

**Code of Business Principles**

**and**

**Code Policies**

# **The code and our standard of conduct**

# The Code of Business Principles

## **Standard of Conduct**

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees. We shall similarly respect the legitimate interests of those with whom we have relationships.

## **Obeying the Law**

Krauter companies and employees are required to comply with the laws and regulations of the countries in which we operate.

## **Employees**

Krauter is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination. We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed. We are committed to safe and healthy working conditions for all employees.

We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards. We will not use any form of forced, compulsory, trafficked or child labour. We are committed to working with employees to develop and enhance each individual's skills and capabilities. We respect the dignity of the individual and the right of employees to freedom of association and collective bargaining. We will maintain good communications with employees through company-based information and consultation procedures. We will ensure transparent, fair and confidential procedures for employees to raise concerns.

## **Consumers**

Krauter is committed to providing products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated

## **Shareholders**

Krauter will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders

## **Business Partners**

Krauter is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our partners to adhere to business principles consistent with our own.

## **Community Involvement**

Krauter strives to be a trusted corporate citizen and, as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

## **Public Activities**

Krauter is encouraged to promote and defend its legitimate business interests. Krauter will co-operate with governments and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests. Krauter neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.

## **The Environment**

Krauter is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business. Krauter will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

## **Innovation**

In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society. We will work on the basis of sound science, applying rigorous standards of product safety.

## **Competition**

Krauter believes in vigorous yet fair competition and supports the development of appropriate competition laws. Krauter companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

## **Bribery & Corruption**

Krauter does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management. Krauter accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No

undisclosed or unrecorded account, fund or asset will be established or maintained.

### **Conflicts of Interests**

All employees and others working for Krauter are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company. Employees must not seek gain for themselves or others through misuse of their positions.

### **Compliance – Monitoring – Reporting**

Compliance with these principles is an essential element in our business success. The Krauter management is responsible for ensuring these principles are applied throughout Krauter. The Sr. Exe. V.P. is responsible for implementing these principles and is supported in this by the Board and Managing Director. Day-to-day responsibility is delegated to all senior management of the various functions and departments. They are responsible for implementing these principles. Assurance of compliance is given and monitored each year. Compliance is subject to review by the Managing Director supported by the Board and for financial and accounting issues the External Auditors. Any breaches of the Code must be reported. The Board of Krauter will not criticize management for any loss of business resulting from adherence to these principles and other mandatory policies. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

## Living the Code

Krauter's reputation for doing business with integrity and respect for others is an asset, as valuable as its people and its brands. To maintain our reputation requires the highest standards of behavior.

Krauter's Code of Business Principles (the Code), and the policies that support it (Code Policies), set out the standards required from all our employees. Krauter also requires its third-party business partners to adhere to business principles consistent with our own. These expectations are set out in Krauter's Responsible Sourcing Policy and Responsible Business Partner Policy, which underpin our third-party compliance programme.

Breaching the Code or Code Policies could have very serious consequences for Krauter and for individuals involved. Where illegal conduct is involved, these could include significant fines for Krauter, imprisonment for individuals and significant damage to our reputation.

This Code Policy explains how to ensure the Code and all Code Policies are understood and followed by all our employees and others working for Krauter. It confirms everyone's responsibility to speak up and report suspected or actual breaches, and outlines how such situations must be managed. Any failure to comply with the Code and any of the Code Policies is taken very seriously by Krauter and may result in disciplinary action, including dismissal and legal action.

### **References in the Code and Code Policies to 'employees' include the following:**

- Employees, whether full-time, part-time, fixed-term, permanent or trainees
- Contractors, temporary staff, secondees, work-experience placements
- Persons with statutory director roles or equivalent responsibilities
- Employees of joint ventures and approved third-party labour providers where Krauter has direct management control
- Employees of new acquisitions.

The Code and Code Policies cannot cover every eventuality, particularly as laws differ between countries. If specific situations are not expressly covered, the spirit of the Code and Code Policies must be upheld by exercising common sense and good judgement, always in compliance with applicable laws.

## **Musts**

### **All employees must:**

- Ensure they know and understand the requirements of our Code and Code Policies;
- Undertake relevant training as required by their line manager or Sr. Exe. V.P.;
- Follow the Code and Code Policies: if they are unsure of how to interpret these or have any doubts about whether specific behaviors meet the standards required they must seek the advice of their line manager or Sr. Exe. V.P.;
- Immediately report actual or potential breaches of the Code or Code Policies, whether relating to them, colleagues or people acting on Krauter's behalf and whether accidental or deliberate. This includes instances where business partners' behavior may not meet the same standards

Their line manager is usually the right person to report potential or actual breaches. If this is not appropriate, they must talk to one of the following:

- Their Sr. Exe. V.P. or the Managing Director by telephone or web using the telephone number or web address;
- If asked not to report a potential breach by their line manager or another employee, they must immediately report to their Sr. Exe. V.P. and/or the Managing Director.

In addition, those at Manager level and above **must:**

- Lead by example, setting a strong tone from the top, showing they are familiar with the Code and Code Policies and taking steps to embed a culture of integrity across all operations;
- Complete an annual Code acknowledgement statement;
- Ensure that all their team members, including new joiners: – Have read the Code and, Code Policies or the 'Winning with Integrity' booklet – Have completed any related mandatory training – Understand how to raise concerns and/or report actual or suspected breaches;
- Deliver training that the Sr. Exe. V.P or their line manager has asked of them, e.g. Business Integrity Moments, face-to face briefings and team discussions;
- Offer guidance and support about the Code and Code Policies to their team where needed and escalate unresolved questions to the Sr. Exe. V.P.;
- Ensure that anyone who raises concerns, or highlights potential or actual breaches, receives support and respect and that there is no retaliation against them;

- Ensure that concerns raised are taken seriously and addressed promptly, treating related information with discretion and discussing them with their Sr. Exe. V.P. as soon as possible to determine the appropriate course of action including whom else to inform;
- Collaborate further and complete any documentation (e.g. case information and lessons learnt) as may be required of them by the Sr. Exe. V.P;
- Insofar as a breach may have occurred within their operations, consider what additional communications, training or changes to business controls and procedures are necessary to reduce the likelihood of similar breaches occurring.

### **Must nots**

Employees **must not**:

- Ignore or fail to report situations where they believe there is or may be a breach of the Code or Code Policies;
- Attempt to prevent a colleague from reporting a potential or actual breach or ask them to ignore an issue;
- Retaliate against any colleague who reports a potential or actual breach;
- Discuss any potential or actual breach under investigation with other colleagues, unless this has been cleared with the investigation team.



# LEGAL, HONEST AND ETHICAL CONDUCT

The Directors, Associates & Employees are required to conduct their duties legally, honestly and ethically while acting for and on behalf of Krauter or in connection with its business or operations. They shall:

- Act in the best interests of, and fulfil their fiduciary duties to the stakeholders of the company;
- Act honestly, fairly, ethically, with integrity and loyalty;
- Conduct themselves in a professional, courteous and respectful manner;
- Act in good faith, with responsibility, due care, competence, diligence and independence;
- Act in a manner to enhance and maintain the reputation of the company;
- Treat their colleagues with dignity and shall not harass any of them in any manner.

# Legal Consultation

Employees must at all times comply with laws and regulations that apply to the countries in which Krauter operates. Ignorance of the law is no excuse. Timely legal consultation is essential to ensure that Krauter's legitimate business interests and opportunities are protected.

This Code Policy sets out how and in what circumstances employees must seek legal advice from Krauter's legal team.

## **Musts**

Heads of all Departments or senior leadership teams and heads of all corporate and functional leadership teams must ensure the relevant legal team partner is a member of that leadership team upon request and/or that they have an open invitation to attend all team meetings and receive copies of all associated agendas and minutes.

