KUEHNE+NAGEL

2021 Edition

Sustainability Report

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Welcome message

Dear Readers,

The challenges of the past year and the events of the recent months have reminded us that the future of our planet and society is in no way set in stone. It is in our hands to shape this future for generations to come. The pandemic has demonstrated that mankind can achieve the extraordinary when science and technology are used for the good of all – and when all stakeholders involved take their share of responsibility. Whether it is business, science, politics, or society, we need to take action and put socio-economic development at the forefront of our actions.

Now, one could think that in the current situation, sustainability, climate change, or decarbonisation are not a primary concern. Quite the contrary: At Kuehne+Nagel, we believe that they can be a powerful accelerator to create the much-desired "new normal". Using the data we collect and applying the technology we create, we cannot only develop solutions to address climate change, we can innovate for a more sustainable future in many aspects. But we need to combine investment with action. And we all need to use this momentum to raise the bar.

At Kuehne+Nagel, we have committed to the Science-Based Target initiative (SBTi) and transition to a zero-carbon business model while facilitating a zero-carbon future for our customers. With data-driven insights, design and optimisation of supply chains, alternative transport modes, routes and carrier options as well as low carbon fuel solutions, we can actively address climate change in our industry and be a responsible partner for customers and suppliers.

Based on the responsibility towards our customers and towards society, we set up an immediate and effective response to the global demand for vaccine supply and distribution as well as tailor-made solutions to manoeuvre through the ongoing supply chain disruptions. This naturally implied a significant switch from sea to air freight, increasing CO_2 emissions. Nevertheless, we stay committed to our decarbonisation goals. We have made major efforts to invest in sustainable aviation fuel (SAF) and joined alliances to drive the deployment of alternative fuels. In parallel, we managed to transition from 21% to 78% renewable energies on our sites globally.

Despite the pandemic and challenging market environment, we have proven resilience in our business model and our way of working. While offering the best for our customers, we care for our colleagues and communities. Covid has pushed ahead with the establishment of a new social pact. With flexible working hours, remote working options, a clear commitment to a diverse and inclusive workforce, and the empowerment of the communities we operate in, we create value beyond our line of business. Fostering global trade, we have been carefully analysing the trends of tomorrow and as a result, conducted several strategic acquisitions that will help us better manage future supply chain demands.

Sustainability is manifold and at Kuehne+Nagel, we take responsibility for future generations, colleagues, the ecosystem, and partners likewise. Join us in supporting this journey!

Dr. Detlef Trefzger
CEO

Our business

The Kuehne+Nagel Group strives on a daily basis to connect people and goods through innovative and sustainable business solutions. Through an integrated management approach, we are adding value to our external and internal customers; contributing to their success in managing business risks and increasing efficiency. The diagram below shows the Kuehne+Nagel Business Unit and Functional Unit Process map, supported by Kuehne+Nagel's integrated management system.

Integrated management system

Integrated Management System

Customer requirements (needs and expectations)

Leadership governance
Strategy, supplier management, KPIs, risk management, improvement, etc.

Sea Logistics

Air Logistics

Core product & services

Road Logistics

Contract + Integrated Logistics

Support governance
(Information Technology, Human Resources, Finance, QSHE, Sales & Marketing, Legal, Compliance, Communication, Procurement, Sustainability)

Customer satisfaction (results and improvements)

Embracing sustainability

Strategy

Kuehne+Nagel's sustainability programme embraces the elements of environmental, social and governance topics. These can be summarised with the following commitments:

- Implement global standards and frameworks,
- Keep the highest levels of ethics and compliance practices,

- Ensure the health and safety of our employees,
- Proactively address climate change,
- Minimise the impact of our services on the environment,
- Defined sustainability targets for corporate and regional management,
- Give back to local communities.

Corporate Governance model

Board of Directors
Receives updates and approves sustainability strategy. Integrates sustainability in overall business strategy

Management Board
Responsible for and implementation of sustainability strategy

Global Head of Sustainability
Provides overall strategic direction

Shared value ambitions by the business

| Zero carbon business | Lead change in ■ Renewable energy ■ Waste/ Recycling | Customer solutions by innovation and technology | Community engagement | Ethics & Compliance | Diversity & Inclusion |

Sustainability Core Panel
Supports Global Head of Sustainability with overall strategic direction*

Sustainability Sounding Board
Acts as a sounding board to the Core Panel. Members are champions and sponsors of sustainability throughout the company**

External policies and frameworks
UN Global Compact – Paris Agreement COP 21 – ISO – IMO – ILO – SBTi – SASB – US Federal Sentencing Guidelines – UK Bribery Act – FCPA

* The Core Panel consists of the Core Products and Services: Sea Logistics, Air Logistics, Road Logistics, Contract + Integrated Logistics
** The Sounding Board consists of the Core Products and Services and the Support Governance (see Integrated Management System)

Sustainability Governance

	2021	Planned 2022
Global Head of Sustainability	3	15
Management Board KNIGL	2	3
Sustainability Core Panel	1	8
Sustainability Sounding Board	–	4

The function Global Head of Sustainability provides the overall strategic direction of Sustainability in alignment with the Management Board.

During 2021 the new function had three meetings with relevant stakeholders such as the Management Board (CEO, CFO; EVP Sea, Air, Road and Contract Logistics, IT and HR), the Sustainability Core Panel consisting of experts from the respective business and functional units. With the Sounding Board consisting of experts, champions and sponsors throughout, we ensure company wide implementation of actions agreed from the set strategy.

In 2021, the company created the position of a Head of Sustainability, reporting directly to the CEO. The key objective of this new position is to design future-proof strategies that meet the evolving needs of customers and deliver competitive advantage through Environmental, Social, and Governance (ESG) best practices — creating sustainable value and driving the low carbon transition.

The topic of sustainability is addressed on a regular basis with the executive management board (KNIGL) including the integration of sustainability in the business strategy and the company's approach with customers, suppliers, employees and other stakeholders (e.g. investors, NGOs, and government bodies).

To assist the Head of Sustainability to efficiently develop and drive the corporate sustainability agenda, as well as effectively capture the individual and collective knowledge on sustainability topics, a sustainability core panel has been set up comprising senior members from each of the business units as well as the sales team. This core panel meets bi-monthly, or as necessary, to review topics and decisions of strategic importance to the company. Two members of the executive management board (representing Sea Logistics and Contract Logistics) have been appointed as sponsors to provide support and guidance to the panel.

In addition, a sustainability sounding board, comprising senior members from all corporate functions as well as senior members from the business operations in all five key regions, has been set up to act as a sounding board to the core panel and to be the champions and sponsors of sustainability throughout the company globally. The sounding board convenes two to three times a year or on an adhoc basis as necessary. Kuehne+Nagel acknowledges that from 2024, the company will be legally bound to report on their climate-related risks following the TCFD guideline and as such, has started to prepare for fulfilling these requirements.

Out of the 17 UN Sustainable Development Goals (SDG), Kuehne+Nagel commits to 10 Sustainable Development Goals (SDGs). Goals that cannot be effectively influenced or with minor impact out of scope, include the SDG 1 (no poverty), 2 (zero hunger), 4 (quality education), 6 (clean water and sanitation), 11 (sustainable cities and communities), 14 (life below water), and 15 (life on land).

These areas are important to our processes and services; we can make progress under the guidance of SDGs and UN Global Compact (UNGC) principles. The respective SDG and UNGC references related to our activities can be found in the GRI/SDG/UNGC Index.

Corporate and regional targets

With reference to sustainability, in particular tackling climate change, the corporate and regional managers have been given measurable sustainability targets in 2021 that were monitored and that have an impact of up to 20 per cent of their actual bonus payment scheme.

KN Trophy

For the reporting year 2021, the company launched a KN Trophy to reward employee-led activities supporting the transition for climate change. This embraced activities in energy efficiency, decarbonisation, waste recycling and paper reductions. All regions participated and reached a high level of employee engagement and support. The winning country of each region was awarded with a prize. More details can be found in section Community engagement.

Sustainability programme

Materiality approach and progress

Assessing stakeholder engagement (materiality matrix)

Materiality 2021
Kuehne+Nagel's materiality assessment is based on a continuous dialogue with stakeholders and we reassess our material issues every two years.

The process of identifying material issues

1 **Inputs**	Identify economic, social and environmental topics with the Executive Board with their experience of importance on the topics.
2 **Assessment**	Evaluate which topics are material to our organisation and stakeholders. Participating stakeholders are from: Executive Board, top and senior management of our organisation, customers, suppliers and Non-Governmental Organisations (NGOs).
3 **Agreement**	Final set of material topics agreed based on analysis of relevance and potential impact and mitigating measures. The final decision comes from the Executive Board.
4 **Reporting**	Sustainability Report

The 2021 materiality review contains the new assessment for 2021. The material topics are divided in four clusters:

■ Governance
■ Value chain
■ Social
■ Environment

The materiality assessment for 2021 included external and internal stakeholders, industry peer research, mapped regulatory risks and macro trends to support establishing a comprehensive sustainability issues landscape.

With reference to macro trends we elaborate and or focus on Zero waste (reduce packaging), Energy harvesting (solar energy), and Clean Tech (Bio fuel, wind). Ethical Consumption is likewise addressed with no plastic campaign and no food waste, and plays a role as a social component of the sustainability mega trends.

The assessment is used to help prioritise our resources and investments in the context of the changing business environment and importance to external stakeholders. We identified four clusters for 16 material issues (see matrix on the following page).

Responsibility: After analysing the issues, the main focus topics in alleviating the potential negative impact Kuehne+Nagel could have on people or the environment are: business integrity; occupational safety and health; employee satisfaction and retention; human rights & diversity and equal opportunities; business preparedness, resilience and disaster response.

Risk: For the risk for our business reputation and financial risk, we identified the following issues: business integrity; customer relations and satisfaction; data privacy and security.

Internal engagement for materiality assessment

We engaged with senior and top-level Kuehne+Nagel executives and employees from all parts of the business (Operations, Compliance, Procurement, Corporate Development, Sustainability Regional Specialists) in an internal survey to hear opinions on which issues are important for Kuehne+Nagel's business. The number of responses was 75.

External engagement for materiality assessment

We engaged Kuehne+Nagel's external stakeholder groups, such as Customers, Suppliers, NGOs in an external survey to provide us with opinions of what issues are important in their relationship with Kuehne+Nagel. The number of responses was 138.

75

responses from our senior and top-level executives and

138

responses from our external stakeholder groups for our materiality assessment

Material matrix and most material topics

Materiality matrix 2021

very important

Influence on stakeholders assessments & decisions

Significance of the reporting organisation's economic, environmental & social impacts

very important

Governance

① Business integrity
② Business preparedness, resi-liency and disaster response
③ Data privacy and security
④ Responsible communication

Value Chain

⑤ Customer relations and satisfaction
⑥ Product and service innovation
⑦ Supplier engagement
⑧ Sustainable supply chain

Social

⑨ Employee satisfaction and retention
⑩ Employee development
⑪ Occupational health and safety
⑫ Human rights, diversity and equal opportunities

Environment

⑬ Waste management and recycling
⑭ Management of dangerous goods
⑮ CO_2 / Greenhouse gas emissions (GHG)
⑯ Efficient use of resources

Ranked issues across internal and external stakeholders:

	Internal stakeholders	External stakeholders
Business integrity	■	■
Customer relations and satisfaction	■	■
Data privacy and security	■	■
Employee satisfaction and retention	■	■
Occupational health and safety	■	■
Business preparedness, resiliency and disaster response	■	
Human rights, diversity and equal opportunities		■
Employee development		■
Product and service innovation		■
Sustainable supply chain		
Management of dangerous goods		
Efficient use of resources	■	■
Responsible communication	■	
Supplier engagement	■	
CO2 / Greenhouse gas emissions (GHG)	■	■
Waste management and recycling	■	■

■ Top six rated issues by internal stakeholders
■ Top six rated issues by external stakeholders
■ Five issues rated with the lowest importance for internal stakeholders
■ Five issues rated with the lowest importance for external stakeholders

Data is presented in order of importance to stakeholders.

Grouping the key topics for internal and external stakeholders reveal a matching of five top rated material topics. Two material topics were ranked with low importance for both stakeholder groups. The rating is relevant to further assess and align the group's activities.

As the scores indicates, here are the top rated issues across internal and external stakeholders:

■ Business integrity
■ Data privacy and security
■ Customer relations and satisfaction
■ Employee satisfaction and retention
■ Occupational health and safety

Defined three issues with the lowest importance for internal and external stakeholders:

■ Waste management and recycling
■ CO2 / Greenhouse gas emissions (GHG)
■ Efficient use of resources

In comparison to the previous materiality matrix made in 2019, governance and social topics outweigh environmental and value chain topics for both groups. The reasons for this shift may be related to the uncertainty of the pandemic development.

In 2021, Kuehne+Nagel committed to the Science Based Target initiative (SBTi) and to reduce absolute scope 1, 2 and 3 GHG 33% by 2030 from a 2019 base year. With this commitment Kuehne+Nagel intends to better communicate and drive the climate change discussion.

# Governance

Business integrity

Ethically Safeguarding Reputation

The Ethics & Compliance Programme
As one of the world's leading logistics providers, our business activity is based on high ethical and legal standards. By considering integrity a key element in our business behaviour, we can foster a sense of trust with our stakeholders and meet our responsibility of being a reliable and successful business partner.

Kuehne+Nagel's Ethics & Compliance Programme is designed to ensure that we comply with both legal and regulatory requirements and our internal standards in addition to other rules of professional conduct.

Our Ethics & Compliance Programme is an integrated element in our business environment that guides all Kuehne+Nagel employees and our business partners throughout the Group, independent of function, geography, or business area.

Our Ethics & Compliance Programme supports us to protect Kuehne+Nagel from negative consequences, such as sanctions or reputational damages. Compliance measures are continuously developed and implemented under risk-based consideration of the principles: prevent, detect and act. The programme and its implementation throughout the organisation is monitored on an ongoing basis. The monitoring will ensure that design, implementation, and related processes are aligned with Kuehne+Nagel's operations in all regions and industries.

Ethics & Compliance Programme

Risk Assessment

Keeping the programme in the right direction, while appropriately allocating resources to remain effective, requires continuous risk consideration. The compliance risk assessment enables us to identify areas of greater attention and, at the same time, support our group risk assessment activity. Compliance risk assessment supports the enterprise-wide risk assessment for ensuring appropriate scoping of efforts and mitigation of risks.

Compliance Key Performance Indicators

A number of key compliance-related performance indicators have been established to monitor the implementation progress across the entire Kuehne+Nagel Group, and identify any remediation needs or required amendments to the programme, to continually improve its effectiveness and application.

Policy Framework

We have introduced a set of constitutional documents that describe the minimum ethical principles applied by our employees at all times. Internal policies and guidelines complement the Code of Conduct to address specific topics and guide our employees on standards and procedures they face in everyday work.

Code of Conduct

The Kuehne+Nagel Code of Conduct determines the minimum general and ethical principles that our employees must apply consistently and continuously in all their business activities. As a result, Kuehne+Nagel can show that it is a reliable business partner worldwide and will protect its business partners, stakeholders, and the Group from adverse effects resulting from its operations: safeguarding our reputation is protecting the reputation of our customers. Every Kuehne+Nagel employee must read, understand and comply with the principles and be fully aware of the meaning and significance of the Code of Conduct and its complementary guidelines.

Anti-Bribery Guideline

This guideline clearly describes and sets out what is acceptable behaviour. It is intended to give Kuehne+Nagel Board Members, officers, and staff members guidance for dealing with the risk of improper payments in accordance with rules stipulated in the Kuehne+Nagel Code of Conduct. It re-emphasises that Kuehne+Nagel will not engage in any form of active or passive bribery and will not tolerate its members or third parties in their relationship with the company being involved in bribery.

Antitrust Guideline

The Antitrust Guideline stipulates and details minimum principles of conduct for competitive behaviour following applicable antitrust or competition laws and the Kuehne+Nagel Code of Conduct.

Gift & Entertainment Guideline

Kuehne+Nagel has introduced this guideline to give its employees guidance and to help them make the right decisions when providing or accepting gifts and entertainment while conducting business on behalf of Kuehne+Nagel.

