



BUSINESS ETHICS
CODE OF CONDUCT



Dear Team:

We recognize that individuals have a natural instinct when it comes to understanding what constitutes ethical business conduct. However, we also recognize that there are times when doing the right thing may not be clear and guidance is needed to help ensure the Company's reputation is protected. Not only is it the right thing to do, but it is our responsibility to be diligent in protecting the reputation which has been the cornerstone of our success since that first day when Marvin Schwan went out on a cold, wintry day in March of 1952.

To help us, we have established a business ethics program which explains who we are and how we conduct business. The program consists of our Code of Conduct, ongoing communication and training, and communication channels in which each of you can 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 in one of our corporate offices, or working at one of our depots or manufacturing facilities. 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 and strong core values of growth, hard work, helping one another, enthusiasm and integrity. We must always remember that our reputation and our future success depend on the manner in which we conduct ourselves and the decisions we make each day.

Sincerely,



Allan L. Schuman

Allan L. Schuman
Chairman of the Board



Dimitrios Smyrniotis

Dimitrios Smyrniotis
CEO



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THE SCHWAN BUSINESS ETHICS PROGRAM OVERVIEW

WORLDWIDE APPLICABILITY

The Schwan Business Ethics Code of Conduct 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 of Conduct, 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.

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 its philosophies and underlying principles.

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

So that you know what is expected of you, you are asked to read the Code, think about how it applies to you in your role with the Company, learn how you can ask for advice or get answers to questions you might have, and keep it handy for future reference. 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 to keep ethics and ethical decision-making top of mind.

**Note: All references to "Schwan" or "the Company" throughout this document include the subsidiaries of The Schwan Food Company.*



OUR CORE VALUES & CODE OF CONDUCT

In the early 1990's, the Company's founder, Marvin Schwan, articulated his vision for the future which included a company with high business ethics and an excellent reputation. It is this vision that serves as a guiding light for all of us to aspire to as we work to promote a culture of meaningful participation where consumers, customers and employees are advocates of our

"Wisdom is knowing the right path to take. Integrity is taking it."

M.H. McKee

Company. Our values of Growth, Helping One Another, Enthusiasm, Hard Work and Integrity serve as the foundation of the Business Ethics Code of Conduct. The Code is the cornerstone of the business ethics program and applies to all employees, contractors, officers,

and members of the Board of Directors. All employees are required to complete an annual refresher course on ethics to serve as a reminder of the Company's expectations relating to ethical business conduct. 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.

In complying with the Code of Conduct, 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?*





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 of Conduct 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.

COMPLIANCE



BUSINESS ETHICS LINE 1.800.818.9065

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, 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 of Conduct, 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...



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 available and ready to help:

- A Human Resources Representative
- A Safety Representative
- The Law Department (507-537-8974)
- The Ethics Department (507-537-8002) or via email at ethics@schwans.com

