



Sustainability Report 2017



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Welcome Message



Dear Reader,

At Kuehne + Nagel, value is in the centre of all our actions. Every day, our more than 75,000 employees create value for our customers and business partners. And our employees themselves are valued by colleagues, leaders and management. By operating safely, responsibly and respectfully in all endeavours, our organisation creates value for the environment we work in. Thus, we build the foundation to be a sustainable company.

Yet our understanding of sustainability goes far beyond: As a worldwide operating logistics provider, it is our conviction that avoiding inefficient and unnecessary transportation is best suited to safeguard our global resources. By using pioneering technology and driving digital transformation we meet this logistics challenge with smart intelligence: Kuehne + Nagel uses its expertise, big data and predictive analytics know-how to increase efficiency in logistics, and in partnership with our customers, to optimise supply chains around the globe. We further create solutions that support our customers in achieving their own sustaina-

bility goals: As the first global logistics provider we disclose CO₂ emissions on all seafreight invoices and thus support our customers in their decision making with respect to carbon emission. Together with Hapag-Lloyd, we have agreed on significantly reducing carbon dioxide emissions in our common container transport activities.

But our commitment to sustainability also extends to our own operations. We have made sustainability an integral part of our daily business behaviour. We constantly monitor, evaluate and manage the economic, social and ecological impact of our activities. While all markets are undergoing a substantial change, Kuehne + Nagel is committed to Leading the Transformation. This ambition applies for our business activities, but is also well reflected in our approach to sustainability. By acting sustainably we create strong value for our customers, colleagues and all stakeholders. With this report, we invite you to join our journey towards a more sustainable future.

*Dr. Detlef Trefzger
CEO*

Kuehne + Nagel Sustainability in 2017

About this Report

This report documents Kuehne + Nagel's environmental, social and economic performance in 2017, complying with the Global Reporting Initiative (GRI).

Being a multinational company that has been successful in the market for a long time, Kuehne + Nagel has committed itself to acting as a responsible corporate citizen. This report underlines the company's contribution and adherence to the UN Sustainable Development Goals (SDGs).

Other Group reporting that may be of interest to readers is available on our website under Annual Report 2017 as follows:

- 2017 in Focus
- Corporate Governance
- Remuneration Report
- Status Report
- Financial Statements

