KUEHNE+NAGEL

**2023 Edition**

# Sustainability Report

# Contents

# CEO message



## Dear Readers,

We are one year into our new Roadmap 2026 strategy that sets us on the path to achieve our Vision 2030 of becoming the most trusted supply chain partner supporting a sustainable future.

Creating a sustainable future is at the core of our company's beliefs and is integral to our daily activities.

We are making great progress with our Roadmap 2026 strategy, and with sustainability at its core, we will continue to pioneer new solutions and be at the heart of collaborative sustainability partnerships with customers and partners, which are essential to enact change.

I would like to take this opportunity to thank our 81,000 colleagues for their outstanding performance to achieve our sustainability targets whilst supporting our customers in a continually volatile logistics marketplace.

Dealing with complexity has become the norm and what our colleagues can do well, leading the Kuehne+Nagel Group to have a great 2023-year performance.

We invite you to read the report and be part of our sustainability story.

Stefan Paul
CEO

# Message from the Executive Management Board

### Dear Readers,

It is an honour to introduce you to our Sustainability Report for the year 2023 and share our progress, initiatives and commitment to environmental, social and governance (ESG) matters.

In my first year at Kuehne+Nagel, I have experienced firsthand the dedication and commitment of our employees to sustainability.

We are proud that Living ESG is an integral part of our Roadmap 2026 strategy. It encapsulates our commitment to ESG and guides our actions to support a sustainable future.

In 2023, we have proven our commitment to environmental aspects, such as investing in renewable electricity or the deployment of biofuels to reduce emissions. We also turned our attention to the social dimensions of Living ESG. We achieved high participation in our company-wide employee engagement surveys and developed a robust social framework to positively impact society and the environment.

On top, we strengthened our sustainability governance to ensure we have an aligned approach across the organisation to deliver the best outcomes for employees, customers, and partners.

Moving forward, we will continue to focus on reducing emissions along the value chain and providing our partners with actionable insights based on emission data. Simultaneously, we will continue to carefully listen to our customers and employees as we strive to create an extraordinary experience.

With this report, I invite you to explore how we have integrated ESG principles into our business practices and learn about our progress and achievements.

I hope you will join us on this journey to support a sustainable future!

Sarah Kreienbühl
CHRO with additional responsibility
for ESG and QSHE

# Sustainability highlights

## 20%
on-site electricity production
in Contract Logistics

## 53
countries where Kuehne+Nagel
is certified as ‚Great Place to Work'

## 97%
completion rate of annual
Code of Conduct confirmation
training

## 26 Mio.
litres of sustainable aviation
fuel (SAF) sourced by
Kuehne+Nagel in 2023

## 80%
response rate to
Employee Experience survey

## B
CDP score for climate
change questionnaire

# Our business

**Who we are**

From family-run companies to multi-national enterprises, Kuehne+ Nagel's 81,000 employees in 94 countries provide transportation and logistics services to customers worldwide. Bridging continents, we address customers' immediate and long-term needs by shaping a more innovative supply chain.
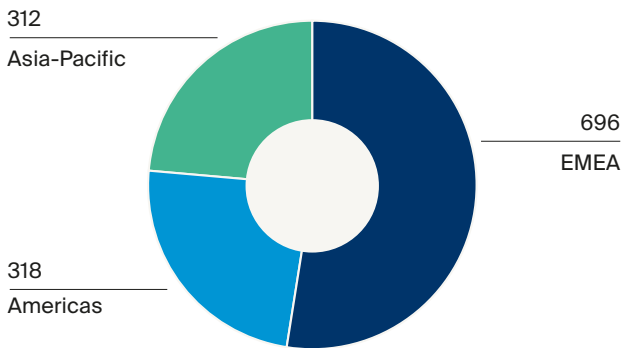
Through our global network, Kuehne+Nagel specialises in complex, end-to-end, multi-modal supply chain solutions for Sea, Air, Road and Contract and Integrated Logistics. The organisation is recognised as one of the world's largest sea and air freight forwarders based on managed volumes.

Our ultimate holding company, Kuehne + Nagel International AG (KNIN), is registered in Schindellegi, Switzerland and listed on the SIX Swiss Exchange.

**A data-driven and asset-light business model**

Servicing over 400,000 customers, Kuehne+Nagel favours working with trusted providers. Rather than investing in proprietary fleets, we partner with preferred shipping carriers, airlines and road hauliers. Capital investments are made to address gaps in geographical coverage, reinforce our service offering or drive supply chain innovation. The 2023 acquisitions of the leading African perishable goods

**Number of sites by region**

312
Asia-Pacific

696
EMEA

318
Americas

**Employees by region**

11,247
Asia-Pacific

19,671
Americas

50,065
EMEA
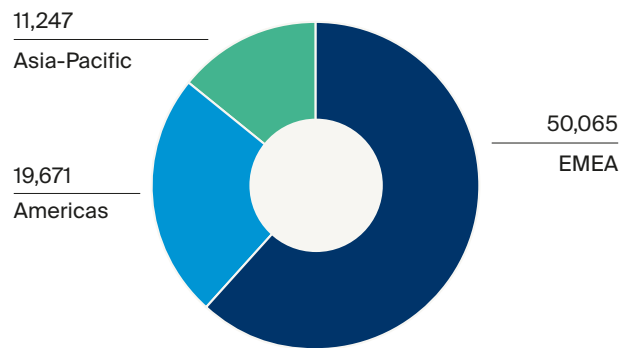
**94**
countries worldwide

**1,326**
sites worldwide

**80,983**
employees worldwide

**23,849**
million CHF net turnover

**Scope of end-to-end logistics services**

freight forwarder, Morgan Cargo, and Canadian customs broker, Farrow, are recent examples.

We consolidate and synchronise supply chain data to make it easily accessible to Kuehne+Nagel teams and customers alike. Stakeholders can access advance shipping notifications, delivery data, track-and-trace information and visibility for inbound and outbound flows. Our specialisation in key industry verticals lets us finetune and customise logistics solutions to meet the customer's needs for Aerospace, Automotive and New Mobility, Consumer,

Healthcare, High-Tech and Semicon, Industrial and Perishables.

This asset-light, segmented and multimodal business model allows us to scale or adapt services quickly. With a global presence and in-market relationships, we capitalise on the latest supply chain innovations. Our strategic Roadmap 2026 (detailed in the following section) embodies this ambition while nurturing quality and trust. We maintain a market-leading position by bringing logistics and technological expertise to our customers. With continued investment, long-term

vision and dedicated Kuehne+Nagel experts, we cultivate a 360° view of the global transport and logistics landscape. In doing so, we strengthen and shape sustainable supply chains, benefitting our customers and the world around us.

In addition to end-to-end logistics services, we offer value chain solutions such as cargo insurance, emissions visibility and reporting, supply chain design and optimisation, returns management and quality inspections.

# ESG strategy, achievements and governance

**Kuehne+Nagel Experience**

**Market Potential**

**Digital Ecosystem**

**Living ESG**

## Launching Roadmap 2026

As one of the leading global logistics providers, we recognise the responsibility we have towards our customers, colleagues, wider society and the environment. As such, our Vision 2030 is to 'become the most trusted supply chain partner supporting a sustainable future'.

Laying the foundations of this vision is Roadmap 2026. This four-year strategy builds upon the experiences and achievements of our previous strategy which extended our offering from supply chain to value chain services. Roadmap 2026 comprises four cornerstones. Combined, they are the ingredients for our success over the coming years.

The four cornerstones all feed into our sustainability vision.

### Kuehne+Nagel Experience
The Kuehne+Nagel Experience cornerstone is designed to ensure a globally consistent customer and employee journey. Its goal is greater customer satisfaction and retention, as well as higher employee satisfaction, motivation, and retention. It is, therefore, closely linked to many of the social aspects of Living ESG.

### Market Potential
The Market Potential cornerstone is about using industry-specific, value added solutions and a wider geographic footprint to grow our business. A good example of this is Renewable Energy Logistics, a growing market and enabler for the energy transition.

### Digital Ecosystem
The Digital Ecosystem cornerstone centres on connecting people and goods with the right information at the right time. It capitalises on the power of technology to drive our vision, accelerating the move to data-driven, optimised and ultimately more sustainable supply chains.

### Living ESG
The Living ESG cornerstone recognises and now firmly anchors environmental, social and governance topics into our overarching business strategy. Business and functional units integrate Living ESG into their own roadmaps and business goals, ensuring close alignment and the integration of sustainability practice.

In practice, Living ESG focuses on measuring and reducing emissions for our customers, offering sustainable fuels and renewable alternatives and strengthening supplier engagement. It puts in place targets and KPIs that will ensure Kuehne+Nagel's employees feel part of a safe and fair workplace and that their contribution and development is valued. Finally, Living ESG seeks to ensure governance that safeguards our business and the livelihoods of our employees.

Since 2020, Kuehne+Nagel has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, environment and anti-corruption.

As such, the objectives of Living ESG are in alignment with, and seek to contribute to, the UN Sustainable Development Goals. Living ESG also reinforces our commitment to the Science Based Targets initiative (SBTi) and our continued work to achieve emission reduction targets as outlined the Environment section of this report.

**WE SUPPORT**
UN GLOBAL COMPACT

## Human Rights

Treating everyone with fairness and respect, wherever we operate.

## Labour Rights

Ensuring fair wages, safe workplaces and opportunities for our employees.

## Employee Development

Helping our employees learn, grow and reach their full potential.

## Health, Safety and Wellbeing

Promoting the health and wellbeing of our employees for an engaged and thriving workforce.

## Diversity, Equity and Inclusion

Embracing diversity, ensuring fairness and fostering inclusivity.

## Community Support

Making a positive impact in our communities through support and giving back.

**Our social impact framework**

## 2023 ESG achievements

In 2023, we made progress across all sustainability areas. Sustainability now firmly integrated into business strategy, we strengthened its governance by developing a sustainability blueprint to ensure that Living ESG is cascaded throughout the organisation via business units, as well as regional (and in some cases national) sustainability leads. We also re-adjusted our materiality matrix to reflect the Group's impact on sustainability matters more accurately. Maintaining — and improving — our notations with key ratings agencies further supports our ESG performance (more details in the table on page 10). Highlights of our progress in environmental, social and governance topics are as follows:

### Environment

Kuehne+Nagel's commitment to address climate change remains central to our sustainability strategy. Underpinning this, our net-zero ambition was included in our updated environmental policy statement, its validation with the SBTi planned for 2024. Our latest 'B' score by the Carbon Disclosure Project (CDP) also confirms our progress in the management of climate-related issues.

Compared to 2022, absolute reported emission figures decreased by 11% to 14.422 million tonnes in 2023. Despite this notable drop, the Group continues to recognise the importance of deep emission cuts along its value chain in order to transition to a low-carbon and, ultimately, net-zero aligned business model. We have, therefore, taken a number of actions in the reporting year to address emissions. Within our immediate sphere of influence, we increased the share of hybrid and electric company cars from 17% to 32% as well as that of electric trucks in our own fleet to 1.5%.

On-site electricity production using photovoltaics also increased by 5%, producing the equivalent of 20% of the electricity consumption handled directly on our premises. Together with investments in Energy Attribute Certificates (EACs), this led to 100% renewable electricity usage for Kuehne+Nagel sites (98% including recent acquisitions). 2023 also saw the roll-out of Smart Meters on selected sites; continuing in 2024, this real-time energy monitoring system will track electricity, gas and water consumption, allowing us to optimise our energy usage.

Supporting customers in their transition to a low-carbon economy, we developed a industry leading sustainable aviation fuel (SAF) certification programme and extended our Book and Claim offer to Road Logistics. In 2023, together with our partners, we sourced 13,391 tonnes of sustainable marine fuel, 26 million litres of sustainable aviation fuel and used 0.8 million litres of hydrotreated vegetable oil. Compared to 2022, this increased sustainable fuel sourcing by more than 90% and reduced emissions by approximately 110,000 tonnes compared to using conventional fuels. We also collaborate with carriers to decarbonise logistics. A noteworthy development announced in 2023 is our participation in a government-funded programme to decarbonise Heavy Goods Vehicles that will accelerate road freight electrification in the UK and contribute to reducing supply chain emissions over the coming years. In addition, Kuehne+Nagel was named official Freight Forwarding and Logistics Partner by COP28, underpinning not only our operational excellence, but our commitment to decarbonise logistics.

### Social

In terms of social factors, 2023 saw Kuehne+Nagel develop a number of strategic approaches, including our social impact framework within Living ESG and our HR Roadmap. The former defines our ambitions for a range of topics, including health and safety, human rights and diversity, equity and inclusion (DEI), and evaluates where we stand today. This evaluation will help to further prioritise actions. In addition, the HR Roadmap has defined new workstreams as part of Roadmap 2026. As a result, HR's functional identity is set to shift from one led by transaction to one that leads the way in transformation.

Progress regarding our Employee Experience non-negotiables provided some of the highlights of 2023. For example, we launched our Voice of the Employee framework, which involved conducting two surveys, including a Great Place To Work (GPTW) survey in November. Response rates were very positive, and Kuehne+Nagel has now been certified a GPTW in 53 countries. Based on the feedback gathered from both surveys, we will define concrete steps to improve the employee experience in 2024, and as a result will continue to focus on employee development, performance enablement and transparent communication across the organisation.

Our health and safety performance also improved in 2023, demonstrating better than ever results. There were zero fatalities in our own operations or concerning suppliers working within them. In the diversity, equity and inclusion (DEI) area, we made modest steps to increase female role model visibility, enhancing awareness and communication activities while shaping an environment that embraces and respects diversity.

### Business-minded governance

Accountability, fairness and transparency define our governance topics such as business integrity and data privacy and security. They are key to achieving our environmental and social sustainability ambitions.

In 2023, 96% of employees completed annual confirmation training of the Kuehne+Nagel Code of Conduct, demonstrating the company's commitment to establishing loyal and trustworthy relationships with our customers, suppliers and employees. We also completed an online training campaign on anti-bribery and anti-corruption basic awareness for around 7,000 people managers and will conduct advanced training in 2024.

Underpinning Kuehne+Nagel's responsibility to secure data management, 2023 saw us achieve ISO 27001 information security certification in Germany and launch a generative AI policy.

## ESG governance

As sustainability questions and practices progress in scope, complexity and importance, so do Kuehne+Nagel's management structure and corporate culture evolve.
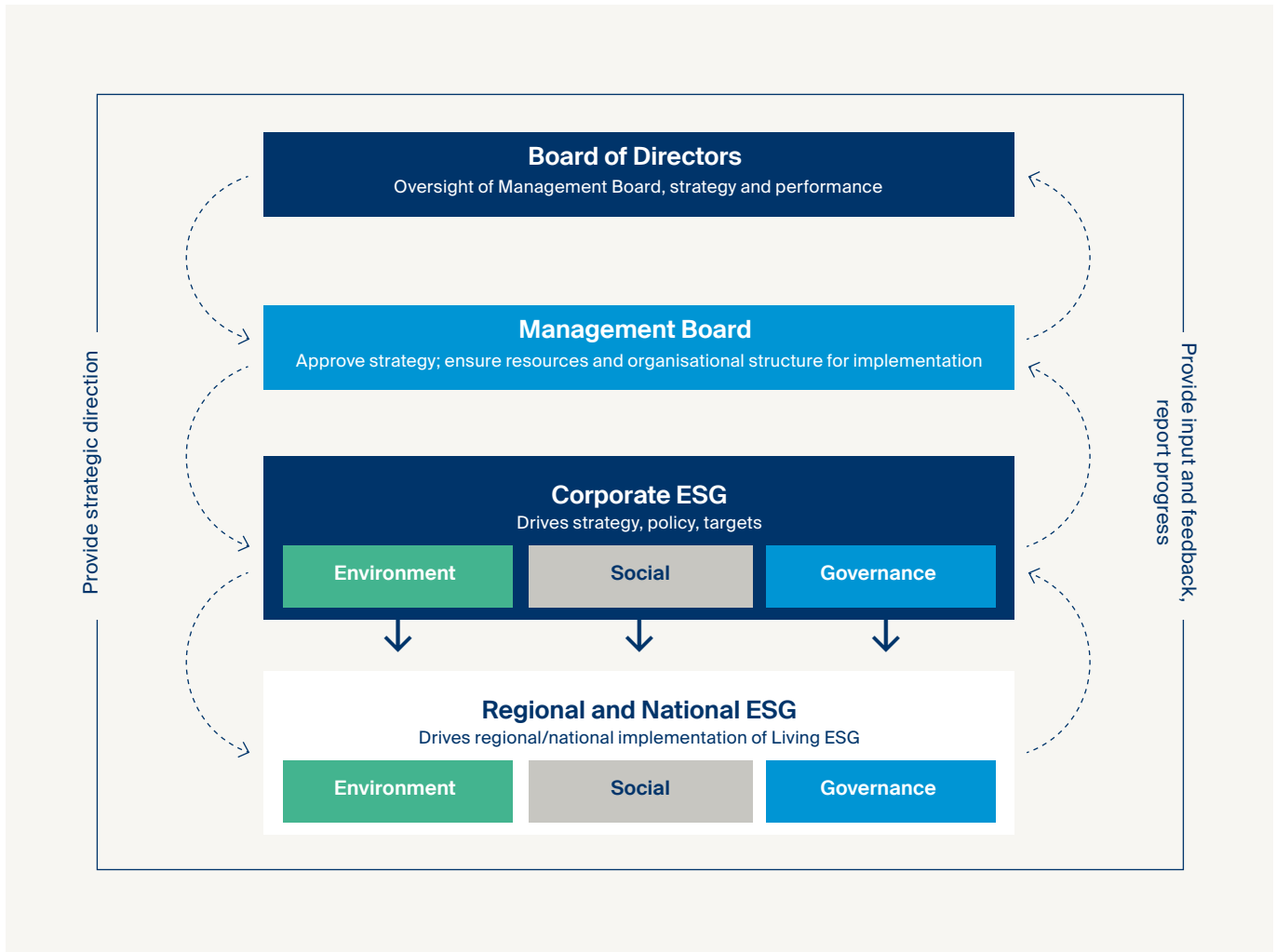
Kuehne+Nagel has a two-tier management system comprising a Management Board and a Board of Directors. The former approves the ESG strategy and monitors performance. Usually, the Chief Executive Officer (CEO) and/or the Chief Financial Officer (CFO) represent the Management Board at quarterly meetings of the Board of Directors, along with other functional and business unit executives.

Since April 2023, and in line with the integration of Living ESG as a cornerstone of Kuehne+Nagel's Roadmap 2026, our Chief Human Resource Officer (CHRO) has also been responsible for ESG and QSHE at Management Board level. The Global Head of Sustainability and the corporate sustainability team report to the CHRO. They are charged with cross-business unit coordination, regional and national strategy alignment for Living ESG and performance monitoring and reporting.

**Kuehne+Nagel's performance with ESG rating agencies**

| Rating Agency | Performance | | | Scoring Scale | |
| --- | --- | --- | --- | --- | --- |
| | 2023 | 2022 | 2021 | Best | Worst |
| Ecovadis | 70 (Gold Medal) | 72 | 70 | 100 | 0 |
| CDP | B (Management) | – | – | A | F |
| MSCI | AAA (Leader) | AAA | AAA | AAA | CCC |
| Sustainalytics | 15.0 (Low Risk) | 17.8 | 17.9 | 0 | 50 |

Status: December 2023 (except CDP: February 2024)

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┌─────────────────────────────────────────────────┐
│              Board of Directors                  │
│  Oversight of Management Board, strategy and     │
│              performance                         │
└─────────────────────────────────────────────────┘

┌─────────────────────────────────────────────────┐
│              Management Board                    │
│  Approve strategy; ensure resources and          │
│  organisational structure for implementation     │
└─────────────────────────────────────────────────┘

┌─────────────────────────────────────────────────┐
│              Corporate ESG                       │
│           Drives strategy, policy, targets       │
│  ┌───────────┐ ┌───────────┐ ┌───────────┐       │
│  │Environment│ │  Social   │ │Governance │       │
│  └───────────┘ └───────────┘ └───────────┘       │
└─────────────────────────────────────────────────┘

┌─────────────────────────────────────────────────┐
│          Regional and National ESG               │
│  Drives regional/national implementation of      │
│              Living ESG                          │
│  ┌───────────┐ ┌───────────┐ ┌───────────┐       │
│  │Environment│ │  Social   │ │Governance │       │
│  └───────────┘ └───────────┘ └───────────┘       │
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Provide strategic direction

Provide input and feedback, report progress

**ESG coordination and alignment structure**

Close collaboration between business units and functional units is essential to ensuring a harmonised and aligned approach. As such, dedicated working groups — such as the Environment Working Group focusing on our decarbonisation targets, strategy development and execution — are also in place.

Kuehne+Nagel's corporate sustainability team and regional sustainability leads collaborate on an ongoing basis to facilitate the cascading of Living ESG throughout the organisation. Regional — and in some cases national — ESG sustainability managers drive execution, adapting to markets with high customer demand or specific regulatory requirements. Regional input is equally sought for leverage at corporate level. Quarterly meetings between the corporate team and the regional/national managers ensure close alignment. In 2023, coordination of

ESG-related matters was strengthened by implementing the sustainability blueprint and establishing dotted-line reporting to the corporate team by the regional, national, and business unit sustainability managers.

**Risk management**
Risk management is a fundamental element of the Group's business practice. Embedded into business strategy, planning and controlling processes, it results from continuous dialogue between the Management Board, the Risk and Compliance Committee and the Audit Committee (more information about risk management can be found in the Annual Report 2023, p. 16).

Several sustainability and climate-related risks are considered in the risk assessment undertaken by the Management Board. They are integrated into the overall strategy

according to their impact and likelihood. Physical risks — such as extreme weather events or a rise in sea levels — and transition risks — like emerging regulations — are therefore taken into consideration.

Being asset-light, climate-related transition risks such as legal and policy changes as well as changing market conditions, may have a more direct impact on our business than physical risks. As the concern for climate change and increasing regulatory requirements grow, we will conduct further in-depth assessments in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The evaluation will include climate-related risks and opportunities and their potential strategic and financial impact on our business.