Employees must immediately notify their line manager (or other appropriate person – see Code Policy on Living the Code) and take legal advice if they suspect or discover any illegal activity in relation to Krauter's operations or associated activities involving third parties.

Employees must promptly seek advice from their Legal team in the following situations:

- Commercial contracts, leases, licenses and transactions – Commercial contracts for goods or services (unless Legal Group has expressly delegated authority to the business or set up a route for direct consultation of an external legal advisor); Contracts relating to intellectual property, such as, licenses for technology, trademarks, joint development or technical assistance contracts; Treasury transactions, for example, raising equity or debt, asset leasing, derivative transactions (such as currency hedging or interest rate swaps) or guarantees of Treasury transactions; Transactions involving mergers, acquisitions, disposals or joint ventures
- Litigation and regulatory action – Civil litigation, such as employment or contractual disputes, whether threatened or actual, by or against a Krauter company or employee, including commencement of or settlement of such litigation; Criminal prosecutions, whether threatened or actual, by or against a Krauter company or employee, or at Krauter's instigation; Communication with government or regulatory bodies about investigations, including unexpected investigations, or where Krauter is seeking regulatory action, such as non-compliant labelling actions through local governmental bodies (see Code Policy on Contact with Government, Regulators and Non-Governmental Organizations);

- Competition/antitrust – Compliance issues or questions involving competition/antitrust laws, such as trade terms, exclusivity arrangements or pricing; Meetings, contacts, collaboration, agreements or other activity, including participation in trade associations or industry groupings (formal and informal or ad hoc), which may involve the exchange of information with a competitor or restrictions on competition (see Code Policies on Fair Competition, Competitors' Information and Intellectual Property);
- Communication – Press releases that could impact Krauter's reputation or create legal liability, or contain 'inside' or 'price sensitive' information (see Code Policy on Preventing Insider Trading);
- Claims, brands, trademarks, marketing materials – Product claims and marketing materials, including advertising, promotional materials, packaging and labelling, trade materials, advertorials, point-of-sale materials, and web content; Clearance for use of all brand names, marks, logos, slogans, celebrity endorsements and sponsorships; Maintenance, protection and disposal of trademarks, copyrights and domain names used by the business; Competitor challenges to claims, brands, trademarks either by or against a Krauter company;
- Employment – Issues relating to non-compete obligations, employment disputes and terminations and nonroutine employment contract terms;
- Safety – Product tampering or counterfeiting; Consumer complaints that may lead to legal disputes; Potential product recalls; Consumer, product, workforce or environmental safety incidents that could have legal implications;
- Legal or governance structures – Changes to, or issues around, legal or governance structures at geographic or corporate level, such as changes in capital structures or Board membership, public company filings and arrangements/relationships with third-party shareholders;
- Bribery and corruption – Bribery or corruption issues, including related allegations or uncertainty about situations that may have bribery or corruption implications (see Code Policy on Anti-Bribery).

Employees must use their common sense and judgement in situations not covered above: if they are unsure, they must always err on the side of caution and consult legal team.

## **Must nots**

Employees must not do anything that legal team has advised is illegal and/ or unlawful. Where an activity is not illegal and/or unlawful but legal advice highlights significant risks for Krauter, such as litigation, they must not proceed without express senior line management authorization.

Employees outside legal team must not appoint, manage or remove external legal counsel or pay any legal fees that differ from the fee structures agreed by legal team.

Employees must not appoint a private investigator without prior approval from their legal team.

# Responsible Risk Management

Risk management is integral to Krauter's strategy and to the achievement of Krauter's long term goals. Our success as an organization depends on our ability to identify and exploit the opportunities generated by our business and the markets Krauter operates in.

Krauter takes an embedded approach to risk management which puts risk and opportunity assessment at the core of the leadership team agenda. Krauter defines risks as actions or events that have the potential to impact our ability to achieve our objectives. Krauter identifies and mitigates downside risks such as loss of money, reputation or talent as well as upside risks such as failure to deliver strategy if it does not strengthen brand equities or grow in growing channels.

Krauter's Risk Management approach is embedded in the normal course of business. Its structural elements include:

- Governance of Krauter, organizational structure and delegation of authority
- Vision, Strategy and Objectives
- Code of Business Principles, Code Policies and Standards
- Risk and Control Frameworks
- Performance management and operational processes execution
- Compliance and assurance activities.

## **Musts**

All managers and above must implement Krauter's Principles of Risk Management as follows:

- **Accountability:** they must identify and manage the risks that relate to their role;
- **Risk Appetite:** they must determine the level of risk, after the implementation of controls, that they are prepared to accept such that there is not a significant threat to achieving their objectives;
- **Risk Mitigation:** they must put adequate controls in place, and ensure that they are operational, in order to deliver their objectives. All managers and above must ensure that the risk management activities, as outlined in Krauter's Risk and Control Frameworks, are being undertaken for their areas of responsibility. All leadership teams of operational units must complete an annual holistic risk discussion during which:
  - Key business risks for which they are responsible are identified;
  - How those risks are being managed is reviewed;

- Any gaps in their desired risk appetite are identified.

For those risks where significant gaps have been identified, leadership teams must perform regular reviews and ensure risks are mitigated as desired.

All project leaders of transformational projects must, together with their teams, identify the key risks associated with their project achieving its objectives. Risk mitigation plans must be prepared and progress reviewed with the project steering group.

# Countering Corruption

## Avoiding Conflicts of Interest

Conflicts of interest can have a significant negative impact on the reputation and effectiveness of Krauter, its business and its people. This Code Policy sets out what employees must do to avert or manage actual or perceived conflicts of interest.

### Musts

Employees must:

- Ensure Krauter is best placed to benefit from potential business opportunities;
- Tell their line manager immediately if they believe any of their personal, financial or political activities create an actual, perceived or potential conflict of interest with their role at Krauter. Employees must notify their line manager and Sr. Exe. V.P., to agree how best to manage the situation, if they have:
  - A family member or a close personal contact who is a public official;
  - Family members or a close personal contact working for, or providing any services to, actual or potential competitors, customers or suppliers.

Employees must notify their line manager and Sr. Exe. V.P., to agree how best to manage the situation, if they or their family members hold investments other than in publicly traded pension funds, index linked or tracker funds that represent:

- Substantial interests (5% of their net worth) in a Krauter competitor, supplier, customer or State controlled or influenced entity;
- Any interest in a supplier if they, or one of their team, are involved in selecting or assessing the supplier or negotiating with them;
- Any interest in a customer if they, or one of their team, deal with them.

Employees interested in taking up, in a personal capacity, a proposed directorship (or equivalent) of another organization, whether commercial or not-for-profit, including roles in trade associations and roles for public bodies, must secure prior approval from their line manager and Sr. Exe. V.P. In addition:

- They must take steps, before accepting, to ensure the role will not create an actual, perceived or potential conflict of interest, detract from their commitment and contribution to Krauter, or take up excessive time;
- They must ensure they will not have access to commercially sensitive information concerning actual or potential Krauter competitors (see Code Policies on Fair Competition and Competitors' Information and Intellectual Property);
- They should be clear that they will keep any fees or benefits that arise from any such role, and that this reflects the fact that Krauter takes no responsibility in relation to them;
- Before becoming a director of any publicly listed company, they must also obtain written approval from the Sr. Exe. V.P., as well as notifying the Managing Director;
- The roles of school governors, governing positions in amateur sporting or recreational groups, and directors of property/housing blocks in which an employee lives are excluded and do not require line manager or Sr. Exe. V.P. approval.

