The KRONES Group’s Code of Conduct
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A message from the Executive Board

KRONE has over the years established an excellent reputation which we intend to maintain. For this reason and as part of our role as market leader, KRONE must set standards in many areas, including compliance.

How we incorporate lawful, ethical, and responsible conduct as an important and indispensable part of our corporate and social responsibility is absolutely vital. And that holds each and every one of us to a very high standard. We want to ensure that our actions are always irreproachable, correct, and exemplary.

We have drafted the following Code of Conduct on the basis of our corporate mission statement. The aim of this Code of Conduct is to ensure company-wide compliance with laws, standards, and policies in order to create a working environment of integrity, respect, fairness, and accountability. It is binding for all bodies and employees of the KRONE Group – including the Executive Board, management, and every member of our staff worldwide.
All bodies and employees within the krones Group are urged to not only comply with the guidelines in the Code of Conduct in a formal sense but to live and breathe their meaning and purpose. Only in this way can they serve as the basis of an open and vibrant culture of compliance. In the interest of all employees, violations of the Code of Conduct are systematically investigated and disciplinary action taken.

Of course, we want krones to be recognised as the market and technology leader. But we also want our customers, employees, suppliers, and shareholders as well as government agencies, institutions, and the general public to perceive us as a reputable, trustworthy, and dependable partner. That is crucial to our goal of retaining and expanding our position as the market leader.
Corporate values

The values guiding our actions are especially important for a global company. We cannot think only of ourselves but must respect the common good – here and now and in the future.
KRONES’ mission statement:
Who are we, where do we want to go, and how can we get there?

Our customers around the world are primarily in the beverage and food (liquid food) industry. We provide them with machinery, lines, and systems, including all related services, that are the best in every respect.

Profitable growth
To consolidate our position, we will continue to grow profitably and further expand our technology leadership – with innovation, a passion for change, and consistent performance. We listen to our customers and develop our products to meet their needs.

Global network
Our lines and complete solutions provide the highest level of efficiency at competitive prices. Our global network enables us to provide fast, cost-effective, high-quality service – anytime, anywhere around the world.

All strategic decisions are aimed at ensuring the company’s sustainable development. Even when optimising profits and cash flow in the short term, we still keep sustainability sharply in focus. This makes KRONES a dependable partner for our customers, employees, shareholders, and suppliers. Our financial strength gives us independence. We use resources wisely in order to safeguard this freedom for the long term.
Our mission statement defines KRONES’ image of itself and establishes a uniform guide for all employees. It explains who we are, where we want to go, and what principles inform our actions.

Our sites around the world form a global value chain that serves as the very foundation of our success. Each of our core modules is built at only one site worldwide, with exceptional cost-effectiveness. These sites concentrate our expertise and experience in the relevant technology. To secure this advantage for the long term, KRONES offers attractive working conditions, promising training opportunities, and plenty of room for individual development at all of our sites worldwide. Transparent hierarchies, appreciative leadership, and clear goals inform our corporate culture. To stay agile and competitive going forward, we keep our structures lean and efficient.

**Fair and forthright interactions**

We are a multinational corporation where a diversity of cultures, languages, and ways of life come together on equal footing. We are fair and forthright in our interactions. Honesty, transparency and integrity inform all of our actions. We are interested in the thoughts and opinions of our employees and partners and are willing to learn from others.

*We are KRONES — We do more.*
KRONES is committed to doing business sustainably. We are fully aware that our company’s long-term success can only be ensured if we give equal importance to economic targets, environmental stewardship, and social responsibility. Our business activities and decisions are also guided by respect for the needs of future generations (more information on this topic is in KRONES AG’s CSR Report).
Legal compliance and ethical conduct

KRONES is a global company and, as such, must acknowledge and respect the diverse customs, policies, and laws in Germany and abroad. We ensure that our activities are in compliance with the local laws and regulations wherever we do business.