# Materiality analysis

**Materiality matrix 2023**
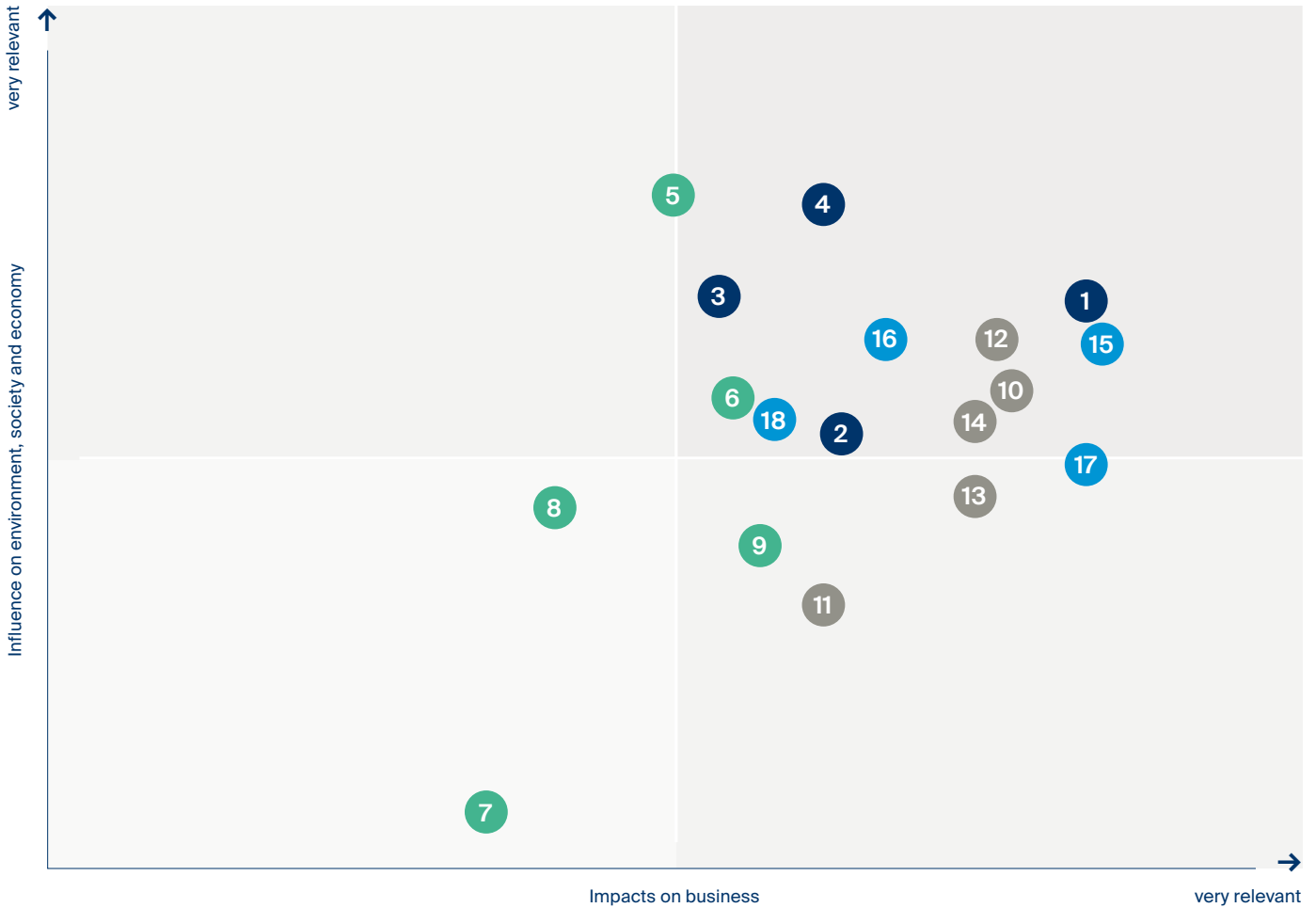


**Value Chain**
1. Customer relations and satisfaction
2. Product and service innovation
3. Supplier engagement
4. Sustainable supply chain

**Environment**
5. GHG emissions and climate change
6. Energy consumption
7. Water usage
8. Waste management and recycling
9. Management of dangerous goods

**Social**
10. Employee satisfaction and retention
11. Employee development
12. Occupational health and safety
13. Diversity, equity & inclusion
14. Human rights and labour rights

**Governance**
15. Business integrity
16. Business preparedness, resilience and disaster response
17. Data privacy and security
18. Responsible communication

## Our approach

Kuehne+Nagel uses materiality analysis to identify and prioritise the most important issues in terms of their impact on the environment, society and economy. Impacts can be positive or negative, the relevance of an impact determined by its likelihood and potential scale.

The materiality approach also addresses issues most critical to our business success. These can be presumed as risks and opportunities with the potential to significantly influence our strategy.

Materiality matrix results are used for analysis and strategic decision-making, helping Kuehne+Nagel finetune Living ESG as we move forward on our Roadmap 2026 journey.

## 2023 updates to the materiality matrix

In 2021, a set of material topics were identified in the context of Kuehne+Nagel's business activities. Based on stakeholder views and engagement, these topics recognised sustainability frameworks — such as the Global Reporting Initiative (GRI) — and took into consideration industry trends, upcoming regulatory requirements and ESG rating agencies.

In 2023, in line with applicable legal requirements, we applied a double-materiality concept and re-assessed the impact of Kuehne+Nagel's business activities regarding the material issues. As such, the y-axis of the accompanying matrix was re-evaluated, while the x-axis was renamed to relate to the impact of a topic on the business success of Kuehne+Nagel.

All topics from the previous materiality matrix were perceived as still valid and retained. Slight adjustments to the following topics were, however, made:

- "Human rights, diversity and equal opportunities" was split into two topics: "Diversity, equity and inclusion" and "Human rights and labour rights"
- "Efficient use of resources" was also split into two distinct topics: "Energy consumption" and "Water usage"

Subsequently, a survey was addressed to internal Kuehne+Nagel ESG experts to assess the impact of Kuehne+Nagel's business activities on the environment, society and economy. This offered a comprehensive inside-out complementary perspective. The survey results were then combined with the existing evaluation of the importance of topics on Kuehne+Nagel's business success (the x-axis). A first matrix showing the importance of the topics for both Kuehne+Nagel and the outside world was validated in a workshop.

Slight adjustments were made after an internal evaluation, resulting in the final matrix.

Kuehne+Nagel's business activities centre around the transport of goods.

Unsurprisingly therefore, environmental impacts relating to greenhouse gases and climate change rank highly in the updated materiality matrix. Equally, energy consumption is considered both high risk and high impact, with water consumption at our own operations having less of an impact due to relatively low levels.

Asset-light, but at the centre of global supply chain management, ensuring both a sustainable supply chain and supplier engagement are considered high impact on both the outside world and Kuehne+Nagel's business.

In terms of social topics, occupational health and safety is seen as the area of biggest impact. With a global network of more than 400,000 customers, client and employee relations also rank as high impact, presenting both risk and opportunity to our business.

Finally, business integrity and data privacy and security are deemed highly relevant to internal stakeholders, their successful undertaking critical to Kuehne+Nagel's reputation and continued operations.

Looking to 2024, we will conduct a double-materiality assessment according to the European Sustainability Reporting Standards (ESRS). It prepares us for reporting in line with the Corporate Sustainability Reporting Directive's (CSRD) requirements.

# ESG
# Progress

# Value chain

Supply chains are undergoing a remarkable transformation. Legislation and stakeholder engagement are driving companies to take greater responsibility for their environmental and social impact, not only within their own facilities but also across the entire value chain. Customers expect more, particularly when it comes to transport decarbonisation and emission reduction, challenging today's logistics service provider to deliver value beyond competitive pricing.

Moreover, supply chain disruptions such as geopolitical conflicts and labour shortages have highlighted the importance of smarter, sustainable supply chains that offer much needed resilience. In this evolving landscape, customers are no longer seeking a mere supplier; they are looking for a trusted partner who shares their commitment to positive change.

### What it means to Kuehne+Nagel
In 2023, Kuehne+Nagel sustained its position as one of the most visionary leaders in Gartner's Magic Quadrant for Third Party Logistics, topping the list of those with the ability to execute. Gartner also praised our differentiated and highly specialised offering, something Roadmap 2026 seeks to further enhance. None of this would be possible, of course, without the input and collaboration of our many customers and tens of thousands of suppliers.

This section covers the material topics of product and service innovation, customer relations and satisfaction, supplier engagement and sustainable supply chain. In a sense, the three former contribute to the latter, with the ultimate goal of a sustainable supply chain offering an overarching motif for our wider sustainability strategy, Living ESG.

**Value chain topics**



Sustainable supply chain

Customer relations and satisfaction

Supplier engagement

Product and service innovation

## Product and service innovation

In broadening our service offering and opening up new markets, product and service innovation is essential to maintaining Kuehne+Nagel's competitive edge. Examples include new customer solutions and distribution methods, novel technology applications and alternative ways of operating within the supply chain.

By constantly innovating, Kuehne+Nagel offers customers the means to better serve their markets whilst enabling the transition to a sustainable future. Defining and deploying new products and services is at the heart of Living ESG, whilst further structured and supported by two of the three other cornerstones of Roadmap 2026: Market Potential and Digital Ecosystem.

### Supporting the deployment of renewable energy

Renewable energies will play a key role in the transition to a net-zero future. In 2023, we therefore strategically developed our renewable energy logistics solutions as part of our Market Potential cornerstone.

Whether it be wind, solar or other forms of renewable power generation, we offer bespoke, highly specialised services that support the deployment of renewable energy across the globe.

Testament to this is the delivery of close to 11 million solar panels and 22,000 tonnes of wind turbine equipment globally in 2023. Kuehne+Nagel was also awarded a major onshore wind logistics project in the Middle East comprising the transport of 190 complete wind turbines and an additional 67 sets of turbine towers and accessories.

### Our digital transformation

Improving the digital customer experience means making the best use of available data, increasing automation and seeking cloud-based solutions to ensure reliability and efficiency for our customers. To facilitate more sustainable choices on the part of our customers, the carbon footprint generated at every stage of the supply chain must also be known. In 2023, Kuehne+Nagel embarked on a journey to

become a cloud-native company with the help of a leading cloud service provider. Roadmap 2026's Digital Experience cornerstone underpins this work.

As part of its digital transformation, Kuehne+Nagel has developed an electronic Quality Management System (eQMS) due for group rollout at selected Healthcare sites in 2024. Seeking to automate, integrate and streamline our quality management solutions, the eQMS offers a range of solutions for, but not limited to, complaint management, root cause analyses (CAPA), training and document management. Reinforcing trust with our customers, the eQMS also links into the Kuehne+Nagel Experience cornerstone.

In addition, in 2023, Kuehne+Nagel also further improved our IT emission product portfolio, enhancing visibility for customers and automating processes to scale the deployment of sustainable fuels. More details about emissions reporting can be found in the Environment section of this report.

**47%**

increase in customer satisfaction (CSAT) score in Contract Logistics

## Customer relations and satisfaction

As a supply chain specialist with more than 400,000 customers, Kuehne+Nagel shapes business relationships globally. Sustainability being an integral part of our service offering, customers expect high-quality logistics services but also tangible solutions for emissions reductions and sustainable supply chain management.

Listening to our customers — and meeting their expectations — is therefore essential and part of our Roadmap 2026's Kuehne+Nagel Experience cornerstone. A positive customer experience offers the possibility of not just customer satisfaction, but retention. Although customer experience goes beyond sustainability topics, sustainability is a common purpose with many of our customers and can act as a trigger for value chain collaborations.

### Reaching out to our customers
2023 saw numerous initiatives take shape, including the further roll-out of the customer feedback tool. Roll-out completion is expected in 2024.

A large part of 2023 was also dedicated to the largest customer survey ever undertaken by Kuehne+Nagel. Addressing over 300,000 individual customer contacts via email, we asked what we were doing well and what we could do better. With a 10.5% response rate, replies were qualified over

the telephone. In 2024, targets and key performance indicators will be put in place to ensure operational excellence and a globally consistent customer experience. The survey will be renewed to track customer satisfaction using a net promoter score (NPS), indicating whether respondents would recommend our products and services.

We also measure performance using Customer satisfaction (CSAT) scoring. In Contract Logistics, where CSAT measurement is in its sixth consecutive year, a record 47% increase was recorded in 2023.

### Decarbonisation customer collaborations and initiatives
In 2023, Kuehne+Nagel strengthened customer relationships through numerous strategic partnerships aimed at accelerating the adoption of sustainable fuels.

Recognising both logistical excellence as well as our commitment to develop sustainable solutions, Kuehne+Nagel was awarded Lenovo's sustainability excellence award 2023. This was a result of developing a first-of-its-kind sustainable aviation fuel (SAF) service offering emission reduction certificates for both Lenovo and their customers. Further information on our sustainable fuel offering can also be found in the Environment section of this report.

# How we assist our clients in achieving their sustainability goals

### Reducing emissions through sustainable fuels

We have successfully partnered with numerous customers to jointly reduce transport and logistics emissions within the supply chain. This success can primarily be attributed to the adoption of sustainable fuels, which can reduce emissions by up to 90% compared to conventional fuels. A noteworthy example included reducing event emissions for Sail GP by 77% compared to the previous season.

### Waste reduction and circular economy practices

Recognising that Kuehne+Nagel can contribute to minimising waste with effective solutions, we collaborated with Lexmark to reduce waste with reverse logistics for their cartridges and new circular practices. In addition, Kuehne+Nagel partnered with Lufthansa Cargo for pioneering paperless logistics, streamlining operations and optimising processes beyond just operational efficiency.

### Renewable energy and energy efficiency

Through strategic investments in on-site renewable electricity production and the procurement of renewable electricity for our fulfilment centres, we actively mitigate our environmental impact and that of our customers. Additionally, our commitment to sustainable warehousing is illustrated by energy-efficient solutions, as demonstrated at the new air logistics hub at Charles de Gaulle airport, which has received the BREEAM Excellent certification.

### Sustainable logistics for COP28

As official freight forwarding and logistics partner for COP28, Kuehne+Nagel provided end-to-end logistics solutions. Kuehne+Nagel's appointment can not only be credited to its logistics expertise, but also to its ambitions to decarbonise the logistics sector. For the event logistics, Kuehne+Nagel deployed 8-ton electric trucks in the UAE and offered sustainable shipping options to all participants.

### Electric trucks for decarbonising road transport

In 2023, electric vehicles were deployed in several countries, including France, Germany, the United States, China and the UAE. Many of those have been put on the road thanks to strategic partnerships with carriers. We continue our electrification journey to reduce our own emissions and to help our customers reduce theirs.

## Supplier engagement

Our asset-light business model translates as relationships with numerous suppliers across all modes of transport. As Kuehne+Nagel accompanies customers on their net-zero journey, so can we partner with our suppliers, including via collaborative industry initiatives, to strengthen our supply chain networks.

Given that a significant portion of our activity relies on transport services offered out by suppliers, the majority of supplier engagement initiatives are driven by our Sea, Air and Road Logistics business units. They share the objective of accelerating the low-carbon transition through collaborations and partnerships that go beyond the merely transactional. Some noteworthy developments in 2023 are described in more detail below.

### Air Logistics

Air freight being the most carbon intensive mode of transport, in April 2023, Kuehne+Nagel partnered with Atlas Air and SR Technics Group to form the Sustainable Engine Alliance. Pledging new industry standards for low-carbon aircraft engine supply chains, the first joint initiatives include the deployment of sustainable aviation fuel (SAF), engine stand management solutions and a global digital interface for emission transparency, reduction and avoidance. In 2023, Air Logistics also entered into several Memorandums of Understandings for the acceleration of decarbonisation, offering to continuously address and monitor efforts as well as develop new collaborations and joint initiatives for years to come. Kuehne+Nagel also participated in Virgin Atlantic's Flight100 by securing the available cargo space on the world's first transatlantic 100% SAF powered flight by a commercial airline.
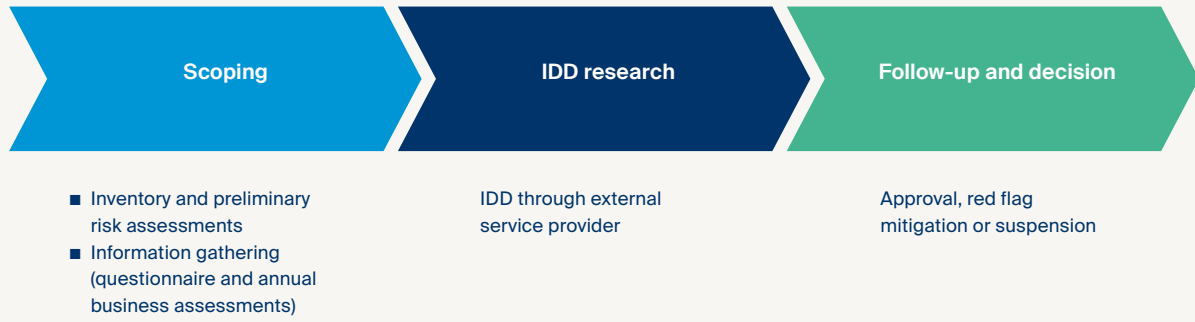
### Sea Logistics

With regard to maritime shipping, Kuehne+Nagel's partnership with CMA CGM reflects our long-term commitment to industry-wide decarbonisation efforts and the supply of high-quality biofuel. Both companies anticipate the growing contribution to meeting the International Maritime Organisation IMO's 2030 decarbonisation targets.

2023 also saw Kuehne+Nagel's continued participation in the New Energies Coalition. Initiated by CMA CGM in 2019 and bringing together 19 stakeholders of the international supply chain, the Coalition aims to develop innovative technology and energy solutions to decarbonise not only the maritime sector but also air and road activities around the world.

### Road Logistics

In contrast to Sea and Air Logistics, Road Logistics engages with many small and medium-sized carriers. A key question therefore is how to best leverage our expertise and market-position to support these carriers on their sustainability journeys. A notable success story of 2023 was our participation in a pioneering UK government-funded programme to deploy electric heavy goods vehicles (eHGVs) and accompanying infrastructure in efforts to decarbonise the UK haulage industry.

The programme will deliver approximately 370 zero-emission trucks and 57 refuelling and electric charging sites through four consortiums. Two of these will feature Kuehne+Nagel and associated haulier partners. In addition, in 2023, Road Logistics developed a Book and Claim solution to accelerate the adoption of electric vehicles for us and our partners. More details can be found in the Environment section of this report.

| Scoping | IDD research | Follow-up and decision |
|---|---|---|
| ■ Inventory and preliminary risk assessments<br>■ Information gathering (questionnaire and annual business assessments) | IDD through external service provider | Approval, red flag mitigation or suspension |

**Integrity Due Diligence (IDD)**

## Sustainable supply chain

Supply chain activity engendering environmental, social and economic aspects, there is a need to integrate sustainability criteria into Kuehne+Nagel's procurement processes and supply chain management. As an asset-light business, a sustainable supply chain starts with trust in our suppliers, all of whom are required to adhere to Kuehne+Nagel's Supplier Code of Conduct and use reasonable efforts to ensure their own suppliers do the same. Our supplier management system documents supplier commitment to Kuehne+Nagel's compliance requirements, including acknowledgement and signature of this document. At any time, suppliers can raise any concerns through the Confidential Reporting Line described in more detail in the Business-minded governance section of this report.

At the end of 2023, 42,315 approved suppliers were registered in our management system, an increase of more than 3,000 compared to 2022. An upgrade is planned for 2024 with a roll-out initially aimed at key markets. Within 12 months of the project's start, all suppliers in 50 major countries with a spend of more than CHF 5,000 shall be registered in the system.

### High-risk suppliers
Following risk assessments, suppliers are identified that may expose Kuehne+Nagel to a higher risk. For example, high-risk classification would result when suppliers interact with government officials on behalf of our customers' businesses, such as by delivering customs brokerage services. Kuehne+Nagel operates a risk-based Integrity Due Diligence (IDD) process to safeguard Kuehne+Nagel's business managers' mandatory approving decisions over appointing such high-risk suppliers. As one of the risk mitigating factors, such suppliers are expected to undergo online anti-bribery and anti-corruption training provided by Kuehne+Nagel. Per year-end 2023, 641 high-risk suppliers were approved through Integrity Due Diligence.

### Shaping tomorrow's sustainable supply chains

Offering supply chain experience, a global footprint and an asset-light business model, Kuehne+Nagel benefits from the position and leverage to spearhead solutions, collaborations and partnerships that contribute towards a more sustainable supply chain. Our role is to bring suppliers and partners together with that ambition in mind.

As official freight forwarding and logistics partner for COP28 in Dubai in late 2023,

Kuehne+Nagel used the opportunity to deploy electric trucks and forklifts for deliveries within the UAE. COP28 participants were also encouraged to make use of the sustainable shipping options offered by Kuehne+Nagel.

In 2023, Kuehne+Nagel continued to participate in numerous industry initiatives, leveraging its expertise and experience to shape innovative solutions and opportunities for the development of sustainable transport solutions. Examples include our ongoing engagement with the Smart

Freight Centre and its industry working groups or the Getting to Zero Coalition, a robust alliance of over 200 organisations that aims to operationalise commercially viable deep-sea, zero-emission vessels by 2030 (and full decarbonisation by 2050).

Through these engagements, Kuehne+Nagel demonstrates its commitment to shaping the future of transportation toward greater sustainability and connectivity within the industry.

**Coalitions and initiatives**

# Environment

Unprecedented temperatures made 2023 the warmest year on record. COP28 in Dubai concluded the first stocktake of global efforts to address climate change under the Paris Agreement. To achieve net-zero ambitions, a fossil fuel phase-out agreement committed parties to transition away from fossil fuels in energy systems.

Freight transport is largely dependent on fossil fuels and a major contributor to climate change. According to the IEA, transport emissions grew at an annual average rate of 1.7% from 1990 to 2022, making environmental sustainability one of the main drivers behind today's supply chain transition. With nearly 14 million electric vehicles (EVs) sold globally in 2023, electrification offers one decarbonisation pathway, notably for road transport. In harder-to-abate transportation sectors like maritime or aviation, sustainable fuels are gaining ground. According to the International Air Transport Association (IATA) global sustainable aviation fuel production reached around 600 million litres, double the 300 million litres produced in 2022.

Renewable energies equally have a role to play the phase-out agreement concluded at COP28, including the target to triple global capacity by 2030. Also bringing more circularity to the supply chain, waste reduction and resource optimisation received some attention in 2023. In anticipation of the ramp up in battery manufacture needed to fuel both an energy and transport transition, new European battery legislation included raw material sourcing, recycling criteria and end-of-life considerations.

