

In its Corporate Guidelines and KRONES Code of Conduct, KRONES GROUP has committed to supporting and applying the fundamental principles of human rights, fair working conditions, sustainability and the fight against corruption. KRONES would like its business partners to commit to these principles too, and to share its values with you. In this Supplier Code, the term „business partner“ is taken to include business partners on the purchase side, such as suppliers, service providers, licensors and licensees and other technology partners. This Supplier Code is an integral part of the sustainable corporate and business strategy and the KRONES anti-corruption programme. KRONES expects its business partners to follow the applicable legal standards such as the OECD Guidelines, the UN Guiding Principles on Business and Human Rights and the ten principles of the UN Global Compact.



## The KRONES GROUP Supplier Code

Partners for the future

# Contents

<b>I. Partners for the future</b>	Foreword by the Executive Board.....	3
	Corporate values.....	4
<b>II. Acting in accordance with the law and ethical principles</b>	Complying with legal, social and political framework conditions .....	5
	Respect for human rights .....	6
	Anti-corruption at Krones.....	8
	Conflicts of interest.....	8
	Dealing with competition .....	9
<b>III. Handling knowledge and information at KRONES</b>	Data protection.....	10
	Confidentiality.....	10
	The dangers of new media.....	11
<b>IV. Social responsibility</b>	Sustainability .....	12
	Health and safety.....	12
<b>V. Commitment and monitoring</b>	Procedures and processes .....	13
	Dialogue with business partners.....	13
	The KRONES Integrity System .....	14
	Audits .....	14
	Reporting channels and consequences in the event of infringements.....	15

## Foreword by the Executive Board

Dear Business Partners,

In its Corporate Guidelines and KRONES Code of Conduct, the KRONES GROUP has committed to supporting and applying the fundamental principles of human rights, fair working conditions, sustainability and the fight against corruption.

KRONES would like its business partners to commit to these principles too, and to share its values with you. In this Supplier Code, the term „business partner“ is taken to include business partners on the purchase side, such as suppliers, service providers, licensors and licensees and other technology partners.

This Supplier Code is an integral part of the sustainable corporate and business strategy and the KRONES anti-corruption programme.

KRONES expects its business partners to follow the applicable legal standards such as the OECD Guidelines, the UN Guiding Principles on Business and Human Rights and the ten principles of the UN Global Compact, and to work towards compliance with the stricter standards set out in this document.

Business partners also undertake to monitor and actively promote compliance with the fundamental principles at all their sites and in all their activities.

This is the basis for collaboration with a common sense of innovativeness, a willingness to embrace change and a consistent commitment to achievement.



Christoph Klenk  
Chairman of the Board of KRONES AG

## Corporate values

KRONES' success is founded on the following fundamental strategies: specialist knowledge in mechanical engineering and buyer sectors, technical advantage through ongoing, high investments in research and development, manufacturing with the most up-to-date equipment and in accordance with high quality standards, around-the-clock global service and the excellent professional skills and qualifications of our workforce.

KRONES expects its business partners to align their value creation with these strategies to enable collaboration based on a common sense of innovativeness, a willingness to embrace change and a consistent commitment to achievement.



## II. Acting in accordance with the law and ethical principles

# Complying with legal, social and political framework conditions

Compliance with applicable law goes without saying at KRONES. As a global company, KRONES has to respect diverse social, policy and legal conditions in all its business processes, market activities and relations with business partners and third parties. Accordingly, KRONES adheres to the fundamental principle that it must consistently conduct all its business, whether domestically or abroad, in the parent company or in a subsidiary, in line with the statutory regulations, standards, industry standards and its own internal provisions.

### **Your contribution as a business partner**

As a business partner, you engage in sustainable value creation that is compatible with the fundamental values of KRONES.

As a business partner, you are familiar with the legal requirements relevant to your sector and comply with them.

You also respect local laws, values and ethics for the KRONES site in question.

