

Bounty Brands Code of Ethics

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Policy Statement

The proposed models, sections and principles for a Bounty Brands Code of Ethics is drawn from:

- The Ethics Institute of South Africa
- The King Report, the 3rd report
- SRI Index
- JSE information
- Examples
- Business experience

A Code of Ethics is a strategic framework and a practical document of principles that guides business practice, individual behaviour, and forms part of the sustainability reporting of the company. There are many facets to ethics in any business. How these are managed and reported on is a strategic consideration and a business choice. The publishing and communication of a Code of Ethics should lead to the Code being widely known and understood. The Code of Ethics can inform the practices and reporting of internal and external auditors.

This drafted Code of Ethics does not include information from Sarbanes-Oxley or any ethics or governance legislation, or money laundering legislation that pertains to Europe, the UK, and elsewhere.

The 'Code of Ethics for Employers' has relevance to those Bounty Brands company's operating in Europe. It was published by the European Union, Economic and Social Committee: Employers Group in 2012.

Lessons from the King Report

It is the responsibility of the Directors and management to improve the economic value of the company as the company is "integral to society, particularly as a creator of wealth and employment" (King Report page 9).

It is their legal duty to '**act in good faith**' in the '**best interests of the company**' in all respects.

The Directors and management must discharge their legal duties through:

- **Duty of care**, skill and diligence; and
- Fiduciary duties

Good governance is essentially about (in synopsis):

- **Effective Leadership** - define strategy, provide direction and establish the ethics and values
- **Sustainability** – the sustenance of the company within the complex relationships of society, economy, politics and so on
- **Innovation, fairness and collaboration** – to sustain the business in a complex environment with a multitude of demands and change requirements
- **Transformation and sustainability** – means aligning business practice with the transforming trends and requirements of broader society

Elements of the Code of Ethics Model

The Code of Ethics Model



Management Commitment

The governance approach adopted by the Board and Executive management will set the tone for the level of support for ethical practices in the Bounty Brands group. The same approach will establish the business standards through policies, management practices and reporting standards adopted within the company. It will also dictate the level of tolerance, if any, for non-ethical practices e.g. legal compliance or issues of moral conviction (culture, treatment of people, service to customers and so on).



The level of management ethical conviction will be overseen by the Board and the Board sub-committees and implemented by the company's management team.

Governance Structures

The Bounty Brands Board and its sub-committees will make decisions and create governance structures that reinforce the code of ethics. These are:

- The Board of Directors
- The Audit committee
- The Ethics committee
- The Risk committee
- The Remuneration committee

The Terms of Reference of each Board sub-committee set out the governance approach, decision making and reporting standard of each committee. A matter as simple as declaring and taking minutes of 'conflicts of interest' at each meeting is an ethical consideration.

Legal Requirements

Bounty Brands endeavours to ensure legal compliance across the Group. Business practices will be established to stay abreast of relevant legislation that impacts on the company and to respond appropriately.

Governance

Bounty Brands ascribes to the governance principles set out in the King Report as adopted by the JSE. The company will adopt the **"adopt or explain"** principle of compliance and reporting contained in the King 3 Report. Following its listing, Bounty Brands aims to publish a "Sustainability Report" with each set of Annual Financial Statements which will be accessible to stakeholders.

Ethics Management

1. Risk Assessment

Periodically an assessment of business & ethical risks should be conducted to highlight the areas of risk in the group, and where management attention needs to be placed. This may be in the finance, people, information technology or other areas of the business

The review of certain practices in the company provides information on ethical risks, for example:

- Cases of fraud where charges have been laid
- Dismissals
- Disciplinary hearings
- Adverse events

- Statutory compliance
- Reports from the ethics hotline
- Employee perception surveys

2. Policies

All policies, where applicable, should align the policy standard and requirements with the Code of Ethics, or cross reference the policy to the Code of Ethics.

3. Management Review

An ethics review is completed annually and is reviewed by the Ethics Committee, who review the various elements of the ethics strategy.

4. Ethics Reporting

In management reports, most notably the 'Sustainability Report', the key ethics measures are reported.

Ethics Culture

1. Communication

Through various communication approaches and techniques the Code of Ethics is made known to all Bounty Brands employees. The link and cross referencing of policies to the Code of Ethics provides further communication with managers and employees reading or applying company policies. Annual reporting highlights the importance of ethics within the business

2. Management Focus

Management actions against poor ethical practice, theft, fraud and the like will articulate most powerfully the nature of the ethical behaviour expected of people in the group.

3. Ethics Hotline

Advertising and actively managing an independent and anonymous Ethics Hotline where employees can raise incidents of unethical practice will reinforce management's commitment to ethical practice, and provides a practical way of managing ethics in the company. Bounty Brands aims to install this closer to listing.

