
EHEDG CODE OF CONDUCT AND COMPETITION LAW COMPLIANCE FOR EHEDG ASSOCIATES

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Introduction

The **European Hygienic Engineering & Design Group (EHEDG)** is a consortium of equipment manufacturers, food industries, research institutes as well as public health authorities and was founded in 1989 with the aim to promote hygiene during the processing and packing of food products. The principal goal of EHEDG is the promotion of safe food by improving hygienic engineering and design in all aspects of food manufacture.

The EHEDG Code of Conduct and Competition Law Compliance reflect our history and our shared ethical beliefs as an organisation. In our roles, we have the privilege to guide this organisation. We do this with enthusiasm and dedication. Every one of us is accountable to understand our Code, and to exercise good judgment consistent with them.

Our Code of Conduct is intended to give you guidance, but it is only a starting point. If you are ever uncertain of the right way, talk to our Executive Committee. Our culture is built on good decisions made through discussion and consensus, so you should never feel alone when facing an ethical dilemma.

We ask that you review the contents of our Code and think about how it applies to your activities for EHEDG. As you do, consider the important role your actions play in upholding EHEDG's reputation for doing the right thing. It is the responsibility of every individual who participates in EHEDG activities to be aware of this code of conduct and apply these principles in all interaction with other EHEDG participants.

The EHEDG Executive Committee, 9 December 2015

EHEDG Code of Conduct

1. We follow the law
2. We conduct our activities with integrity.
3. We keep accurate and honest records.
4. We honour our organisational obligations.
5. We treat people with dignity and respect.
6. We protect EHEDG's information, assets and interests.

Why do we have a Code?

EHEDG's Code of Conduct outlines our shared ethical standards for conducting activities throughout the world and serves as a guide when you have questions or face dilemmas where the right choice is not clear.

The Code is grounded in our 6 principles, the foundation that supports all of the EHEDG activities, along with our individual actions and decisions as EHEDG participants. It also summarises key compliance policies, highlighting issues that can have significant legal and ethical consequences if handled improperly and providing guidelines for appropriate action.

Who must follow our Code?

Our Code applies to all participants in the EHEDG organisation. The EHEDG network is open to individuals, companies and institutes – i.e. they are not necessarily competitors rather experts covering the whole process chain in hygienic food manufacturing.

What does the Code require from me?

As participants of EHEDG, we are each accountable for following our Code and exercising good judgement consistent with it. We are also responsible for reporting Code violations that we learn about or experience. Participants of EHEDG who fail to comply with our Code - including those who fail to report Code violations - may face disciplinary action, up to and including termination of their membership.

Potential EHEDG members can only be rejected if they do not satisfy membership requirements according to our Internal Rules or in case their joining would damage the reputation of the consortium.

This document is intended to summarise what is expected of EHEDG associates and all being active or contributing should have received, read and accepted the present guide. They should actively follow these rules at all times.

Prior to every meeting, the participants will be asked for their acknowledgement of our Code.

What should I do if I learn about or suspect misconduct?

Even organisations with a long history of doing the right thing experience misconduct, and we are no exception.

Reporting misconduct takes courage, but it's the right thing to do. EHEDG will not tolerate retaliation against anyone who, in good faith, raises a concern or participates in an investigation. Anyone who intentionally raises false accusations or provides false information shall face disciplinary action.

We take all reports of potential misconduct seriously and handle them promptly, fairly and as confidentially as possible.

What will happen if I do not follow the Code?

If misconduct is detected or reported, a thorough investigation will be performed. The individual(s) will be warned and if the misbehaviour is repeated, the ExCo shall decide on disciplinary action, up to and including expulsion from membership or other legal action.

1. We follow the law.

Following the law is the foundation on which our reputation and Guiding Principles are built. As a global organisation privileged to perform activities all over the world, we have the responsibility to comply with all applicable legal regulations.