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



BUSINESS ETHICS LINE 1.800.818.9065

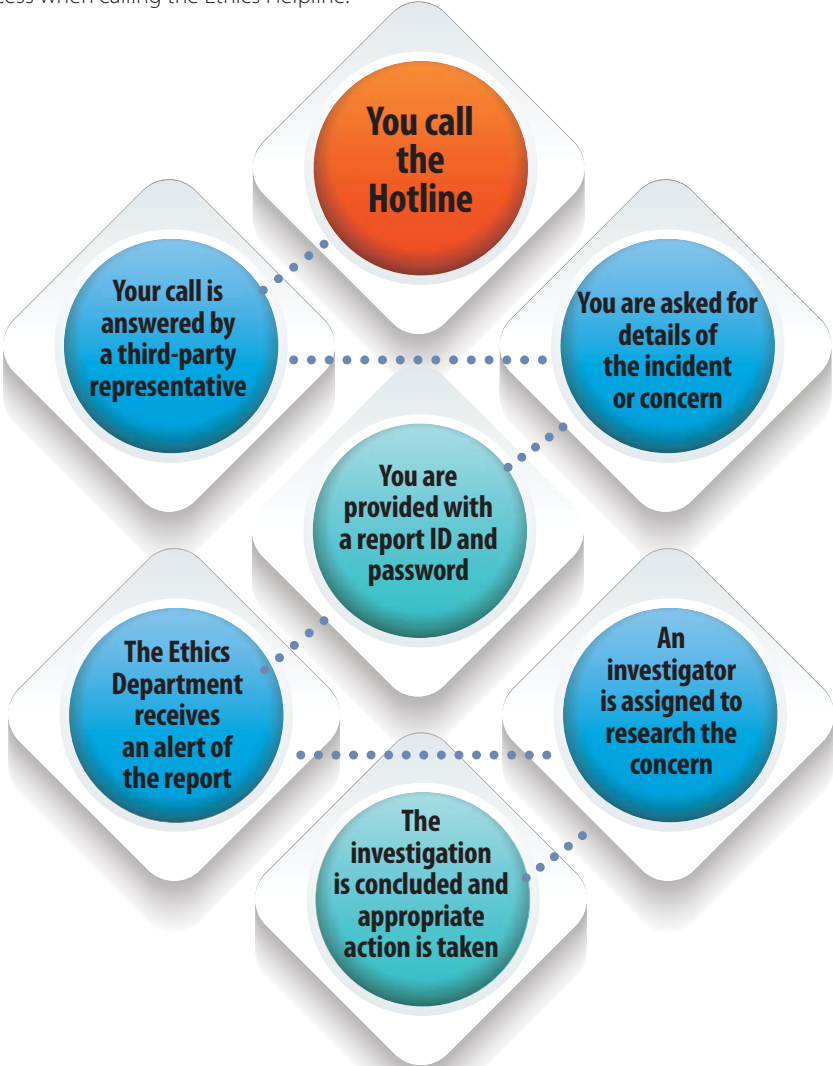
CALL:

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 sensitive matters. You can ask questions, receive guidance or communicate concerns. You may also 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 respond.

The following flowchart outlines the process when calling the Ethics Helpline:



CLICK:

The Ethics Line website: www.theschwanfoodcompany.ethicspoint.com



- 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 Line 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.

FOLLOW UP AND RETALIATION

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 of Conduct 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 helpline 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 are no different than any other company that strives to achieve the highest ethical standards. 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.

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.

"A people that values its privileges above its principles soon loses both."

- Dwight David Eisenhower

BUSINESS ETHICS LINE 1.800.818.9065



MUTUAL RESPECT

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. It also demonstrates social and ethical responsibility and respect for diverse cultures and beliefs. Each of us deserves to be treated with dignity. We encourage diversity and diverse opinions, and expect everyone to help create an

"What you do has greater impact than what you say."

- Stephen Covey

inclusive and ethical culture. We are 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, they erode trust and are exactly the opposite of what we stand for. Any incidents of alleged harassment or discrimination must be reported immediately by using any one of the resources outlined earlier in this Code.

Example Application – Question & Answer

QUESTION:

It's December and you witness Jodi, your manager, often losing her temper and making unprofessional and inappropriate comments to her staff. You don't say anything because you realize she is under a tremendous amount of stress to meet the plant's budget for the year. A couple months later the behavior is still continuing and, in some instances, has gotten worse. What should you do?

ANSWER:

Although it is important to try and resolve issues directly with your manager, you may not feel comfortable talking to her in this instance since she is the subject of the concern. You can contact another member of management, an HR representative or the Ethics Department. You may also call the Ethics helpline. Which resource you use isn't important; what's important is that you report the concern so it can be addressed.

Example Application – Question & Answer

QUESTION:

Keeping up with online news and passing along relevant stories to his team was part of Frank's job. From time to time, he also included funny stories and jokes to promote a fast, fun and friendly work environment. One morning, Frank received a joke from a friend. The joke made fun of immigrants. What should Frank do?

ANSWER:

Comments or jokes need not be illegal to be considered inappropriate and against Company policy. Frank should not pass on the joke, and should report it to a member of management and/or H.R.