Our sustainability approach

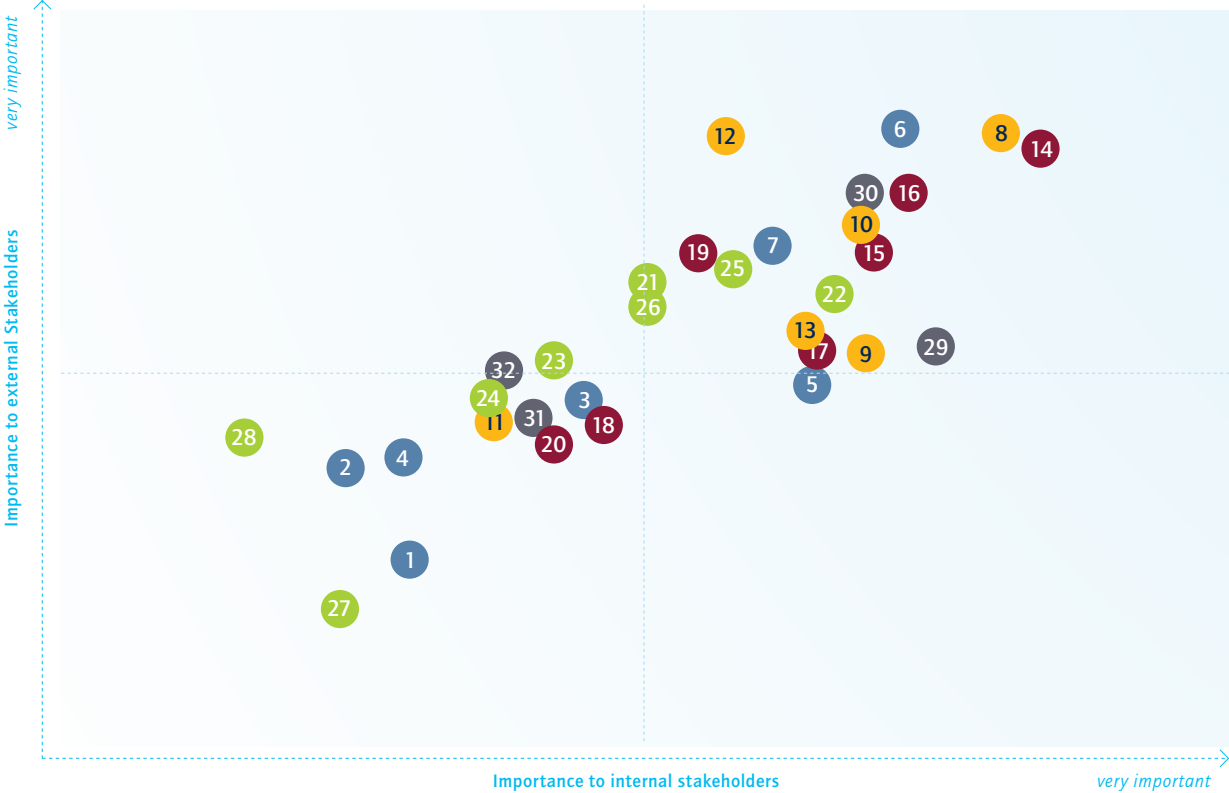


Materiality Matrix

As a global company, Kuehne + Nagel has a significant responsibility to society in general, and especially to the communities in which we work, thus, we have created a robust, stakeholder-driven approach to sustainability materiality that serves as a foundation for our sustainability programme and reporting. Through understanding the critical sustainability topics from both internal and external perspectives, we developed our strategy, goals, targets, programmes, initiatives

and a stakeholder engagement approach to advance sustainability globally. The material aspects defined in the Materiality Matrix have been identified through our materiality assessment process.

The materiality survey conducted for this edition was equally addressed to customers, suppliers, non-governmental organisations and Kuehne + Nagel employees. For more details, please refer to the table below:



- | | | | | |
|---|---|--|---|--|
| Management
1 Extreme Risk Countries and Conflict Zones
2 Public Policy Engagement
3 Terrorism and Political Unrest
4 Mobility
5 Business Prepared, Resiliency and Disaster Response
6 Data Privacy and Security
7 Responsible Communication | Supply Chain
8 Customer Relations and Satisfaction
9 Product and Service Innovation
10 Customer Privacy
11 Supplier Diversity/Engagement
12 Product Safety
13 Sustainable Supply Chain | Employees
14 Fair Treatment of Workers
15 Employee Relations and Engagement
16 Occupational Health and Safety
17 Labor Standards
18 People's Diversity
19 Employee Work Life Balance and Well Being
20 Corporate Citizenship | Environment
21 Waste Management and Recycling
22 Management of Dangerous Goods
23 Greenhouse Gas Emissions on Transport
24 Greenhouse Gas Emissions from Facilities
25 Efficient Use of Resources
26 Pollution Prevention
27 Water Management
28 Biodiversity and Ecosystems | Governance
29 Ethics and Governance
30 Transparency, Disclosure, Reporting
31 Advocating Law
32 Impact on Society |
|---|---|--|---|--|



Based on this matrix, the top five material topics were assessed together with the Kuehne + Nagel management. The following actions were initiated:

Customer Relations and Satisfaction

Customer satisfaction is the most important measurement of our success. Thus, we enable our employees to provide high service quality and efficiency, and to use innovative methods and technologies. The global programme customer excellence supports employees in continuously building a culture of customer centricity. Our high standards of service are embraced across the globe by engaging and empowering our employees to improving the dialogue with our customers.

A total of 10,704 customers participated in our annual customer survey; an average satisfaction rate of 74 per cent was reported. As a follow-up from the survey, 180 actions have been triggered to continuously improve our service performance, globally, regionally and on a national level.

Fair Treatment of Workers

Kuehne + Nagel is committed to continuously building a diverse and inclusive workplace with equal opportunities for all employees. Workforce diversity is a business imperative for us. We make better decisions and drive innovation with the help of diversity of thought, opinion and experience. Our strategy seeks to hire, develop and engage all employees in an equal manner. We invest in our employees and have launched initiatives, such as "myKN" (a new internal collaboration platform) and customer excellence (a global programme to drive service orientation) that build engagement and a collaborative culture, where every employee has a voice and can impact the work environment. The new learning portal "myLearning" was launched in 2017 and provides access to learning content for all employees on an ongoing basis.