## **Must nots**

Employees must not:

- Take, or divert to others, any business opportunities that arise in the course of doing their job at Krauter that could be of interest to Krauter;
- Allow their personal, financial or political activities to affect or be perceived to affect the way they do their job at Krauter;
- Work for, or provide any services to, competitors, customers or suppliers unless they have prior written approval from their line manager and Sr. Exe. V.P.;
- Work as a public official unless they have prior written approval from their line manager and Sr. Exe. VP.



# Anti-Bribery

To support global efforts to fight corruption, most countries have laws that prohibit bribery: many apply these 'internationally' to behavior beyond their borders. A breach of such laws may result in fines for Krauter and in personal penalties for individuals. Dealings with public officials are particularly high risk: even the appearance of illegal conduct could cause significant damage to Krauter's reputation.

Krauter's commitment to doing business with integrity requires consistently high global standards: our zero-tolerance approach towards bribery and corruption applies to all Krauter operations, regardless of local business practices. This Code Policy covers what employees must and must not do to meet Krauter requirements.

## **Musts**

Employees must:

- Always make clear, internally and when dealing with third parties, that Krauter has a zero tolerance approach to bribery and corruption and will not (directly or indirectly) offer, pay, seek or accept a payment, gift or favor to improperly influence a business outcome;
- Immediately notify their H.R and Sr. Exe. V.P. if they become aware of any suggested or actual payment or other transaction which has the potential to be in breach of this Code Policy;
- Ensure that before employing or entering into contracts with any third parties to represent Krauter or its interests externally, relevant Krauter teams have undertaken appropriate due diligence checks to assess the third party's integrity. The outcome of such checks must be considered carefully before deciding whether to appoint the third party: employees must inform their Sr. Exe. V.P. of any concerns.

In exceptional situations where employees cannot escape imminent threat of physical harm without meeting a demand for payment, such a payment may be made but those involved must immediately report full details of the demand and any payment to the HR and Sr. Exe. V.P.. This is to ensure that the matter can be fully investigated, necessary financial records kept, and further steps taken where appropriate (see also Code Policy on Accurate Records, Reporting and Accounting).

## **Must nots**

Krauter employees must not, directly or indirectly (e.g. via suppliers, agents, distributors, consultants, lawyers, intermediaries or anyone else):

- Offer or give bribes or improper advantages (including facilitation payments) to any public official or other individual or third party, which are, or give the impression that they are, intended to influence decisions by any person about Krauter;
- Request or receive bribes or improper advantages from any third party, which may, or give the impression that they may be, intended to influence decisions by Krauter about that third party. Where an employee considers that a bribe, improper advantage or facilitation payment has been given or received, they must not conceal this or take any steps that could delay information being passed to the HR and Sr. Exe. V.P.

# Gifts & Hospitality

All Krauter's relationships must reflect its ongoing commitment to doing business with integrity. Hospitality can play a positive role in building relationships with customers, suppliers and other third parties. Likewise, it is sometimes appropriate to offer reasonable gifts, e.g. in the context of promotional events or product launches. However, as accepting or receiving gifts and hospitality can be open to abuse or generate actual or perceived conflicts of interest, this should occur sparingly and always be legitimate and proportionate in the context of Krauter's business activities.

This Code Policy sets out responsibilities of employees in relation to gifts and hospitality. It makes clear what forms of gifts and hospitality are always prohibited. It also explains in what circumstances gifts or hospitality may legitimately be given or received.

Employees must apply this Code Policy in good faith to ensure gifts and hospitality are never considered to be excessive, confer improper advantage or create an actual or perceived conflict of interest (see Code Policies on Anti-Bribery and Avoiding Conflicts of Interest).

Krauter employees must ensure that save as otherwise provided in this Code Policy, gifts and hospitality either given or received do not exceed local monetary limits, as approved by the Managing Director.

## Gifts

- Employees must ensure that any gifts offered (other than Krauter branded merchandise) or received do not exceed the local monetary limits and are one-off or irregular in nature and at all times comply with the Code Policy on Avoiding Conflicts of Interest. Although employees are not required to record such gifts centrally, they must keep their own records for inspection.
- If employees are offered a gift that exceeds the monetary limits they must politely decline and explain the Krauter rules. In exceptional situations where such gifts have to be accepted to avoid causing serious offence, or circumstances genuinely preclude their return, Krauter employees must: – Consult HR and Sr. Exe. V.P; and – Where appropriate take steps for the gift to be donated to charity.
- All gifts by employees that take the form of Krauter branded merchandising materials must be legitimate and proportionate.

## **Hospitality**

Employees must ensure that hospitality is only offered or accepted if:

- There is a legitimate business interest in doing so;
- It is in the form of a locally hosted meal, attendance at, or participation in an organized 'team-building' occasion, local cultural or sporting event, local industry award ceremony, or similar responsible activity;
- Usual business contacts from Krauter and other parties are physically present;
- Its value does not exceed the local monetary limits; and
- It remains one-off or irregular in nature.

Employees are not required to record such hospitality within their local monetary limits centrally, but must keep their own records for inspection and ensure expenditure associated with any hospitality provided by, or on behalf of, Krauter is approved using Krauter's standard local expense processing and clearance systems.

In exceptional circumstances where employees seek to offer or accept hospitality above the local monetary limits, they must:

- Check their line manager supports the proposal;
- Complete and submit in writing to their Sr. Exe. V.P for prior approval; and
- Once approval is received, ask the third party to confirm that the offer or acceptance of such hospitality also complies with its equivalent gifts and hospitality policy.

In other circumstances where employees are offered or asked for hospitality that exceeds relevant local monetary limits they must politely decline by reference to this Code Policy.

## **Must nots**

Employees must not discuss, offer or receive any gifts or hospitality activity involving public officials or their family members without prior clearance from their Sr. Exe. V.P.

Employees must not:

- Offer or accept any gifts or hospitality, or any other favors which are intended or might be seen to influence business decisions or create an obligation to do something in return;
- Offer or accept any gifts that are in cash or a cash equivalent, such as lottery tickets, gift certificates, vouchers, loans, guarantees or any other granting of credit, shares or options;
- Offer or accept any hospitality involving overnight stays or foreign travel without prior written clearance from their Sr. Exe. V.P;

- Offer or accept any hospitality that is not consistent with the Code Policy on Respect, Dignity and Fair Treatment, or may cause offence under local norms and customs.

# Accurate Records, Reporting & Accounting

The financial reports and other information that Krauter maintains internally and the financial information it provides to shareholders, regulators and other stakeholders must be accurate and complete.

Our records provide valuable information for the business and evidence of our actions, decisions and obligations. Procedures and processes must be in place to ensure that underlying transactions are properly authorized and accurately recorded.

Any failure to record transactions accurately, or falsifying or creating misleading information or influencing others to do so, could constitute fraud and result in fines or penalties for employees or for Krauter. This Code Policy sets out what employees must do to ensure the accuracy of our business records and financial information.

## **Musts**

Employees must:

- Record all transactions accurately, completely and promptly;
- Only perform transactions, such as buying, selling or transferring goods/ assets, for which they are authorized;
- Ensure transactions they approve are legitimate and based on valid documentation;
- Notify their Sr. Exe. V.P and the Managing Director of any potential fraud, other misrepresentation of accounting or other information, or if a 'facilitation payment' has been paid to avoid physical danger or due to an error in judgment;
- Where instructed in the context of a legal hold, retain records in accordance with Krauter's Data Retention Standard, or longer if required by local laws/regulations;
- Retain records that may be relevant to any ongoing audit, litigation or regulatory investigation, even if they exceed the normal retention period if instructed to do so;
- Co-operate fully, openly and honestly with internal/external auditors, tax authorities and other regulators;
- Ensure they are aware of all information relevant to their work. Employees who are responsible for reporting financial and other business information must comply with:
  - All applicable laws, for example, those regarding financial statements, tax and environmental requirements;

- All applicable external reporting standards and regulations, such as international and national accounting standards, stock market listing standards and rules, financial regulator rules, health and safety requirements, corporate governance codes and regulatory standards;
- Krauter's Accounting Manual, reporting instructions and timetables, information standards and information definitions.

