

Krones UK Ltd's Statement of Tax Policy

Krones UK Limited is part of the Krones Group, headquartered in Neutraubling, Germany. The Group plans, develops and manufactures machines and complete lines for the fields of process, filling and packaging technology.

This document has been produced in accordance with Schedule 19 of the Finance Act 2016, in respect of the financial year ended 31 December 2021 and has been published on 21 December 2021.

Krones UK Ltd's tax policy/strategy aligns with that of the Group as detailed below.

The Krones Group wishes to be recognised as the market leader and technological leader and also as a serious, credible, and reliable partner – to all its stakeholders such as customers, suppliers, shareholders, employees, and public institutions such as the tax authorities. This is one of the major prerequisites for reaching our corporate goal: to maintain and enhance our leading position and reputation in the filling, packaging and beverage production industry.

The Krones Group has therefore set standards in many areas to ensure company-wide compliance with laws, standards, and policies to create a working environment of integrity, respect, fairness and accountability. This Code of Conduct is binding for all bodies and employees of the Krones Group. The full Code of Conduct can be downloaded from the Krones Group's webpage (www.krones.com/media/downloads/Krones_CoCo_2020_en.pdf).

Tax Strategy

The principles of our Code of Conduct are also reflected in our **tax strategy**:

- The main objective is to comply with the tax laws and regulations of all countries in which we do business.
- We do not use artificial tax structures or structures without economic substance whose sole purpose is to achieve tax savings. The main principle is that tax follows business.
- We engage in tax planning to ensure not to pay higher taxes as intended by the legislator and to pay our fair share of tax within the limits of the local tax regulation.
- We aim to avoid double taxation of income resulting from a different interpretation of tax regulations of the tax jurisdictions involved in the transaction as this results in a competitive disadvantage and harm for our stakeholders.
- We seek external tax advice for the application or interpretation of local tax regulations and we engage local tax advisors to fulfil compliance requirements as required.
- The transactions between the companies of the Krones Group are conducted according to the arm's length principle in line with the OECD transfer pricing regulations.

Tax Risk Management

Day to day responsibility for Krones UK Ltd compliance and management lies with the Krones UK Ltd's Head of Finance. Tax Governance and Risk Management is however guided at Group level.

The Krones Group takes a proactive approach to managing risks and use a multi-stage risk management system which consists of the modules risk analysis, risk monitoring and risk planning and control. The risk management is part of the Controlling department and reviewed by the Internal Audit team. The risk owners are responsible for the respective risks in their areas. They must make sure for their respective areas that all relevant risks are identified, and adequately managed. They are also responsible for the assessment, control and regular reporting of the identified risks to the Risk Management team. The Risk Management team summarises the risks and risk owners' responds in a report for the Executive Board.

Tax Risk Management with rigid levels of acceptable tax risk is part of this risk management process. The risk owner for all tax related risks is the Head of Group Taxes, based in Germany. The Head of Group Taxes employs a team of tax experts with sufficient skills and qualifications in the relevant tax areas (corporate income tax, international tax, indirect tax) which enables him to fulfil these tax risk management tasks. He further ensures with the issuance of binding policies and working instructions that the business operations are aware of the tax framework in which they must conduct business and that tax relevant business activities are reported to the Group's Tax department in due course.

Working with HMRC

The Krones Group aims to have an open and constructive relationship with the tax authorities and where appropriate, proactively discusses events with the tax authorities in advance.

In all dealings with HMRC, Krones UK Ltd acts collaboratively in an open, honest and transparent manner. Krones UK Ltd is committed to making accurate and timely disclosure in correspondence and returns, and respond to queries raised by HMRC in a timely manner with the aim to resolve issues quickly and efficiently, with certainty wherever possible.