Data Privacy and Security

Compliance with data protection and privacy laws is an integral part of our company's way of conducting business in a trustworthy manner. According to Kuehne + Nagel's Code of Conduct, all employees, directors and

staff have the responsibility to comply with applicable data protection laws while safeguarding the rights of people and enabling effective business operations around the world.

Kuehne + Nagel is regularly required to collect, store, use, share and process personal data of employees, job candidates, customers, subcontractors, business partners and other stakeholders, for example to manage contracts, employ or recruit personnel, or to interact, market, and sell services to customers.

At Kuehne + Nagel, we respect the privacy of all persons that have entrusted us with their personal data. Therefore, a Group Data Protection Policy has established general Data Protection Principles to ensure that personal data is protected within Kuehne + Nagel's scope of responsibility.

Transparency, Disclosure, Reporting

With the annual reporting launched in 2016, Kuehne + Nagel aims to provide more transparency in the activities conducted. As a result, reporting has been split up into Finance, Remuneration, Focus and Sustainability Reports, thus allow a more detailed information on the subjects reported and provide the stakeholders a comprehensive inside how addressed items develop over years.

Occupational Health and Safety

Kuehne + Nagel has intensified its focus on occupational health and safety as this affects employees, suppliers and customers likewise. Today, global KPIs facilitate the analysis of incidents at branch level, indicating the root cause and providing a mitigation process to prevent incidents. For this purpose, a near-miss reporting procedure has been established. This allows for a proactive approach rather than taking action afterwards. It particularly focuses on warehouses, projects, and on the oil and gas industry.

For third-party subcontractors and suppliers an awareness campaign was initiated and supported by the supplier management to make our partners aware of the daily hazards and possible prevention measures.

Selecting the best partners

Governance and Ethics



Our environment is undergoing constant changes and so do the expectations by stakeholders, industries and customers. Ethical and transparent business conduct is fundamental to our business success and active governance ensures to comply with those principles.

Stakeholder Engagement

Kuehne + Nagel has been continually developing tools and programmes to more effectively interact with its stakeholders. This involves the evaluation of how our business impacts the environment and the communities we work in. Such communication needs to be:

- accurate – consistent, correct and transparent in data provided,
- regular – interaction with internal/external stakeholders on topics addressed,
- diverse – inclusion of culture, social, economic and environmental aspects, and
- direct – related to our operations and to the environment.

Associations and Initiatives

Kuehne + Nagel actively seeks information from sustainability related programmes and projects that:

- support setting global sustainability standards,
- work towards improving the sustainability related conditions in which the industry operates, and
- explore innovative ways to contribute to sustainability.

Interaction exists with industry partners in the following global projects and initiatives:

The Carbon Disclosure Project (CDP)

Since 2009, Kuehne + Nagel is reporting its environmental performance to the CDP achieving outstanding results year on year. Kuehne + Nagel is committed to consistently and transparently make its environmental performance available by providing relevant data to CDP. In CDP's 2017 performance ratings, Kuehne + Nagel obtained a B score in the climate change category and A in the supply chain category.

Clean Cargo Working Group (CCWG)

Different working groups aim to achieve optimal performance for carrier members. For instance, Kuehne + Nagel supports CCWG's intention to set emission standards for the maritime industry.

Key Stakeholder Groups



Stakeholders and Kuehne + Nagel's sustainability programme

Kuehne + Nagel's sustainability programme is built on continuous communication with our stakeholders. We invite them to exchange ideas and share experiences. With their trust and support, we continuously work towards improving our processes in all areas of business.



International Federation of Freight Forwarders Associations (FIATA)

Kuehne + Nagel closely monitors revisions and facilitates the understanding and explanation of legislation, procedures, and regulations to promote more efficiency in the regulatory framework.

European Association for Forwarding, Transport, Logistics and Customs Services (CLECAT)

Kuehne + Nagel primarily observes legislation that affects international supply chains in the logistics industry. The company also welcomes initiatives that strive for efficient and streamlined procedures.

Global Logistic Emission Council (GLEC)

Kuehne + Nagel is an early adopter of the GLEC framework. The company assisted the Council during the development of the framework and also volunteered to apply the model to our operations.

International Air Transport Association (IATA)

Kuehne + Nagel closely follows IATA's initiatives to support the promotion and understanding of proposals for future industry regulation aimed at continued efficiency.

