



BUSINESS CONDUCT AND ETHICS POLICY

Commitment

Metcash is committed to ensuring all staff up-hold the values and behaviours outlined in the Company's "Code of Conduct" including complying with all applicable laws and practices.

Purpose

The purpose of this Policy is to encourage all staff and non employees to report any person suspected of poor business conduct and ethical practices including fraud, corrupt conduct, inappropriate behaviour or concealment of such conduct, questionable accounting or auditing practices, or substantial mismanagement of company resources that creates risks to public health, safety or risks to the environment or any other form of **'Reportable Conduct'** that they may become aware of during their engagement with Metcash.

[See *'Appendix One: Definitions'* for explanation of relevant definitions].

While reporting would generally be conducted/alerted and investigated through the normal channels of Metcash line management, there may be times where an employee or contractor or other person believes the matter has not been effectively resolved or they believe it is inappropriate or difficult for matters to be reported through these channels.

In these cases it is important that employees or contractors have another independent avenue or whistleblower escalation process through which to express their concerns in order to protect their identity (i.e. **"Protected Disclosure"**).

Application

The protection of this Policy is to apply to all full time and part time staff and includes contractors. In respect of reports relating to specific breaches of Australian Corporations law, all such individuals will have legal protection. Details of this specific protection are outlined below.

Individual 'Whistleblowers' Protection

The Company is committed to ensuring that any individual providing **"Reportable Conduct"** information is not disadvantaged in any way from validly raising such concerns about suspected behaviour.

In particular, **such a person will not be disadvantaged by dismissal, demotion, harassment, discrimination or bias**. If an individual feels reprisals have been taken, that individual may contact Human Resources (HR) independently, the external Ethics Hotline or contact the Metcash Group Security Manager directly who will ensure appropriate protective actions are undertaken by HR for the individual.

Where the concern is serious and could result in reprisals against the whistleblower, but **has not** been made as a **'Protected Disclosure'**, the recipient of that individual's concern (such as a manager or fellow employee) must treat the matter confidentially and should ensure the matter is referred to the Group Security Manager (G.S.M.) through the external Ethics Hotline, so it can be subsequently treated as a **'Protected Disclosure'** thereby providing the whistleblower with any necessary protection from possible reprisals. The company, through Human Resources, will also take reasonable steps to counsel and/or protect other employees who have been requested to assist in investigating **'Protected Disclosures'** from any reprisals.

Definition of Whistleblower

Whistleblower refers to a director, manager, employee or contractor or non employee of the Company who wishes to report conduct they believe is:

- in breach of Metcash's 'Code of Conduct' or;
- identified as a significant material business risk or;
- in breach of the law and/or;
- where an individual perceives a need to avail themselves of protection against reprisal for having made the report; or
- to protect an employees relative (also employed by the company) and feels they both need to be availed of protection against reprisals.

Note: A whistleblower may or may not elect to remain anonymous.

Some Examples are outlined within Appendix Two and show how the process would work.

What to Report

Any "**Reportable Conduct**" may include suspected fraud, corrupt conduct, a significant unresolved material business risk, questionable accounting or auditing practices, inappropriate behaviour or illegal activity involving the Company or its employees in any way.

Note: These concerns **must** have some reasonable foundation for being raised and the person providing the information must do so in good faith. Unsubstantiated, malicious allegations which prove to be false will be viewed seriously and followed up with disciplinary action up to and including termination of employment.

Who to Report To

An independent hotline number has been established, **external to Metcash**, that may be contacted directly by phone, letter or e-mail in the utmost confidence to provide the initial information. Hardcopy documents may also be provided to this external Ethics Hotline.

The information will be then provided to Metcash Group Security Manager confidentially who is held responsible for ensuring that the information is fully investigated.

Confidentiality

In addition to our legal obligations, the Company extends its assurance of confidentiality to all other matters. All information received in respect of other "Reportable Conduct" will be held in strictest confidence and, where clearly desired by the individual, the identity of the person will not be disclosed without obtaining their permission.

Investigation

To reassure those individuals providing information as to the integrity with which their information will be assessed by the company, the investigation will be undertaken by appropriately qualified parties depending on the matter or content of the individual complaint received.

It should be noted that if an employee chooses to disclose an issue anonymously, this may hinder the ability to fully investigate the matter. Further, it may, in certain circumstances, prevent the whistleblower from accessing additional protection at law.