In 2023, supply chain challenges — such as fluctuating shipping rates, ongoing geopolitical friction, labour disputes and raw material shortages — continue to dominate the news. Sustainable, smart supply chains offer a cleaner future but equally more resilience. They require, however, long-term strategic thinking.
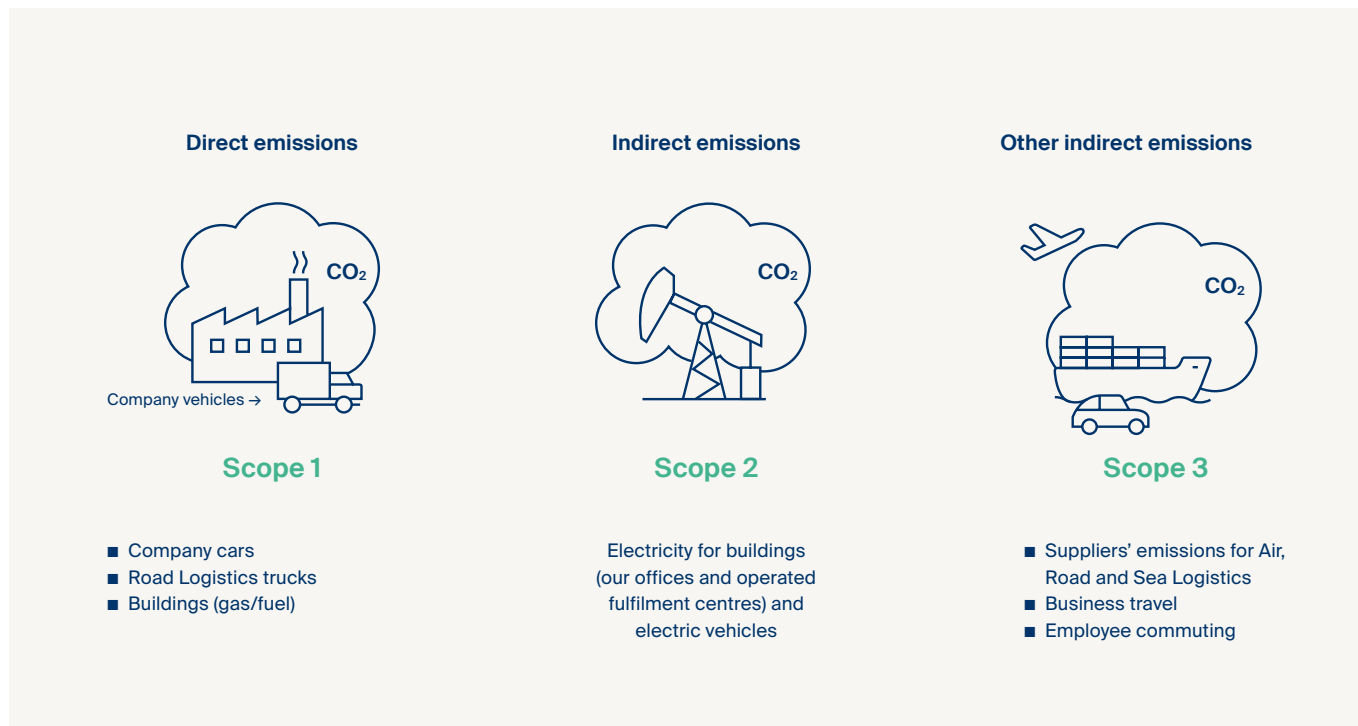
### What it means to Kuehne+Nagel
As a global logistics provider, Kuehne+Nagel is at the heart of the sustainable supply chain transition. The following section covers the environmental material topics and outlines the strategy, targets and our progress to date.

### Our 2030 environmental targets
As outlined in our updated Environmental Policy Statement, we have defined a set of environmental priorities on a global level. More specifically, we have set following company targets:

- 33% absolute reduction of greenhouse gas emissions (scopes 1, 2 and 3) against 2019 baseline (approved science-based target)
- 100% renewable energy, maintaining 100% renewable electricity in all Kuehne+Nagel locations
- Zero waste to landfill
- Maintain 10% water consumption reduction (vs. 2019)

| Direct emissions | Indirect emissions | Other indirect emissions |
|---|---|---|

**Scope 1**

Company vehicles →

- Company cars
- Road Logistics trucks
- Buildings (gas/fuel)

**Scope 2**

Electricity for buildings
(our offices and operated
fulfilment centres) and
electric vehicles

**Scope 3**

- Suppliers' emissions for Air,
  Road and Sea Logistics
- Business travel
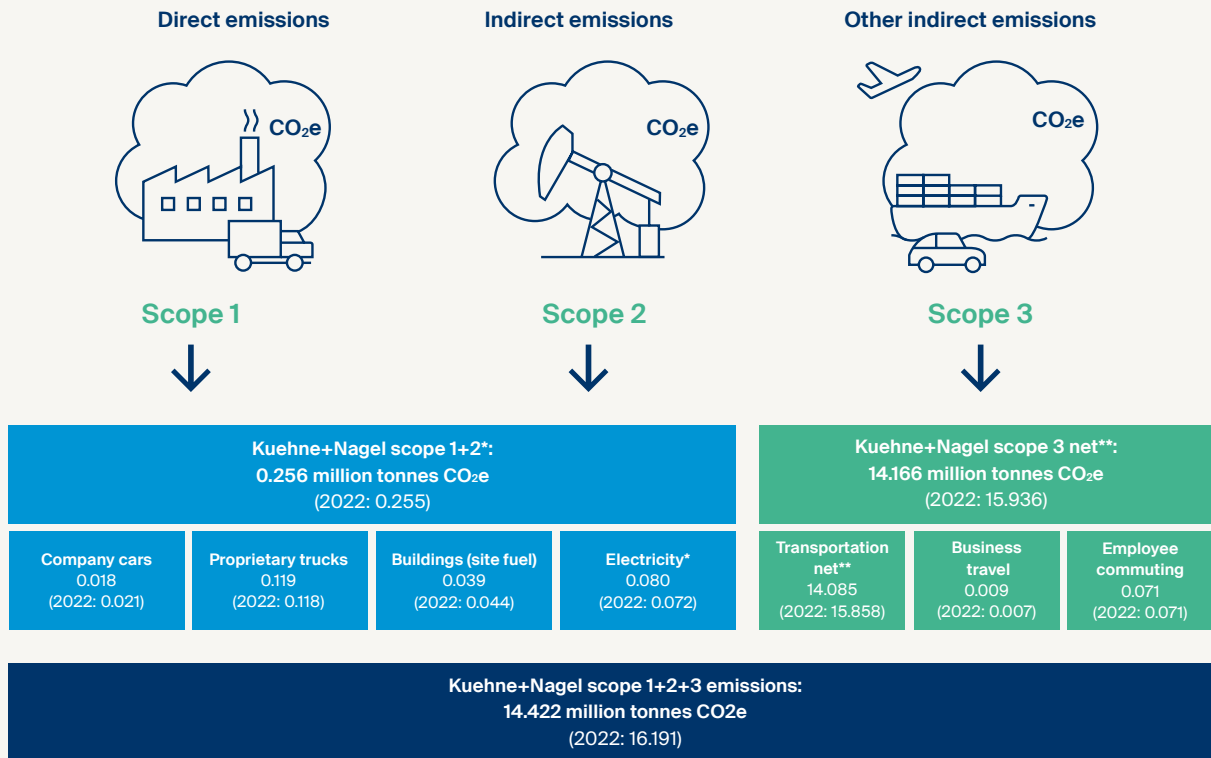- Employee commuting

**Our emission scopes**

## Greenhouse gas emissions and climate change

As highlighted in the materiality matrix, greenhouse gas emissions are the Group's most significant environmental impact. These emissions result, in most part, from the burning of fossil fuels incurred by our transport activity. Greenhouse gases — which include $CO_2$ — contribute to global warming and engender other economic and social impacts. In addition, climate-related risks can have financial and strategic impacts on the company, including supply chain disruptions provoked by extreme weather or long-term changes in weather patterns. Recognising both risks and impacts, Kuehne+Nagel acknowledges its responsibility to reduce emissions across its entire value chain.

GHG emissions comprise three scopes. Scope 1 and 2 emissions mainly concern the energy used at our offices and facilities, as well as company cars and company-owned trucks. However, our asset-light business model, whereby we partner with suppliers to offer the majority of our services, means that more than 98% of our GHG emissions fall outside our immediate sphere of influence and are therefore classed as other indirect emissions in scope 3. This differentiates us from many of our competitors.

# 2023 greenhouse gas emissions and progress

**98.2% of Kuehne+Nagel's emissions are created in our value chain (scope 3)**

| Direct emissions | Indirect emissions | Other indirect emissions |
|:---:|:---:|:---:|
| Scope 1 | Scope 2 | Scope 3 |

| Kuehne+Nagel scope 1+2*: 0.256 million tonnes $CO_2e$ (2022: 0.255) | | | | Kuehne+Nagel scope 3 net**: 14.166 million tonnes $CO_2e$ (2022: 15.936) | | |
|:---:|:---:|:---:|:---:|:---:|:---:|:---:|
| Company cars 0.018 (2022: 0.021) | Proprietary trucks 0.119 (2022: 0.118) | Buildings (site fuel) 0.039 (2022: 0.044) | Electricity* 0.080 (2022: 0.072) | Transportation net** 14.085 (2022: 15.858) | Business travel 0.009 (2022: 0.007) | Employee commuting 0.071 (2022: 0.071) |

**Kuehne+Nagel scope 1+2+3 emissions: 14.422 million tonnes CO2e (2022: 16.191)**

\* market-based scope 2 emissions
\*\* 'net' emissions consider the effect of sustainable fuel deployment in scope 3

## Our commitment to address climate change

At the core of our climate-related targets is our commitment to the Science Based Targets initiative (SBTi) and our approved overarching target to 'reduce absolute scope 1, 2 and 3 GHG emissions 33% by 2030 from a 2019 base year.'

Contributing to this, we have also defined the following supporting targets for 2030:

- 60% low-emission vehicles in our own fleet of trucks (scope 1)
- 100% renewable energy at our sites
- 30% on-site renewable electricity production in Contract Logistics (interim target of 25% by 2024)

In our updated Environmental Policy Statement 2023, we also express the ambition to become net-zero by 2050. We are planning to submit this commitment for validation to the SBTi in 2024.

As presented in the graphic above, the majority of Kuehne+Nagel's emissions stem from services provided by the Sea, Air and Road Logistics business units and those of our carriers. Comprising emissions from these logistics services as well business travel and employee commuting, scope 3 emissions in our value chain continue to account for more than 98% of the Group's total emissions.

In 2023, data from recent mergers and acquisitions were integrated in the GHG inventory. Consequently, the figures for 2022 were restated retrospectively to facilitate year-to-year comparisons.

Compared to 2022, reported net emission figures decreased by 11% to 14.422 million tonnes. This is a significant decrease particularly in Air Logistics and Sea Logistics scope 3 emissions. In part, this can be attributed to trade-related changes in transport activity as well as global changes to emissions factors used in calculating the emissions. For Air Logistics, a 11.2% drop in volumes handled in 2023 also led to lower emission values. Looking ahead to 2024 and beyond, however, we expect transport activity to recover. In line with the Group's growth ambitions toward 2030, absolute emissions are expected to increase yet again, unless significant efforts are made to decarbonise transport and logistics across the industry. Given this, reducing emission intensity across all modes of transport will continue to be a key focus for the Group to reduce emissions in line with the latest SBTi guidance.

Some other noteworthy developments contributing to the overall emission figures are described below:

- Company cars (scope 1): emissions from company cars have decreased by 15% to the lowest level recorded since emission measurements started. This positive trend can largely be attributed to growing adoption of hybrid and electric vehicles.
- Proprietary trucks (scope 1): emissions from proprietary trucks increased 1% (0.001 million tonnes) compared to 2022. This rise is in part due to a higher amount of vehicles and cooled trailers and a slightly higher amount of volume transported with own vehicles.
- Business travel: with travel activity returning to pre-pandemic levels, emissions from business travel increased by 33% to 0.009 million tonnes.

**~110,000**

tonnes of emissions reduced through sustainable fuel sourcing in Air and Sea Logistics (>90% increase compared to 2022)

1 CO2e: CO2 equivalent

**25%**

increase in the deployment
of HVO to 782,000 litres

**20%**

of electricity produced
on-site in Contract Logistics

### Actions and initiatives to reduce scope 1 and 2 emissions

Acknowledging our responsibility to reduce emissions within our immediate sphere of influence — meaning our company cars, trucks and the energy used to operate our offices and fulfilment centres — a number of actions are in place to address scope 1 and 2 emissions.

### Starting at home: Advancing electrification

Electrification of our proprietary fleet of vehicles is one such action. This was further pursued in 2023 by increasing the share of electric trucks to 1.5%, in line with the overall goal of 60% representation of low-emission vehicles in our own fleet by 2030.

A developing market, electrification presents some challenges, especially for heavy-duty electric vehicles, but we expect an acceleration in adoption over coming years.

As a bridging solution, Kuehne+Nagel also deploys hydrotreated vegetable oil (HVO) in our proprietary trucks. This can reduce emissions up to 83% compared to conventional fuels. In 2023, our HVO deployment increased by 25% to 782,000 litres. We also offer this solution to customers as described in more detail in the following section.

We are also investing in electric forklifts at our fulfilment centres and have expanded our share of hybrid and fully electric company vehicles by 15% in 2023. Hybrid and fully electric vehicles now represent 32% of our company cars. Supporting employees in their transition, we also offer charging points in multiple locations.

### Investments in renewable electricity

In September 2023, our Contract Logistics business unit achieved the ambitious target of producing more than 20%[2] of its electricity needs internally by deploying photovoltaics. This demonstrates significant progress towards the 2030 target of producing 30% and the 2024 interim target of producing 25% of electricity on site.

We also continue to invest in Energy Attribute Certificates (EACs), allowing us to achieve 100% renewable electricity across all Kuehne+Nagel sites (excluding recent acquisitions).
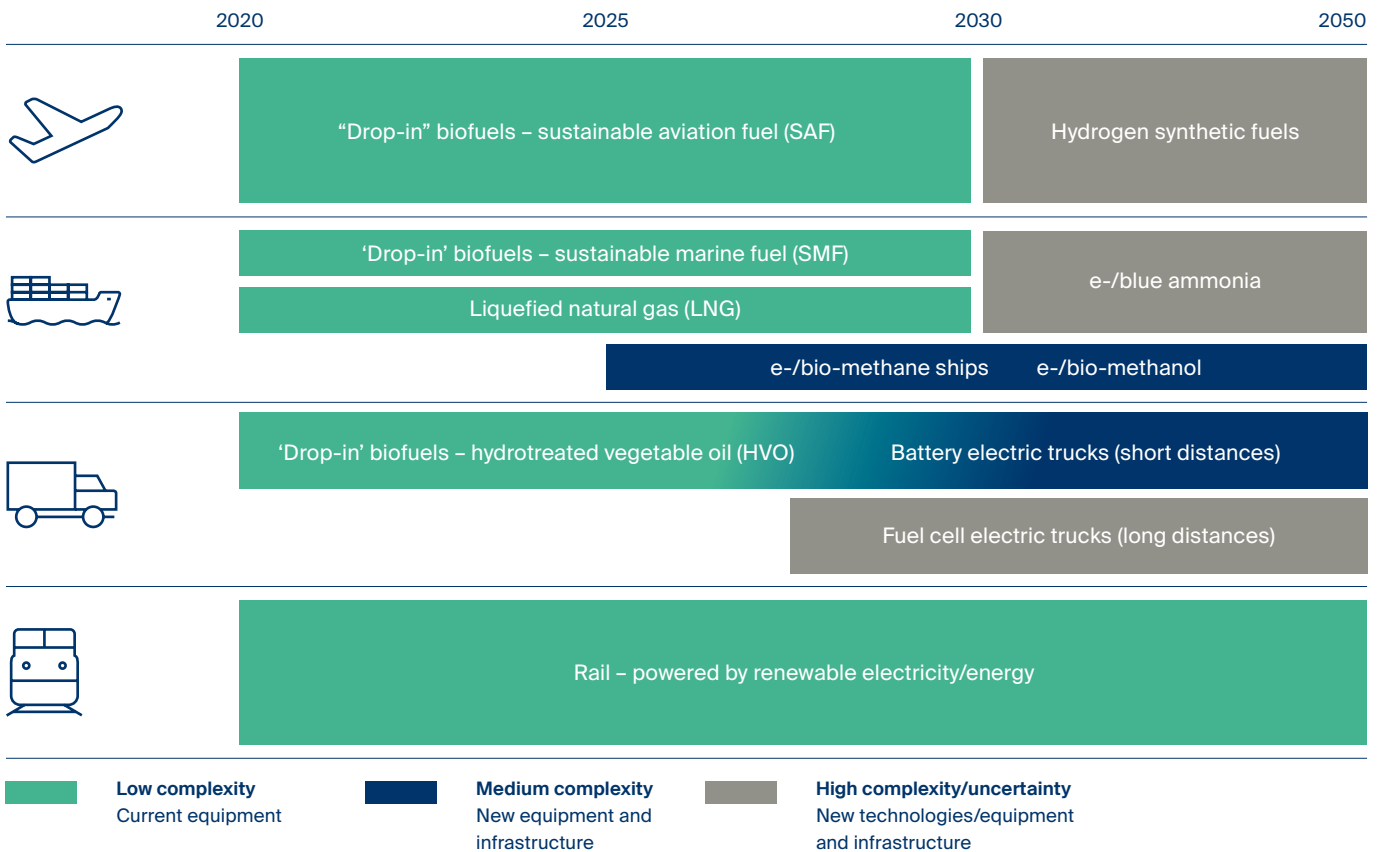
Thanks to these investments, our renewable energy share — which does not consider gas as renewable energy source — now sits at 66%, representing a 2% increase on the previous year.

2   Based on 2022 electricity consumption data

## Green technology roadmap

| | 2020 | 2025 | 2030 | 2050 |
|---|---|---|---|---|

**✈ (aviation)**
- "Drop-in" biofuels – sustainable aviation fuel (SAF) *(Low complexity, 2020–2030)*
- Hydrogen synthetic fuels *(High complexity/uncertainty, 2030–2050)*

**🚢 (shipping)**
- 'Drop-in' biofuels – sustainable marine fuel (SMF) *(Low complexity)*
- Liquefied natural gas (LNG) *(Low complexity)*
- e-/blue ammonia *(High complexity/uncertainty)*
- e-/bio-methane ships — e-/bio-methanol *(Medium complexity)*

**🚚 (trucking)**
- 'Drop-in' biofuels – hydrotreated vegetable oil (HVO) *(Low complexity)*
- Battery electric trucks (short distances) *(Medium complexity)*
- Fuel cell electric trucks (long distances) *(High complexity/uncertainty)*

**🚆 (rail)**
- Rail – powered by renewable electricity/energy *(Low complexity, 2020–2050)*

**Legend:**

| | | |
|---|---|---|
| **Low complexity** — Current equipment | **Medium complexity** — New equipment and infrastructure | **High complexity/uncertainty** — New technologies/equipment and infrastructure |

## Supporting our customers on their decarbonisation journey

Kuehne+Nagel's GHG emissions mostly fall into scope 3. The desire to significantly reduce those emissions requires innovative solutions and strong partnerships and collaborations. That is why we support our customers achieve their decarbonisation goals by offering a range of solutions to measure and reduce emissions across the entire value chain.

### Emission reporting, data and analytics

As a basis for reducing supply chain emissions, we offer customers visibility on a shipment level, as well as reports and analytics to evaluate emissions across all modes of transport. Our premium solution, the Integrated Logistics Emission Dashboard, additionally enables customers to manage emissions throughout their entire supply chain, benchmark performance, monitor data quality and simulate the impact of less carbon-intensive modes of transport. In Sea Logistics, our Seaexplorer tool estimates CO2e emissions per trade lane and service, allowing customers to choose the most sustainable shipping option.

In 2023, we continued our engagement with the Global Logistics Emission Council (GLEC) and started to engage with the International Air Transport Association's (IATA) Belly Freight Allocation Working Group in order to improve emission transparency across the logistics industry. Furthermore, we updated our emission calculation methodology to align with the proposed changes in the new standard for quantifying and reporting GHG emissions from transport chain operations (ISO 14083:2023). In 2024, we intend to further enhance our emission measurement system by incorporating new data sources. This will offer an even more accurate representation, ensuring improved data quality and transparent reporting of emissions and their intensity at shipment level.

### Bridging the technology gap

As detailed above, biofuels are being used in our own fleet of trucks as well as proposed to our customers as a bridging solution to reduce emissions in the supply chain, particularly in hard-to-abate areas such as sea and air transport. The green technology roadmap below illustrates technological solutions expected to be available in the market in the short, medium and long-term. This guides us in our own decarbonisation service offering.

Compared to conventional fuels — and depending on the feedstock — sustainable fuels can reduce well-to-wake emissions by up to 94% (73% to 94% for sustainable aviation fuel SAF, 90% for sustainable marine fuel SMF, and 83% for hydrotreated vegetable oil HVO).

At Kuehne+Nagel, we pursue a 'No Food for Fuel' principle, meaning the sustainable fuels sourced are from best-quality feed stocks that don't compete with food production. Moving forward, we will also continue to support the production and deployment of synthetic low-carbon fuels.

### Advancing our Book and Claim offering

Designed to increase sustainable fuel adoption and accelerate emissions reduction in the logistics industry, Kuehne+Nagel deploys a Book and Claim chain-of-custody model for low-carbon fuels in all three modes of transport: air, sea and road. Going forward, we seek to extend the same offer to our Contract Logistics customers.

# Book and Claim: accelerating the low-carbon transition

### Kuehne+Nagel buys ('books') biofuel.

### Biofuel is used in a truck, plane or ship, anywhere in the world.

### CO2e savings can be passed on to a customer who 'claims' the benefits.

Book and Claim allows Kuehne+Nagel and our customers to deploy ('book') low-carbon fuels and 'claim' the environmental benefits (i.e. emission reductions) resulting from the deployment of those fuels, without necessarily having physical access to the fuel itself. Of particular importance in Sea and Air Logistics where we don't possess proprietary fleets, this means working with trusted suppliers who use the fuel on behalf of Kuehne+Nagel and our customers. Reliable data and a robust and audited methodology offer both traceability and verification of the environmental benefits a customer can 'claim'.

In 2022, Kuehne+Nagel developed a industry-leading SAF certification programme.

Our Book and Claim services were extended to Road Logistics for the purchase of HVO in 2023. Available for European customers and our own fleet, the offer will be extended to third-party carriers and other geographies during 2024. In 2024, Book and Claim will also be available for electric vehicles, making us the first freight forwarder able to offer this to our customers.

**Reducing scope 3 emissions through sustainable fuels**

Thanks to Book and Claim, we continue to make significant progress in purchasing and deploying sustainable fuels. In 2023, Kuehne+Nagel's Air Logistics business unit sourced more than 26 million litres of SAF and our Sea Logistics business unit 13,391 tonnes of sustainable marine fuel. Compared to conventional fuels, this reduced transport emissions by approximately ~110,000 tonnes of $CO_2e$, an increase of more than 90% compared to 2022.

