



# Code of Conduct

## **Preface**

Hügli was founded in 1935 and can look back on a history of more than 80 years. From the start, Hügli has been aware of its economic and social responsibilities. Its business practices have always been governed by integrity and fair business dealings. As early as 1969, Dr. Alexander Stoffel issued "The Hügli Group Corporate Policy" from which today's mission statement derives. This corporate policy reflects our belief that we can generate sustainable value for our shareholders, customers and employees, but only if the conduct of all is beyond any ethical or legal reproach.

Hügli's mission statement comprises principles, norms and values that constitute our corporate culture. These relate in particular to performance, our service to customers, the responsibility of entrepreneurial employees, integrity, trust, respect and sustainability.

Hügli employees follow these commitments in their daily work and build the foundation of Hügli's good reputation – one of the company's most precious assets.

The present Code of Conduct includes a list of possible violations by employees that may have serious consequences both for the employees themselves and for Hügli.

The violations listed further below must therefore be strictly avoided. The Code of Conduct cannot cover all possible situations that we may be confronted with every day. It prescribes a frame of reference, against which all activities shall be measured. Employees should seek guidance when they have questions or are in doubt about the proper course of action in a given situation. The line managers, the heads of production sites and all members of Group Executive Management are available to answer questions.

Employees are encouraged to answer the following questions on their own when faced with doubts about the proper course of action:

- Does my conduct contribute to upholding the trust of our stakeholders (investors, business partners, employees, government and the public)?
- Would my family and friends consider my conduct ethically correct?
- Have I considered the consequences of my conduct for those affected by it?
- Would I be comfortable if I was treated in the same way by another person?
- Would I agree to have my conduct made public by the media?
- Does my conduct comply with the law and Hügli's mission statement?

We thank you for your cooperation and support in promoting and upholding Hügli's values.



Dr. Jean G. Villot  
*Chairman of the Board of Directors*



Thomas Bodenmann  
*CEO, President of Group Executive Management*

## **1. Occupational Safety**

Safety at work is Hügli's top priority. All employees are encouraged to identify potential accident risks in the workplace and to eliminate or report them to their line manager. All regulations concerning work safety must be adhered to at all our sites.

## **2. Conflicts of Interest and Outside Activities**

A conflict of interest occurs when personal interests compete with the interests of Hügli. The Hügli Group attaches great importance to the strict avoidance of conflicts of interest or conflicts of loyalty by all employees in the performance of their work duties.

If a conflict of interest has occurred or may arise, the employee shall disclose it to their line manager or to the human resources department with the objective of finding an adequate, fair and transparent solution.

Activities and engagements outside of Hügli will only be tolerated if they are not expected to conflict with Hügli's interests or the employee's responsibilities. Hügli's reputation must be granted particular importance in the consideration of such activities. They must never compete with the company. Using one's own position within the company to pursue personal interests or to the advantage of relatives or closely related persons is prohibited.

## **3. Insider Trading**

The rules constituting insider trading are set according to the Swiss Federal Act on Stock Exchanges and Security Trading. These rules define what constitutes abuse of insider information for the securities trade or the sharing of insider information with third parties. Insider information is defined as any confidential non-public fact that could substantially influence the price of listed Hügli shares if it were disclosed. Most insider information comprises information about the operations and finances of a company. This particularly includes significant changes in the course of business, acquisitions, relevant personnel changes and financial figures such as annual and half-year statements as well as budget figures.

Employees possessing insider information are prohibited from trading securities of Hügli Holding AG as well from sharing the insider information with third parties. Insider trading is punishable by law in most countries and can entail internal disciplinary measures.

When in doubt whether specific information constitutes insiders information, employees can consult with the Group CFO or Group CEO (see annex 1 for contact details or consult [www.huegli.com/en/investor-relations](http://www.huegli.com/en/investor-relations)).