HEALTH AND SAFETY

Your safety at Schwan 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 reporting to work free from the influence of alcohol or any illegal or controlled substances that could prevent you from conducting 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 cigarettes, pipes, cigars, snuff or chewing 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. There are policies in place prohibiting behavior that undermines employee safety, including acts or threats of violence or other forms of intimidation. We all have a responsibility to immediately communicate accidents and unsafe practices or conditions to appropriate personnel.

Example Application – Question & Answer

QUESTION:

I noticed a safety guard is broken on my line. It will take time to fix and I know we have a tight production schedule. What should I do?

ANSWER:

You should report the concern immediately for evaluation and correction. The safety of our employees is more important than meeting a tight production schedule.



BUSINESS ETHICS LINE 1.800.818.9065

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 the issue. 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 any hilly area. You don't want to miss running your route 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 depot mechanic, 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 is a Level 1 safety concern and may put your safety and the safety of the general public at risk. Operating the truck without first having it repaired would be in violation of Company policy and Department of Transportation requirements. Your safety and the safety of others should always be your first priority. For more information on Level 1 or Level 2 safety concerns, please refer to the Vehicle Maintenance & Safety Issues list posted at your depot location.

PRODUCT INTEGRITY

We depend on our ability to manufacture the highest quality food with minimal food safety risks. 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 and inspection processes that ensure our products meet quality and food safety standards and it is the responsibility of all of us to ensure that these processes are followed. 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 Facebook sites, to those employees who support customers on Twitter or 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. Whenever you use social media – whether for work or for personal use that relates to the Company in some way – keep our social media guidelines in mind. You can request a copy of the guidelines from your manager or from a Human Resources representative. The guidelines will help you when doing things like posting to a blog about the Company or updating your professional status.





BUSINESS PRACTICES

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 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 our Code of Conduct. 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:

You receive a phone call from a competitor's sales representative. During the conversation, the competitor stated how many hours he had worked lately and that it would be nice if he didn't have to service quite as many stores. He suggested that the two of you divide the city in half and each service one portion. What should you do?

ANSWER:

You decline the offer and remind the competitor that it may be illegal to enter into any such agreement.

QUESTION:

You are pulled aside at a supplier conference by a counterpart from a competing company. Your counterpart indicates that their margins are way too tight and thinks ours probably are too because prices were not increased after the last cost increase from the vendor. She suggests that the two of you get together for an 'off-the-record' lunch to talk about pricing. What should you do?

ANSWER:

You know that discussing pricing with a competitor is inappropriate and may be illegal so you decline the invitation and report the incident to your manager.

INSIDER TRADING

Even though we are a privately-held Company (stock that is not traded on the open market), 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 another company through your employment, you cannot share it or buy or sell stock of that company until the information becomes publicly available. 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 area sales manager, you consider buying stock in a regional grocery store which is one of your customers. Is this ok?

ANSWER:

Since you have a business relationship with the grocery store, you may be inclined to make questionable decisions on behalf of Schwan to ensure that your personal stock is more profitable. Before buying any stock, you should discuss the situation with your manager or the Law Department for guidance.

QUESTION:

An administrative assistant heard a rumor that Schwan would be acquiring a small publicly traded frozen-food manufacturer. She thought it may be a good financial decision to purchase some of the publicly traded company's stock before the transaction was finalized and made public. She decided to contact her manager prior to making a final decision.

ANSWER:

Individuals who obtain non-public information may not purchase or sell securities until such time after public disclosure of the information as required under the applicable laws of the country concerned. Purchasing the stock would have been a violation of the Code of Conduct. She was right to seek guidance.



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 business unit or is a competitor of Schwan;*
- *Employees or members of their immediate family acting as a contractor, vendor, or consultant to Schwan;*
- *Holding a second job that interferes with your employment with Schwan;*
- *Use of Company assets, intellectual property or Schwan's confidential information in a way that advantages the employee or members of their immediate family;*
- *Having a close, personal relationship with a subordinate employee.*

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 route sales representative (RSR) has his mother scheduled as a stop on his weekly route. The RSR wonders if this creates any issues in complying with the Code of Conduct. He decides to discuss the situation with his manager.