Conflict of Interest Guideline

Kuehne+Nagel members must exercise objective judgement and act in the best interest of Kuehne+Nagel. This guideline provides specific guidance concerning conflicts of interest.

Making Ethical Principles Work in our day-to-day Life

With the Kuehne+Nagel Ethics & Compliance Programme and its Policy Framework, we have created a value-based environment that is relevant for all our employees. Risk-based designed initiatives and procedures transfer these principles and values effectively into our everyday working environment, some of which are detailed in the following:

Ethical Leadership

We are confident that the day-to-day effectiveness of any comprehensive ethics and compliance programme begins with the leaders, by creating and fostering a culture of ethics and compliance with relevant law and other regulations in all levels of the company. This is why we have made it a target to address Ethical Leadership with the people managers in Kuehne+Nagel.

Progress 2021

In 2021, we decided to hold people managers accountable for improving their team members' awareness of compliance and their knowledge of Kuehne+Nagel's policies and procedures. The effectiveness of a manager's leadership is measured by testing the compliance knowledge of their team members. The team manager's performance rating will be calculated upon the test results, affecting their monetary bonus.

Employees Guided by Leaders and Compliance Personnel

Our Ethics & Compliance Programme guides many ethical situations when conducting business. Our Code of Conduct explicitly describes fostered and non-tolerated principles, and other guidelines provide similar clarity. We continuously qualify our leaders and managers to have the right and practical advice available. Additionally, we have established an internal network of qualified, dedicated, and independent compliance personnel that can be consulted.

Progress 2021

A set of practical aides for leaders to reiterate awareness with themselves and their teams, such as "A Journey with Confidence", "Making Good Choices", and "Tone from the Top", was released in 2021.

Code of Conduct participation rates

in per cent	Target	2021	2020	2019
Live Training	>95	90.1	91	86
Live Training Top and Senior Managers	>99	98.3	98	93
Online Training	>95	93.3	94	74
Annual Confirmation	>95	95.1	98	93

Learning in Compliance

Training Programme

Code of Conduct
The Kuehne+Nagel Code of Conduct mandatory training programme has been designed to ensure that all employees understand the ethical principles applicable in their business activity. It is delivered in a combination of live and online training complemented by an annual confirmation. Key performance indicators have been determined to monitor progress and participation. Reminder procedures and escalations over non-satisfactory performance are in place.

Despite the pandemic crisis, expected participation rates were almost met with the pandemic environment affecting live training the most. Same as in the previous year, the target for the Annual Confirmation was met.

Anti-Bribery & Anti-Corruption and Antitrust Training
Since 2014 and 2015, Kuehne+Nagel employees have been educated in annual waves of dedicated anti-bribery & anti-corruption and antitrust training. This form of training is delivered in live or web sessions to target audiences who are selected based on risk, for example, corporate, regional, or country management teams and other functions such as sales.

Furthermore, in 2021, we emphasised the usage of standardised online training covering anti-bribery & anti-corruption and antitrust topics. For example, a target group of around 3,000 risk-based selected managers were invited to complete two antitrust courses; with basic and advanced content. Moreover, we have updated our online training about conduct in competitors' presence, such as on congresses or in meetings of business and trade

associations. Likewise, on anti-bribery & anti-corruption, additional online courses have been made available in our learning management system for self-enrolment.

Other Compliance Trainings
All other compliance training activities allow flexibility in topics and extended functional and geographic reach across the Group. For example, we have launched a new online course for the high-risk supplier Integrity Due Diligence process or geographic-related gift and entertainment courses.

Practical Aides
In 2021, we launched an awareness campaign, via our intranet pages, with a set of practical aides covering a number of everyday situations for many of our employees, such as "A Clean Start with Kuehne+Nagel", "Competition and Fair Dealing", and "Confidential Competitive Information".

Encouraging a 'Speak-up' Culture and Managing Reported Cases

Confidential Reporting Line
According to the Kuehne+Nagel Code of Conduct, our employees are encouraged to raise concerns over potential issues they observe via various available channels; including the Kuehne+Nagel Confidential Reporting Line, even anonymously if desired, operated by an external service provider, accessible 24/7, and available in more than 100 languages.

Progress 2021
In 2021, we took the opportunity of a service provider change for the Confidential Reporting Line, to reiterate awareness to our employees by putting up newly designed posters with Confidential Reporting Line contact information and updating our intranet pages accordingly.

Allegation Management
Kuehne+Nagel's Independent Allegation Management Committee assesses all incoming reports. Where necessary, professional and independent investigations are initiated in line with our Group Allegation Management Guideline to resolve concerns raised, and remediation applied effectively. These procedures comply with laws and regulations and help detect and resolve issues proactively that otherwise may result in an adverse effect on the Group, its stakeholders, or its customers. Cases with material impact on the Group have been disclosed in our annual reports and media releases, respectively. Reporting issues always helps Kuehne+Nagel solve them effectively and take the right actions to prevent re-occurrence, including applying our Group Disciplinary Actions Guideline.

Progress 2021
In 2021, 220 allegations were coordinated by the Independent Allegation Management Committee. The committee instigated actions for investigation and remediation as needed, including engaging external law firms or forensic experts.

Facts and figures allegation management

	2021	2020	2019
Absolute number of cases	220	323	320
Cases per 1,000 employees	2.8	4.1	3.8
Percentage of incoming reports via Confidential Reporting Line	39	57	69
Percentage of incoming reports anonymously	35	53	61
Percentage of incoming reports of HR* vs. non-HR** matters	53	62	71
Percentage of closed cases with merit	41	40	28

* HR cases include e. g. employment term issues, inappropriate behaviour, discrimination, and conflicts of interest
** Non-HR cases include e. g. improper payments, fraudulent activities, and other issues such as in export controls, data privacy, or competition law

Executing Responsible Tax Management

Kuehne+Nagel is one of the world's largest integrated logistic providers. Kuehne+Nagel strives to be a world-class operator, the employer of choice in logistics, and a good corporate citizen.

Kuehne+Nagel's business activities generate a substantial amount and across various taxes such as corporate income tax, stamp duties, or withholding taxes. Kuehne+Nagel further collects and pays value-added and other indirect taxes and employee taxes. Altogether, these taxes paid form a significant part of the economic contribution to the countries in which Kuehne+Nagel operates.

The Report provides an overview of our Tax Mandate, Code of Conduct and Tax Governance Framework. Kuehne+Nagel believes that responsible tax behavior is crucial for its sustainability strategy.

Tax Mandate and Code of Conduct

Kuehne+Nagel commits to being a responsible corporate citizen. Our Group Tax Mandate includes our obligations to:

- Responsibly manage the Group's tax affairs and protect shareholder value in line with the Group's Code of Conduct;
- Provide adequate tax advice service and business-critical communication to the Group's Audit Committee, Group Management Board, Business Units and other important Stakeholders;
- Maintain a strong tax control environment and tax risk framework that considers current tax law regulations and practice.

Kuehne+Nagel's Code of Conduct sets the expectation for everyone at Kuehne+Nagel and includes the Group's approach to tax.

Tax Governance Framework

Tax Governance Framework is owned by Group CFO, overseen and reviewed by the Audit Committee. The implementation is the responsibility of the Head of Group Tax reporting to the CFO. They inform the Management Board and the Audit Committee as and when appropriate. The reports comprehensively explain the nature of any impacts of implemented business models on tax, the associated tax implications and potential tax audit issues. Updates are provided on governments' tax policies in areas where they may impact the Group.

Tax Principles:

1. Compliance

Kuehne+Nagel acts according to the applicable tax laws and comply with international standards, namely Organisation for Economic Co-operation and Development (OECD) standards. If the letter of the law is unclear, or does not provide answer, Kuehne+Nagel complies with the spirit of the law. Kuehne+Nagel respects the government's right to determine its tax rate and collection mechanisms.

2. Substance, Transparency and Arm's Length Principle

Kuehne+Nagel engages in efficiently structuring tax, which is understood as following the commercial reality from operating its business models. For taxation of profits, Kuehne+Nagel attributes taxable results only where substance and com-

mercial values are created. Kuehne+Nagel understands substance as economically owning assets and actively executing decisions to manage risks associated with this taxable result. Kuehne+Nagel is transparent in its approach to tax. All transactions must have a commercial and business reason. Kuehne+Nagel adheres to the OECD's arm's length principle.

3. Relationship with tax authorities

Kuehne+Nagel constantly aims to develop and sustain a mutually respectful relationship with tax authorities based on trust and transparency.

4. Tax Risk Management

As a large multinational operating company in more than 100 countries, Kuehne+Nagel is exposed to a variety of tax risks as follows:

- Tax reporting and compliance risk: This risk is manifested through failures associated with submission of late or inaccurate returns, claims and elections not made in time or where the finance or operational systems and processes are not sufficiently robust to support tax compliance and reporting requirements;
- Transactional risks: These risks may arise where transactions are executed without appropriate consideration of the potential tax consequences or where advice taken is not correctly implemented;
- Reputational risk: This risk occurs on Kuehne+Nagel's relationship with its stakeholders, such as shareholders, customers, tax authorities and the general public.

These risks are managed as per the following principles:

- Kuehne+Nagel manages these tax risks following its ICS (The International Centre for Settlement of Investment Disputes) similar to operational risks across the Group.
- In addition to its Group's tax oversight role, Corporate Tax provides advice to the Group and its business activities on tax-related issues, undertakes or assists with tax filings, manages relationships with tax authorities and assists in various forms of tax reporting. Internal controls and escalation procedures are put in place to identify, quantify and manage key tax risks.
- Where appropriate, Kuehne+Nagel looks to engage proactively with tax authorities to disclose and resolve issues, risks and potentially uncertain tax positions. The subjective nature of many tax rules means that it may be challenging to mitigate known tax risks. Whenever Kuehne+Nagel's approach is consistent with the principles set out in the tax strategy and where the range of possible outcomes is following the Group's risk appetite, an element of tax risk may arise. As a result, at any given time, the Group may be exposed to financial and reputational risks arising from its tax affairs.

Business preparedness, resilience and disaster response

Mitigating risks

Achieving our strategic and operational objectives involves managing potential and actual risks. The Kuehne+Nagel integrated risk management system addresses these risks across the company's operations. This system helps us align these risks and opportunities with our strategic objectives and protect the organisation from future uncertainties. This is in addition to increasing the probability of success in achieving our corporate goals and improving decision-making across the organisation. It is also an essential element in driving a risk-aware culture across the organisation. More about Kuehne+Nagel's risk management can be found in the Annual Report 2021, page 102.

For more details about the capital market sustainability ratings relevant to us, please see our 2018 Sustainability Report, page 6.

SIX-SVVK Requirements

Kuehne+Nagel follows the Swiss Association for Responsible Investments (SVVK-ASIR) recommendation to act responsibly towards the environment, society, and the economy. Business-critical activities are carefully reviewed and assessed on an annual basis that may potentially jeopardise the aspects of good business practices. For the past year, none of the critical business activities reached a threshold of more than five per cent of the group's annual revenue.

Ensuring business continuity and disaster response

A business continuity and disaster response is essential to be prepared and manage a crisis at occurrence. People, assets and IT infrastructure can be managed in a prepared manner to

Critical business activities

in per cent	of revenue 2021	of revenue 2020
Alcohol	0.7	1.8
Defence/weapons	0.8	1.3
Tobacco	1.1	0.9
Adultery entertainment, coal, firearms, gambling, GMO, nuclear energy, oil sands	–	–

safeguard these by defined processes and responses (fire, flood, earthquake, pandemic, civil unrest, etc.). Every national organisation is equipped with a business continuity plan that is regularly reviewed and updated. As part of governance, the business preparedness, resilience and disaster response is also addressed in the materiality matrix and key for customers and external partners.

Kuehne+Nagel complies with the ISO 22301 Business Continuity Management (BCM) and the ISO 27001 Information Security standards, our global business impact analysis and definition of critical processes. In 2021, we improved our internal Incident Reporting and communication escalation matrix that allows us to better react to potential emergency reports.

During the COVID-19 pandemic, management received reports weekly, to be able to manage the crisis situation on a country, regional and corporate level. At the peak of the pandemic we had 128 locations closed due to national regulations but were able to service our customers from remote/mobile work. Additionally, our crisis communication was updated four times to improve the flow of information.

Target

With the experience from the pandemic and other emergency situations, a work group is proposing potential upgrades and enhancements by 2022, such as for an integrated BCM approach, monitoring training, evacuation and updates of national business continuity plans.

Data privacy and security

Safeguarding data via information security

Our customers, employees, and other stakeholders expect their personal information to be protected with the most excellent possible care, and we take this responsibility very seriously. Ensuring data security and respecting the privacy regulations are our highest priorities.

Requirements for data protection laws in different jurisdictions have become much more stringent in recent years. Implementing the European Union's General Data Protection Regulation (GDPR) has resulted in additional rules that companies are obligated to meet when they process personal data. The Kuehne+Nagel Privacy framework sets out six privacy principles that all employees must respect, wherever they are in the world: reasonable care, purpose limitation, reasonable restriction, transparency, and openness about where personal information is stored and used, choice and consent, and privacy by design.

As the data privacy programme transitions from implementation to business operations, we will monitor and audit the activities and processes of the privacy governance in all entities.

Target
We consider identifying and managing data protection risks at the processing level to ensure that they are measured, monitored, and mitigated in our critical operations.

The results of this analysis form the basis for managing and minimising risks. They enable us to adopt a risk-based approach to further develop our privacy-related risk management. The acceleration of digitisation driven by the COVID-19 crisis brought new challenges for data protection.

Our approach includes improving transparency regarding the use of personal data and a better understanding of the risks related to the processing of personal data. Looking forward, we will continuously aim to improve to ensure compliance with

GDPR and will review updates on the Kuehne+Nagel Privacy framework, applicable rules, and privacy guidance to respect to needs of regulatory changes and court decisions. We will also increase awareness of data protection-related issues within the Group, including requirements for international data transfer.

Progress 2021
Our data protection management system enables the systematic planning, implementation, and continuous monitoring of measures to comply with data protection regulations. It is based on the applicable data protection regulations.

We also enrolled in a global computer-based data privacy training for all employees processing personal data.

Incidents relating to data protection that occur in processes subject to the provisions of the GDPR are handled by the data protection department, which is supported in its investigations by local incident support.

Responsible communication

Stakeholder engagement and dialogue
Our company fosters a transparent and close dialogue with our stakeholders. This involves the evaluation of how our business impacts the environment and the communities we work in. Kuehne+Nagel established a programme to effectively support the flow of communication with stakeholders. Since 2016, Kuehne+Nagel has established a sustainability programme to support communication with stakeholders and to improve its processes in all areas of business. The company encourages its stakeholders to address the issues.

Industry partners
Global industry initiatives are of great importance for Kuehne+Nagel. They provide a sound platform to exchange ideas and best practices based on a dynamic dialogue.

Reporting standards and normative sustainability frameworks

Sustainability reporting	Global partnership	Target settings	Sector initiatives	Ratings	Sustainability Index
Global Reporting Initiative (GRI)	UN Global Compact (UNGC)	Science Based Targets (SBTs)	Clean Cargo Sustainable Transportation (CCST)	Sustainalytics	Swiss Stock Exchange (SIX)
Sustainability Accounting Standards Board (SASB)	Sustainable Development Goals (SDGs)	Greenhouse Gas Protocol (GGP)	Global Logistics Emissions Council (GLEC)	EcoVadis	S&P Global
International Organization for Standardization (ISO)			SmartWay Transport Partnership		
			Global Maritime Forum		
			Euro. Assoc. for Forwarding, Transport, Logistics and Customs Services (CLECAT)		
			Ocean Conservancy		
			Development and Climate Alliance		

Relationship with stakeholders

Stakeholders groups	Key issues of interest	How we engage	Location in report
Employees	■ Training and development ■ Health & Safety ■ Employee satisfaction and retention (benefits, consultation) ■ Diversity & inclusion	■ Daily interactions between managers and colleagues ■ Career development framework ■ Learning management system ■ Employee survey ■ Townhalls/ internal communication ■ Performance management process ■ Code of Conduct	Social section
Customers	■ Climate change and carbon ■ Customer service ■ Data privacy and protection ■ Quality, security and responsibility in delivery and implementation	■ Daily customer engagement ■ Customer satisfaction survey ■ Audits ■ Customer events ■ Code of Conduct, data privacy and protection, and security policies	Customer relations and satisfaction Preserving cargo security Data privacy and security
Investors	■ Economic performance ■ Responsible communication ■ Transparent and ethical corporate governance	■ Annual General Meeting (AGM) ■ Road shows, investors and analyst meetings ■ Annual Report ■ Code of Conduct ■ Corporate website ■ Financial press releases, social media	Annual Report Responsible communication
Suppliers and partners	■ Ethical and social standards ■ Long term partnership ■ Fair payment terms	■ Procurement policies ■ Audits and risk assessments ■ Supplier Code of Conduct ■ Trainings ■ Evaluation and approval (Supplier management system)	Supplier engagement
Communities/ Non-governmental organisations (NGOs)	■ Ethical, social and environmental practices ■ Community partnerships	■ Meetings and progress reports via industry organisations (UN Global Compact, EcoVadis, …. ■ Social media ■ Community service	Environment section Community section

**Management engagement with investors
(2019 – 2021)**

Events

2019	27
2020	38
2021	31

**Management allocation/participation
(2021 – 2019)**

Management allocation/participation*:

2019	71
2020	88
2021	70

* Management allocation/participation = number of KN representatives (CEO/CFO/IR) x dedicated days;
  each engagement attended by one or more KN representatives.

