	Krones' Supplier Procedure for Shipping and Packaging		
File Name:	Shipping and Packaging Supplier Instruction	Status:	Pending Approval
Approved By:	Joe Wisniewski		
Quality Approver:	Logan Essers		

1. Purpose

These instructions for shipping and packing are to be considered as a general obligated manual for the supplier applicable for the packing, marking and transport of the goods which are ordered by Krones Inc. and are designated for delivery to Krones Inc or to the final destination (Krones Inc customer). In the following document, these instructions are written down and must be followed. The supplier shall ensure that the scope of supply and services which Krones Inc. ordered from the supplier are following the guidelines/provisions/regulations/laws and other standards applicable at the place of destination.

2. Scope

This standard operating procedure will be followed by all logistic departments of Krones suppliers.

3. Responsibility

It is the responsibility of the Krones Receiving Department to inform the Krones Purchasing Department of any suppliers that do not comply with this standard operating procedure. The Krones Purchasing Department is responsible for contacting the supplier and correcting improper packaging.

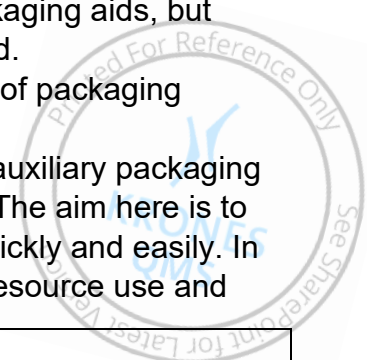
4. Ecological Expectations


"The less packaging material is used, the less waste and environmental impact it generates". Accordingly, ecological packaging means not only the use of ecological packaging aids, but also using only as much as is necessary to protect the goods to be packaged.

Likewise, packaging can be used more than once. This reduces the amount of packaging material and waste and, in turn, is good for the environment.

Furthermore, disposal should also be considered. To be able to recycle the auxiliary packaging materials, it is essential that they are separated by type already during use. The aim here is to use "one-substance packaging" so that recycling can be carried out more quickly and easily. In a circular economy, the goal is to establish a regenerative system in which resource use and

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waste production, emissions, and energy waste are minimized by slowing, reducing, and closing material loops. This can be achieved through durable construction, maintenance, reuse, and recycling. The conception and design of the packaging as well as the delivery must be space-saving, stable and simple. The same applies to the interior and filling of the packaging.

5. Procedure – Shipping and Packaging

5.1. General Remarks:

- 5.1.1. In principle, any health, safety, and environmental regulations must be followed.
- 5.1.2. The supplier is obligated to provide economic packing designs.
- 5.1.3. The supplier is responsible that the delivery is in accordance with the purchase order and is packed and delivered completely.

5.2. Packaging and Loading

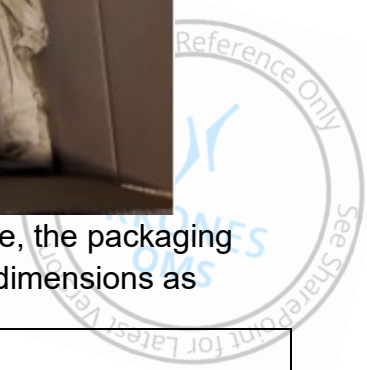
- 5.2.1. If applicable, the packaging must enable safe handling and the use of common fork-lift trucks. The packing also must protect the material for a total transport (to the final destination/Krones Inc. customer) and storage period of 30 days or less according to the packaging category against humidity, corrosion as well as other chemical or mechanical influences.
- 5.2.2. Minimizing packaging volume results in higher transportation utilization, which in turn results in reduced CO² emissions. Again, the lower the packaging volume, the lower the energy consumption and CO² emissions due to the use of industrial trucks, loading, transportation and unloading.