Other initiatives in which Kuehne + Nagel participates

- Transported Asset Protection Association (TAPA)
- International Civil Aviation Organization (ICAO)
- Carbon Trust Standard
- SmartWay
- EcoTransIT

Risk Management

In accordance with Art.13 of the organisation regulation for the Board of Directors and the Management Board, the Chairman of the Board of Directors entrusts the Risk and Compliance Committee of the Kuehne + Nagel Group to support the Management Board when adhering to the standards of good corporate management. In particular by evaluating the risks and certain proceeding of the Kuehne + Nagel Group in taking decision regarding correct adherence to external and internal regulations ("Compliance"). More information can be obtained from the Annual Report 2017.

Ethics and Compliance

Compliance with legal, regulatory and internal regulations, as well as the observance of common standards and rules of professional conduct, is essential to Kuehne + Nagel's business. We are convinced that a comprehensive Ethics and Compliance Programme begins with our leaders. They are in charge of setting the priorities and drive our culture. Therefore, Kuehne + Nagel expects its leaders to integrate a culture of compliance within their respective areas of business.

Ethics and Compliance Programme

By considering integrity to be a key element of our business behaviour we are able to foster a sense of trust with our stakeholders and meet our responsibility of being a reliable and successful business partner.

Independent of function, geography or business area, Kuehne + Nagel's Ethics and Compliance Programme provides guidance and suggests measures to our members and business partners throughout the entire Group. We are convinced that our Ethics and Compliance Pro-

Ethics and Compliance Programme





gramme – as a way of risk prevention – protects us from negative consequences such as sanctions or reputational damages. This programme is a unique opportunity to make a difference in the competitive and global market place. It is essential for our business success to pay attention to this programme on each organisational level and to be supported by Kuehne + Nagel's senior executives and managers around the globe.

Code of Conduct and Business Ethics

Kuehne + Nagel's Code of Conduct forms the basis of the Ethics and Compliance Programme. The Code of Conduct states the general principles of the Group's business conduct and behavioural requirements that Kuehne + Nagel members have to comply with. The Code of Conduct must be applied consistently and continuously in order to establish a solid cornerstone of integrity beyond legal regulations.

The Code of Conduct applies to all Kuehne + Nagel members, irrespective of department, country, entity or business unit. Each individual is encouraged to read, understand and apply the principles, and be fully aware of the meaning and significance of the Code of Conduct and guidelines. To support this, consistent trainings are being conducted.

Kuehne + Nagel members are also expected to propagate the principles of the Kuehne + Nagel Code of Conduct to everyone in their sphere of influence. On a yearly basis, all Kuehne + Nagel members are asked to confirm having received, read and understood the Code of Conduct.

Kuehne + Nagel monitors the Code of Conduct live and computer-based trainings as well as the annual confirmation for ensuring constant participation rates of at least 95%.

The Code of Conduct is complemented by internal policies and guidelines. These supplementary materials address specific compliance topics and provide guidance to every Kuehne + Nagel member on standards and procedures that are specific to particular compliance risks, including Anti-Trust, Anti-Bribery, Conflict of Interest or Gift and Entertainment.

Annually, for dedicated and risk-based selected target audiences live training is conducted in the areas of Anti-Bribery/Anti-Corruption ("ABC") and Anti-Trust.

Integrity Due Diligence

A significant number of Kuehne + Nagel's business transactions and activities are performed by business partners, including suppliers or subcontractors that work with us or on our behalf. To protect Kuehne + Nagel from harm caused by such third parties, we expect our business partners and subcontractors to operate within the limits of our Ethics and Compliance standards. As a minimum they are required to sign the Kuehne + Nagel Supplier Code of Conduct.

We have implemented a risk-based integrity Due Diligence procedure for both new and existing third parties to minimise our compliance-related risk exposure. Kuehne + Nagel regularly assesses the integrity of existing or potential business partners following procedures that address compliance risks or other concerns related to the involvement of such third parties. Key emphasis is focusing on Integrity Due Diligence procedures where customs clearance activities are subcontracted to third parties.

In case of doubtful findings we either support the business partner to improve its compliance environment by introducing reasonable safeguards, or else consider rejecting collaboration to prevent harm from our own business environment including our customers.



