


<b>CL-P-003 - DISTELL CODE OF CONDUCT</b>	 <b>DISTELL</b>
<b>POLICY</b>	
Date: 2008	
Revision: 24 October 2017	<b>Copy no</b>

## 1. DISTELL CODE OF CONDUCT

The Distell Group and its subsidiaries' (Distell) purpose is to create and maximise wealth for the benefit of all its stakeholders through a commitment to innovation and leadership, backed by proven entrepreneurship and a record of responsible risk-taking. Its resources and expertise equip Distell to compete successfully in global markets. Its expertise is underpinned by the core values and principles.

## 2. SCOPE

This Code of Conduct applies to all Distell employees, as well as agents, intermediaries, consultants, distributors, sub-contractors, suppliers, and joint venture partners working on Distell's behalf anywhere in the World.

## 3. VISION

Distell's vision is that we are a proud African alcoholic beverages company with heritage, global reach, world-class people and the ability to do extraordinary things and that we exist to provide unique moments of social enjoyment through the responsible marketing of well-crafted wines, spirits and ciders.

## 4. VALUES AND PRINCIPLES

### 4.1. The values that drive Distell are the following:

#### **Courage**

We are enterprising and courageous in the way we tackle challenges and opportunities

#### **Respect**

We live with respect for diverse perspectives, other people's views and honest feedback

#### **Customer and consumer focus**

We are passionate about our customers and consumers

#### **Integrity**

We have integrity in all that we do and avoid doing, conducting ourselves ethically

## **Ownership**

We take ownership for our words and our actions

## **Collaboration**

We are one Distell team, harnessing the collective wisdom and experience of everyone.

### **4.2. The principles that guide Distell are the following:**

- 4.2.1. Distell will deliver memorable, distinctive and compelling consumer experiences that appeal to defined needs in each targeted consumer occasion;
- 4.2.2. Distell will deliver a tangible quality advantage at each price point at which it chooses to compete;
- 4.2.3. Distell will strive to be the number 1 or 2 player by value in each of its primary markets, niche segments or defined brand categories;
- 4.2.4. Distell will actively manage its portfolio of products and brands to ensure that it maintains clear focus and viability;
- 4.2.5. Distell will invest deeply in people by establishing pools of talent to pro-actively populate its critical job families for both existing and emerging businesses; and
- 4.2.6. Distell will only focus on market opportunities closely aligned to its core capabilities which we will be able to successfully integrate into its overall business within 2 years of acquisition.

## **5. COMPLIANCE WITH LAWS, POLICIES AND PROCEDURES**

- 5.1. In order to be a responsible business that creates and sustains value for all stakeholders, Distell and its employees are committed to behaviour that is ethical and compliant with all applicable laws as well as Distell's policies and procedures.
- 5.2. Distell conducts its operations in a way that not only supports but completely endorses the principles contained in the South African Constitution. The Board undertakes to conduct matters honestly, transparently, fairly and lawfully to the advantage of shareholders and other interested parties. Distell expects its employees to support it in its endeavour to conform to high ethical and legal standards.
- 5.3. Distell strives to meet the objectives and requirements of the legislation that governs the liquor industry in all the countries where it transacts business. Distell has tailored all its business policies and procedures to meeting these and other legislative requirements,

and constantly monitors it in order to identify and address any potential contraventions because of changes in legislation.

- 5.4. Distell assesses new or planned legislation and regulations on an on-going basis to determine its possible impact on operations, and to adjust strategies, plans, policies and processes accordingly.
- 5.5. Employees must be sure that they comply at all times to the laws, regulations, policies and procedures which apply to Distell and to the activities they carry out on behalf of Distell and accordingly keeping our promises to each other and those we serve.
- 5.6. Distell is aware of and very sensitive to the environment in which it operates and it is expected of employees to act accordingly.
- 5.7. Distell regards all languages as assets, reflecting the rich diversity of our employees; however conducts its business in English. All communication and written documentation must therefore be in English.

## **6. ETHICAL CONDUCT POLICIES**

### **6.1. Anti-Bribery and Corruption**

- 6.1.1. Distell has always been committed to doing business on an ethical and sound basis and Distell is committed to comply fully with local and global anti-bribery and corruption laws and to continuously conduct its business with integrity and with proper regard for ethical business practices. Distell has a zero tolerance approach to acts of bribery and corruption by personnel or anyone acting on its behalf and expects all its directors and employees to comply with these principles and to act in the best interest of the company at all times.
- 6.1.2. No Distell employee or associated person may directly or indirectly bribe a government official or any third party. Similarly, no Distell employee or associated person may receive anything of value in exchange for performing their duties disloyally or illegally. Any demand for, or offer of, a bribe must be rejected immediately and reported to the Distell Compliance Department.
- 6.1.3. In respect of gifting, no Distell employee may give, offer, promise or authorize the giving of anything of value to a government official or anyone else, directly or through an intermediary, such as an agent or business partner, in order to influence official action, or to obtain an improper advantage.