A major agreement with IAG Cargo contributed largely to this and demonstrates Kuehne+Nagel's ongoing commitment to decarbonising air cargo. The agreement saw us part fund the purchase of 12 million litres of ISCC (International Sustainability & Carbon Certification) certified fuel. Produced from used cooking oil and food waste, it reduced over 30,000 tonnes of $CO_2e$ on a lifecycle basis.

Sea Logistics also strengthened its partnership with CMA CGM by supplying 3,350 tonnes of biofuel, equalling approximately 12,000 twenty-foot equivalent units (TEUs).

2023 also saw us enter into strategic biofuel partnerships with customers — such as Lenovo and Volvo Cars — and strengthen our industry collaboration.

Joining eight other key players across the maritime value chain, Kuehne+Nagel issued a joint statement expressing our commitment to a robust Book and Claim system for maritime biofuel and submitted a position paper to SBTi advocating the recognition of the concept in accelerating decarbonisation.

**Supply chain optimisation and modal shift**

Recognising the potential for emission reductions beyond electric vehicles and sustainable fuels, Kuehne+Nagel also provides strategic consultancy and continuous improvements for the optimisation of our customers' transport and routing options, including modal shift solutions. A good example of this is our Sea-Air Logistics which combines the best features of air and sea freight, balancing time-to-market solutions with lower $CO_2e$ emissions and transport costs. Generating on average 50% fewer emissions than a pure air freight solution, many customers see Sea-Air Logistics as a key value proposition when looking for more sustainable transport options. In 2023, we expanded this service to more origins, transit hubs and destinations and developed specific solutions for our Automotive, Aerospace, Perishables and Healthcare verticals.

**26**

million litres of SAF sourced

**13,391**

tonnes of sustainable marine fuel purchased

### Navigating industry regulations and policy changes

Navigating an increasingly complex regulatory landscape can be a challenging task for many customers. This is why Kuehne+Nagel assists by offering guidance around upcoming regulations, including those from the International Maritime Organization (IMO), the European Union's Emission Trading System (ETS), and the Carbon Border Adjustment Mechanism (CBAM).
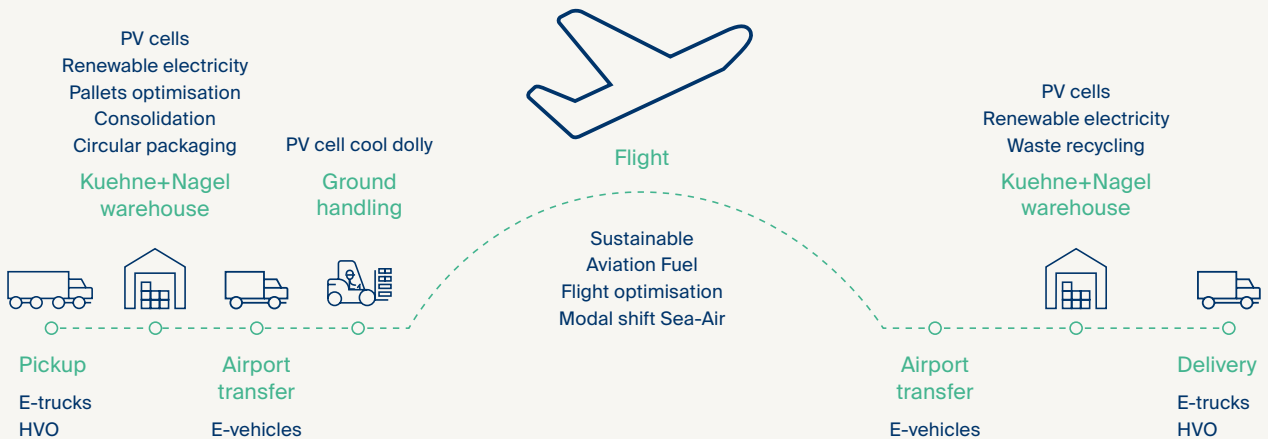
This aids comprehension of the implications of the European Union's 'Fit for 55'

plan, offers insights and encourages customers to adapt to more sustainable transport practices.

### Today's possibilities for creating a low-carbon supply chain

Despite the many challenges facing the transport and logistics industry, the following graphic highlights the range of solutions available already to decarbonise supply chains in air logistics today. Thanks to our own actions and initiatives, as well as through partnerships with our customers and suppliers, we are shaping the sustainable supply chains of tomorrow.

# Today's possibilities to create a low-carbon supply chain

PV cells
Renewable electricity
Pallets optimisation
Consolidation
Circular packaging

**Kuehne+Nagel warehouse**

PV cell cool dolly

**Ground handling**

**Flight**

Sustainable
Aviation Fuel
Flight optimisation
Modal shift Sea-Air

PV cells
Renewable electricity
Waste recycling

**Kuehne+Nagel warehouse**

**Pickup**

E-trucks
HVO

**Airport transfer**

E-vehicles

**Airport transfer**

E-vehicles

**Delivery**

E-trucks
HVO

# Reducing our environmental impact at site level

### Our Environmental Management System (EMS)

Many of Kuehne+Nagel's environmental impacts, such as waste management, water usage and energy consumption, are managed at site level. To monitor and reduce negative environmental impacts, our Environmental Management System (EMS) aims to understand the impact of individual activities. As part of the Integrated Management System (IMS), the EMS also specifies processes and procedures for environmental management in line with ISO 14001 certification standards. ISO14001 certification is therefore also undertaken at site-level. In 2023, we recorded an increase of 24% in terms of number of sites with 429 sites now ISO 14001 certified. As part of the EMS implementation, Kuehne+Nagel performs environmental profile and impact analyses. Taking both a qualitative and quantitative approach to risk, the significance of each impact is determined and all items compiled into an asset impact register. Influencing factors include — but are not limited to — harm to people, flora or fauna; emissions to air; releases to water and land; and the use of energy, raw materials and natural resources.

Asset impact registers are reviewed and updated periodically, particularly when new equipment or processes are introduced. Performance is monitored in the EMS, and results and recommendations for improvement communicated to management.

### Training and awareness

All Kuehne+Nagel employees are asked to conform to our environmental policy and the requirements of the EMS. This is encouraged by identifying the training needs of any employee performing tasks that have a potential to cause environmental impact.

In addition, a team of Continuous Improvement Experts and 'Environmental Champions' in each region support the implementation of environmental initiatives across all sites.

Year-end 2023, 540 sustainability projects had been recorded through the continuous improvement tracker.

In 2023, we also launched an internal marketing and communications campaign within our Contract Logistics business unit. It seeks to create greater awareness of the environmental impact of our facilities with regards to energy and water consumption and waste management and recycling.

### Monitoring, auditing and reporting

Based upon risk considerations and customer requirements, Kuehne+Nagel conducts internal audits of its EMS and facilities. Documenting findings and non-conformities, audit reports are sent to respective management personnel. All accidents and incidents are investigated and, where necessary, processes for improvement are defined and implemented. Major incidents are reported in line with internal guidelines.

To monitor the environmental performance of facilities, the Global Facility Carbon Calculator (GFCC) tool tracks environmental KPIs on a monthly basis. A noteworthy development in 2023 was the upgrade and global rollout of this tool, adding additional features and functionalities and leading to an overall improvement in environmental data availability and accuracy. 2023 also saw the installation of Smart Meters at the first 25% of our sites to ensure the availability of real-time electricity, gas, and water consumption data, and optimise usage. A roll out to 50% of sites is scheduled for 2024. Upon completion, 90% of our electricity consumption will be tracked through a real-time energy monitoring system.

As the EMS focuses on environmental management at site level, the processes and procedures outlined above are particularly relevant for the material topics of energy consumption, water usage, waste management and recycling and are outlined in more detail in the following sections.

## Energy consumption

Kuehne+Nagel's offices and fulfilment centres consume electricity, as well as natural gas and fossil fuels for cooling and heating purposes. With more than 1,300 sites worldwide, reducing energy consumption is crucial to minimising our environmental impact. By reducing energy consumption and investing in renewable energy, we can also reduce our reliance on fossil fuels and mitigate the risk of fluctuating energy costs.

Therefore, in addition to our renewable energy target described in more detail in the greenhouse gas emission section, Contract Logistics has also committed to

reducing electricity consumption by 20% by 2030 (compared to a 2019 baseline).

### Our 2023 energy consumption
In 2023, the Group's overall energy consumption decreased by 9% from 574 million kWh in 2022 to 521 million kWh. Both a 5% drop in electricity consumption and a 16% drop in on-site natural gas usage contributed to this. Compared to the 2019 baseline, overall energy consumption has decreased by 12%.

In the Contract Logistics business unit, electricity consumption decreased by 9%, dropping from 264 million kWh to 240

million kWh. Compared to the 2019 baseline of 257 million kWh, this represents a 6% reduction and a significant step closer to the 2030 target of 20%.

### Measures to reduce energy consumption
Kuehne+Nagel has implemented several initiatives to reduce overall energy consumption, including energy efficient lighting, the installation of Smart Meters and developing best-practice guidance for low-impact logistics centres.

Most lights in our offices and fulfilment centres already use LED lamps. In 2023, we achieved the target of 80% of controlled surface coverage in Contract Logistics. Though confident we can increase the LED footprint, specific targets have not been set beyond 2023 due to difficulty converting the remaining premises.

In 2023, we also issued implementation guidance for sustainable warehousing initiatives, including the installation of cool roofs and skylights. High-performance roofing systems can reduce cooling requirements, while skylights and clerestory windows decrease the necessity for artificial lighting.

Moving forward, advancing electrification may contribute to an increase in electricity consumption. We seek to mitigate this environmental impact thanks to the investments in renewable electricity as described in the greenhouse gas emissions section.

**Energy consumption**
in million kWh



- Natural gas consumption
- Electricity consumption
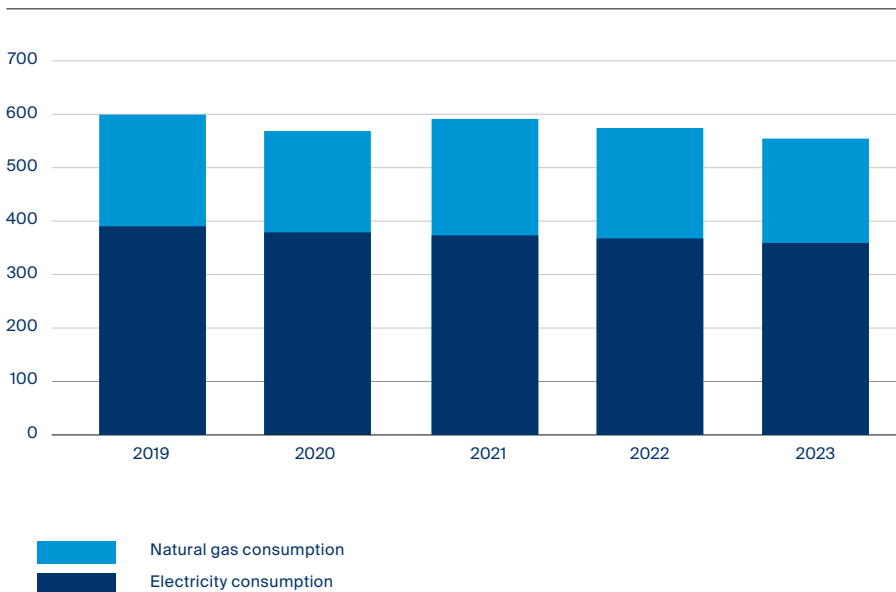
# In 2023, Contract Logistics achieved the target of 80% coverage of controlled surfaces with LEDs.

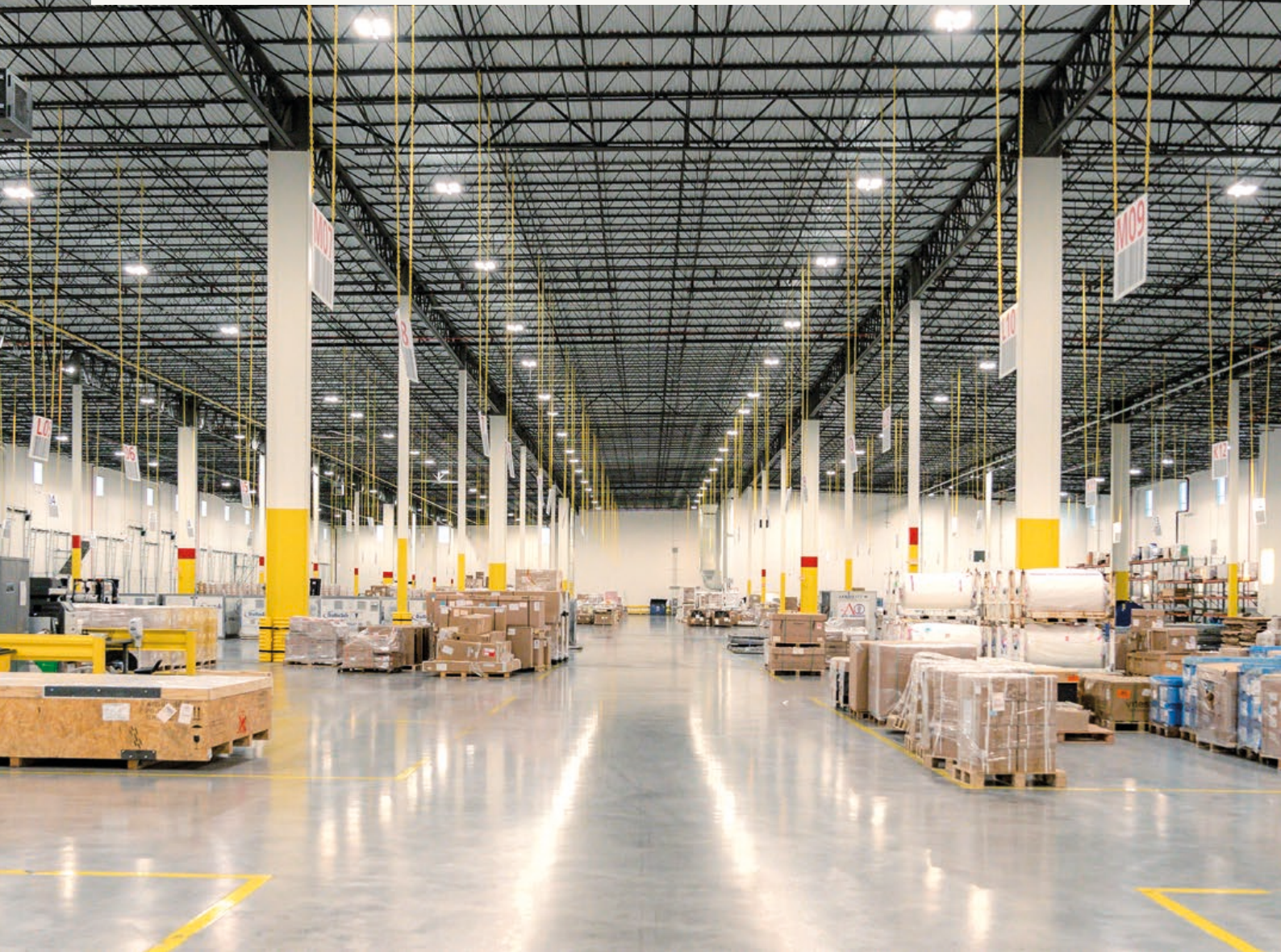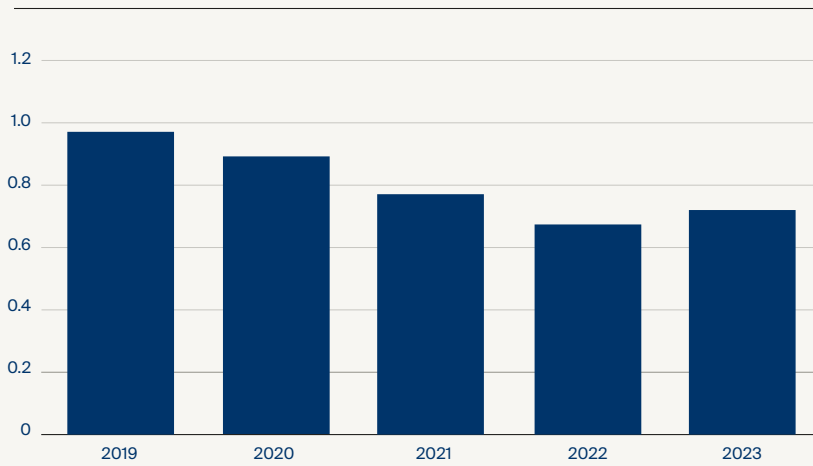| 2021 | 2022 | 2023 |
|------|------|------|
| **5.4** | **6.0** | **6.5** |
| million square metres of LED coverage | million square metres of LED coverage | million square metres of LED coverage |

# Kuehne+Nagel can report an overall reduction of water usage by 24% compared to 2019

**Water consumption in million cubic metres**



## Water usage

Supporting human life, water is essential to Kuehne+Nagel's operations. Our heaviest water usage relates to crate cleaning, domestic cleaning and washing vehicles. Albeit not as water-intensive as other industries, we are mindful that water is a limited resource.

Water consumption directly monitored and controlled, our EMS integrates all programmes, policies and training linked to its efficient and sustainable usage. Any water efficiency actions deployed can reverberate

positively on our customers' own environmental impact. Initiatives implemented across several facilities include rainwater harvesting, water-saving appliances and grey water systems.

Although water consumption increased by 8% in 2023 (including a 3% increase from the integration of data from recent acquisitions), the overall water consumption of 729,984 cubic meters is well below the 2019 base line of 965,879 cubic metres.

## Waste management and recycling

Kuehne+Nagel's inbound and outbound waste — often in the form of packaging — can have a multitude of negative impacts on the environment. These impacts include resources used in the production of packaging materials as well as potential pollution of air and water if disposed of incorrectly. Circular strategies that incorporate reducing, reusing and recycling help mitigate these negative impacts.

### A sustainable packaging roadmap

Launched in 2022 and pursued in 2023, our sustainable packaging roadmap guides our packaging and waste reduction initiatives and works towards our target of zero waste to landfill by 2030. The Sustainable Packaging Roadmap seeks to identify ways to reduce the consumption, reuse or recycle packaging materials and replace plastic materials with plastic-free alternatives. Contract Logistics, where most waste management occurs, has set 2030 targets to reduce waste volumes by 20% (compared to 2019 baseline) and minimise plastic packaging and disposable items.

Including initiatives such as limiting single-use plastic, favouring compostable wrapping or integrating lightweight materials into pallets in order to reduce both wood usage and transport emissions, the execution of projects happens on a facility level. Waste data as well as sustainability projects related to sustainable packaging and waste reduction are recorded through the Global Facility Carbon Calculator (GFCC) tool. In 2023, approximately 52.2 tonnes of plastics were saved through sustainable packaging initiatives.

### 2023 Waste data

In 2023, Contract Logistics waste volumes dropped from 69,282 tonnes to 58,802 tonnes, representing a 15% reduction. Against the 2019 baseline of 60,415 tonnes, this sets Contract Logistics on a trajectory to achieve the overarching target of 20% reduction in waste volumes by 2030 and demonstrates the success of the sustainable packaging roadmap.

On a Group level, total waste volumes also decreased by 13,000 tonnes to 79,000 tonnes (–14%). Although the amount of waste sent to landfill remained unchanged compared to 2022 at 18,000 tonnes, the recycling rate increased by 5% to 65%. Going forward, confidence is high that we can reduce waste volumes and get closer to our target of zero waste to landfill by 2030.

**14%**

reduction in waste volumes in 2023

**65%**

of total waste recycled

## Management of dangerous goods

Kuehne+Nagel transports all types of goods around the world, some 3% of them deemed dangerous as they pose an acute risk to people, property and the environment due to their chemical or physical properties. Successful handling of such goods improves safety and reduces lead time and costs, allowing us to establish and maintain trust with our customers.

Full management includes their storage and carriage, as well as consignment procedures and emergency response protocols.

### Risk management and policy development
Risk management and due diligence happen at site level, with appropriate measures, such as spill kits, in place. Our Dangerous Goods Policy promotes the safe and compliant transportation of such goods and is reviewed every two years, or earlier if necessary.

In 2023, we updated Kuehne+Nagel's Dangerous Goods Statement and published new guidelines for customer agreements with regard to dangerous goods. Both documents outline and underpin the company's commitment to the topic.

### Training and monitoring effectiveness
Internal and external audits are conducted on a regular basis. In 2023, the rollout of the Dangerous Goods Info Tool commenced the previous year was completed. It has been enhanced with the addition of a ticketing system to monitor the training status of our pool of more than 2,000 dangerous goods experts. The same tool is now linked to our internal learning platform, offering approximately 200 training sessions. New interactive training sessions were also developed and launched for staff on the shopfloor. Over 100 trainers were prepared before rolling out onsite training to approximately 20,000 staff through a 'train the trainers' concept.

Kuehne+Nagel reviews every single shipment it handles. Effectiveness is monitored by internal and external audits. In 2023, all findings and incidents registered in the Dangerous Goods Info Tool were dealt with or escalated, and the necessary training or mitigation provided to prevent reoccurrence.

### Recorded incidents
Mandatory reporting is in place for all dangerous goods incidents, including near-misses. In 2023, the number of recorded near misses rose from 5 to 51, demonstrating increased awareness and improved reporting procedure. In 2023, Kuehne+Nagel recorded a total of 9 dangerous goods incidents that required the engagement of emergency services. However, none of these cases caused any harm or negative impact to people or the environment as immediate action was taken and follow-up investigations concluded.

# Social

The world of work has seen major changes in recent years and while some of these became more settled in 2023 — especially around return-to-office and employee turnover — new disruptive forces, in particular generative AI, emerged.

While the number of workers leaving their jobs in 2021 and 2022 was so high that it became termed the 'Great Resignation', it appears that this trend came to an end in 2023. High-income countries are generally experiencing tighter labour markets, while employers are regaining some of their power in the job market. The year 2023 also saw more employees returning to the office; however, flexible work arrangements and hybrid models remain significant, with many workers keen to work remotely for at least part of the week.

Another important topic for 2023 was the rise of artificial intelligence (AI) following the launch of ChatGPT in late 2022. Whether opportunities like increased productivity and reduction of repetitive tasks outweigh the risks, such as concerns around job losses, remains to be seen; however, what the emergence of AI underlined is the need for employees to embrace change and take control of their future by seizing upskilling and development opportunities.

