

Pure Nutrition Limited - Code of Conduct Explained

Purpose

Pure Nutrition's Code of Conduct is intended to provide guidance and a frame of reference in order to establish certain non-negotiable minimum standards of behaviour in key areas in the way which Pure Nutrition conducts business with its customers and suppliers, and in its interactions with its own employees and other stakeholders. This note gives background and context to the Code.

Pure Nutrition is part of the Yili Oceania Group of companies in New Zealand. This code of conduct has been adopted by the companies trading as Westland Milk Products, Oceania Dairy, EasiYo, Canary, Pure Nutrition and all subsidiary companies owned or controlled by the Yili Group that are registered in New Zealand.

Policy Statement

Pure Nutrition expects all of its employees and suppliers to engage in business conduct:

- on an ethical basis i.e., with integrity, honesty and fair dealing
- in a safe and healthy environment
- with due regard to the environmental impact of their actions and taking steps to mitigate negative outcomes
- ensuring respect for employee rights and human rights
- avoiding abuse of employees, all forms of modern slavery and showing respect for human rights for all
- in full compliance with their legal obligations.

Scope

The Code is not meant to cover all possible circumstances but is intended to provide a frame of reference against which to measure Pure Nutrition's and its suppliers' conduct in business.

Suppliers may seek guidance when they are in doubt about the proper course of action in a given situation, but it is the ultimate responsibility of each party in the supply chain to "do the right thing".

Ethical Business

- We welcome active competition between suppliers and do not accept collusion, cartel behaviours, or abuse of market dominance.
- We call out corruption or bribery aimed to obtain unfair advantage; kickbacks or paybacks. We reject and do not permit money laundering.
- We are transparent about our ethical practices and avoid conflicts of interest.
- Pure Nutrition staff will only accept or offer gifts or hospitality with a nominal value. Pure Nutrition employees are not ungrateful but want to ensure there is no possible or perceived influence over their business decisions.

Pure Nutrition has relationships with numerous suppliers, customers and competitors.

In its dealings with these parties, and their dealings with Pure Nutrition, it is important to adopt an ethical approach to business.

Pure Nutrition employees are bound to comply with the Ethical Business Code, the employee code of conduct and this Code of Conduct, as may be updated or varied from time to time.

If there is uncertainty, employees are required to exercise judgment and to 'do the right thing' and to ensure the highest standards of integrity.

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What does 'ethical behaviour' include?

1. Anti-Competitive Behaviour and Fair Dealing

We believe in the importance of free competition. Pure Nutrition is willing and able to compete successfully in today's business environment and will always do so in full compliance with all applicable competition and fair dealing laws. In summary, this means:

- Commercial policy and prices will be set independently and will never be agreed, formally or informally, with competitors or other non-related parties, whether directly or indirectly;
- Customers, territories or product markets will never be allocated between Pure Nutrition and its competitors but will always be the result of fair competition;
- Customers and suppliers will be dealt with fairly.

Pure Nutrition expects the same approach to fair competition from all suppliers, customers and competitors. For further information please refer to the Anti-Bribery & Corruption Policy.

2. Conflicts of Interest

Pure Nutrition employees and representatives are always expected to act in the best interests of Pure Nutrition.

A Conflict of Interest occurs when personal interests of an employee or the interests of a third party compete with the interests of Pure Nutrition. In such a situation, it can be difficult for the Employee to act fully in the best interests of Pure Nutrition. Employees are required to identify and avoid Conflicts of Interest whenever possible.

Internal mechanisms and processes are established for employees to declare and resolve the situation in a fair and transparent manner.

3. Corporate Opportunities

Pure Nutrition employees are committed to advance Pure Nutrition's business, and not their own.

Employees shall not compete with Pure Nutrition. Nor shall they take personal advantage of business opportunities that they discover during the course of their employment, unless Pure Nutrition expressly waives its interest in pursuing such opportunity.

Suppliers should recognise the importance of presenting opportunities to Pure Nutrition only.