5.2.3. Photo examples showing low packaging volume:



5.2.4. To achieve environmentally friendly container and truck stowage, the packaging materials must be standardized to overseas container and truck dimensions as

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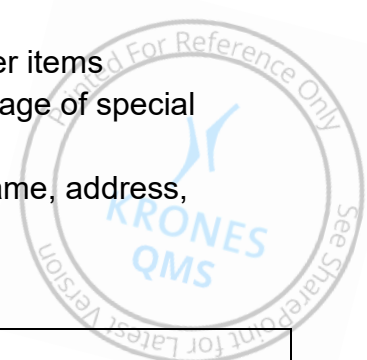


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much as possible. The width (2.30 meters) and the height (2.30 meters). Packaging materials should have a length, width, or height of 0.75m, 1.15m, 1.50m or 2.30m wherever possible. This ensures that a high degree of stowage is achieved when loading overseas containers and trucks. These packaging dimensions are also suitable for loading and shipping by trucks. Packing on Euro pallets is not desirable, as the dimensions of Euro pallets are not suitable for shipping and cause a significant reduction in stowage volume. In general, it should be noted that goods to be packed should be packed within a maximum length, width, and height of 2.30 meters, if possible, in order to avoid shipping as break bulk, since packing and shipping break bulk in boxes causes extremely high costs.

5.3. Packing List

- 5.3.1. Each delivery must be accompanied by a supplier packing list, where all packing details are written according to Customs requirements.
- 5.3.2. For each package, the supplier will issue a separate Packing list using a format that includes all Customs requirements.
- 5.3.3. Each individual piece of material needs to be listed on the packing list and needs to show a clear description of the material.
- 5.3.4. The supplier must guarantee that the details shown in the packing list are per the actual contents of the packaging. This is especially important for the detailed content description, the dimensions, and the weight of the package.
- 5.3.5. Packing list information must include the following:
 - 5.3.5.1. Krones material numbers (itemized content)
 - 5.3.5.2. Explicit description of all content
 - 5.3.5.3. Dangerous goods (if applicable) must be in certifiable packaging with proper markings.
 - 5.3.5.3.1. Accompanied by dangerous goods declaration
 - 5.3.5.3.2. Accompanied by a safety data sheet
 - 5.3.5.3.3. Dangerous goods should not be packed with other items
 - 5.3.5.4. Special handling and loading instructions. See below image of special handling markings.
 - 5.3.5.5. Seller's and Shipper's complete information including name, address, phone number, and email address.



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5.3.5.6. Buyer's complete information including name, address, phone number, and email address.

5.3.5.7. Invoice number

5.3.5.8. Date of shipment

5.3.5.9. Mode of transport

5.3.5.10. Carrier name

5.3.5.11. Type of packaging

5.3.5.12. Total quantity of packages

5.3.5.13. Net and gross weights provided in Kilograms

5.3.5.14. Purchase order number

5.3.6. Photo showing the special handling markings:

5.3.7. Additional Information

5.3.7.1. The provided documentation needs to be in English

5.3.7.2. A copy of the packing list should be placed inside and on the outside of the packaging covered in plastic.

5.3.7.3. Dangerous goods must be packed, signed, and loaded in accordance with relevant valid regulations, laws, and statutes if applicable.

5.3.7.4. If applicable, the safety data sheets need to be supplied as requested by Krones Inc. and applied on all dangerous goods packages.

5.4. Communication

5.4.1. For issues related to the purchase order, packing, and marking, the SUPPLIER shall contact the purchasing buyer responsible.

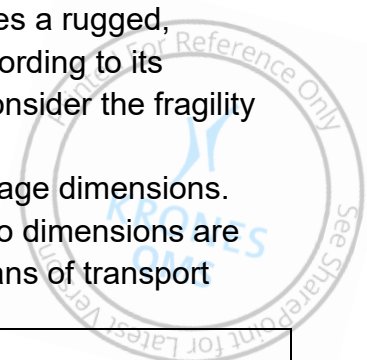
5.5. General Packaging Instructions


5.5.1. The supplier or their packing company are expected to be sufficiently experienced in determining the appropriate packaging methods for transport.

