

Code of Conduct: Members of the PFI

This code is an obligatory set of rules of the Pet Food Industry Association of Southern Africa (PFI). As such, all ordinary, associate, affiliate and special affiliate companies and persons who accept and acknowledge membership of the PFI are obliged to accept this code of conduct as a condition of membership.

The PFI is a non-profit, non-governmental association representing companies, firms or individuals within the pet food industry in South Africa, as well as those organisations with an interest in the pet food industry. Member companies of the PFI include pet food manufacturers, pet food brand owners, suppliers to the pet food industry, distribution channels for the sale of pet foods to the public and related industries and/or companies. Members of the PFI are committed to the ethical standards set out in this code.

The PFI's vision is to strive to improve the long-term care and wellbeing of pets by instilling trust in safe, commercial nutrition. The PFI's mission is:

- To grow and lead a responsible pet nutrition industry by being representative of the industry
- Being a credible voice for stakeholders
- Assuring industry quality and food safety standards align to international levels
- Collaborating with authorities and regulators to establish a legislative framework that promotes a safe sustainable environment
- Applying an industry code of conduct which ensures ethical sales and marketing

This code of conduct is aimed at garnering and growing high public trust in the PFI and its members. It was established because of the critical importance that such consumer trust plays in securing high ethical values including manufacturing integrity to deliver quality, safe pet food, provided by PFI members.

The PFI's objectives include establishing standards for self-regulation and responsibility, and enhancing the goodwill and reputation of its members to consumers and the public.

This code serves to instill a culture of collaboration between the PFI and its members to uplift the pet food industry in South Africa, It has been promulgated by the board of directors of the PFI and is subject to revision from time to time.

1. REPUTATION

- 1.1. The PFI was established to protect and serve the wellbeing of the pets and the pet food industry and to raise the public awareness of quality and food safety methods employed by its members within the borders of South Africa.
- 1.2. Members therefore must not act in any manner that is detrimental to the pet food industry, the pet or pet owner, nor in a manner that brings the PFI into disrepute.
- 1.3. Compliance with the legal requirements of Act 36 of 1947, Act 101 of 1965 and Act 35 of 1984 is mandatory, as is compliance with any other law relevant and applicable to each member's operation of business.
- 1.4. Manufacturing facilities of both pet foods and raw materials must meet the requirements of Good Manufacturing Practice (GMP).
- 1.5. Where a member believes that the actions of another member, or its own actions, have, or are likely to bring pet food manufacturing and/or the PFI into disrepute, they should report such actions to the PFI office in writing. Where such actions are believed by the member to constitute criminal or quasi-criminal conduct (such as the breach of health and safety legislation or of competition law), members should report such actions to the appropriate regulatory authorities either directly or through the PFI.

2. CONFIDENTIALITY

- 2.1. The PFI is committed to maintaining the highest level of integrity in all dealings with its members. To this end the PFI shall always endeavour to maintain commercial confidentiality and protect personal information received in the course of providing PFI services. Where such confidentiality has been broken, a member has recourse to alternative members of the board.
- 2.2. Members shall also endeavour to maintain any commercial confidentiality and protect personal information received from the PFI, however not acting in a manner contrary to any law or legislation.
- 2.3. Members must be aware of their obligations under competition law and not participate in any uncompetitive actions.

3. USE OF THE PFI LOGO

- 3.1. The PFI permits and encourages members to proudly use the PFI logo on their packaging, websites and all other forms of communication for the purposes of indicating membership of the PFI.
- 3.2. Members shall observe the guidelines for usage of the PFI logo and any further directions given by the PFI through the brand / corporate identity (CI) manual.

4. CODES OF PRACTICE AND OBLIGATIONS OF MEMBERS

- 4.1. Members shall conform to the rules of the PFI and any guidelines set out by the PFI, such as those contained in the codes of membership (ordinary members; affiliate members; special affiliate members; associate members;), product control and self-

policing code, product handling and storage code, contract manufacture code as well as any other codes published from time to time and including this code.

4.2. Specific obligations in the code of conduct (incorporating the above rules and guidelines in the various codes as mentioned) include:

- a) Payment of PFI membership fees
- b) Submission of annual turnover data / statistics where applicable
- c) Attendance at the PFI's annual general meeting (AGM) and at least one other PFI event, if other events are planned
- d) Cognizance, adherence to, and correct application of, the PFI logo (including point 3 of this code of conduct)

5. COMPETITION POLICY

5.1. Members must take individual responsibility for complying with competition law and are advised to seek legal counsel if they are unsure about the application thereof.

5.2. Members shall comply with the PFI competition law compliance policy. Compliance shall include members ensuring that their own members of staff are informed of the competition policy.

"Competition law disclaimer (to be read at the beginning of industry association meetings):

1. The PFI and its members recognise that industry associations perform functions which are legitimate and which promote the competitiveness of the industry as a whole. However, membership of an industry association or work group may tempt the members meeting under its auspices to collude together and to co-ordinate their action. Accordingly, care must be exercised to ensure that this meeting is not used as a vehicle for collusion between its members.

2. All activities of this work group must be carefully measured against the prevailing competition law in South Africa. The PFI and its members recognize the need to exercise extreme care to avoid any violation or raise the suspicion of a possible violation of competition law and under no circumstances will attempts be made to guide the independent market behaviour of its members and will encourage individual members to make business decisions on their own and without consultation with their competitors.

2.1. To this end any discussions regarding increasing, decreasing or standardising current or future prices, pricing procedures, discounts, credit terms or rebates, what constitutes a fair profit level; and allocating markets, refusals to deal with customers or suppliers shall be scrupulously avoided at all times.

