

# Corporate Social Responsibility Policy



19 April 2023

 **Westland Milk Products**  
Hokitika · New Zealand  
*Nourishment made beautifully*

# Westland Milk Products – Corporate Social Responsibility Policy

## Purpose

This CSR policy aims to establish a framework of guidelines as to how Westland will work ethically, have consideration for human rights as well as the social, economic and environmental impacts of what Westland do as a business.

As a socially responsible company Westland's stakeholders have a right to expect:

- Products manufactured and sourced by Westland are produced under working conditions that are hygienic and safe.
- All workers involved in the production of Westland products, from direct suppliers and subcontractors, through to manufacturing site and supply chain, are treated with full consideration to their basic human rights.
- Westland acts in an ethical manner above and beyond basic legal requirements.
- Westland is therefore committed to following and implementing the principles of the Bill of Rights Act 1990, Human Rights Act 1993, the Employment Relations Act 2000, the Wages Protection Act 1983, Health and Safety at Work Act 2015 and the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).

## Introduction to Westland's Corporate Social Responsibility (CSR)

Westland's CSR refers to the approach which Westland takes to its business and self regulates, to ensure that all of its activities have a positive effect upon its stakeholders and upon greater society.

Westland is a proud New Zealand company and part of the Yili group of companies. Principles of equality and fair treatment are in many cases embodied in appropriate legislation which meets ethical standards of doing business. Westland aims to meet and exceed relevant legislation where practically possible, and if legislation does not exist in a particular area, to apply best business practices.

The Sustainable Development Goals (SDGs) published and adopted by the United Nations provide a framework for companies to put a global lens over their CSR priorities. Westland's short-term focus is to contribute to three of the 17 sustainable development goals, under its current CSR strategy (2021 -2030).

Our current CSR strategy has a focus on 'care for the natural and social environments'. The related SDGs are:

SDG 8 – Decent work and economic growth

SDG 12 – Responsible consumption and production

SDG 13 – Climate Action

The SDG's will be reviewed alongside the CSR strategy based on Westland's achievements under each of the current focus goals and future priorities.

## Who is Westland and what does it do

Westland is one of New Zealand's largest dairy processors. Providing over 1,500 direct and indirect jobs (including staff, farmer suppliers and their employees), Westland is the largest employer on the West Coast and a key economic driver of the regional economy. Dairy farming on the West Coast can be traced back more than 150 years.

Westland produces high quality butter, dairy powders and specialist nutritional products with a combination of milk sourced from farmers in a geographical area beneath the Southern Alps of New Zealand's South Island, manufacturing expertise and rigorous quality standards.

# Westland Milk Products – Corporate Social Responsibility Policy

## Sustainable Procurement

Westland is committed to ethical and sustainable procurement activity. It aims to source from suppliers who are sustainably certified: providing products which are socially responsible, have minimal environmental impact, and are financially beneficial to all parties involved. Westland also seeks to ensure that it avoids directly or indirectly assisting unethical trading practices.

Westland's Procurement Policy is mandatory for all staff and contractors working for Westland and sets out how it will procure goods and services, including all packaging and ingredients used by it in the supply chain. All staff involved in a procurement process must incorporate Corporate Social Responsibility (CSR) considerations into their practices.

Westland is committed to continuously improving the impact of procurement on the triple bottom line framework of social, environmental and financial measurement. Where feasible or applicable it will monitor suppliers by way of:

- RFP (Request for Proposal) documents include CSR related questioning.
- Business owners should review KPIs to include CSR components where applicable.
- Evaluation process – tender responses on CSR considerations to ensure Westland's suppliers align to its SDG focus areas.

## Suppliers' Standards

Westland is committed to monitoring social standards in its supply chain, and it encourages suppliers to operate to the same ethical standards that Westland employs. The ethical trading practices of its key, direct raw materials suppliers are monitored. Monitoring is to be rolled out further in Westland's supply chain in the future.

As a minimum, direct suppliers are requested to demonstrate compliance with ethical and human rights laws in their local jurisdiction and at their own manufacturing and supply sites. Westland will seek to encourage and mandate ethical and socially conscious trading requirements throughout its suppliers' own supply chains.