Overall activity level 2021 relative to 2020
moderated as 2020 activity reflected inten-
sified communication with the market due to
the pandemic and related market volatility.

Value Chain

Customer relations and satisfaction

2021 was a year of adjustment and re-focusing our efforts to choose the best channels to gather feedback from our stakeholders, to enhance our culture and discipline of response, analysis, and continuous improvement.

Kuehne+Nagel's value chain is reflected in the integrated management system approach which is presented on page 4.

In 2021, Kuehne+Nagel conducted different digital initiatives to improve customer satisfaction, such as in-depth research surveys, localised one-click feedback tools, and continually enhancing our myKN platform to collaborate with customers and partners.

Through our in-depth research surveys, we invited more than 10,000 customers around the globe to better understand their particular needs and requirements to improve the service experience across our business and functional units. While using our localised one-click feedback tool in different countries and regions, we received more than 17,000 responses that allowed us to get real-time information on how to improve our customer experience. Along with these initiatives, we continued to enhance myKN, Kuehne+Nagel's digital platform, to enable a permanent dialogue with our customers. In 2021, we increased active users by 25% compared to the past year, and one out of three utilised the platform once per day. This allows the user to have self-service access to different information in real-time.

Our focus for 2022

Now, more than ever, the fast-changing environment requires swift and effective customer responses. We have identified the need for a simple tool that allows our customers to give feedback at any time and helps our Kuehne+Nagel teams to respond and resolve issues quickly. In 2021, we made additional developments and improvements to our existing tool and will roll it out globally to our operative teams in freight forwarding.

In addition to this tool, we aim to deeper understand our customers' needs by boosting our communication through in-depth surveys and structured conversations that further improve our service culture.

Partnership with customers:

- Seaexplorer is Kuehne+Nagel's online solution for seafreight. It offers customers complete transparency about the CO_2 emissions of each container ship, regardless of the shipping company. By selecting environmentally friendly services, customers can reduce their CO_2 emissions while also considering other parameters like transit time and reliability.
- Coalition for the Energy of the Future in Transport and Supply Chain. We joined the Coalition for the Energy of the Future in 2021. The Coalition aims to speed up the development of future energies. Their goal is to support future green mobility models and reduce the impact of transport and logistics on climate change.

- COP 26 – World Climate Foundation The UN Climate Conference in Glasgow (COP 26) has united many countries in autumn 2021. They all have a common goal: a more sustainable future. The conference wants to accelerate action towards the goals of the Paris Agreement. In the course of COP 26, Kuehne+Nagel participated in several panel discussions on reducing shipping emissions and accelerating the green transition and technologies through partnerships.

Air Logistics is working to offer low carbon solutions for customers.

Kuehne+Nagel wants to offer customers the option of moving their air freight, globally, without carbon emissions. In November 2021, Kuehne+Nagel successfully introduced the choice of providing the SAF100-option on all quotes (offline and online quotes).

For more information visit https://newsroom.kuehne-nagel.com/kuehne-nagel-becomes-the-first-air-logistics-provider-to-offer-customers-sustainable-fuel-option-for-all-shipments/

With this, Kuehne+Nagel is not only presenting the possibility to retrospectively substitute used fossil jet fuel kerosene with SAF, but is now offering this option for individual shipments during the quoting process. The conversion of our Air Logistics business into a Low Carbon Emission business has begun!

Product and service innovation

Preserving cargo security

Kuehne+Nagel's security organisation constantly strives to secure legitimate international supply chains, foster international trade of its customers, and safeguard its employees, business partners, and entrusted goods from acts of unlawful interference.

Progress 2021

Kuehne+Nagel is a member of the Authorised Economic Operator (AEO) supply chain security programme sponsored by the World Customs Organisation, to facilitate international trade by granting customs privileges to its members. In 2021, Kuehne+Nagel expanded its AEO network to 41 countries, newly added members are India and Turkey.

Kuehne+Nagel constantly analyses threat scenario changes and modus operandi most frequently used (e.g. armed hijacks, warehouse intrusions, fake carriers) and implemented enhanced risk mitigation measures, thus leading to a reduction of security incidents by 15% and 7% in loss values. The overall number of security incidents reported in 2021 decreased by 15% (in comparison to the previous year), and the commercial loss value in the same reporting period decreased by 7%.

During the COVID-19 pandemic, Kuehne+Nagel globally transported approximately 1 billion doses of COVID-19 vaccines without a single security incident.

Target 2022

The aims is to further reduce the number of incidents and the loss of customer assets by 5% (base line 2021). The focus will be on Security awareness training, handouts for truck drivers moving theft attractive goods, and usage of secure parking places in Europe (Kuehne+Nagel is a member of the EU Working Group).

Trade control

Kuehne+Nagel, as one of the leading global logistics service providers, is required to comply with all applicable laws and regulations, which encompass international trade control laws and regulations, trade restrictions, and sanction regimes. Kuehne+Nagel aims to mitigate these trade control risks by:

- Screening the parties Kuehne+Nagel is doing business with, and
- Screening the parties to our customer transactions (shipments) against these applicable international restricted persons and parties lists.

Development incidents by year
Number of incidents

Year	Incidents
2017	440
2018	558
2019	461
2020	443
2021	377
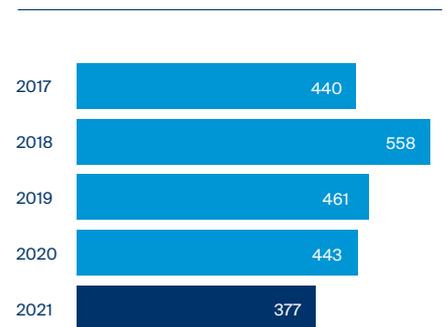
41

Kuehne+Nagel countries are now in the AEO network, newly added members include India and Turkey

Theft by product type
in percent

Other 12
Pharma 6
Industrial 10
High-Value 1
High-Tech 49
FMCG & Retail 15
F & B 6
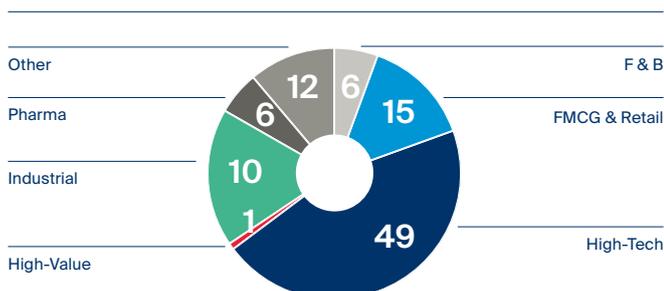
Commercial loss value by product type
in percent

Other 9
Pharma 2
Industrial 7
High-Tech 57
FMCG & Retail 16
F & B 11
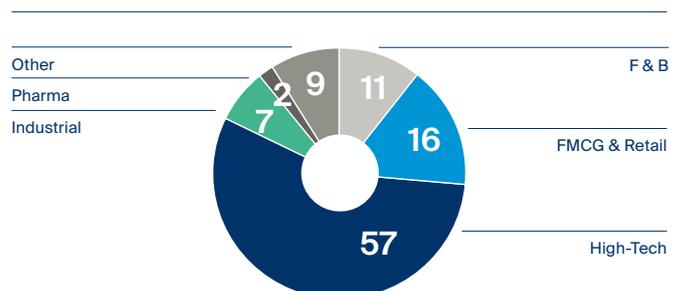
For this purpose, Kuehne+Nagel's transport management systems have been interfaced with an internally hosted screening application. The annual volume of interrogations performed against these international restricted persons and parties lists amounts to approximately 475 million. When the screening application detects a match, an investigation request is automatically triggered and investigated further to comply with trade control laws and regulations.

KN Docs — Standard for integrated document & e-file solutions in Kuehne+Nagel

In 2021, Kuehne+Nagel completed a strategic quality initiative to implement a global digital document and e-file platform. This platform offers several solutions for different use-cases within the organisation, boosting efficiency, digitalisation, communication, and standardisation.

In addition, our operations and customers benefit from having a platform that globally collects all our policies, guidelines, Standard Operating Procedures (SOPs), and working instructions centrally maintained that is also computer system validated (CSV), to meet the most strict regulations in pharma and healthcare.

The platform contains many more solutions, such as the Human Resources filing solution enabling our Human Resources organisation to effectively manage personal e-files, several legal and compliance solutions, and an internal communication solution for official CEO messages. With high scalability and flexibility, we will most likely continue to add new solutions in the future to strengthen internal collaboration further to serve our customers best.

Supplier engagement

Managing and partnerships with our suppliers

Kuehne+Nagel requires our suppliers to adhere to compliance obligations, relevant regulations, rules, work instructions and safety measures at all times. We ensure to work only with authorised and reliable business partners that comply with global, regional and local legal regulations.

As a global company, standardised processes are in place to manage our suppliers. We manage the risk of supplier non-compliance with the Supplier Code of Conduct, and evaluation of every supplier carried out with the help of the Supplier Management System (SMT). SMT is a web-based application of suppliers across Kuehne+Nagel's business units covering operational, legal, and compliance criteria.

Target and progress

With the vendor management systems in place, Kuehne+Nagel has identified 46,800 approved suppliers.

Kuehne+Nagel is in the process of developing new supplier questionnaires to obtain responses for environmental aspects. An additional task is to review existing questions for social aspects to improve the selection of the suppliers and safeguard our customers' trust.

Evaluation of high risk third parties

Suppliers significantly contribute to the business activities delivered to our customers. Evaluating and assessing supplier risks is the basis for safeguarding our customers and, eventually, ourselves and our stakeholders. Those suppliers rated high risk are mandatorily expected to be approved through our Integrity Due Diligence process, including professional business intelligence activities and mandatory supplier requirements to complete online anti-bribery & corruption training. The Integrity Due Diligence process specifically focuses

Integrity Due Diligence
Total number of approved high-risk suppliers at year-end

Year	Value
2019	673
2020	676
2021	635

on suppliers who interact with government officials on behalf of our business, such as customs brokerage services. We establish reasonable and adequate safeguards to mitigate any such exposure. Integrity Due Diligence is first applied in onboarding suppliers assessed as high risk and continuously updated throughout the business relationship. Global monitoring and suspension procedures are in place for ensuring the operational effectiveness of the process at all times.

Progress 2021

In 2021, we have updated the supplier Integrity Due Diligence questionnaire to increase process efficiency and added a mandatory supplier requirement for completing provided anti-bribery & corruption online training.

As outlined in the Code of Conduct, Kuehne+Nagel opposes any form of child labor. No children are being employed in our warehouses nor exposed to hazardous work. The earliest age children are employed is when they enter apprenticeships, which is always according to local laws and requirements.

Sustainable supply chain

Sea Logistics approach

CO2 calculator Project Logistics in One Global System (OGS)

From planning to delivery, One Global System (OGS) provides a transparent, efficient, and simple way to manage the entire supply chain. It has multiple modules that offer a broad suite of functions, giving complete supply chain visibility. With the included project logistics emission calculator, customers can efficiently analyse each shipment's energy consumption and CO2 emissions under all key transport modes. Based on the energy consumption data from EcoTransIT, customers can view the estimated emissions of each project's logistics-related shipments, no matter if shipped by sea, air, or road. An interactive emissions dashboard allows viewing and analysing of data and integrated analysis functions, to examine trends based on specific units or vessels, transport types, shipping priorities, trade routes, or specific purchase orders. More information: https://home.kuehne-nagel.com/-/services/project-logistics/co2-emissions-calculator

Biofuel in Sea Logistics

Biofuel is an effective way to instantly reduce CO2 emissions in the sea freight industry. Kuehne+Nagel's Biofuel concept is based on the 2nd generation of Biofuel, also called "Used Cooking Oil Methyl Ester" (UCOME). UCOME doesn't require farmland, and it doesn't interfere with food cultivation as it is made of waste: waste oils, fats, algae, biomass, or waste feedstock. We are working directly with leading ocean carriers.

Our approach allows instant reduction of CO2 emissions from the entire supply chain as Kuehne+Nagel allocates fully traceable Biofuel contingents to cargo. It will enable to avoid 90-100% of CO2 emissions instantly. We are pleased that the Biofuel Concept was well received in 2021. More information: https://home.kuehne-nagel.com/-/services/sea-freight/biofuel

Business Case: Plastic Free Warehouse

Overall targets of plastic-free warehouse by end of 2022

- Reduction of 500 tons of plastics packaging materials p.a.
- 100% recyclable or recycled plastics packaging materials
- Reduction of 2,000 tons of CO2 emissions related to plastics packaging materials p.a.

4R Activities of sustainable packaging

- Reduce the overall consumption of plastics packaging materials,
- Re-Use packaging materials and implement re-usable solutions,
- Recycle packaging materials and use materials made from recycled plastics,
- Replace conventional plastics packaging with paper- or biobased materials

<1,000
tons of CO2 emissions were saved

Other achieved savings in 2021 by applying the concept of plastic-free warehouse:

- more than 350 tons of plastics packaging were reduced
- more than 100 packaging operations were optimised

Business case: Go-live of major photovoltaic project at Kuehne+Nagel Luxembourg

Pursuing the
energy transition

Luxembourg is making great strides in terms of its energy portfolio. Kuehne+Nagel is joining the government in its pursuit of energy transition by putting the roofs of its two newest warehouses at the disposal of Evonos, Luxembourgs main energy supplier for a brand new photovoltaic installation.

Investing in solar energy

The future of Luxembourg is looking green! No less than 17,000 solar panels with a power of 6,300 kWp will now generate 5,900 MWh each year. The impressive installation is the biggest project of Evonos and in Luxembourg to date.

17,000
solar panels on the roofs of KN Luxembourg can power about 1,500 homes!

Business case: Photovolatic (PV) installations

Month	sqm equipped with PV systems	Sites	Countries	% of current footprint	*KWp
December 2020	700,000	23	10	8.50	24,686
December 2021	894,000	32	15	11.23	30,700

* KWp: Kw "peak" - maximum energy installed capacity

Implementing the LED roadmap

According to the agreed roadmap, Kuehne+Nagel continued efforts to improve the LED footprint further. With precise planning and full engagement of all involved colleagues and external partners, we have been able to reach our target during the challenging year behind us. The targeted 70% of the portfolio equipped with LED reached the spot in 2021. For 2022, another 5% increase is considered achievable to further decrease Kuehne+Nagel's environmental impact linked to the light installations.