Employees involved in accounting must ensure that:

- Sales, profits, assets and liabilities are recorded in the correct time period;
- Assumptions that underpin accounting records are properly documented, especially those relating to provisions, journal entries and contingent liabilities, including tax.

## **Must nots**

Employees must not:

- Do anything to artificially inflate or shift sales or profit between reporting periods;
- Create, maintain or procure others to produce or maintain undisclosed or unrecorded accounts, funds or assets;
- Conceal, alter or falsify company records, accounts and documents.

# Protecting Krauter's Physical & Financial Assets & Intellectual Property

Employees are responsible for ensuring Krauter's assets are protected. This Code Policy covers the protection of physical assets/ property, financial assets and intellectual property.

For information on the protection of several other asset types see the Code Policies on Occupational Health and Safety and Protecting Krauter's Information.

## **Musts**

### **Physical assets/property**

Employees must take care to ensure that all Krauter physical assets/ property they come into contact with while working are not damaged, misused or wasted. Physical assets/ property includes factory and laboratory equipment, Krauter products or components, buildings, computers and company motor vehicles.

The head of each Krauter site must:

- Identify potential hazards from activities and services on site;
- Evaluate the risk of damage to site assets of such hazards and of any potential business interruption or liability that could result; and
- Take steps to reduce risks to an acceptable level.

### **Financial assets**

Employees must:

- Protect Krauter's financial assets – such as cash, bank accounts and credit cards – guarding against misuse, loss, fraud or theft;
- Only authorize commitments, expenditure, borrowing or other financial transactions in line with their role and seniority as specified in local, regional and/or global financial and/or treasury authority schedules;
- Employees involved in hedging contracts or transactions must comply with the relevant Krauter Standards.

### **Intellectual property**

Employees must:

- Report to Sr. Exe. V.P and the Managing Director of any suspected counterfeit products or any product, packaging, communication or marketing practice that are suspected of



infringing our copyright, trademarks, patents, design rights, domain names and/or other intellectual property rights;

- When researching, developing or preparing to launch new brands, sub brands, services, designs, inventions, communication, advertising and promotional materials, ensure all necessary checks and filings have occurred with respect to patents, designs and trademarks or other intellectual property rights;

- When undertaking collaborative work with third parties, ensure a contract is in place with appropriate clauses to protect Krauter's intellectual property rights and ensure freedom to use results.

### **Must nots**

Employees must not remove Krauter's physical assets/property from company premises without permission, or use them for inappropriate purposes.

# Anti-money laundering

To protect Krauter's reputation and avoid criminal liability, it is important not to become associated – however innocently – with the criminal activities of others. In particular, Krauter and its employees must ensure Krauter does not receive the proceeds of criminal activities, as this can amount to the criminal offence of money laundering. This Code Policy sets out essential steps employees must take to avoid being implicated in money laundering.

## Musts

Employees must immediately notify their Cluster General Counsel if they have any suspicions about actual or potential money laundering activity.

Employees must look out for warning signs of money laundering, such as:

Supplier requests to:

- Pay funds to a bank account in the name of a different third party or outside the country of their operation;
- Make payments in a form outside the normal terms of business;
- Split payments to several bank accounts;
- Overpay. Customer payments to Krauter:
  - From multiple bank accounts;
  - From bank accounts overseas when not a foreign customer;
  - Made in cash when normally made by cheque or electronically;
  - Received from other third parties;
  - Made in advance when not part of normal terms of business.

Employees involved in engaging or contracting with third parties such as new suppliers, customers and distributors must:

- Ensure that the third parties in question are subject to screening to assess their identity and legitimacy before contracts are signed or transactions occur. Various factors will determine the appropriate forms and levels of screening;
- Determine, with guidance from their Sr. Exe. V.P, which tools and processes should be used to facilitate appropriate screening and record-keeping (see the Responsible Sourcing Policy and Responsible Business Partner Policy);
- Carefully consider, where necessary in consultation with their Sr. Exe. V.P or Managing Director, screening outcomes before deciding whether to do business with the third party.

- Finance managers who support Supply Chain Management and Customer Development must regularly monitor and/or review suppliers, customers and other third-party service providers to identify business activity or governance that could indicate money laundering is taking place.

### **Must nots**

Employees must not simply assume relevant third-party screening has already taken place: failure to check or update screenings periodically may put Krauter and its employees at risk.

# Respecting People

People should be treated with dignity, honesty and fairness. Krauter and its employees celebrate the diversity of people, and respect people for who they are and what they bring. Krauter wants to foster working environments that are fair and safe, where rights are respected and everyone can achieve their full potential.

# Occupational Health & Safety

Krauter is committed to providing healthy and safe working conditions. Krauter complies with all applicable legislation and regulations and aims to continuously improve health and safety performance.

Everyone at Krauter has a role to play. Managers are responsible for the occupational health and safety of their reports and third parties under their control. As a condition of our employment, we all have a duty to work safely. This Code Policy outlines our individual and shared responsibilities for health and safety.

## Musts

Employees and others working for Krauter, and visitors to Krauter sites must work and behave safely. They must:

- Comply with health and safety procedures and instructions relevant to their work and/or about which they have been trained or notified;
- Help ensure that those they work with, including contractors and visitors, are familiar with and follow applicable health and safety procedures and instructions;
- Only undertake work that they are trained, competent, medically fit, sufficiently rested and alert enough to do;
- Make sure they know what to do if an emergency occurs at their place of work or at a site they are visiting; and
- Promptly report to local Krauter management any actual or near miss accident or injury, illness, unsafe or unhealthy condition, incident, spill or release of material to the environment, so that steps can be taken to correct, prevent or control those conditions immediately.

All Krauter managers have overall operational responsibility for health and safety at their location and must:

- Establish and maintain an appropriate health and safety at work management system for their site, including the appointment of committees, managers, competent experts and a system for gathering employees' concerns/input;
- Identify health and safety hazards and manage/control risks arising from the site's routine and planned operations, activities and services;
- Regularly review and comply with all applicable local health and safety legislation, including relevant mandatory Krauter requirements;

- Develop site-specific health and safety improvement objectives and monitor performance, including an annual review of the management system's effectiveness and adequacy;
- Report mandatory Key Performance Indicators (KPIs) via Krauter's Safety, Health and Environment (SHE) reporting system;
- Report all incidents, accidents and near misses in line with the Serious SHE Occurrences Standard, including thorough investigation, follow-up and communication of lessons learned;
- Maintain, communicate and test site emergency plans;
- Ensure all employees, contractors and visitors receive information and training in health and safety relevant to their roles and activities.

### **Must nots**

Employees and others working for Krauter, and visitors to Krauter sites, must not:

- Undertake work or related activity, such as driving, when under the influence of alcohol or drugs, or when using medication improperly;
- Carry on with any work that becomes unsafe or unhealthy;
- Assume someone else will report a risk or concern.

# Respect, Dignity & Fair Treatment

Business can only flourish in societies where human rights are respected, upheld and advanced. Krauter recognizes that business has the responsibility to respect human rights and the ability to contribute to positive human rights impacts.

There is both a business and a moral case for ensuring that human rights are upheld across Krauter's operations and value chain. Krauter is committed to ensuring that all employees work in an environment that promotes diversity and where there is mutual trust, respect for human rights and equal opportunity, and no unlawful discrimination or victimization.