4. Outside Directorships and other outside activities

We take pride in Pure Nutrition's reputation and consider Pure Nutrition's best interests also in our outside engagements and activities.

Outside of Pure Nutrition, no activities should be pursued if they will interfere with the Employee's responsibilities for Pure Nutrition, or if they create risks for Pure Nutrition's reputation or if they in any other way conflict with the interests of Pure Nutrition.

Authorisation will be withheld if the position or activity may conflict with Pure Nutrition's interests or the Employee's responsibilities.

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Unless requested by Pure Nutrition to take up a particular position or activity, Employees should pursue outside activities and positions at their own risk and cost and within their own time only.

5. Close Relationships and Relatives

Our hiring and people development decisions will be fair and objective.

Immediate family members, partners and those in close relationships with Employees may be hired as Employees or consultants only if the appointment is based on qualifications, performance, skills and experience and provided that there is no direct or indirect reporting relationship between the Employee and their relative or partner.

These principles of fair employment will apply to all aspects of the employment, including compensation, promotions and transfers, where the relationship develops after the respective Employee has joined Pure Nutrition.

To avoid potential conflict of interest in managing family and close personal relationships, Employees are required to disclose any such relationship which will be managed confidentially and sensitively by managers and the executive team.

6. Confidential Information

We value and protect our confidential information and we respect the confidential information of others.

Confidential information consists of any information that is not or not yet public information. It includes: trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, product recipes, designs, databases, records, salary information and any non- published financial or other data.

Pure Nutrition's continued success depends on the use of its confidential information and its non-disclosure to third parties. Unless required by law or authorised by their manager, Employees must not disclose confidential information or allow such disclosure. This obligation continues beyond the termination of employment. Furthermore, Employees must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.

Pure Nutrition respects that third parties have a similar interest in protecting their confidential information. In case that third parties, such as joint venture partners, suppliers or customers, share with Pure Nutrition confidential information, such information shall be treated with the same care as if it was Pure Nutrition's confidential information. In that same spirit, Employees shall protect confidential information that they have obtained in the course of their prior employment.

7. Privacy

We respect Privacy in dealing with personal information.

We understand the importance of preserving the right to privacy in our dealing with personal information of other people and expect to have our own privacy respected in accordance with the Privacy Act.

When collecting, retaining, sharing personal information about anyone, we will seek to do so lawfully and in accordance with the best principles of privacy.

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For further information please refer to the [Privacy Policy](#).

8. Fraud, Protection of Company Assets, Accounting

We insist on honesty and we respect Pure Nutrition's assets and property.

Employees must never engage in fraudulent or any other dishonest conduct involving the property or assets or the financial reporting and accounting of Pure Nutrition or any third party. Failure to comply may not only entail disciplinary sanctions but also result in criminal charges.

Pure Nutrition's financial records are the basis for managing Pure Nutrition's business and fulfilling its obligations to various stakeholders. Therefore, any financial record must be accurate and in line with Pure Nutrition's accounting standards. Employees shall safeguard and make only proper and efficient use of Pure Nutrition's property.

All Employees shall seek to protect Pure Nutrition's property from loss, damage, misuse, theft, fraud and destruction. These obligations cover both tangible and intangible assets, including trademarks, know-how, confidential or proprietary information and information systems.

To the extent permitted under applicable law, Pure Nutrition reserves the right to monitor and inspect how its assets are used by Employees, including inspection of all e-mail, data and files kept on company systems.

9. Bribery and Corruption

We condemn any form of bribery and corruption.

Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, Employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt hereof.

Employees should be aware that the offering or giving of improper benefits in order to influence the decision of the recipient, even if they are not a government official, may not only entail disciplinary sanctions but also result in criminal charges. Improper benefits may consist of anything of value for the recipient, including employment or consultancy contracts for closely related parties.

For further information please refer to the [Anti-Bribery & Corruption Policy](#).