A further trend to emerge more strongly from the pandemic was the need for employers to step up their support for their workforce. Employee health and wellbeing continued to be a differentiator for companies, while the overall experience — ensuring people are satisfied across the board rather than just appropriately remunerated — also mattered. This also includes a sense of belonging, which continues to be important even as a DEI (diversity, equity and inclusion) pushback can be noted.

This highlights that it's important to carefully embed DEI and the associated policies into the organisation.

### What it means to Kuehne+Nagel

Employee Experience is a key topic for our company, and we believe that our people are essential for achieving our goals as a company as well as the environmental targets outlined in the previous chapter. This is encapsulated in our HR North Star: we see our people as a key differentiator for the success of our customers. As leaders of transformation and trusted partners, we enable them to bring our Vision 2030 to life.

In line with this, our belief is that Customer Experience and Employee Experience are inextricably linked: if our people are satisfied, they will go above and beyond to deliver the best service to our customers. Trust and engagement are therefore at the heart of this, and we consider positive experiences as an important element in achieving our growth potential as an organisation with an asset-light business model.

The strategic foundation underpinning this approach is our HR Roadmap, which we developed in 2023. This roadmap incorporates the six Employee Experience non-negotiables of Kuehne+Nagel's Roadmap 2026 as well as seven HR workstreams, which have been launched to build the bridge to Vision 2030. As a result, HR's functional identity is set to shift from one led by transaction to one that leads the way in transformation. The development of the HR Roadmap entailed a review of many ongoing initiatives in 2023 to align these more closely with our global strategy; we have therefore seen some programme and process redesigns, which create a strong basis for moving forward into 2024.

Our overall approach reflects the social topics highlighted in our materiality index, as well as the wider trends mentioned in the introduction to this section and is illustrated by way of example throughout the following pages. Specifically, the following material topics, their management and the progress made, are documented in this section:

- Employee satisfaction and retention
- Employee development
- Diversity, equity and inclusion (DEI)
- Occupational health and safety
- Human rights and labour rights

## Employee satisfaction and retention

As a large global company, Kuehne+Nagel defines the professional lives of more than 80,000 people around the world. The way we shape our company culture, organise our work, provide employee engagement and development opportunities, as well as how we offer monetary compensation, rewards, and recognition impacts an

employee's journey with us. It is our ambition to create a working environment where employees can thrive, and working at Kuehne+Nagel becomes an even more fulfilling experience.

All of the above factors can have an impact on employee satisfaction and well-being and hence affect an organisation's ability to retain its employees. An indirect measure for employee satisfaction is the unwanted personnel attrition rate, which we are pleased to note has decreased by more than 5% at Kuehne+Nagel compared to previous years, even in times of ongoing economic uncertainty.

Employee engagement, on the other hand, is a more direct measure of an employee's contentment with their professional role and the organisation as a whole. As a strategic cornerstone of our Roadmap 2026, Employee Experience is an integral part of the overall Kuehne+Nagel experience and is closely linked to Customer Experience as described in more detail above and in the Value chain section (Customer relations and satisfaction).

# Employee compensation and benefits

Our company's long-term success is driven by its ability to attract and retain high-performing employees with the required skill sets, competencies and experience. To achieve this, the company offers/provides:

- Competitive compensation packages, linked to performance and results.
- Stock incentive plan, recognising our key talent and aligning their long-term compensation to company performance.

- Comprehensive benefits that not only meet but exceed local standards, including healthcare, retirement plans, and employee support. We also offer opportunities for international postings within the group.
- Talent recruitment strategy is designed to foster a more equitable, transparent and fair compensation framework, in line with the EU Pay Transparency regulation, ensuring fairness in our operations.

**Understanding the Voice of our Employees**

As continuous listening to our employees and their experience working for our organisation is critical in order for us to incrementally improve the employee experience, we have launched our Voice of the Employee programme in 2023. The framework consists of annual global engagement surveys, touchpoint surveys around moments that matter in the employee life cycle and pulse surveys to get feedback on specific topics. Voice of the Employee represents one of six Employee Experience non-negotiables.

In 2023, we conducted two global surveys: our employee Kuehne+Nagel Experience Survey measuring employee net promoter score (eNPS) [1] and employee satisfaction score (eSat) in September and the wider-ranging culture survey Great Place To Work (GPTW) in November. We are pleased to report response rates of 80% for the former and 76% for the latter, including an extraordinary response rate from fulfilment and delivery employees. Kuehne+Nagel is now certified a Great Place to Work in 53 countries. Furthermore, the surveys are being used as a baseline for continuously improving the employee experience by identifying the company's top strengths and opportunities; an action planning process based on the 2023 results has already been launched for all countries and will see us continuing to focus on employee

development, performance enablement and transparent communication across the organisation. Another global Kuehne+Nagel Experience Survey and GPTW survey will be conducted in 2024.

**A positive onboarding experience**

The onboarding process is a key moment that shapes how an employee experiences Kuehne+Nagel. To provide our Kuehne+Nagel Experience from the moment an employee signs their contract, we are implementing a globally standardised employee onboarding journey, ensuring a welcoming and inclusive start during the 30 days prior to their start date and the first 90 days. In 2023, we introduced a digital pre-onboarding experience and a Buddy Programme; these are steps one and two of our seven Onboarding Moments, the last five of which will be implemented in 2024.

The primary goal of the onboarding tool is for the new employees to familiarise themselves with the organisation, its offerings, history and culture prior to their start date. The Buddy is to help new employees feel comfortable, supported and connected to the company and its culture from day one. By having someone they can turn to for guidance and assistance, new employees can transition more smoothly into their new roles, leading to higher job satisfaction and quicker productivity.

**80%**

response rate to Kuehne+Nagel Experience Survey

**53**

countries certified as 'Great Place to Work'

---

1  eNPS measures employee satisfaction and how likely employees are to recommend their workplace

**99%**

of the year-end
conversations completed

## Employee development

As we define the professional life of thousands of employees globally, we want every employee's journey to be a positive one. Providing employees with the opportunity to grow in their professional career ensures a sense of belonging and creates a high engagement within the company workforce. In a rapidly evolving world, embracing change and continuously developing skills are key for fostering adaptability, driving innovation and ensuring sustained success.

At Kuehne+Nagel, we take a holistic approach to employee development, guided by the four phases of our Kuehne+Nagel Experience: attract, connect, develop and evolve. Each phase plays a pivotal role in nurturing our workforce and for our business continuity. Its importance is highlighted through its inclusion in our strategic Roadmap 2026.

In our organisation, fostering the development of our talent is deeply engrained in our organisational culture. In 2023, employees completed 645,681 online training sessions, reflecting a 14% increase from the previous year. Our approach seamlessly blends face-to-face programs with virtual sessions, drawing upon both internal and external expertise. These initiatives achieved an average Net Promoter Score (NPS) of 47 globally. In addition, Kuehne+Nagel successfully introduced its new Performance Enablement process that focuses on the development of our employees and supports meaningful conversations with their managers. We are pleased to report that this new process was well perceived and that 99% of the year-end conversations were completed.

### Shaping employees' growth and learning journeys

Our strong standing in logistics and supply chains is dependent on the skills, knowledge and experience of our specialists around the world. Recognising this, we believe that every employee has unique talent, which we would like to identify and develop. This ambition is reflected in our new Talent Development Strategy.

We have conducted a comprehensive review of our learning and development ecosystem to further enhance our learning experiences and build the differentiating capabilities required to achieve the ambitions of our Roadmap 2026. We aim to gradually implement the defined focus areas of our learning strategy over the coming years, recognising that cultural change takes time. In addition, a revised succession management approach ensures that we identify, develop and retain a diverse pipeline of talents that supports the long-term success of our organisation.

Looking ahead, we are committed to shaping the image of Kuehne+Nagel as a great employer, attracting and nurturing talent in the short-, medium- and long-term. Throughout the entire candidate journey we seek to establish authentic interactions with our internal and external candidates to strengthen our teams and provide an extraordinary experience for all future colleagues, starting from their first interaction with Kuehne+Nagel.

# Supporting the transition to retirement in the UK

Retirement marks a significant life transition. To support colleagues in balancing this change in lifestyle from work into retirement, we have introduced a new phased retirement scheme in the UK, designed to improve the end-of-career experience for colleagues who are approaching retirement.

It allows eligible colleagues to gradually reduce their working days for up to six months before retirement without the loss of guaranteed pay elements. It also allows for enough time to identify and train a successor, ensuring an efficient handover and knowledge transfer.

## Diversity, equity and inclusion (DEI)

DEI means recognising individual differences and making a conscious effort to treat every individual with fairness, respect and without discrimination, including (but not limited to) a person's ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies. It also encompasses providing equal access and opportunities to employees and empowering employees to make meaningful contributions.

To underline the importance of DEI to our organisation, we have incorporated it as a strategic pillar of our social impact framework. By creating a workplace where everyone feels they belong, Kuehne+Nagel can empower individual employees as well as enrich workplaces in general. While a lack of diversity and inclusion can potentially have negative effects on employees, a workplace where people feel they belong can have positive physical and mental effects. As inclusion and a feeling of belonging lead to employee engagement, these factors were included in the surveys within our Voice of the Employee framework. As

noted above, engagement in the surveys was high, and the results from 2023 are now being used to define key DEI focus areas for 2024.

As part of our 2023 review of ongoing HR activities (detailed at the start of the Social section), we have reviewed our DEI policy and realigned it with our HR processes. Furthermore, as we launch new social policies at Kuehne+Nagel, we are carefully integrating DEI into these, underlining the fact that whatever we do as a company, we do it through the lens of inclusion.

### The importance of visibility and raising awareness

The year 2023 has seen Kuehne+Nagel take modest steps to increase the visibility of female role models in our organisation, with two women taking up key leadership roles: Sarah Kreienbühl became the first female member of the Management Board as CHRO with additional responsibility for ESG and QSHE, while Pamela Quinn became our first female regional manager. Our Women in Logistics Leadership network also continues to support female leader-

ship and celebrated its fifth anniversary in North America in 2023. Although these are positive steps in the right direction, we acknowledge that there is still room for improvement to reach our target to double female representation in Top Management between 2021 and 2030. In 2023, female representation in Top Management remained almost unchanged at 10.4%, a 0.6% increase from the previous year.

Beyond gender, 2023 saw us engaging with employees with special needs (more info in box on embracing special needs individuals) as well as with employees from different generations. Our goal was to increase our intern intake by 15% by 2030 (from 2021). We are pleased to report that we reached this goal in 2023 with an 18% increase of intern intake. Of these interns, 21% successfully transitioned to our global workforce (compared to 25% in 2022). For our employees who are coming to the end of their career journey at Kuehne+Nagel, we've introduced a phased retirement scheme in the UK (more info in box on the previous page). Going forward, we will further explore the possibilities to leverage and roll out local initiatives like the inclusion of employees with special needs on a global level.

Finally, we recognise the importance of raising awareness and communication and have taken steps to enhance this in 2023. We introduced a diversity calendar to celebrate key dates throughout the year; these include International Women's Month in March, World Day for Cultural Diversity for Dialogue and Development in May and Pride Month in June. We also created an Inclusion Glossary to further shape an environment that embraces and respects diversity. Furthermore, DEI training and communication of our DEI policy are part of our onboarding programme.

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**31%**
of our employees are Generation X

**46%**
of our employees are Generation Y

**17%**
of our employees are Generation Z

We have over
**100 nationalities**

**40%**
of our workforce are women

**24%**
of senior management are women

**10%**
of top management are women

## Contract Logistics as a model for embracing special needs individuals

At Kuehne+Nagel's Contract Logistics site in Ontario, California, a group of special needs individuals from a local non-profit organisation has become an integral part of the workforce. This partnership, which began in 2019, started with simple tasks like cleaning and has evolved over the years to more complex activities, including disassembling decommissioned purses and bags for recycling on behalf of a high-end luxury brand customer. With a focus on abilities rather than disabilities, Kuehne+Nagel has seamlessly integrated 12-15 special needs individuals into its daily operations, breaking down barriers and fostering diversity. The programme's success has inspired the Contract Logistics team leadership to explore expanding it to other North American sites, seeking local non-profits for potential partnerships. Our Ontario site serves as a model, demonstrating a genuine commitment to embracing diversity and making it a central part of our culture.

## Occupational health and safety

The topic of occupational health and safety, which covers employees and contractors on Kuehne+Nagel premises, has a strong focus on the prevention of hazards and minimising risks. Ensuring the health and safety of these groups of people has a positive impact on our employees and all personnel operating on Kuehne+Nagel sites globally. Managing hazards can prevent workplace injuries and accidents. On the contrary, unsafe working conditions pose a direct risk to employees and contractors with potentially severe physical and mental impacts. Recognising the importance of this, we have strategically positioned the topic of health and safety within the social impact framework of Living ESG.

Strong commitment and performance
Our health and safety goals are underpinned by our management system and our documentation. The Safety and Health Management System covers all Kuehne+Nagel entities worldwide and is certified to ISO 45001. We identify the hazards applicable to our operations and activities within our premises, assess their risks and identify and implement mitigations to manage them. We also conduct internal audits to ensure compliance with local and company regulations and certification requirements. Where there is a difference between legal requirements and Kuehne+Nagel standards and policies, the most stringent prevails. Finally, our Safety and Health statement underlines that the company is committed to maintaining a safe and healthy working environment for our employees, partners, customers and the communities we operate in. In 2023, our commitment was once again confirmed by the CEO.

As the figures in the graph indicate, our safety performance has reached an all-time high and the Lost Time Injury Frequency (LTIF) continues to trend downwards. We recorded zero work-related fatalities within both our employee population and among suppliers working on our premises for the first time in many years. This overall downward trend for all indicators shows that our measures are effective. In addition, no reported Health, Safety and Environment (HSE) violations or prosecutions were recorded in the reporting year.

**LTIF and TRCF continuously trending down**



Lost time injury frequency (LTIF)
Total reportable case frequency (TRCF)

### Key tools and trainings

As in previous years, our 8 Safety Anchors are fundamental for raising awareness of safety and health in our operations and to prevent incidents. They were developed in 2021, following an analysis of risks, incidents and unsafe acts/unsafe conditions in our operations and the industry. After training operational employees in 2021 and 2022, we launched our Global Safety Anchors Campaign as a computer-based training for our office-based employees. Year-end 2023, 41% of colleagues in scope had already completed this training which will continue to run in 2024, with a target of 85% completion rate.

A further training focus for 2023 was our NO HARM Level 3 Safety and Health Leadership training, which was rolled out across Asia, Europe and North America; roll out will continue with Middle East and South America in 2024. This training targets leaders and managers who are guiding operations, as Kuehne+Nagel believes that leadership engagement is a key factor for achieving culture change. In 2023, more than 1,300 managers received this training.

Our HSE app continues to be a real success story in terms of taking a proactive approach to reporting unsafe conditions. New features have continually been added since the app's initial roll out in 2021. The aim for 2024 is to migrate all regions to the app and integrate incident reporting for additional topics such as security, dangerous goods and environment. This comprehensive solution will then be renamed to 'Incident App'.

**Health and safety facts**

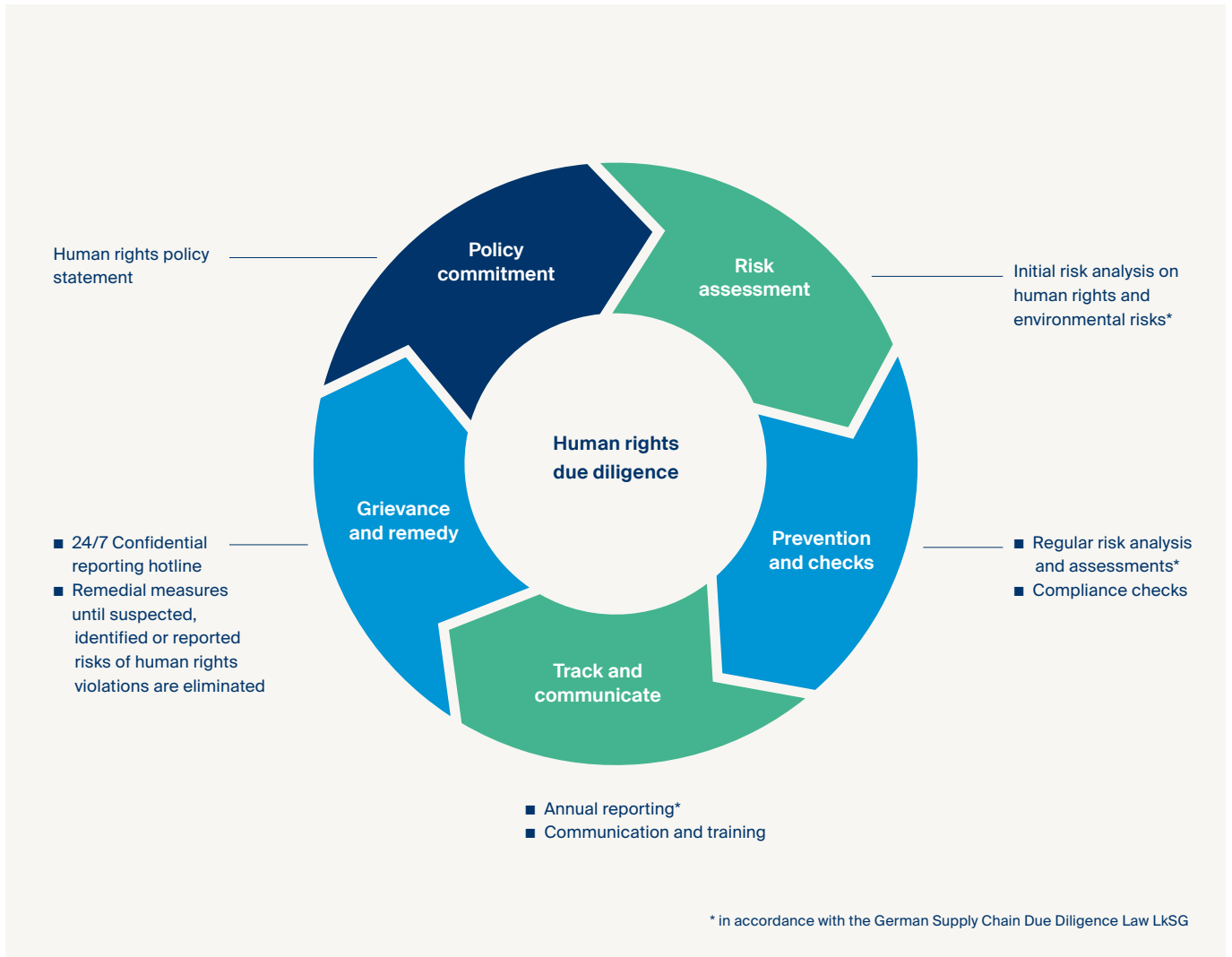| | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Number of fatalities in headcount (FAT)* | 0 (0) | 0 (1) | 1 (1) | 1 (2) |
| Lost time injury frequency (LTIF) | 8.0 | 8.8 | 10.24 | 10.80 |
| Total reportable case frequency (TRCF) | 9.4 | 11.8* | 13.33 | 14.40 |
| Lost workday cases (LWC) | 1,458 | 1,468 | 1,688 | 1,834 |
| Lost workday (LWD) | 26,760 | 29,351 | 30,581 | 32,067 |
| Unsafe acts/unsafe conditions | 84,022 | 63,730 | 44,302 | 36,271 |

*re-statement of information

## Human rights and labour rights

As a member of United Nations Global Compact, Kuehne+Nagel is committed to respect and promote internationally recognised human rights standards across our global supply chain networks; this includes the prevention of child and forced labour. Compliance with the International Labour Organisation core standards, as amended from time to time, is also mandatory for Kuehne+Nagel members worldwide.

Kuehne+Nagel is committed to preventing and minimising any risks or negative impact on compliance with human rights within our global business operations as outlined in our Human Rights policy. Underlining their importance, human rights are a strategic pillar of our social impact framework.

**Human rights due diligence**

Human rights policy statement

**Policy commitment**

**Risk assessment**

Initial risk analysis on human rights and environmental risks*

**Human rights due diligence**

**Grievance and remedy**

**Prevention and checks**

■ Regular risk analysis and assessments*
■ Compliance checks

■ 24/7 Confidential reporting hotline
■ Remedial measures until suspected, identified or reported risks of human rights violations are eliminated

**Track and communicate**

■ Annual reporting*
■ Communication and training

* in accordance with the German Supply Chain Due Diligence Law LkSG

In line with its commitment, Kuehne+Nagel has a Confidential Reporting Line for raising concerns (more information can be found in the Business-minded governance section).

Our suppliers are also obligated to respect internationally recognised human rights. forms an integral part of their commitment to comply with the Supplier Code of Conduct and maintain its compliance. This is also outlined in the 'Sustainable supply chain' section.

As part of the German Supply Chain Due Diligence Law (LkSG), the German organisation (Kuehne+Nagel (AG & Co.) KG) successfully met its due diligence obligation for all suppliers who work with Kuehne+Nagel Germany and all its subsidiaries. In addition, we found ways to analyse violations of human rights and conduct environment risk analysis. We also made good progress in training our employees on human rights and environmental obligations, with approximately 1,400 people being trained.

Kuehne + Nagel International AG adheres to the Swiss legislation on child labour and conflict minerals. Kuehne + Nagel International AG and its subsidiaries with seat, head office or principal place of business in Switzerland are exempt from the Swiss due diligence and reporting obligations regarding child labour and for minerals and metals from conflict and high-risk areas.

### Freedom of association and collective bargaining

At Kuehne+Nagel, all employees have the right of legal freedom of association and assembly, and the right to collective bargaining.

Our employees have the opportunity to elect their representatives according to applicable local and international practices and laws, without fear of reprisal or hectoring.

In 2023, more than 36% of our global workforce were affiliated with collective bargaining agreements. In Europe, the majority of our workforce is represented in the European Works Council (EWC). This is a testament to our commitment to fair working conditions and our work environment of transparency and trust.

# Business-minded governance

### Corporate governance

Corporate governance implies practices and policies that ensure accountability, transparency and fairness. It shapes Kuehne+Nagel's relationship with employees, customers and shareholders and ranges from setting and enforcing ethical standards to establishing effective communication channels. Furthermore, corporate governance serves as a preventive measure against misconduct or unethical behaviour, and often benefits a company's financial performance, reputation and social license to operate.

As digital platforms increase awareness of ethical and sustainable practices — and afford a powerful voice — transport and logistics companies like ourselves are increasingly held accountable when it comes to the environmental and social impact of their activities. Indeed, this growing awareness can impact customer behaviour as well as employee expectations and talent attraction, with prospective new recruits increasingly seeking employers that align with their values.