Implementing the LED roadmap

Target 2022
5,800,000 sqm

LED footprint 2021 *
5,400,000 sqm

LED footprint 2020
4,800,000 sqm

75%

70%

54%
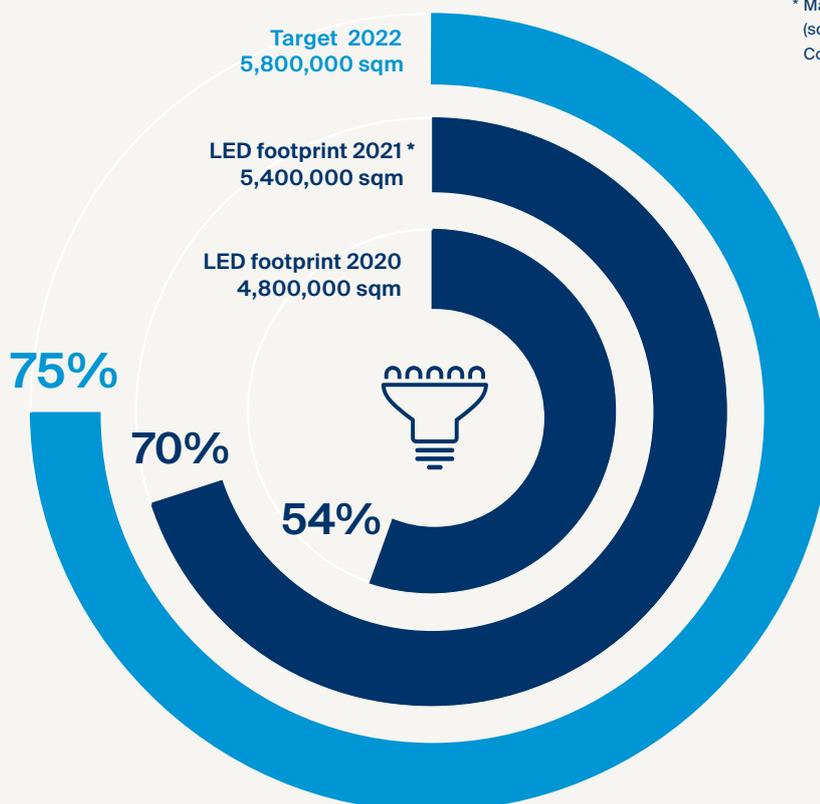
* Main impact for reducing the surface (square metre total) is the sale of the UK Contract Logistics business, project BLUE.

Social

Employee satisfaction and retention

In 2021, Kuehne+Nagel experienced unprecedented challenges in global supply chain demands. This also resulted in huge expectations and demands towards employees. Following the 2021 survey results, we already learned that we needed to place a specific focus on addressing the inclusivity challenge, support mental health issues and better manage work-related stress. Consequently, tremendous efforts were put into targeted communication with our employees, by equipping our leaders to address these challenges and helping manage employee expectations. All this needed to be achieved, while most of our employees had to work remotely. The following approach was taken:

- We developed a Leadership Library that our managers could access. Specifically, we supported them in addressing the leadership challenges of best managing teams remotely, focusing on communication and inclusive management of teams.
- We trained many of our employees to become Mental Health First Aiders and equipped managers to better recognise first signs of mental health issues amongst their employees. Also, we offered training to manage work-life balance-related challenges better and asked managers to proactively communicate with their teams on these topics.
- We used our global platform Care, dedicated to our Kuehne+Nagel culture, to communicate with employees on topics identified in the 2020 Future of Work survey. Within each country, the organisation then specifically addressed and communicated with their employees on the issues highlighted using dedicated Care tools for optimal implementation.
- We developed a standardised global approach to remotely onboard new employees, already weeks before their

first day of joining Kuehne+Nagel. Now, every new employee who signs an employment contract can access the new Onboarding App. Thanks to this app, we start to communicate with the new joiners even before they join, connect them with their teams and introduce them to our company culture. The new joiners' first feedback on this app is very encouraging, with a favorable rating of 4.6 out of 5.

Another huge success in 2021 was the active involvement of all our employees in addressing our recruitment challenge. With the rise in logistics challenges, we needed to recruit new employees in a difficult employment market. A global 'Referral Programme' was developed and launched. Now employees worldwide can refer candidates to any vacant position, using their networks to communicate with candidates.

Target 2022
Given our bold company goal: to be the best company to work for and with, our ambition to create a unique candidate and employee experience remains unchanged.

With all Human Resources initiatives, we will introduce in 2022, creating the best employee experience possible is at the core of everything to:

- Provide easy-to-use digital services as well as more sophisticated data-based HR-services to the business.
- Strengthen our Balance+Belonging agenda further through three defined initiatives.
- Introduce our new global behaviors model and
- Support implementation of enhanced working platform in 2022,
- Implement a modern, country-based holistic plan of a high-performance organisation.

Employee satisfaction and engagement will be measured again in our 2022 employee engagement survey, and we aim for a further improvement of our Employee Net Promoter Score (eNPS) of 2% points. We will also conduct an engagement survey for all our operational colleagues for the first time. The efforts on employee satisfaction should reflect on our unwanted attrition rate, which we aim to reduce overall by 5% compared to 2021.

Our new onboarding App aims for a satisfaction level of 4.5 and higher from the feedback of all new employees. This, together with the newly introduced 'Buddy-concept,' will, in return, impact the level of unwanted attrition amongst new joiners.

Benefits
(life insurance, health care, disability and invalidity coverage, parental leave, retirement provision) are provided to our full-time employees, except for the benefit of stock ownership reserved to selected high performers across the ranks. In some countries, e.g., US, Brazil these benefits are also provided to temporary or part-time employees according to local laws and regulations.

In addition, when it comes to health, Kuehne+Nagel also recognises the importance of focusing on mental health, which has become more and more critical since the pandemic. In recognition of this vital topic, Mental Health First Aiders are being trained, supporting services have been set up, and targeted campaigns have taken place around the globe.

Employee development

Training and education

At Kuehne+Nagel, we provide a holistic view of people development, following the employee lifecycle of Apply, Join, Learn and Develop, Perform, Promote, Exit, Awareness, and Interest.

We firmly believe that continuous assessment of competence, provision of feedback loops, and creation and completion of individual development plans are essential elements of high performance.

Performance Evaluation 2021

	Count	Total	Total
Gender			
Male	19,071		21,750
Female	18,210		21,568
Category			
Employee	30,191		34,627
Manager	7,781		8,691

Count Total
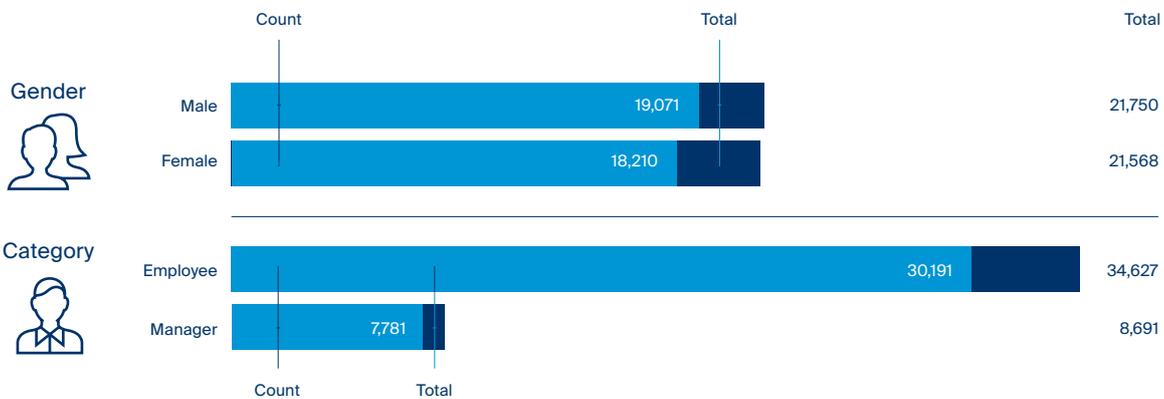
43,318
Total participants

Due to couple of major acquisitions during 2021,
not all the employees were part of the performance program.

Here are some of the activities we do:

Apply

We endeavour to provide applicants with clear role descriptions, allowing them to reflect and assess their competence. A robust and fair selection process is in place, starting with our internal succession pipeline.

Join

A digital onboarding process kick-starts 30 days before a new employee joins the organisation. For over four weeks, information is shared about the organisation, the team, the culture, ensuring a positive start. Furthermore, we deliver a structured induction according to role and responsibilities. Systems, tools and process training, understanding the internal network, supplier management, Care (our service mind-set) are covered topics, providing a solid baseline for success.

Learn and Develop

Our strong standing in logistics and supply chain depends on the skills, knowledge, and experience of our 78,000 specialists worldwide. With this in mind, we provide a robust platform of development aligned with the learning model below.

We have an eco-system of trainers, facilitators, experts who run formal and informal sessions for learning. We have an online learning platform, also available on demand for our employees, instilling a self-learning culture.

Globally, an extensive Service Action Training has been rolled out for all colleagues working in our Customer Care Locations for Air and Sea Logistics. Our employees receive extensive training to improve their skills at the regional level. For example, in 2021, Asia Pacific conducted 38 training and workshops covering diverse areas, such as an update on new legislation for the Chinese legal team, dangerous goods regulation courses for Air Logistics in Hong Kong, or safe forklift usage for the Sea Logistics colleagues in Malaysia.

Perform. Promote. Exit.

Our Performance and Potential Review (PPR) Process provides the framework for performance discussions and is one of our promotion and succession practices pillars. Strengths and areas of development are reviewed, completing the continuous development loop.

A Performance Improvement Process is triggered when under-performance occurs. Agreed actions are set into motion to provide support.

Awareness and Interest

Kuehne+Nagel has a communication and collaboration platform called myKN. This allows for easy exchange for awareness and interest in various topics – community outreach programmes, balance, and belonging, cultural exchanges.

Experiences:
New and challenging experiences; solve problems; help others

Exposure:
Communities; Network; Sharing; Coaching; Mentoring; Feedback

Education:
Structured courses and programmes
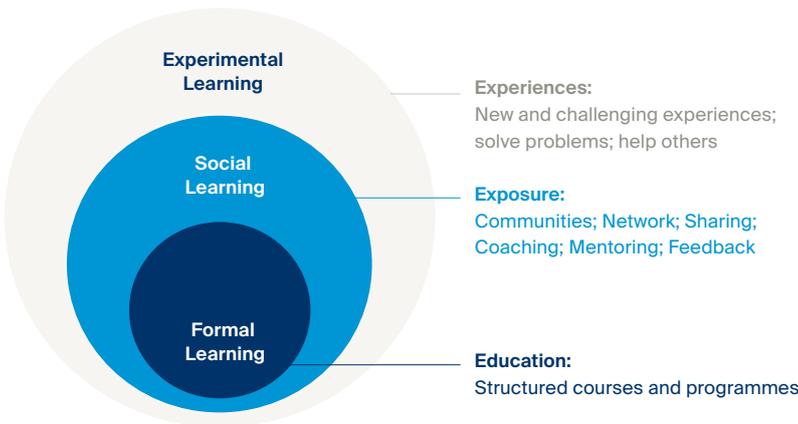
An Employee Assistance Programme is part of Kuehne+Nagel's benefit offering worldwide. This comprehensive cover provides confidential assessments, counselling, referrals, and follow-up services to employees with personal and/or work-related challenges. Providing support for continued employability in the event of termination and advice on career retirement is one of the offerings in this programme.

Every region is dealing with exiting colleagues differently. One good example is the South America region, where business reasons outplacement programs are in place to support labour reinsertion of potentially affected colleagues, including extensions of health plan coverage for the incumbent and family members.

Target 2022

With the already mentioned above initiatives and programmes for employee development, our organisation will further contribute towards the reduction of youth not in employment, education or training. The development of each single one of our employees is pivotal for the success of Kuehne+Nagel worldwide. Young talents are our future and our hope of thriving and succeeding in the coming years. The target is to increase intern intake by 15 per cent, globally by 2030.

Our focus will be on analysing current practice per region, implementing the baseline across the globe, and building processes to track intake and conversion rates increases. The main key stakeholders included in the target are regional and national management, our Human Resources community, and all managers. One of the defined challenges is the lack of attraction due to the industry and the brand attractiveness. Creating a path to a suitable selection of universities and government bodies for funding where available, we can bridge the challenges and accomplish the milestones.

Kuehne+Nagel Italy Young Talent Academy First Edition

The program is designed to enable younger workers to grow cross-functionally within the organisation. It lasts up to 18 months, having started its first edition from the end of June 2021.

Who are targets of the program?
- All junior level employees flagged as "Star", "Best Fit" or "Grow", with at least 1-4 years of professional experience and a minimum of 1 year in the organisation.
- Most of all, young talents who are curious, ready to welcome any challenges and eager to shape their future, having a clear commitment to the program and to the time it requires.

Starting from the PPR results, Kuehne+Nagel Italy National Management Board identified the group of 16 most talented profiles coming from different Business Units and Functional Units, who just started their journey as part of the Young Talent Academy.

What does the program entail?
The program is a 360-degree experience, which allows our young talents to benefit from cross-functional growth with a multi-modal approach: module attendance + project assignment + internal role change. Furthermore, each participant will receive a mentor, who, starting from the results of a Professional Development Assessment, will guide them in their journey throughout the program. How to make it more interesting? KN Italy included digital savvy modules:

- Digitalisation
- Project management
- Analytics

Teamwork will be a fundamental part of the program as well. Participants will engage in a six-month group project, culminating in a presentation to Kuehne+Nagel Italy National Management Board. Last, but not least, the program includes an internal role change within the end of the program.

Occupational health and safety

Our Safety and Health Management System (SHMS) continuously evaluates the status of our work environment while fostering its continuous improvement.

The occupational SHMS and its content are applicable for all Kuehne+Nagel entities worldwide. Risk Assessment of the location and its operations determine the boundaries of this system. The effect of operations on the environment and surrounding of the premises (including people) is taken into account. The hazards and effects management process identifies and assesses:

■ (Workplace) Safety, Health and Environment hazards (SHE hazards).
■ The risk they form to people, environment, assets (damage), and the risk for negative impact to Kuehne+Nagel's reputation.
■ Control and recovery measures to manage the risk.

The process also monitors the implementation of control and recovery measures. It maintains a documented demonstration that (significant) HSE risks have been reduced to a level that is As Low as Reasonably Practicable (ALARP). Management Review, Incident Investigations, and audit results are used to monitor the implementation of the above process.

In the Safety and Health statement, signed by the CEO, we require all employees and suppliers to adhere to all compliance obligations, relevant regulations, rules, work instructions, and safety measures at all times. We also urge employees in our operations to intervene (STOP) when unsafe situations are seen and report them, so corrective and preventive actions can be taken. Reporting of these situations can be done (anonymously) in the online reporting tool the HSE-app.

Progress
We remain consistent with our journey to NO HARM. Reporting unsafe situations and launching KN Safety Anchors, our safety performance reached an all-time low and the Lost Time Injury Frequency (LTIF) continues to trend downwards.

Our focus is on Unsafe Acts and Unsafe Conditions. Countries that use the HSE-app can analyse and improve performance. Improvement actions in 2021:

■ Implementation of HSE-app in Germany and France for reporting of Unsafe Acts, Unsafe Conditions and Positive Observations.
■ Analysis of recorded data and identification of improvement actions at location, country, region and global level.
■ Launch of Safety Anchors Introduction (Computer Based Training in MyLearning).

Safety Anchors
Have been developed to raise awareness of safety and health in our operations. Make sure you follow them, it may save a life!

Driving Safely

Work Authorisation

Safety Controls
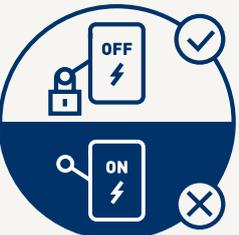
Energy Isolation
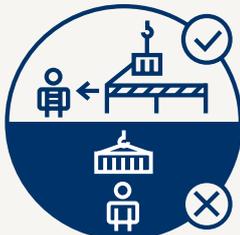
Lifting Operations

Line of Fire
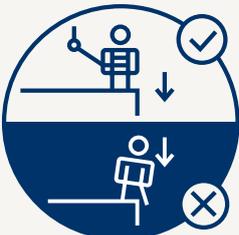
Working at Height

Fatalities in 2021

Corporate, regional and national management is informed of every single fatality, be that Kuehne+Nagel employees or 3rd party. Respective investigations are triggered and collaboration with authorities conducted to ensure lessons learnt are communicated and trained, with underlying causes corrected. We deeply regret these incidents and we sent our heartfelt condolences to the families.

Target 2022

All work and non-work-related incidents will be recorded through the HSE-app by 2022, allowing full transparency of root causes to initiate preventative actions and communication to reduce risks globally.