This Code Policy sets out what Krauter and its employees must do to ensure that all workplaces maintain such an environment.

## **Musts**

Krauter employees must:

- Respect the dignity and human rights of colleagues and all others they come into contact with as part of their jobs; and
- Treat everyone fairly and equally, without discrimination on the grounds of race, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, dependents, disability, social class or political views. This includes consideration for recruitment, redundancy, promotion, reward and benefits, training or retirement which must be based on merit.

Krauter must:

- Ensure all employees' work is conducted on the basis of freely agreed and documented terms of employment, clearly understood by and made available to relevant employees and others working for Krauter;
- Ensure all employees are provided with fair wages including a total remuneration package that meets or exceeds legal minimum standards or appropriate prevailing industry standards, and that remuneration terms established by legally binding collective agreements are implemented and adhered to. Other than legally mandated deductions, all other deductions from wages require the express and written consent of the employee;
- Respect employees' rights to join or not to join a legally recognized trade union, or any other body representing their collective interests, and establish constructive dialogue and bargain in good faith with trade unions or representative bodies on employment conditions, labour management relations and matters of mutual concern, to the extent practicable taking national laws into consideration;
- Comply with legal requirements in relation to short-term, casual or agency employees;

- Maintain a clear and transparent system of employee and management communication that enables employees to consult and have an effective dialogue with management;
- Provide transparent, fair and confidential procedures for employees to raise relevant concerns. These must enable employees to discuss any situation where they believe they have been discriminated against or treated unfairly or without respect or dignity, with their line manager – or an independent manager – without fear of retaliation.

## **Must nots**

Employees must not:

- Engage in any direct behavior that is offensive, intimidating, malicious or insulting. This includes any form of sexual or other harassment or bullying, whether individual or collective and whether motivated by race, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, dependents, disability, social class or political views;
- Engage in any indirect behavior which could be construed as sexual or other harassment or bullying, such as making offensive or sexually explicit jokes or insults, displaying, emailing, texting, or otherwise distributing, offensive material or material of a sexually explicitly nature, misusing personal information, creating a hostile or intimidating environment, isolating or not co-operating with a colleague, or spreading malicious or insulting rumors;
- Work more than the regular and overtime hours allowed by the laws of the land. All overtime work will be on a voluntary basis.

Krauter must not:

- Use, or permit to be used, forced or compulsory or trafficked labour. We have a zero tolerance of forced labour;
- Use child labour, i.e. individuals under the age of 18 or under the local legal minimum working age or mandatory schooling age, whichever is the higher.



# Safeguarding Information

Information is essential to our success: it fuels our research, keeps us in touch with consumer needs and helps us work effectively together. If used inappropriately, information can cause considerable damage to our business

# Protecting Krauter's Information

Information is one of Krauter's most valuable business assets: Krauter is committed to safeguarding and protecting our information and any other information entrusted to us.

Information within Krauter is held in many different formats, including on paper, electronically in documents or in IT applications & systems. Our requirements to protect information apply to all formats. Krauter has data classification standards which define how information within Krauter must be classified, handled and protected.

## **Musts**

When handling Krauter's information employees must ensure that:

- They understand the nature and classification of the information, understand and adhere to the handling requirements for information in the Information Handling Standard and take personal responsibility for the proper use, circulation, retention, protection and disposal of Krauter's information;
- They only distribute or share Krauter's information on a need to know basis, ensuring that only Krauter employees or others working for Krauter, or authorized third parties, with a genuine business need, have access to the information;
- They take care not to disclose Krauter's information in public places, including taking all necessary steps to protect documents and IT devices away from the workplace;
- They comply with the proper use of Krauter information technology and only share Krauter information using Krauter-approved Information Technology in accordance with the Code Policy on Use of Information Technology.

## **Must nots**

When handling Krauter's information employees must not:

- Disclose Krauter's information externally to third parties unless in accordance with Krauter's information classification and handling standards; or
- Use Krauter's information for anything other than legitimate business purposes or as required by law.

Personal data relating to employees, consumers and other individuals is subject to specific laws and regulations of India. Additional information relating to the classification and protection requirements for personal data can be found in the Code Policy on Personal Data and Privacy.

If in doubt about how to handle any Krauter information, restricted or otherwise, employees must seek advice from their line manager, HR, Sr. Exe. V.P.

# Competitors' Information & Intellectual Property

Krauter respects the intellectual property and confidential information of third parties, including competitors, suppliers and customers. Confidential information is information about another company that is not in the public domain and has value.

To promote fair competition, Krauter gathers and uses competitors' information that is in the public domain, for example, from newspapers, the internet and company filings. Accepting or using competitors' confidential information risks being a serious infringement of competition laws and/ or trade secrets/intellectual property laws, leading to significant penalties for Krauter and individuals.

This Code Policy outlines what employees must do to respect the confidentiality of other companies' information.

## **Musts**

Employees must:

- Check HR & Sr. Exe. V.P to understand what are legitimate sources of data;
- Only gather and use competitors' information that is known to be legitimate;
- Clearly record the sources of data in all communications so their legitimacy is beyond doubt;
- If they acquire a competitor's confidential information unintentionally, they must notify their Legal business partner immediately.

## **Must nots**

Employees must not:

- Knowingly infringe the valid patents, design rights, trademarks, copyright and other intellectual property rights of any third party;
- Seek to obtain competitors' confidential information. Where employees acquire a competitor's confidential information unintentionally, they must not use it or forward it to anyone except their Legal business partner.

# Personal Data & Privacy

Krauter respects the privacy of all individuals and the confidentiality of any personal data Krauter holds about them. This Code Policy sets out what steps employees must take to ensure personal data is handled appropriately.

## **Musts**

When collecting, using or storing personal data, employees must ensure that:

- They obtain from the individual the level of consent required by local laws, including where personal data is obtained from third parties;
- They only collect data that is adequate, relevant and used solely for the purpose for which it is collected;
- They use personal data in accordance with the relevant published Privacy Notice as may be required by local law;
- They keep personal data up to date: inaccurate data must be corrected and records of any changes must be maintained;
- They keep personal data confidential and secure with paper copies also stored securely.

## **Must nots**

When collecting, using or storing personal data, employees must not:

- Retain personal data for longer than necessary to achieve the business objective or meet minimum legal requirements (including data retention or national security laws);
- Share it, internally or externally, unless this is relevant to the purpose for which personal data is collected (see the Code Policy on Protecting Krauter's Information). The individual must be made aware of any third-party access to the data which may include access from a location outside the country in which the personal data is collected;
- Transfer data outside the country in which it is collected, even within Krauter, without advice from their legal team and Sr. Exe. V.P, as there may be legal restrictions/requirements relating to the transfer (e.g. prior explicit consent may be required). Krauter may, to the extent permitted by law, log, monitor, record, inspect and/or remove material to comply with legitimate requests to disclose such material to local law enforcement, regulatory agencies or judicial authorities.

# Use of Information Technology

Krauter's Information Technology (IT) – including desktops and laptops, mobile devices, networks, software, email, data, business applications and internet/intranet – are critical to our operations. This Code Policy explains what employees need to do to ensure the responsible and secure use of IT in Krauter, including compliance with all relevant laws and regulations.

## **Musts**

Employees must ensure the responsible and secure use of IT in Krauter, applying the same personal and professional standards as for any other business activity when using the internet, intranet, social media, messaging and email.

