

# BUSINESS ETHICS CODE OF CONDUCT





Dear Team:

Often individuals have a natural instinct when it comes to understanding what constitutes ethical business conduct. However, there are times when doing the right thing may not be clear and guidance is needed to help make sure the Schwan's Company's (the "Company") reputation is protected. Not only is it the right thing to do, but each of us has a responsibility to be diligent in protecting the reputation which has been the cornerstone of our success.

To help us, the Company's business ethics program provides clear direction on who we are and how we conduct business. The program consists of this Business Ethics Code of Conduct, ongoing communication and training, and communication channels for all employees to ask questions or communicate concerns. The goal of the business ethics program is to prevent, identify and correct issues as we continue to grow and serve our valued customers and consumers.

Our Business Ethics Code of Conduct guides all of us, regardless of whether we are a member of the Board of Directors, working as part of our corporate offices, or working at one of our depots, manufacturing facilities or partnered locations. It is important that you are familiar with the Code so that you can apply its principles in your daily work activities.

We have a rich heritage, strong core values and principles. We must not take this for granted but rigorously defend our reputation as our future success is dependent on the manner in which we conduct ourselves and the decisions we make each day.

Sincerely,



**EUN SEOK CHOI**  
Chairman of the Board



**DIMITRIOS P.  
SMYRNIOS**  
Chief Executive Officer



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# SCHWAN'S COMPANY BUSINESS ETHICS PROGRAM OVERVIEW

## WORLDWIDE APPLICABILITY

The Schwan's Company (the "Company") Business Ethics Code of Conduct (the "Code") is a document that serves as a guide to the ethical and legal responsibilities which governs each of us. It does not address every ethical issue, nor summarize all laws and policies. Instead, the Code provides us with guidance and directs us to resources to help us make the right decision when the answer may not be clear. Throughout the Code, we speak of Company rules and policies. In these cases please refer to the [Standards of Conduct](#), your supervisor, or a Human Resources representative for the specific policy guidelines.

*"If you have integrity,  
nothing else matters.  
If you don't have integrity,  
nothing else matters."  
- Alan Simpson*

The Company enjoys a diverse workforce made up of individuals from a wide variety of cultures and backgrounds. While we recognize local laws and customs may dictate the necessity for this Code to be flexible, we do expect all employees to adhere to both the letter and the spirit of its contents.

To help you become familiar with what is expected of you, you are required to read the Code, think about how it applies to you in your role with the Company, and learn where you can go to ask for advice or get answers to questions you might have. The Ethics, Law and Human Resources Departments are corporate support functions and you are encouraged to seek guidance from these resources when necessary. You will also be required to complete ethics training on an annual basis as part of an ongoing commitment to keep ethics and ethical decision-making top of mind.

\*Note: All references to "Schwan's" or "the Company" throughout this document include the subsidiaries of Schwan's Company.



**BUSINESS ETHICS LINE 1.800.818.9065**



# SCHWAN'S COMPANY BUSINESS ETHICS PROGRAM OVERVIEW

## OUR CORE VALUES & CODE OF CONDUCT

Our core values and principles serve as the foundation of the Code. The Code is the cornerstone of the business ethics program and applies to all employees, contractors, officers, and members of the Board of Directors. Annual ethics training is required of all employees as a reminder of the Company's expectations relating to ethical business conduct and the importance the Company places on strong business ethics. By living our values, we demonstrate that our business is conducted consistently with the high ethical standards we expect from each other and that others have the right to expect from us.

"Wisdom is knowing  
the right path to take.  
Integrity is taking it."  
- M.H. McKee

When faced with an ethical dilemma, asking yourself the following basic questions should help guide you to the right decision. The decision is right if you can answer "yes" to these questions:

- *Am I being fair and truthful?*
- *Is the action legal and consistent with Company policy?*
- *Am I acting in the best interests of the Company and our stakeholders?*
- *Would I be proud to tell someone I respect about it?*
- *Would I be comfortable seeing it reported in the news media or via social media?*
- *Will it protect the Company's reputation as an ethical company?*





# SCHWAN'S COMPANY BUSINESS ETHICS PROGRAM OVERVIEW

## WE ARE RESPONSIBLE FOR KNOWING AND COMPLYING WITH THE CODE AND THE LAW

Our success depends on maintaining our reputation for trust that we have with one another and with our customers, suppliers, and vendors. Not only is it the right thing to do, but we expect that each of us will perform our duties and act with integrity by complying – with both the letter and the spirit – of applicable laws, rules, regulations and Company policies and procedures that govern our business, and living up to this Code to earn that trust. All of us are expected to read, understand and acknowledge the Code. Failure to comply may result in disciplinary action up to and including termination of employment. The Code is not intended to describe every situation, nor cover all Company policies and procedures. If you want to learn more about a specific policy or procedure, you are encouraged to discuss the matter with your supervisor or a Human Resources representative.