Unsafe Acts / Unsafe Conditions reported in HSE-app
in 2021

13,243 Unsafe Acts

22,921 Unsafe Conditions
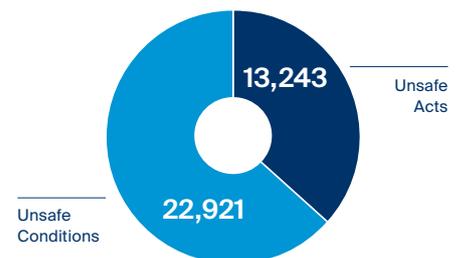
Fatalities in 2021

Business Unit	Location	Description	Employed by
Road Logistics	Germany	Truck driver got fatally injured in a road traffic accident in Germany	Kuehne+Nagel
Road Logistics	Mexico	Truck driver got fatally injured in a road traffic accident	3rd party

Some Kuehne+Nagel employees were infected by COVID-19 and unfortunately 18 of our employees passed away in 2021 due to COVID-19 infections. The COVID-19 restrictions (distance and skeleton teams) did have a negative impact on the reported unsafe situations, but had a positive impact on the number of incidents. Fewer incidents happened.

Our condolences go likewise to the families that suffered the loss of a loved one caused by COVID-19 pandemic or faced a tragic accident as mentioned above.

During the reporting period there were four HSE violations reported that resulted in penalties and are publicly available.

It is Kuehne+Nagel's ultimate goal to fully comply with the set standards and available regulatory requirements and to ensure that staff are duly trained and skilled for the jobs they perform. Nevertheless, during the reporting period there were four HSE violations reported that resulted in regulatory penalties.

They can be summarized as follows and are publicly available. Respective corrective actions were executed and duly evidenced.

Reported HSE violations

Date	Location	Root cause	Penalty	Corrective action
24 Mar 2021	Salt Lake City, UT/USA	Not reporting of a back and leg injury within 8 hours	USD 500	National communication to reinforce incident notification requirements
02 Jul 2021	Whitestown, IN/USA	Missing fire extinguisher signs, emergency stops for conveyor	USD 2,500	Comprehensive safety assessment with State resources INSafe
18 Jun 2021	Los Angeles, CA/USA	Eight violations identified by CFI (a company of Kuehne+Nagel)	USD 15,170	COVID-19 action plan was strengthened. (violations currently contested and under OSHA review)
11 Dec 2021	Seoul, Korea	Safety harness was not put on	KRW 4 million	Reviewed safety cage and harness with 3rd party and sent back for training

Human rights, diversity and equal opportunities

When asked where Kuehne+Nagel should focus its efforts to become the "best company to work for," employees overwhelmingly chose three priorities, providing leadership with a clear mandate for investing in solutions:

- Work/Life Balance + Well-being (29 per cent of employees)
- New Ways of working, including both team dynamics and technology (29 per cent of employees)
- Opportunities for growth and career progression, with diversity, inclusion and equity in mind (21 per cent of employees)

With our employees' feedback, the organisation guides the future on the right path.

Enforcing human rights

Kuehne+Nagel is fully committed to adhering to all Global Human Rights Principles issued by the United Nations. All employees respect them, and we expect our partners and suppliers to also adhere to them.

In our effort to make Kuehne+Nagel the best company to work for, our cultural transformation program Care puts emphasis on generating an open feedback culture. Our staff is encouraged to connect with their managers and/or local HR if they feel unwell in their work environment.

Regional and country-level awareness has increased over the past two years thanks to a better definition of discrimination published in 2020 in an internal Diversity & Inclusion Policy. This led to the introduction of local processes to address workplace-related discrimination cases further. One example would be the United Kingdom, where in addition to conventional grievance processes, specific procedures have been introduced to deal with cases of bullying and harassment.

There is also a review to ensure all issues of dispute can be addressed even before a formal procedure has to be started. In addition to remediation activities, we are confident that an open feedback culture allows Kuehne+Nagel to manage these cases even better in the future. Furthermore, concrete measures and training are currently being further developed in the regions to avoid or at least limit situations of discrimination at Kuehne+Nagel.

In addition to these local processes, Kuehne+Nagel employees can report alleged discrimination to the corporate departments via the well-established and known Confidential Reporting Line (see a separate chapter in the Ethics & Compliance section of this report). Concerns can be escalated every day of the week, any time of the day in a secure – if desired – anonymous way.

Progress

- In 2021, Kuehne+Nagel reviewed the current General Employment Conditions document, which included updates on existing covered topics and added new information on maternity leave, paternity leave, military service, and years of service in the organisation. The document is valid together with the Code of Conduct, where it addressed Kuehne+Nagel's commitment to human rights, diversity and inclusion, health and safety, and employee relations. The plan is for the new document to be available in 2022.

Long-term target

- Create a workplace where every employee feels they belong. Build on current practices in the workplace so employees continue to feel they belong. The focus will be on the baseline of the Future of Work engagement survey and identify opportunities for improvements, review phase of the employee

Kuehne+Nagel claims to adhere to the highest ethical and legal standards regarding freedom of association.

The regional management of North America decided to start a specific training campaign in 2020. This "Anti-harassment" campaign launched as dedicated computer-based training, which has now become mandatory for existing managers, voluntary for existing employees, and compulsory for every new-joiner. The version for managers includes modules on harassment fundamentals, harassment prevention, discrimination and national origin, workplace dating, abusive conduct, gender identity and expression, how to manage and respond to complaints, and retaliation. It closes with an application and assessment module that allows managers to apply what they've learned to real-world situations.

The employee version includes modules on harassment fundamentals, harassment prevention, discrimination and national origin, workplace dating, abusive conduct, gender identity, and expression.

Kuehne+Nagel is proud of the relationship established with local worker's representatives and, in particular, the excellent cooperation with the European Worker's Council (EWC) representing the majority of our workforce. In particular, the regular exchanges and meetings with our regional Management Boards and globally with our Chief Human Resources Officer shows our firm commitment to creating a work environment for our employees where they feel welcome to work in an employee-friendly environment.

Overall, 35 per cent of Kuehne+Nagel employees are affiliated with bargaining agreements. This number has decreased since 2020, mainly due to some significant divestment in several European countries, where most current bargaining agreements are in place.

As per the collective bargaining agreement with our most prominent workers representative, European Works Council (EWC), any significant operational changes that could substantially affect employees are on the annual agenda of the yearly EWC meeting. Where there are exceptional transnational circumstances affecting a substantial number of employees, particularly in the event of relocations, transfers, the closure of establishments or undertakings or collective redundancies, the Select Committee shall have the right to be informed. The EWC or Select Committee will be notified within fourteen days of receiving written and oral information on the proposed consultation must be undertaken. These points are fixed in writing in the Agreement between Kuehne+Nagel and the European Works Council.

lifecycle and introduce practices that instill accountability in building a culture of belonging. The foremost vital stakeholders are top and senior management, employees, and the Human Resources community (council). The approach needs to be clear and not develop potential confusion and align with other companies' initiatives.

Protecting labor rights
Kuehne+Nagel is committed to respecting local laws and regulations concerning not offering salaries below the local legal minimum wages. Additionally, in the majority of our significant locations of operations, our organisation offers salaries higher than the applicable minimum wage, in some locations, even up to twice as much as the minimum wage. Furthermore, no differentiation is made regarding the gender of the employee who receives the salary; the same minimum wage is used as a reference for all genders.

Sub-contracted workforce are paid by our reliable external partners whom we expect to pay the workers as per local requirements or existing bargaining agreements. Kuehne+Nagel is always committed to paying according to existing standards, and this is independent of gender.

In countries where parental leave is a legal requirement, all Kuehne+Nagel's

employees based in that country are entitled to parental leave within the legal frame. For example, Switzerland introduced paternity leave in the summer of 2021, and it has been immediately introduced for all Swiss employees.

Looking at our significant locations of operation, more female employees decide to take maternity leave. However, we recognise an increase in the number of male employees deciding to go on paternity leave. For those countries where numbers are currently available, approximately 85 per cent of the employees who take parental leave return to work after their leave period has ended. Out of the employees that do return, the return to work rate of female employees is slightly lower than that of male employees. With the increase of flexible working opportunities, Kuehne+Nagel also expects to increase employees' return to work.

Diversity and inclusion
By raising 'belonging' at Kuehne+Nagel, we are on the way to developing our mindsets and processes for inclusion and diversity. Companies with high diversity and successful inclusion achieve higher goals, attract and retain talent, and benefit from great teamwork and inspirational cooperation, which leads to better ideas, outcomes, and results.

We are committed to delivering progress to society and drive our future – inclusively. This purpose is outlined in our internal Global Diversity and Inclusion Policy. Kuehne+Nagel continues its diversity and inclusion journey that is called Balance+Belonging.

In the next two years, Balance+Belonging will focus on gender equality and equal opportunities for all at Kuehne+Nagel.

Target and progress

Kuehne+Nagel aims to double the female representation in Top Leadership from base year 2021 with 16 female top leaders to 32 by 2030. Actions that will support increased female representation in our leadership pipeline include: gaining commitment from top management (Board, Regional management, National management), increasing the pipeline of female talents through identification and structured development, and active placement of women within top leadership roles.

The main stakeholders are top management, female employees ready to step up, and the Human Resources community. Kuehne+Nagel is already involved in development programmes for women (WILL, glass ceiling) that we mentioned in our previous Sustainability Reports. With this and similar programmes, we can double the female representation in Top Leadership in the next eight years. We rely on our internal mentors, learn best practices from other companies and universities, and develop external partners.

Balance+Belonging in Kuehne+Nagel Germany

Awareness of the topic:

To start a dialogue about Balance+Belonging, the German organisation developed Awareness Workshops including HR and the Top 100 leaders. Discussions were done on various organisational processes which influence gender equity-like succession planning and recruitment.

"Charta der Vielfalt" / Diversity Charter and Association:

KN Germany is part of "Charta der Vielfalt". This charter is an initiative to promote diversity in companies under the patronage of the German Federal Government.

Integration into training and processes:

Balance+Belonging should not be perceived as additional or on top of. Instead, it should be naturally integrated into all elements within the organisation. To ensure this, KN Germany, therefore, started reviewing the existing HR processes such as onboarding, employer branding materials (Instagram, LinkedIn, etc.), recruiting (recruiting workshops, shortlisting, etc.), and existing and future training (POD Milestones).

KN Female Leaders Mentoring Program and Networking Community:

Germany completed its first female Leadership Mentoring Program with the strong support of the German Management Board. The self-nomination program offers a platform for women and senior managers to share career development views and discuss a particular topic.

Interviews with Top 20 KN Germany Management:

German Management Board plays a pivotal role in driving change. They acted as role models and were mentors in the Female Leaders Program.

Day of Action – Women's week and Diversity Day 2021:

KN Germany also celebrated Women's Week and Diversity Day like many other countries.

Environment

CO2 / Greenhouse gas emissions (GHG)

5%

Kuehne+Nagel has met the reduction goals set last year, to reduce absolute carbon emissions.

Climate Change

Greenhouse Gas (GHG) emission reductions have been a priority for a long time at Kuehne+Nagel. Kuehne+Nagel has taken voluntary, responsible action to reduce and control its carbon footprint. In addition to managing direct emissions from our operations, Kuehne+Nagel has a track record of improving energy efficiency at its facilities and offers a wide range of innovative products to support customers to improve energy efficiency and reduce the company's carbon footprint. This includes setting corporate GHG emission reduction goals and policies, which complement the efforts of the company's environmental reduction plans.

History of Climate Change Reductions

Kuehne+Nagel understands that the impacts and reduction efforts associated with GHG emissions require a long-term commitment as the effects of both cannot be realised in only one year. Therefore, implementing reduction initiatives has been a key priority for Kuehne+Nagel. The company's emissions reduction strategy includes a rigorous accounting system to generate an annual inventory of worldwide GHG emissions. This process and the associated GHG emissions reported in 2021 are verified and validated by an external third-party company. Since 2010, the global Kuehne+Nagel inventory has been developed, maintained and third party verified by Kuehne+Nagel's accredited party in accordance with the Greenhouse Gas Protocol, the ISO 14064-3, The GLEC Framework and the European Norm EN 16258, see page 54, scope 3.

The total GHG inventory encompasses the company's diversity and complexity. The current inventory accounts for a total of approximately 850 sites including warehouses, offices and distribution centres within Kuehne+Nagel's operational control. This includes both Scope 1 (direct) and Scope 2 (indirect) emissions as categorised by the GHG Protocol. Based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Kuehne+Nagel has now a verified process to account and report Scope 3 emissions inventory. These emissions are calculated following industry standards and validated against the Science Based Targets initiative. Overall Scope 1, 2 and 3 emissions were reduced 9 per cent per cent in 2021 compared to baseline 2019.

Carbon Emissions Reduction Goals

In the area of carbon dioxide (CO2) emissions, Kuehne+Nagel has set goals in 2021 to reduce carbon emissions by 5 per cent per FTE and 5 per cent per 100 m^2. Based on these goals, in 2021 Kuehne+Nagel reduced CO2 emissions by 24 per cent per FTE, and reduced 20 per cent per 100 m^2 for Scope 2 (indirect emissions). Absolute carbon emissions were also reduced by 26 per cent. Reductions were accomplished by implementing awareness training sessions and by using effective emissions control technologies. Kuehne+Nagel has also established carbon reduction goals until 2030 for Scope 1, 2 and 3 based on the Science Based Target Initiative (SBTi).

Getting to Zero Coalition

The task force includes representatives from across the maritime ecosystem: shipping, chartering, finance, ports and fuel production. With our signature on the "Call to Action for Shipping Decarbonisation", led by the Global Maritime Forum, we are pushing for zero emission vessels and fuels to become the default choice by 2030. As a global leader in our industry, we will contribute with our expertise and logistics insights to the development of respective technological innovations. All signatories strongly believe that an urgent and equitable decarbonisation of the maritime supply chain by 2050 is possible and necessary.

Air Logistics

We are actively participating in various co-operations and initiatives. The most prominent participation was our active support and work in the Clean Skies for Tomorrow (CST) initiative, which is running under the umbrella of the World Economic Forum (WEF). In July, we were amongst the signatories of the CST's "Policy Proposal for a SAF Blending Mandate in the EU" and in November we were the only non-aircraft operating logistics provider signing the ambition paper "10% SAF by 2030".

Business case: Launching first zero emission air freight route with Air France KLM Martinair Cargo

With the chemical and physical characteristics almost identical to those of conventional jet fuel, SAF is the most effective measure the industry has to significantly reduce its carbon footprint.

- Step towards the commercial deployment of alternative fuel.
- Commitment to a sustainable future.

From 2021, all Kuehne+Nagel cargo on board regular AFKLM flights from Los Angeles to Amsterdam is fully carbon neutral

- Kerosene consumption for the Kuehne+Nagel shipments is calculated retrospectively.
- Offsetting of possible remaining CO_2 emissions by carbon credits of highest standards.

100%

substitution of fossil fuel used by environmentally friendly SAF.

Business case: Agreement with American Airlines to deploy 11 million liters of sustainable fuel

With the chemical and physical characteristics almost identical to those of conventional jet fuel, SAF is the most effective measure the industry has to significantly reduce its carbon footprint.

- Step towards the commercial deployment of alternative fuel.
- Commitment to a sustainable future.

The largest commitment to sustainable aviation fuel from a logistics provider.

- Immediately available SAF solutions to avoid CO2 emissions of air freight globally.
- Premium offering to support your sustainability ambitions.

11 million
litres of saved SAF would enable

- a Boeing 787-9 Dreamliner passenger aircraft to fly 25 times carbon neutral around the world or transport 13 million kg of cargo from London to Dallas on a Boeing 777F cargo aircraft.
- transport 13 million kg of cargo from London to Dallas on a Boeing 777F cargo aircraft.

Business case: First carbon neutral charter chain with IAG Cargo

Joint efforts for making sustainable transportation choices and possibilities available at close-by airports to local and global industry players avoiding further emissions through trucking goods into major hubs.

- Step towards the commercial deployment of alternative fuel.
- Commitment to a sustainable future.

Supporting automotive customers to avoid CO2 emissions

- Charter chain of 18 flights from Stuttgart to Atlanta (B787-9 "freighters").
- Initiative highlights the importance of joint efforts for making sustainable transportation choices.