When using Krauter's IT, employees must ensure that:

- They only use credentials allocated to them;
- They keep passwords confidential;
- They only use Krauter approved or provided hardware, software and other IT services (this may include personally owned devices as specifically authorized);
- They ensure any additional software or storage is approved and appropriately licensed;
- They obtain express permission from any employee before posting or publishing personal information about them (see the Code Policy on Personal Data and Privacy);
- When using social media, they are clear about whether they are acting in a personal or professional capacity (see the Code Policy on Protecting Krauter's Information and the Krauter Social Media Standard);
- They immediately report any suspected or confirmed misuse of Krauter's IT through correct internal channels.

## **Must nots**

When using Krauter's IT employees must not:

- Try to disable, defeat or circumvent standard security features;
- Access, store, send, post or publish material that is pornographic, sexually explicit, indecent or obscene, or that promotes violence, hatred, terrorism or intolerance;
- Defame, slander or lower the reputation of any person or entity or their goods or services;
- Delete, destroy or modify existing systems, programmes, information or data without appropriate authorization;

- Upload or transfer outside Krauter any application or data licensed to the company and/or for which Krauter owns the copyright (see the Code Policy on Protecting Krauter's Information).

Employees may use Krauter's IT systems including emails and internet for personal use, as long as use is reasonable and kept to a minimum and does not cause material impact to Krauter. Any employee's information or other material, either work-related or 'personal', held electronically on Krauter equipment is not private.

Krauter may, to the extent permitted by law, log, monitor, record, inspect and/or remove material to comply with legitimate requests to disclose such material to local law enforcement, regulatory agencies or judicial authorities.

# Engaging Externally

Throughout our value chain, from innovation through to our consumers, Krauter and its employees need to demonstrate the same ethical standards when engaging with others externally as when dealing with colleagues.

# Responsible Innovation

Innovation is fundamental to Krauter's business success and a core part of our global strategy. The integrity and objectivity of our Science are a key foundation for our approach to responsible innovation. Safety is non-negotiable.

Krauter conducts responsible, safe and sustainable research and innovation, which fully respects the concerns of our consumers and society. In meeting consumer needs, Krauter's innovations are based on sound science and technology, and reflect high standards and ethical principles.

Krauter has global standards that apply to all research and innovation, including on: the safe and sustainable design of new products, processes and packaging; product and brand development; open innovation collaborations; and publication of our scientific research.

## **Musts**

All employees involved in scientific research and innovation activity must comply with all standards relevant to their area of work, notably in order to:

- Ensure that risks for consumer safety, occupational safety and the environment are suitably assessed and managed;
- Ensure appropriate specifications of raw materials, products and packaging;
- Ensure effective management of consumer safety risks from food allergens;
- Ensure research on human subjects is conducted to the highest ethical standards;
- Uphold Krauter's commitment to eliminate animal testing without compromising on consumer safety (see Developing Alternative Approaches to Animal Testing);
- Ensure the integrity, robustness, objectivity and transparency of all scientific research and collaborations with external partners.
- Maintain and make accessible records of all research, including study protocols and data, and their interpretation and decisions made;
- Raise any concerns about actual or potential non-compliance with this Code Policy with their line manager or their relevant business partner in R&D.



## **Must nots**

Employees must not:

- Deliver presentations or publications that have not been approved via internal clearance procedures;
- Collaborate with third parties outside a structured and approved contractual framework.

# Responsible Marketing

Krauter is committed to developing, producing, marketing and selling all its products and services responsibly. Krauter can and should conduct marketing activities in line with societal expectations.

This Code Policy sets out global minimum standards that apply to all of Krauter's marketing activities everywhere. This covers but is not limited to: brand names, packaging and labelling; consumer planning and market research; trade advertising; sales materials; brand merchandising and sponsorship; all forms of advertising including television, radio, print, digital media, promotional activities and events, product placements, 'advergaming' – whether created by Krauter, agencies, crowdsourcing or other third parties.

## **Musts**

### **Integrity, responsibility and transparency**

Employees who are involved in Krauter marketing activities must:

- At all times, respect applicable marketing laws;
- Describe our products/services and their effects truthfully, accurately and transparently, with appropriate factual and, where relevant, nutritional information;
- Ensure there is sufficient information for consumers and customers to understand how to use our products and services;
- Ensure our marketing is based on adequate support for the claims Krauter makes;
- Comply with our principles and standards on marketing, including (but not limited to) those with respect to children, women and social media;
- Be mindful of the environmental implications of marketing activity, in such areas as new product development, marketing activation plans, packaging and content recycling.

### **Freedom of choice**

Employees involved in Krauter marketing activities must show respect for people who choose not to buy our products and services, and ensure there is sufficient information about our products and services for consumers to make informed choices.

### **Taste and decency**

Employees involved in Krauter marketing activities must ensure our marketing reflects and respects generally accepted contemporary standards of good taste and quality, in the context for which it is designed, showing awareness of both wider society and sensitivity to different cultural, social, ethical and religious groups.

## **Must nots**

Employees must not:

- Alter images used in marketing communications in such a way that advertising is rendered misleading;
- Misuse technical data or use scientific terminology or vocabulary in such a way as falsely to suggest that a claim has scientific validity;
- Associate our products or services with – or feature within any Krauter marketing – themes, figures or images likely to cause serious or widespread offence to any religion, nationality, culture, gender, race, sexual orientation, age, disability or minority group;
- Advertise in any media known for promoting violence, pornography or insulting behavior.

# Product Quality

Krauter's reputation is founded on delighting our consumers and customers with consistently great product quality that meets or exceeds their needs and expectations. Our aim is to be the most trusted and preferred customer and consumer choice on every occasion.

Krauter is committed to achieving this goal by meeting or exceeding all legal and regulatory requirements and through the rigorous application of our Quality Management System. Each personal product quality experience for our consumers depends upon all employees understanding their roles and responsibilities and ensuring that they adhere to Krauter's quality standards, business processes and regulatory requirements at all times.

Krauter will take prompt and timely action wherever and whenever we encounter products which don't meet our standards or those required in the market place. We will continuously improve product quality experiences by using the insights gained from our performance measures and from consumer and customer feedback.

This Code Policy applies to all aspects of product quality including safety, design, formulation, raw materials, primary/secondary/tertiary packaging, manufacture, storage, transport, display, marketing, communication, sales and disposal of Krauter products – at Krauter, third-party or business partner facilities.

## **Musts**

Employees must:

- Apply effective processes to measure and record product and process performance and, where appropriate, take effective preventative steps or corrective action to assure great product quality experiences for our customers and consumers; and
- Promptly discuss concerns with line management and take steps to address any information regarding a potential or actual product quality, regulatory or safety issue.

## **Must nots**

Employees must not:

- Knowingly produce or distribute products, including promotional items, or services that could adversely impact employees' or consumers' health, endanger customers or adversely impact Krauter's brand reputation;
- Take decisions about quality without sufficient knowledge or authority; or
- Respond to customers or consumers about the quality or safety of products without authorization to do so.

# Responsible Sourcing

Krauter expects its business partners to adhere to values and principles consistent with our own. Krauter is developing new business practices to grow our company and communities, by doing business in a manner that improves lives of workers across our supply chain, their communities and the environment, consistent with the Krauter Sustainable Living Plan.

Our requirements of suppliers (companies that supply Krauter with goods and/or services, across both production and non-production areas of our business) are set out in our Responsible Sourcing Policy (RSP). Krauter's reputation could suffer significant damage if suppliers fail to comply with these requirements.

The RSP affirms the following Fundamental Principles:

1. Business is conducted lawfully and with integrity
2. Work is conducted on the basis of freely agreed and documented terms of employment
3. All workers are treated equally and with respect and dignity
4. Work is conducted on a voluntary basis
5. All workers are of an appropriate age
6. All workers are paid fair wages
7. Working hours for all workers are reasonable
8. All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively
9. All workers' health and safety are protected at work
10. All workers have access to fair procedures and remedies
11. Land rights of communities, including indigenous peoples, will be protected and promoted
12. Business is conducted in a manner which embraces sustainability and reduces environmental impact.

