

# Code of Conduct

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1

# Corporate Values

# Foreword by the Executive Board

**Krones is shaping the future with passion, courage and commitment – and has been doing so for the last 70 and more years.**

Yet the central values that have marked our company right from the start need to be constantly imbued with life again. That is because Krones seeks to be seen not only as a market and technology leader, but above all as a reputable, credible and reliable partner – just as much by customers, suppliers and shareholders as by authorities, institutions and the general public.

Throughout the years, we at Krones have worked hard to establish an outstanding reputation, which we intend to maintain going forward. For this reason, Krones also wants and needs to set the standard as market leader in terms of compliance. It only takes a single wrong decision or incident of misconduct for our brand to suffer severe damage. That is why we want to guarantee that the actions we take are appropriate, impeccable and exemplary at all times. This sets a high bar for each and every one of us.

The Code of Conduct is based on the target picture we have developed together. The purpose of this Code is to ensure compliance with laws, standards and guidelines across the company in order to create a working environment that is characterised by integrity, respect and fair and responsible behaviour. At the same time, it is intended to anchor a reliable compliance culture within the company, highlight our values and give employees the courage to report wrongdoing. It is applicable and binding for all employees and every corporate body in the company – the Executive Board, managerial staff and all workers around the world. Through the Supplier Code, Krones would also like its business partners to commit to these principles and to share its values.

The requirements laid down in the Code of Conduct should not simply be formally observed by all employees and bodies in the Krones Group, but actually internalised according to their meaning and purpose and practised in everyday working life. Violations of the Code of Conduct will be followed up and dealt with accordingly in the interests of all employees. This is the only way that it can become the basis of a transparent and legally compliant corporate and compliance culture that is shaped by our passion and which we imbue with life again each day.



*Ralf Goldbrunner*

Ralf Goldbrunner

*Thomas Ricker*

Thomas Ricker

*Christoph Klenk*

Christoph Klenk

*Uta Anders*

Uta Anders

*Markus Tischer*

Markus Tischer

**For us as members of the Executive Board of Krones AG, observing and implementing the Code of Conduct is of elemental importance for the success of our company.**

# Krones target picture

With this claim and the associated target picture, Krones is setting a very clear path for the future. Together with our customers, who are primarily based in the food and beverage industry (liquid food), we want to tackle three of the greatest challenges facing humanity today: climate change, how to feed the world's population and the responsible use of packaging materials.

These ambitious goals demand innovative solutions that look "beyond tomorrow". Solutions, then, that will benefit humanity and our planet sustainably and in the long term – yet also help our customers hit their targets. In order to consistently pursue this aspiration as a pioneer in the industry, Krones uses its innovative strength to reduce the consumption of resources and the generation of waste and emissions. At the same time, we listen to the needs of our customers and help them improve their production output through our solutions.

Because we see it as part of our entrepreneurial responsibility, we put all our passion into the goal of marrying success and sustainability. To achieve this, we work together with all stakeholders in a spirit of trust and respect and keep our promises. We treat all people with the same esteem and always seek to reflect ourselves. We also encourage unconventional thinking and drive our company forward with ambitious targets.

**Together we are shaping the future –  
beyond all expectations.**

**SOLUTIONS  
BEYOND  
TOMORROW**

# The Kronos Code of Conduct

## SOLUTIONS BEYOND TOMORROW

In a world in which environmental, social and governance (ESG) standards are no longer optional but an essential, it is our goal to find solutions that are legally compliant on the one hand and combine our entrepreneurial success and the preservation of nature and society on the other.

For that to happen, all of us – the Executive Board, managerial staff and every single worker – must pull in the same direction. We must assume responsibility, both as a company and as individuals.

We exceed expectations and think beyond short-term success. We challenge the status quo and offer unexpected solutions. But we can only do that if we are together: not excluding anyone, but cooperating across borders and boundaries in an environment that is marked by trust, integrity, respect and esteem.

In other words, by doing the right thing even if it is the more difficult choice, even if no one is looking and even if it means discussing, reflecting on, and accepting the consequences of our own actions.

By conducting ourselves ethically correctly and with honesty and integrity, we not only protect our reputation, but also lay the foundation for our long-term entrepreneurial success.

We give of our best in every respect: we want to inspire our customers with first-class, tailor-made solutions that improve success and sustainability in equal measure while at the same time setting an example in the way we interact with each other and with business partners and customers. This combination will enable us to turn our ambitious vision into reality and set the standard for our industry.