ANSWER:

This does create a special situation. All customers must be treated fairly. The relationship between the RSR and his mother may create an appearance of preferential treatment towards her. The decision may be made to give his mother's account to another RSR. The RSR was right to seek guidance.

QUESTION:

A vendor offers you two tickets to a professional football game for you and your guest. The vendor will not be attending the event. The value of the tickets is \$250. Before accepting the tickets, you decide to 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 at the game. 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 making a final decision on whether to accept the tickets.

CONFLICTS OF INTEREST / ENTERTAINMENT & GIFTS

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. Gifts also must

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

not influence or give an appearance of influencing the recipient. 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. Each circumstance may

be different and you are encouraged to contact the 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.

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.

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. Schwan 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.



Example Application – Question & Answer

QUESTION:

While establishing an internet connection in a foreign country, a manager 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.

ANSWER:

Any time an additional payment is required or requested by a governmental official, contact must be made with 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.

Example Application – Question & Answer

QUESTION:

As a territory sales leader (TSL), you are accepting bids for snow removal and lawn maintenance at your depot. You give one of the depot employees the details of the competing firms so that the employee's son will win the bid.

ANSWER:

The TSL violated Company policy and the principles of fair competition in the bidding process by disclosing the bid information. In addition, it may be inappropriate for the son of an employee to be a contractor for the depot.

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. 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.

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.



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USE OF COMPANY RESOURCES

Company assets 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 and proprietary information, must be used for legitimate business purposes only. 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, you receive a request from a friend 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 you do?

ANSWER:

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



WAGE AND HOUR STANDARDS

We follow all applicable federal, state & local laws and regulations that govern wage and hour, including pay rates, overtime, meal and rest breaks, and child labor. These laws and regulations apply to all of us and it is never ok 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").

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 ok?

ANSWER:

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

QUESTION:

A food service salesperson had a customer who demanded that the salesperson alter an invoice. The customer wanted the invoice to show a higher price than what was actually paid and to show delivery to a different store. The customer stated that he would no longer do business with us unless the salesperson agreed to falsify the invoice.

ANSWER:

The salesperson refused to make the changes because he knew it would be a violation of the Code of Conduct. Losing a customer with questionable ethics is much better than compromising the Company's integrity.

QUESTION:

While traveling for business, two employees had dinner together. The senior of the two employees paid for the meal and was reimbursed by the Company for the expense. The other employee took a copy of the receipt and turned it in as well for reimbursement.

ANSWER:

The action of the second employee is not only a violation of the Code of Conduct, but constitutes theft.

Example Application – Question & Answer

QUESTION:

A route sales representative (RSR) arrives at the depot early on a Monday morning for a safety meeting. She does not punch in because she doesn't want the time spent at the meeting to be counted toward her Department of Transportation (DOT) hours-of-service time for the day.

ANSWER:

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. The employee must clock in to ensure this time is included as part of the hours-of-service time for the day.

CONFIDENTIAL & PROPRIETARY INFORMATION

We all have a responsibility to safeguard confidential business information and to use such information only for Company purposes. Whether you work with protected health information, employee information or 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. 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.

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. 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:

The caller ID at Rachel's desk showed an external phone number, but the caller identified himself as 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. What should Rachel do?

ANSWER:

Because Rachel was suspicious of the identity of the caller, she told Joe that she would have to get back to him. She looked up Joe's information in Outlook and called the listed number. When Joe answered, Rachel asked him about his inquiry for the customer information. Joe had no idea what Rachel was talking about. Rachel notified her manager, who then alerted the rest of the team of the potential scam to obtain customer information. Rachel was right to follow-up on her intuition that the caller was not legitimate.

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. 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

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

- Mark Twain

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.

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 Sr. Director 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.

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

- Potter Stewart

BUSINESS ETHICS LINE 1.800.818.9065



BUSINESS ETHICS LINE: 800-818-9065
COMPANY E-MAIL: ethics@schwans.com