## II. Acting in accordance with the law and ethical principles

# Respect for human rights

As an international company, KRONES undertakes to respect human rights and labour rights along the entire value chain. Business partners also have a responsibility to respect the following fundamental human rights and working practices in accordance with local statutory requirements:

### Prohibition of forced labour

- No direct or indirect involvement in modern slavery, forced labour or human trafficking
- No use of labour as a punishment or as a means of ideological or political discrimination
- No submission of identity papers in return for work, and workers have the freedom to end their employment following reasonable notification

### Prohibition of child labour

- No employment of workers who cannot prove that they are at least 15 years old (in exceptional cases 14 years old)
- No use of workers under the age of 18 for physically dangerous work or night work

### Humane working conditions and no discrimination

- Equal opportunities and the equal treatment of all employees irrespective of skin colour, race, nationality, ethnicity, political affiliation, social background, disability, sexual orientation, religious beliefs, gender or age
- No inappropriate treatment of workers such as undue mental or physical pressure, sexual harassment or other inhumane treatment

### Regulated working conditions

## II. Acting in accordance with the law and ethical principles

# Respect for human rights

- The definition and exchange of clearly understandable written information on working hours, pay and working conditions prior to the commencement of work between employee and employer
- Contractual working hours in accordance with national legislation and the industry standard in compliance with the following minimum requirements: No more than 48 hours per week or 60 hours per seven days
- No use of voluntary overtime as a substitute for formal employment arrangements, and reasonable compensation for overtime
- The payment of sufficient and appropriate pay that is in accordance with national regulations or the industry standard, and compliance with all pay and remuneration provisions
- No use of pay deductions as a disciplinary measure, and the obtaining of employee consent for pay deductions permitted under law

### Freedom of assembly and association

- Respect for the independence of trade unions and recognition of the right to establish and join trade unions and to participate in collective bargaining
- No preferential or discriminatory treatment of trade union members

*Information on „Health and safety“ and „The environment“ can be found under „Social responsibility“ from page 12.*

### Your contribution as a business partner

As a business partner, you are aware not just of all applicable statutory requirements but also of all human rights issues, are familiar with the fundamental provisions and requirements, and are vigilant as regards possible human rights violations – both in the company and in the upstream and downstream value chain. In the event of any breach, you shall contact the responsible bodies and report it.

## II. Acting in accordance with the law and ethical principles

# Anti-corruption at KRONES

Business partners are prohibited from offering KRONES GROUP employees money in any amount, gifts, loans, discounts or valuables that could incite the employees to act in breach of their duties. Gifts and invitations that fall within the scope of normal business hospitality, custom and courtesy and are therefore within the permitted range of gifts and gratuities at KRONES are exempt.

In its anti-corruption programme, KRONES undertakes to advance business through quality and integrity alone. KRONES therefore follows a zero-tolerance policy regarding the offering or acceptance of bribes, conflicts of interest and all other forms of corruption.

We also expect our business partners to prohibit, and where appropriate to sanction, all forms of corruption, bribery and other immoral conduct of this nature.

### **Your contribution as a business partner**

As a business partner, you are aware that KRONES follows a zero-tolerance policy regarding the offering or acceptance of bribes, conflicts of interest and all other forms of corruption. Your goal as business partner is to advance business through quality and integrity.

## Conflicts of interest

Business and private interests are strictly separated at KRONES. No individual may abuse their own position in the company for their own benefit or for the benefit of their family or friends. All employees of the business partner are required to disclose any actual or suspected conflicts of interest in relation to KRONES.

KRONES expects its business partners to reach decisions relating to their business activities with KRONES solely on the basis of objective, material criteria.

### **Your contribution as a business partner**

As a business partner, you always indicate that, even in the event of conclusion of a contract that is satisfactory for both parties, you cannot consider accepting any personal benefit.

## II. Acting in accordance with the law and ethical principles

# Dealing with competition

KRONES supports free and undistorted market competition, and is committed to fair dealings with its competitors. In turn, KRONES expects the same from other market participants. To avoid competition law breaches, concerted action on prices or terms or agreements on market sharing are therefore prohibited as in line with national and supranational requirements.

### **Your contribution as a business partner**

As a business partner, you comply with national and supranational requirements in the field of competition laws.



### III. Handling knowledge and information at KRONES

## Data Protection

Data protection concerns all of us. That means that every individual business partner is responsible for complying with data protection provisions. Global electronic exchange of information and access to the internet and intranet are preconditions for effective working and the commercial success of KRONES. However, digital communication also brings with it a number of risks to privacy and to the security of data. Effective protection against these risks is therefore a vital part of information management.



#### Your contribution as a business partner

As a business partner, you help to protect personal data. Personal data as defined in the data protection law will only be used where necessary for specified and lawful purposes. You as a business partner make the use of the data transparent for data subjects and delete the data immediately once the lawful purpose no longer applies.

## Confidentiality

For all internal, confidential and protected KRONES information, absolute confidentiality is imperative. Information from suppliers, customers, employees, advisers and other third parties that is not publicly communicated must be protected in accordance with statutory and contractual requirements.