# Living responsibility together

Alongside the behavioural anchors in our target picture, this Code of Conduct is intended to get across why ethically and legally correct decisions are so important for Krones. The contents of the Code of Conduct are embedded in concrete case studies and scenarios in order to offer realistic illustrations of the possible risks that might occur in the company.

While every situation in life is different, the Code of Conduct must always form the basis for legally compliant behaviour and decisions. It is up to each and every one of us to live it out and follow it.





## The people at Krones are the strongest lever

It is only because all of us at Krones invest our passion every day that we are where we are today – with even more ambitious targets for the future.

It is also the responsibility of each and every one of us to live our values and to create values together, for it is only if we act in accordance with shared values, rules and laws that we can achieve our long-term goals as a company.



### Prevent

#### Being aware:

- Developing an awareness of correct and integrity-based conduct
- Developing a feel for critical situations in day-to-day working

### Detect

#### Recognising and identifying things that are not as they should be:

- Anonymous reporting in the Krones Integrity whistleblower system
- Long-term implementation of a compliance culture

### Respond

#### Take responsibility for your own actions:

- Be aware of possible consequences in the event of violation
- Learning from mistakes



# 2

Acting in accordance with  
the law and ethical principles



## Complying with legal, social and political framework conditions

Compliance with prevailing law is a matter of principle for Krones. As a global operator, we must respect diverse social, policy and legal framework conditions in all our business processes, market activities and relationships with business partners and third parties.

The fundamental principle for Krones, therefore, is that it must conduct its business – whether domestically or abroad, whether in the parent company or in a subsidiary – consistently in harmony with the legal provisions, standards, industry standards and its own internal stipulations.



### Example:

A business partner asks me, as a Krones employee, to handle a transaction which sits in a legal grey area. I then consult my manager, and report the incident to Corporate Governance.

### My contribution:

I know the legal provisions that are relevant for my area of responsibility, and I respect them. Where necessary, or in the event of any doubt, I consult my manager, the relevant specialist departments or Corporate Governance for advice. Beyond that, I respect local laws, values and ethical concepts for my particular Krones location.

# The Krones anti-corruption programme



**Corruption is the abuse of power entrusted to someone to procure for that person or for third parties a tangible or intangible advantage to which they are not lawfully entitled.**

All Krones employees must desist from any form of corrupt conduct. Neither cash payments nor other benefits may be given in this regard. Krones pursues a zero-tolerance policy in this respect, and any violations will be sanctioned. Corruption brings with it a high risk of criminal prosecution and reputational damage. The Krones anti-corruption programme sets out specific components for dealing with corruption. In case of doubt, managers and Corporate Governance are available to answer queries at any time.



## **Example:**

While on a business trip for Krones, I am faced with a request for a bribe at an international airport. If I am not in a position where my life and limb is at risk, I refuse to pay. In doing so, I am aided by the procedures recommended by the guidelines in the anti-corruption programme. I subsequently report the incident via the Krones Integrity System or directly to Corporate Governance and my manager. They investigate the matter and take any further steps as required.

## **My contribution:**

I am aware that, as a member of the Krones team, I must desist from any form of corrupt conduct. I have therefore familiarised myself with the guidelines of the Anti-Corruption Programme. My goal is to advance business through quality and integrity.



## Fraud and the prevention of fraud

Fraud is defined as any intentional action or omission, including misrepresentation, that leads to or causes deception or concealment in order to acquire a personal or business advantage or avoid a disadvantage. Fraud can be committed by an individual person, a group or one or more organisations. Krones does not tolerate any form of fraud by its employees. Recording working time correctly, for example, is an elementary part of our trust-based corporate culture with mobile working and the flexible working time model, and its abuse constitutes working time fraud.

However, it is equally important to minimise the risks of external fraud in order to protect Krones from damage. For products, processes, business and transactions with high risks fraud prevention measures must be taken, such as clarifying responsibilities, separating functions, complying with the four-eyes principle and keeping proper documentation.

### Example:

In the afternoon I take a longer coffee break than usual. Since I had already taken an hour for lunch, I enter the time as an additional break.

### My contribution:

I record my working time independently, carefully and correctly at all times, and I refrain from any other behaviour that could be interpreted as fraud. To avoid giving fraudsters an opportunity, I also make sure I follow established processes and regulations for high-risk activities. If I am not sure of something, I follow the more-eyes principle or ask an expert. If I become aware of fraud or a risk of fraud, I inform my manager or Corporate Governance immediately.





