



PZ Cussons – Code of Conduct Document

May - 2019

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Introduction

PZ Cussons is committed to high standards of integrity and sustainability. We believe passionately in Doing Good Business – it is a key part of our culture and who we are. We aim to make a positive impact on society through the products that we sell, the way in which our products are designed, manufactured and packaged, and through the contributions we make to the communities in which we operate.

Our guiding CSV (Create Sustainable Value) principles are set out in our 'Doing Good Business' statement and are based on 4 key areas where we have identified our operations could potentially have the biggest (positive or negative) impact.

- ▶ Business Governance and Ethics
- ▶ Sourcing
- ▶ Environment
- ▶ Community & Charity

The statement relates to all our Group's global operations, and its policies and principles apply to every director, manager and employee, whom we encourage and motivate to use these principles in their day to day working lives.

We believe that by engendering a Good4Business (G4B) culture and by demonstrating how G4B works in practice, the Group provides a corporate environment to pursue opportunities and to be involved in activities which have a positive impact on society and the environment.

The document represents our commitment to conduct business with integrity, dignity, transparency and respect for universal human rights and labour laws throughout our operations across all locations. PZ Cussons adopts a 'zero tolerance' policy when it comes to unethical business behaviour, including bribery, corruption, and forced and child labour. We expect all our suppliers to adhere to similar standards and aim to improve the standard of lives of workers, their commitments, choices and the environment consistently.

This policy highlights the framework through which we plan to achieve and approach towards achieving a transparent, traceable, responsible and ethical sourcing strategy.

A supplier must comply with all applicable laws and regulations (local and/or international), and the requirements set out in this document.

Process Guidelines

PZ Cussons strives to conduct business in an ethical way. Our brand and reputation is of paramount importance, and is an invaluable asset. By becoming a supplier for PZ Cussons, you agree to abide by our fundamental values and ethos. The process guidelines have been divided into the following sections:

- ▶ Section I – Mandatory Requirements
 - All suppliers are required to comply with the mandatory requirements
- ▶ Section II – Continuous Improvement
 - PZ Cussons understands and acknowledges that moving towards a sustainable organisation, and implementing the code mentioned in the document is a gradual progression
 - By becoming a supplier for PZ Cussons, you acknowledge that you will aim to become a sustainable organisation, with a dedicated focus towards continuous improvement

- ▶ Section III – Reporting Violations
 - This section talks about the disclosure and reporting requirements for the suppliers

Section I – Mandatory Requirements

PZ Cussons maintains written policies which strictly prohibit the use of slavery or human trafficking in its supply chain. Our G4B framework strongly condemns and provides that we shall have no involvement whatsoever in forced labour, child slavery or any practice which is exploitative of children or exposes them to risk of harm. We will not work with third-parties who are involved in any such practices.

These principles are also set out within the Group Procurement Code of Business Conduct, which contains guidance for the Group's procurement team on the Group's values and appropriate business practices. We expect businesses throughout our supply chain to adopt and enforce equivalent policies in their own operations and to encourage their own suppliers to do the same. In addition, direct suppliers are required to confirm their compliance with the relevant laws and regulatory standards in all countries in which we operate.

This section entails the 'Mandatory Requirements' for our suppliers to establish and maintain a strong and congenial business relationship with PZ Cussons. We actively seek to conduct business and form business relationships with associates and partners who share similar ideologies and promote the application of high standards among their business partners.

1. Bribery

- ▶ PZ Cussons is committed to conduct business in an ethical and legal way; unsolicited and corrupt engagements with third-parties, government officials, customers and suppliers is strictly prohibited
- ▶ Suppliers should forbid any and all forms of bribery, corruption, extortion, embezzlement and pilferage, and should employ adequate procedures and measures to prevent bribery in business dealings

2. Gifts, Hospitality and Entertainment

- ▶ PZ Cussons believes in maintaining transparency for all exchanges; although we do not encourage exchange of gifts between parties, we understand that some situations might warrant certain hospitality expenses to maintain good business relations
- ▶ All expenses, by any supplier, relating to entertaining PZ Cussons should be transparent, reasonable, legitimate and entirely for the purpose of maintaining good business relations; there should be no intent, expressed or not, to influence PZ Cussons' decisions about future business prospects
- ▶ Gift exchange between supplier's and PZ Cussons' employees should be avoided; however, official company to company gift exchanges are permissible, provided transparency is maintained