No reason, including the desire to meet business plans or profit objectives, can ever be an excuse to compromise the law or the guidelines contained herein. In addition, none of us may use a contractor, consultant or other third party to do anything that would be prohibited by law or this Code. Sometimes upholding our values and the Code may require more than mere compliance with these laws and regulations. Should you have questions, there are a number of resources available to you to help you understand those that apply to your job. Representatives from the Ethics Department, Law Department, Safety Department or Human Resources are always available for you to call on. If you are a manager, you serve as both a role model and a resource for those you manage and are expected to promote an ethical work environment. You also know that perception matters, transparency is critical, and the answers are not always as clear as you would like. Open and honest two-way communication is critical. You must also be alert to indications that illegal or unethical conduct has occurred and make sure that it is reported.



**BUSINESS ETHICS LINE 1.800.818.9065**



# SCHWAN'S COMPANY BUSINESS ETHICS PROGRAM OVERVIEW

## SET AN EXAMPLE

Chances are you will find yourself faced with an ethical dilemma at one time or another during your career. All of us are accountable to the Company and to each other. To maintain high ethical standards, you should:

- Demonstrate in both words and actions what it means to act with integrity
- Operate in an honest and candid manner
- Create an open environment that invites engagement
- If you are a manager, make sure that you lead yourself in a manner that promotes the Company's ethical standards and ensure those you supervise understand and act according to the Company's policies and expectations
- Reinforce that help is available if it's needed
- Know about the resources that are available if an issue or concern is identified
- Support employees who in good faith ask questions or raise concerns
- Report instances of noncompliance with the law, Company policies or the Code

*"Live in such a way that you would not be ashamed to sell your parrot to the town gossip."*

*– Will Rogers*

## WE ARE RESPONSIBLE FOR ASKING QUESTIONS AND COMMUNICATING CONCERNS

If you are unsure about how to handle a particular situation or if you have observed conduct that you believe may violate the Code, there are a number of resources available to you for assistance. The Code sets forth our responsibility as employees to communicate any circumstances or actions that violate or appear to violate its principles. Aside from that, we cannot live up to our commitment to act with integrity if we, as individuals, don't speak up when we should. If you have a question, concern, or wish to report a violation...





# SCHWAN'S COMPANY BUSINESS ETHICS PROGRAM OVERVIEW

## CONTACT

- Your manager or another member of management
- Your manager is often the best place to start. Depending on your concern, however, you may feel more comfortable talking to someone else. These resources are also available and ready to help:
- A Human Resources Representative
- A Safety Representative
- The Law Department
- The Ethics Department, [Ethics Helpline](#) or via email at [ethics@schwans.com](mailto:ethics@schwans.com)

The flowchart to the right outlines the process when you contact your manager or other Company representative:



01

YOU CONTACT  
YOUR MANAGER  
OR OTHER  
COMPANY  
REPRESENTATIVE

02

YOU SHARE YOUR  
CONCERN  
OR ASK  
QUESTIONS

03

YOU'RE PROVIDED  
GUIDANCE ON  
HOW TO HANDLE  
THE SITUATION

04

YOU MAKE AN  
INFORMED  
DECISION

**BUSINESS ETHICS LINE 1.800.818.9065**





# SCHWAN'S COMPANY BUSINESS ETHICS PROGRAM OVERVIEW

## CALL

### THE ETHICS LINE (800-818-9065)

The ethics line is available 24 hours a day, seven days a week and is hosted by an independent reporting service experienced in handling these types of matters. You can report your concerns or receive feedback on a concern previously reported. When calling the ethics line, you may also choose to remain anonymous. Regardless of whether you choose to remain anonymous, your report will be investigated and you may be asked for additional information. If you have elected to report anonymously, questions will be posted through the ethics line for you to review and answer.

The flowchart to the right outlines the process when calling the Ethics Helpline:

## CLICK

### CLICK TO GO TO

[Schwan's Company Ethics Helpline](#)

The website is hosted on an external server and available 24 hours a day, seven days a week. This option works similarly to the way a call to the **Ethics Helpline** would work only it allows you to submit a report online. You will be prompted to provide certain information relating to your concern. It will then be assigned for investigation. You may also choose to remain anonymous if you elect this reporting option.





# SCHWAN'S COMPANY BUSINESS ETHICS PROGRAM OVERVIEW

## TIMELY AND APPROPRIATE RESPONSE

The business ethics program is designed to ensure that anyone acting in good faith has the means to communicate questions, concerns, or perceived violations of the Code without fear of retaliation. You can be assured that your concern will be treated seriously and fairly and you will be treated with dignity and respect. Your concern will also be kept confidential to the extent possible. If you choose to remain anonymous when reporting your concern or asking questions, you should know that it may be more difficult to appropriately investigate your concern. If you report concerns via the ethics hotline or website, you have the opportunity to learn of the outcome by calling back or logging in to the website and providing the report key and password assigned at the time the initial report was made. Due to privacy considerations, however, specific details of any action taken may not be provided.

