



---

**MCPHERSONS LIMITED**

**ETHICAL AND RESPONSIBLE BUSINESS CONDUCT POLICY**

---

**May 2020**

# ETHICAL AND RESPONSIBLE BUSINESS CONDUCT POLICY

## Index

No.	Section	Page
1.	Policy Purpose and Scope	2
2.	Policy Requirements	2
2.1	* Compliance with Laws and Regulations	2
2.2	* Political Contributions and Donations	3
2.3	* Anti-Bribery Policy	3
2.4	* Anti-Corruption Policy	3
2.5	* Gifts and Entertainment	3
2.6	* Proper Accounting and Control	3
2.7	* Integrity of Information	4
2.8	* Company Resources and Personal Interest	4
2.9	* Computer and Information Technology (IT) System Usage	4
2.10	* Environmental Issues	5
3.	Ethical Behaviour and Reporting	5
4.	Responsibilities and Delegations	5
5.	Monitoring, Evaluation and Review	6
6.	Document Control	6

## 1. Policy Purpose and Scope

This policy emphasises the importance of all Directors, senior executives and employees maintaining the highest standards of ethical conduct in carrying on the business of the Company. It applies to all employees wherever they are located, and must be complied with at all times.

The principles of ethical standards and behaviour, which are set out in this policy, apply equally to all Directors of the Company as well as employees.

This policy should be read in conjunction with the Company's Statement of Values and Code of Conduct Policy.

## 2. Policy Requirements

### 2.1 Compliance with Laws and Regulations

Employees must at all times comply with the laws and regulations of every country and jurisdiction in which McPherson's operates or has any contractual association. The use of the funds or other assets of the Company or any other activity for unlawful or improper purposes is prohibited.

McPherson's businesses and employees will co-operate with any lawful request from government institutions seeking information concerning Company operations for tax, trade practices or other related purposes.

Sourcing of all products must occur in accordance with the requirements of the Company's product supplier and ethical sourcing policies, including compliance with the requirements of the Modern Slavery Act 2018.

## **2.2 Political Contributions and Donations**

Normally, political contributions or donations to a political party will not be made.

Any recommendation relating to a proposed political contribution or donation irrespective of whether it is cash or in the form of products or services provided should be referred initially to the Managing Director who will, if considered appropriate, make a recommendation to the Board of Directors for their consideration.

## **2.3 Relationships with Governments, Customers and Suppliers – Anti-Bribery Policy**

The relationship of the Company and all its employees with Government personnel, customers, suppliers and other persons with whom there is a contractual relationship should at all times be legal, ethical and on terms such that neither McPherson's integrity nor its reputation would be damaged if details of the relationship became a matter of public disclosure.

In this respect extraneous payments may not be made to or received from such persons, directly or indirectly, and regardless of the amount.

Specifically, the giving of bribes or other improper payments or benefits to public officials or any other parties are strictly prohibited.

Serious criminal and civil penalties may be incurred along with substantial reputational damage being done if the Company or anyone representing it is involved in bribery or corruption.

## **2.4 Commissions, Fees and Similar Payments – Anti-Corruption Policy**

If commissions, consultants' fees, retainers and similar payments are required to be made and can be commercially justified in the normal course of business, the sums paid shall be clearly related to and commensurate with the services to be performed. No payment that is not so related, or that could be seen to be an improper inducement, shall be made.

Specifically, the payment of secret commissions to those acting in an agency or fiduciary capacity or other corrupt behaviour of any kind are strictly prohibited.

## **2.5 Gifts and Entertainment**

No gifts should be made or received if they are of material value; and no entertainment or hospitality should be extended or received if it could be considered to be excessive or extravagant, in each case having regard to all relevant circumstances.

The amount expended on such gifts or entertainment must be appropriately authorised in advance and be properly entered in the accounting records of the McPherson's business concerned.

## **2.6 Proper Accounting and Control**

Compliance with accepted accounting standards and prescribed controls, systems and rules is required at all times. All businesses must maintain a system of internal control sufficiently robust to provide reasonable assurance that management are adequately controlling the operations for which they are responsible. All accounts

must accurately reflect and properly describe the transactions they record and all assets, liabilities, revenues and expenses must be properly recorded in the books of the appropriate business or entity. McPherson's Policies and Procedures on these matters are to be adhered to at all times.