Following Applicable Laws

EHEDG conducts activities globally and our associates are citizens of many countries. As a result, our activities are subject to the laws of many different jurisdictions. Some laws extend beyond a specific country's borders. For instance, the anti-trust law imposed by national competition authorities and the European Commission. We are each responsible for following all of the laws that apply to our activities. At times, you may encounter a conflict between various laws that apply to our activities. If you encounter a conflict or have any concerns about whether something is legal, please contact the EHEDG Secretariat for guidance.

2. We conduct our business with integrity.

We conduct our activities with integrity. We do not offer or accept bribes or inappropriate gifts and we comply with the laws and regulations that support fair activities and integrity.

Anti-Bribery

EHEDG does not offer or accept bribes or other corrupt payments, regardless of local practice. Bribery is illegal in all our activities, and it can cripple EHEDG's long-standing reputation for conducting activities with integrity.

A bribe is giving or offering to give something of value to someone in exchange for getting any other advantage. Never directly or indirectly offer, give, solicit, or accept any form of bribe or other corrupt payment. Select third parties who we are working with carefully (e.g., representatives, consultants etc.). Do not allow such third parties to offer or accept a bribe, as you and EHEDG may be held responsible for their actions.

Business Gifts and Entertainment

Used correctly, gifts and entertainment can promote goodwill and reinforce strong relationships. In some cultures, gifts may be customary and expected. However, because gifts and entertainment carry value for the recipient, it's important to consider them carefully and avoid situations in which they might diminish — or appear to diminish — your objectivity or someone else's.

Fair Competition

It is the policy of EHEDG strictly to comply with applicable antitrust and competition laws, including the laws of the European Union and the national laws of each Member State. On May 1, 2004 a new EU regulation on the enforcement of competition law came into effect prescribing to impose a fine of up to 10% of annual turnover on companies involved in an infringement of these legal regulations. When setting the fine, the antitrust authorities have a great deal of discretion within the prescribed framework which is virtually unforeseeable for the undertakings and therefore very hard to verify.

Both the National Competition Authorities and the European Commission have the right to demand information in connection with matters of relevance for competition law purposes or to inspect documents. The anti-trust authorities make use of this right of information not only when prosecuting cartels, but also in particular in investigations in connection with mergers and acquisitions.

Conducting activities in compliance with these laws has contributed to EHEDG's growth throughout the years. While these laws are complex and can vary from country to country, they generally prohibit competitors from working together to limit competition. All EHEDG volunteers are expected to follow competition laws, as well as EHEDG's own below policies regarding competition. All volunteers must also be careful when interacting with competitors - for instance, in connection with trade associations and benchmarking. It is the responsibility of the chairman leading any EHEDG Working Group meeting to prevent any unacceptable agreements infringing competition law from being made. There shall be no informal discussions "off the agenda" about topics of relevance from a competition law perspective. Resolutions taken at the meeting must be recorded in the minutes so that the discussions leading up to the resolution are verifiable.

It is never acceptable to engage in fraud, misrepresentation, trespassing or other illegal or unethical methods to obtain competitive intelligence.

EHEDG is neither producing statistics or reports on the market situation nor does the consortium deal with price policy, market and business development matters or trade fair promotion. Thus, the EHEDG working groups do not discuss or even exchange any sensitive economic data such as prices and price components, company strategies and internal company data which might be used by competitors to benefit from a strategic advantage.

Intellectual Property

EHEDG associates respect the copyrights of the EHEDG organisation as well as the intellectual property rights of individuals and companies outside of EHEDG. We will not attempt to obtain their confidential information, or otherwise use their intellectual property, inappropriately.

Intellectual property includes trademarks, copyrights, designs, patents and trade secrets. In some contexts, trade secrets are also known as confidential information or know-how.

If you discover you have received confidential information that doesn't belong to the EHEDG organisation, or may be using another's intellectual property without having the rights to do so, contact the EHEDG Secretariat for assistance. We do not use proprietary information learned through EHEDG activities for personal gain

Additionally, when a party entrusts EHEDG with its confidential intellectual property, it has to be ensured that it complies with all contractual commitments and restrictions regarding its use.