1.2 million

of Sustainable Aviation Fuel (SAF) with IAG Cargo secured

Business case: Support of first commercial Power-to-Liquid SAF (synthetic SAF) production plant together with Lufthansa Cargo

Synthetic fuels have not yet been produced industrially, but are available only in laboratory quantities. This fuel is considered to be the fuel of the future, capable of bringing the CO2 footprint of aircraft engines to zero.

- SAF produced with HEFA method (biological SAF) cannot satisfy quantities needed for "green" aviation industry.

Power-to-liquid is considered a key technology for the future of CO2-neutral aviation fuel.

- atmosfair opens world's first plant for the production of synthetic crude oil in Emsland, Germany.
- Kuehne+Nagel and Lufthansa Cargo are among the first customers.

25,000
litres per year for the next five years will be purchased.

Sea Logistics

Business case: Zero emission transport

Kuehne+Nagel's import customer in Switzerland, with regular shipments of Solar panels from China to Europe, was offered to match up with the clean shipping work with our Biofuel concept.

- The cargo is shipped against the volume of biofuel consumed on vessels capable of burning this type of fuel.

The customer agreed to ship 35 TEU* emission-free with Biofuel.

- Kuehne+Nagel calculates the respective TEU equivalent and buys the required Biofuel volume to neutralise the customer's supply chain CO2 emissions.
- The full traceability is guaranteed.

21,200 kg
of CO2 emissions were avoided with this initiative.

The customer is entitled to claim a Zero-Emission Status for their ocean imports.

* TEU (twenty-foot equivalent unit)

Waste management and recycling

Waste Management is an important component of Kuehne+Nagel's Environmental Programme. Kuehne+Nagel's Waste Management Standards apply to all locations. In addition, they fulfil corporate expectations and provide the framework that is required to manage all types of waste from the time when it is produced until it is reused, recycled, treated or disposed of. This standard sets a baseline for several core waste programme elements and encourages waste minimisation and recycling whenever possible.

Recycling, Reuse, Treatment and Disposal

All waste recycling, reuse, treatment, and disposal practices are required to comply with applicable regulations and the Kuehne+Nagel environmental policy, which also includes establishing profiles of waste streams, content identification, and labelling.

Ensuring Waste Compliance

The Kuehne+Nagel Waste Management Programme requires each location to assign an Environment Champion who is responsible for ensuring that personnel receive appropriate waste training. Corporate QSHE globally administers the waste training for the coordinators. Compliance with all Kuehne+Nagel facilities and other regulated waste requirements are evaluated by way of the internal quality audit tool.

Setting Waste Goals and Evaluating Progress

Kuehne+Nagel has been setting total waste reduction goals since 2010. Using 2019 as a base year, Kuehne+Nagel set a 2030 target to decrease total waste to landfill to zero. For example, Kuehne+Nagel's total waste that was recycled in 2021 reached 83 per cent. Total waste is tracked and reported globally by disposal types: waste to landfill, waste recycled, waste recovered and hazardous waste disposal.

Efficient use of resources

Energy Efficiency

At Kuehne+Nagel, energy management is global, comprehensive, and extends beyond energy efficiency efforts in warehouses and buildings. It is a team effort guided by the global environmental policy. Energy management responsibilities are coordinated by the corporate energy team. The team involves personnel from Corporate Procurement, QSHE and Facility Management. Each department provides cross-functional contributions, ensuring that

- Energy efficient technology is in use,
- Opportunities are identified in the design process,
- Renewable energy opportunities are realised and financed, and
- Data is tracked routinely and consistently by facilities.

Evaluating Energy Performance Progress

Kuehne+Nagel collects and analyses data on energy consumption and energy efficiency project metrics to

- Track progress toward corporate energy and carbon emissions goals,
- Identify opportunities for improvement,
- Benchmark against past performance, and
- Identify best practices that can be applied across global operations.

All operating locations report energy consumption and energy costs on the Global Facility Carbon Calculator monthly. Data is analysed quarterly at each facility, business and functional unit, and at the corporate level. Every six months, the data is reported to Kuehne+Nagel Management. Important energy reductions were achieved in 2021.

Renewable Energy Strategy

Kuehne+Nagel is investing and installing on-site renewable energy at its own operations and continues to expand and collaborate with external partnerships. In an attempt to be more precise, Kuehne+Nagel this year considers electricity consumption in the definition of renewable energy as per the GHG Protocol while excluding other energy sources such as Natural Gas and LPG. Therefore, currently 78 per cent of the energy used in Kuehne+Nagel facilities is from renewable sources.

Kuehne+Nagel targeting a company-wide transition to 100 per cent renewable energy for our sites by 2030. The ambitious goal for renewable energy adoption will make the transition from traditional fossil fuels. While several options are available for cleaner electricity mix (i.e., on-site renewable energy generation, green tariffs, etc.), Kuehne+Nagel has chosen the path of power purchase agreement (PPA) and Renewable Energy Certificates (RECs).

83%

Kuehne+Nagel's total waste recycled in 2021

78%

of the energy used in Kuehne+Nagel facilities is from renewable sources.

13%

reduction in total
water consumption globally
in 2021 compared to 2019

Water and Conservation

Reducing water consumption and improving water quality are important elements of Kuehne+Nagel's environmental programme. As a result, we continue to actively manage and work towards reducing our corporate water footprint. Kuehne+Nagel's water management provides a global framework including both general and specific elements for water management within the company. The standard requires Kuehne+Nagel operations to manage their water resources by understanding water consumption, comply with regulatory requirements, reuse water where possible, and report water usage. Water resources include water intake, effluent water discharge, and rainwater. Most of the water used in Kuehne+Nagel is for domestic use such as cleaning, kitchens and bathrooms, as well as washing of vehicles.

Setting Water Performance Goals and Evaluating Progress

All Kuehne+Nagel sites currently track and report water usage. Conservation efforts indicate a 13 per cent reduction in total water consumption globally in 2021 compared to 2019. Water conservation efforts are achieved through recycling, reuse and improvements to our buildings

and operating processes. The majority of our water intensive operations are located in the United States and Europe in areas that are not subject to water stress or water scarcity. However, they also contribute significantly to our conservation efforts.

Outlook 2030

We know the road to a zero emissions future is long and hard and that we need to work collaboratively to achieve this common goal. We have set science based targets (SBTi), aligned with the Paris agreement and we are on a journey to decarbonise our sites and assets with renewable energies, new transport vehicles and low carbon fuels. We support our customers with their decarbonisation journey with data-driven insights, design and optimisation of supply chains; alternative transport modes, routes and carrier options; and, low carbon fuels.

We work in close collaboration with our suppliers, industry bodies and our echo system to accelerate the introduction of new clean fuels and technologies. We also support a broader decarbonisation effort outside our value chain by investing in projects around the world that protect and renew our planet, taking CO_2 out of the atmosphere.

Management of dangerous goods

The year 2021, has undoubtedly been an important milestone on the path to excellence in the company's operations with hazardous materials.

Continuing with the Global DG Assessment program, this year's efforts have focused on rolling a dangerous comprehensive goods training program defined in 2020.

Within the framework of this initiative, more than 500 branch supervisors in 67 countries received advanced training on applicable national and international dangerous goods carriage and storage legislation and Kuehne+Nagel's internal procedures and guidelines for hazardous materials. Subsequently, a full risk assessment of the situation at each branch was carried out, including complete control of dangerous goods inventories,

safety data sheets, IT systems, licenses, insurance policies, and internal work procedures to ensure full compliance with current regulations within our internal DG guidelines.

At the same time, improvements were made to the incident reporting system for dangerous goods. The corporate Dangerous Goods Incident tool, previously used only to report severe incidents, was enhanced to accommodate minor occurrences and near misses, which were being reported through different procedures and tools until this moment. This will contribute to a better overview of all incidents with hazardous materials and improved coordination of preventive and corrective actions.

All the actions mentioned are aimed not only at guaranteeing the safety of all

operations with dangerous goods, but also at improving the availability and visibility of these types of services and opening up new specialty business opportunities for the whole Kuehne+Nagel network.

Dangerous Goods incidents
In 2021, seven dangerous goods incidents were reported. None of them caused any personal injury, environmental or asset damage, as the security protocols in place were followed. In two cases, employees and/or third parties required a medical check due to exposure to the substance, being discharged without any treatment.

Incidents classified as severe cause of personal injury, environmental damage or require the involvement of emergency services (fire brigade, ambulance, police) or the Authorities.

Reported DG Incidents in 2021

Location	Country	Date	Description	Estimated cost CHF	Spill Volume	Environmental Damage	Damage to Persons
Ilsfeld	Germany	Apr 27th	Spill from 2 Jerricans of environmentally dangerous sustance	12'130	10 L	No	No
Dortmund	Germany	Jul 12th	Spill from 2 Jerricans of DG	N/A	10 L	No	Medical Treatment Case (non-severe)
Grosslehna	Germany	Sep 16th	Spill from 1 IBC with corrosive substances	N/A	5 L	No	No
Machelen	Belgium	Sep 30th	Spill from a box containing a corrosive substance	N/A	0.5 L	No	No
Mainz	Germany	Oct 12th	Spill from 1 IBC with flammable liquid	N/A	500 L	No	No
Chaiky	Ukraine	Oct 19th	Release of solid corrosive dust from box	N/A	NIL	No	No
Hagen	Germany	Nov 08th	Spill from 1 IBC with corrosive liquid	N/A	300 L	No	Medical Treatment Case (non-severe)

Community engagement

Blue for Green is an employee-led initiative to reduce and/or avoid carbon emissions in countries and sites, under Scopes 1 and 2. Blue for Green's goals is to raise environmental awareness and action in countries and branches, create a closer connection to candidates and customers, and ultimately support Kuehne+Nagel´s main goal to achieve zero carbon business through colleague and company actions.

KN Trophy
KN Trophy is an employee activation + engagement initiative, accelerating country actions to reduce their carbon emissions. The competition was a partnership between HR's Organisational Development Center of Excellence (COE) + QSHE.

Awards for KN Trophy
1. First, second, and third places
   - Trophy made of reclaimed wood + certificates on plantable paper
2. Winning countries
   - Storytelling campaign on LinkedIn
3. Winning countries talking to the world
   - Earth Week Panel
4. Winning countries propose an initiative focused on business and environmental impact
   - Country environmental project

Achievements

Visibility
All actions are registered in a proprietary system, which has a dashboard updated in real-time, thus giving the world visibility on how we are progressing with our engagement actions.

Target for 2022
Education – Invest in leadership understanding of sustainability in business design and management.
Engagement – Keep people engagement and activation high, so our organisation demonstrates our Sustainability commitment to colleagues and candidates.
Alignment – Align Blue for Green effort, engagement, and initiatives to support Kuehne+Nagel's Sustainability goals.
Storytelling – Consistent in sharing colleagues' / countries' stories publicly.

Initiatives worldwide
in per cent

Travel and commuting	
Community engagement	
Food and agriculture	
Energy consumption	
Education and awareness	

10 4
11
10
35
30
Waste and recycling

Education & Awareness

12
Volunteers, leaders, global virtual meetups

12
Global Newsletters, highlighting countries best practices sharing

8
Education & Awareness webinars

Earth Week Panels

Bee Day Webinar
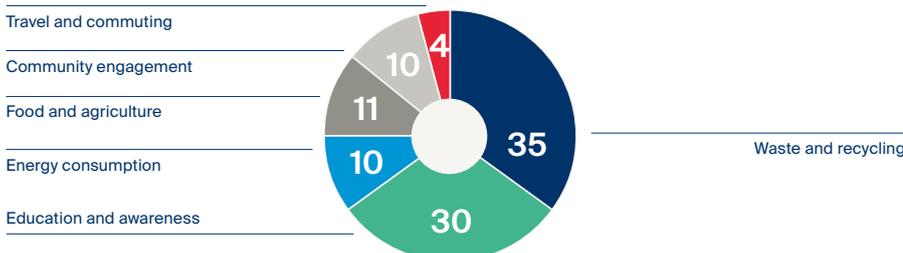
People Engagement

160+

dedicated volunteers leading
the Blue for Green activities
in their countries

Digital recognition
tool to encourage
environmental behaviours
recognition

KN Trophy
to encourage green
competition towards
Blue for Green initiatives

Engagement

67

countries leading
Blue for Green activities

265+

branches engaged
(33% of KN total)

1,508

activities registered

Reporting history, scope and basis

History
Kuehne+Nagel published its first Sustainability Report in 2016. Sustainability Report 2021 covers our sustainability activities and performances for the calendar year 2021. It is Kuehne+Nagel's 6th Sustainability Report.

Independent assurance
The Sustainability Report 2021 has been independently assured for the first time based on limited assurance. You will find more details on the assurance statement from DNV on page 72.

Reporting standards
Throughout the report, some historic data and information have been included to provide context and to illustrate performance trends. The Global Reporting Initiative (GRI) Index at the end of this report makes reference to the GRI Core standards fulfilled by Kuehne+Nagel. The GRI content index is provided from page 62.

In this report, for the second year, Kuehne+Nagel includes reporting on The Ten principles of the UN Global Compact (UNGC). Our Sustainability Report is our annual Communication on Progress report (COP) to the UNGC, and it incorporates information on our sustainability activities according to the UNGC Active Level criteria.

Kuehne+Nagel seeks external assurance of its direct greenhouse gas emissions (scope 1), indirect greenhouse gas emissions (scope 2), energy consumption and production, waste generation and water consumption from our company-owned sites.

Kuehne+Nagel has decided to gain the external assurance, validation and certification from Det Norske Veritas (DNV) on sustainable topics.

For the first independent assurance audit for the Kuehne+Nagel's Sustainability Report 2021, DNV conducted assurance audit for three sites on five defined KPIs:

- Energy (total electricity in million KWh)
- Waste (total waste in '000 tons)
- Water (total water use in sqm)
- Time Incident Frequency (LTIF)
- Social (personnel attrition, unwanted)

Reporting scope and basis for reporting
This report covers Kuehne+Nagel's global operations including activities occurring at all of our facilities, owned and leased, over which we have operational control unless otherwise noted. The scope of health and safety reporting includes facilities and operations over which Kuehne+Nagel has management control, including warehouses and offices.

Environmental data presented in this report have changed from prior disclosures due to changes of business operations, including mergers and acquisitions that concluded during the reporting year. Data has been collated from over 1,294 locations spread across 106 countries. We have a robust data collection and management process in place, as assured by DNV for specific KPIs.

This Sustainability Report was reviewed and approved by Kuehne+Nagel's Board prior to publication.

The scope of this report addresses the full range of environmental, social, and governance (ESG) aspects of our organisation. We have considered the GRI's reporting principles for defining report content. With the new materiality assessment for 2021 we identified and reported on the most material topics related to our business (see page 8). The assessment was used to

help prioritise our resources and investments in the context of the changing business environment and importance to external stakeholders.

The boundary for all material aspects was considered to be within the organisation. We have considered the principles of stakeholder inclusiveness, sustainability context, materiality, completeness, balance, comparability, accuracy, timeliness, clarity and reliability and believe that this report meets these principles.

Calculation methodologies

Time Incident Frequency (LTIF)
Lost Time Injury Frequency represents the number of Lost Time Injuries per 1 million working hours and over a rolling period of 12 months. Lost time injuries are defined as work-related injuries resulting in a fatality or lost workday case. For lost workday cases, incidents incurred by external parties present in our premises are also taken into account.

Incidents are recorded after they occur. Depending on the severity of the incident, reporting to (top) management takes place within 24 hours or every quarter. Internal auditing and due diligence checks are assured the data quality at the national, regional, and global levels.

Environmental data
Environmental data is gathered in the Emex Global Facility Carbon Calculator (GFCC) system. The most common use of the Emex GFCC Tool will be the user entering monthly data for the site. Depending on the site configuration, the user may have only a few entries to make monthly, or they may have several different types of entries to make. Sites are encouraged to obtain and enter all available data for

Statement

normalisers (FTE, facility space, through-put measure). Normalisers are used for reporting purposes allowing the organisation to show the usage of utilities and CO_2 emissions by each. Utilities are the feeders to CO_2 Emissions within the site boundaries. It is required that the site track each of these wherever possible using invoices and meter readings online.

Unlike the Utilities category, datasets in the Waste and Water do not feed CO_2 emissions. Still, they are tracked to support our environmental goals supporting the reduction of landfill waste and water consumption and increased recycling. All relevant datasets in this category must be tracked when possible in support of Kuehne+Nagel's Environmental Management System and Targets.