## Looking after Westland's people

Westland's People, Safety & Culture department has oversight in respect of Westland's cultural values, protection and care of employment relationships and employee wellbeing, as well as safety in the workplace.

### **Code of Employment Practice**

Westland is committed to ensuring that its employment policy and practices, and the enforcement of corporate regulations, ensure the protection of the rights of all those who work for it. In many areas Westland aims to operate above the minimum standards required by law to ensure its employees are safe, rewarded and valued.

This is achieved through compliance with the Code attached as Annex A.

### **A Health and Safety focus**

Westland continuously seeks to improve its safety systems to ensure there is no harm to anyone at its operations. The key focus areas in its health and safety policy are in respect of Westland's:

## Westland Milk Products – Corporate Social Responsibility Policy

- People – to create an organisation where all Westland people believe in a “safety first” culture and demonstrate a commitment to achieving that by focusing on safety, health and general wellness, including rehabilitation from injuries or other health issues.
- Process – to ensure Westland has policies, procedures and programmes that proactively reduce exposure to risk for the business and eliminate harm to its people.
- Plant and equipment - to provide a healthy and safe environment that reduces exposure to risk of harm through the development and continuous improvement of purchasing, design, operation, management, and maintenance standards.

Westland supports the dairy manufacturing industry and will work towards the development and promotion of best practice standards with its people and industry colleague.

### Looking after Customers. Consumers and Distributors

By demonstrating its ethical and social responsibility credentials, Westland will enable consumers to make informed choices about its product range.

This is achieved through our Code of Conduct which provides a frame of reference in order to establish certain non-negotiable minimum standards of behaviour in key areas in the way which Westland conducts business with its customers and suppliers, and in its interactions with its own employees and other stakeholders. The Code sets our expectations in respect of ethical business; health, safety, and wellbeing; environment; labour and human rights, and compliance with law.

We also ensure we are:

- Encouraging and acting on feedback from customers and consumers, and continuous product quality data monitoring.
- Westland further seeks to ensure the safety and quality of its products by way of an efficient and monitored supply chain, a Customer Complaints policy through its Quality department and a Consumer Care process through Marketing to enable product to be tracked, traced and potential issues remedied.
- Clear communication with customers of policies, manufacturing processes and accreditations on its websites and social media channels.

### Responsibility to Westland’s shareholder

Westland is committed to achieving profits and building value for its shareholder, while recognising that an ethical and socially responsible approach to conduct its business is a key part of overall commercial success.

### Protecting Privacy

Westland, its employees, and management, are committed to achieving full compliance under the New Zealand Privacy Act 2020 (‘Privacy Act’). Its policy provides guiding principles to avoid, or deal with, a possible breach of privacy.

Under the Privacy Act and Westland’s policy, individual privacy is promoted and protected by:

- (a) a framework relating to an individual’s personal information, including rights of access, recognising that other rights and interests need to be considered; and

## Westland Milk Products – Corporate Social Responsibility Policy

- (b) giving effect to internationally recognised privacy obligations and standards.

Westland is a recognised agency which collects, holds, and uses personal information in accordance with the Information Privacy Principles set out in the Act. These include obligations to:

- Collect, use and retain that information about the person only for so long as it is required for a lawful purpose.
- Ensure reasonable protection of the information.
- Not disclose the information to any third party unless permitted.

### Protecting the Environment

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

- Implementing an effective environmental management system, focussing on continual improvement.
- Working towards an effective and sustainable product life cycle encompassing responsible sourcing of product materials through to end of life. This includes supporting its farmer 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.
- Developing and 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.

### Milk supply

With a supply of fresh milk from over 400 farms on the West Coast and Canterbury, Westland's farmer suppliers form an integral part of its business and local community.

The Farm Excellence (FarmEx) Programme encourages environmental leadership and ensures compliance. It sets standards above compliance with resource consents, industry and government standards and guidelines. The programme sets management practices and standards for:

Effluent Systems & Management; Land & Nutrient Management; Animal welfare; Stock exclusion; Water use; Farm presentation as well as People and risk management.

### Community Engagement

- Westland supports local communities by way of sponsorship and donations to support local social or community services, sports clubs, schools, and health services.
- Moreover, Westland employs directly and indirectly over 1500 local people on the West Coast and in Canterbury supporting households and communities.