2,800

*top and senior
managers participated
in ABC live trainings
in over 130 sessions*



40

*languages available
for the Code of Conduct*





Confidential Reporting and Allegation Management

Kuehne + Nagel members are encouraged to raise concerns about potential violations of the Code of Conduct to persons of trust within Kuehne + Nagel. Further, a global confidential reporting line has been implemented in all countries with Kuehne + Nagel facilities. This line allows for reports on potential violations in a safe, confident, and, if desired, anonymous manner. The confidential reporting line can be reached 24 hours a day, seven days a week and is operated by an external service provider enabling reporting in native language; either by phone, e-mail or a dedicated web-based reporting tool.

The Kuehne + Nagel Independent Allegation Management Committee oversees the handling and follow-up of reported allegations received through any channel. The Committee ensures consistent professional standards and procedures for enabling thorough independent investigations where needed. Subject matter experts are involved to ensure competent and adequate assessments, appropriate decision making, and related follow-up activities.

Complaints or allegations made in good faith will not expose the submitter to counter-measure. However, knowingly providing false or misleading information may result in sanctions.

Compliance Governance

The Chairman of the Board of Directors entrusts the Risk and Compliance Committee of the Kuehne + Nagel Group to support the Board of Directors and the Management Board when adhering to the standards of good corporate management (see Annual Report). This in particular refers to evaluating the risks of the Kuehne + Nagel Group and to taking adequate measures for minimising risks and safeguarding the adherence to external and internal regulations.

The functional responsibility for the design and implementation of the Ethics and Compliance Programme is delegated to the Chief Compliance Officer who has the expertise, independence and authority to implement the programme in all business areas and subsidiaries. This is accomplished in close cooperation and with the support of the Kuehne + Nagel management and other qualified resources and functions. In recognition of the crucial importance of the Ethics and Compliance Programme, the Chief Compliance Officer reports directly to the Chief Executive Officer. Further reporting exists to the Audit Committee Chairman of the Board of Directors and the Group General Counsel. The Chief Compliance Officer is supported by corporate, regional and local compliance representatives and also involves other internal functions, such as Internal Audit, Legal or Human Resources.



14,000

suppliers signed
the Suppliers Code
of Conduct

Supply Chain

Kuehne + Nagel evaluates and qualifies new and existing suppliers according to our Supplier Management System (SMT). The SMT is a web-based application of suppliers across Kuehne + Nagel's business units and based on operational, legal and compliance criteria.

In the hazardous materials, pharmaceutical and high-value goods sectors in particular, this database can be used to identify the most suitable suppliers and business partners to fulfil individual customer requirements. It also serves to optimise the customers' supply chains.

