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**MCPHERSON'S LIMITED – CODE OF CONDUCT POLICY**

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**May 2020**

# Code of Conduct Policy

## Policy Summary

- The Code of Conduct Policy promotes specific principles in conjunction with McPherson's Statement of Values and other Policies and Procedures, and provides guidance as to the standard of personal behaviour expected of all the McPherson's Limited Group of Companies, including its Directors, senior executives, employees, consultants and subcontractors.
- This **Code of Conduct** establishes the standards which we, as McPherson's, wish to uphold in the operation of our business.
- Most people act honestly and with integrity. However sometimes circumstances make it difficult to determine whether or not a particular action would be appropriate. The purpose of this Code of Conduct is to clearly set out McPherson's position.
- To be a world class consumer products company and by making life easier we must maintain a high standard of behaviour in our relationships with each other, with our customers and suppliers which will earn the trust and respect of all our stakeholders.

## 1. Scope

This Policy applies to McPherson's Ltd and its subsidiary and associated companies including Directors, senior executives, employees, and contractors, as well as agents such as temporary contractors or subcontractors engaged from time to time.

## 2. Policy Statement

McPherson's culture and reputation is moulded by the standards of behaviour and the personal and corporate integrity it receives from its team members.

This Code of Conduct is designed to:

- Identify the minimum standards of behaviour expected by McPherson's; and
- Identify how team members can find out more information about their obligations

Standards of Personal Behaviour: McPherson's Ltd is committed to maintaining the highest standards of professionalism, integrity and fairness in order to create a respectful, productive and safe workplace. The standards of behaviour are also extended to behaviour online through work-related and personal social media use that is connected with, in any way, their employment or association with McPherson's. Please refer to the Social Media Policy for further information in relation to online interactions and expected behaviour and or responsibilities.

Specifically, all Directors, senior executives, employees, consultants and subcontractors are expected to:

- Act in accordance with McPherson's Statement of Values
- Act honestly and with high standards of personal integrity
- Comply with all laws and regulations that apply to McPherson's and its operations
- Act ethically and responsibly
- Treat fellow staff members with respect and not engage in bullying, harassment or discrimination
- Deal with customers and suppliers fairly
- Disclose and deal appropriately with any conflicts between their personal interests and their duties as a Director, senior executive, employee or contractor

- Not take advantage of the property or information of the property or information of the entity or its customers for personal gain or to cause detriment to the entity or its customers;
- Not take advantage of their position or the opportunities arising therefrom for personal gain; and
- Report breaches of this Code of Conduct policy to the appropriate person or body within the organisation.

### **3. Related Policies and Legislation**

This Code of Conduct should be read and interpreted in conjunction with the following other Board and Company policies and legislation.

#### ***Policies:***

- Statement of Values
- Ethical and Responsible Business Conduct Policy
- Discrimination, Bullying and Harassment Policy
- Alcohol Policy
- Grievance Policy
- Recruitment and Selection Policy
- Managing Staff Performance Policy
- Termination Policy
- Social Media Policy
- Theft of Company or Clients Property including Credit Card Fraud Policy
- Workplace Health & Safety Policy
- Conflicts of Interest Policy
- Diversity and Inclusion Policy
- Securities Trading Policy
- Whistleblower Policy

#### ***Legislation:***

- Race Discrimination Act
- Sex Discrimination Act
- Age Discrimination Act
- Disability Discrimination and Other Human Rights Legislation Amendment
- Equal Opportunity for Women in the Workplace Act
- Modern Slavery Act 2018
- Fair Work Act 2009
- Applicable relevant modern award and Enterprise Agreement conditions
- Privacy and Personal Information Protection Act 1988
- Whistleblowers Protections Act 2001
- Protected Disclosures Act (NSW) 1994
- Work Health and Safety Act 2011

### **4. Guidance Notes and Considerations**

#### **Personal Conduct**

Standards of Personal Behavior: McPherson's is committed to maintaining the highest standards of professionalism, integrity and fairness in order to create a respectful, productive and safe workplace.

All team members should deal fairly and honestly with each other, and with McPherson's customers and suppliers. All such contact should be handled professionally, ethically, lawfully and courteously.

### **Conduct Outside Work Hours**

Some team members of McPherson's work outside the office. This can sometimes blur the line between work conduct and private conduct. All team members must always consider carefully whether their conduct outside work or outside work hours could adversely affect McPherson's. This includes considering whether their performance will be affected and whether any potential conflict of interest is created.