4. Corporate Social Responsibility

CSI is an element of long term sustainability. It is a vehicle for the company to practically show its ethical considerations to the communities which surround the company or charitable organisations which may benefit from company contributions.



Ethics Principles

The ethics principles are clustered into key business areas such as:

- Legal and governance aspects
- Customers
- Products
- Procurement
- People management
- Media interactions
- Financial governance & practices
- The environment
- Reporting
- Competition

Legally Compliant Business Practices

Bounty Brands and its subsidiaries will conduct its business affairs in a fair, reasonable and legal business manner with shareholders, business partners, suppliers and customers. Bounty Brands will always endeavour to comply with all relevant legislation and will rectify any non-compliance if this is identified. Directors and management will manage the company with a duty of care, with skill and diligence with due cognisance of their fiduciary duties.

The King Report

Bounty Brands will be mindful of the King Reports recommendations when applying governance standards within the company through the Board of Directors and the Board sub-committees, as well as subsidiary company's Executive and operational committees.

Customer Centred Business Practice

Bounty Brands will strive for high levels of customer satisfaction through sound service levels, safe products, and products of a good quality. Products that do not meet the standard promised to customers will require that the company's return and refund policy will be applied. The return and refund policy will be a fair and reasonable exchange and at least commensurate with comparable practice in the industry.

Service quality evaluation (efficiency, accuracy, speed, sound attitude) is encouraged within each group company on a regular basis to ensure appropriate service feedback that leads to continuous service improvement. A customer feedback mechanism is provided by each group company and complaints and incidents recorded and remedial action taken.

Correspondence with customers will be written with decorum and in a considered manner.



Media Engagement

The company will be open to reasonable engagement with the media provided it is given reasonable notice of such an engagement. All media engagement will be conducted through the Chief Executive Officer or to an officer of the company to whom this role has been delegated to in writing.

The company will engage on certain social media platforms in a respectful and courteous manner, avoiding conflict but reserving its legal rights to defend its and its people's integrity. The language used in communications will be as simple as realistically possible and free from jargon.

All social media interactions and publishing of information will be managed through the Bounty Brands Marketing function. The media schedule, events, and business publications will be managed through the Bounty Brands Marketing function.

Adverse events, whether individual complaints or broader complaints or news stories, that involve any Bounty Brands company in any way will be managed through the Marketing Executive or the Chief Executive Officer. Media comments (including social media) by any person including an employee that affect the company's reputation or any of its managers and employees will be treated in the most serious light.

Ethical Financial & other Contributions

Bounty Brands, as part of its corporate social responsibility, will make a contribution either financially or through company resources to charities and needy causes. The nature and amount of the contribution, the choice of recipients or partners, and the nature of the relationship will be governed through the Ethics Committee.

Bounty Brands will not make a contribution to a charity where a senior manager or executive or their family have direct involvement unless specifically approved by the CEO (for donations <R15 000) or the Bounty Brands Board of Directors (for donations >R15 000).

Donations of products or stock to a charity or organisation must follow a governance process before the donation is made. The process governing the donations of products or stock to a charity or organisation must ensure the safety of the donation, particularly food items.

Bounty Brands will make no contributions to political parties or Government agencies and departments.



Conflict of interest

Directors, managers and relevant parties will disclose any conflicts of interest when dealing in the equity of the company, important information, or where issues of conflict of interest may arise in a formal company meeting.

Environmental Care

Bounty Brands is committed to caring for the environment through:

- Minimising wasteful use of water;
- Minimising the use of electricity;
- Minimising the wasteful use of paper (e.g. unnecessary printing);
- Minimising the wasteful use or unnecessary use of fuel;
- Ensuring the most fuel efficient routing and equipment (including vehicles) is used;
- Ensuring fuel emissions are reviewed and reduced where possible;
- Utilising environmentally friendly packaging;
- Appropriately disposing of expired products;
- Appropriately disposing of items or fluids that may create pollution and be environmentally harmful or damaging;
- Recycling office, warehouse or factory, paper, plastic, glass and other waste.

Ethical People Management Practices

All people within the Bounty Brands group will be treated equitably and fairly without discrimination (this applies to permanent, temporary, casual or employees provided through a labour broker).

The company acknowledges the right of association; respects and promotes human rights; and respects cultural practices as far as is reasonable to do so. The company will not tolerate intolerance, violence, harassment of any kind, bullying or coercion.

The company will endeavour to prevent its employees or customers coming into harm's way by protecting them from the potential violence of protests, riots, violent strikes or similar events. The company will provide safety clothing and equipment, as well as training, to insure as far as is reasonably possible that injuries on duty do not occur and that harmful substances and gasses are managed effectively to eliminate health risks.