That means that KRONES employees must know, understand, and abide by all laws and regulations relevant to their work. Any employee who has questions or needs clarification should contact his or her supervisor, the relevant department, or KRONES AG’s Compliance Help Desk for guidance and information. We also respect the values and ethical mores of the countries in which we do business.
Employees – appropriate conduct

Working in a team means not only taking guidance from others but also taking initiative and accepting responsibility. Respecting other opinions and treating information confidentially are keys to our collective success.
Management, **accountability**, and oversight

KRONES managers give their employees as much individual responsibility as possible. At the same time, they must make it clear that compliance with the law and with KRONES policies must be given top priority at all times and under all circumstances. Managers shall practice an open door policy for employees wishing to seek clarification, particularly on matters of compliance. **It is the managers’ responsibility to ensure compliance with all applicable laws**, even when delegating individual tasks to others.
Confidentiality

All of Krones’ **internal, confidential, and proprietary information** must be kept strictly confidential. Non-public information from or about suppliers, customers, employees, consultants, and other third parties must also be protected in accordance with legal and contractual requirements.
We expect our employees to **assume responsibility for their work, take initiative, and learn from their mistakes.**

As a socially responsible company, KRONES attaches great importance to providing fair and appropriate working conditions to employees at all of our locations. Rules on working hours, paid time off, and compensation always meet the standards prescribed by collective agreements and meet or exceed those prescribed by the law and industry practices. In addition, KRONES takes guidance from the principles of the UN Global Compact as well as from internationally recognised norms, directives, and standards of the International Labour Organisation (ILO) and the OECD. KRONES ensures that internationally recognised minimum social standards are also met in all matters relating to business partners and third parties.
The work environment at KRONES is one of **professionalism, fairness, honesty, integrity, respect, and trust**. The dignity, privacy, and personal rights of each and every one of our employees must always be respected. KRONES does not tolerate any type of discrimination, harassment, or verbal abuse or the passive condoning of such behaviour. Applicants and employees are hired and promoted solely on the basis of their merits – regardless of gender, ethnicity, race, religion, age, marital status, disabilities, or sexual orientation. These principles apply both within the Group and to our relationships with external partners. All decisions made at KRONES relating to those we work with – including suppliers, customers, and business partners – are based exclusively on appropriate factual considerations.
Conflicts of interest

We strive to avoid any and all possible conflicts of interest that could harm our company. Conflicts of interest between personal interests (direct or indirect or through related parties) and the interests of KRONES are to be avoided. This is a basic employment duty of all KRONES board members and employees. The use of company resources for any unlawful or improper purpose is strictly prohibited.

Some examples of conflicts of interest:

- Personal business dealings with or activity for or on behalf of competitors, consultants, customers, suppliers, service providers, or other business partners of KRONES for personal gain.

- Handling of gifts and other benefits
  
  If an employee is uncertain about a possible conflict of interest, he or she must discuss this with his or her supervisor or KRONES AG’s Compliance and Corporate Governance Department.

Avoiding conflicts of interest is the duty of every KRONES board member and employee.
Consequences of Violations

Regardless of any sanctions that may be imposed by law, any employee who violates this Code of Conduct or laws or regulations will also be subject to disciplinary action because such behaviour constitutes a violation of employment duties. **Compliance with this Code of Conduct is a mandatory duty of all employees.**

*Violation of KRONES’ Code of Conduct or other KRONES policies can lead to disciplinary action or consequences under labour law, up to and including termination of employment.*
Handling of **insider information**

Because KRONES AG is a listed company, we are bound by strict securities law regulations. Section 14 of the German Securities Trading Act [Wertpapierhandelsgesetz] covers the prohibition of insider trading. Under these provisions, insiders are prohibited from taking advantage of their knowledge of inside information to acquire or dispose of insider securities (that is, shares and derivatives as well as options or similar securities) for their own account or for the account or on behalf of a third party. Therefore, KRONES employees and board members are to use knowledge of **confidential internal plans or processes** for company-related purposes only and are **not to disclose this knowledge to third parties**. “Third parties” may include family members, friends, and acquaintances as well as fellow employees and colleagues within the company who do not need to have knowledge of the respective information for their work.