We must continuously strive to achieve the highest ethical standards to be competitive in today's marketplace. Consumers care as much about how a company manufactures and sells its products as the products themselves. We recognize, however, that a company of our size will, inevitably, encounter issues.

When that happens, we want them reported so they may be addressed. It takes courage to report an activity or decision that is, or has the appearance of being, contrary to our values. In these situations, it is important you know we will listen to your concerns. Retaliation against any employee for reporting a concern in good faith or for cooperating in an investigation will not be tolerated. If you are a manager, you have an added responsibility to ensure you protect an employee who may come to you to report a concern or to ask questions. We take claims of retaliation seriously. Individuals engaged in retaliatory conduct will be subject to disciplinary action up to and including termination of employment. If you believe you or someone you know has been retaliated against for raising a good faith concern, you should immediately contact the Ethics Department. Allegations of retaliation will be investigated and appropriate action taken.

*"A people that values its privileges above its principles soon loses both."  
- Dwight David Eisenhower*

## WE ARE RESPONSIBLE FOR TELLING THE TRUTH

Investigations of actual or perceived violations of the Code or other Company policies or laws may be conducted. Discussions are a fundamental part of the process whether they relate to a question, concern, or investigation. You are required to cooperate fully and honestly if you are interviewed or asked to provide information regarding an actual or perceived violation. You may not interfere with individuals who may be witnesses to a matter under investigation, nor conceal or destroy any information pertinent to an investigation. Violators may be subject to disciplinary action up to and including termination of employment.



**BUSINESS ETHICS LINE 1.800.818.9065**



# MUTUAL RESPECT

## INCLUSION/ DIVERSITY & PROFESSIONALISM IN THE WORKPLACE

Professionalism is conduct and an image which encourages confidence, trust and respect of our co-workers, customers, and the general public. It projects expertise and leadership and captures the high standards of excellence in our core values and principles. It also demonstrates social and ethical responsibility and respect for diverse cultures and beliefs. Each of us deserves to be treated with dignity. The Company fosters a culture of inclusion, diversity and equity. We encourage diversity and diverse opinions and expect everyone to help create an inclusive and ethical culture. The Company is committed to a policy of equal opportunity for all qualified applicants and employees without regard to race, color, gender, religion, age, national origin, ancestry, disability, military status, or other legally protected status. Through a shared commitment to an open and inclusive culture, we support our vision of being a Company that offers great opportunities and a place where people like to work, allowing us to attract the best people and achieve the best results.

Harassment and discrimination on any basis made unlawful by federal, state or local law, including harassment and discrimination based on sex, race, color, religion, national origin, age, disability or other protected classes is strictly prohibited. Not only do these actions violate the law and Schwan's Equal Employment Opportunity Policy, they erode trust and are exactly the opposite of what we stand for. Any incidents of alleged harassment or discrimination committed by employees or by employees of suppliers, contractors or customers, must be reported immediately by using any one of the resources outlined earlier in this [Code Harassment- Know your Rights and Responsibilities](#).

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

Both my significant other and I work for the company. I believe my significant other is being treated unfairly. I called to talk about this with the manager, but he refused to discuss this with me. Why?

#### ANSWER:

Sharing information about another employee, regardless of your relationship with the person, is a violation of the person's privacy. If you believe in good faith that another employee is being mistreated, you should report the concern so that an investigation can be conducted. The details of the investigation will be handled confidentially to the extent possible and, based on privacy concerns, the outcome of the investigation may or may not be shared.

#### QUESTION:

I like to joke around with the people in my department. It lightens the tension. Is there anything wrong with that?

#### ANSWER:

It's important for you to keep in mind what you might consider a joke might be offensive to others and could create an unacceptable or uncomfortable work environment. It's best to refrain from engaging in this type of behavior to avoid inadvertently offending one of your teammates.

#### QUESTION:

I'm going to a reception hosted by one of my customers and there will be alcohol offered. Is it okay for me to consume alcohol while attending as a representative of the company?

#### ANSWER:

**YES**, if you are legally permitted to consume alcohol, it is permissible for you to do so as long as you drink responsibly and do not return to work after the event. Remember that you are attending the reception as a representative of the company and your conduct may violate our policies if it has an impact on our workplace. In other words, do not engage in behavior or conduct that you would not want to see on the news or that you would be embarrassed to tell your family about.