3. Conflicts of Interest

- ▶ In case of an emergence of any conflict of interest in any business dealings with PZ Cussons, the supplier should intimate PZ Cussons promptly to ensure timely resolution and employment of appropriate action
- ▶ Suppliers should intercept and prohibit any ownership or beneficial interest by any individual or group including a government official, representative of a political party or a PZ Cussons employee, in a supplier's business; such situations should be reported to PZ Cussons prior to entering into a business relationship

4. Competition and Competitor Information

- ▶ PZ Cussons strongly believes in practicing ethical competition protocols; we do not practice or promote any unethical behaviour pertaining to competition and competitor information

- ▶ All information regarding PZ Cussons' competitors should be obtained legitimately and only be used for the intended purpose in compliance with all relevant local and national laws and regulations
- ▶ Suppliers should ensure that confidentiality of such information is kept intact and is in no way misused

5. Financial Records, Money Laundering and Insider Trading

- ▶ PZ Cussons' procurement vision is to move towards a data driven organisation to facilitate informed and better decisions; consequently, we expect our suppliers to maintain accurate financial books and documents
- ▶ Suppliers should maintain, record and track all business and commercial dealings transparently; all transactions need to be properly recorded and tracked, and no confidential information regarding PZ Cussons should be used by the suppliers to either engage in or support insider trading
- ▶ Suppliers should send all invoices within the stipulated time, as promised; in case timelines are hard to meet, suppliers should inform PZ Cussons and enable shifting of those expenses and transactions to a different accounting period

6. Safeguarding Information and Property

- ▶ Suppliers and partners should ensure that all of PZ Cussons' confidential information, knowledge, technical know-how and intellectual property should be safeguarded and protected; all information shared by PZ Cussons should only be used for its intended, designated and legitimate purpose
- ▶ Personal information about individuals, such as PZ Cussons' consumers or employees should be handled securely and such information should not be shared with anyone in keeping with all relevant privacy laws and regulations

7. Product Quality and Responsible Innovation

- ▶ PZ Cussons considers its brand and reputation as an asset, and follows a 'no tolerance' policy regarding product quality and safety
- ▶ Products and services delivered to PZ Cussons should meet the specifications, quality and safety standards as specified in the relevant contracts; suppliers should ensure that the products and or services provided are suitable and safe for their intended use
- ▶ All research and development activities should be conducted responsibly considering good laboratory practice and generally accepted scientific, technological and ethical principles

8. Legal Compliances

- ▶ Supplier operations should comply with all local and international laws and regulations
- ▶ Local laws should be given priority and additionally, suppliers must ensure compliance with other applicable international laws and regulations, such as those relating to international trade (including laws relating to sanctions, export controls and reporting obligations), data protection and anti-trust/competition laws

9. Sustainability

- ▶ PZ Cussons is dedicated to making progress to tackle global environmental challenges and continue to take steps to make a positive contribution
- ▶ We are focused on a programme of constant improvement within all of our operations; each year we set ourselves stretch targets to ensure that the impact of our business operations on the environment is assessed and mitigated by implementing reduction strategies
- ▶ Suppliers must ensure that all operations, procurement, production, shipment and distribution of products and services are conducted ensuring the sustainability of the environment

10. Reporting Concerns and Non-retaliation

- ▶ Employees should be encouraged to raise concerns without any concern about retaliation or actions to withstand voicing of such issues
- ▶ Suppliers who believe that any person, directly or indirectly linked to PZ Cussons, has engaged in illegal or inappropriate conduct, should report the matter directly to the PZ Cussons for further disciplinary and preventive actions, wherever required

11. Freely Agreed and Documented Terms of Employment

- ▶ All policies, programs and standards adopted by the suppliers should respect workers (permanent and casual) and safeguard their interests and rights under the employment contracts, local and national labour laws and regulations, and applicable collective agreements
- ▶ Employment must be voluntarily and freely chosen and there should be no coercion involved
- ▶ External business partners including recruitment agencies must verify the legal employment eligibility before selecting employees to ensure no usage of prison labour, bounded labour, child labour or slavery of any kind
- ▶ External business partners also must forbid the usage of corporal punishment and/or physical coercion