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*The brochure entitled “Summary of legal provisions concerning insider dealings” is available in the KRONES media suite and in KRONES inside.*
Sensitive information relevant to the company’s share price is to be used for company purposes only and not disclosed to third parties.
Standards – external

Our work together is based on trust as well as certain rules and standards. The interests of KRONES and all employees are closely intermeshed. We must protect our data, act responsibly, and ensure safe working conditions.
Preventing corruption and money laundering

Corruption
KRONES employees are not permitted to engage in any form of corrupt behaviour. We compete fairly for orders on the basis of the quality and price of our innovative products and services, not by offering or granting improper benefits to others. Employees are strictly prohibited from (directly or indirectly) offering, promising, granting, or authorising the giving of advantages to public officials or business partners in connection with business activity. The giving of money or anything else of value in order to influence official actions or business decisions or to obtain an improper advantage is strictly prohibited. Kick-backs are also strictly prohibited (a kick-back is when part of an amount paid for a business transaction between multiple participants is returned to a participant).
KRONES employees are strictly prohibited from giving anything of value to public officials or business partners in connection with business activity.

Any and all offers, promises, grants, invitations, or gifts must comply with applicable laws and policies and must not raise the appearance of bad faith or unsuitableness. Similarly, no offers, promises, invitations, or gifts (including monetary gifts) are to be made in attempt to bribe or influence a public official or a business partner in order to gain a business advantage for KRONES. The same applies to indirect payments via an agent, consultant, intermediary, or other third party. If there is ever a doubt, employees should always ask their supervisor or KRONES AG’s Compliance Help Desk.

Nor are employees permitted to solicit, demand, be promised, or accept such advantages from others in their business dealings. KRONES employees must refuse any gifts or invitations that exceed what is consistent with local customs as well as any other direct or indirect advantages. If an employee is uncertain, he or she should always check with his or her supervisor.
Money laundering

Money laundering is the process of introducing “dirty” money (that is, money obtained illegally, for instance, through terrorism, drug trafficking, bribery, or other criminal activity) into the stream of commerce so that it appears to be legitimate and so that its true source cannot be identified. Anyone acting in careless or negligent ignorance of the source of funds is abetting money laundering. KRONES supports all measures necessary to prevent money laundering within its sphere of influence. In particular, employees are not to make any transactions in which there are any indications of possible money laundering. All employees must be vigilant in order to avoid problems in this respect. Suspicious behaviour on the part of customers, consultants, or business partners must be reported immediately. Furthermore, all employees must always abide by the relevant rules and regulations on the recording and bookkeeping of financial transactions. Larger movements of cash are generally uncustomary and therefore warrant particular critical attention.
As a company with a high export ratio, we deal with deliveries abroad on a daily basis. A variety of rules and regulations apply to the transfer of goods, services, and technologies across certain national borders. KRONES complies with the export controls and customs laws and other regulations applicable in the countries where we do business.

Export control laws are of particular importance in connection with direct and indirect exports and imports to or from embargoed countries. They also apply in connection with contacts to third parties suspected of being a threat to national security or of being involved in criminal activity. Violations of these laws and regulations can result in heavy fines or prison sentences.
Global electronic information exchange and dialogue, access to the Internet and Intranet, and electronic business dealings are crucial to the effectiveness of everyone’s work at KRONES and to the success of the business as a whole. However, along with the advantages of digital communication come **risks relating to personal privacy and data security**. Therefore, effectively securing against these risks is an important part of the company leadership’s information management and of every individual’s behaviour.

Personal data may only be collected, processed, or used if it is necessary for pre-determined, clear, and legitimate purposes within the meaning of data protection laws. Personal data must always be stored securely and necessary precautions must be taken when transmitting it. High standards must be ensured with respect to data quality and the technology used to protect data from unauthorised access. Any use of data must be transparent for those concerned and the rights of those concerned to information and, if applicable, to object to, to block, or to delete data must be safeguarded.
The safety and health of all of our employees is a top priority for KRONES. Uniform rules for work safety, which are independently certified according to external standards, ensure a high level of occupational safety for all of our employees worldwide. Employees from external contractors are also closely integrated into our training programmes. Comprehensive checks ensure that the resulting measures are implemented and that safety rules are adhered to.
KRONES is committed to environmental stewardship. For this reason, we have made reasonable and efficient use of resources part of our mission statement. Our enviro programme shows how this guideline applies to our products.