## 6.2. **Investment in customers**

- 6.2.1. Distell is committed to the development and delivery of products that are sought-after by consumers and, in so doing, providing its own customers – the trade – with a consistent and reliable supply of quality products.
- 6.2.2. Distell is constantly investigating ways of containing costs without compromising quality, in order to maintain competitive price levels.
- 6.2.3. Distell is committed to providing the highest levels of service and continuously investigate potentially more efficient and cost-effective ways of managing the supply chain, starting with itself and extending all the way through to its consumers.

## 6.3. **Investment in communities**

- 6.3.1. Distell recognises the inherent tension between the pursuit of profit and the impact of such actions on the community. Distell therefore strives to achieve a balance between the interest of all its stakeholders, including the society in which it operates and so acts as a responsible corporate citizen.
- 6.3.2. Distell's primary function is to create wealth for shareholders, employees, suppliers or other business partners and the broader community. The manner Distell does this is of critical importance, and reflects its commitment to enhancing the quality of life of the societies in which it operates.
- 6.3.3. Distell appreciates that although alcoholic beverages, when consumed responsibly, can enhance the quality of life of different communities and cultures it can, however, also have negative consequences for consumers when consumed irresponsibly. Distell is a founder member of the industry's Association for Responsible Alcohol Use (ARA), which funds research into issues such as alcohol abuse, conducts consumer education programmes and provides decision-makers with a factual basis on which to act on issues which can sometimes be emotive.
- 6.3.4. Distell strives to include members of previously excluded communities in the ownership and operation of concerns within the group and works toward the general improvement of educational standards within such communities.

## 6.4. **Investment in employees**

- 6.4.1. Being highly appreciative of the value of its employees, Distell endeavours to nurture their growth as individuals within the workplace and treats them with

respect and fairness. Distell does this by promoting active involvement in its operations and by engendering a culture of personal accountability. Training and development are benchmarked to international standards.

6.4.2. In identifying and developing the potential of employees Distell places particular emphasis on staff from those segments of society that lacked support in the past in accordance with its Employment Equity Programme. The programme offers equal opportunities as a basis. Its aim is to identify individuals, to promote their development and to remunerate them in accordance with their initiative, their spirit of enterprise, hard work and loyalty.

## 6.5. **Employment Equity**

6.5.1. All employees have the right to work in an environment unhampered by any form of harassment, discrimination on the ground of race, colour, sexual preference, place of birth, citizenship, religion, political convictions, age, marriage or family status or physical disability. As a non-racist, non-sexist and democratic organisation Distell creates a culture of inclusivity and shared values, and promotes equal opportunities for all employees.

6.5.2. Distell's policies and practices are non-discriminative and special measures ensure broad representation of designated groups throughout the organisation. These affirmative action measures will be applied until Distell reaches the stage where race, gender and disability have no effect on employment and advancement opportunities.

## 6.6. **Human Rights**

6.6.1. Distell embraces clear standards on employees' and human rights, such as zero tolerance for harassment, discrimination, human trafficking, child and forced labour and human rights violations.

6.6.2. Fair wages will be paid in line with normal practice for the industry and market and Distell will not require anyone to work excessive hours, particularly where this might impact personal health or safety.

6.6.3. Distell respects the right of its employees to freedom of association and collective bargaining. This includes the right to form and join trade unions and other worker organizations of their own choosing without harassment, interference or retaliation.

## 6.7. **HIV/AIDS**

- 6.7.1. Distell is committed to maintaining a safe and healthy working environment for all its employees.
- 6.7.2. Distell does not discriminate against employees or applicants infected with the HIV/AIDS virus, which is viewed as no different from other illnesses in respect of Distell's employee benefits.
- 6.7.3. Co-worker concerns are handled in an educational manner. Employees who refuse to work with HIV/AIDS-infected colleagues, who withhold services, harass or discriminate against them, are subject to the same disciplinary procedures that apply to other policy violations.

## 6.8. **Property**

- 6.8.1. All employees are responsible for protecting Distell assets, including our brands, innovations and intellectual property rights.
- 6.8.2. It is the aim of Distell to utilize assets and resources most effectively and for their intended business purpose only.

## 6.9. **Relationship with competitors**

- 6.9.1. Distell believes in healthy free-market competition and avoids the abuse of power. In that spirit Distell welcomes competition within the markets where it operates and will not engage in anti-competitive behaviour.
- 6.9.2. Distell co-operates with other industry members in collectively discussing and lobbying common interests within the industry to the relevant authorities via SALBA (South African Liquor Brandowners Association) and ARA without engaging in collusive actions.

## 6.10. **Relationships with shareholders**

- 6.10.1. Creating shareholder value is a core focus of Distell's activities.
- 6.10.2. Distell is committed to conducting its operations within the framework of good corporate governance, heeding legislative requirements and best practice, and sharing with shareholders and internal stakeholders relevant information timeously, and in an open and transparent manner.