In this regard, the investigating officers undertaking the review of the information provided will assume no guilt on the part of **any party** until proven otherwise. Where any wrongdoing is uncovered, the investigating officer will apply the guidelines of Metcash's Code of Conduct or other relevant policies along with this Business Conduct and Ethics Policy.

Whistleblower Feedback

Where an individual reports suspected "**Reportable Conduct**" and seeks protection, the whistleblower will receive relevant and timely feedback on the progress of the investigation, which may vary on a case by case basis. At the conclusion of the investigation they will be informed of the outcome.

Penalties for Breach of this Policy

Where any Officer, employee or contractor of Metcash breaches the Business Conduct and Ethics Policy by acts of intimidation, retaliation etc this will be considered to be a breach of Metcash's Code of Conduct and will be dealt with as such as outlined within that policy. Managers/employees are reminded that, in certain circumstances, victimisation of whistleblowers can constitute a criminal offence.

Reporting

Once the matter has been initiated as either a whistleblower protection matter or non protection matter, the Group Security Manager is responsible for reporting Whistleblower matters (**as per Appendix Three flowchart**) on a quarterly basis to Metcash's Audit Risk & Compliance Committee (AR&CC) within the Metcash Risk Board Report.

APPENDIX ONE – DEFINITIONS

ADVERSE BEHAVIOUR	<ul style="list-style-type: none"> Unethical behaviour or misconduct, including breaches of the company’s policies and Code Of Conduct; Other serious improper conduct that may be detrimental to the interests of the company or cause either financial or non-financial loss (including harassment and unsafe work-practices);
CORRUPT BEHAVIOUR	<ul style="list-style-type: none"> An employee or contractor acting dishonestly, or dishonestly failing to act, in the performance of functions of his or her employment, or dishonestly taking advantage of his or her employment with the company Accepting or providing secret commissions or bribes.
FRAUD	<ul style="list-style-type: none"> Dishonest activity that causes actual or potential financial loss, or advantage, to the company or any person or organisation, including activity involving customers or third parties where company systems and processes are involved.
LEGAL OR REGULATORY NON-COMPLIANCE	<ul style="list-style-type: none"> Legal or regulatory non-compliance is illegal behaviour (eg theft, drug sale/use, violence or threatened violence and criminal damage against property) and breaches of all applicable legislation, regulations and laws. This includes breaches of health and safety and environmental damage.
MATERIAL BUSINESS RISKS	<ul style="list-style-type: none"> Including but not limited to operational, financial, sustainability, compliance, strategic, ethical, reputational, service quality, human resource, Industry, legislative or regulatory and market-related risks.
PROTECTED DISCLOSURE	<ul style="list-style-type: none"> ‘Protected Disclosure’ is a disclosure relating to ‘Reportable Conduct’ made by an employee, in good faith based on reasonable grounds, that discloses or demonstrates an intention to disclose information that supports evidence of an improper conduct and that entitles the person who made the disclosure to receive protection from reprisals, in accordance with this policy. A ‘Protected Disclosure’ can be made via the Ethics Hotline in the following ways: <ul style="list-style-type: none"> ✓ By phone to the Concern Line; by referral to a trusted manager or by confidential email to Group Security Manager.
QUESTIONABLE ACCOUNTING OR AUDITING PRACTICES	<p>Are practices that</p> <ul style="list-style-type: none"> Are technically or arguably legal, but do not comply with the intent or spirit of the law; or Do not comply with accounting or auditing standards; or Involve inappropriate or questionable interpretation of accounting or auditing standard; or Are fraudulent or deceptive in nature that are either: –undertaken by the employee/s with NO intent to gain or cause loss; and or are being undertaken in the belief that they may benefit the Company.
REPORTABLE CONDUCT	<ul style="list-style-type: none"> Reportable Conduct is conduct that is illegal, unacceptable or undesirable, or concealment of such conduct. It includes Adverse Behaviour, Fraudulent or Corrupt Behaviour or a substantial mismanagement of company resources; conduct involving substantial risk to public health or safety; or conduct involving substantial risk to the environment;
REPRISALS	<ul style="list-style-type: none"> Reprisals are adverse actions taken against a person as a result of making a ‘Protected Disclosure’ in accordance with this policy. Regrettably ‘reprisals’ are never called reprisals. Nearly always these actions are justified in terms of the target’s inadequacies and failures: their inability to do their job, their disloyalty, their violation of organisational norms, their paranoia. For the purposes of the Whistleblower Program, reprisals include (but are not limited to): Dismissal or demotion; Ostracism; Referral to psychiatrists; Forced job transfers; Blocking of appointments/promotions; Any form of victimisation, intimidation or harassment; Discrimination; Current or future bias; Action causing injury, loss or damage; or Threats (express or implied, conditional or unconditional) to cause detriment, as well as actually causing detriment.
WHISTLEBLOWING*	<ul style="list-style-type: none"> For the purpose of this policy, whistleblowing is defined as: "The deliberate, voluntary disclosure of individual or organisational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by an organisation that is within its ability to control."