Not only to protect the EHEDG, but especially its associates from fines, indemnification claims and a bad reputation in the eyes of the public, the EHEDG consortium shall keep strictly within legal boundaries and all agreements contributing to a restriction of competition among its members are prohibited. Antitrust and competition laws are complex and their violation would be a serious and severe matter for EHEDG and its associates. Therefore, participation in EHEDG must comply with certain principles and rules.

By no means shall the EHEDG work increase the risk of uniform behaviour if competitors linked to the EHEDG exchange information and discuss their common interests. EHEDG aims to avoid even that any unobjectionable exchange of experience may constitute the preliminary stage to a concerted practice. Any resolution of EHEDG which infringes the ban on cartels is null and void and allows the antitrust authorities to issue prohibitive injunctions or to impose fines.

3. We keep accurate and honest records.

Accurate and honest records are critical to making sound organisational decisions and maintaining the integrity of our financial reporting. Our organisational information, in whatever form, must reflect the true nature of our activities.

To fulfil its tasks and within the scope of its activities, EHEDG holds various kinds of meetings a year such as regional events to define the future local activities, working group meetings to develop the EHEDG guideline documents and training material, the test methods and certification standards as well as an annual Plenary Meeting. The monitoring of meetings is manifested by adequate and detailed note-taking and is documented in written meeting minutes which are sent out to the participants. When writing up the minutes, attention is paid to clear and unambiguous wording to reproduce correctly the course of the meeting.

It is essential that EHEDG associates who attend or lead any kind of EHEDG meetings are aware and sensitive about agreements, resolutions, etc. which are no longer within the legal boundaries. This holds equally true for the representatives of companies who attend the events held by EHEDG. Only subjects linked with the purposes of EHEDG should be discussed at a meeting. If someone starts discussing one of the following topics, the attendees should object, restate the EHEDG policy with respect to antitrust compliance and (if necessary) leave the meeting. Furthermore, they should contact their legal department and/or the person within their company or association who invited them.

The following or similar topics shall never be discussed and any such information exchange shall be avoided, whether formally or informally, before, during or after an EHEDG meeting:

- Boycott of EHEDG non-associated companies and/or boycott of their customers or suppliers;
- Market sharing;
- Supply arrangements;
- Prices, pricing or the timing of price changes;
- Decisions to quote or not to quote product or service offerings;
- Sales volumes of EHEDG associated companies;
- Investment decisions and/or R&D spending's of EHEDG associated companies.

Representatives of EHEDG partner organisations (such as 3-A Sanitary Standards or any other invitees) may attend EHEDG meetings and review meeting minutes, handwritten notes, the relevant (e-mail) correspondence and other related documentation as well as publications.

If the requirements presented above are not complied with, EHEDG is aware that there is an increased risk that not only its associates who were involved in such an agreement will be fined but also EHEDG itself.

If the EHEDG ExCo becomes aware of any non-compliance to above guide by any of its associates, it will review this situation and take appropriate decisions.

4. We honour our organizational obligations.

Our organisational relationships are grounded in mutual trust, and have been throughout EHEDG's history. We build and maintain the trust and confidence of our stakeholders, associates/participating subject matter experts, and other organisational partners by communicating honestly, respecting information entrusted to us and standing behind our commitments.

EHEDG aims to provide practical guidance on hygienic engineering and design in all aspects of food manufacture and is offering a platform to discuss technical developments and best practices under hygienic design aspects.

A major task of EHEDG is to provide guidelines and recommendations on essential hygienic design standards and practices, based on science and technology and to periodically review them. These documents provide guidance to equipment manufacturers and users on compliance with national and international legislation. However, the EHEDG guidelines are non-binding documents and industry is free to follow or not.

