in a place accessible and visible to Gpack personnel.

A fundamental requirement of any sanction is its proportionality to the breach detected, proportionality that must be assessed in accordance with three criteria:

1. the severity of the breach
2. the type of employment relationship established with the person involved (subordinate, para-subordinate, managerial, etc.), taking into account the specific regulations existing at the regulatory and contractual level
3. any recidivism.

For the purposes of complying with Italian Legislative Decree no. 231/2001, by way of example, the following constitute a breach of the Model (see examples of Disciplinary Infringements below):

- action or conduct that does not comply with the provisions of the Model, or the failure to act or behave as prescribed by the Model, in the performance of activities in which there is a risk that a crime might be committed (i.e. in the so-called Sensitive Processes) or activities related to them
- action or conduct that does not comply with the principles laid out in the Code of Ethics, or the failure to act or behave as prescribed by the Code of Ethics, in the performance of Sensitive Processes or activities related to them.

The sanctions that can be imposed for the various types of Recipient are given below.

**Measures and sanctions against employees**

Article 2104 of the Italian Civil Code, identifying the employee's duty of "obedience", requires the employee to observe, in the performance of their work, both the provisions of a legal nature and those of a contractual nature, issued by the employer, as well as by the latter's collaborators on whom they depend hierarchically.

Failure to comply with the procedures described in the Model adopted by the company pursuant to the Decree may lead to disciplinary sanctions being applied against Recipients. Sanctions will be applied in compliance with the procedures provided for by article 7 of Italian Law no. 300/1970.

If one or more breaches, as indicated in the previous paragraph, are ascertained, due to their seriousness and potential repetition, the following disciplinary measures may be imposed, on the basis of the applicable national collective bargaining agreement (*"employees of graphic and similar companies and publishing companies"*):

- verbal warning or written warning
- fine of up to three hours of normal pay
- suspension from work for up to three days
- dismissal with notice
- dismissal without notice.

The application of disciplinary sanctions will be done in compliance with the procedural rules referred to in article 7 of Italian Law no. 300/1970 and referred to in the applicable national collective bargaining agreement, according to the principle of proportionality (based on the seriousness of the breach and taking into account any recidivism).

Specifically, the type and extent of each of the sanctions referred to above will be applied, in relation to:

- how intentional the conduct is or the degree of negligence, imprudence or inexperience, including with regard to the
- predictability of the event with relevance to the obligations thus breached;
- the potential damage to the company and the possible application of the sanctions provided for by the Decree and any subsequent amendments or integrations;
- the level of hierarchical or technical responsibility of the party involved;
- the worker's tasks;
- whether responsibility is shared with other employees or any third parties in general who contributed to the breach;
- the individual's overall behaviour with particular regard to the existence or otherwise of previous disciplinary action, within the limits permitted by law;
- a breach of the company's internal rules, laws and regulations;

- any other particular circumstances that accompany the disciplinary breach.

In any case, the Supervisory Body will always be kept informed of the sanctions imposed and/or the breaches ascertained.

For the following misconduct (i.e. **Disciplinary Infringements**) committed by the employee, the following may be imposed: a verbal or written warning, in the case of the first offence; a fine in the event of recidivism; suspension in the event of recidivism of misconduct already punished with a fine in the previous six months.

By way of example and not limited to, the following conduct constitutes a Disciplinary Infringement:

- the commission of a predicate crime, as provided for by the Decree;
- the breach, including by omission and in possible conjunction with others, of the principles of conduct set out in the company's operating procedures that constitute the implementation of Gpack's Code of Conduct and the Model;
- the omission of the controls on Sensitive Activities or phases thereof provided for by Gpack's management team pursuant to the Special Section of this Model;
- a breach of the rules relating to developing and implementing decisions;
- a breach of a formally attributed mandate or proxy or powers of expenditure or powers of representation;
- the drafting, including in conjunction with others, of untruthful corporate documentation;
- allowing untruthful documentation to be drafted by others;
- the theft, destruction or alteration of documentation in order to evade the internal control system;
- conduct capable of hindering the Supervisory Body's controls, including making false statements in response to requests for information or failing to collaborate in the context of verification activities;
- any other conduct capable of circumventing the internal control system, as provided for by the Model, including hindering access to information and documentation by individuals in charge of controlling the company's procedures, the theft, destruction or alteration of documentation relating to procedures;
- the failure to report a criminal act of which one has direct knowledge.

The following constitute a serious breach:

- the commission, ascertained by a conviction, of a predicate crime under the Decree;
- the repetition of any of the disciplinary offences listed above.

A serious breach may lead to the application of the maximum disciplinary sanction established for each category of recipient. Any other types of breach will be assessed by the corporate function with disciplinary power, in light of the actual circumstances and the culpability of the perpetrator of the offence, for the purpose of applying a sanction that is proportionate and sufficiently dissuasive in nature.