5.5.2. Packing must protect the parts and/or equipment against all kinds of damage. Rough treatment during transportation (road, rail, air, sea) requires a rugged, robust construction of packing. The material must be packed according to its particularities and technical requirements. The supplier should consider the fragility of the product to be transported when packaging.

5.5.3. It is not allowed for the cargo material to exceed the outer package dimensions. The packaging must be designed in such a manner that the cargo dimensions are not increased unnecessarily by the packing material and the means of transport

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can be loaded in the best economical way. This also includes the principal requirement of stack ability of the cargo.

5.5.4. Whenever using crates or containers, ensure that the material is packed on a stable and convenient base.

5.6. Packaging Enforcements

5.6.1. The following enforcements must be used if applicable

5.6.1.1. Free-swinging or add-on components must be fixed with base units or struts.

5.6.1.2. Free standing components must be fixed and supported separately.

5.6.1.3. Moveable add-on components must be protected from twisting or swinging.

5.6.1.4. Electronic components must be protected from vibration and shocks.

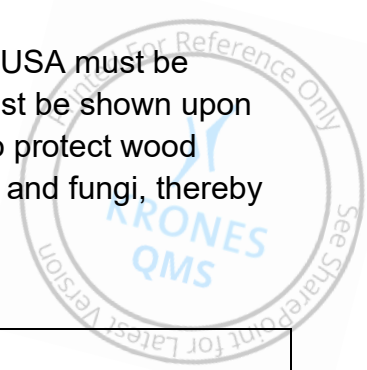
5.6.1.5. Sensitive components (example: closed tight tolerances, thin material, coated parts, etc.) must be protected with tight foam packaging, padded dividers, bubble bags, bubble wrap, cardboard, plastic tubes, or other protective material where applicable.

5.6.1.6. Components with sharp edges must be protected with edge guarding to avoid personal injury and damage to parts.


5.7. Special Instructions for Wood Packaging

5.7.1. Wood packaging must comply with HPE guidelines / IPPC and ISPM 15 standards. All packaging shall be designed and used as reusable packaging wherever possible. Especially when dealing with slow growing raw material, sustainability must be considered. If possible, solid wood packaging should be avoided. Instead, Krones Inc. recommends the alternative use of chipboard, MDF or OSB (etc.) for packaging for environmental reasons. These are usually made from wood residues, waste wood, construction, and residual wood, as well as unusable forest wood (except for chipboard).

5.7.2. All-natural wood and natural wood packaging imported into the USA must be proven to be boiler pressure impregnated. Treatment records must be shown upon request. The process of pressure impregnation was developed to protect wood from pests such as wood decomposing insects, microorganisms, and fungi, thereby extending its outdoor durability.

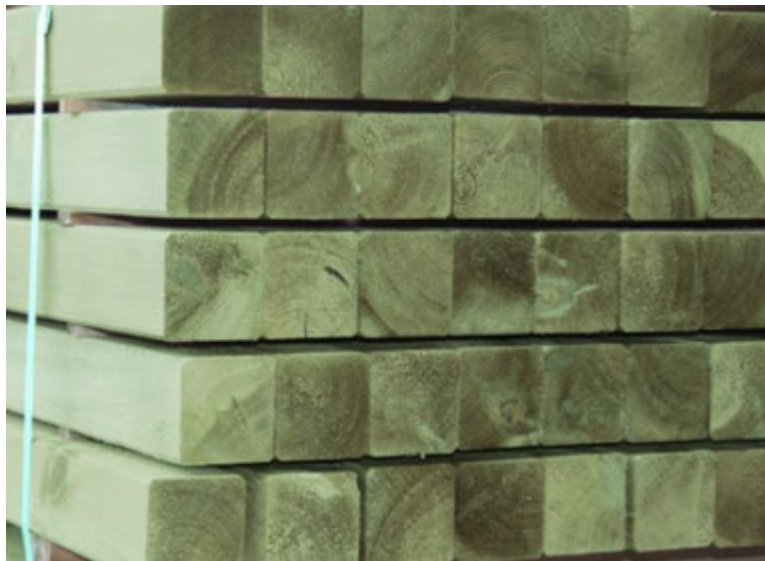


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5.7.3. To avoid a live insect materials contamination after the heat impregnation method, the supplier must ensure the relevant wood packing materials get treated with pressure impregnation (corresponding to KDI wood). If this is not possible non-wood packing material needs to be used instead.