Our financial information is relied upon by our ExCo, Board, and Advisory Board and all EHEDG members. It's also used when preparing reports for tax and statistical purposes. When compiling and sharing our financial information, we comply with all applicable legal regulations for EHEDG's consolidated financial statements as well as with our legally accepted ANBI Status as a Dutch Foundation and Organisation for Public Benefit. We prepare and file our tax filings in accordance with Dutch taxation law. Any EHEDG associate/participating subject matter experts, who supplies information for financial or tax purposes must provide it in a timely manner and certify both the accuracy of the information and their compliance with EHEDG policies. Failure to provide timely and accurate information to the EHEDG Secretariat can result in significant legal risks for EHEDG. For additional guidance, contact the EHEDG Secretariat and bookkeepers.

Trust in Business Relationships

Honouring our organisational obligations goes beyond just meeting our responsibilities. We want to demonstrate that we approach our relationships with our associates, stakeholders, and other partners and one another from a standpoint of mutual trust.

This means we communicate honestly about our products and services in our conversations, contracts, emails and all other communications.

5. We treat people with dignity and respect.

We achieve our goals through our people. We value the unique contributions of our participating subject matter experts, enabling those who support EHEDG's goals to achieve their own individual potential.

Human Rights

We respect human rights and support global efforts to protect them, working with organisations and governments to address this challenging issue that we alone cannot solve. We follow all laws and regulations, including those that support equal rights and the elimination of discrimination.

Strength through Diversity

EHEDG embraces a wide variety of backgrounds and life-experiences. As an organisation, we offer the perspectives of different genders, ages, languages, local customs, physical abilities, races, religions, sexual orientations, gender identities, life experience and socioeconomic status, and we vary in our personal styles of thinking, expressing ourselves and problem-solving.

To be successful as a global organisation, each of us has to demonstrate respect for those who are different from ourselves. This includes recognising that our own way of thinking is not the only way, and that when diverse backgrounds lead to diverse viewpoints, this is not a weakness. In fact, our differences make us stronger and better able to serve the needs of our global organisation. Illegal discrimination and retaliation against anyone for either sharing a concern or participating in an investigation has no place in the EHEDG organisation. This applies to the way we treat each other, along with anyone else we interact with.

Alcohol and Drugs

The misuse of drugs, alcohol and other controlled substances can threaten the safety, health and productivity of our members. We prohibit the possession or consumption of illegal drugs during EHEDG events. While alcoholic beverages may be served at EHEDG social functions, this should be done with care.

Harassment and Violence

We all have a right to work in an environment that's free from violence or unlawful harassment. In the EHEDG organisation, we will not tolerate:

- Harassment in any form
- The use of physical force intended to cause bodily harm
- Acts or threats that are intended to intimidate someone or cause them to fear bodily harm

This applies to the way we treat each other and anyone else we interact with. Each of us is responsible for conducting ourselves in a manner consistent with our harassment and violence policies. If you witness or learn about harassment, violence or threats of violence, you should report it immediately to the EHEDG ExCo.

6. We protect EHEDG's information, assets and interests.

We count on one another to safeguard and act as stewards of our organisation. To preserve the values of EHEDG, we protect the information and assets entrusted to us and avoid situations that may let personal interests influence our organisational judgment.

EHEDG Property and Resources

Each of us is responsible for safeguarding EHEDG property and resources made available to us in the course of our activities. Our property and resources include both physical assets, such as our materials and equipment, as well as communication systems, such as our Internet service, EHEDG logos and certification logos. For more information, please see our policies regarding the use of the EHEDG logos.

Political Activity

EHEDG respects the right of its associates and participating subject matter experts to participate in the political process and in any political activities they choose. However, our participating subject matter experts must keep personal political activities and views separate from EHEDG activities. Do not use EHEDG's resources, like our facilities, email or logos for your own political activities and avoid giving any impression that EHEDG sponsors or endorses any political opinion that you hold.