#### Your contribution as a business partner

As a business partner of KRONES, you are familiar with the contractual duty of confidentiality. The safeguarding of confidential information is taken very seriously at KRONES. KRONES also expects its business partners to comply with this fundamental principle.

## The dangers of new media

New technologies such as cloud services, social media and digital communication are fundamentally changing how we communicate, how we deal with one another and how we conduct our business. At the same time, they bring new risks, both in our internal business processes and in our communications with business partners. There is a risk of thoughtlessly disseminating information that is not intended for public consumption. Protecting customers and KRONES expertise, the basis for our market and technology leadership, is the absolute priority here.

### Your contribution as a business partner

As a business partner, you take the responsibility you have in the digital sphere very seriously. By so doing, you protect not just your company but also KRONES and its customers.



## IV. Social responsibility

# Sustainability

KRONES is committed to corporate sustainability and expects the same commitment from its business partners. The focus is on identifying possible risks for employees, the environment or society at an early stage, reducing the environmental footprint and continuously expanding a positive influence on society. Sustainability must always be considered in all key decisions. Business partners are responsible not only for their economic performance but also for the impact of their business activity on the environment, employees, society and future generations.

### **Your contribution as a business partner**

As a business partner, you ensure that decisions are not taken solely on economic grounds. Drawing on comprehensive sustainability management, you weigh up the possible consequences for the environment, society and your employees and how that impact could be shaped in accordance with the principles of sustainable development.

## Quality, health, safety and the environment

KRONES sets great value on the quality of its products and services, and expects the same commitment from its business partners. In practice, this means the continuous improvement of supply and performance capability and the further development of products and services. At the same time, ensuring the health and safety of employees through active health management and occupational work safety is a priority. The aim is to take preventive action in identifying potential risk factors, to develop effective preventive measures and thus to protect employees from hazards, injuries and illnesses. In the sphere of environmental sustainability, business partners must also meet their responsibility for a clean environment and for climate protection, both in the production process and for their products and services.

### **Your contribution as a business partner**

As a business partner, you act in accordance with applicable laws, regulations and binding obligations. As part of strict and extensive quality management, you continuously assess your processes, products and services to find optimisation potential. You ensure the safety and health of your employees with occupational safety and health management in line with regulations. On the question of the environment, you operate an efficient water, waste and disposal management system and a climate-friendly energy and emissions management system all along your value chain and specifically for your own products and services.

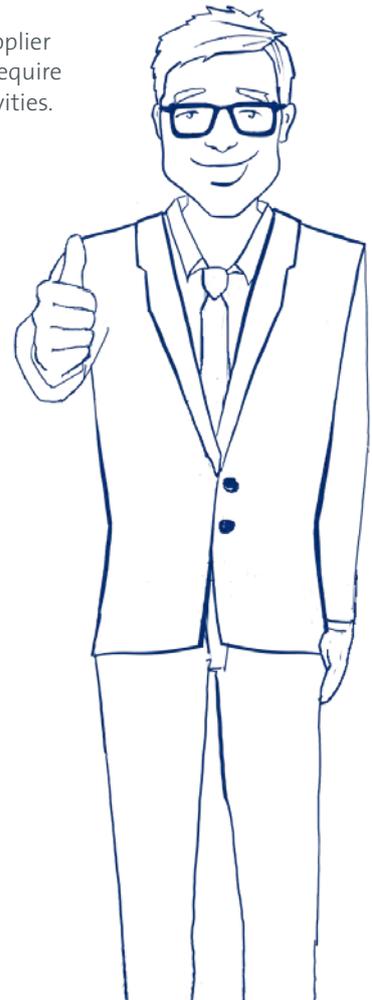
## V. Commitment and monitoring

# Procedures and processes

Business partners have all necessary and sufficient internal procedures and processes in place to ensure compliance with all of the above principles. KRONES recognises that the achievement of the standards set out in this Code is a dynamic process and encourages business partners continuously to improve their business processes. If required, KRONES shall assist with defining milestones and setting up systems to ensure practices continuously improve.

## Dialogue with business partners

Business partners shall communicate the principles set out in this Supplier Code to their subcontractors and other business partners. They shall require their own business partners to apply the same standards to their activities.



## V. Commitment and monitoring

# The KRONES Integrity System

The screenshot shows a web-based reporting form for the KRONES Integrity System. It includes a subject line, a checkbox for providing the reporter's name, and a large text area for describing the incident. Below this are several multiple-choice questions regarding the incident's location, the affected company, the reporter's relationship to the company, and whether other parties were involved. A note at the bottom warns about the potential for hidden personal data in attachments.