## **4. Discrimination and Harassment**

Mutual respect is the foundation for a work environment, in which mutual appreciation prevails. All employees of the Hügli Group are treated with the same respect. Any discrimination on the grounds of origin, nationality, gender, religion or ideology, political affiliation, disability, age, sexual identity or any other personal characteristic is prohibited.

Hügli does not tolerate sexual harassment in the workplace. This includes unwelcome advances as well as sexually motivated use of language. We also do not accept any other harassment, threats or mobbing in the workplace.

## **5. Compliance with Laws and Regulations**

Hügli and its employees are obliged to comply with the laws and regulations applicable to our activities in all countries. Further, all employees must comply with Hügli's internal provisions and regulations that may go beyond what is required by the law.

## **6. Fair Competition and Antitrust Law (Cartel Act)**

National and international provisions regulate the sale of products by market participants and the exchange of information between competitors. They include, among other rules, provisions on unfair competition and antitrust law. Agreements between competitors on prices, terms of sale, quantity limitations, allocation of territories or public tender offers are strictly prohibited. We determine our business policy and prices independently and neither formally or informally enter into agreements with competitors or other parties, neither directly nor indirectly. Customers, territories and product markets will always be the result of fair competition and never by agreements. All employees, and in particular those employed in sales, marketing and purchasing with regular contact to competitors, are obliged to comply with the laws that safeguard fair competition.

## **7. Gifts, Hospitality and Corruption**

No employee is allowed to use his or her position or function to demand or accept personal favours or to accept the promise of receiving them. The acceptance of larger gifts or invitations that could place us in a situation of a binding dependence or create the impression of improperly influencing the respective business relationship is prohibited. It is permitted, however, to accept symbolic gifts and invitations during the normal course of business that are appropriate under the circumstances and in line with local customs. The acceptance of money or other cash benefits such as loans, securities, provisions or comparable benefits is prohibited.

Lawful and business-related commission fees, premiums of any kind, discounts, reimbursements, etc. shall be disclosed fully, documented and recorded transparently in order to avoid any involvement in unfair business dealings.

## **8. Protection of Corporate Assets and Intellectual Property**

All employees are obliged to properly use and maintain Hügli's assets and property and protect them against damage, loss, theft and access by third parties. It is strictly prohibited to misuse the property of Hügli for personal purposes. This obligation includes Hügli's intellectual property such as trademarks, patents, know-how, design, information systems or business secrets.

## **9. Confidential Information**

All employees are required to keep confidential information about Hügli safe and make it accessible to third parties only if this is necessary to achieve the respective business purpose. Confidential information includes, in particular, product data, processes, marketing, sales strategies, purchasing price lists, customer data, databases, personal data and non-public financial information.

## **10. Violations and Reporting Procedure**

This code of conduct forms an integral part of Hügli's corporate culture. Even supposedly small violations of this Code of Conduct by a few employees can seriously damage Hügli's image and cause material loss as well as financial damage. Violations shall be subject to disciplinary action under applicable laws, internal disciplinary action and labour law agreements, and they may result in criminal proceedings as well as claims for damages from offenders.

High integrity is each employee's personal responsibility and cannot be delegated. It is each employee's responsibility to ensure full compliance with this Code of Conduct. When in doubt, employees should always be guided by the principles stated in the preface of this Code. Employees should seek guidance when they have questions about the proper course of action in a given situation. The heads of all Hügli sites and the members of the Group Executive Management are available to answer questions (see annex 1 for contact details). Any violation must be reported to the respective line manager, the human resources department or the head of the respective site. Employees can also report violations anonymously by telephone or in writing to a member of the Group Executive Management. Annex 1 lists the respective contact details.

Any employee who acts in good faith when reporting a misconduct shall not face censure, even if the report turns out to be unfounded.

***Board of Directors and Group Executive Management of Hügli Holding AG***

*Steinach, 21 September 2016*

## **Annex 1: Contact Details Members of Group Executive Management**

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