# MUTUAL RESPECT

## HEALTH AND SAFETY

Your safety at Schwan's is one of our top priorities. We want all employees to go home at the end of their work shift in the same condition as they arrived. Each of our facilities develops and administers safety programs and emergency plans to prevent workplace accidents and injuries. This also includes employees reporting to work free from the influence of alcohol, any illegal or controlled substances which may have been deemed by the state or legal substances that could inhibit your ability to conduct your work activities safely. The Company also maintains a smoke and tobacco-free environment. This means you may not smoke or use other tobacco products, including cigarettes, electronic nicotine devices, pipes, cigars, snuff or other forms of tobacco, anywhere on or inside company buildings, property, plants, or in vehicles owned, leased or rented by the Company, except those areas specifically identified as smoking areas.

We are also committed to prevent workplace violence. The policies in place along with the [Standards of Conduct](#) provide the minimum expectations of employee for the continuation of employment. Employee's behavior that undermines employee safety, including acts or threats of violence or other forms of intimidation are prohibited. Such policies are posted on the Human Resources site for review and understanding of expectations. We all have a responsibility to immediately stop unsafe work, communicate accidents and unsafe practices or conditions to appropriate personnel. [Standards of Conduct](#).

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

During your morning pre-trip inspection you notice that your parking brake is not holding properly. You attempt to make adjustments, but are unsuccessful in fixing it. There isn't another truck available at the depot for you to use. As you consider your route day, you realize you are not running in a hilly area. You don't want to reschedule your day because you will have to make up the day on Saturday. What should you do?

#### ANSWER:

You should always note an identified deficiency on your pre-trip inspection and immediately communicate the concern to your manager. Management, as well as your facility mechanic, if applicable, will assist in determining the nature of the defect, any safety concerns and whether the vehicle is safe to use before the defect is repaired. In this situation, the identified deficiency indicates the vehicle is not safe to operate and may put your safety and the safety of the general public at risk. Operating the vehicle without first having it repaired would be in violation of Company policy and Department of Transportation requirements for commercial motor vehicles. Your safety and the safety of others should always be your first priority. For more information on vehicle deficiencies or safety concerns, please refer to your manager or safety representative.

#### QUESTION:

My leader has suggested adopting a practice that will save time but poses a potential safety risk. What should I do?

#### QUESTION:

You are ready to start your shift and notice that the walkway entering the production area has a spot of water. Should you pass by the area and go about your business to start your shift?

#### ANSWER:

Never compromise your safety or the safety of others. If you are comfortable doing so, discuss your concern with your leader. If your leader isn't open to your safety concerns, report the matter to another leader or utilize one of the other reporting avenues available to you.

#### ANSWER:

**NO.** The area that has water on the floor is a slip hazard for other employees entering the area. You should immediately communicate the safety concern to a supervisor or safety personnel in order to ensure it is addressed. It is important that employees act like an owner and assist in ensuring a safe workplace for yourself and other employees.

#### QUESTION:

Can I bring my gun to work if I have a license and conceal to carry permit?

#### ANSWER:

**NO.** Schwan's Company prohibits the possession of firearms and other weapons on Company property.



# MUTUAL RESPECT

## PRODUCT INTEGRITY

Food safety practices are an integral part of our operations. We depend on our ability to manufacture, store and deliver the highest quality food minimizing the potential of food safety risks. Food safety is a personal responsibility for each of us. Employees in positions that directly affect product quality should ensure the timely completion of product safety training. We must each ensure that we appropriately handle or dispose of any product that is damaged, of substandard quality, contains foreign material or appears to have been tampered with. We have very specific manufacturing, inspection and delivery processes that ensure our products and ingredients meet quality and food safety standards and it is the responsibility of all of us to ensure that these processes are followed. Any suspicious activity at the facility or during delivery of products should be reported to a Company representative. Adulterated products reduce quality and increase food safety risks. Our products become adulterated when they contain substandard ingredients or foreign objects. The deliberate mishandling, tampering or contamination of any food product, ingredient or packaging will not be tolerated and will result in disciplinary action up to and including termination of employment.

## USE OF SOCIAL MEDIA

We embrace the power of social media and its enormous role in the connected world. From Company and brand-sponsored websites to other social networking sites, we use these sites to help connect with each other as well as to help connect with our customers in a whole new way.

Employees must use social media in a way that does not violate any other Company policy or employee obligations. If an employee's social media usage would violate any of Schwan's policies in another forum, it will also violate them in an online forum.