The Transport category tracks distance, fuel, efficiency, and costs for Kuehne+Nagel operated vehicles, especially over-the-road cargo vans and trucks. Many vehicle types can be set up for tracking, and more can be added when required.

Social (personnel attrition, unwanted)
The global Human Resources dashboards calculate attrition the following way:

Every month we create a "snapshot" of the total number of employees (headcounts) and employees who left the company in that specific month. We save this data per workforce type (white and blue-collar), per exit reason type (wanted and unwanted).

When it comes to the monthly attrition calculation, we use the following formula: # of exits / # of headcounts in the given month.

The yearly attrition is calculated as a sum of the monthly attrition rates.

Statement of the Management Board members
The Management Board members have discussed and approved the Kuehne+Nagel Sustainability Report for 2021.

The Performance data in the Sustainability Report for 2021 has been prepared following the stated Performance data accounting policies.

In our opinion, the Sustainability Report for 2021 gives an overview of Kuehne+Nagel's sustainability activities and the results of the company's sustainability efforts in the reporting period from January to December 2021.

Schindellegi, 2 May 2022

Management Board members
Dr. Detlef Trefzger, CEO
Markus Blanka-Graff, CFO
Lothar Harings, CHRO
Martin Kolbe, CIO
Stefan Paul, EVP Road Logistics
Horst Joachim (Otto) Schacht, EVP Sea Logistics
Yngve Ruud, EVP Air Logistics
Gianfranco Sgro, EVP Contract Logistics

Performance data

Environmental performance	Metric unit	2021	2020 [3]	2019	Assured by DNV
Carbon emissions					
CO2 total	000' tons	128	173	201	
CO2 per FTE	tons	1.6	2.1	2.7	
CO2 per 100 m^2	tons	1.4	1.7	2.3	
Energy					
Electricity total	million kWh	371	376	391	■
Electricity per FTE	kWh	4,734	4,553	5,205	
Electricity per 100 m^2	kWh	3,922	3,815	4,496	
Natural gas total	million kWh	220	192	201	
Natural gas per FTE	kWh	2,807	2,331	2,676	
Natural gas per 100 m^2	kWh	2,326	1,954	2,311	
Waste recycled					
Waste total	000' tons	441	209	496	■
Waste recycled	000' tons	367	135	332	
Waste recovered	000' tons	45	19	21	
Waste landfill	000' tons	20	34	142	
Waste hazardous	000' tons	6	21	22	
Recycling rate	per cent	83	65	67	
Water					
Water total	cubic meters	773,576	890,615	965,879	■
Water per 100 m^2	cubic meters	8.1	9.0	11.0	
Water per FTE	cubic meters	10	11	13	
Greenhouse gas (GHG) emissions					
Scope 1					
Company cars	million tons	0.02	0.02	0.03	
Road Logistics (trucks)	million tons	0.09	0.12	0.08	
Scope 2					
Kuehne+Nagel offices, warehouses	million tons	0.12	0.17	0.20	
Total scope 1+2	million tons	0.23	0.31	0.36	
Scope 3					
Transport and logistics	million tons	16.40	12.90	16.60	
Business travel	million tons	0.00	0.20	1.20	
Employee commuting	million tons	0.08	0.01	0.30	
Total scope 3	million tons	16.50	13.20	18.10	
Total company [6]	million tons	16.80	13.50	18.40	

Environmental performance	Metric unit	2021	2020 [3]	2019	Assured by DNV
Biofuel					
Air Logistics (SAF)	liters	1,307,237	–	–	
Sea Logistics (UCOME)	metric tons	500	–	–	
Average renewable energy purchased globally [4]					
Biomass energy	per cent	10	13	12	
Wind power	per cent	30	42	39	
Hydroelectric power	per cent	50	29	26	
Solar energy	per cent	10	11	14	

Social performance					
Our employees					
Number of employees		78,087	78,249	83,161	
FTEs of employees		73,516	72,021	78,448	
FTEs including temporary staff		93,288	93,238	99,113	
Age structure					
Under 30	per cent	22.5	21.0	23.0	
Under 30 (female)	per cent	44.7	42.2	41.4	
Under 30 (male)	per cent	55.3	57.8	58.6	
Between 30-50	per cent	58.6	58.9	56.0	
Between 30-50 (female)	per cent	39.1	36.3	35.2	
Between 30-50 (male)	per cent	60.9	63.7	64.8	
Over 50	per cent	18.9	20.2	21.0	
Over 50 (female)	per cent	31.1	27.9	27.3	
Over 50 (male)	per cent	68.9	72.1	72.7	
Representation of women					
Top managers (women)		16	9	9	
Top managers (men)		155	158	177	
Senior management (women)		222	228	222	
Senior management (men)		741	835	882	
Gender ratio					
Female	per cent	38.9	35.8	35.0	
Male	per cent	61.1	64.2	65.0	
Female (white collar)	per cent	49.6	48.3	48.1	
Male (white collar)	per cent	50.4	51.7	51.9	
Female (blue collar)	per cent	24.3	21.0	20.4	
Male (blue collar)	per cent	75.7	79.0	79.6	

Social performance	Metric unit	2021	2020 [3]	2019	Assured by DNV
Recruiting structure – applications					
White collar		749,229	391,205	308,268	
Blue collar		54,268	54,572	64,465	
Grand total		803,497	445,777	372,833	
Recruiting structure – hires					
White collar		10,281	4,712	7,896	
Blue collar		10,821	6,192	10,189	
Grand total		21,102	10,904	18,085	
Attrition structure					
White collar unwanted attrition	per cent	10.4	6.6	8.7	■
Total global white collar attrition	per cent	22.1	14.9	18.0	
Training					
Online training		474,989	281,509	191,884	
Live training		79,486	69,579	105,413	
Training sessions completed		554,475	351,088	297,297	
Training participation					
Female	per cent	52.5	49.4	45.0	
Male	per cent	47.5	50.6	55.0	
Manager	per cent	17.1	17.8	17.0	
Employee	per cent	82.9	82.2	83.0	
Safety and health facts					
Number of fatalities (FAT) [5]	headcount	1 (1)	1 (2)	1 (3)	
Lost time injury frequency (LTIF) [1]		10.24	10.80	13.22	■
Total reportable case frequency (TRCF) [2]		13.33	14.40	17.66	
Lost workday cases (LWC)		1,688	1,834	2,434	
Lost workday (LWD)		30,581	32,067	41,733	
Unsafe act/unsafe condition		44,302	36,271	43,522	

1 LTIF – The number of LTI's per 1,000,000 working hours
2 TRCF – The number of TRC's per 1,000,000 working hours
3 Kuehne+Nagel sold a major part of its UK Contract Logistics portfolio to XPO Logistics, effective January 1, 2021.
4 See page 47
5 Fatality (1) is related to 3rd party accident, see page 31
6 See page 40 for ISO 14064-3 certification

Summary of targets and progress across all issues

Material topic	Issues	UN SDGs	Ambition	Targets	Progress 2021	Governance	Page
Business integrity	Ethics & Compliance Programme		We are confident that the day-to-day effectiveness of any comprehensive ethics and compliance programme begins with the leaders by creating and fostering a culture of ethics and compliance with relevant law and other regulations at all levels of the company.	In 2021, we decided to hold people managers accountable for improving their team members' awareness of compliance and their knowledge of Kuehne+Nagel's policies and procedures. The effectiveness of a manager's leadership is measured by testing the compliance knowledge of their team members. The team manager's performance rating will be calculated upon the test results, affecting their monetary bonus.	A set of practical aides for leaders to reiterate awareness with themselves and their teams, such as "A Journey with Confidence", "Making Good Choices", and "Tone from the Top", was released in 2021.	Our Ethics & Compliance Programme and targets are owned by our Compliance team.	12
Business preparedness, resiliency and disaster response	Ensuring business continuity and disaster response		A business continuity and disaster response is essential to be prepared and manage a crisis at occurrence.	A work group is proposing for potential upgrades and enhancements by 2022, such as for an integrated BCM approach, monitoring training, evacuation and updates of national business continuity plans.	Our crisis communication was updated four times to improve the flow of information.	Our Emergency and disaster response team is leading the programme.	18

Material topic	Issues	UN SDGs	Ambition	Targets	Progress 2021	Governance	Page
Data privacy and security	Safeguarding data via information security		The Kuehne+Nagel Privacy framework sets out six privacy principles that all employees must respect, wherever they are in the world: reasonable care, purpose limitation, reasonable restriction, transparency, and openness about where personal information is stored and used, choice and consent, and privacy by design.	Our approach includes improving transparency regarding the use of personal data and a better understanding of the risks related to the processing of personal data.	We enrolled in a global computed-based data privacy training for all employees processing personal data.	Global Data Protection Officer is responsible for the data privacy and security targets.	20
Product and service innovation	Preserving cargo security		We constantly strives to secure legitimate international supply chains, foster international trade of its customers, and safeguard its employees, business partners, and entrusted goods from acts of unlawful inteference.	The aims to further reduce the number of incidents and the loss of customer assets by 5% (base line 2021).	The overall number of security incidents reported in 2021 decreased by 15% (in comparison to the previous year), and the commercial loss value in the same reporting period decreased by 7%.	Kuehne+Nagel's security organisation is responsible for the high level of security in our organisation.	25
Supplier engagement	Evaluation of high risk third parties		We ensure to work only with authorised and reliable business partners that comply with global, regional and local legal regulations.	Evaluating and assessing supplier risks is the basis and yearly target for safeguarding our customers and ourselves.	We have updated the supplier Integrity Due Diligence questionnaire to increase process efficiency and added a mandatory supplier-requirement for completing provided anti-bribery & corruption online training.	Evaluation of high risk third parties owned by our Compliance team.	26

Material topic	Issues	UN SDGs	Ambition	Targets	Progress 2021	Governance	Page
Employee satisfaction and retention	Employee satisfaction and retention	8 DECENT WORK AND ECONOMIC GROWTH	To be the best company to work for.	We aim for a further improvement of our Employee Net Promoter Score (eNPS) of 2% points. We aim to reduce unwanted attrition rate overall by 5% compared to 2021.	Leadership Library for our managers is developed. We trained many of our employees to become Mental Health First aiders. We used our global platform Care, to communicate with employees on topics identified in the 2020 Future of Work survey. We developed a standardised global approach to remotely onboard new employees, called Onboarding App.	Human Resources community is responsible for employee satisfaction.	30
Employee development	Training and education	8 DECENT WORK AND ECONOMIC GROWTH	We firmly believe that continuous assessment of competence, provision of feedback loops, and creation and completion of individual development plans are essential elements of high performance.	The development of our employees is pivotal for the success worldwide. Young talents are our future and our hope of thriving and succeeding in the coming years. The target is to increase intern intake by 15 per cent, globally by 2030.	Kuehne+Nagel contributed to reducing youth unemployment, education or training.	Human Resources community is responsible for employee development.	31
Occupational health and safety	Occupational health and safety	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	We remain consistent with our journey to NO HARM, Reporting unsafe situations and launching KN Safety Anchors.	All work and non-work-related incidents will be recorded through the HSE-app by 2022, allowing full trans-parency of root causes to initiate preventative actions and communication to reduce risks globally.	Our safety performance reached an all-time low and the Lost Time Injury Frequency (LTIF) continues to trend downwards.	Safety and Health team is responsible to require all employees and suppliers to adhere to all compliance obligations, relevant regulations, rules, work instructions, and safety measures at all times.	34

Material topic	Issues	UN SDGs	Ambition	Targets	Progress 2021	Governance	Page
Human rights, diversity and equal opportunities	Enforcing human rights		Our staff is encouraged to connect with their managers and/or local HR if they feel unwell in their work environment.	Create a workplace where every employee feels they belong. Build on current practices in the workplace so employees continue to feel they belong. The focus will be on the baseline of the Future of Work engagement survey and identify opportunities for improvements.	Kuehne+Nagel reviewed the current General Employment Conditions document, which included updates on existing covered topics and added new information on maternity leave, paternity leave, military service, and years of service in the organisation. The document is valid together with the Code of Conduct.	Human Resources community is responsible for the target.	37
	Diversity and inclusion		In the next two years, Balance+Belonging will focus on gender equality and equal opportunities for all at Kuehne+Nagel.	Kuehne+Nagel aims to double the female representation in Top Leadership by 2030.	We developed Awareness Workshops including HR and the Top 100 leaders. Discussions were done on various organizational processes which influence gender equity-like succession planning and recruitment.	Human Resources community and the Top 100 leaders are responsible for the reaching the target.	38
Waste management and recycling	Plastic free warehouse		▪ Reduce the overall consumption of plastics packaging materials, ▪ Re-Use packaging materials and implement re-usable solutions, ▪ Recycle packaging materials and use materials made from recycled plastics, ▪ Replace conventional plastics packaging with paper- or bio-based materials.	Overall targets of plastic-free warehouse by end of 2022.	Achieved savings in 2021: ▪ More than 1,000 CO_2 tons emissions were saved ▪ more than 350 tons of plastics packaging were reduced ▪ more than 100 packaging operations were optimised materials	Global Contract Logistics team is working on the fulfilment of the material topic waste management and recycling.	27

Material topic	Issues	UN SDGs	Ambition	Targets	Progress 2021	Governance	Page
Waste management and recycling	Waste to landfill		We have been setting total waste reduction goals since 2010. The ambition is to decrease total waste to landfill to zero by 2030.	Using 2019 as a base year, we set a 2030 target to decrease total waste to landfill to zero.	Our total waste that was recycled in 2021 reached 83 per cent.	Global Sustainability team is working hard on the fulfilment of the sustainable / environment targets.	46
CO2 Greenhouse gas emissions (GHG)	Science based targets (SBTi)		We have set science based targets (SBTi), and we are on a journey to decarbonise our sites and assets with renewable energies, new transport vehicles and low carbon fuels.	We are committed to reduce absolute scope 1, 2 and 3 GHG 33% by 2030 from a 2019 base year.	We work in close collaboration with our suppliers, industry bodies and our echo system to accelerate the introduction of new clean fuels and technologies. We also support a broader decarbonisation effort outside our value chain by investing in projects around the world that protect and renew our planet, taking CO2 out of the atmosphere.	Global Sustainability team is working hard on the fulfilment of the sustainable / environment targets.	11
Efficient use of resources	Renewable Energy		The ambitious goal for renewable energy adoption will make the transition from traditional fossil fuels.	We are targeting a company-wide transition to 100 per cent renewable energy for our sites by 2030.	We invest and install on-site renewable energy at our operations and continue expanding and collaborating with external partnerships.	Global Sustainability team is working hard on the fulfilment of the sustainable / environment targets.	47

GRI index

Statement of use: Kuehne+Nagel has reported in accordance with the GRI Standards for the period January – December 2021. This 2021 Sustainability Report is GRI referenced. In this table you will find references to specific sections in all 2021 Kuehne+Nagel reports, with the corresponding links. This report has been externally assured by DNV. More information on page 72.