3

People at Kronos



## Leadership and responsibility

**Our employees have a key role to play in achieving the ambitious targets of our target picture. That is why managers at Krones bear particular responsibility for bringing their team with them on this path and working with them to define concrete tasks from the targets.**

They are always the first point of contact for their staff in the event of any questions or issues. They must make it clear – and also ensure – that compliance with the applicable laws and Krones policies has the highest priority under all circumstances and at all times. The elements of the delegation of duties (appropriate selection, instruction, training, monitoring, communication and, if necessary, sanctioning of employees) form the basis for compliance-based management at Krones.

### **Example:**

Two of my staff have an unconventional idea that could help the company meet its long-term goals. I give them the freedom to try out something new, and support them with constructive feedback. At the same time, I do not lose sight of the essentials so that we as an organisational unit meet our performance commitments.

### **My contribution:**

**As a manager,** I create the conditions that allow all employees to take responsibility for working on solutions for the future. I establish a culture that encourages interaction and unprejudiced cooperation and demands rule-based behaviour. This means that I do not tolerate any infringements of our policies by employees and I monitor all processes sufficiently so that any misconduct within my area of responsibility is identified at an early stage.

**As a Krones employee,** I in turn know that I can approach my manager at any time if I myself have questions, ideas or even problems. Should there be any outstanding questions, I can contact the relevant department at Krones at any time.

# Collaborating with one another



All of us contribute to the success of the company through our particular expertise. Good collaboration is only possible, however, if we have mutual respect and esteem for each other – without prejudice, and regardless of age, gender, ethnicity or other diversity factors.

Good collaboration also entails professionalism, fairness, honesty, integrity and trust. Because we work together on demanding targets, we accept responsibility and encourage initiative and creative ideas, while at the same time being open to feedback and learning from mistakes.

## **Example:**

In my area at Krones, I notice that a colleague is being insulted by others in the workforce because of their origin. Rather than closing my eyes to this, I first attempt to intervene myself or else approach my manager or Corporate Governance in confidence in order to resolve this issue.

## **My contribution:**

At Krones, I respect the worth, the privacy and the moral rights of every individual. I am aware that Krones does not tolerate any form of bullying, discrimination, harassment or insult. This applies for both the active display and the passive toleration of such behaviour.

# Treatment of company property

Krones provides its employees with equipment such as tools, laptops, office materials and pool cars to enable them to perform their activities.

However, the unauthorised use of the company's property for any unlawful purpose is strictly prohibited. Theft – whether of a piece of metal left over from production that could actually be sold to a recycling firm or of a box of printer paper – is not a trivial offence, but a serious breach of trust.



## Example:

A colleague tells me that a left-over bit of steel would be ideal for a DIY project he is doing. I point out that it is not rubbish but a recyclable resource, the theft of which would represent a financial loss for Krones and put him in breach of his employment contract.

## My contribution:

I use the company's work equipment solely for its purposes and not for my own private use. I keep it out of the reach of third parties and handle it with care. Krones culture allows tools and media to be borrowed for private purposes, but only in exceptional circumstances, if the wear and tear is negligible, and with the approval of my manager.



# Conflicts of interest



## Example:

As a Krones employee, I receive an offer from a business partner who happens to play alongside me in a football team outside of work. I declare the conflict of interest transparently to my manager and withdraw from the negotiations.

## My contribution:

I maintain respectful working relations and avoid conducting myself in too friendly a manner with business partners. I always indicate that there is no question of me accepting a personal benefit, even in the case that a contract which is satisfactory for both parties is concluded. By avoiding conflicts of interest, I protect Krones from damage of a financial or reputational nature.

**Conflicts of interest can arise if private interests cut across professional ones. This includes both close relationships between employees and their managers, customers, suppliers, service providers or competitors and foreign business or financial interests.**

All Krones employees must disclose any conflicts of interest in good time by informing their direct manager as soon as they become aware of them. The situation will be evaluated with Corporate Governance and a solution found. The aim is to reach decisions that are transparent and ethically correct and to avoid, or at least disclose, conflicts of interest in good time. Since the grey area in this regard is very large, disclosure should always be made before any questionable conduct occurs.

# Collaboration with stakeholders – Suppliers and customers

With both its suppliers and its customers, Krones enters into a long-term partnership which is characterised by openness, trust and commitment. We will only enter into a partnership if this is consistent with our fundamental values.