Employees are prohibited from using social media to:

- Violate Schwan's confidentiality and proprietary right policies
- Circumvent Schwan's "Business Ethics Code of Conduct"
- Circumvent policies prohibiting discrimination and harassment against current employees or applicants for employment
- Negatively impact the genuine interests of the Company

Whenever you use social media – whether for work or for personal use that relates to the Company in some way – keep our Social Media Policy in mind. The Company has established a [Social Media Policy](#) to ensure clear standards are communicated. You can also request a copy of the guidelines from your manager or from a Human Resources representative. The Social Media Policy will help you when doing things like posting to a blog about the Company or updating your professional status. [Social Media Policy](#)





# BUSINESS PRACTICES

## COMPETING FAIRLY: COMPETITION/ANTITRUST

The countries in which we operate now or in the future have fair competition or antitrust laws that safeguard the rights of consumers and prohibit restraint of trade, unfair practices, or abuse of economic power. We are committed to conducting business in a manner that promotes fair competition and free enterprise consistent with these principles. We do not knowingly enter into business arrangements that would eliminate or discourage competition or that would provide us with an unfair or improper competitive advantage. In general, agreements to fix or control prices, agreements to allocate markets or customers, or agreements in which a seller refuses to sell one product unless the buyer agrees to purchase another product are contrary to these principles and the Code. If you have questions about how the antitrust or similar laws apply to a particular situation, please seek appropriate guidance from applicable Company policy, a member of management, the Law Department, or the Ethics Department.

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

Two days ago, a representative of a competitor called me to discuss dividing certain sales territories to maximize revenues for my business and her employer. What should I do?

#### ANSWER:

This suggestion is a violation of fair competition laws. Respectfully but firmly advise the representative that engaging in such a discussion would violate fair competition laws and would also be a violation of our code of conduct.

#### QUESTION:

I recently joined the company as a sales manager from a competitor of Schwan's. Can I share with my new sales team information about my former employer's go-to-market strategy?

#### ANSWER:

**NO.** This would be considered confidential and/or proprietary information by your former employer and you would be bound to keep the information confidential.



**BUSINESS ETHICS LINE 1.800.818.9065**



# BUSINESS PRACTICES

## INSIDER TRADING

We are a privately held company whose financials are included within the financials of a publicly traded organization. As such, there are various securities laws that we must still comply with. Depending on your position with the Company, you may come into possession of confidential and highly sensitive information. If you do, you may not use that information for your own benefit, or the benefit of others and you may not pass that information on to others who do not have the authority to receive it.

It is the law and Company policy that if you become aware of important non-public information about your company or another company through your employment, you cannot share it or buy or sell stock of that company until the information becomes publicly available.

Examples of sensitive “non-public” information would include:

- Mergers and acquisitions
- Downsizing or expanding the company
- Changes in executive leadership or company control
- New products and services
- Unpublished financial earnings or losses
- Strategic business plans

If you have questions regarding how securities or similar laws apply to a particular situation, please seek appropriate guidance from applicable Company policy, a member of management, the Law Department, or the Ethics Department.

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

As an executive assistant, I learned that Schwan’s was looking at acquiring a publicly traded frozen-food manufacturer. Is it okay for me to give a ‘tip’ to a friend of mine to purchase some of the publicly-traded company’s stock before the transaction is finalized and made public?

#### ANSWER:

**NO.** Giving your friend a ‘tip’ about this potential transaction would not only be a violation of our Code of Conduct, it is a serious violation of the law and could result in severe civil or criminal penalties, including imprisonment.





# BUSINESS PRACTICES

## CONFLICTS OF INTEREST /ENTERTAINMENT & GIFTS

A conflict of interest exists where an individual's interests conflict with the interests of the Company. You may have a direct or indirect personal interest in a transaction or matter such that it would reasonably appear to affect the judgment that you exercise on behalf of the Company, influence your actions or lead you to neglect one or more of the Company's business interests. While conducting the Company's business we must avoid conflicts of interest, or the appearance of a conflict of interest, as well as any relationship or activity that might impair our ability to make objective and fair decisions when performing at work. We are committed to competing on the basis of the quality of our products and services. All of us should avoid any actions that result in business being gained, or create the impression that business was gained, in exchange for any gift, meals, or entertainment.

*"Real integrity is doing the right thing, knowing that nobody's going to know whether you did it or not."  
- Oprah Winfrey*

Examples of how a personal conflict of interest may occur:

- Employees or members of their immediate family are affiliated with a firm which either provides goods or services to a Schwan's business unit or is a competitor of Schwan's;
- Employees or members of their immediate family acting as a contractor, vendor, or consultant to Schwan's;
- Holding a second job that interferes with your employment with Schwan's;
- Use of Company assets, intellectual property or Schwan's confidential information in a way that advantages the employee or members of their immediate family;

You have a responsibility to disclose to your manager or supervisor in writing any situation, transaction, or relationship that might give rise to an actual or potential conflict of interest.

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

A customer on one of my routes that I have serviced for a long time wants to leave something in her will for me. Is this okay?

#### ANSWER:

**NO.** You should thank her for wanting to do this for you but explain that our Code of Conduct prohibits you from benefiting in this way as it creates a conflict of interest.

#### QUESTION:

A vendor offers you two tickets to a pro football game for you and a guest. The vendor will not be attending the event. The value of the tickets is \$250. Before accepting the tickets, you contact the Ethics Department to discuss the situation.