But it also applies to our manufacturing processes, where KRONES strives to conserve resources and minimise our environmental footprint. We set environmental goals in order to pursue the issue in a structured, sustainable manner. In addition, we employ new technological processes and systematically implement and comply with environmental regulations.
We attach great importance to collaboration and mutual support. Such cooperation is not limited to helping one another within the company but extends to supporting valuable projects outside the company in the areas of education, science and research as well as cultural and social causes. For KRONES, the most important factor is that the projects generate added value for people and the common good.
As a socially responsible company, KRONES supports social, educational, scientific, sports, cultural, and environmental projects with monetary and in-kind donations and services. All donations must be in keeping with applicable laws. No donations are made to individuals, paid to private accounts, or made to persons or organisations that could harm KRONES’ reputation. Sponsorships for which the company receives advertising are not considered donations, nor are contributions to trade associations or fees for memberships in organisations that serve business interests. Donations and sponsoring fall within the scope of our CSR activities and are therefore made in an efficient manner. Without exception, all decisions regarding donations and sponsorships are made by KRONES AG’s charitable giving and sponsorship committee.
Handling of company property

KRONES’ offices and production facilities worldwide contain company property, which includes many devices, machines, and pieces of equipment such as telephones, copying machines, computers, software, Internet/Intranet, and other tools including e-mail, computer and IT systems as well as our vehicle fleet. These are only to be used for company business and not for personal gain. They are to be protected against unauthorised access and handled with care.

Company property is to be used only for company business and not for personal gain.
Stakeholders

Success does not happen on its own and everyone can contribute. All stakeholders must be treated appropriately. Fairness is crucial in our work together – whether with customers, suppliers, or shareholders.
In order to meet our expectations of ourselves, we must go beyond merely being a service provider or supplier. We enter into a long-term partnership of openness and honesty with our customers. All strategic decisions at KRONES are reviewed for their long-term probability of success. Whatever our customers’ requirements, our task is to find solutions that are not only sure, safe, and effective but that also provide long-term added value for our customers. We only enter into business partnerships that are in keeping with our basic values. This helps to safeguard our long-term success.
We strive to establish partnerships with our suppliers that are based on **honesty**, **trust**, and **commitment**. In addition, we expect our suppliers to abide by the values and conduct guidelines set forth in the KRONES Business Associate Code. These guidelines boil down to the following principles, which guide our own actions with respect to our responsibilities toward our stakeholders and the environment:

- Comply with all applicable laws
- Fight corruption
- Respect employees’ human rights
- Comply with child labour laws
- Take responsibility for employee health and safety
- Act in accordance with applicable national laws and international environmental protection standards
- Promote compliance with these principles within their own supply chain
KRONES pursues a transparent information policy, regularly communicating with investors and analysts to raise shareholder confidence in the company and tap new investor groups. KRONES ensures that all information relevant to the share price is made immediately available to all shareholders in accordance with legal requirements.

The KRONES share has long been a stable component of the MDAX share index.
Dealing with **competitors**

Free and fair competition is essential to any market economy, promoting efficiency, economic development, and innovation. We are committed to competing fairly and supporting free, undistorted competition. **KRONES** abides by all applicable national and supranational laws and rules relating to antitrust and competition. We expect the same of our competitors. Making agreements with competitors about prices or terms and conditions is strictly prohibited, as is making agreements with competitors to divide up markets. Coordination within professional associations can also result in concerted action that violates antitrust laws. Employees must always be aware of this danger and take appropriate precautions.
In order to avoid antitrust violations, employees are therefore prohibited from engaging in the following:

- Discussing prices, calculations, bids, price changes, capacities, terms of sale, profits, profit margins, costs, or any other factors with competitors that could determine or influence the company’s competitive behaviour.

- Entering into agreements with competitors not to compete, for instance, by coordinating bidding, restricting business dealings with suppliers, submitting bogus bids, or dividing up customers, markets, territories, or product lines.

If an employee must interact with a competitor as a customer or supplier, these dealings must be documented.
Other – Final provisions
Scope of application
This Code of Conduct applies to all bodies and employees of the KRONES Group, including members of the Executive Board and the Supervisory Board, directors, and managers. In their implementation of this Code of Conduct, all employees of companies belonging to the KRONES Group must abide by local national laws.

Implementation
Everyone working for KRONES is expected to comply with this Code of Conduct and complete all transactions efficiently and in keeping with this Code. Managers are responsible for ensuring that their employees are informed about the Code of Conduct and must serve as a good example within their given leadership structure. All employees are to be informed on a regular basis about the guidelines within this Code of Conduct (and any changes to them) and about their duty to comply. Managers are responsible for ensuring compliance with the Code of Conduct. They identify and address incorrect behaviour and take consistent disciplinary action when necessary.
Every situation is unique and a code of conduct cannot provide specific guidance on how to handle any and every possible situation. Nevertheless, this Code of Conduct provides rules and principles that all KRONES employees and involved parties must adhere to and implement in a reasonable manner.