## Customer example:

As a member of the sales team, I am asked by a customer to declare their second-hand machine as a new machine and to issue inaccurate documents for it. I then discuss the matter with my manager and report the incident to Corporate Governance.

## Supplier example:

As a member of the purchasing team, I notice that a long-standing supplier is not complying with the values and standards of conduct specified in the Krones Supplier Code. I therefore approach my manager, since this business relationship needs to be reviewed.

## My contribution:

As a buyer at Krones, I am familiar with the content of the Supplier Code and the Group requirements. As a Sales employee at Krones, I am familiar with the customer's fundamental values and consistently compare these against our values. If am unsure whether the proposed transaction is lawful, I immediately approach the respective department for advice.





## Collaboration with stakeholders – Competitors

**We support free and undistorted competition on the market and commit to dealing fairly with our competitors. In turn, we expect the same from other market participants.**

To avoid breaches of antitrust law, employees are strictly prohibited from agreeing prices or terms and conditions and from making agreements to divide up markets. Coordination within professional associations can also result in arrangements that violate antitrust laws, so this must be considered on a case-by-case basis.

### **And yet...**

not every contact with competitors is explicitly undesirable – sometimes it makes sense to cooperate within the sector. However, this must always be subject to transparent legal assessment in advance, and the appropriate framework conditions must be observed.

### **Example:**

At a trade fair, a competitor engages me in conversation about Krones' price policy. I end the conversation, because from an antitrust perspective it must be classified as critical. I subsequently report the incident to Corporate Governance.

### **My contribution:**

I do not discuss with competitors or their employees matters such as financial costings, capacities, profit margins or other factors capable of influencing the company's competitive practices. I also refrain from making agreements concerning bidding practice, restrictions on business relationships, the submission of false quotations or the apportionment of customers, markets, territories or production ranges. Should I become aware of any such behaviour by a competitor, I report this to Corporate Governance without delay.

# 4

## Handling knowledge and information at Krones



# Confidentiality and handling information

Krones can suffer severe financial, legal and reputational damage if internal information is disclosed to third parties. Absolute confidentiality is therefore imperative for all confidential and protected Krones information.

Information from suppliers, customers, employees, consultants and other third parties which is not publicly communicated must be protected in accordance with legal and contractual requirements. To ensure that confidential documents or presentations can be immediately identified as such, all documents must always be appropriately classified and marked on creation.



## Example:

A former colleague who has moved to a competitor asks me in confidence for design drawings. I do not pass on any information, and I refer to the duty of confidentiality to which both he and I are bound under our employment contracts.

## My contribution:

As a Krones employee, I am familiar with the duty of confidentiality as set out in my contract of employment. Krones takes the protection of confidential information very seriously. I observe this basic principle at all times, even after the contract has come to an end.

# Data protection – Handling personal data

**Data protection affects us all in some way. This means that each and every employee is responsible for complying with data protection regulations.**

The global electronic exchange of information and access to the internet and intranet are essential for effective working and the economic success of Krones.

However, digital communication also brings with it a number of risks to privacy and the security of data. Effective protection against these risks is therefore a vital part of information management.



## **Example:**

A colleague asks me for a file containing the personal data of business partners. I only forward it after I have satisfied myself of the purpose and that this is allowed.