Moreover, responsible investors are also considering sustainable practices and integrating ESG factors into their investment decisions. In addition to this, there is the need to comply with stricter regulations and standards, coupled with the fact that addressing environmental and social challenges is increasingly seen as integral to mitigating risks and ensuring resilience in a changing global landscape.

And nowhere can this change be felt more strongly than in the growing digitalisation of our world, which has encouraged greater transparency but also brought new challenges. Cyberattacks present an increasing risk for companies of all sizes and industries and can result in information breaches, financial loss and damage to a company's reputation.

Similarly, the emergence of artificial intelligence (AI) opens up enormous opportunities in areas such as climate change, healthcare and industrial operations, but it also raises concerns around such issues as privacy, discrimination and security. Customer trust— and even societal trust — goes hand in hand with protection of both systems and data.

### ESG governance

Emerging obligations related to environmental, social and ethical practices broaden the scope of corporate governance. These regulations ensure that companies consider long-term sustainability, stakeholder interests and responsible decision-making in their overall business decisions. By integrating sustainability principles into their governance frameworks, companies like Kuehne+Nagel demonstrate their commitment to transparency, accountability and positive impact on society and the environment.

### What it means to Kuehne+Nagel

As one of the world's leading logistics companies, Kuehne+Nagel is committed to establishing loyal and trustworthy relationships with its customers and suppliers, employees and the communities in which they operate. Especially in times of global crises and supply chain disruptions, we strive to be a reliable and resilient business partner, who is prepared to prevent, mitigate or manage disruptions in supply chains.

Furthermore, in a digital age, Kuehne+Nagel's responsibility includes managing data securely and treating personal information with even higher care. A commitment to responsible communication enables an open dialogue with stakeholders as well as transparency about the products and services we offer. In an era of seemingly unlimited access to information and a constant flow of communication, ethical and truthful communication is essential, not only for a stock-listed enterprise. Furthermore, acting with compliance, ethics and integrity is another key ingredient to building trustful relationships and positively impacting our reputation as a company.

As identified through the materiality assessment, the following business-minded governance topics have been determined as material to the company and are therefore described in more detail in the following section:

- Business integrity
- Business preparedness, resilience and disaster response
- Data privacy and security
- Responsible communication

## Business integrity

### Ethics and compliance

As one of the leading freight forwarding companies, Kuehne+Nagel instils trust in its business relationships thanks to our committed approach to ethics and integrity. By safeguarding our reputation, we are protecting our business partners.

Based upon risk considerations, the Kuehne+Nagel Ethics and Compliance programme assumes a central role within the material topic of 'Business integrity'. Reviewed annually and based upon relevant laws and regulations as well as our ethical business principles, the programme can be used as a comprehensive day-to-day manual for managers and employees. This includes, but is not limited to, guidelines, trainings, processes and controls. The programme is supported by a comprehensive policy framework including the following:

■ Code of Conduct
■ Anti-Bribery Guideline
■ Antitrust Guideline
■ Gift and Entertainment Guideline
■ Conflict of Interest Guideline

Ongoing risk-based and mandatory compliance trainings are key elements for ensuring that members at all levels of the company are and remain adequately knowledgeable to act in line with the programme in their everyday working life. In 2023, a Code of Conduct knowledge test was repeated, providing people managers with average results of their team's knowledge, allowing them to effectively drive forward their ability to demonstrate ethical leadership.

Risk-based awareness campaigns remain an important element of the programme at regional levels, including live in-person and online sessions as well as computer-based trainings such as for ethical leadership or confidential reporting.

Similar to the antitrust campaign for around 3,000 selected people managers in 2021 and 2022, Kuehne+Nagel completed an online training campaign for around 7,000 people managers about anti-bribery and anti-corruption basic awareness in 2023, with plans for an advanced awareness course in 2024.

**Code of Conduct participation rates**

| in per cent | Target | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Live induction training | >95 | 83 | 86 | 90 |
| Live induction training top and senior managers | >99 | 98 | 98 | 98 |
| Computer-based training | >95 | 92 | 92 | 93 |
| Annual confirmation | >95 | 97 | 96 | 95 |

**Allegation management facts and figures**

Facts and figures regarding allegation management
(for concerns related to the Code of Conduct or
potential violations of laws and regulations)

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Absolute number of cases | 260 | 220 | 220 |
| Cases per 1,000 employees | 3.2 | 2.7 | 2.8 |
| Percentage of incoming reports via Confidential Reporting Line | 72 | 55 | 39 |
| Percentage of incoming reports anonymously | 54 | 41 | 35 |
| Percentage of incoming reports of HR* vs. non-HR** matters | 65 | 62 | 53 |
| Percentage of closed cases with merit | 42 | 51 | 41 |

* 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

Since 2010, a mandatory Code of Conduct training curriculum has been embedded into a training and awareness process for new employees and complemented by a Code of Conduct annual confirmation. The live induction training applies to all Kuehne+Nagel employees, while the computer-based induction training, as well as the annual confirmation applies to office workers.

The Code of Conduct encourages employees to raise concerns over observed potential non-compliance. Such concerns can be reported, if desired anonymously, via the Confidential Reporting Line (CRL), operated by an external service provider for recording reports 24/7 and in all needed languages, without assuming responsibility over handling or managing any of the reports. With access details publicly available, third parties are also enabled to raise concerns via the CRL.

Employees detecting issues or observing concerns over misconduct shall bring these issues or allegations to the attention of the Independent Allegation Management Committee (IAMC) when of significant nature. The IAMC's purpose is to ensure a fair, confidential and effective process for handling allegation reports. The IAMC's primary objective is to promote a culture of transparency, accountability and integrity within the organisation. Cases of material impact are disclosed in Annual Reports, same as significant legal proceedings and main outcomes of completed legal actions, as well as significant confirmed incidents and public legal cases regarding bribery and corruption.

### Executing responsible tax management
Taxes form a significant part of the economic contribution that Kuehne+Nagel makes to the countries in which it operates. The company believes that responsible tax behaviour is crucial for business integrity.

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

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

Our Tax Governance Framework is owned by the Group Chief Financial Officer (CFO) and overseen and reviewed by the Audit Committee. It ensures legal compliance, transparency and tax risk management. Our Head of Group Tax, who reports to the CFO, is responsible for its implementation.

Kuehne+Nagel acts according to applicable tax laws and complies with international standards, namely those of the Organisation for Economic Cooperation

and Development (OECD). In cases where legal clarity is lacking, the company complies with the spirit of the law, respecting the government's right to determine its tax rate and collection mechanisms. Kuehne+Nagel ensures efficient tax structuring by aligning with commercial realities in its business models. Profits are taxed where genuine substance and commercial value are created, with a focus on economic ownership of assets and active risk management. Kuehne+Nagel is transparent in its approach to tax, requiring all transactions to have a commercial and business reason. Additionally, Kuehne+Nagel adheres to the OECD's arm's length principle. Furthermore, the company constantly aims to develop and sustain a mutually respectful relationship with tax authorities based on trust and transparency.

As a large multinational company operating in almost 100 countries, Kuehne+Nagel is exposed to a variety of tax risks and these include tax reporting and compliance risk, transactional risks and reputational risk. These risks are managed by following the internal control and escalation procedures and by calling upon the advice and expertise of the Corporate Tax team, and, where appropriate, by looking to engage proactively with tax authorities to disclose and resolve issues, risks and potentially uncertain tax positions. However, an element of tax risk still may arise; as a result, at any given time, the Group may be exposed to financial and reputational risks arising from its tax affairs.

### Trade control screening

Kuehne+Nagel continues to maintain a robust trade control screening system that screens all transactions through its Transport Management System (TMS). If the screening application detects a potential issue, such as a sanctioned party or vessel, the transactions are automatically and systematically placed on hold until an internal investigation by a centralised team of experts can clarify the matter which otherwise will be rejected. In 2023, Kuehne+Nagel deployed an enhancement to this automated screening system to include transactions involving high-risk locations, including countries that are subject to comprehensive trade sanctions.

## Business preparedness, resilience and disaster response

As a global logistics service provider, Kuehne+Nagel can play a key role in minimising supply chain disruptions even in times of crisis. Helping to ensure that essential goods and services are delivered can have a positive impact on the economy, societies and our clients. Insufficient preparations or ability to handle crisis at occurrence can potentially pose severe operational and financial risks to Kuehne+Nagel. Business continuity plans and crisis handling are therefore of utmost importance and Kuehne+Nagel understands its responsibility to be prepared for and manage crises and unforeseen events.

The preparation and management of crisis incidents are typically the responsibility of the respective country organisation, while corporate involvement in steering is limited to regional or large-scale crises. The country organisation conducts tests on processes, systems and evacuation procedures, based on national Kuehne+Nagel requirements and applicable regulations. Corporate Communication manages crisis communication.

The company's response is outlined in our Emergency Preparedness and Response Guideline. When applying the Business Continuity Management principle, the Group follows ISO 22301.

With no noteworthy incidents during 2023, it can be observed that our crisis management procedures are working; any potential gaps identified on national and local level during the risk assessment were closed in the reporting year.

Every national organisation is equipped with a business continuity plan (BCP); in 2023, we completed a review of these BCPs as well as uploading them to cloud solutions. This effort involved more than 70 countries and 500 BCPs and ensures external access to relevant data and processes in the unforeseen event of a crisis. A further activity in 2023 involved initiating local crisis management to secure staff, assets and infrastructure in conflict-affected areas. To date, all our measures have been successful with minimal impact to the business and staff.

As a result of the deep dive into energy supply in light of the looming energy crisis in Europe in the winter of 2022/23, we identified potential improvements to our energy supply that were closed in the reporting year. Examples of these improvements include ensuring crisis communication with government/authorities, enhancing contact to and communication with energy suppliers and, in some cases, establishing an additional (back-up) energy supply. Overall, the energy crisis has led to improvements in our infrastructure resilience and provided valuable insights for our contingency plans.

### Cargo security

Kuehne+Nagel is committed to protecting the company's employees, infrastructures, information, reputation and customer assets from any potential threats. To this end, the company's security operation strives to provide secure transport of our customers' freight and protect our employees, business partners and entrusted goods from acts of unlawful interference.

To support this, Kuehne+Nagel is a member of the Authorised Economic Operator (AEO) supply chain security network in 44 countries.

We also collaborate with industry partners on designing suitable countermeasures to mitigate the risk or organised criminal activity and make corresponding investments in research and development. In 2023, an interactive cargo security training was rolled out globally to our fulfilment and delivery colleagues.

Furthermore, we updated our Security Statement outlining our key principles and initiatives. Compared to 2022, the number of security incidents decreased by 15%. In the same time period, the value loss of customer assets decreased by 9%. Both indicators are a testament to the success of our security improvement measures, particularly in the North America region.

### Security incidents by category
in %



Other 16
Healthcare 4
Industrial 9
High-value 3
47 High-Tech
18 FMCG [3] & Retail
3 F&B [2]
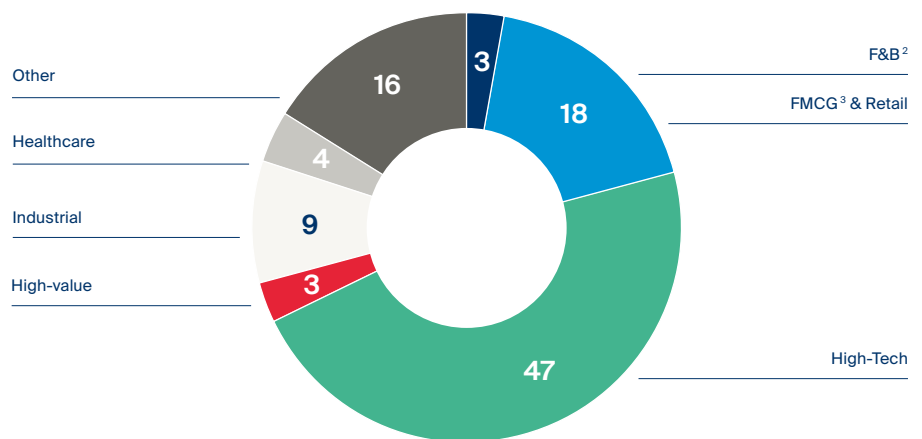
2  F&B: Food and Beverages,
3  FMCG: Fast Moving Consumer Goods

## Data privacy and security

### Data privacy

Protecting personal data and maintaining trust in our services and processes are high priorities. Our customers, employees and other stakeholders expect their personal information to be protected with the greatest possible care and we take this responsibility very seriously, using our Privacy Framework and Strategy to help us achieve this aim and maintain the trust and protection of our stakeholders.

To support our data privacy goals, Kuehne+Nagel has a Data Protection Management System, which was constantly being further developed through 2023. As part of this systematic process, the Data Protection department continuously identified, analysed and evaluated the data protection risks, enabling us to identify risks at an early stage so that they can be managed and mitigated appropriately.

Our employees play a critical role in supporting our commitment to protect personal data. It is important that all employees adopt data privacy principles and integrate them into practice in their daily work. To this end, Kuehne+Nagel provides its employees with various web-based training, education and qualification measures. All employees who have email access must complete the web-based training on data protection. Among other things, these training measures increase awareness for data protection issues and explain how data can be used sensibly. They also show how employees themselves can handle data responsibly. Employees are also provided with additional information on the topic of data privacy on the Intranet.

Employees and third parties providing services to Kuehne+Nagel contractors are instructed to report all potential personal data breaches to Kuehne+Nagel. The

local management teams, in consultation with the Data Protection department, decide whether supervisory authorities must be informed of an incident and whether affected data subjects must be notified. During the reporting year, a small number of cases were reported to the responsible data protection supervisory authorities. No measures were taken by the official authorities against the Kuehne+Nagel Group as a result.

### Information Security (InfoSec)

As noted above, data privacy is an area of increasing importance. Protecting personal data and providing a secure IT infrastructure are therefore critical for business operations. Having a strong and resilient physical and digital infrastructure also increases supply chain resilience and mitigates risks to our business.

The digital customer experience, with value-added services, makes the best use of all available data. Increasing automation and efficiency and evolving our technology are the cornerstones of Roadmap 2026. It is supported by InfoSec with compliance steps that ensure a secure cloud transformation.

Kuehne+Nagel therefore takes its responsibility towards providing information security very seriously. To this end, the biggest challenges on our journey are a rapidly evolving threat landscape in the light of global crises, balancing security measures with user convenience, addressing the shortage of skilled cybersecurity professionals and ensuring third-party security in a connected ecosystem.

Kuehne+Nagel's InfoSec ISMS (Information Security Management System) is constantly improving. In 2023, we again

achieved ISO 27001 compliance in Germany; all global and local IT systems and applications were in scope.

Investments in employee training and awareness programmes have become critical. Human error remains a significant factor in security incidents, making it imperative to educate personnel on recognising and mitigating cyber threats. Therefore, we have introduced mandatory Information Security training for white-collar employees.

Going forward, artificial intelligence (AI) will play an increasingly important role in a wide variety of areas, allowing us to increase flexibility and efficiency in operations while better meeting the needs of our customers. But alongside its great potential, the use of AI also contains risks, which Kuehne+Nagel is aware of. The responsible and compliant handling of AI is therefore a high priority. In order to ensure a wider understanding of the benefits and risks involved, we developed and approved our generative AI policy in 2023. This provides our employees with a set of rules and guidance on how to work with this emerging technology. As technology evolves, we will be updating the policy.

Furthermore, Kuehne+Nagel is identifying new ways of using AI and machine learning (ML) capabilities to improve our business capabilities. InfoSec is also exploring solutions to enhance threat detection, automate incident response and provide predictive analytics to anticipate potential cyber threats. Additionally, the global AI programme is accompanied by InfoSec, who offer risk assessments and tailored policies to protect Kuehne+Nagel's intellectual property rights and personal rights as well as protect against misuse.

## Responsible communication

Responsible communication with stake-holders is a critical element for building trustful relationships. Such communication ensures that stakeholder views are taken into consideration when defining a company's impact on the economy, environment and people, including the impact on human rights. It also allows external stakeholders, such as customers, carriers, suppliers and investors, to make meaningful decisions about their business relationship with Kuehne+Nagel.

At Kuehne+Nagel, our communication is focused around our stakeholders internally (management, leaders, colleagues) and externally, which includes customers, the public, the media, investors and business partners (for more info, see the table on the next page). We tailor our communications to the target group in question, with the goal to achieve alignment and transparency for all those involved.

Our internal and external communication is governed by our Corporate Communications Guideline. The core element of our internal communication is our Intranet, to which all employees have access, ensuring equal levels of communication across our organisation. As well as being a platform for information distribution, our Intranet supports the measurement of employee engagement, and allows the sharing of comments alongside providing the opportunity to ask questions, interact and learn. In 2023, 57,000 colleagues accessed our new Intranet. Additionally, in 2023, internal communication was enhanced with the introduction of our Voice of the Employee surveys — another means by which to gauge employee satisfaction and engagement — as well as by our regular town halls and communication campaigns on a wide range of topics.

As part of our Roadmap 2026 strategy, we are focused on continually improving our Customer Experience and Employee Experience as this is what it takes to become the most trusted supply chain partner supporting a sustainable future and our Vision for 2030.

Externally, Kuehne+Nagel uses a variety of communication channels, such as media releases, media interviews or media conferences, as well as social media platforms, and here in particular LinkedIn. In line with our commitment to transparent and responsible business practices, media and social media communication activities in general are conducted organically and free-of-charge. Kuehne+Nagel aims at all times to respond professionally and in a timely manner to media or social media inquiries to maintain a transparent and open communication with our stakeholders. As a publicly listed company, we comply with the corporate reporting requirements and the insider trading regulations, the latter outlined in our "Corporate Policy and Procedures on Insider Trading". Kuehne+Nagel and its employees do not disclose company-confidential or customer-owned information nor comment on non-company or non-industry related topics which are outside of our Group´s expertise.

Responsible Communication also includes a strategic approach to crisis communication. Our Incident and Crisis Communication Guideline outlines how Kuehne+Nagel communicates internally and externally during a disruptive event, as well as which protocols, systems and processes enable us to communicate in a quick, proactive, relevant and accessible way to all stakeholders involved.

**Relationship with stakeholders**

| Stakeholder groups | Key issues of interest | How we engage | How we respond |
|---|---|---|---|
| Employees | ■ Training and development<br>■ Health and safety<br>■ Compensation and benefits<br>■ Diversity and inclusion | ■ Employee surveys, including Great Place to Work survey<br>■ Town hall meetings<br>■ Internal communication (CEO messages, Intranet)<br>■ Workers councils, health and safety committees | ■ Career development framework<br>■ Learning management system<br>■ Performance enablement process<br>■ Safety and health management system<br>■ Diversity and inclusion programme |
| Customers | ■ Sustainability service offering, emission reporting<br>■ Customer service<br>■ Data privacy and protection<br>■ Quality, security and responsibility in delivery | ■ Customer satisfaction survey and feedback tool<br>■ Customer meetings and events<br>■ Joint projects | ■ Emission consultancy<br>■ Internal and external QSHE audits<br>■ Information security<br>■ ESG ratings |
| Investors | ■ Economic performance<br>■ Responsible communication<br>■ Transparent ESG performance and ethical governance | ■ Annual General Meeting (AGM)<br>■ Disclosure duties<br>■ Capital Markets Day<br>■ Management engagement<br>■ Road shows, investor and analyst meetings<br>■ Financial press releases | ■ Integrity Due Diligence<br>■ ESG ratings<br>■ Reporting |
| Suppliers and partners | ■ Ethical and social standards<br>■ Long-term partnership<br>■ Fair payment terms | ■ Business associations<br>■ Partnerships<br>■ Public forums and working groups | ■ Audits and risk assessments<br>■ Supplier Management System (SMT)<br>■ Training<br>■ Joint projects |
| Communities/ Non-governmental organisations (NGOs) | ■ Ethical, social and environmental practices<br>■ Community partnerships | ■ Community support initiatives | ■ Human rights due diligence<br>■ Emergency and Relief Logistics<br>■ Community support initiatives |
| Governments/ Regulatory bodies | ■ Regulatory compliance | ■ Public forums and industry bodies<br>■ Transparent dialogue with tax authorities | ■ Financial and sustainability reporting<br>■ External assurance and audits |

# Going beyond our value chain

### Community support

At Kuehne+Nagel, we recognise the opportunity we have for positive impact and acknowledge the responsibility we have to support the communities we work and live in. Within our social impact framework, as part of our Living ESG cornerstone, we have defined the dimension community support, covering all activities related to aiding local communities through various means.

In 2023, we developed a global community support policy that outlines the company's commitment and enables our colleagues to create positive change through volunteer work. Aligned with our commitment to the Kuehne+Nagel Experience to "Discover your +", we have laid the foundations for a consistent global experience while recognising that community support is driven and executed locally in the communities.

We aim to share successes through storytelling and a celebration of our collective journey to deliver progress to society.

Some highlights and examples from the reporting year include projects that had a positive environmental impact, such as restoring natural habitats or beach clean-ups, as well as positive contributions to the wider community, such as preventing food waste or supporting a local animal shelter.

### Climate action projects

In addition to reducing emissions within our value chain, we fund climate action projects beyond our value chain that have a positive environmental impact. We do this in the form of carbon credits that match unabated emissions for scope 1 and 2 emissions. We also offer our customers the opportunity to invest in climate action projects for their emissions and offer selected Sea Logistics products that automatically contribute towards climate action projects as part of the service offering (scope 3).

All projects we support are certified through the Verified Carbon Standard (VCS) or Gold Standard (GS).

# Preserving maritime habitats with our insurance solution

Since 2022, Kuehne+Nagel has offered its customers an innovative cargo insurance solution that contributes to restoring oceans and to scientific marine biology research, in collaboration with the Marine Megafauna Foundation (MMF). The insurance solution was developed by Kuehne+Nagel's in-house insurance broker Nacora, and is supported by various insurers under a "corporate funding" model that financially supports the not-for-profit organisation. Every transport insurance policy concluded through Nacora Blue assists MMF projects against overfishing and dangerous fishing practices, reducing the burden of plastic items in the sea, protecting the habitats of large marine creatures, as well as researching the lifestyles and habitats of marine megafauna. With tangible work and projects in megafauna hot spots such as Mozambique, Indonesia and the United States, all stakeholders contribute towards the UN sustainability Goal 14 — Life below water. We now look forward to exploring more ways to get involved with MMF's work. In a next step we will explore whether we can link data for shipping routes with location data for megafauna species. By collaborating with industry partners, we aim to minimise ship strikes on marine megafauna. This approach holds great potential for enhancing marine habitat conservation.

Factbook, data and assurance

# Summary of progress on non-financial matters

The following index outlines how this report addresses non-financial matters as required by the Swiss Code of Obligations OR 964b.