All Krauter Purchasing Agreements/ Contracts specify that suppliers must acknowledge adherence to our RSP as a condition of supply.

This Code Policy sets out responsibilities of employees who engage with suppliers.

## **Musts**

Employees who contract and/or work with Krauter's suppliers must:

- Read and understand the Fundamental Principles and consult their line manager or the Sr. Exe. VP if they have any questions;
- Notify their line manager and, if appropriate, the Sr. Exe. VP if they know or suspect that suppliers are not meeting relevant RSP requirements within the Responsible Sourcing Policy;
- Ensure that any shortlists or tendering processes for new suppliers for which they are responsible consider potential suppliers' credentials in areas covered by the RSP.

## **Must nots**

Employees who contract and/or work with Krauter's suppliers must not agree to any contractual changes or exclusions with respect to the RSP without consulting their line manager and prior written authorization from the Sr. Exe. VP

# Fair Competition

Competition laws prohibit anticompetitive agreements (or cartels) between competitors. Many national laws also prohibit abuses of dominant position and include specific rules relating to agreements with distributors and other customers. Investigations by competition authorities may result in significant fines and costs, and damage our reputation. Criminal sanctions may also apply.

Krauter believes in vigorous yet fair competition and supports the development of appropriate competition laws. Krauter companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations. Krauter prohibits participation in cartels in all countries, even those that do not have competition law.

This Code Policy sets out what employees must do to ensure Krauter upholds fair competition.

## **Musts**

Department Heads must ensure that:

- Legal prohibitions and requirements that apply to employees in the markets for which they are responsible have been identified and documented with support from Sr. Exe. VP and are understood by all employees;
- Communication and training programmes addressing relevant competition law prohibitions and requirements have been approved by Sr. Exe. VP and implemented, including tailored programmes for specific and/or 'high risk' groups of employees and others working for Krauter.

Employees must:

- Follow requirements regarding competition law compliance for the markets in which they operate and undertake all relevant training required;
- Consult their Legal business partner immediately if they are unsure about the legality of any activity; Fair Competition (1of 2) Code of Business Principles and Code Policies ENGAGING EXTERNALLY 37 Musts (continued)
- Where possible, always consult their Legal business partner before meeting a competitor or discussing or agreeing anything about which they have concerns (see the Code Policy on Legal Consultation);
- Take care that participation in industry or trade associations events and related contacts are not used for anti-competitive purposes; this also applies to less formal meetings or events that involve competitors, such as awards ceremonies or associated social contacts;

- Before taking part in a trade association or industry event, ensure all mandatory requirements have been approved by Krauter management.
- Object immediately if inappropriate topics are raised in any industry or trade association discussion and leave immediately – and noticeably – if any inappropriate discussion continues;
- Report incidents of inappropriate discussions immediately to their line manager and the Sr. Exe. VP.

### **Must nots**

Employees must not participate in cartels. In particular, they must not discuss or agree any of the following, directly or indirectly, with competitors:

- The price or terms of sale for products and/or services
- The price or terms to be demanded from suppliers
- The co-ordination or allocation of bids or quotes
- Limitations on production or sales
- The division or allocation of geographic markets, customers or product lines
- Boycotts or refusals to deal with certain competitors, customers or suppliers.

Legitimate joint purchasing arrangements, production, research and development and standardization agreements that have received prior written approval from Sr. Exe. VP are excluded from the above.

### **Co-operating with competition authorities**

Krauter co-operates fully with the competition authorities, while consistently and robustly defending its legitimate interests. All contact with competition authorities (including, where relevant, national courts) are coordinated by legal team. For more details, see the Code Policy on Contact with Government, Regulators & Non-Governmental Organizations (NGO)



# Contact with Government, Regulators & Non-Governmental Organizations (NGOs)

Any contact by employees or other representatives with government, legislators, regulators or NGOs must be done with honesty, integrity, openness and in compliance with local and international laws. Governments, regulators and legislators includes bodies that may be: global or international (e.g. United Nations); regional (e.g. European Union, ASEAN); national; or active at a local community level. Non-

Governmental Organizations (NGOs) also operate at different levels, and their work includes social and consumer issues as well as environmental ones.

Interaction with these organizations must only be made by authorized and appropriately trained individuals. This covers all forms of communications, whether formal, informal or social interaction in relation to Krauter business including any kind of correspondence such as in-person, electronic media and/or written correspondence.

This Code Policy provides detailed guidance on how contact with the above authorities must proceed. It does not cover interactions about purely personal matters, such as personal charitable donations or personal tax.

## **Musts**

When interacting with government, legislators, regulators or NGOs, employees must:

- Be appropriately trained and authorized by their line manager;
- Be courteous, open and transparent in declaring their name, company, role, status and, for any enquiry or 'representation', the nature of the subject matter;
- Take all reasonable steps to ensure the truth and accuracy of their information; and
- Keep a record of all contacts and interactions.

The following additional requirements apply in certain situations:

### **Representing our legitimate interests**

Any contact between Krauter employees and officials aimed at representing our legitimate interests must only be done with prior approval, as follows:

- Sr. Exe. VP
- Managing Director.

The only exceptions regard taxation, financial reporting/accounting, pensions or legal matters. Contacts on such topics must have prior approval from Sr. Exe. VP and the Managing Director.

### **Contact with regulators about products and/or ingredients**

Any contact with regulators about Krauter's actual or planned use of products and/or ingredients must have the prior approval of Regulatory Affairs (which will, in turn, seek necessary clearances from the legal team, Sr. Exe. VP and Managing Director).

Any contact with regulators must have the prior approval of the local Regulatory Affairs Departments. If employees do not have such departments in their location, they must get approval from the local or cluster head of Regulatory Affairs. At times, this approval may be given on a standing basis.

### **Contact with NGOs**

Any contact with NGOs must have the prior approval of the Sr. Exe VP., Managing Director. At times, this approval may be given on a standing basis.

### **Regulatory investigations**

- Krauter managers must have up to-date procedures for responding to unannounced inspections from relevant authorities. This must include the nomination of Responsible Persons to lead the response for each type of potential inspection.
- Employees must not attempt to obstruct the collection of information, data, testimony or records by authorized investigators or officials.
- Employees must not say or do anything that may, or may be perceived as seeking to, improperly influence decisions about Krauter by any government, legislators, regulators or NGOs (see the Code Policies on Gifts & Hospitality and Anti-Bribery).

# Political Activities & Political Donations

Krauter is prohibited from supporting or contributing to political parties or candidates. Employees can only offer support and contributions to political groups in a personal capacity. This Code Policy sets out how Krauter employees must manage their business relationship with political groups.

## **Musts**

Employees must ensure that:

- Any contributions towards, and support for, political parties are clearly personal and give no impression of being connected to Krauter;
- Any personal political support or contributions do not affect their performance or objectivity at work (see the Code Policy on Avoiding Conflicts of Interest);
- Where employees represent Krauter in social or economic advisory groups set up by governments, their participation is subject to the prior approval of the Sr. Exe. VP;

Approval will only be given where the non-party-political nature of the activity has been publicly communicated as such by the advisory group, its work relates to areas supporting Krauter's corporate vision, and the group includes representatives from a broad range of organizations, such as well-known peer companies, national charities, non-political think-tanks, research organizations and representatives of academia, or similar such bodies.

## **Must nots**

Krauter must not, directly or indirectly, support or make contributions to political parties or candidates. Communication, financial contributions, benefits in-kind, gifts, sponsorships and use of Krauter resources are all prohibited.