5.8. Photo example of KDI Wood:



5.9. Photo example of natural wood:



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5.10. Definition of packaging wood

5.10.1. Packaging wood in the sense of this code is packaging material of raw wood with a minimum thickness of 6mm (at the shortest side). The packaging material also comprises dunnage in containers, but also in ships or other means of transportation.

5.10.2. Processed wood (e.g., Plywood, chipboard, OSB board, MDF board, etc.) which during its manufacturing process has already undergone a heat treatment, is not to be considered as a packaging in the sense of this code.

5.11. Marking Instructions Corresponding to the ISPM 15 Standard

5.11.1. Mark: A mark which indicates that the wooden packaging has undergone an approved phytosanitary treatment, includes the following required components:

5.11.1.1. IPPC symbol

5.11.1.2. Country code ISO 3166 Alpha-2 code (example: US for United States of America)

5.11.1.3. Identifier of the region (example: WI for Wisconsin)

5.11.1.4. Manufacturer/treatment code (beginning with the numbers "49")

5.11.1.5. Treatment method (example: HT for heat treatment)

5.11.1.6. If applicable "DB" for debarked

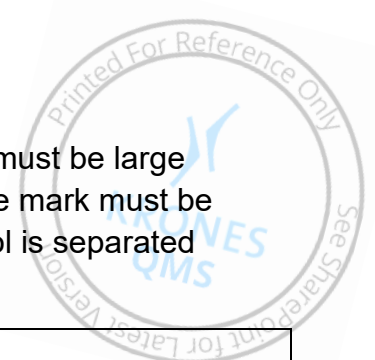
5.11.2. ISO 3166 Standard Code (United States of America)

Standard: ISO 3166 — Codes for the representation of names of countries and their subdivisions
Committee: ISO/TC 46 ICS: 01.140.30


Alpha-2 code	US
Short name	UNITED STATES OF AMERICA
Short name lower case	United States of America (the)
Full name	the United States of America
Alpha-3 code	USA

Status	Officially assigned
Remark part 1	

5.11.3. The size, font, and position of the mark can vary. However, it must be large enough so that inspectors can read it without any visual aids. The mark must be surrounded by a rectangular or square boundary line. The symbol is separated



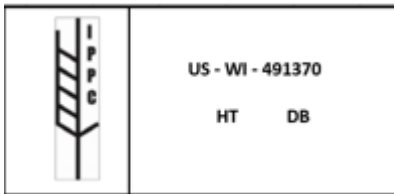
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from the coding by a vertical line. The marking must have the following characteristics:

- 5.11.3.1. It must be legible
- 5.11.3.2. It must be durable
- 5.11.3.3. It must be non-transferable
- 5.11.3.4. It must be placed in a location that is visible when the wood packaging is in use
- 5.11.3.5. It must be placed on at least two opposite sides of the wood packaging unit
- 5.11.4. The mark must NOT be hand drawn.
- 5.11.5. Red or orange coloring must be avoided, as these colors are used in labeling dangerous goods.

5.11.6. IPSM 15 Standard Marking:




5.12. Wooden Crate Closure

5.12.1. All wooden crate lids are expected to be secured with strapping as pictured below. The use of nails to secure the lid is prohibited as this is a safety hazard for Krones Inc. employees.

5.12.2. Example photos of non-nailed crates:



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5.13. Dangerous Goods

- 5.13.1. A dangerous goods material must be advised to Krones Inc in advance.
- 5.13.2. Dangerous goods must be packed in qualified packing cartons and treated separately, and as per the legal regulations of the appropriate means of transport.
- 5.13.3. The supplier is obligated to issue all related documentation for transportation and to supply the safety data sheet.
- 5.13.4. The supplier nominates a contact person and telephone number, who assigns themselves responsibility for this cargo.