# Westland Milk Products – Corporate Social Responsibility Policy

## Responsibility and Review

Westland's management has overall responsibility for all aspects of ethical trading at work within the business.

Lead roles are taken by the Head of Strategy & Insights and General Manager: Environment & Milk Supply, supported by the management team in the implementation, communication, planning, developing, reviewing, and communicating of this CSR policy and ensuring improvement action is taken where necessary.

The Strategy & Insights Department has policy audit responsibility and for reporting to the Chief Executive Officer any policy non-conformances or incidents. The relevant department takes the responsibility for correcting any non-conformances.

The CEO and management are copied with all corrective actions and audit reports. Each Employee also has a duty to cooperate with management so far as is necessary to enable the latter to fulfil its statutory obligations. This includes:

- Co-operating in the introduction and operation of all measures designed to fulfil management's obligations under this policy.
- Drawing attention to actual or potential problems.
- Suggesting ways in which ethical trading practices could be improved.

This policy will be formally reviewed by Management at least annually and amendments proposed to the Resident Director as necessary.

All employees should review the policy periodically to ensure it continues to appropriately reflect the values and ethical approach to Westland's operating and social environment.

# Westland Milk Products – Corporate Social Responsibility Policy

## Annex A

### Westland Code of Employment Practice

This Code applies to:

- Staff directly employed by Westland on temporary or permanent contracts.
- Other workers engaged as contractors or provided by employment agencies to work on Westland premises or to undertake work for or on behalf of Westland.

All employment with Westland is freely chosen:

- No forced, bonded or involuntary labour shall be used.
- Staff are not required to lodge deposits or original identity papers with Westland.
- Staff are free to leave Westland after reasonable notice.

No child labour shall be used:

- There shall be no recruitment of child labour.
- Children or persons under 16 are not employed at any time.

Freedom of association and the right to collective bargaining are respected:

- Workers have the right to join a recognised trade union of their own choosing and to bargain collectively.
- The Company adopts an open attitude towards the activities of trade unions and their organisational activities; workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Working conditions are safe and hygienic:

- Westland takes adequate measures to prevent accidents and minimise potential hazards.
- Staff receive regular health & safety training.
- Staff have unrestricted access to toilet facilities and drinking water.
- Westland has a published Health & Safety Policy.

Reasonable remuneration is paid:

- Staff pay rates are all above the national legal minimum standards.
- Staff are given written terms and conditions of employment that detail the employment relationship between, and the respective obligations of the employee and employer, rates of pay, working hours, grievance and disciplinary procedures, holiday entitlement, absence and sick pay rules and notice periods for termination of employment.
- No deductions are made from wages as a disciplinary measure, and pay slips detailing lawful deductions are provided for each pay period.
- Labour only contracting, sub-contracting and fixed-term contracts are not used as a means to avoid obligations under labour or social security laws.

Working Hours are not oppressive:

- Weekly hours for full time staff are between 40 and 43 hours.
- Staff are not forced to work in excess of 48 hours per week.
- Staff work a range of shift patterns, but no staff member is required to work more than 6 consecutive days.

## Westland Milk Products – Corporate Social Responsibility Policy

- Working hours comply with national laws and any overtime must be agreed between employer and employee.

No discrimination is practised:

- There is no discrimination in pay, hiring, compensation, access to training, promotion, termination of employment or retirement on the grounds of race, nationality, religion, age, disability, marital status, sexual orientation, union membership or political affiliation.
- Opportunities for personal and career development are equally available to all employees.

No harassment, threats, abuse or intimidation shall be practised:

- Physical, verbal and sexual threats, abuse, harassment or intimidation are expressly prohibited and may be grounds for summary dismissal, if proved.

### Employment Agencies

Employment agencies contracted to supply temporary staff are required to:

- demonstrate commitment to and application of the requirements of this code.
- ensure that all staff supplied to Westland are eligible to work in New Zealand.
- ensure that all staff supplied to Westland have sufficient command of English to understand:
  - The agency's responsibilities under this code of practice.
  - Westland's Health & Safety requirements.
  - Westland's Food Safety requirements.
  - Written statements of employment particulars, or have other measures in place to ensure that all these requirements are communicated in the employee's native language.