



McPHERSON'S  
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# McPherson's Limited Ethical and Responsible Business Conduct Policy

February 2024

## TABLE OF CONTENTS

1.	PURPOSE AND SCOPE .....	2
2.	POLICY REQUIREMENTS .....	2
2.1	Compliance with Laws and Regulations .....	2
2.2	Political Contributions and Donations .....	2
2.3	Relationships with governments, customers and suppliers .....	2
2.4	Commissions, fees and similar payments.....	3
2.5	Hospitality, gifts and entertainment .....	3
2.6	Proper accounting and control .....	3
2.7	Integrity of Information .....	3
2.8	Company resources and personal interest.....	4
2.9	Computer and Information Technology (IT) system usage .....	4
2.10	Environmental, Social and Governance (ESG) issues.....	5
3.	ETHICAL BEHAVIOUR AND REPORTING .....	5
4.	REVIEW .....	5
5.	PUBLICATION .....	5
6.	DOCUMENT CONTROL .....	5

# Ethical and Responsible Business Conduct Policy

## 1. PURPOSE AND SCOPE

- (a) This policy sets out the importance of all McPherson's non-executive directors, senior executives, employees and contractors (including sub-contractors) maintaining the highest standards of ethical and responsible business conduct in carrying on McPherson's business.
- (b) This policy applies to all non-executive directors, senior executives, employees and contractors (including sub-contractors) of every McPherson's entity wherever they are located and must be complied with at all times. A reference to "employees" includes a reference to non-executive directors for the purposes of this policy.
- (c) This policy should be read in conjunction with the Company's Statement of Values and Code of Conduct Policy.
- (d) The Board of Directors of McPherson's Limited (**Company**) has approved this policy.

## 2. POLICY REQUIREMENTS

### 2.1 Compliance with Laws and Regulations

- (a) Employees must, at all times, comply with all relevant laws and regulations in every jurisdiction in which a McPherson's entity operates.
- (b) The use of the funds or other assets of the Company or any other activity for unlawful or improper purposes is prohibited.
- (c) McPherson's businesses and employees will co-operate with any lawful request from governmental authorities, who lawfully and for proper purposes, seeks information concerning Company operations.
- (d) 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* (Cth).

### 2.2 Political Contributions and Donations

- (a) Political contributions or donations to a political party or to a candidate for public office will not be made, unless otherwise approved by the McPherson's Board of Directors.
- (b) 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 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

- (a) The relationship of McPherson's 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 compromised or damaged.
- (b) In this respect extraneous or gratuitous payments must not be made to or received from such persons, directly or indirectly, regardless of the amount.
- (c) Specifically, the giving or receiving of bribes or other improper payments or benefits to or from public officials or any other parties are strictly prohibited.

- (d) Serious criminal and civil penalties may apply along with substantial reputational damage to McPherson's if it or anyone representing it is involved in bribery or corruption.

#### **2.4 Commissions, fees and similar payments**

- (a) If commissions, fees and similar payments are required to be made under a contract and can be commercially justified in the normal course of business, the sums paid must be clearly related to and commensurate with the services to be performed. No commissions, fees and similar payments can be made if they are, or could be perceived to be, an improper payment or inducement.
- (b) 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 Hospitality, gifts and entertainment**

- (a) No hospitality, gifts or entertainment should be made or received if they are intended to be an offer, payment or provision of a benefit to someone to influence the performance of a person's duty and/or to encourage misuse of their authority.
- (b) No hospitality or entertainment should be extended or received if it is or could be considered to be excessive or extravagant, in each case having regard to all relevant circumstances.
- (c) The amount expended on such hospitality, 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**

- (a) Compliance with accepted accounting standards and prescribed controls, systems and rules is required at all times.
- (b) 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.
- (c) In particular, it is required that:
  - (i) No secret or unrecorded fund of money or other assets shall be established or maintained for any purpose;
  - (ii) 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
  - (iii) 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 McPherson's consumer products. No false or misleading technical or other product data should knowingly be recorded or used by any employee.

## **2.8 Company resources and personal interest**

- (a) McPherson's 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.
- (b) These resources may not be used for personal or personal commercial gain nor otherwise than for the advancement of the business and objectives of McPherson's.

## **2.9 Computer and Information Technology (IT) system usage**

- (a) McPherson's provides its computer network and IT systems to employees for the purpose of operating McPherson's business, and as a business tool for use by employees in the performance of their employment functions.
- (b) McPherson's has a detailed internal policies regarding IT system, personal computer, internet, generative artificial intelligence and email usage. Compliance with these policies is mandatory and they apply to all users of the IT system both while in a McPherson's workplace and any other place while performing work for a McPherson's entity, including access to the IT system through a remote facility.
- (c) McPherson's policies include the following specific matters:
  - (i) general use and ownership;
  - (ii) security and protection of proprietary information, including unauthorised access, password protection and security of portable devices;
  - (iii) system and network activities, including management of malicious programmes (viruses), hacking prevention and cyber-security management;
  - (iv) email usage and communication activities; and
  - (v) social networks.
- (d) Personal use of computers, programs 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 IT network resources is prohibited and includes the following:
  - (i) transmitting emails that are private, defamatory, discriminatory, harassing, obscene, sexually explicit, abusive, unlawful or otherwise inappropriate;
  - (ii) transmitting emails that constitute bullying, harassment of any kind or stalking;
  - (iii) accessing any internet sites that contain sexually explicit, unlawful, hate or extremist material or images; and
  - (iv) downloading, copying or transmitting to third parties the work of others without the authority of the copyright owner.
- (e) Any employee found to have violated McPherson's IT policies 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, Social and Governance (ESG) issues

McPherson's seeks to operate in a manner that complies with all applicable environmental laws and regulations. Management reports on ESG matters relevant to McPherson's operations on a regular basis to the McPherson's Board of Directors.

## 3. ETHICAL BEHAVIOUR AND REPORTING

- (a) All employees are encouraged to raise and report through the Company's whistleblower hotline any unethical or illegal behaviour or conduct, no matter how small or insignificant it may seem to be. Reference should be made to the Company's Whistleblower Policy where employees may make anonymous concerns via a whistleblower hotline that is externally managed. McPherson's will not retaliate and will not tolerate any retaliation from supervisors or managers, against any employee who raises any concerns via the whistleblower hotline or otherwise.
- (b) All actual or suspected breaches of this policy should be reported to any executive leadership team member and may also be reported via the whistleblower hotline.
- (c) All material breaches of the policy (and all logged whistleblower concerns) will be brought to the attention of the Board of Directors.

## 4. REVIEW

The matters reserved for the Board will be reviewed regularly by the Board having regard to the changing circumstances of the Group.

## 5. PUBLICATION

This document will be published in the Investor Centre / Corporate Governance section of the Company's website [www.mcphersons.com.au](http://www.mcphersons.com.au). A copy will also be made available on request.

## 6. DOCUMENT CONTROL

Version	Description	Date
1	Document Creation	May 2020
2	Annual Review	June 2021
3	Annual Review	June 2022
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