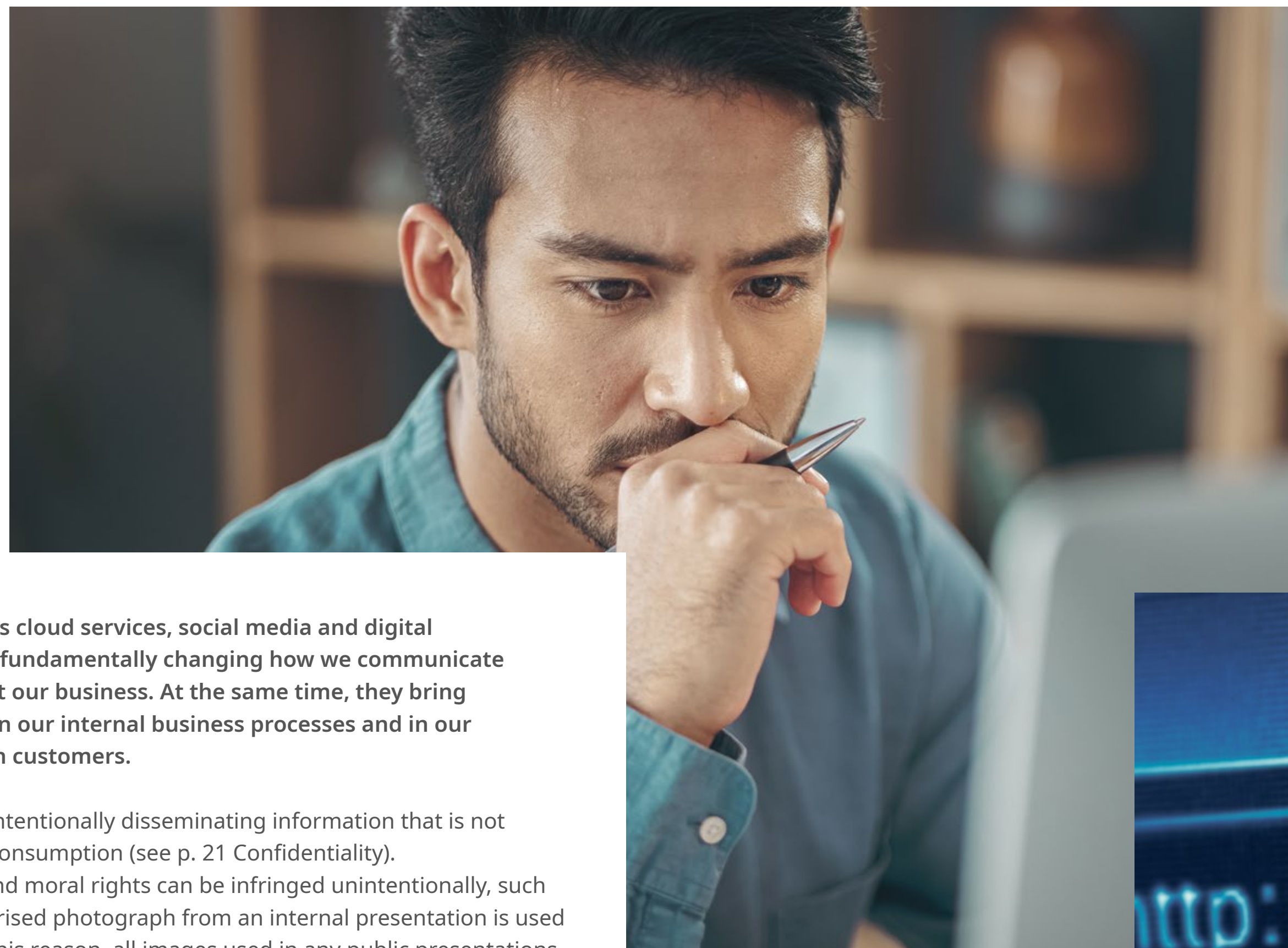
As the colleague only needs names and addresses, I remove unnecessary information such as dates of birth from the list and encrypt the data with a secure password.

## **My contribution:**

I contribute to protecting the personal data of existing and former colleagues, customers, suppliers and other data subjects. I will only use personal data as defined in data privacy legislation where this is necessary for specified and lawful purposes.

As regards the data subjects, I am transparent about the use of their data and I delete the data as soon as the lawful purpose no longer exists. When handling personal data, I take suitable technical and organisational measures to protect the data.

# Dangers of digital media



Technologies such as cloud services, social media and digital communication are fundamentally changing how we communicate and how we conduct our business. At the same time, they bring new dangers, both in our internal business processes and in our communication with customers.

There is a risk of unintentionally disseminating information that is not intended for public consumption (see p. 21 Confidentiality).

In addition, image and moral rights can be infringed unintentionally, such as when an unauthorised photograph from an internal presentation is used in a public one. For this reason, all images used in any public presentations or articles require the prior approval of Corporate Communications except in the case of images from the mediasuite.

## Example:

On a social network I see a photo of a customer's machine which has been posted by a colleague privately. As I know that such photographs are not allowed to be published, I report this to the Social Media team (Corporate Communications) rather than responding to it directly myself.

## My contribution:

I take the responsibility which I have in the digital sphere very seriously. This includes being attentive to possible threats from outside, such as phishing attempts by e-mail. Accordingly, I protect not just myself, but also Krones as a company and our customers. At all times I act with an awareness that I bear full responsibility for all content that I share or publish, and therefore acknowledge this as my own opinion.