12. Equal Treatment and Fairness of Treatment of Employees; Respect and Dignity of Employees to be Kept Intact

- ▶ At the heart of our business are our strong ethical values; these guide us on a daily basis and shape the way in which we do business and how we treat others
 - Over the Group's history, we have created a business environment which is open and honest, and creates strong and enduring relationships which are rooted in mutual trust and respect
 - We act with integrity and we are fair when dealing with our suppliers, customers, business partners and employees; we operate and enforce a strong code of ethics
- ▶ All workers should be treated with respect and dignity and should be protected against any form of harassment (physical, sexual, psychological or verbal) or other form of intimidation
- ▶ Employees should not be discriminated on grounds such as caste, nationality, ethnicity, religion, age, gender and marital status, during the hiring, compensation, promotion, discipline, retirement and/or termination process
- ▶ Workers should be duly compensated with total pay package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards, whichever is higher
- ▶ Workers should not be coerced to work more than regular work hours, as defined under the local law where the workers are employed; all overtime works should be appointed on a voluntary basis with no form of coercion
- ▶ Workers should be provided with the freedom to form association for collective bargaining; workers should not be intimidated, forced or motivated to join or refrain from joining any organisation/association
- ▶ Difficulties, which may arise as part of the daily job, should be fairly dealt with no biases

13. Workers to Conform to Appropriate Age Limits

- ▶ PZ Cussons has a strict policy against child labour and employing people below the mandated working age (as per regional and international laws)
- ▶ Suppliers should not appoint individuals younger than 15 years (or as per local laws or below the age for completing necessary education)

- ▶ Suppliers should not appoint workers below 18 years (or as defined by local law) to hazardous work and night work in accordance with local law

14. Workers Health and Safety

- ▶ PZ Cussons seeks to ensure that working environments, for all our employees, contractors and visitors, comply with high standards of health & safety; our business operates across diverse geographies and cultures and we are committed to embedding in all operations clear and effective health & safety processes, which not only meet local rules and regulations but also comply with our Group-wide standards which often exceed local law
 - All our sites are either accredited or seeking accreditation to the OHSAS18001 Safety Management System
- ▶ The Group's health & safety performance is regularly reviewed by the Group's Leadership team and Board committees which help to identify, assess and set action plans to mitigate potential risks
 - Over the past years we have implemented a number of initiatives and 10 core health & safety standards at a local level to promote and maintain responsible health & safety and to ensure consistent standards are upheld and regulations are being complied
- ▶ Suppliers should provide a healthy and safe workplace to the employees to prevent any accidents and risks of injury arising during the course of work

15. Animal Testing

- ▶ PZ Cussons is opposed to any form of animal testing. We do not test our ingredients or finished products on animals or ask any third parties involved in any part of our production or supply chain to test on our behalf
- ▶ In countries which still demand testing on animals as part of their specific country consumer safety standards, we will work with their regulatory authorities to find alternative solutions to avoid the need for animal testing
- ▶ Consumer safety remains our priority and we recognise the need for validated non-animal testing methods; to that end, we fully support the FRAME (Fund for the Replacement of Animals in Medical Experiments) campaign for better science through more relevant non-animal testing methods and continue to financially support FRAME's research activities to perfect these methods
- ▶ Suppliers should not conduct or ask any third-party to conduct animal testing for raw materials or finished products

16. Land Rights of Communities

- ▶ Suppliers must respect the rights and titles to property and land of communities, including indigenous people and local communities
- ▶ All negotiations with communities should be free, transparent and in accordance with the regional laws and regulations