5.14. Plastics

- 5.14.1. Efforts must be made to reduce or eliminate as much plastic as possible from packaging.
- 5.14.2. Examples of plastic alternative:
 - 5.14.2.1. ECO Plus films or foils
 - 5.14.2.2. Biodegradable packaging chips as a filling material
 - 5.14.2.3. Bags made from cellulose
 - 5.14.2.4. Bags and films made from recycled plastics
 - 5.14.2.5. Paper delivery note bag
 - 5.14.2.6. Recycled folding paper
 - 5.14.2.7. Paper adhesive tape based on a natural rubber

5.14.3. Example of ECO Plus Shrink Film



5.14.4. Example of environmentally friendly bubble wrap-Recyclate Film



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5.15. Paper Packaging


5.15.1. Recycled materials and upcycled material should be used.

5.15.2. Example: corrugated cardboard or paper made of recycled material, for cushion and padding the goods in the packaging. But also, the recycling of the cushion materials from the incoming goods, which have no branding.

5.15.2.1. ***Example of dispensing plastic as an inner layer and using recycled padding paper:***



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5.15.3. There is a requirement to dispense with branding on the surfaces of the packaging and filling materials. This makes it possible to reuse the packaging and treat it in a sustainable manner.

5.15.4. Other packaging materials, such as plastic delivery envelopes, plastic adhesive tapes are to be replaced with recyclable paper adhesive tapes, where possible.

5.15.4.1. Photo example of natural rubber packing



5.15.4.2. Photo example of paper tape for a cardboard box



5.16. Printer paper, Copier Paper, and Envelopes

5.16.1. The use of paper for loading lists, delivery bills, and accompanying conveyor papers should be reduced to a minimum.

5.16.2. The loading lists and delivery bills must be created and sent digitally.


5.16.3. When needed, recycled, chlorine-free, and aging-resistant paper should be used for delivery bills.

5.16.4. Recycled, chlorine-free, and aging-resistant paper must be used for envelopes and paper mailing bags

5.16.5. Photo example of paper mailing bags:



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5.17. Transportation Documentation

5.17.1. The supplier and freight forwarder are responsible for issuing all documents required for the transport of the goods (example: packing list, wood treatment certification, weight certification, dangerous goods declaration, and safety data sheets.) to the final destination.

5.17.2. The supplier and freight forwarder are responsible for the export customs clearance in the country of dispatch, which requires the issue and execution of an export declaration for third party countries. (In relation to the EU)

5.17.3. The provided documentation needs to be in English and the language of the final destination.

5.18. Liability

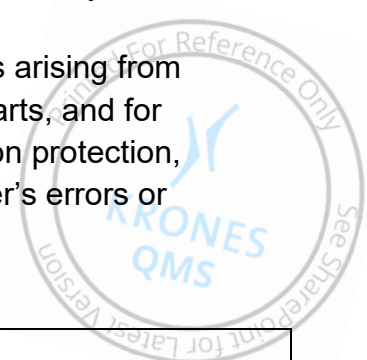
5.18.1. The supplier is liable for damages which occur within the supplier's custody.

5.18.2. The supplier is responsible for ensuring that the scope of the delivery is in accordance with the purchase order and is packed and delivered complete.

5.18.3. Upon receipt of the material at the final destination a Krones employee will issue a report for each delivery, showing any damage as well as any discrepancies in the contents of the package as opposed to those stated in the packing lists. These discrepancies will be reviewed and addressed with the SUPPLIER through the Krones F2 Quality Notification System of supplier issues.

5.18.4. The defined purchase order deadlines/periods must be adhered to by the supplier.

5.18.5. The supplier will be responsible for all damages and expenses arising from incorrect or incomplete deliveries, insufficient packaging of the parts, and for damages caused by inadequate anti-rust protection, anti-corrosion protection, preservation, and packing which occurred because of the supplier's errors or neglect, until final use and start-up of the material.



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