#### ANSWER:

Since the vendor will not be attending the game, it is clear that there is no business objective associated with your attendance. Accepting the gift may create, or have the appearance of creating, a conflict of interest or undue influence. It is right for you to contact the Ethics Department to discuss the matter before deciding to accept the tickets.





# BUSINESS PRACTICES

## CONFLICTS OF INTEREST ENTERTAINMENT & GIFTS ANTI- CORRUPTION/ANTI-BRIBERY

The giving or receiving of gifts may also create a conflict of interest or the appearance of a conflict of interest. To ensure that business-related gifts, meals, or entertainment are not subject to abuse and do not create or appear to create a conflict of interest, we only permit gifts to be given or received if they are limited in occurrence and reasonable in value. You may accept occasional meals, refreshments, entertainment, and similar business courtesies so long as they are not lavish or excessive and do not create the appearance of an attempt to influence business decisions. We will conduct business with integrity and will prohibit bribery in all forms and all manners. It is the best approach to never offer a bribe or give or accept a bribe yourself or as an act of someone else on your behalf. You are encouraged to contact the Law or Ethics Department to discuss the specific situation if you question the appropriateness of the giving or receiving of a gift. You may also be required to complete a Gifts & Entertainment Form documenting the approvals of any gifts or entertainment depending on its value. Please contact the Ethics Department for more information on this topic.

The Foreign Corrupt Practices Act (United States) and the laws of other countries restrict the giving or receiving of gifts, meals, and entertainment to government officials. No one may give, pay or offer, promise, or authorize gifts either directly or indirectly to Government Officials, Business Partners or their family members with an intention or perceived intention to influence their actions or decisions in their official or business capacity in order to obtain or retain business or to secure some other improper advantage. Schwan's is no exception and prohibits gifts to or from government employees unless applicable regulations permit the giving and acceptance of the gift. We prohibit payment of gratuities to public officials to expedite or obtain routine governmental actions, except where such practices are lawful and customary. In such cases, payments must be limited to customary amounts, be properly documented, and be approved in advance by the Law Department.

When in doubt, seek guidance. If you are ever unsure of how to respond to a situation or whether certain conduct may be violation of the Policy, you should always seek guidance from Legal/ Compliance Department. Notwithstanding the above, under no circumstance should you accept or give any gift or courtesy as a bribe. More specific guidance is available in Company policy or from an appropriate member of management.

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

While establishing an internet connection in a foreign country, I was informed by an employee of the government-owned telephone company that an additional \$20 would have to be paid to ensure that the internet connection would be established within the required deadline. What should I do?

#### ANSWER:

Any time an additional payment is required or requested by a governmental official, you should contact the Law Department. The Law Department is responsible for making the determination as to whether the requested payment is legal, reasonable, and customary. The payment must also be fully documented to ensure full disclosure.

#### QUESTION:

As an Area Manager, it is part of my job to select suppliers/vendors for various services at my depot. One of the service providers being considered for snow removal and lawn maintenance is a company owned by a close personal friend of mine. Do I need to take any precautions?

#### ANSWER:

**YES.** In this situation, your relationship with the owner of one of the companies conflicts – or at least appears to conflict – with your responsibility in selecting the best provider for these services. You should consult with your leader and either not be involved in the selection process for this particular business or eliminate your friend's company from being considered.



# BUSINESS PRACTICES

## VENDOR RELATIONSHIPS

We select our suppliers, vendors, and contractors in a non-discriminatory manner based upon the quality, price, service, delivery, and supply of goods and services. Such decisions must never be based on personal interest or the interests of family members. Suppliers and vendors shall present a clear commitment to protecting the rights of workers worldwide and adhere to the established Standards of Conduct for Business Partners. All vendor, supplier, and business relationships with outside parties should be formalized in written agreements in accordance with Company purchasing and contracting policies. It is generally not appropriate for an employee to also act as a vendor to the Company.

*"The true test of a man's character is what he does when no one is watching."  
– John Wooden*

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

A category director and other members of his team recently participated in a top-to-top meeting with a new vendor to discuss business opportunities. After the meeting, the vendor sent each of the participants in the meeting a \$25 gift card to a local discount chain in appreciation for the productive meeting. Is it okay to keep the gift cards?

#### ANSWER:

**NO.** The giving of a gift card, regardless of its value, can be perceived the same as receiving cash. Accepting cash, or cash equivalents (gift cards) is prohibited. The gift cards should be returned to the vendor with a note indicating our mutual appreciation for the ideas exchanged during the meeting and notifying the vendor that the acceptance of the gift cards would be a violation of our gifts & entertainment policy. A copy of our Standards of Conduct for Business Partners should also be provided to the vendor for future reference.