The shareholder vote on the report at the annual general meeting is limited to the information provided in these sections. In addition, the table provides information about the governance and functional responsibility of these topics on a corporate level and links the material topics to the respective United Nations Sustainable Development Goals (UN SDGs).

| OR 964b requirements |
| --- |
| **Description of the business model** |
| Our business, page 6-7 |
| **Material risks** |
| Materiality analysis, page 12-13 |
| Risk management, page 11 |

| Material topic | UN SDGs | Policies and targets | 2023 progress and achievements | Functional responsibility |
| --- | --- | --- | --- | --- |
| **Environmental matters** | | | | |
| **Greenhouse gas emissions and climate change** page 25-34 | 7, 12, 13, 17 | Policies/systems:<br>■ Environmental Policy<br>■ Environmental Policy Statement | Progress/achievements:<br>■ Development and roll-out of Book and Claim concept for Road Logistics<br>■ Net-Zero ambition expressed in Environmental Policy Statement | |
| | | Targets:<br>■ 2030: reduce absolute scope 1, 2 and 3 GHG 33% from a 2019 base year (SBTi) | Progress against targets:<br>■ 2023 net emissions: 14.421 million tonnes (2022: 16.191 million tonnes, –11%)<br>■ Purchase of sustainable fuels:<br>  ■ Sustainable Aviation Fuel: 26 million litres (2022: 14 million litres)<br>  ■ Sustainable Marine Fuel: 13,391 tonnes (2022: 6,750 tonnes)<br>  ■ Hydrotreated Vegetable Oil: 0.782 million litres (2022: 0.589 million litres)<br>■ Share of hybrid/full electric cars in company fleet: 32% (2022: 17%) | ■ Overall target: Sustainability Core Panel (incl. Corporate Sustainability, BUs, Sales)<br>■ Business units for transport mode specific targets |

| Material topic | UN SDGs | Policies and targets | 2023 progress and achievements | Functional responsibility |
|---|---|---|---|---|
| **Greenhouse gas emissions and climate change** page 25-34 | | ■ 2030: 60% representation of low-emission vehicles in our own fleet | ■ Proprietary low-emission trucks: 1.5% | Road Logistics |
| | | ■ 2030: 100% renewable energy | ■ Renewable energy share: 66% (2022: 64%). ■ Renewable electricity share: 100% (excl. sites from recent acquisitions) | Corporate Sustainability and Contract Logistics |
| | | ■ 2030: 30% energy produced on site for Contract Logistics (interim goal: 25% in 2024) | ■ On-site electricity production through photovoltaics: 74 MW peak capacity, equivalent of 20% of Contract Logistics electricity consumption (2022: 50 MW peak capacity, equivalent of 15% of electricity consumption)[1] | Contract Logistics |
| **Energy consumption** page 36-37 | | ■ 2030: 20% reduction of electricity consumption in Contract Logistics (2019 baseline) | ■ Electricity consumption Contract Logistics: 240 million kWh (2022: 264 million kWh, 2019: 257 million kWh, decrease from baseline: 6%) ■ Group energy consumption: 521 million kWh (2022: 574 million kWh) ■ LED footprint: 80% (2022: 76%) | Corporate Sustainability and Contract Logistics Contract Logistics for CL goal |
| **Water usage** page 38 | | ■ 2030: maintain 10% water consumption reduction (vs. 2019) | ■ Water consumption 2023: 730 megalitres (2022: 679 megalitres, 2019: 966 megalitres) ■ 24% decrease from baseline | Corporate Sustainability and Contract Logistics |
| **Waste management and recycling** page 39 | | ■ 2030: Zero Waste to landfill | ■ Waste to landfill 2023: 18,000 tonnes (2022: 18,000 tonnes) ■ Recycling rate: 65% (2022: 60%) | Corporate Sustainability and Contract Logistics |

1  Equivalent electricity consumption is calculated based on electricity consumption of previous year

| Material topic | UN SDGs | Policies and targets | 2023 progress and achievements | Functional responsibility |
|---|---|---|---|---|
| **Environmental matters** | | | | |
| | | ■ 2030: Reduce waste volume in Contract Logistics by 20% (2019 baseline) | ■ Contract Logistics waste volume 2023: 58,802 tonnes (2022: 69,282 tonnes, 2019: 60,415 tonnes, decrease from baseline: 3%) | Contract Logistics |
| | | ■ 2030: no plastic materials (packaging & disposables) in Contract Logistics operations | ■ Development of plastic calculator and plastic audits to measure plastic waste<br>■ Execution of Contract Logistics sustainable packaging roadmap to reduce, reuse, recycle, replace | Contract Logistics |
| **Management of dangerous goods** page 41 | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION ∞ | ■ Dangerous Goods Policy Framework<br>■ Dangerous Goods Statement | ■ Implementation of Dangerous Goods (DG) Info Tool<br>■ Comprehensive training for internal dangerous goods auditors<br>■ No DG incidents caused any harm or negative impact to people or the environment<br>■ Improved recording of near-misses: 51 (2022: 5) | QSHE [2] |
| **Social matters** | | | | |
| **Responsible communication** page 62-63 | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION ∞ | Policies/systems:<br>■ Corporate Communications Guideline<br>■ Incident and Crisis Communication Guidelines | Progress/achievements:<br>■ Launch of Intranet for internal communication<br>■ Voice of Employee surveys → see also: employee satisfaction and retention | Corporate Communication<br><br>Stakeholder dialogue: functions/business units across the organisation |

2  Quality, Safety, Health, Environment, Security and dangerous goods

| Material topic | UN SDGs | Policies and targets | 2023 progress and achievements | Functional responsibility |
|---|---|---|---|---|
| **Employee matters** | | | | |
| **Employee satisfaction and retention** page 43-45 | 8 DECENT WORK AND ECONOMIC GROWTH | Policies/systems: ■ Kuehne+Nagel Experience cornerstone<br><br>Targets: ■ 2024: increase Great Place to Work Certification ■ Increase employee engagement and satisfaction scores | Progress/achievements: ■ Launch of Voice of the Employee programme ■ Implementation of digital pre-onboarding and Buddy Programme<br><br>Progress against targets: ■ Great Place to Work Certification in 53 countries ■ Response rate employee experience survey: 80% ■ White-collar unwanted attrition: 8% (2022: 10.4%) | Human Resources |
| **Employee development** page 46 | 8 DECENT WORK AND ECONOMIC GROWTH | ■ 2025: leverage best in class technology to enhance our learning and development infrastructure | ■ Global roll-out of performance enablement process, 99% of year-end conversations completed ■ Online training sessions completed: 645,681 (2022: 567,566) | Human Resources |
| **Diversity, equity and inclusion** page 48-49 | 5 GENDER EQUALITY<br>8 DECENT WORK AND ECONOMIC GROWTH<br>10 REDUCED INEQUALITIES | Policies/systems: ■ Diversity and inclusion policy<br><br>Targets ■ 2030: double the female representation in Top Management (from 2021) ■ 2030: increase intern intake by 15% globally (vs. 2021) | Progress/achievements: ■ Revision of diversity and inclusion policy<br><br>Progress against targets: ■ Women in Top Management: 10.4% (2022: 9.8%), increase from baseline: 13% ■ Intern intake: 18% increase vs. 2021 (2022: 14%) ■ Intern conversation rate to full-time employment: 21% (2022: 25%) | Human Resources |

| Material topic | UN SDGs | Policies and targets | 2023 progress and achievements | Functional responsibility |
|---|---|---|---|---|
| **Employee matters** | | | | |
| **Occupational health and safety** page 50-51 | | Policies/systems: ■ Safety Health Management System (certified to ISO 45001) ■ Safety Health Statement | Progress/achievements: ■ Global roll-out of Safety Anchor training for office-based employees ■ > 1,300 managers completed NO HARM level 3 leadership training | QSHE |
| | | Targets: ■ 2024+: Zero fatalities ■ 2024: reduce Lost Time Injury Frequency (LTIF) 20% from 2023 ■ 2024: 85% of white-collar employees completed Safety Anchor training | Progress against targets: ■ Zero fatalities (own employees and suppliers working on our premises) ■ LTIF: 8.0 (2022: 8.8) ■ Safety Anchor training completion rate year-end 2023: 41% | |
| **Human rights** | | | | |
| **Human rights and labour rights** page 52-53 | | Policies/systems: ■ Human Rights Policy ■ Code of Conduct ■ Supplier Code of Conduct ■ Supplier Management System | Progress/achievements: ■ ~1,400 employees trained on human rights and environmental obligations in the context of the German supply chain due diligence law LkSG. ■ Access to the Confidential Reporting Line (CRL) is publicly available for employees and third parties for raising concerns. ■ 36% of employee are covered by collective bargaining agreements | Corporate Sustainability (with Human Resources) |
| **Sustainable supply chain** page 22-23 | | Supplier management target: ■ 2024/25: all suppliers with more than 5,000 CHF spend in major countries shall be registered in the new supplier management tool within 12 months of the respective project start. | Supplier management: ■ 42,315 approved suppliers year-end in Supplier Management Tool SMT | Finance for Supplier Management System |

| Material topic | UN SDGs | Policies and targets | 2023 progress and achievements | Functional responsibility |
|---|---|---|---|---|
| **Anti-corruption** | | | | |
| **Business integrity** page 55-57 | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS / 17 PARTNERSHIPS FOR THE GOALS | Policies/guidelines: ■ Code of Conduct ■ Anti-Bribery Guideline ■ Antitrust Guideline ■ Gift and Entertainment Guideline ■ Conflict of Interest Guideline | Progress/achievements: ■ ABC training campaign for ~7,000 people managers > 99% participation | Ethics and Compliance Programme: Chief Compliance Officer |
| | | Code of Conduct training completion targets: ■ Live Induction: > 95% ■ Live Induction (Top & Senior Management): > 99% ■ Computer-based induction: >95% ■ Annual Confirmation: > 95% | Code of Conduct training completion rates: ■ Live Induction: 83% (2022: 86%) ■ Live Induction (Top & Senior Management): 98% (2022: 98%) ■ Computer based induction: 92% (2022: 92%) ■ Annual Confirmation: 97% (2022: 96%) | |
| **Sustainable supply chain** page 22-23 | 17 PARTNERSHIPS FOR THE GOALS | ■ Integrity Due Diligence Process | ■ 641 approved high-risk suppliers year-end 2023 identified through the Integrity Due Diligence Process (2022: 629) | |

| **Main performance indicators** |
|---|
| ESG performance data, page 76-81 |

| **Reference to national, European or international regulations** |
|---|
| GRI index, page 82-87 |

| **Coverage of subsidiaries** |
|---|
| Report history, scope and basis, page 72-75 |

# Reporting history, scope and basis

### Reporting period
Kuehne+Nagel has published an annual Sustainability Report since 2016. The Sustainability Report 2023 covers the Group's sustainability activities and performance in the 12-month period from 1.1.2023 until 31.12.2023.

### Independent, external assurance
For the third consecutive year, external assurance for this report has been sought. For 2023, external limited assurance has been sought for our GHG inventory (emissions from scope 1, scope 2, and scope 3 category 4: upstream transportation, category 6: business travel, and category 7: employee commuting) from Swiss Climate AG.

### Reporting scope and basis for reporting
Kuehne+Nagel's financial reporting defines the boundary and scope of consolidation, as outlined in Kuehne+Nagel's Annual Report 2023 (page 21, page 56-57). The scope and boundary of consolidation have been applied to the non-financial reporting (unless otherwise noted).

In 2023, data from recent mergers and acquisitions were integrated in the non-financial report where possible. Acquisitions that took place in 2023 have not been included yet in the scope due to lack of data availability.

### Reporting standards
We report in accordance with the Global Reporting Initiative (GRI) standards. We have cross-checked requirements with the Sustainability Accounting Standards Board (SASB) for our industry and have reported relevant KPIs whenever possible, but do not report in full accordance with the standard. We also report Communica-

tion of Progress to the UN Global Compact and consider our contribution to the United National Sustainable Development Goals whenever possible.

### Restatement of information
Due to the continuous improvement of our data collection systems and processes, selected KPIs for 2023 have been restated. Restatements of information are clearly marked in the ESG Performance Data table.

### Additional KPIs and changes to previous years
As part of the continuous improvement of data collection systems and processes for providing ESG data, selected KPIs have been added to the ESG Performance Data table in 2023. Additional KPIs, and KPIs that have changed from the previous year are clearly marked in the ESG Performance Data Table. KPIs that have been removed in 2023 are the number of truck drivers, recruiting structure: applications, recruiting structure hire [absolute], and environmental intensity measures based on number of FTEs and 100m$^2$, and LED coverage.

**Calculation methodologies**

### Environment data

#### Emissions
For reporting scope 1 and scope 3 CO2e emissions from transport and logistics activities, Kuehne+Nagel is using the GLEC Framework — Smart Freight Centre (SFC) accredited EcoTransIT World software as a core emission calculation tool. The EcoTransIT World methodology is based on the EN 16258 methodology with updated emission factors as proposed by ISO 14083 and GLEC-compliant calculations. All emission reporting is in line with the GHG Protocol.

The methodology for EcoTransIT is provided by independent scientific institutes (ifeu, INFRAS and Fraunhofer IML) and is continuously updated and validated. EcoTransIT World calculates the transport distances, energy consumption, greenhouse gases CO2 and CO2 equivalents, air pollutants such as Sulfur oxides (Sox), Nitrous oxides (NOx), nonmethane hydrocarbons (NMHC) and particulate matter PM10 (particulate matter with a diameter of 10 micrometres (0.01 mm) or smaller), for global transport chains. CO2 equivalents include all greenhouse gases as calculated by EcoTransIT World. Emissions are calculated for activities which Kuehne+Nagel has financial control over unless otherwise stated.

In 2023, emissions from recent acquisitions were integrated in the GHG inventory. Subsequently, emissions were re-calculated for the reporting year 2022. Due to a lack of data availability, emissions could not be calculated prior to 2022.

#### Scope 1 emissions
Scope 1 emissions are emissions from company-controlled sources, including emissions from company cars, company trucks (owned or leased), and fuel consumption for buildings, such as gas for heating and cooling of company-controlled offices and fulfilment centres. Scope 1 emission calculations from company cars are based on EN 16258 and the Greenhouse Gas (GHG) Protocol Section 6 (Fuel based method) which involves determining the amount of fuel consumed during business, the trajectory and applying the appropriate emission factor for that fuel.

Scope 1 emissions for company trucks (owned or leased) are calculated based on fuel consumption and using the ISO 14083

emission factors integrated in EcoTransIT or the local authority factor from the shipment's country of origin.

Scope 1 emissions from fuel consumption in buildings are derived from calculating CO2e emissions from actual fuel consumption (gas, oil, and diesel) for heating/cooling, and using the International Energy Agency (IEA) emission factors. Prior to 2021, direct emissions from fuel consumption for buildings were included in scope 2 emissions.

*Scope 2 emissions*
Scope 2 emissions are calculated in accordance with requirements from the GHG Protocol and the International Energy Agency IEA and include emissions generated from purchased electricity for Kuehne+Nagel buildings (owned or leased) and electric vehicles. Data for scope 2 CO2e emissions are calculated and disclosed on both a location-based approach as well as market-based approach. Due to investments in Energy Attribute Certificates, scope 2 market-based emissions are significantly lower than location-based emissions. The majority of electricity data is derived from the Global Facility Carbon Calculator (GFCC) tool, which captures environmental data for facilities.

*Scope 3 emissions*
Scope 3 emissions include indirect emissions from transporting our customer's freight via our suppliers (freight forwarding services for Sea, Air and Road Logistics), as well as emissions from business travel and employee commuting.

For freight forwarding services in our value chain (scope 3, category 4), routes are split into transport legs, and emissions are calculated for each leg based on shipment data from the Transport Emission Measurement (TEM) system. Calculations are performed using the EcoTransIT methodology and default values (including Clean Cargo values for Sea Logistics), unless more accurate primary data are available and directly passed to EcoTransIT via the Transport Emission Measurement System (TEM). Emissions included in the calculation are from all shipments that commenced in the reporting year.

In addition, Kuehne+Nagel calculates emission reductions from sustainable fuel purchases in the year of sourcing (SAF, maritime biofuels) and treats the use of sustainable fuel as emission reduction for reporting purposes (compared to using conventional fuel types).

*'Gross' emissions vs. 'net' emissions*
The 'gross' emission metric does not consider scope 3 emission reductions achieved through the deployment of sustainable fuels via a Book and Claim process.

The 'net' emission' metric includes the scope 3 emission reductions achieved through sustainable fuels sourced by Kuehne+Nagel in the reporting year and which are deployed via Book and Claim. Emission reductions are considered in comparison to the use of conventional fuels.

- Air Logistics: noteworthy for Air Logistics emission reporting is the fact that emission calculations do not consider the radioactive forcing index (RFI). The RFI considers the higher global warming potential from emissions at higher altitudes and is particularly relevant for the aviation sector. However, in the absence of globally consistent calculation standards and frameworks, Kuehne+Nagel has not included the RFI in emission calculations (but is closely monitoring future developments).
- Road Logistics: Due to the proprietary fleet in Road Logistics, scope 3 emissions are calculated by subtracting scope 1 (trucks) and 2 emissions (low emission vehicles that use electricity) from the overall emission calculation derived from the EcoTransIT software.

*Business travel*
Emissions from business travel are produced according to the GHG Protocol Category 6 using the distance-based method. This method involves multiplying activity data (person-kilometers travelled by vehicle type – we considered only air travel) by the respective emission factors (taken from the UK Department for Business, Energy & Industrial Strategy). Travel data presented in this report cover approximately 80% of all air travel.

*Employee commuting*
Emissions from employee commuting are calculated according to the GHG Protocol Category 7 using the average-based method. Kuehne+Nagel adopted this method because company-specific data is currently unavailable; therefore, average secondary activity data is used to estimate distance travelled and mode of transport information for calculating employee commuting emissions.

*GHG emissions per net turnover*
This metric is based on net emissions in tonnes of CO2 equivalents — considering scope 2 market-based emissions and scope 3 net emissions — and net turnover in CHF million.

*Facility data (energy, water, waste)*

Environmental data from facilities, including energy, waste and water data, are generally captured on a monthly basis. Sites are required to track all parameters where possible using invoices and meter readings. Facility data gathered through Kuehne+Nagel's internal tool cover the majority of 2023 site data. We aim to close any gaps in reporting during the course of 2024.

More details on individual KPIs can be found below:

- Energy consumption considers total electricity and gas consumption within the organisation. Data is available for the majority of facilities. Missing data were not extrapolated.
- Water includes water usage on site. Data is available for the majority of facilities. This includes an extrapolation of missing data based on site-specific averages where feasible.
- Waste includes inbound waste collected and processed on site. Waste data include data from the majority of logistics space. Missing data were not extrapolated.

## Definition of terminology used

*Sustainable fuels*

The term sustainable fuel refers to fuels that do not have a fossil origin and have a considerably lower environmental impact than their fossil-origin counterpart. They are either produced from biomass (such as maritime biofuels and bio-SAF) or synthetically (not commercially available yet).

*Renewable energy*

As per definition of the GHG protocol, energy is only being considered 'renewable', if it is taken from sources that are inexhaustible (e.g. wind, water, solar, geothermal, and biofuels). Therefore, energy derived from sources such as natural gas and LPG is not considered renewable.

## Social data

*Personnel attrition, unwanted*

Attrition is calculated on a monthly basis, by dividing the number of exits by the number of headcounts in a given month. It also records workforce type (white and blue- collar) and exit reason (wanted or unwanted). The yearly attrition is calculated as a sum of the monthly attrition rates.

*Definition of interns*

Included in the definition of interns are trainees, intern/working student/post-graduates, as well as apprentices.

*Training hours*

(($\sum$ course completions N * course duration + seminar duration)/active headcount). Only hours that lead to course completion and are recorded through our internal platform are included in the final value.

*Performance reviews*

Only data for office-based employees is captured on a global level, with performance reviews for operational employees being handled on a national and local level (and cannot be captured accurately through our systems).

## Health and Safety KPIs

*Lost Time Injury Frequency (LTIF)*

Lost time injuries are defined as work-related injuries resulting in a fatality or lost workday case (LWC), excluding Medical Treatment Cases (MTC) and/or First Aid Cases (FAC). 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 assure the data quality at the national, regional, and global levels. LTIF is recorded as number of LTIs per 1,000,000 working hours over 12-month period.

*Total reportable case frequency (TRCF)*

TRCF is the sum of injuries resulting in fatalities, lost workday cases and medical treatment cases per 1,000,000 working hours.

*Fatalities*

A death, resulting from a work-related injury or illness, regardless of the time intervening between the incident causing the injury or exposure or causing illness and the death.

*Lost Workday (LWD)*

The total number of calendar days on which the injured person was temporarily unable to work as a result of a Lost Workday Case (LWC).

*Lost Workday Cases (LWC)*

Any work-related injury that renders the injured person temporarily unable to perform their normal work on any day after the

day on which the injury occurred. Any day includes rest day, weekend day, scheduled holiday, public holiday or subsequent day after ceasing employment. LWC's are also counted for temporary workers, working in our premises.

*Violations*
Number of cases where Kuehne+Nagel has received a violation resulting in any regulatory sanction by an enforcement authority for breach of any health and safety/dangerous goods regulations.

*Temporary workers*
When working for Kuehne+Nagel in premises that Kuehne+Nagel is responsible for and that are under supervision/direction of the company, the health and safety KPIs apply to full-time and part-time temporary workers as well.

Data from recent mergers and acquisitions have not yet been fully integrated in the consolidated Social Data reporting, including health and safety KPIs. We aim to close this gap in the 2024 reporting year.

Critical business activities
In line with the Swiss Association for Responsible Investment's (SVVK-ASIR) aim to provide services to its members that enable them to act responsibly towards the environment, society, and the economy, Kuehne+Nagel reports 'critical business activities' on an annual basis. 'Critical business activities' are activities in sectors that may potentially jeopardise the aspects of good business practices and are therefore assessed on an annual basis. These are aggregated revenues from the alcohol, defence, tobacco, adultery entertainment, coal, firearms, gambling, GMO, nuclear energy and oil sands industries.

# Approval of Non-Financial Report

The Board of Directors has received and approved the Kuehne+Nagel Sustainability Report 2023.

Approved on behalf of the Board of Directors of Kuehne + Nagel International AG by its Chairman, Dr. Jörg Wolle.

Approved on behalf of the Management Board of Kuehne + Nagel International AG by the Management Board Member responsible for ESG, Sarah Kreienbühl.

Schindellegi, 10 April 2024

# ESG performance data

Note: all environmental metrics reported in metric units (i.e. 1 tonne = 1,000 kg), all 2023 emission data rounded to three decimal places.