10. Gifts, Meals, Entertainment

We compete and do business based only on quality and competence.

Employees will not be influenced by receiving favours nor should they try to improperly influence others by providing favours.

No Employee may offer to third-parties, or accept from any third-party, any gifts taking the form of any of the following, whatever the value involved: money; loans; kickbacks; similar monetary advantages.

As an exception, Employees may only offer or accept gifts of nominal value, or meals and entertainment which are appropriate under the circumstances of the working relationship. Employees must not accept

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or offer any gifts, meals, or entertainment if such behaviour could create the impression of improperly influencing the respective business relationship.

Health & Safety at work

- We ensure working conditions for staff are safe and hygienic. We encourage a proactive approach to establish and maintain standards on health and safety, which at a minimum comply with the law (including regular monitoring and reporting).

All Pure Nutrition staff can expect that working conditions for staff will be safe and hygienic.

Our key safety objective is to ensure “everybody home safe every day” from our sites, and to encourage and support our people in maintaining good health and general wellbeing.

Our policies apply to all Pure Nutrition's locations and to those operations with any other parties where Pure Nutrition has management control. We recognise a commitment to improved safety performance is essential to our long-term success. The key areas of focus and goals for Pure Nutrition's health and safety programme are:

- **People** — We aim to create an organisational culture where all people in any level of the business believe in a “safety first” culture and demonstrate a commitment to achieving that by a focus on safety, health and general wellness, including rehabilitation from injuries or other health issues.
- **Process** — Our commitment to safety, health and wellbeing is ensured by having policies, procedures and programmes in place that proactively reduce exposure to risk for the business and eliminate harm to our people.
- **Plant and equipment** — We aim to ensure a healthy and safe environment for all that reduces exposure to risk of harm through the development and continuous improvement of purchasing, design, operation, management and maintenance standards.

Commitments

Pure Nutrition is committed to working towards the best industry practice standards. In consultation with our key stakeholders we will:

- Implement safety management systems designed to achieve continuous safety performance improvement
- Commit to meet Pure Nutrition's relevant regulatory and industry standards
- Consult with employees and other workers to encourage participation for continuous improvement and empowerment
- Implement systems that minimise the exposure of our people to critical safety risks
- Set SMART health and safety targets (KPIs) for our people which are reviewed regularly and ensure continued improvement of our safety performance
- Actively work towards full compliance with all legislative requirements
- Ensure line management are responsible for health and safety
- Have processes in place to ensure health and safety risks are identified and managed in an

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effective and timely manner

- Report, record and investigate all events including near misses, applying corrective actions that will ensure similar events do not reoccur
- Provide guidance and support to employees that are required to travel domestically and internationally to ensure that they are kept safe and well while away from their usual workplace
- Support safety, health and wellbeing initiatives that allow employees to make informed decisions
- Identify the root causes of all safety non-conformances to address any cultural or environmental issues
- Promote a supportive workplace environment, where workplace-based rehabilitation following an injury becomes the usual course of action whenever possible
- Require contractors and consultants working at Pure Nutrition to manage health and safety in line with this policy

Given the above approach, Pure Nutrition asks that its suppliers also use a proactive approach to establish and maintain standards (including regular monitoring and reporting) in respect of health, safety, environmental and occupational health management that are, at a minimum, in compliance with law.

Environment

- We have a proactive approach to our environmental impacts (including regular monitoring and reporting).
- We aim to understand the environmental impacts of our operations and take appropriate steps to mitigate against risks and harm.

Pure Nutrition is committed to ensuring its operations and products are sustainable. We will protect the environment through:

- Implementing an effective environmental management system focusing on continual improvement
- Work towards an effective and sustainable product life cycle encompassing responsible sourcing of product materials through to end of life. This includes supporting our farm suppliers in producing sustainable milk.
- The setting of Environmental objectives based on significant aspects, compliance obligations, risks and opportunities which are approved and reviewed by the CEO.
- Considering and addressing potential environmental impacts at all levels of the business
- Full compliance with all applicable environmental requirements and obligations, by understanding the needs and expectations of interested parties
- Preventing pollution and reducing waste
- Implementing a strategy to transition the business to being a low carbon emitter
- Providing adequate training programs, tools and resources to enable the intent of this policy to be fulfilled.