**BUSINESS ETHICS LINE 1.800.818.9065**



# BUSINESS PRACTICES

## USE OF COMPANY RESOURCES

Company assets are defined as physical, information or resource assets that assist employees to achieve our business goals. Inappropriate or illegal use of Company property hurts all of us. Except as specifically authorized by the Company, Company assets, including time, equipment, materials, resources, proprietary information, intellectual property, trade names and other Company identifiers, must be used for legitimate business purposes only in a manner as to protect the integrity of content. The Company reserves the right to access, monitor, copy, transcribe, forward, download, capture and/or disclose all communication sent via email or voice mail at any time with or without notice, consistent with state and federal law. Use of these systems constitutes consent to being monitored by the Company and you should have no expectation of privacy in connection with your use of these resources.

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

As an Information Services Department (IS) employee, a friend of mine sends me an email asking for a list of all of the Company e-mail addresses. The friend wants to use the e-mail addresses to solicit business for a new company. What should I do?

#### ANSWER:

Explain to your friend that it is against Company policy to share Company e-mail addresses for non-Schwan's related purposes and decline his request.

## WAGE AND HOUR STANDARDS

As a company, we honor human dignity and fair employment practices. We recognize the commitment of employees in providing time, skills and talents in the workplace and understand the responsibility to fairly compensate employees. We follow all applicable federal, state & local laws and regulations that govern wage and hour, including pay rates, overtime, meal and rest breaks, benefits and working conditions. All employees should ensure accurate recording of time to ensure accurate compensation. The Company prohibits any form of slavery, including forced or imprisoned child labor and human trafficking with associated business partners or suppliers. We will not knowingly do business with any individual or company who may be engaging in acts of human abuse. These laws and regulations apply to all of us and it is never okay to ignore or work around them. Violations of laws and regulations should be reported immediately.



### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

I am an hourly employee and occasionally come in to work on my days off to review my email and check my mail. It's my choice and I want to do it, so I don't submit my time. Is this okay?

#### ANSWER:

**NO.** These are tasks that are considered a part of your job and should be done during regular work hours unless otherwise agreed upon with your manager. Because reviewing your email and mail is part of your job, we cannot permit you to perform such work-related tasks (whether at work or at home) without being paid ("off the clock").



# BUSINESS PRACTICES

## ACCURACY & RETENTION OF BUSINESS RECORDS

It is our policy to record and report business information honestly and accurately. Anyone involved in creating, transmitting, or entering information into the Company's financial and operational records is responsible for doing so accurately and with appropriate supporting documentation. No officer, employee, or agent may make any entry that intentionally hides or disguises the true nature of a transaction.

Compliance with established Company policies, our system of internal controls, and generally accepted accounting principles is necessary at all times. Knowingly entering false or inaccurate information into accounting or other systems is prohibited and may be illegal.

Our commitment to accuracy and appropriate retention of business records includes prohibiting unauthorized destruction of or tampering with any records, whether in written or electronic form, when we are required to maintain the records or when we have reason to know of threatened or pending government investigation or litigation relating to the records. Records include such things as paper copies, electronic files, and audio or video recordings. If you have questions about whether particular records should be retained, please seek appropriate guidance from applicable Company policy, a member of management, the Law Department, or the Records & Information Management Department.

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

As the year is coming to a close, the manager of one of the Company's manufacturing facilities realizes his operation has already exceeded the annual business plan. The manufacturing manager asks the plant controller if the remaining profit for the year can be reported at a later date in order to have a head start on the next year. Is this okay?

#### ANSWER:

**NO.** Doing so would cause false and inaccurate information to be recorded. This action is a violation of our accounting standards and Code of Conduct. All income and expenses must be recorded in the period they are earned or incurred.

#### QUESTION:

While on a business trip, you and your manager have dinner together. Your manager paid for the meal and will be reimbursed by the Company. Your manager tells you to also take a copy of the receipt and turn it in for reimbursement because he doesn't think anyone will catch it. What should you do?

#### QUESTION:

As a field sales employee, I start my day early on a Monday with a safety meeting. I don't want to punch in until after the meeting because I don't want the time spent at the meeting to be counted toward my Department of Transportation (DOT) hours-of-service time for the day. Is this okay?

#### ANSWER:

You should say no and inform your manager this would constitute theft, let alone be a violation of the Company's Code of Conduct. If you are not comfortable telling your manager no, you should report your manager's actions to another member of management, HR, or the Ethics line. Never compromise your own integrity for the sake of another individual's unethical behavior.

#### ANSWER:

**NO.** DOT regulations and Company policy require all time spent performing work-related functions to be included in your hours-of-service time for the day. You must clock in to ensure this time is included as part of the hours-of-service time for the day.