Disabled people are catered for by the company (including visitors) to ensure adequate access to company facilities and amenities.

The company will formally endeavour to develop and encourage the progress of previously disadvantaged people within the group.



Ethical Employment

To minimise the risk of perceptions of nepotism and real conflicts of interest in the company, the employment of family members is discouraged. Where there may be a direct reporting relationship the employment of family members is disallowed.

All potential employees through any recruitment process will be treated fairly and equitably, with correspondence and communications conducted in an appropriate manner.

All employees and potential employees who are asked to undergo psychometric evaluations are entitled to feedback on the evaluation.

Potential employees will not be discriminated against based on their health status. The criteria is whether they can perform in the envisaged role.

Ethical Employees

The Code of Ethics will be communicated to each employee in due course, who will sign that they have read the policy or been informed of the policy through labour or other structures.

The Bounty Brands employees are expected to act and engage with peers, managers, suppliers and customers with honesty, respect and appropriate manner in language, tenor, timeliness and appearance. All company assets are to be treated with due care and all people are to be treated with due respect.

Employees who identify unethical practices may raise them anonymously through the Ethics Hotline (once established) or personally with management, or through the grievance procedure.

Confidentiality

Bounty Brands will make every effort to ensure the confidentiality of information in its possession. The company will comply with the Protection of Personal Information Act in ensuring the confidentiality of employee, supplier and customer information. The company will endeavour to secure business and personal information from external interference and 'hacking'.

Anti-competitive practices

Bounty Brands company's must avoid any actions or practices that can be considered anti-competitive.



Money Laundering

Bounty Brands will act decisively on any perceived or real money laundering or abusive money and financial management.

Receipt of Gifts and Benefits

Bounty Brands discourages the receipt of gifts from customers and suppliers as the equity and intentions are difficult to manage. Gifts or invitations to events should be limited in value and must be consumed within a reasonable time from receipt. No holidays, overnight stays or similar gifts are permitted.

Gifts, invitations to entertainment and non-company specific events offered to suppliers and clients is to be kept to a minimum and must be sanctioned by each company Managing Director. Such gifts or events must be of a reasonable value and time frame. The fairness and appropriateness of such gifts and events should not be able to be called into question.

It is the intention that once listed, Bounty will maintain a transparency register where all material gifts, entertainment events or any supplier or customer provided benefit is listed. The transparency register is reviewed by each company Finance Director and signed by the Managing Director twice a year.

Employee benefits and entitlements that are conferred on specific individuals outside of their normal benefits are discouraged as they create a real or perceived preferential treatment. These entitlements include: vouchers, car usage, travel, utilisation of company resources and so on.

Management of Equity portfolios

Closed periods within the company will be strictly observed. Transparent and appropriate management of executive and senior management equity holdings in Bounty Brands is an important governance priority and must be managed transparently. The CEO and Financial Director's remuneration information and equity holdings in Bounty Brands or associated companies will be included in the Annual Report.

Ethics Hotline

Once listed, Bounty Brands will establish an ethics hotline outsourced to a reputable third party, where anonymity is guaranteed. The company will ensure the protection of any whistle-blower who raises and ethical questions or consideration. All ethical matters raised will be investigated and appropriate remedial action taken.



Directors and Officers cover

Bounty Brands will ensure that the Directors, Executive and relevant managers are provided with Directors and Officers insurance cover.

Ethical Business Practices & Procurement

Bounty Brands will not permit payments to be made to suppliers, customers, agents or business partners of any kind where the payment could be perceived as a bribe or a facilitation payment to procure products, markets, business access or a business transaction.

Bounty Brands ensures that the products it procures and sells are ethically produced. The company evaluates all the products to ensure that the manufacturing has been conducted in an internationally accepted manner.

The company will ensure that no exploitation of people, or child labour, has been utilised in producing the raw materials, the manufacturing of the product or the distribution process.

Transparency and communication

Bounty Brands will report regularly to stakeholders. The company will be transparent and honest in setting out strategic, financial and other important business information. The company will disclose relevant remuneration information of Directors in the Annual Report. The company will communicate important and material adverse events or trading conditions and actions being undertaken to mitigate them.

Company communications will adopt the principal of 'adopt or explain' in making decisions in the best interests of the company.

Bounty Brands is in the process of establishing its BBBEE strategy and will publish its BBBEE scorecard each year once one has been attained.

Ethics audit and review

To ensure transparency and meet accepted best practices of listed companies, the Ethics Code, reporting and implementation will be reviewed as part of any internal audit processes, and reviewed by external auditors as part of their audit.

The Ethics Review cycle