# 5

## Responsibility in society



# Climate and environmental protection

**In order to make a positive contribution to protection of the climate and environment and thus support our target picture of preserving ecosystems, we have set ourselves Group-wide goals.**

Alongside our ambition to design our products even more sustainably, all employees are also encouraged to adopt environmentally-friendly behaviour in their daily work.

As a global player, we – and therefore every single employee – have an impact on climate change, biodiversity, the protection of water and marine resources and the prevention of pollution through the transition to a circular economy. The responsible use of resources of all kinds – from electricity and heat to water and materials – is therefore a top priority.



## **Example:**

If I notice a dripping water tap, I report this to the maintenance department so it can instigate repair. A single dripping water tap wastes litres of valuable drinking water every day. The problem can often be rectified with a couple of simple adjustments.

## **My contribution:**

In my everyday working life I try to act in a way that conserves resources and is friendly to the environment. I reduce waste by reusing, repurposing or recycling items wherever possible. I save energy by only switching devices or machines on when necessary or, for instance, by using public transport. I also use water sparingly.

# Respect for human rights

As an international operator, Krones undertakes to respect human rights and labour rights across the entire value chain. We strictly reject any form of forced labour (modern-day slavery), child labour and inhumane working conditions.



We abide by legally specified and collectively agreed working hours, offer fair remuneration and social benefits, guarantee freedom of expression and freedom of association for workers and care deeply about the health and safety of our employees in the workplace. We promote equality of opportunity for people of different origins and prohibit any form of discrimination on the basis of skin colour, age, gender, sexual orientation, religion or other characteristics of diversity.

We will also not tolerate environmental breaches, either in our own business operations or in the value chain, that endanger the supply of food, access to drinking water or personal health, nor will we condone the unlawful deprivation of land and livelihoods.

Our duty of care guidelines with regard to human rights are based on the UN Global Compact, the International Labour Organization (ILO), the OECD guidelines and the Base Code of the Ethical Trading Initiative (ETI). With the help of the Krones Supplier Code, we also ensure these principles are met by our suppliers.

## Example:

I receive notification that a human rights violation has occurred in our supply chain (e. g. child labour, forced labour, discrimination). I am aware that this is incompatible with our corporate values, and I pass on my information to the relevant departments at Krones without delay via the appropriate reporting mechanisms.

## My contribution:

In addition to the applicable legal provisions, I am also sensitive to all human rights issues, am familiar with the fundamental provisions and requirements and am vigilant to possible human rights violations, both in the company and in the upstream and downstream value chain. In the event of contravention, I contact the responsible bodies and report the infringement.

A large, semi-transparent blue image of a hand holding a heart, set against a solid blue background. The hand is positioned in the center-left of the frame, with the heart held gently in the palm. The overall aesthetic is clean and professional.