# BUSINESS PRACTICES

## CONFIDENTIAL & PROPRIETARY INFORMATION

We all have a responsibility to safeguard confidential business information and use such information only for Company purposes. Whether you work with protected health information, personal information regarding employees or customers, or other types of confidential business information, you are entrusted to ensure that only people with a business need have access to the information you create, share and store. It is essential you are aware of the sensitivity of the information you are handling and assisting to protect every day. Confidential business information includes, without limitation, the Company's inventions; trade secrets; business plans and projections; sales, cost and profit figures and projections; new product or marketing plans; customer details and programs; research and development ideas or information; manufacturing processes or methods; personnel information; information regarding potential acquisitions, divestitures and investments; and any other matters considered or reasonably expected to be considered confidential by the Company. Do not release any confidential information without a valid business purpose, proper authorization and, as appropriate, a properly executed confidentiality agreement. Protecting and ensuring ongoing privacy of sensitive information is of utmost important to the company and required of each employee. Ongoing awareness of established Privacy, Information Security, Record Management and Access Control policies assist to ensure we are all working together to protect the information.

"Always do what is right.  
This will gratify some people  
and astonish the rest."  
– Mark Twain

We also expect the same commitment to confidentiality from our consultants and suppliers. Employees should not do business with suppliers or vendors who need access to the Company's confidential information until an appropriate confidentiality agreement is executed. Strict compliance with privacy laws require adherence to stringent protection and compliance standards to safeguard sensitive data information. If you have questions about this, please seek appropriate guidance from applicable Company policy, a member of management, or the Law Department.

### EXAMPLE APPLICATION – QUESTION & ANSWER

#### QUESTION:

I work in Accounts Receivable and received a call which shows up on my caller ID as an external phone number. The caller identified himself as Joe, a financial analyst in the Accounting Department. "Joe" said he needed some information regarding a customer's account for a meeting with his boss later that day. Is it okay for me to provide Joe the information he is requesting?

#### ANSWER:

**NO.** You should trust your instinct that the identity of the caller seems suspicious. Tell Joe that you will have to get back to him. After looking up Joe's information in Outlook, you call him and ask him about his inquiry for the customer information. Joe has no idea what you are talking about. After talking with Joe, you should notify your manager who can then alert the rest of the team of a potential scam to obtain customer information.



# BUSINESS PRACTICES

## ENVIRONMENTAL

As good corporate citizens, we are conscious of the impact that our business can have on the environment, and we continuously work to reduce our own impact on the world as we strive to grow as a Company and enrich the lives of our stakeholders. We abide by all applicable environmental laws and regulations and are committed to conducting our business in an environmentally conscientious manner that is socially responsible, scientifically based, and economically sound. Actual or potential violations of environmental laws or regulations should be reported immediately to your manager, EHS representative, or the Law or Ethics Department. Not only is it the right thing to do, but it's good for business, too.

*"The truth of the matter is that you always know the right thing to do. The hard part is doing it."  
- H. Norman Schwarzkopf*

## CIVIC AND POLITICAL ACTIVITY

We encourage you to get involved in the civic process in your own way for the same reason we're committed to supporting the communities where we work and live through charitable giving and volunteerism. We believe that a community gets stronger when everyone who lives there is engaged and invested in making it a better place to live.

If you want to contribute your personal time or money to political activities, that's a great way to get involved, but it is important that you are clear that you are acting on your own behalf and not on behalf of the Company. The financial and other resources of the Company shall not be used for any direct or indirect political activity, except where allowed by law. You are not to use the Company's name in a way that suggests the Company sponsors or endorses your personal political activities, nor can you use your position to pressure fellow employees to make political contributions or support or oppose specific candidates.

*"Ethics is knowing the difference between what you have a right to do and what is right to do."  
- Potter Stewart*

Only authorized employees can lobby elected or appointed government officials on behalf of the Company to influence proposed or existing legislation, regulation, rule, code or ordinance that affects our business. Those employees are responsible for knowing and strictly conforming to the legal requirements applicable to such matters.

Participation in voluntary political action committees (PAC) which operate in accordance with the law is permitted. Consult the VP for Government and Community Affairs or the Law Department if you have any questions in this area.

Participation in voluntary political action committees (PAC) which operate in accordance with the law is permitted. Consult the VP for Government and Community Affairs or the Law Department if you have any questions in this area.

## REGULATORY & LEGAL INQUIRIES

It is our policy to cooperate with government authorities in their proper performance of inquiries or investigations. It is important that such matters be properly coordinated. Any inquiry from government officials or entities may include requests for information, notice of an investigation, or the service of a subpoena.

Any inquiry from a government official or entity should be referred to the Law Department, unless you have been specifically authorized to respond to such inquiries. In that case, you are required to provide accurate information and fully inform the Law Department.

**BUSINESS ETHICS LINE 1.800.818.9065**



BUSINESS ETHICS LINE: 800-818-9065  
COMPANY E-MAIL: [ethics@schwans.com](mailto:ethics@schwans.com)

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