In particular, it is required that:-

- No secret or unrecorded fund of money or other assets shall be established or maintained for any purpose;
- No false or misleading entries shall be made in the books or records of the Company for any reason and no employee shall assist in any arrangement that results in any such entry; and
- No payment or expenditure shall be made or approved without adequate supporting documentation, or made with the intention or understanding that any part of such payment or expenditure is to be used, directly or indirectly, for any purpose other than that expressly described by the supporting documentation.

## **2.7 Integrity of Information**

Technical and other product information will be provided as accurately as possible in order to properly guide employees, customers and consumers in the composition and use of the Company's products. No false or misleading technical or other product data shall knowingly be recorded or used by any employee.

## **2.8 Company Resources and Personal Interest**

The Company has valuable resources both in the form of tangible assets such as materials, inventory, equipment and cash, and intangible assets such as computer programs, trade secrets, confidential information and intellectual property. These resources may not be used for personal gain nor otherwise than for the advancement of the business and objectives of McPherson's.

## **2.9 Computer and Information Technology (IT) System Usage**

The Company provides its computer network and IT systems for the purpose of operating McPherson's business, and as a business tool for use by employees in the performance of their employment functions.

McPherson's has a detailed internal policy regarding IT system, personal computer, internet and email usage called the Information Technology Acceptable Use Policy. Compliance with the policy is mandatory and applies to all users of the IT system both while in the workplace and any other place while performing work for the Group, including access to the IT system through a remote facility.

The internal policy includes the following specific matters:

- General use and ownership;
- Security and protection of proprietary information, including unauthorised access, password protection and security of portable devices;
- System and network activities, including management of malicious programmes (viruses), hacking prevention and cyber-security management;
- Email usage and communication activities; and
- Social networks

Personal use of computers, programmes or the IT system is generally not authorised, and all employees must maintain the highest standards of ethical conduct in relation to internet usage and email communication. Inappropriate use of the Company's

network resources is prohibited and includes the following:

- Transmitting emails that are private, defamatory, discriminatory, obscene, abusive, unlawful or otherwise inappropriate;
- Transmitting emails that constitute sexual harassment or stalking;
- Accessing any internet sites that contain sexually explicit or extremist material; and
- Downloading, copying or transmitting to third parties the work of others without the authority of the copyright owner.

Any employee found to have violated the policy may be subject to disciplinary action including termination of employment and possible legal action, to the extent that is allowed by law.

### **2.10 Environmental Issues**

Reference should be made to the Company's separate Environmental Policy. That policy requires all business units to operate in a manner that complies with all applicable environmental laws and regulations, and requires that environmental issues are an integral part of the management process. Regular reporting of environmental matters is required and the reports considered by Directors at Board meetings.

### **3.0 Ethical Behaviour and Reporting**

Ethical behaviour is always a matter of spirit and intent characterised by the qualities of truthfulness, and freedom from deception and fraud. Conduct exhibiting these qualities is expected of all McPherson's businesses employees. Ultimately, it will be a case of an individual's own good judgement in any given instance. If there is a situation which poses or potentially poses difficulties, employees should always seek counsel and managers should always be available to give consideration and advice on ethical behaviour generally.

All employees are encouraged to raise for consideration any matter of conduct that causes them concern, no matter how small or insignificant it may seem to be. Any matters of concern should be referred to the individual's manager or to the Human Resources Director in the first instance. Reference should also be made to the Company's Whistleblower Policy.

All actual or suspected breaches of the Ethical and Responsible Business Conduct Policy must be promptly reported to the Human Resources Director.

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

### **4.0 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	Support all initiatives targeted to raise awareness of this policy
Human Resources	Ensure access to policy for all staff members Ensure adequate training is provided for managers and supervisors for the policy's implementation, including how to recognise bribery and corruption and deal with it 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 Ethics and Responsible Business Conduct Policy
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
Staff Members	Follow the guidance, training and resources provided for the implementation of this policy

## 5.0 Monitoring, Evaluation and Review

This policy 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.

## 6.0 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>	Company Secretary	
<b>Amendment History</b>		
<b>Version</b>	<b>Date</b>	<b>Author</b>
2020.1	May 2020	Company Secretary