6

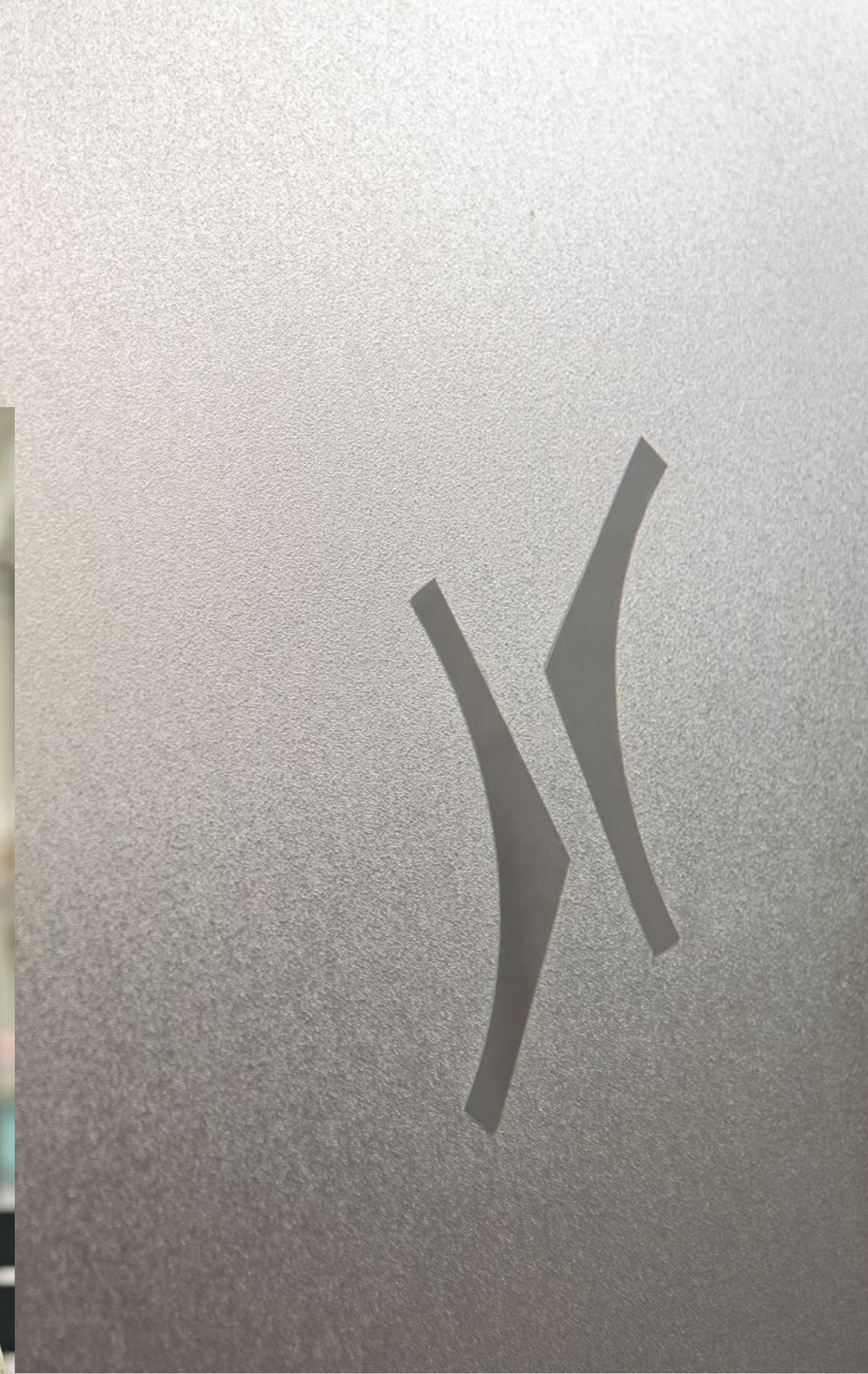
Help and support

# Scope and responsibility

The Code of Conduct applies for all Krones Group employees as well as members of the Executive Board and Supervisory Board, managing directors and executive staff. All employees of companies belonging to the Krones Group comply with the relevant local law when implementing the Code of Conduct.

As a Krones employee, I abide by the Code of Conduct and conduct all business efficiently and in line with this Code. As a manager, I inform my employees about the Code and the policies in force at Krones, and I set an example in my area of responsibility. I give regular reminders of these requirements and ensure that they are observed, while also consistently calling out misconduct and applying sanctions.

I am aware that at Krones I am an important part of the whole, and that my actions have a direct impact on the fulfilment of our vision. Because we can only develop and live **“Solutions beyond tomorrow”** together, I make sure I treat people, the environment and company property with respect and responsibility. I am sensitive to critical situations in day-to-day business and, by behaving properly, I protect Krones from reputationally damaging consequences and financial losses.





## Open questions and decision-making

Every situation is fundamentally different – a Code of Conduct cannot always prescribe the correct conduct for every instance. However, this Code of Conduct formulates rules and principles that should be respected and sensibly implemented by all Krones employees or stakeholders.

If a Krones employee is unsure what the correct conduct should be in a particular situation, or if they have a general question, the following set of questions may assist in deciding on the action to take.

### Six questions for making a decision:

- 1 Can the good reputation of Krones, our compliance with laws and our responsibility to society still be protected as a result of my decision?
- 2 Is my decision consistent with laws and company regulations?
- 3 Would my decision also withstand scrutiny from third parties?
- 4 Can I make a decision without bias, in the best interests of the company and without taking my own interests into account?
- 5 What would my line manager or my colleagues say if they knew about it?
- 6 Could my decision also be made transparent?