**Betreff:\***  \* Pflichtfeld

Möchten Sie Ihren Namen angeben?  Ja  Nein

Bitte beschreiben Sie den Vorfall so detailliert wie möglich:\*

Sie haben noch **4096** Zeichen zur Verfügung.

Bitte beantworten Sie zur optimierten Bearbeitung Ihrer Meldung zusätzlich folgende Fragen, auch wenn Sie die Antworten bereits im Textfeld genannt haben:

In welchem Land hat sich der Vorfall ereignet?\*

Bitte geben Sie die betroffene Gesellschaft des KRONES Konzerns an:\*

Wie ist Ihre Beziehung zu unserem Unternehmen?

Falls möglich, geben Sie den betroffenen Bereich an: !

Haben Sie bereits weitere Personen über den Vorfall informiert?\*

Sind KRONES Führungskräfte in den Vorfall verwickelt?\*

Ist bereits ein Schaden entstanden?

Dauert der Vorfall noch an?\*

Sind weitere Personen/Organisationen in den Vorfall involviert?

**Anhang:** Sie können eine Datei bis zu einer Größe von 2 MB senden.

**Hinweis zum Versand von Anhängen:** Dateien können versteckte personenbezogene Daten enthalten, die Ihre Anonymität gefährden. Entfernen Sie diese Daten vor dem Versenden. Sollten Sie diese Daten nicht entfernen können, kopieren Sie den Text Ihres Anhangs zu Ihrem Meldungstext oder senden Sie das gedruckte Dokument anonym unter Angabe der Referenznummer, die Sie am Ende des Meldungsprozesses erhalten, an die Anschrift des Hinweisempfängers (siehe Fußnoten).

The KRONES Integrity system is a reporting channel for compliance breaches. The online portal is also designed for outside parties who identify an issue with compliance with laws or regulations in connection with KRONES. To guarantee users maximum access and data protection as well as encryption of content and a secure connection, the system is operated by an independent provider. Notifications can be given worldwide and round the clock – securely and confidentially.

## Audits

Business partners shall permit KRONES, through audits, to monitor compliance with these principles or to have an independent third party that is approved by both parties monitor compliance, and take appropriate action in the event of non-compliance.

## V. Commitment and monitoring

# Reporting channels and consequences in the event of infringements

Each business partner can, irrespective of the sanctions set out in law, expect legal consequences in the event of a breach of statutory regulations or the Supplier Code. This Code is to be considered as a contractual obligation. Any breach of the principles or requirements set out in this Supplier Code shall be considered a material impairment of the contractual relationship on the part of the business partner. KRONES reserves the right to demand disclosure of the relevant facts if it suspects non-compliance with the principles or requirements set out in the Supplier Code (for example in the event of negative media reports). KRONES shall also be entitled to terminate some or all contracts with business partners without notice for cause if the business partners demonstrably fail to comply with the Supplier Code or do not work towards and implement improvement measures after having been set a reasonable period of time by KRONES in which to do so.

### Your contribution as a business partner

Since KRONES values an open corporate culture, every employee and outside third parties are encouraged to approach points of contact within the company in confidentiality if they become aware of compliance risks. KRONES has a secure whistle-blower portal not just for employees, but also for its customers, suppliers and other business partners: KRONES Integrity.



In its Corporate Guidelines and KRONES Code of Conduct, KRONES GROUP has committed to supporting and applying the fundamental principles of human rights, fair working conditions, sustainability and the fight against corruption. KRONES would like its business partners to commit to these principles too, and to share its values with you. In this Supplier Code, the term „business partner“ is taken to include business partners on the purchase side, such as suppliers, service providers, licensors and licensees and other technology partners. This Supplier Code is an integral part of the sustainable corporate and business strategy and the KRONES anti-corruption programme. KRONES expects its business partners to follow the applicable legal standards such as the OECD Guidelines, the UN Guiding Principles on Business and Human Rights and the ten principles of the UN Global Compact, and to work towards compliance with the stricter standards set out in this document. Business partners also undertake to monitor and actively promote compliance with the fundamental principles at all their sites and in all their activities. This is the basis for collaboration with a common sense of innovativeness, a willingness to embrace change and a consistent commitment to achievement.

KRONES AG  
Corporate Governance  
Böhmerwaldstraße 5  
93073 Neutraubling  
Deutschland

Tel.: +49 9401 70-1188  
E-Mail: [compliance@krones.com](mailto:compliance@krones.com)

