

Kuehne+Nagel Limited (“the Company”) Section 172(1) Statement 2021

The directors are bound by their duties under the Companies Act 2006 (the “Act”) and understand each duty is in the interest of the overall success of the Company. This statement sets out how the directors have regard to the matters set out in Section 172 of the Act whilst undertaking their roles, including but not limited to the:

- a) likely consequences of any decisions in the long-term;
- b) interests of the Company’s employees;
- c) need to foster the Company’s business relationships with suppliers, customers and others;
- d) impact of the Company’s operations on the community and environment;
- e) desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) need to act fairly as between members of the Company.

As detailed in the ‘Risk Management’ section of the Company’s Corporate Governance Statement, the Board have a number of policies and procedures in place to ensure that decisions are made with all the relevant information and are approved by the relevant stakeholders within the business. Whilst day-to-day operational decisions are delegated to management teams, the Company has established clear reporting lines into the Board, which has ultimate responsibility for any strategic decisions or decisions of key importance with the likely long-term consequences of any decision in mind.

The Group’s strategy focuses on people, technology and customers. The people are what make the Company a great place to work, so all colleagues are valued and recognised, whether that is in an office, a warehouse, on the road or at home. The Company believes that genuine, lasting success is only possible through valuing people the way it values other key stakeholders and this is fully recognised at Board level. The Board keeps employees well-informed by providing regular updates on matters of importance with monthly conference calls attended by employees of a certain management level, with key messages filtered down by managers to their individual teams.

The directors and the Board welcome and invite constructive challenge from employees throughout the Group and hope that they will influence the direction of the business by continuously developing their expertise, which in turn assists innovative solutions. This can only be done by having regard to employees’ voices and ensuring employees are given the environment and opportunity to develop continuously. Employee’s voices can be heard via a number of channels, including but not limited to, Trade Union forums, our Colleague Forum and regular employee engagement sessions. We also regularly survey our people to gauge their feelings and opinions, and share the results and actions taken directly with respondents. The product of this engagement provides the Board with information on whether the Company should implement employee recommended procedures, including adopting new ways of working.

The Group’s strategy was introduced to inspire a framework of initiatives across all business and functional units in response to changing customer behaviour and the accelerated rate of technological developments. Part of this strategy focuses on delivering customer excellence, including the incorporation of new technology into our customer’s supply chains. This will

increase productivity, efficiency and increase the scope of services the Company can offer, including valued added services.

Engagement with customers takes many forms. Structured engagement includes customer feedback, key performance indicators and engagement days centred on key industry issues or customer specific issues. In addition, less structured engagement takes place at various levels within the Company, including day-to-day engagement at operational level. The product of this engagement provides the Board with information on how our customers view the performance of the Company, enabling them to modify behaviours to promote the overall success of the Company.

The Board believes that building long-term sustainable relationships with suppliers, be they SMEs or multinational organisations, is key to accessing the goods and services that are required to make business run smoothly. This also lends access to supplier creativity and innovation, allowing the Company to go 'above and beyond' to give customers the high quality of service that they expect. The Board promotes a collaborative approach to supplier management that is overseen by a professional and progressive Procurement function. In treating suppliers fairly and by embracing best practice, the Company ensures that its approach to procuring goods and services delivers mutual benefit as well as impartiality. The Company promotes its ethics in its supply chain by issuing a Supplier Code of Conduct that all partners are expected to adhere to.

The Company's Procurement function provides support and strategic guidance to colleagues who work with suppliers, helping them to foster strong relationships and manage performance effectively. With a continuous focus on processes and systems, the Company seeks to increase efficiency, minimise waste and make doing business with the Company a positive experience for suppliers.

The Board recognise that the environmental impact of the Company's operations is an ever more important consideration and as such, in addition to the appointment of a new Sustainability Director, they promote green behaviours including implementing policies on electric and/or hybrid vehicles, installing charging points at sites and utilising environmentally friendly commercial vehicles and equipment where possible. In addition, a green approach is adopted in the warehouses and offices by promoting recycling and reducing the use of plastic. The Company believes this also adds to our positive presence in local communities as an employer. The Company also has a Net Zero Carbon program, which reduces and offsets CO₂ emissions as well as offering CO₂-neutral transportation, particularly through the Company's commitment to the deployment of sustainable aviation fuel.

The Board also encourage positive actions within the local community, including charitable donations and work in addition to encouraging employees to act positively within the community. Positive actions may reoccur annually, for example, during the Christmas period when employees have the opportunity to nominate a small local charity to receive a donation. In addition, site level charity work/initiatives occur regularly, for example, collections for local food banks or raising money for local hospitals.

The Board wishes at all times to maintain the Company's strong reputation, and to ensure that decisions are made with a high standard of business conduct in mind. As detailed in our Corporate Governance Statement, integrity is a key element of business behaviour throughout the Group and the Board recognise that the culture and values of the Company are fundamental contributors to the overall success of the Company in the longer term. The Board wishes to set high standards by its conduct and procedures that will permeate throughout the organisation and be maintained at all levels by colleagues and carry over into all interactions with stakeholders. More information on the Company's ethics and risk management are set out within our Corporate Governance Statement.