**Measures against managers and directors**

If the breach concerns managers, the disciplinary system is applied in accordance with the law and the national collective bargaining agreement for Industry Managers and Executives.

If the breach is serious or repeated, dismissal for just cause may be ordered.

With the dispute, the revocation of any mandate or proxy entrusted to the interested party may be ordered.

This is without prejudice, in accordance and in compliance with the law and any applicable collective bargaining agreement, to any right of the company to compensation for damage caused to it by the manager, following the breach by them of both the procedures and the rules of conduct as provided for by the Decree.

The ascertainment of the aforementioned infringements, possibly through a notification by the Supervisory Body, the management of disciplinary proceedings, and the imposition of sanctions remain the responsibility of the designated departments.

Specifically, with regard to management personnel, in the event of a breach of the general principles of the organisational model or the company's procedures, the competent body for ascertaining infringements and applying sanctions is the Board of Directors or the person or body delegated by it. The Board (or the person or body delegated by it) will take the measures deemed appropriate and proportionate to the infringement committed, taking into account that an infringement constitutes a breach of the obligations and requirements arising from the employment relationship.

In the event of a breach of current legislation, or the failure to comply with the internal procedures as provided for by the Model or by the Code of Ethics, by a member of the Board of Directors, the Supervisory Body informs the entire Board of Directors and the Board of Statutory Auditors, which, with the exclusion of the director concerned, will take the appropriate measures, as provided for by current legislation, including, for example, convening a shareholders' meeting in order to adopt the most appropriate measures provided for by law and/or to revoke any powers that may have been conferred on the director.

For directors who committed a breach of the Model or the procedures established for its implementation, the Board of Directors, after consulting with the Board of Statutory Auditors, may apply the following sanctions, which are determined according to the seriousness of the breach and the fault, as well as the consequences that may have arisen for the company:

- a. in the event of a minor breach, a formal written warning;
- b. in the event of a serious breach, a pecuniary sanction equal to a maximum of five times the perpetrator's compensation, calculated on a monthly basis;
- c. in the event of a serious or repeated breach or a breach which led to harmful consequences for Gpack, the revocation, in whole or in part, of their mandate or proxy;

d. if the breach is such as to damage the trust of the company, the Board of Directors, including following a proposal made by the Board of Statutory Auditors, convenes the Shareholders' Meeting to remove the perpetrator from office.

In the event of a breach by a member of the Board of Statutory Auditors, the Supervisory Body must immediately notify the Board of Directors by means of a written report.

The Board of Directors arranges for the interested party or parties to be heard, inviting the Supervisory Body to participate. During the hearing, defensive arguments will be taken, which are followed by the assessments deemed appropriate. The Board of Directors, in the event of a serious breach, may propose that the Shareholders' Meeting remove the member(s) from the Board of Statutory Auditors. If the conduct of the member(s) of the Board or the conduct of the entire Board of Statutory Auditors damages the company's confidence in the reliability of the body, the meeting may remove and replace the entire Board.

In any case, this is without prejudice to the company's right to seek remedies for liability and compensation.

#### **Measures and sanctions against parties having contractual relationships with the company**

Should a supplier, collaborator, external consultant or partner in a contractual/business relationship with the company fail to comply with the Model adopted by the company pursuant to the Decree, this may lead to, in accordance with the provisions of the specific contractual relationship, the termination of the relevant contract, without prejudice to the company's right to claim compensation for damages incurred as a result of such conduct, including damage caused by a Judge applying a measure against the company, as provided for by Italian Legislative Decree no. 231/2001.

#### **THE RELATIONSHIP BETWEEN THE MODEL AND THE CODE OF ETHICS**

The Code of Ethics or Code of Conduct has been adopted by the company and is accessible via Gpack's website.

This Code represents a statement by the company of its values, as well as the rights, duties and responsibilities of Gpack with respect to every party with which it enters into a relationship in order to achieve its corporate purpose. It also lays out the reference standards and rules of conduct that are to guide the conduct, behaviour and activities of those who operate within the company, be they Directors, Statutory Auditors, employees or external collaborators. The adoption of these ethical principles is relevant for the purpose of preventing crimes pursuant to Italian Legislative Decree no. 231/2001 and is an essential element of the internal preventive control system.

The Organisational Model incorporates these principles and considers compliance with current laws and regulations an essential principle to be applied to the company's operations.



The Model presupposes compliance with the Code of Ethics, forming with it a corpus of internal rules aimed at disseminating a culture based on ethics and corporate transparency. The company's Code of Ethics, which is referred to in full herein, constitutes the essential basis of the Model and the provisions contained in the Model are integrated with the provisions in the Code.