### **Business Records**

No team member is permitted to destroy business documents and records that are required by law to be maintained for a statutory period and these records must not be falsified or manipulated.

### **Company Assets**

McPherson's assets inclusive of goods, money, intellectual property or the services of other McPherson's team members or contractors must not, under any circumstances be used for personal gain. This includes:

- Transcription of computer software;
- Improper use of a McPherson's petrol card;
- Falsification of McPherson's expense accounts.

McPherson's property and stock is not to be removed from the business premises without authorisation.

Team members whilst in control of McPherson's assets, including cash, laptops, mobile phones and telecommunication devices are personally accountable for them and are to take all reasonable steps to adequately protect them.

### **Confidentiality of Information**

Unauthorised disclosure of Confidential Information including misuse of intellectual information is prohibited.

"Confidential Information" means all information relating to a McPherson's business obtained by team members in the course of their employment unless McPherson's has officially made the information public.

Confidential Information includes but is not limited to:

- Documents prepared for internal use no matter how it is generated or stored;
- Commercially sensitive documents relating to sales, purchases, products, trading terms, etc;
- Personnel records of team members;
- Documentation relating to McPherson's procedures, processes and systems; and
- Details obtained verbally whether in formal meetings or in general discussions.

### **Conflicts of Interest**

Team members must avoid situations and actions that may be, or create the appearance of being, in conflict with McPherson's overall objectives and principles.

Conflicts of interest exist when it is likely that a team member could be influenced by a personal interest in carrying out their duties. McPherson's team members have a conflict of interest if any decision they make influences or provides an improper gain or benefit to either themselves or a third party.

Any such situations involving a direct, indirect or potential conflict of interest between a team member and McPherson's should be avoided unless specifically agreed to in writing by the Managing Director.

Where team members believe that a conflict of interest could arise or could be perceived, they must immediately advise their Manager.

Whilst it is impossible to formulate a comprehensive list of guidelines in relation to conflict of interest, the principles that need to be considered in determining whether a conflict exists are:

- The capacity of the team member to influence the business relationship that McPherson's has or may have with a third party;
- The improper personal benefit that may be derived by a team member, friend, relative or third party through the exercise of that influence; and
- Whether the transaction is in any way fraudulent, corrupt or irregular.

Where considered serious and in breach of the team member's legal obligations to McPherson's, the team member may be required to relinquish the personal interest, or refrain from participating in the activity that is related to the conflict of interest, or transfer to another work area.

Team members who are required to deal with external suppliers of goods and services to McPherson's must avoid placing themselves in situations of potential conflict of interest.

This could arise where the team member with a current or potential suppliers business:

- Owns a shareholding;
- Has a financial interest;
- Participates in the business;
- Conducts any private business.

In such situations that interest must be declared to the team members' Manager. The team member must not take part in any discussions affecting the supplier, unless specifically directed to by McPherson's.

### **Workplace Diversity and Inclusion**

McPherson's recognises the value of diversity and inclusiveness in its workplace.

The Equal Employment Opportunity Policy and Diversity & Inclusion Policy are designed to support and encourage diversity. They prohibit conduct which discourages diversity (including discrimination, harassment, bullying and victimisation) and explains McPherson's expectations in relation to conduct which encourages diversity of all types.

### **Gifts and Entertainment**

Team members are required to use their discretion when offered gifts or favours by any stakeholders or other persons or organisations with an interest in the work McPherson's undertakes.

Team members must not solicit or accept gifts or benefits from anyone having or seeking business from McPherson's which could be seen as either an inducement or a reward that might make the team member feel obligated to the giver. Team members are not to accept any gifts or other personal benefits greater than \$100 in value, from McPherson's suppliers, without disclosing the receipt or amount with the CFO or Head of Human Resources. This excludes any product samples which need evaluation and testing on a personal basis.

Participation in business related functions, including acceptance of meals, with a supplier or customer is acceptable business practice. Care needs to be exercised to ensure these functions have a business objective and that their value and frequency are not excessive. The acceptance of meals or gifts during any tendering process should be avoided.

Team members should not obtain any loans or purchase any goods or services from any supplier or customer on terms which are more advantageous than what is normally available.

In the case of any doubt, clarification should be obtained from the CFO or Head of Human Resources.

### **Staff Orders**

McPherson's team members are entitled to discounted purchases for personal use. Purchases and gifts from the organisation are not for re-sale. Employees must not engage in any unethical or improper behaviour or practices for personal gain or profit.