17. Modern Slavery Statement

- ▶ The statement issued is pursuant to section 54(1) of the Modern Slavery Act 2015 and includes PZ Cussons' slavery and human trafficking statement for the financial year ending on May 2019
- ▶ We have implemented our Good 4 Business framework, which ensures that we shall have no involvement whatsoever in – forced labour, child slavery or any practice which is exploitative of children or exposes them to risk of harm; we will not work with third parties who are involved in any such practices
- ▶ We continuously monitor the practices of our suppliers through global audit programme in operation across all third party manufacturing suppliers
- ▶ Suppliers should ensure that they are not involved in any practice of modern slavery or human trafficking

- ▶ We introduced “Speak Up Policy” to encourage whistle-blowers, who are directly or indirectly related to our business and raise concerns with respect to business conduct or activities, including slavery or human trafficking

18. NDPE Policy

- ▶ PZ Cussons requires the support and cooperation of direct suppliers to achieve sustainability goals
- ▶ We incentivise suppliers that are able to demonstrate that they have established credible systems to monitor the producers in their supply chains to ensure they are fully compliant with NDPE standards throughout their operations
 - As part of an action plan, we funded the Earthworm (previously known named as The Forest Trust) training for a third party grower for one of our core suppliers in 2017
- ▶ Suppliers must ensure that palm oil is produced on legally held land, comply with NDPE guidelines, respect human rights, including land rights, and do not use forced or child labour
- ▶ Suppliers must align with our focus on enhancing the traceability of palm oil across the supply chain as a result of our action plan

19. Ethical Sourcing Standards

- ▶ PZ Cussons believes in working with suppliers that replicate our high ethical standards, and incorporate honest and fair practices in their operations
- ▶ To ensure supplier’s compliance with ethical practices we scrutinise how suppliers work when establishing or continuing business relationships
- ▶ We encourage suppliers to adopt best practices of working with recognised third parties for risk identification and mitigation plan for sustained business relationship

20. Plastic Promise

- ▶ PZ Cussons is committed towards conserving natural resources and safeguarding the environment for future generations, and limiting any negative impact on lives of our consumers and our communities
- ▶ All suppliers must adhere to PZ Cussons’ Plastic Promise commitments, which are focussed on minimising waste and increased recycling, reduce and reuse; by 2025, we will:
 - Use 100% reusable, recyclable and compostable plastic
 - Utilise 30% recyclable content in plastic packaging
 - Reduce the plastic consumption by 25%

Section II – Continuous Improvement

PZ Cussons’ procurement vision is to continue to work towards becoming a best-in-class procurement organisation. We expect similar levels of commitment – to continuously work towards becoming a sustainable organisation with best-in-class performance – from our suppliers.

PZ Cussons will work with its suppliers to share knowledge and guidance, and will support supplier initiatives to achieve continuous improvement. This process has been broken down into the following steps:

- ▶ Implement Mandatory Requirements
- ▶ Continuously Improve Sourcing Practices
- ▶ Achieve Best-in-class Practices
- ▶ Maintain Best-in-class Practices

Section III – Reporting Violations

PZ Cussons has in place a long-established whistle-blower system (our 'Speak Up Policy') which encourages and enables employees to raise confidentially (and anonymously, if desired) any concerns or issues related to business conduct or activities, including slavery or human trafficking. This is in operation in all of the countries where the Group operates and is regularly refreshed and promoted.

This section highlights the actions that breach supplier code of conduct and the measures to be adopted when such actions are witnessed.

- ▶ Any failure, by any person or group of individuals linked with PZ Cussons, to comply with this policy should be immediately reported to PZ Cussons; actions deemed to be fit to be adopted against such personnel
 - Failure to do so will also be considered breach of this Supplier Code of Conduct
- ▶ PZ Cussons strongly encourages speaking up without any fear of retaliation against those who report actual or suspected breaches
- ▶ We will investigate all reported non-conformities. Suitable actions will be taken against the accused to ensure such occurrences do not reappear; the supplier is expected to assist PZ Cussons during the entire process
 - In case of a remediation, the supplier should step forward to suggest corrective actions to resolve such failure
- ▶ All violations should be reported to the PZ Cussons contact person, or confidentially using the following:
 - Phone Number: +44 1249 661 808

DECLARATION

I hereby acknowledge that I have received, read and understood the Code of Conduct and by signing below I am agreeing to the terms and conditions mentioned above.

Company Name:

Signature:

Name: _____

Date: _____