Involvement in the type of social or economic advisory groups mentioned above must not create a conflict of interest for employees (see the Code Policy on Avoiding Conflicts of Interest)

# External Communications – The Media, Investors & Analysts

Communication with investment communities – including shareholders, brokers and analysts – and the media must be managed carefully. Such communication has important legal requirements and demands specialist skills and experience. Only individuals with specific authorization and training/briefing may communicate about Krauter with investment communities or the media, or respond to their enquiries or questions.

Krauter's Managing Director and Sr. Exe. VP – on behalf of the Board – are responsible for ensuring that Krauter complies with relevant laws and regulations.

This Code Policy outlines how communication with investment communities and the media must operate.

## **Musts**

Employees who have received authorization to communicate with investment communities or the must:

- Comply with any conditions attached to their authorization, such as constraints on when and/or with whom they may communicate;
- Always consult with the authorizing functions about the content of any message before they communicate.

The above rules also apply outside formal work settings, such as at external speaking engagements, courses, seminars, trade association events or social occasions.

## **Must nots**

Employees who are not part of the Investor Relations or Media Relations functions or a Board Member must not:

- Communicate with investment communities or the media, either on or off the record, without authorization from one of these functions and appropriate training/briefing;
- Respond to enquiries from investment communities or the media: all enquiries must be directed to the Sr. Exe. VP and the Managing Director;
- Get drawn into conversations, answer any questions or provide any information or opinion;
- Make any forward-looking financial statements or provide 'inside information'

# SEXUAL HARASSMENT

The Company's Policy on Prevention of Sexual Harassment aims at bringing 'zero tolerance' policy on any act of sexual harassment / any discrimination based on sex and promote a work environment that encourages mutual respect, promotes respectful and congenial relationships between Associates, and is free from all forms of sexual harassment to any Associate or applicant for employment by anyone including vendors, or customers.

Sexual Harassment is a form of discrimination which includes a range of behavior from seemingly mild transgressions and annoyances, to actual sexual abuse or sexual assault, and will not be accepted in any form or manner.

Sexual harassment includes conduct of associates, managers, vendors and / or customers who engage in verbally or physically harassing behavior, which has the potential for humiliating or embarrassing an associate of the Company.

According to Krauter's Policy on Prevention of Sexual Harassment.

All of the Company, both management and non-management, are responsible for assuring that a workplace free of sexual harassment is maintained.

Any Employee may file a sexual harassment complaint regarding incidents experienced personally or incidents observed in the workplace.

The Company is committed to maintaining a lawful, pleasant work environment where all Employees are able to effectively perform their work without interference of any type and requests the assistance of all Employees in this effort.

All Company supervisors and managers are expected to adhere to the Company's Policy on Sexual Harassment.

# CUSTOMERS

Krauter's business success depends upon its ability to foster lasting customer relationships.

The company is committed to dealing with customers fairly, honestly and with integrity.

Specifically, the following guidelines should be kept in mind while dealing with customers:

- Information supplied to customers should be accurate and complete to the best of the knowledge. Employees should not misrepresent information to customers.
- Employees should not refuse to provide services to the customer, in the event one of the Krauter competitors is also providing services to the same customer.
- Customer entertainment should not exceed reasonable and customary business practice.
- Our products and services shall be competitive and whilst fulfilling the needs of our customers, shall offer the best possible value to our customers such that we become the customers' first choice for quality and service.
- No false or misleading claims shall be made whilst marketing our products or services.
- Our service standards shall be of the highest possible order.
- Mutually beneficial relationships of an enduring nature will be built with customers.
- Our response to the needs and expectations of customers shall be speedy, courteous and effective.
- Customer complaints and warranties will be attended to the full satisfaction of the customer.

# WHISTLE BLOWER

Krauter's Whistle-blower Policy is a critical means through which stakeholders can raise actual or suspected violations.

The policy is applicable to all Employees (including permanent and on contract) Customers and Suppliers / Vendors.

They can raise concerns that relate to actual or suspected violations of the Code of Business Principals, Accounting, Internal Accounting Controls, Auditing Matters and applicable national and international laws including statutory / regulatory rules and regulations which includes but not limited to Companies Act, SEBI and SEC Regulations.

A "whistle-blower complaint" is a complaint where a Complainant / Whistle Blower (person raising the Complaint) believes that Krauter (or an officer or Employee of Krauter) has, or may have, breached the Code of Business Principals, Accounting, Internal Accounting Controls, Auditing Matters and applicable national and international laws including statutory / regulatory rules and regulations.

Alerting Krauter to potential issues will assist in promoting compliant corporate environment and will protect Krauter's reputation. All the stakeholders have an obligation to raise such concerns as soon as possible. All the stakeholders shall address the complaints / concerns to the Managing Director. In case of a complaint / concern against Managing Director, the same shall be addressed to the Board of Directors.

## **FREE, PRIOR AND INFORMED CONSENT (FPIC) POLICY**

In situations where legislation is absent or where implementation gaps exist, Krauter must ensure (from a risk mitigation and best practice perspective) that we deploy an engagement process with all of the following attributes.

The process must:

- » Not be unilaterally imposed
- » Not be time-bound
- » Be thoroughly documented and agreed to by all parties
- » Be designed with a decision-making process that incorporates traditional or customary decision-making processes, the correct representative institution(s), and the input of vulnerable groups such as women and youth
- » Build capacity within the indigenous communities to understand international and national frameworks and standards
- » Provide technical assistance to indigenous communities in language and modes of communication that ensure a complete understanding of the development phases and processes (including principles, impacts, and alternatives) in advance of project development
- » Encourage indigenous peoples to the use external third-party advice
- » Ensure that no Land grabbing takes place under any circumstances.



# Glossary

## **Competitor's confidential information**

Non-public information about a competitor's product or the way in which a competitor carries out its business. Confidential information covers a broad sweep of activities, including current or future prices; pricing terms (e.g. discounts); buying prices, costs and supplier information business or financial strategies and plans (e.g. mergers, acquisitions and divestments); marketing, promotional and sales plans; financial results before any formal announcement; R&D work (strategies, designs, formulae, drawings, technical information, manuals and instructions, product specifications and samples of products that have not been launched or revealed publicly); and proprietary software.

## **Employee**

A person employed by Krauter under one of a variety of contracts. The term covers all employees, whether full-time, part-time, fixed-term, permanent or trainees.

Additionally, in this document, the term is used to cover other persons working for Krauter as follows: contractors, temporary staff, secondees, work experience placements; those with a statutory Director role or equivalent responsibilities; employees of joint ventures and approved third-party labour providers where Krauter has direct management control; and employees of new acquisitions.

## **Facilitation payment**

Unofficial payment – in effect a bribe – made to a public official to secure or speed up the performance of a routine action that the official is required to provide anyway. Facilitation payments are illegal in most countries, although a small number provide exceptions in certain circumstances. Also referred to as a 'facilitating', 'speed' or 'grease' payment.

## **Family member**

A relative, by blood or by marriage (or similar informal relationship), notably a spouse, live-in partner, parent or child. The term includes sibling, step- or adopted child, step-parent, grandparent, uncle, aunt, cousin, grandchild or any relative who has lived with you for the past 12 months or more.

## **Improper advantages**

The offer or gift of anything of any value, including nominal cash amounts, which may be perceived as intended to cause the recipient to behave contrary to customary ethical expectations. Includes money, services (including favors), discounts, use of resources,

loans, credit, the promise of future advantages (including future employment or internships), and gifts or hospitality.

**Operational units**

All Departments.

**Public official**

An officer, employee or representative of a State or a State controlled or owned entity. Term includes a person representing a political party or public international organization, or a candidate for political, municipal or judicial office. Also covers anyone acting in an official capacity on behalf of any of the above, including the police and armed forces.