# Reporting channels and consequences of infringements

## Consequences:

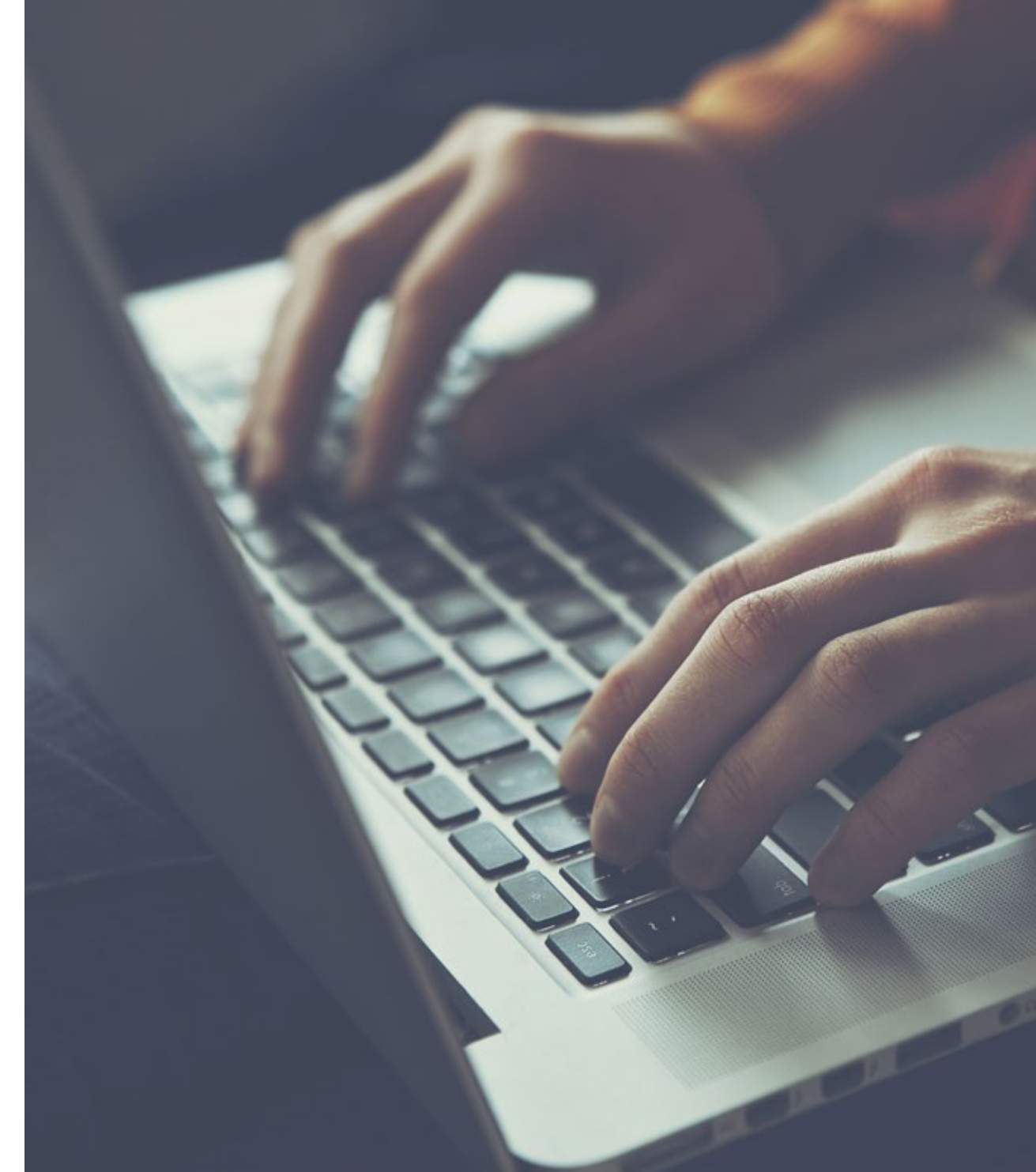
In the event of an infringement of the Code of Conduct, company policies or legal provisions, an employee should – quite apart from sanctions prescribed by law – reckon on consequences under employment law. To that extent this Code must be viewed as constituting an obligation under employment law. The infringement of internal company rules and of legal requirements may lead to disciplinary measures, termination of the contract of employment and/or further legal steps.

## Reporting channels:

It is in all our interests that unfair and thus damaging incidents are investigated. That is why, within its open corporate culture, Krones encourages every employee to approach contact points within the company in confidentiality if they become aware of compliance risks. For all Krones employees, the first point of contact is the respective manager. Additionally, Krones offers not only its employees but also its customers, suppliers and other business partners a secure whistleblower portal: the Krones Integrity reporting system.

## The Krones Integrity System:

Since the system is operated by an independent provider, notifications can be sent worldwide round the clock – securely, confidentially, and optionally also anonymously. The notifications received are processed solely by Corporate Governance at Krones AG. Absolute confidentiality is guaranteed at all times.



## The reporting process follows this order:





Here you can find more information on the compliance topic.

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