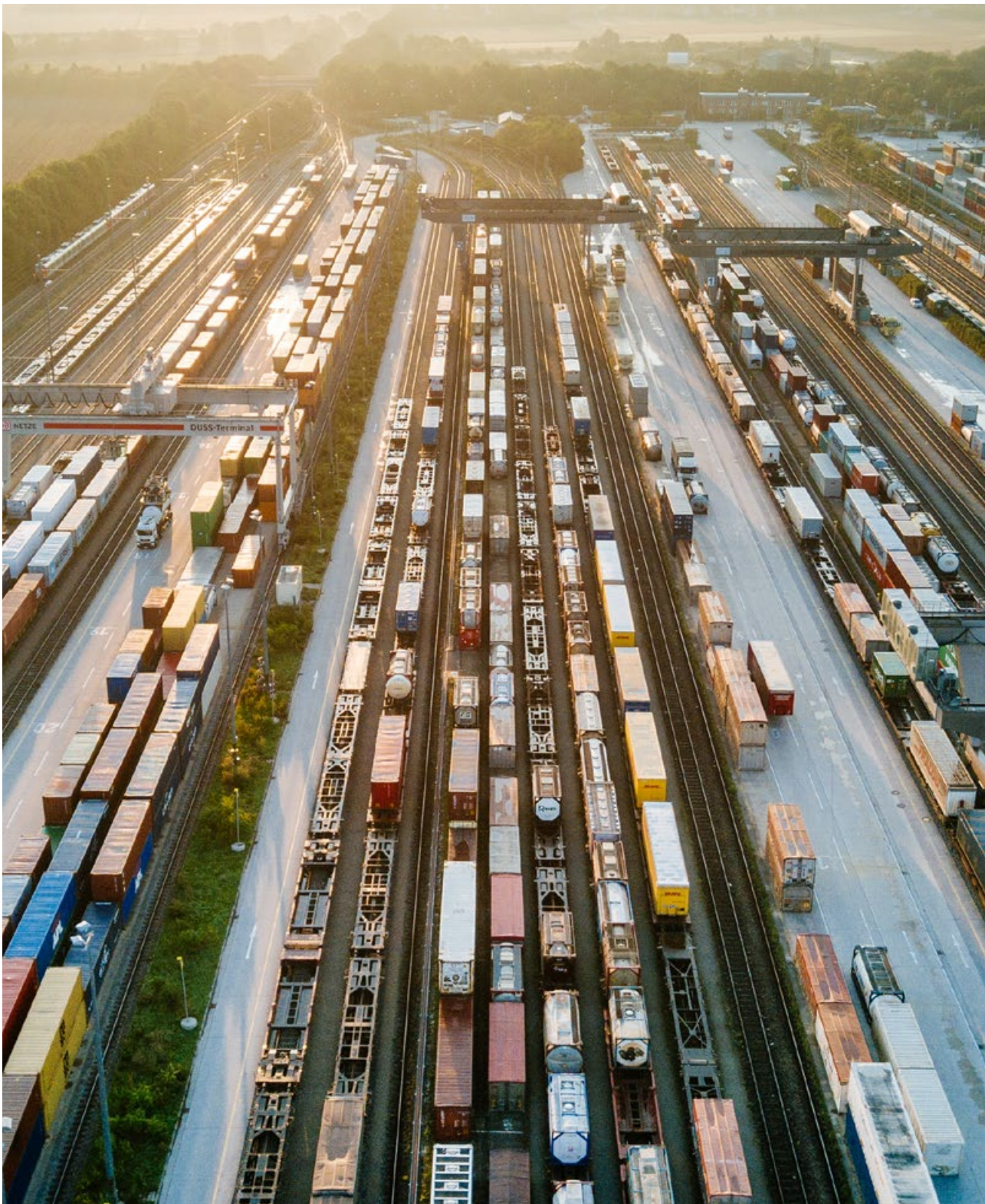
Kuehne + Nagel's decentralised procurement organisation deals with a large network of suppliers and other third parties that contribute to our success. We carefully select our suppliers based on defined criteria being fully aware of our responsibility as a corporate citizen.

Our suppliers play an important role as enablers of our sustainable growth and to promote overall success.

Kuehne + Nagel has set forth principles that are key to economic, social and environmental sustainability and are designed to ensure long-term success of Kuehne + Nagel and its stakeholders. Objectives of the SMT are to

- provide a standardised solution allowing all business units to evaluate and qualify their supplier base to ensure both compliance and service quality and to
- reduce the number and increase the quality of the Kuehne + Nagel supplier base, which aims at improved operational efficiency, reduced costs and minimised risk.

Since launching the SMT, Kuehne + Nagel has identified over 38,000 suppliers globally. Of these, around 14,000 (36 per cent) have been approved. The remaining ones are either in a verification status or are rejected.



It's all about people



75,876
employees in 2017

Society

- 3** GOOD HEALTH AND WELL-BEING

- 4** QUALITY EDUCATION

- 5** GENDER EQUALITY

- 10** REDUCED INEQUALITIES


Reflecting modern life and the evolution of society Kuehne + Nagel is committed to reconcile social and environmental responsibility with the commercial needs of their customers and shareholders. The answer is both to empower employees to give back to their communities and to articulate the longer-term commercial value of behaving responsibly.

Employee Work-Life Balance and Well-Being

Despite the relentless advance of technology, people remain the lifeblood of a forward thinking business like Kuehne + Nagel. With its 75,876 employees and 1,336 locations in 2017, Kuehne + Nagel is a truly

multicultural company. As a leading logistics and supply chain company we offer modern, state-of-the-art working conditions, reflecting local and cultural requirements, and we are committed to providing a safe and healthy working environment for our employees.

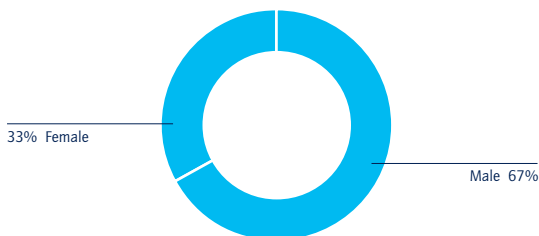
People's Diversity

Kuehne + Nagel is committed to continuously building a diverse and inclusive workplace with equal opportunities for all employees. Our strategy seeks to hire, develop and engage employees, regardless of age, gender, religion, race, physical disability or ethnicity.