General standard disclosures

GRI Standard	Disclosure	Description	Reference	Page
Organisational profile				
GRI 102: General disclosures	102-1	Name of the organisation	Corporate Governance report 2021	36
	102-2	Activities, brands, products, and services	Status Report 2021	11
	102-3	Location of organisation's headquarters	Corporate Governance report 2021	36
	102-4	Countries where the organisation operates	Consolidated Financial Statements 2021	113
	102-5	Nature of ownership and legal form	Corporate Governance report 2021	18
	102-6	Markets served	Consolidated Financial Statements 2021	113
	102-7	Scale of the reporting organisation by number of employees, operations, net sales, total capitalisation by debt and equity, and quantity of services provided	Consolidated Financial Statements 2021	45
	102-8	Information on employees and other workers	Sustainability Report 2021, Performance data	54
	102-9	Supply chain	Sustainability Report 2021, Supplier engagement	26
	102-10	Significant changes to the organisation and its supply chain	Status Report 2021	11
	102-11	Precautionary approach	Consolidated Financial Statements 2021	102-110
	102-12	External initiatives	Sustainability Report 2021, Stakeholder engagement and dialogue	21
	102-13	Membership of associations	Sustainability Report 2021, Stakeholder engagement and dialogue	21
Strategy				
GRI 102: General disclosures	102-14	Statement from senior decision-maker	Sustainability Report 2021, Welcome message	1
Ethics and integrity				
GRI 102: General disclosures	102-16	Company's values, principles, standards of behaviour	Sustainability Report 2021, Ethically Safeguarding Reputation	12

GRI Standard	Disclosure	Description	Reference	Page
Governance				
GRI 102: General disclosures	102-18	Governance structure	Corporate Governance report 2021 Sustainability Report 2021, Corporate Governance model Ethically Safeguarding Reputation	19-24 5 12
	102-22	Composition of the highest governance body and its committees	Corporate Governance report 2021	24-28
	102-23	Chair of the highest governance body	Corporate Governance report 2021	19-20
	102-24	Nominating and selecting the highest governance body	Corporate Governance report 2021	26-27
	102-25	Conflicts of interest	Corporate Governance report 2021	19-24
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance report 2021	24-28
	102-30	Effectiveness of risk management processes	Consolidated financial statements 2021, Other notes	102
	102-35	Remuneration policies	Remuneration report	37-43
	102-36	Process for determining remuneration	Remuneration report	37-43
Stakeholder engagement				
GRI 102: General disclosures	102-40	List of stakeholder groups	Sustainability Report 2021, Stakeholder engagement and dialogue	22
	102-41	Percentage of employees covered by collective bargaining agreements	Sustainability Report 2021, Protecting labour rights	38
	102-42	Identification of stakeholders	Sustainability Report 2021, Stakeholder engagement and dialogue	22
	102-43	Approach to stakeholder engagement	Sustainability Report 2021, Stakeholder engagement and dialogue	22
	102-44	Key topics and concerns raised through stakeholder engagement	Sustainability Report 2021, Stakeholder engagement and dialogue	22
Reporting practice				
GRI 102: General disclosures	102-45	Entities included in the Consolidated Financial Statements	Consolidated Financial Statements 2021	113
	102-46	Process for defining report content	The process for defining the report content was done in three stages. The first one was an internal assessment of the information available along with the corresponding sources. The second phase was the preparation of the data platform and collection of data. The last phase was the elaboration of the report, followed by a diligent internal review and approval process.	

GRI Standard	Disclosure	Description	Reference	Page
Reporting practice				
GRI 102: General disclosures	102-47	Material aspects identified	Sustainability Report 2021, Materiality approach and progress	8
	102-48	Effect of any restatements of information provided in previous reports	No restatements.	
	102-49	Changes from previous reports in the scope and aspect boundaries	There are no changes.	
	102-50	Reporting period	The information provided is for the reporting period January 1, to December 31, 2021	
	102-51	Date of most recent previous report	May, 2021	
	102-52	Reporting cycle	Annually reported.	
	102-53	Contacts	Andrea Debbane (andrea.debbane@kuehne-nagel.com), Juerg Meier (juerg.meier@kuehne-nagel.com), Edgar Uribe (edgar.uribe@kuehne-nagel.com), Danica Dimitrijevic (danica.dimitrijevic@kuehne-nagel.com) Kuehne+Nagel Management AG Dorfstrasse 50, PO Box 67, CH-58834 Schindellegi	
	102-54	Claims of reporting in accordance with the GRI standards	This report has been prepared in accordance with the GRI standards: Core option	
	102-55	GRI content index	This report is GRI 2018 referenced	
	102-56	External assurance policy	DNV – Sustainability assurance letter	

Specific standard disclosures

GRI Standard	Disclosure	Description	Reference	Page
Economic				
Management approach				
GRI 103: Management approach	103-1	Explanation of the material topic and its boundary	Sustainability Report 2021, Assessing stakeholder engagement (materiality matrix) No further information available.	8
	103-2	The management approach and its components	Sustainability Report 2021: Business integrity Value Chain Social Environment	12 24 30 40
	103-3	Evaluation of the management approach	Sustainability Report 2021: Business integrity Value Chain Social Environment	12 24 30 40

GRI Standard	Disclosure	Description	Reference	Page
Economic performance				
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	Remuneration Report 2021	39
Anti-corruption				
GRI 205: Anti-corruption	205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Kuehne+Nagel does not publicly release this information. Code of Conduct	
	205-2	Communication and training on anti-corruption policies and procedures	Sustainability Report 2021, Anti-Bribery & Anti–Corruption and Antitrust Training	14
	205-3	Confirmed incidents of corruption and action taken	Sustainability Report 2021, Facts and figures allegation management	15
Anti-competitive behaviour				
GRI 206: Anti-competitive behaviour	206-1	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	Kuehne+Nagel does not publicly release this information.	
Tax				
GRI 207: Tax	207-1	Approach to tax	Sustainability Report 2021, Executing responsible tax management	17
	207-2	Tax governance, control, and risk management	Sustainability Report 2021, Executing responsible tax management	17
	207-3	Stakeholder engagement and management of concerns related to tax	Sustainability Report 2021, Executing responsible tax management	17
Environmental				
Energy				
GRI 302: Energy	302-1	Energy consumption within the organisation	Sustainability Report 2021, Energy Efficiency Performance data table	47 54
	302-3	Energy intensity	Sustainability Report 2021, Energy Efficiency	47
	302-5	Reductions in energy requirements of products and services	This information is not publicly available.	
Water				
GRI 303: Water	303-1	Interaction with water as a shared resource	Sustainability Report 2021, Water and Conservation	48
	303-2	Management of water discharge – related impacts	Sustainability Report 2021, Water and Conservation	48

GRI Standard	Disclosure	Description	Reference	Page
Water				
GRI 303: Water	303-4	Water discharge	Sustainability Report 2021, Water and Conservation Performance data table	48 54
Emission				
GRI 305: Emissions	305-1	Direct Greenhouse Gas (GHG) emissions (Scope 1)	Sustainability Report 2021, CO2 / Greenhouse gas emissions (GHG), Performance data table	40 54
	305-2	Energy indirect Greenhouse Gas (GHG) emissions (Scope 2)	Sustainability Report 2021, CO2 / Greenhouse gas emissions (GHG), Performance data table	40 54
	305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report 2021, CO2 / Greenhouse gas emissions (GHG), Performance data table	40 54
	305-4	Greenhouse Gas (GHG) emissions intensity	Sustainability Report 2021, CO2 / Greenhouse gas emissions (GHG),	40
	305-5	Reduction of GHG emissions	Sustainability Report 2021, CO2 / Greenhouse gas emissions (GHG), Performance data table	49 54
Effluents and waste				
GRI 306: Effluents and waste	306-2	Total weight of waste by type and disposal method	Sustainability Report 2021, Waste management and recycling	46
	306-3	Waste generated - Total number and volume of significant spills	Sustainability Report 2021, Performance data table	54
Compliance				
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Kuehne+Nagel does not identify fines or any other form of sanction regarding non-compliance with environmental laws and environmental regulations during 2021.	
Employment				
Employment				
GRI 401: Employment	401-1	New employee hires and employee turnover	Sustainability Report 2021, Employee satisfaction and retention Performance data table	30 55
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report 2021, Employee satisfaction and retention	30
	401-3	Parental leave	Sustainability Report 2021, Protecting labor rights	38

GRI Standard	Disclosure	Description	Reference	Page
Labour				
GRI 402: Labour	402-1	Minimum notice periods regarding operational changes	Sustainability Report 2021, Enforcing human rights	37
Occupational health and safety				
GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	Sustainability Report 2021, Occupational health and safety	34
	403-2	Hazard identification, risk assessment and incident investigation	Sustainability Report 2021, Occupational health and safety	34
	403-4	Worker participation, consultation and communication on occupational health and safety	Sustainability Report 2021, Occupational health and safety	34
	403-5	Worker training on occupational health and safety	Sustainability Report 2021, Occupational health and safety	34
	403-6	Promotion of worker health	Sustainability Report 2021, Occupational health and safety	34
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report 2021, Occupational health and safety	34
	403-9	Work-related injuries	Sustainability Report 2021, Occupational health and safety	34
Training and education				
GRI 404: Training and education	404-1	Average hours of training per year per employee	Sustainability Report 2021, Performance data table	55
	404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report 2021, Employee development	31
	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report 2021, Employee development	31
Diversity and equal opportunity				
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Sustainability Report 2021, Diversity and inclusion	38

GRI Standard	Disclosure	Description	Reference	Page
Child labour				
GRI 408: Child labour	408-1	Operations and suppliers identified as having significant risk for incidents of child labour	Code of Conduct, Supplier Code of Conduct	
Forced or compulsory labour				
GRI 409: Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Code of Conduct, Supplier Code of Conduct	
Supplier human rights assessment				
GRI 414: Supplier human rights assessment	414-1	New suppliers that were screened using social criteria	Code of Conduct, Supplier Code of Conduct	
Public policy				
GRI 415: Public policy	415-1	Political contributions	Code of Conduct, Supplier Code of Conduct	
Marketing and labeling				
GRI 417: Marketing and labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	Sustainability Report 2021, Management of dangerous goods	49
Customer privacy				
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Kuehne+Nagel has not received any complaints about data breaches, leaks or any other data losses for 2021. Code of Conduct	
Socioeconomic Compliance				
GRI 419: Socio-economic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Sustainability Report 2021, Information on fines and court cases in 2021 In case significant sanctions occur the information is released in Kuehne+Nagel's media statements.	31

Alignment of Kuehne+Nagel's material issues and GRI

Very important issues to stakeholders, according to Kuehne+Nagel's materiality analysis	Related GRI disclosure topic	Reported in Kuehne+Nagel Sustainability Report 2021	Page
Governance			
Business integrity	102-18: Governance structure	Corporate Governance model Ethically Safeguarding Reputation	5 12
	205: Anti-corruption	Ethically Safeguarding Reputation Learning in Compliance	12 14
	206: Anti-competitive behaviour	Ethically Safeguarding Reputation Learning in Compliance	12 14
	207: Tax	Executing responsible tax management	17
Business preparedness, resilience and disaster response	102-30: Effectiveness of risk management processes	Business preparedness, resilience and disaster response	18
	403-2: Hazard identification, risk assessment and incident investigation	Business preparedness, resilience and disaster response Occupational health and safety	18 34
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety	34
Data privacy and security	418: Customer privacy	Data privacy and security	20
Responsible communication	102-42: Identification of stakeholders	Relationship with stakeholders	22
	102-43: Approach to stakeholder engagement	Relationship with stakeholders	22
	102-44: Key topics and concerns raised through stakeholder engagement	Relationship with stakeholders	22
Value chain			
Customer relations and satisfaction	102-42: Identification of stakeholders	Relationship with stakeholders	22
	102-44: Key topics and concerns raised through stakeholder engagement	Relationship with stakeholders	22
Product and service innovation	102-2: Activities, brands, products and services	Status Report 2021	11
Supplier engagement	102-9: Supply Chain	Supplier engagement	26
	414-1: New suppliers that were screened using social criteria	Code of Conduct, Supplier Code of Conduct	
Sustainable supply chain	102-9: Supply Chain	Supplier engagement	26
	416: Customer health and safety	Evaluation of high risk third parties Code of Conduct	26

Social			
Employee satisfaction and retention	401-1: New employee hires and employee turnover	Employee satisfaction and retention Performance data table	30 55
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee satisfaction and retention	30
	402-3: Parental leave	Protecting labor rights	38
Employee development	404-2: Programs for upgrading employee skills and transition assistance programs	Employee development	31
	404-3: Percentage of employees receiving regular performance and career development reviews	Employee development	31
Occupational health and safety	403: Occupational health and safety	Occupational health and safety	34
Human rights, diversity and equal opportunities	102-41: Collective barg. agreement	Protecting labor rights	38
	402: Labour	Enforcing human rights	37
	405-1: Diversity and equal opportunities	Diversity and inclusion	38
	409-1: Forced or compulsory labour	Code of Conduct, Supplier Code of Conduct	
Environment			
Waste management and recycling	306-2: Total weight of waste by type and disposal method	Waste management and recycling	46
	306-3: Waste generated – Total number and volume of significant spills	Performance data table	54
Management of dangerous goods	306-3: Waste generated – Total number and volume of significant spills	Performance data table	54
CO_2 / Greenhouse gas emissions (GHG)	305: Emissions	CO_2 / Greenhouse gas emissions (GHG), Performance data table	49 54
Efficient use of resources	302: Energy	Energy Efficiency Performance data table	47 54
	303: Water	Water and Conservation Performance data table	48 54

UN Global Compact index 2021

Kuehne+Nagel has been a signatory to the UN Global Compact from December, 2019. Our Sustainability Report is our annual Communication on Progress (COP) to the UN Global Compact, and it incorporates information on our sustainability activities according to the UN Global Compact Active Level criteria. Our COP is available on the UN Global Compact's website.

The ten principles of the UN Global Compact	Relevant company guidelines	Page in Sustainability Report 2021
1. Companies should support and respect the protection of internationally proclaimed human rights. 2. Companies should make sure that they are not complicit in human rights abuses.	Code of Conduct Supplier Code of Conduct Safety and health policy	12-13, 15, 20, 22, 34–38
3. Companies should uphold the freedom of association and recognition of the right to collective bargaining. 4. Companies should work toward the elimination of all forms of forced and compulsory labor. 5. Companies should work toward the effective abolition of child labor. 6. Companies should work toward the elimination of discrimination in respect to employment and occupation.	Code of Conduct Supplier Code of Conduct Safety and health policy Diversity policy	12-13, 20, 38
7. Companies should support a precautionary approach to environmental challenges. 8. Companies should undertake initiatives to promote greater environmental responsibility. 9. Companies should encourage the development and diffusion of environmentally friendly technologies.	Environmental policy Supplier Code of Conduct	22, 24, 27–29, 40–48, 50
10. Companies should work against corruption in all its forms, including extortion and bribery.	Code of Conduct Supplier Code of Conduct	12–23, 26, 37–38

WHEN TRUST MATTERS

Independent Limited Assurance Report

to the Directors of Kuehne and Nagel Management AG

DNV Business Assurance Services B.V. ("DNV", "us" or "we") were commissioned by Kuehne and Nagel Management AG ("Company") to provide limited assurance over Selected Information presented in the "Sustainability Report 2021 Edition" (the "Report") for the reporting year ended 31 December 2021.

Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

Our observations and areas for improvement will be raised in a separate report to Company's Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

- The Company's environmental reporting software currently has no filter or additional fields to add activity status of the sites. These include, but are not limited to: when the sites are inactive/closed; when the utilities were previously monitored by the sites but are now not monitored due to change of contract (water included in rental, for instance) with landlord; when the utilities are monitored by the site as it is part of the rental contract; and when certain sites are clustered as part of a larger site due to temporary business demands. This has created hurdles both externally, from an assurance perspective, as well as internally for the site data owners and central data owners when checking the data, especially when collating the data annually. We understand that the Company is considering implementing a newer version of the software which will add functionalities to analyse KPIs more efficiently. We recommend that data collation that follows is initiated on a monthly or quarterly basis, to provide additional oversight of each region's data and to reduce the risk of unidentified errors in the data.

Selected information

The scope and boundary of our work is restricted to the 2021 performance data included within the Reports (the "Selected Information"), listed below:
- Total electricity (Million kWh)
- Total waste (Thousand tons)
- Total water use (cubic meters)
- Lost time incident frequency rate (LTIF) (Per 1 million hours)
- Personnel attrition (unwanted)

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

To assess the Selected Information, we have referred to the calculation methodologies in the Company's Reporting Methodology (found on pages 52 and 53 in the Report).

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Reports or on the Company's website for the current reporting period or for previous periods.

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with the Company's management, to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Conducting teleconferences with some sites situated in the regions of Europe and North America, to review processes and systems for preparing site level data consolidated at Company;
- Performing limited substantive testing on the most significant contributors (region level), to check that their data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and the context provided to us by Company for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reviewing the Reports and accompanying narrative to the Selected Information in regard to the Criteria.

DNV Business Assurance B.V.
Barendrecht, the Netherlands
03 May 2022

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by Kuehne & Nagel Management AG have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Responsibilities of the Directors of Kuehne & Nagel Management AG and DNV

The Directors of the Company have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Reports and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to the Company in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Reports.

DNV Business Assurance

DNV Business Assurance B.V. is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.
https://www.dnv.nl/