*There is no globally accepted definition of ‘whistleblowing’ as per Dept of Parliamentary Services (Australia) Research Notes “Whistleblowing in Australia-transparency, accountability....but above all the truth” 14 February 2005

APPENDIX TWO – Business Conduct and Ethic EXAMPLES

Find below a list of examples on how the policy can operate.

EG 1: Information Technology Security concern:

An employee brings to work a personal CD containing image files that are sexually explicit. He downloads the images to his hard drive and then decides to circulate some of the images to his colleagues. One employee receiving the material is offended and uses the provisions of the Business Conduct and Ethics Policy to report the matter confidentially, as the actions are in breach of the computer usage policy.

The employee can contact the external Ethics hotline. The IT Security Policy (**Unacceptable Use-Section 5.5**) together with the Code of Conduct (**Personal Conduct**) clearly stipulates that this behaviour is unacceptable.

EG 2: Conflict of interest:

Information was received that a Metcash company warehouse supervisor owned a courier company that was being utilised by the branch where he was working. During the investigation information from staff members showed irregularities in billing for services by the courier company and an eventual conflict of interest due to the fact that the courier company was utilizing labour hire that was paid for by the branch, as well as using two vehicles owned by Metcash which paid the fuel costs. Those deliveries were then billed by the company owned by the warehouse supervisor as having provided the service.

The employee can contact the external Ethics Hotline. The employee can be protected under the provisions of the Business Conduct and Ethics Policy. Apart from being a breach of the company **Code of Conduct (Conflict of Interest)** this also contravenes the company's **Fraud Policy**.

EG 3: Suspicious Behaviour involving Company Funds:

A warehouse supervisor authorises the hiring of a truck to replace a defective vehicle in order to facilitate the remainder of the day's deliveries. Another warehouse staff member used their own EFTPOS card to pay for the hired vehicle and, upon presenting the receipt for payment, the staff member was told that the warehouse supervisor would file an expense claim and obtain the money for the staff member. The warehouse supervisor submitted the claim form in their own name and the refund was subsequently deposited into the warehouse supervisor's personal account. The staff member decides that they should report the matter confidentially and in line with the policy as suspicious and potential fraud.

This is clearly a breach of the **Metcash Fraud Policy**. The person can contact the State Security Manager or external Ethics hotline and provide relevant details, concerns and the warehouse supervisor's details. The employee can be protected under the provisions of the Business Conduct and Ethics Policy.

EG 4: Breach of the Code of Conduct (Discrimination and harassment)

A manager or supervisor or other employee indulges in unacceptable behaviour, such as repeated swearing, lewd comments about appearance, jokes concerning an individual's sexuality / background or is aggressive and intimidating.

This is also clearly a breach of the **Code of Conduct (Personal Conduct)** and well as **Discrimination and Harassment**. The person should contact the external Ethics hotline and provide relevant details, concerns and the managers' details. The employee will be protected under the provisions of the Business Conduct and Ethics Policy.