**Please see page 72-75 for calculation methodologies and high-level assumptions.**

| Environment | Metric unit | 2023 | 2022 | 2021 | 2020 | 2019 | Notes |
|---|---|---|---|---|---|---|---|
| **Greenhouse gas emissions** (WTW) | | | | | | | |
| **$CO_2e$ Scope 1** | | | | | | | |
| Company cars | million tonnes | 0.018 | 0.021 | 0.018 | 0.02 | 0.03 | |
| Road Logistics (own trucks) | million tonnes | 0.119 | 0.118* | 0.094 | 0.12 | 0.08 | restatement to include recent acquisitions |
| Buildings: fuel (incl. gas) | million tonnes | 0.039 | 0.044 | 0.048 | – | – | |
| **Total Scope 1** | **million tonnes** | **0.176** | **0.183*** | **0.160** | **0.14** | **0.11** | |
| **$CO_2e$ Scope 2** | | | | | | | |
| Electricity (location-based) | million tonnes | 0.122 | – | – | – | – | ** |
| Electricity (market-based) | million tonnes | 0.080 | 0.072* | 0.080 | 0.17 | 0.20 | restatement due to methodology improvements |
| **$CO_2e$ Scope 3** | | | | | | | |
| Transport and logistics (Scope 3, category 4) comprising of: | million tonnes | 14.195 | 15.915* | 16.4 | 12.9 | 16.6 | restatement to include recent acquisitions |
| ■ Sea Logistics | million tonnes | 4.629 | 5.457* | | | | |
| ■ Air Logistics | million tonnes | 7.872 | 8.777* | | | | |
| ■ Road Logistics | million tonnes | 1.694 | 1.681 | | | | |
| Business travel | million tonnes | 0.009 | 0.007* | 0.005 | 0.2 | 1.2 | |
| Employee commuting | million tonnes | 0.071 | 0.071* | 0.008 | 0.011 | 0.3 | restatement to reflect updated methodology |
| **$CO_2e$ scope 3 'gross' emissions** | **million tonnes** | **14.276** | **15.993*** | **16.4** | **13.2** | **18.1** | |

 *  restatement of information
** new disclosure/KPI (not present in 2022)

| Environment | Metric unit | 2023 | 2022 | 2021 | 2020 | 2019 | Notes |
|---|---|---|---|---|---|---|---|
| Scope 3 $CO_2$e reduction through the purchase of sustainable fuels comprising of | million tonnes | 0.110 | 0.057 | | | | Based on sustainable fuels sourced by KN |
| **Total scope 3 'net' emissions** | million tonnes | 14.166 | 15.936* | 16.4 | 13.2 | 18.1 | |
| **Total CO2e emissions (location-based)** | **million tonnes** | **14.464** | – | – | – | – | ** |
| **Total CO2e emissions (market-based)** | **million tonnes** | **14.422** | **16.191*** | **16.7** | **13.5** | **18.4** | |
| **Sustainable fuels** | | | | | | | |
| Sea Logistics (SMF) | tonnes | 13,391 | 6,750 | 500 | – | – | Most SAF from subsidised sources, based on fuels sourced in 2023 |
| Air Logistics (SAF) | 000' litres | 26,254 | 13,978 | 4,985 | – | – | |
| Road Logistics Scope 1 (HVO) | 000' litres | 782 | 589 | – | – | – | Based on fuel used |
| **GHG emission intensity** | | | | | | | |
| GHG emission intensity | Emissions (t CO2e) / net revenue (million CHF) | 605 | 411 | 509*** | 663 | 873 | ***incomplete integration of emission figures from significant acquisition |
| **Energy consumption within the organisation** | | | | | | | |
| Electricity consumption total | million kWh | 351 | 370* | 371 | 376 | 391 | restatement to include recent acquisitions in line with GHG inventory |
| Natural gas consumption total | million kWh | 170 | 204 | 220 | 192 | 201 | |
| Total energy consumption | million kWh | 521 | 574* | 591 | 586 | 592 | |
| Renewable electricity share | per cent | 98 | 99 | 78 | 21 | – | 100% renewable electricity Kuehne+Nagel (98% incl. recent acquisitions) |
| Renewable energy share (electricity and natural gas) | per cent | 66 | 64 | 49 | 14 | – | |

 * restatement of information
** new disclosure/KPI (not present in 2022)

| Environment | Metric unit | 2023 | 2022 | 2021 | 2020 | 2019 | Notes |
|---|---|---|---|---|---|---|---|
| **On–site PV installations** | | | | | | | |
| Number of sites | count | 86 | 69 | 32 | 23 | – | |
| Output | MWp | 74 | 50 | 31 | 25 | – | MWp= MW'peak' |
| **Waste** | | | | | | | Excludes recent acquisitions |
| Waste total | 000' tonnes | 79 | 92* | 109 | 209 | 496 | |
| Waste hazardous | 000' tonnes | 1 | 4 | 1 | 21 | 22 | |
| Waste recycled | 000' tonnes | 51 | 55* | 78 | 135 | 332 | |
| Recycling rate | per cent | 65 | 60* | 72 | 65 | 67 | |
| Waste recovered | 000' tonnes | 9 | 15 | 10 | 19 | 21 | |
| Waste to landfill | 000' tonnes | 18 | 18 | 20 | 34 | 142 | |
| **Water** | | | | | | | |
| Water consumption total | megalitres | 730.0 | 678.7 | 773.6 | 890.6 | 965.9 | Increase in part due to integration of data from recent acquisitions |
| | cubic meters | 729,984 | 678,659 | 773,576 | 890,615 | 965,879 | |
| Water consumption reduction | per cent | 24 | 30 | 20 | 8 | – | base year 2019 |

 * restatement of information
** new disclosure/KPI (not present in 2022)

| Social | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | Notes |
|---|---|---:|---:|---:|---:|---:|---:|
| **Employees** | | | | | | | |
| Total employees at year-end | headcount | 80,983 | 80,334 | 78,087 | 78,249 | 83,161 | |
| Female | per cent | 40.5 | 39.5 | 38.9 | 35.8 | 35.0 | |
| Male | per cent | 59.5 | 60.5 | 61.1 | 64.2 | 65.0 | |
| Female (white–collar) | per cent | 49.4 | 49.5 | 49.6 | 48.3 | 48.1 | |
| Male (white–collar) | per cent | 50.6 | 50.5 | 50.4 | 51.7 | 51.9 | |
| Female (blue–collar) | per cent | 27.7 | 25.4 | 24.3 | 21.0 | 20.4 | |
| Male (blue–collar) | per cent | 72.3 | 74.6 | 75.7 | 79.0 | 79.6 | |
| | | | | | | | |
| FTEs of employees at year–end | FTE | 75,304 | 75,194 | 73,516 | 72,021 | 78,448 | |
| FTEs at year–end including temporary staff | FTE | 94,218 | 95,079 | 93,288 | 93,238 | 99,113 | |
| Personnel expenses in CHF 1,000 per FTE | 1,000 CHF | 52 | 54 | 53 | 48 | 49 | |
| **Interns** | | | | | | | |
| Number of interns | headcount | 1,764 | 1,705 | 1,494 | – | – | |
| increase of interns | per cent | 18 | 14 | – | – | – | |
| Conversion rate of interns to employment | per cent | 21 | 25 | – | – | – | |
| **Age structure** | | | | | | | |
| Under 30 | per cent | 22.2 | 22.6 | 22.5 | 21.0 | 23.0 | |
| Under 30 (female) | per cent | 45.1 | 44.7 | 44.7 | 42.2 | 41.4 | |
| Under 30 (male) | per cent | 54.9 | 55.2 | 55.3 | 57.8 | 58.6 | |
| Between 30–50 | per cent | 58.2 | 58.1 | 58.6 | 58.9 | 56.0 | |
| Between 30–50 (female) | per cent | 41.1 | 40.4 | 39.1 | 36.3 | 35.2 | |
| Between 30–50 (male) | per cent | 58.9 | 59.6 | 60.9 | 63.7 | 64.8 | |
| Over 50 | per cent | 19.6 | 19.3 | 18.9 | 20.2 | 21.0 | |
| Over 50 (female) | per cent | 32.4 | 31.7 | 31.1 | 27.9 | 27.3 | |
| Over 50 (male) | per cent | 67.6 | 68.2 | 68.9 | 72.1 | 72.7 | |

| Social | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | Notes |
|---|---|---|---|---|---|---|---|
| **Representation of women** | | | | | | | |
| Top management (men) | headcount | 154 | 156 | 155 | 158 | 177 | |
| Top management (women) | headcount | 18 | 17 | 16 | 9 | 9 | |
| | per cent | 10.5 | 9.8 | 9.4 | 5.4 | 4.8 | |
| Senior management (men) | headcount | 770 | 782 | 741 | 835 | 882 | |
| Senior management (women) | headcount | 239 | 250 | 222 | 228 | 222 | |
| | per cent | 23.7 | 24.2 | 23.1 | 21.4 | 20.1 | |
| **Management Board** | | | | | | | |
| Male | per cent | 89 | 100 | | | | |
| Female | per cent | 11 | – | | | | |
| Under 30 | per cent | - | – | | | | |
| 30–50 | per cent | 11 | – | | | | |
| Over 50 | per cent | 89 | 100 | | | | |
| **Board of Directors** | | | | | | | |
| Male | per cent | 78 | 89 | | | | |
| Female | per cent | 22 | 11 | | | | |
| Under 30 | per cent | - | – | | | | |
| 30–50 | per cent | 11 | 11 | | | | |
| Over 50 | per cent | 89 | 89 | | | | |
| **Recruiting structure – hires** | | | | | | | |
| Male | per cent | 58.8 | 58 | – | – | – | |
| Female | per cent | 41.5 | 42 | – | – | – | |
| Under 30 | per cent | 45.9 | 46.2 | – | – | – | |
| 30–50 | per cent | 46.6 | 46.5 | – | – | – | |
| Over 50 | per cent | 7.5 | 7.3 | – | – | – | |
| **Attrition structure** | | | | | | | |
| Unwanted attrition (white–collar) | per cent | 8 | 10.4 | 10.4 | 6.6 | 8.7 | |
| Total attrition (white–collar) | per cent | 16.2 | 18.7 | 22.1 | 14.9 | 18.0 | |

| Social | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | Notes |
|---|---|---|---|---|---|---|---|
| **Training sessions completed** | | | | | | | |
| Online training | count | 645,681 | 567,566 | 474,989 | 281,509 | 191,884 | |
| Live training | count | 443,364 | 130,222 | 79,486 | 69,579 | 105,413 | |
| Total | count | 1,089,045 | 697,788 | 554,475 | 351,088 | 297,297 | |
| **Training participation** | | | | | | | |
| Female | per cent | 50.4 | 52.9 | 52.5 | 49.4 | 45.0 | |
| Male | per cent | 49.6 | 47.1 | 47.5 | 50.6 | 55.0 | |
| Manager | per cent | 18.2 | 14.4 | 17.1 | 17.8 | 17.0 | |
| Employee | per cent | 81.8 | 85.6 | 82.9 | 82.2 | 83.0 | |
| **Training hours** | | | | | | | |
| Training hours per office-based employee | hours | 19.4 | 19.1 | – | – | – | |
| **Safety and health** | | | | | | | |
| Number of fatalities (FAT) Note: (x) related to 3rd party accident | count | 0 (0) | 0 (1) | 1 (1) | 1 (2) | 1 (3) | |
| Lost time injury frequency (LTIF) | | 8.0 | 8.8 | 10.24 | 10.80 | 13.22 | |
| Total reportable case frequency (TRCF) | | 9.4 | 11.8* | 13.33 | 14.40 | 17.66 | |
| Lost workday cases (LWC) | | 1,458 | 1,468 | 1,688 | 1,834 | 2,434 | |
| Lost workday (LWD) | | 26,760 | 29,351 | 30,581 | 32,067 | 41,733 | |
| Unsafe acts/unsafe conditions | | 84,022 | 63,730 | 44,302 | 36,271 | 43,522 | |
| Reported HSE violations | count | 0 | 0 | 4 | NA | NA | |
| **Critical business activities** | | | | | | | |
| Share of critical business activities | per cent of revenue | 2.4 | 2.2 | 2.6 | 4 | NA | |

 * restatement of information
** new disclosure/KPI (not present in 2022)

# GRI index

| Statement of use | Kuehne+Nagel has reported in accordance with the GRI Standards for the period 01.01.2023-31.12.2023 |
|---|---|
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | Not applicable |

| GRI Standard / Other Source | Disclosure | Reference | Location / Page | Omission |
|---|---|---|---|---|
| **General standard disclosures** | | | | |
| GRI 2: General Disclosures 2021 | 2-1  Organizational details | AR 2023[1] | 17, 18, 103-114 | |
| | 2-2  Entities included in the organization's sustainability reporting | AR 2023<br>SR 2023[2] | 103-114<br>72 | |
| | 2-3  Reporting period, frequency and contact point | Sustainability Report (1.1.2023-31.12.2023), published 10.4.2024<br><br>Contact point for Sustainability Report 2023: Isabel.Krauss@kuehne-nagel.com<br><br>Annual Report 2023: 1.1.2023-31.12.2023, published 01.03.2024 | |
| | 2-4  Restatements of information | SR 2023 | 72 | |
| | 2-5  External assurance | SR 2023 | 72 | |
| | 2-6  Activities, value chain and other business relationships | AR 2023<br>SR 2023 | 3-8<br>6-7 | |
| | 2-7  Employees | SR 2023 | 78-79 | |
| | 2-8  Workers who are not employees | SR 2023 | 79 | |
| | 2-9  Governance structure and composition | AR 2023 | 17-36 | |
| | 2-10 Nomination and selection of the highest governance body | AR 2023 | 24 | |
| | 2-11 Chair of the highest governance body | AR 2023 | 20 | |

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| | | | | |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-12 Role of the highest governance body in overseeing the management of impacts | SR 2023 | 3, 10-11, 75 | |
| | 2-13 Delegation of responsibility for managing impacts | SR 2023 | 10-11 | |
| | 2-14 Role of the highest governance body in sustainability reporting | SR 2023 | 75 | |
| | 2-15 Conflicts of interest | AR 2023 | | Potential conflicts of interests are disclosed to shareholders |
| | 2-16 Communication of critical concerns | SR 2023 | 10-11 | |
| | 2-17 Collective knowledge of the highest governance body | AR 2023 | 19-23 | |
| | 2-18 Evaluation of the performance of the highest governance body | | | Confidentiality constraints |
| | 2-19 Remuneration policies | AR 2023 | 39 | |
| | 2-20 Process to determine remuneration | AR 2023 | 37-38 | |
| | 2-21 Annual total compensation ratio | | | CEO compensation: AR, p. 42<br>FTE expenses: AR, p. 2 |
| | 2-22 Statement on sustainable development strategy | SR 2023 | 3 | |
| | 2-23 Policy commitments | SR 2023 | 52-53, 55-56 | |
| | 2-24 Embedding policy commitments | SR 2023 | 55-56 | |
| | 2-25 Processes to remediate negative impacts | SR 2023 | 52-53,55-56 | |
| | 2-26 Mechanisms for seeking advice and raising concerns | SR 2023 | 55-56 | |
| | 2-27 Compliance with laws and regulations | AR 2023 | 88, 92 | |
| | 2-28 Membership associations | SR 2023 | 23 | |
| | 2-29 Approach to stakeholder engagement | SR 2023 | 62-63 | |
| | 2-30 Collective bargaining agreements | SR 2023 | 53 | |

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| Materiality assessment and list of material topics | | | |
| --- | --- | --- | --- |
| GRI 3:<br>Material Topics 2021 | 3-1  Process to determine material topics | SR 2023 | 12-13 |
| | 3-2 List of material topics | SR 2023 | 12 |
| **Product and service innovation** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 17 |
| **Customer relations and satisfaction** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 18-20 |
| **Supplier engagement** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 21 |
| **Sustainable supply chain** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 22-23 |
| **Greenhouse gas emissions and climate change** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 25-34 |
| GRI 305:<br>Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | SR 2023 | 76 |
| | 305-2 Energy indirect (Scope 2)<br>GHG emissions | SR 2023 | 76 |
| | 305-3 Other indirect (Scope 3)<br>GHG emissions | SR 2023 | 76 |
| | 305-4 GHG emissions intensity | SR 2023 | 77 |
| **Energy consumption** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 36-37 |
| GRI 302:<br>Energy 2016 | 302-1 Energy consumption within<br>   the organization | SR 2023 | 77 |
| **Water usage** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 38 |
| GRI 303: Water and<br>Effluents 2018 | 303-5 Water consumption | SR 2023 | 78 |

| Waste management and recycling | | | | |
|---|---|---|---|---|
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 39 | |
| GRI 306:<br>Waste 2020 | 306-1 Waste generation and significant<br>waste-related impacts | SR 2023 | 39 | |
| | 306-2 Management of significant<br>waste-related impacts | SR 2023 | 39 | |
| | 306-3 Waste generated | SR 2023 | 77 | |
| | 306-4 Waste diverted from disposal | SR 2023 | 77 | |
| | 306-5 Waste directed to disposal | SR 2023 | 77 | |
| **Management of dangerous goods** | | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 41 | |
| GRI 306:<br>Waste 2016 | 306-6 Significant spills | SR 2023 | 41 | |
| **Employee satisfaction and retention** | | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 43-45 | |
| GRI 401:<br>Employment 2016 | 401-1  New employee hires and<br>employee turnover | SR 2023 | 80 | |
| | 401-2 Benefits provided to full-time<br>employees that are not provided to<br>temporary or part-time employees | SR 2023 | 44 | |
| **Employee development** | | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 46 | |
| GRI 404:<br>Training and<br>Education 2016 | 404-1  Average hours of training<br>per year per employee | SR 2023 | 81 | |
| | 404-2 Programs for upgrading<br>employee skills and transition<br>assistance programs | SR 2023 | 46 | |
| | 404-3 Percentage of employees receiving<br>regular performance and career<br>development reviews | SR 2023 | 46 | |

| Diversity, equity and inclusion | | | | |
|---|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 48 | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | SR 2023 | 79-80 | |
| Human Rights and labour rights | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 52-53 | |
| GRI 408: Child Labor 2016 | 408 -1 Operations and suppliers at significant risk for incidents of child labor | SR 2023 | 53 | |
| Occupational health and safety | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 50-51 | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | SR 2023 | 50-51 | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | SR 2023 | 50-51 | |
| | 403-5 Worker training on occupational health and safety | SR 2023 | 50-51 | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | SR 2023 | 50-51 | |
| | 403-8 Workers covered by an occupational health and safety management system | SR 2023 | 50-51 | |
| | 403-9 Work-related injuries | SR 2023 | 50-51, 81 | |
| | 403-10 Work-related ill health | SR 2023 | 50-51,70 | |
| Responsible communication | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 62-63 | |
| Business integrity | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 55-57 | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | AR 2023 | 2 | |

| Business integrity | | | |
|---|---|---|---|
| GRI 205:<br>Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | SR 2023 | 55-56 |
| | 205-3: Confirmed incidents of corruption and actions taken | | If applicable, significant confirmed incidents and public legal cases regarding corruption are disclosed in the Annual Report. |
| GRI 206:<br>Anti-competitive behaviour | 206-1 Legal actions for anti-competitive-behaviour, anti-trust, and monopoly practices | | If applicable, significant confirmed incidents and public legal cases regarding corruption are disclosed in the Annual Report. |
| GRI 207:<br>Tax 2019 | 207-1 Approach to tax | SR 2023 | 56-57 |
| | 207-2 Tax governance, control, and risk management | SR 2023 | 56-57 |
| | 207-3 Stakeholder engagement and management of concerns related to tax | SR 2023 | 56-57 |
| **Business preparedness, resilience and disaster response** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 58-59 |
| **Data privacy and security** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 Management of material topics | SR 2023 | 60 |
| GRI 418:<br>Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | SR 2023 | No substantiated complaints concerning breaches of customer privacy and losses of customer data in the reporting period. |

# Assurance Statement: CO$_2$ footprint 2023 Kuehne + Nagel Management AG (Summary)

## SUBJECT OF THE AUDIT

Swiss Climate was commissioned to assure the carbon emissions data relating to Kuehne+Nagel for the reporting period 2023. Swiss Climate conducted the audit in accordance with the «AA1000AS v3 Type 2 moderate-level assurance» standard.

Swiss Climate analyzed the following elements:

- Standards used for the calculation of the CO$_2$ footprint
- Raw data: Accuracy and traceability
- Applied methodology of the CO$_2$ footprint, including organizational and operational system boundaries, data quality, conversion factors and calculations used, with an emphasis on the traceability and plausibility of the individual figures
- Defined responsibilities, processes and systems for recording and consolidating balance sheet data.

Organisational system boundaries: Kuehne+Nagel took a financial control approach to define the organisational boundaries. In 2021, Kuehne+Nagel has acquired Apex Logistics International. This unit is considered in the CO$_2$ Footprint 2023 at 100 %. The organisational boundaries include 893 out of 1024 location sites.

Operational system boundaries: Kuehne+Nagel considers Scope 1, Scope 2, and Scope 3 as part of the operational boundaries. More precisely, Kuehne+Nagel considers Scope 1 and 2 emissions from own fleet of trucks, company cars, operation of offices and fulfilment centres (heating and electricity). For Scope 3, emissions from transport and logistics (category 4, compromising of sea, air, and road logistics), business travel (category 6) and employee commuting (category 7) were considered.

## CO$_2$-FOOTPRINT

Swiss Climate verified the following greenhouse gas emissions for the year 2023:

|  | mio t CO$_2$e |
|---|---|
| Scope 1, Total | 0.176 |
| Scope 2 (location-based), Total | 0.122 |
| Scope 2 (market-based), Total | 0.080 |
| Scope 3, Total (net, reduction through purchase of sustainable fuels) | 14'166 |
| **Total Scope 1 + Scope 2 (location-based) + Scope 3** | **14.464** |
| **Total Scope 1 + Scope 2 (market-based) + Scope 3** | **14.422** |

## FINDINGS AND CONCLUSIONS CONCERNING THE RELIABILITY OF THE CO2 FOOTPRINT

Based on the processes and procedures performed, there is no indication that the documents provided and requested for data collection and calculation of the carbon footprint do not accurately reflect the company's carbon management performance or are not substantially accurate, do not comply with international standards such as the Greenhouse Gas Protocol, and the carbon footprint does not meet the criteria of relevance, completeness, consistency, transparency and accuracy.

## SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor:                                    Internal Review:

Franziska Kastner, Senior Consultant              Annika Schmidt, Consultant

Bern, 28th March 2024

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