However, there may be times when it is unclear whether actions or decisions conform to the Code. In such instances, ask yourself the following questions:

- Would my decision maintain KRONES’ good reputation, adherence to the law, and social responsibility?
- Is it legal and does it comply with company rules and policies?
- Would it pass the “headline test” (how would it look in a news story)?
- Am I able to make an unbiased decision in the best interest of the company, unclouded by my own personal interests?
- Would my supervisor and co-workers approve?
- Would my decision be transparent?
If a KRONES employee is uncertain about what is the right thing to do in a certain situation or has any questions in general, he or she should seek guidance from any of the persons listed under “Whistleblowing procedures” or from additional sources of information available through the KRONES Intranet.

**Whistleblowing procedures**
Concerns and complaints, particularly regarding violations within the KRONES Group of this Code of Conduct or Group policy, may be submitted to one’s manager, KRONES AG’s Compliance Help Desk, or members of the KRONES AG Compliance Committee – in person, electronically, in writing, or by phone.
Glossary

Code of conduct  A code of conduct is a collection of guidelines on how members of a group are expected to behave in a variety of situations, environments, and contexts.

Compliance  The commitment of a company or its management to abide by the rules put in place by lawmakers, shareholders, or the company’s supervisory body.

Compliance Help Desk  compliance@krones.com; +49 9401 70-1142

Compliance Committee  The Compliance Committee is a body featuring representatives from all Executive Board remits of KRONES AG for mutual feedback on subjects relevant to compliance.

CSR  The term corporate social responsibility refers to the business community’s voluntary contribution to sustainable development above and beyond legal compliance.

Global Compact  A global pact between companies and the United Nations aimed at making globalisation more socially responsible and ecologically sustainable (also known as United Nations Global Compact or UNGC).

ILO  International Labour Organization

Insider trading  The use of insider information to make dealings on the financial markets, specifically the stock markets. Insider trading is a criminal offence in Germany and most EU member states.
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<th><strong>OECD</strong></th>
<th>The Organisation for Economic Cooperation and Development is an international organisation with 32 member states that are committed to democracy and the market economy.</th>
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<td><strong>Antitrust laws</strong></td>
<td>Antitrust laws safeguard competition among commercial enterprises. In Germany, antitrust rules are established in the Act against Restraints on Competition [Gesetz gegen Wettbewerbsbeschränkungen, GWB] as well as through European antitrust law.</td>
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<td><strong>MDAX</strong></td>
<td>The MDAX is Germany’s mid-cap share index, which was launched in 1996. It includes the 50 German stocks – primarily from traditional sectors – that are ranked immediately below the DAX stocks in terms of market capitalisation of the free float and trading volume.</td>
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<td><strong>Stakeholder</strong></td>
<td>Stakeholders are individuals or institutions that have an interest in the course or results of a process (for example of a project or the economic development of a company).</td>
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<td><strong>Supranational</strong></td>
<td>Supranationalism is a method of decision-making wherein authority is transferred from the national level to a higher one. A supranational organisation can make binding decisions even if there is not consensus among all of its members. The opposite of supranationalism is the principle of intergovernmentalism, which prescribes only cooperation between governments but does not go deeper in terms of content or geography and is not institutionalised.</td>
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<td><strong>German Securities</strong></td>
<td>The German Securities Trading Act [Wertpapierhandelsgesetz, WpHG] regulates securities trading in Germany and serves to control financial services companies that trade in securities and futures transactions and to protect investors.</td>
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KRONES’ mission statement: Who are we, where do we want to go, and how can we get there? Sustainability at KRONES

Legal compliance and ethical conduct
Management, accountability, and oversight
Confidentiality
Treatment of employees
Conflicts of interest
Violations
Insider information
Corruption and money laundering
Customs and international trade regulations
Data protection
Safety and health
Environmental protection
Charitable contributions and sponsoring
Handling of company property
Working with customers
Working with suppliers
Communicating with shareholders

Dealing with competitors
Scope of application/Implementation
Decision-making and further questions

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