### **Fringe Benefits Tax (FBT)**

Staff purchases are an employee benefit and classified as a fringe benefit as per the Australian Tax Office guidelines. Staff purchased as a fringe benefit attracts FBT tax should the amount be over \$3,000 per employee in any financial year.

Staff purchases totaling over \$3,000 per financial year would therefore result in an FBT liability for MCP. Staff purchase spending is monitored by the finance department to ensure the FBT cap for each employee will not exceeded in any financial year. Should an employee wish to place bulk staff orders which may exceed the \$3,000 cap then approval must be sought from the finance department before the order is placed.

### **Fraudulent Behaviour**

McPherson's team members must not engage in any unethical or improper behaviour or practices to obtain business or for personal gain.

In particular they must not:

- Engage directly in any bribery
- Be party to the bribery of public officials
- Establish 'slush funds' to facilitate bribery or other improper or questionable practices

Team members will be dismissed if they knowingly make or receive a bribe or inducement to or from any third party, even if such a transaction is to further the cause of McPherson's.

Any team member who believes they know of any fraud, corruption, irregular transactions or breach of ethics has a duty to raise that matter with his/her Manager, Head of Human Resources or the Managing Director which will be handled in strictest confidence.

If the employee or contractor believes reporting their concerns to their immediate manager or to anyone else within the McPherson's is inappropriate, the report may be made directly to the McPherson's External Whistleblower Service. Please refer to and follow the guidelines as set out in the Whistleblower Policy.

McPherson's will fully cooperate with any investigation by law enforcement authorities.

## 5. Implications

Directors, senior management, employees and contractors must comply with the Code of Conduct Policy at all times. If an employee is found to have breached the policy they may be subject to disciplinary action in accordance with the Disciplinary Policy and Procedure. The type and severity of the disciplinary action will depend upon the circumstances of the case and the seriousness of the breach. In serious cases, this may include a formal investigation to determine whether the breach can be substantiated and may include interviews with relevant individuals, employees and management including possible witnesses.

McPherson's will endeavour to obtain any other relevant facts concerning the breach, including examining evidence such as emails or CCTV footage, if available.

Examples of disciplinary action that may be taken include (but are not limited to):

- Counselling
- Transfer to another area within the organisation
- Formal warning
- Suspension
- Termination of employment or contract

Any breach of this policy is considered serious and may lead to disciplinary action, up to and including formal warning, demotion or termination of employment or contract.

All breaches of the policy must be reported to the Human Resources Manager.

All material breaches of the policy must be reported to the Board of Directors.

## 6. Responsibilities and Delegations

Board of Directors	Review and approve the policy annually Consider, and if required act on, all notified material breaches of the policy
Senior Executives	Approve all related documents associated with this policy Support all initiatives targeted to raise awareness of this policy Partake when required with internal reviews
Human Resources	Ensure access to policy for all staff members, contractors and subcontractors Ensure adequate training is provided for managers and supervisors for the policy's implementation Provide advice and support to managers and staff in relation to this policy Manage the internal review process for ensuring adherence to this policy Ensure the Board of Directors is informed of any material breaches of this Code of Conduct
Managers and Supervisors	Support all training and development initiatives targeted to raise awareness of this policy Follow the guidance, training and resources provided for the implementation of this policy Participate when required in internal reviews
Staff Members	Follow the guidance, training and resources provided for the implementation of this policy

## 7. Monitoring, Evaluation and Review

The Code of Conduct will be periodically reviewed to check that it is operating effectively and whether any changes are required to it.

- Human Resources, managers and supervisors will observe, monitor and review to ensure adherence to this policy at all times.
- Human Resources will review this policy every 2 years. The next review date is March 2021.
- The Board of Directors will review this policy annually. The next review date is May 2021.

## 8. Records Maintenance

- Grievance and Performance Management notes to be kept as a permanent record on staff personnel files.
- Personnel files are to be kept and maintained for the term of employment and for 7 years after employment.

## 9. Document Control

<b>Status</b>		Approved and Issued
<b>Approved By</b>		Board
<b>Effective Date</b>		27 May 2020
<b>Approval Date</b>		27 May 2020
<b>Policy Owner</b>		Human Resources
<b>Amendment History</b>		
<b>Version</b>	<b>Date</b>	<b>Author</b>
2020.1	May 2020	HR Director