3. This meeting is aware of the contents of the full disclaimer and agree to abide fully by its caveats."

6. MARKETING

6.1. Advertising Regulatory Board (ARB)

6.1.1. The PFI is committed to the preservation of self-regulation of advertising in South Africa, which is currently administered by the Advertising Regulatory Board NPC (the ARB). The PFI is a member of the ARB, as voted in favour of by members at the 2019 AGM. The ARB is a non-profit company registered according to the company laws of South Africa, which carries on business as a self-regulatory body in the advertising industry. It includes the ARB directorate, ARB advertising appeals committee and ARB final appeal committee.

6.1.2. The PFI hereby binds itself to the rules set out in the Code of Advertising Practice, as published on www.arb.org.za, and to the decisions of the ARB.

6.1.3. As such, members of the PFI are bound by the rules and rulings of the ARB and submit to the jurisdiction of the ARB in respect of all of its advertising, wherever it may appear. Members should familiarize themselves with the code of advertising practice, as amended by the ARB from time to time, which includes all appendices (including a pet food specific appendix) to their code and their procedural guide (available on www.arb.org.za).

6.1.4. Members of the PFI consents to the PFI sharing updated membership lists as an indication of those who have submitted to the ARB's jurisdiction.

6.1.5. Competitor complaints, as relates to any form of advertising, should be lodged with the ARB according to their defined complaint lodging procedure.

6.2. Claims:

6.2.1. National legislation and regulations dictate the content of product information and claims that are communicated on labels and packaging, based on the formulation and nutritional inclusion of the product. All marketing material, including promotional material, must be consistent with approved product information.

6.2.2. Substantiation of queried claims will need to be made available to prove the legitimacy of the claim in relation to the nutritional makeup of the food.

6.2.3. The PFI is an industry association, representative of all categories of pet food. As such, and in accordance with the ARB's code, members may not make use of disparaging advertising and / or marketing, that may discredit, attack or belittle other forms or categories of pet food.

6.3. Events:

6.3.1. From time to time sponsorship opportunities are made available at PFI events, with an associated cost, including contributing to the event's agenda in the form of a sponsored presentation. The primary objective, when making use of the platform is to educate the audience with fact-based content relevant to the audience. 15% - 20% of the presentation may include direct marketing and / sales.

6.3.2. Typically, PFI events are free to PFI members. "No shows" will however be charge for at the per person rate.

7. ANIMAL WELFARE

- 7.1. Members shall comply with any legal requirements relating to animal welfare.
- 7.2. Members shall promote responsible pet ownership.
- 7.3. Where possible, members shall endeavour to raise the public awareness of quality and safe pet nutrition.

8. BREACHES OF THE CODE OF CONDUCT

- 8.1. Where breaches of this code are brought to the attention of the board of directors, it shall consider what action should be taken in the interests of the PFI and the industry.
- 8.2. If the board of directors decides that further action is to be taken, it shall itself or by a sub-committee appointed by it, investigate any allegation of a breach of this code and produce a document containing the allegations and the reasons why that allegation has been made. It shall provide this document to the member against whom the allegation has been made and give them an opportunity to respond with their own document.
- 8.3. The board of directors or its sub-committee will, upon receipt of the documents containing the allegation and the response to the allegation, consider them both and reach a decision as to whether:
 - (i) any breach of this code has been established, and,
 - (ii) what action it should take in respect of any breach that has been made.
- 8.4. The actions open to the board of directors or its sub-committee after deciding that a breach of the code has been established are:
 - a) no further action,
 - b) a formal reprimand,
 - c) a period of suspension from the PFI, and/or
 - d) proposal of a resolution that the member be expelled on the grounds that their continued membership is harmful to, or is likely to become harmful to the interests of the PFI and the industry.
- 8.5. If the board of directors or its sub-committee propose a resolution that a member be expelled, the procedure for expulsion from the PFI as set out in paragraph 16 of the memorandum of incorporation (MOI) of the PFI and shall then be followed.
- 8.6. The PFI shall owe no duty of confidentiality to any party in respect of the decision to take any of these actions.
- 8.7. The PFI shall inform the necessary regulatory authorities of the decision to expel the member.
- 8.8. The PFI shall briefly disclose to the PFI member base of the decision to expel the member based on the breach of the code.

- 8.9. Should the member be using the PFI logo on packaging and advertising, a period of 3 months shall be given to remove such from the advertising and 6 months to remove from packaging. Any remaining packaging after this time shall require the PFI logo to be wholly covered or blackened out by the member and at the member's expense.
- 8.10. The PFI shall have the right to explain on its website and all appropriate media the action taken against the company concerned and why it is no longer a PFI member.

9. ROLES OF THE PFI

- 9.1. The PFI's primary function is to lobby for the pet food industry in South Africa, appearing on various platforms, including governmental and legislative levels, as representative of the pet food market.
- 9.2. The PFI works to promote the interests of the pet food industry in South Africa and the interests of its members.
- 9.3. The PFI works to uphold quality standards in pet nutrition to ensure the nutritional wellbeing of household pets through careful vetting of its members.
- 9.4. The PFI supports responsible pet ownership, aimed at improving the long-term care and wellbeing of South African pets by mainly instilling trust in safe, commercial nutrition.
- 9.5. The PFI may assist with complaints related to pet food by offering advice and directing the complainant to the correct resolution channel or submitting a complain on behalf of the complainant when warranted, but must remain an impartial body with respect to its members. The PFI is not a regulatory body; the PFI will pass information on to the relevant bodies that have jurisdiction over the matter for them to take action if they are in agreement that an infringement has occurred. The PFI itself does not have the jurisdiction or capacity to investigate and / or rule on such matters.