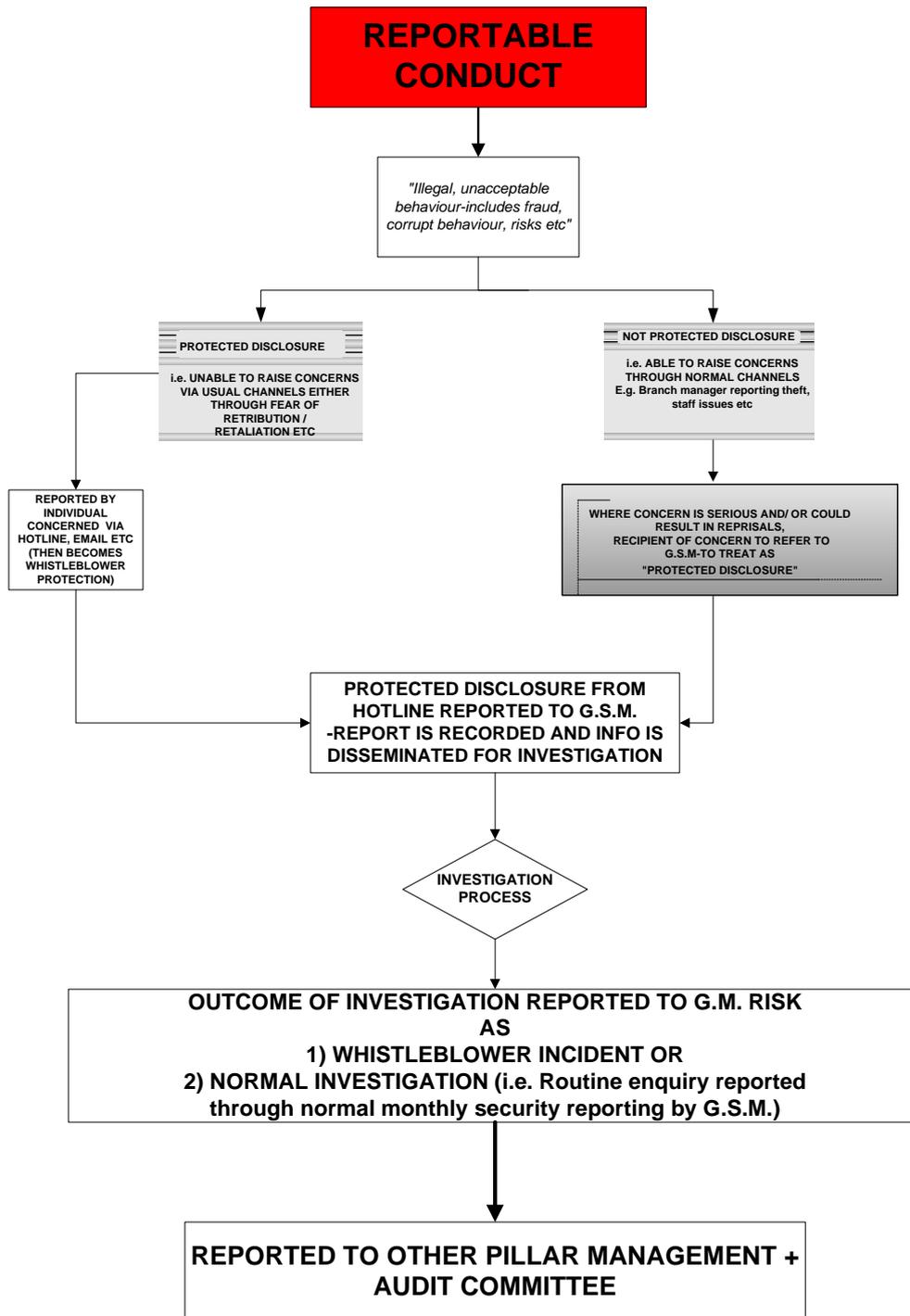
EG 5: Breach of Corporations Law

An employee observes actions by a senior manager, who is coordinating an acquisition or a significant deal for the industry on behalf of Metcash, which leads him to believe that insider trading or Cartel-like behaviour (i.e. colluding with other industry parties to set prices) may be occurring.

The employee can report the matter to the external Ethics hotline or the Group Security Manager who then applies the provisions of this Business Conduct and Ethics Policy.

Note: The identity of the informant is only disclosed to the Australian Federal Police, ASIC or the ACCC in accordance with the provisions of relevant law and afforded protection in accordance with any relevant State or Federal legislation.

APPENDIX THREE – Flowchart of roles and responsibilities



Explanatory Notes:

- G.S.M. is Group Security Manager for Metcash – who investigates and reports whistleblower matters to Metcash Board.
- G.M. Risk means General Manager, Risk