UK Modern Slavery Statement

UK Modern Slavery Act 2015, Company Policy Statement

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and highlights the steps the Company has taken to ensure that slavery and human trafficking is not taking place in any part of our business.

Major markets

The Krones Group, headquartered in Neutraubling, Germany, plans, develops and manufactures machines and complete lines for the fields of process, filling and packaging technology. Its product portfolio is rounded off by information technology, factory planning and products from Krones’ subsidiaries as intralogistics, valve production etc. The company maintains service centres and offices around the world.

Our supply chain operates on a global scale, where we source raw materials, installation services, hardware and software for information technology, capital investments, and consumables.

Corporate Compliance Guidelines

The Company has introduced corporate guidelines, internally they are referred to as the Krones Code of Conduct. This code applies to all of our employees, plants and subsidiaries worldwide. We are all committed to this standard by actively supporting and applying the same basic principles in terms of human rights, fair working conditions, environmental protection as well as the fight against corruption.

Krones expects the same principles to be applied by its business partners. These principles are stipulated within the Krones Group Supplier Code.

The Krones Group operates in the UK through its subsidiary Krones UK Ltd.
Krones UK Ltd operates by the same standards and is committed to ensure that it meets its obligations in complying with the Modern Slavery Act 2015, driving out any form of Modern Slavery and Human Trafficking within its supply chain.


**Code of Conduct**

Within the Group, the ‘Code of Conduct’ defines the ideals for providing fair and appropriate working conditions for all the Group’s employees in all locations worldwide. Krones expects all areas of its business to meet or exceed the standards prescribed by local law and industry practices.

**Training & Educating our Employees**

As part of the due diligence process, within the Group, all employees must complete and pass Compliance Training and adopt the Code of Conduct. This is part of our Compliance Management system which we are rolling out and optimizing step by step. Everyone working for Krones is expected to comply with the Code of Conduct and complete all transactions efficiently and in accordance with the code. This is an obligation under employment law. 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.

Compliance training and updates on changes within the Code of Conduct will be provided to all employees of the Krones group.

**Supplier Code of Conduct**

As stipulated in the ‘Supplier Code’ Krones expects all its suppliers to follow applicable international standards such as the OECD Guidelines, the UN Guiding Principles on Business and Human Rights, the ten principles of the UN Global Compact and the UK Modern Slavery Act (2015).

The Krones Group Supplier Code stipulates standards that are expected by their suppliers relating to Child Labour, Forced Labour and Mistreatment which comply with those demanded by the UK Modern Slavery Act. Business Partners are required to agree to abide by the Supplier Code. They shall verify compliance with the standards defined in the Code at regular intervals, engage in dialogue with their business partners and allow Krones to conduct audits in this regard. In the event of non-compliance, Krones reserves the right to respond accordingly.

Krones will not knowingly support or deal with any business partner involved in slavery or human trafficking. Any breach of the principles and requirements set out in the Supplier Code will be considered a material impairment of the contractual relationship on the part of the business partner. Krones will further have the right to terminate some or all contractual relations with business partners, if the business partner demonstrably failed to fulfil the Supplier Code or does not instigate or implement improvement measures by having set a reasonable time period to do so.

Product and system audits by the Global Quality Management cover the supplier’s environmental management, occupational safety, and quality management systems. Besides weaknesses, risks, and
potential for improvement of the respective management systems, an audit also includes the supplier’s compliance with Krones’ Code of Conduct and Supplier Code. The necessary response measures are determined by the audited organisation and coordinated with those responsible for carrying out the measures. In 2017, a total of 73 system audits and 46 product audits were conducted on suppliers to Krones AG.

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Corporate & Social Responsibility

For the Krones Group, lawful, ethical and responsible actions are an important and indispensable part of all corporate and social responsibility values. Compliance is according to instructions conducted by the entire Company and its employees. Compliance is integral to this value-oriented company organisation. Compliance means by-the-book conduct by the Company and its employees. This includes both laws and prohibitions as well as the concepts of values and rules to which Krones has committed itself.

The group encourages reporting of concerns related to the activities of the organization and its business partners including those giving rise to the risk of slavery, servitude, forced or compulsory labour or trafficking of persons. Whistleblowing procedures are outlined in the Code of Conduct and make the raising of concerns or complaints accessible to all employees.

Christoph Klenk
Chief Executive Officer
Krones AG

Andrew Wilson
Managing Director
KRONES UK Ltd.

We do more.