Pure Nutrition asks that its suppliers also establish and maintain standards (including regular monitoring and reporting) in respect of environmental law compliance and continual improvement.

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Labour and Human rights

- We commit to act fairly to employees and ensure full employment law compliance including payments to staff. We maintain records and agreements with employees. We do not unlawfully employ child labour.
- We aim to protect and respect employee and all human rights, promote inclusivity, and avoid any form of modern slavery behaviour. Our employees give their labour freely and are free to leave based on clear rules. Employees may associate freely with each other and bargain collectively.
- Raising concerns - we know to raise any questions we may have in relation to possible breach of this code of conduct. To keep it private, contact Pure Nutrition's Whistleblowing Officer.

Labour and Conditions of Work:

- **Who we employ**

Pure Nutrition aims to **employ** the best people available who are aligned with the values of the Company and our objectives, having regard to past experience, qualifications and achievements, as well as identified potential.

In our selection process, we act in full compliance with law, which means that we will not discriminate and will not employ minors in contravention of the law.

- **Minimum standards that apply to employment practices**

We acknowledge local and certain minimum international standards for employers, as prescribed by the International Labour Organisation and undertake to comply with them.

These standards include behaviours that one would expect of any responsible New Zealand business:

- Pure Nutrition will not make use of forced or involuntary labour or bonded labour (work carried out at low or no consideration in repayment of debt, retention of identity or other papers or similar threats)
- Our employees must be free to leave employment in accordance with established rules and notice periods.
- Children below the minimum age of 15 (set by the ILO Minimum Age Convention 1973 no. 138) may not be employed in full time employment. This does not apply to the engagement of children carrying out tasks or chores in a family farm environment or holiday jobs, provided it does not interfere with their right to attend schooling and their education. Minors under 18 should not be engaged in any activities which may be dangerous or be harmful to their health or safety.
- Our employees are free to join, or not join, any union.
- We will not discriminate in any manner on the basis of race, ethnic background, age, religion, gender, sexual orientation or disability. We will not tolerate any kind of verbal or physical harassment based on any of the above or any other reason.
- Pure Nutrition respects the personal dignity, privacy and personal rights of every Employee and is committed to maintaining a workplace free from discrimination and harassment.
- We will ensure that working hours, conditions, employment terms and remuneration comply with all applicable laws.

For further information employees should refer to the Harassment and Discrimination Policy and Preventing and Responding to Bullying at Work Policy.

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- **Reporting illegal or non-compliant conduct**

We take responsibility for ensuring that we all act with integrity in all situations.

Employees are encouraged to report any practices or actions believed to be inappropriate under Pure Nutrition's Code of Conduct or Policies, or even illegal, to their Managers or the appropriate members of the company.

Pure Nutrition has a Whistle-blowers Policy which Employees should follow to raise any serious concern where they wish to remain anonymous or to ensure strict confidentiality.

Where appropriate, formal complaints may be made on a confidential basis and must be in writing. All complaints shall be properly investigated. Pure Nutrition prohibits retaliation against any Employee for reports made in good faith, while it also protects the rights of the incriminated person.

Compliance with law

- We comply with all applicable laws, regulations and standards of New Zealand and the countries in which we operate, in relation to ethics; health, safety and wellbeing; environment and labour and human rights

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

We respect the laws of New Zealand and all countries in which we operate at all times.

Pure Nutrition and its Employees are bound by the law. Compliance with all applicable laws and regulations must never be compromised.

Additionally, Employees must adhere to internal rules and regulations as they apply in a given situation. Those internal rules are specific to Pure Nutrition and may go beyond what is required by the law.