- 6.10.3. Employees must always ensure that company funds and property are used solely for the purpose of business activities of Distell in accordance with management instructions and internal controls.
- 6.10.4. Employees must also ensure that Distell's books and records reflect all business transactions fairly, accurately and in reasonable detail.
- 6.10.5. Distell is committed to reporting its financial information in a timely, accurate and transparent manner.

#### 6.11. **Relationship with suppliers and customers**

- 6.11.1. Distell appreciates the important contribution its suppliers or other business partners and customers make to the success of its business and Distell is committed to fostering healthy, mutually beneficial relationships with them.
- 6.11.2. The giving and receiving of gifts and entertainment have a role to play in building business relationships, however the acceptance of gifts or the giving thereof should never create improper influence or obligate the recipient. Furthermore employees should not provide or accept excessive or inappropriate gifts or entertainment that could potentially harm Distell's reputation. The proposed gift or entertainment should be appropriate in value and nature considering local custom, the position of the recipient and the circumstances.
- 6.11.3. Marketing events, promotions business lunches, etc., are permitted, subject to the requirements in terms of Distell's Gifts and Entertainment Policy.

#### 6.12. **Conflicts of Interest**

- 6.12.1. Conflicts of interest arise when financial or other personal considerations may affect an employee's loyalty, professional judgement or the performance of his or her duties. Conflicts of interest may take different forms, e.g. having financial interests in companies doing business with or competing with Distell, preferential treatment of suppliers or other business partners because of family or close personal ties, or taking on additional employment outside of Distell.
- 6.12.2. Employees must declare and avoid potential and actual conflicts of interest in accordance with Distell's Conflicts of Interest Policy.

### **6.13. Ethical rules as determined by the Board**

6.13.1. From time to time the Board of Distell identifies behaviour which, although not necessarily inappropriate in itself, can be damaging to the reputation of Distell and therefore cannot be allowed. It is incumbent on staff to clear with the Group Company Secretary any behaviour which they deem potentially suspect.

6.13.2. Funds, goods and services of Distell may not be used as contributions to political parties or their candidates and the amenities of Distell may not be made available to candidates or political campaigns.

### **6.14. Communication**

6.14.1. It is the aim of Distell to manage communication accurately and expeditiously with all internal and external stakeholders in terms of Distell's Communications Procedures & Guidelines Policy.

6.14.2. No communication about company matters in public is allowed, unless by the chairperson, managing director or persons nominated by them.

6.14.3. Any confidential information regarding the business of Distell or personal information of employees, including salaries, may not be made public or discussed unless prior consent has been given.

### **6.15. Environment**

6.15.1. As custodians of the environment in which we operate, Distell will ensure that its operations use these scarce natural resources in a responsible manner.

6.15.2. Employees are requested to use all supplies and materials with circumspection, to limit wastage to the minimum and to adhere to rules and regulations pertaining to the protection of the environment as part of their day to day activities.

6.15.3. Distell is committed to reduce its overall environmental impacts and prevent pollution by using best practices and technologies.

## **7. ADMINISTERING COMPLIANCE AND ETHICS**

7.1. In order to uphold Distell's values and principles, all employees must remain vigilant in preventing, detecting and reporting any suspected illegal, non-compliant or unethical behaviour.



7.2. Queries, concerns and complaints regarding any illegal, non-compliant, fraudulent or unethical behaviour should be reported through Distell's toll-free ethics line or other reporting mechanisms as set out in the table below:

<b>DISTELL ETHICS LINE CONTACT PER COUNTRY</b>	<b>NUMBER</b>	
Angola (Toll Free)	+244 941 022 880	
China (Toll Free)	4008801496	
France (Toll Free)	0805 0805 44	
Namibia Landline (Toll Free)	0800 003 313	
Namibia MTC (Toll Free)	081 91847	
Singapore (Toll Free)	+65-31635395	
South Africa (Toll Free)	0800 004 822	
Taiwan (Toll Free)	00801-13-6885	
United Kingdom (Toll Free)	0808 189 1196	
From any other International Location	+27 31 571 5657	
<b>OTHER CONTACT WAYS</b>		
Email	distell@ethics-line.com	
Website	<a href="http://www.tip-offs.com">www.tip-offs.com</a>	
Free Post (South Africa)	KZN 138, Umhlanga Rocks, 4320, South Africa	
Free facsimile (South Africa):	0800 00 77 88	
<b>OTHER CONTACTS</b>	<b>TELEPHONE NUMBER</b>	<b>EMAIL</b>
Group Company Secretary	+2721 809 8103	lmalan@distell.co.za
Compliance Officer	+2721 809 7563	<a href="mailto:sbotha@distell.co.za">sbotha@distell.co.za</a>
Forensic Auditor	+2721 809 7597	SLeroux@distell.co.za

7.3. An independent party manages the Ethics Line twenty-four hours a day, ensuring anonymity and confidentiality. For further information also see Distell's Anti-fraud and Anti-corruption Policy and Distell's Whistle Blowing Policy.

7.4. Distell undertakes to thoroughly investigate all matters reported through the safe reporting mechanisms mentioned above. Distell will take the necessary legal, civil or disciplinary steps flowing from such investigations.