

# Kuehne + Nagel (UK) Limited Corporate Governance Statement 2021

Good corporate governance is an integral part of the culture of the Kuehne + Nagel Group (the “Group”). Kuehne + Nagel (UK) Limited (the “Company”) is ultimately owned by Kuehne + Nagel International AG (the “Parent Company”), which adopts the Swiss Code of Best Practice for Corporate Governance (the “Code”). Accordingly, this is also the corporate governance code adopted by the Company. This statement is made in support of the good governance practice of the Group and will explain where the Company complies insofar as it can do as a subsidiary of its Parent Company and where compliance is achieved at Parent Company or wider Group level. A copy of the Code can be found [here](#) and the Parent Company’s Corporate Governance Report [here](#).

## **Shareholders**

The Parent Company is the only entity of the Group listed on a Stock Exchange. Given the Company is a wholly owned subsidiary of the Parent Company, compliance with the Shareholder provisions within the Code are achieved by the Parent Company.

## **The Board of Directors**

Particularly during 2021, where effects of the pandemic remain apparent, the Company Board (“the Board”) recognises that good governance is reliant on effective leadership which drives a healthy corporate culture. In 2018, the Group launched a clear strategy (which it continues to progress through) with an end goal, which is articulated throughout the Group at all levels and aligns Group colleagues with a defined purpose and collective vision.

## **Role of the Board**



The scope of the duties of the Board include (but are not limited to):

1. the overall supervision of the Company;
2. appointing and removing the persons entrusted with the management and representation of the Company;
3. approving binding legal documents;
4. assessing governance of the Company;
5. the overall supervision of persons entrusted with the management of the company;  
and
6. compiling the Annual Report.

As is common for companies forming part of a larger group, certain matters which might otherwise fall within the remit of the Board are delegated to and overseen by the Board of the Parent Company (the “Parent Company Board”), such as preparation of the Annual General Meeting including submission of proposals and the implementation of its resolutions.

As noted above, certain aspects of the Company’s corporate governance are delegated to the Parent Company Board. The Chairman is responsible for certain tasks of the Board of Directors including, amongst many others, supervising the Board and internal audit. In

addition, the Audit Committee consists of three to five non-executive, mainly independent members of the Board of Directors and members of the Management Board cannot be members of the Audit Committee. The Parent Company Board has a Chairman's, a Nomination and a Compensation Committee ("Committees"). Principles contained within the Code relating to the aforementioned Committees are delegated to the Parent Company Board. Further information on the rules of competence between the Board of Directors and the Management Board of the Parent Company and their duration of tenure and election can be found within the Parent Company's Corporate Governance report.

The Company is a parent undertaking for Kuehne + Nagel freight forwarding and logistics companies in the UK and as such does not trade on a day-to-day basis. The Board ensures that management functions are allocated appropriately throughout the Company. Day-to-day operational decisions are delegated to the relevant business / functional unit management teams in the subsidiary companies and their boards of directors. The Company also has varying levels of competency with regard to contractual and financial approval, including approval by the boards of the subsidiary companies and approval of matters for referral to the Board of the Parent Company. This process assists the Parent Company to meet its and the wider Group's corporate governance requirements by retaining control over key strategic decisions.

### **Board Composition**

The Company's Board has a good balance of skills, experience and expertise. The directors believe that the appointment of appropriate Board members ensures that all areas of the Company are represented and directed at Board level.

### **Internal Control, Risk Management and Compliance**

As an intermediate holding company, the Company has no direct customers or employees other than its directors.

However, the Company recognises that good governance is driven by ethical values and transparent conduct policies and the Company is committed to ensuring its subsidiary companies operate in accordance with these values and policies in their dealings with all stakeholders. The Board recognises that falling short of any legal or regulatory obligations represents a key risk to the business. Accordingly the Group has implemented an Ethics & Compliance program which includes ongoing live and computer based training initiatives and a global Code of Conduct. This continues to ensure that members of all levels of the Group are and remain adequately knowledgeable and skilled to apply the Group Ethics and Compliance program in their day-to-day work. Key risk areas for the Company's subsidiary companies are identified and training programs developed in relevant areas, including modern slavery compliance, anti-bribery, anti-corruption and anti-trust matters. The Group Ethics & Compliance program is reviewed regularly and was most recently updated and reissued in January 2022 by the Chairman of the Board of Directors and the CEO. This program provides guidance for legal, regulatory and other compliance requirements as well as global communication and training initiatives. Employees are encouraged to raise concerns of potential violations of the Code of Conduct via various channels, which includes a global 24/7 confidential helpline. The Group also applies a risk-based Integrity Due Diligence process for evaluating its business partners.

The Company and its subsidiaries have various risk mitigation processes in place in standalone disciplines, including finance systems and checks, a capital expenditure approval process, supplier on-boarding process, board level approval processes (including the Regional Board and the Parent Company Board where appropriate) in relation to any binding agreements. At Parent Company level, material risks are continuously monitored and regularly reviewed and discussed by the Audit Committee and the Risk and Compliance Committee. Further information on this can be found in the Parent Company corporate governance report.