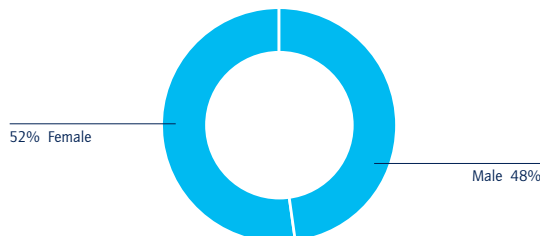
Employee Relations and Engagement

In 2017, we continued to position Kuehne + Nagel as an employer of choice. The improvement of the online application tool "KN Careers" and targeted recruiting campaigns made it easier for candidates to connect with us.

Gender ratio: all employees

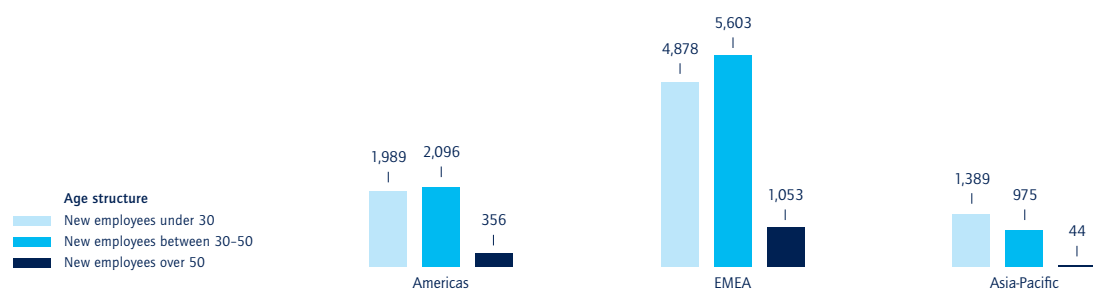


Gender ratio: non-management functions





	Americas	EMEA	Asia-Pacific
Number of employees per region	12,586	54,996	8,294



Training and Staff Development

In 2017, we launched “myKN”, Kuehne + Nagel’s new digital collaboration platform. We already see the majority of Kuehne + Nagel employees pro-actively using the platform, sharing best practices and feedback, and positively driving the further development of our collaborative culture.

Our employees’ skills, experience and commitment are key to delivering on our business strategy. For our employees, learning and ongoing development has become more important than ever – given the rapid changes we see in our environment. Kuehne + Nagel provides numerous opportunities for personal and professional development.



28,000

live seminars held



215,000

online training sessions completed

Our Learning + Development approach significantly contributes to motivation and engagement and encourages flexibility and mobility.

We continue to roll out development programmes and training to specific target groups in order to accelerate their growth in the organisation:

Our Global Talents started their development journey in 2017 with intensive coaching and two onsite programme modules in order to not only deepen their knowledge about strategic management but also to increase their own leadership and reflection capabilities. With the global Forwarder Certification Programme we were able to train about 500 colleagues globally and certify their expertise knowledge in logistics.

2017 marked the launch of our new learning portal "myLearning", the new go-to-place for learning and training in Kuehne + Nagel. It provides easy access to learning content to all employees on an ongoing basis. The new system provides access to a wide range of online-based training and other learning resources. They can choose from more than 100 online courses in several languages and 12 learning paths on topics such as "work smarter", working in global teams or "accelerate innovation".

Kuehne + Nagel continued to actively develop employees in 2017. More than 28,000 live and 215,000 online training sessions were organised and completed. These sessions focused on personal development on the one hand and on the other hand on industry-specific knowledge, product, process and IT skills, as well as compliance topics. Almost a third of the trainings are conducted on Quality, Safety and Health, Environment

(QSHE), Security and Dangerous Goods topics, including product training, the use of new digital processes and updates of industry-specific knowledge. All our trainings are available for all employees.

Awards

Kuehne + Nagel has received a number of acknowledgements in 2017 for topics related to sustainability goals. Selected awards are:

- Award of Recognition 2017 – Shared Best Practice Presentation "Dangerous Goods" – Slovenia
- BGHW Prevention Award 2017 – BGHW Grand Prize 2017 "The Golden Hand" for the Logistics Training Center "LTC" – Germany
- Employer Branding Excellence Awards 2017 – competition in the category internal campaign 2017 and Employer Branding innovation 2017 – Poland
- Innovation and sustainable development award in Solutrans Lyon 2017 – 1st Full Electric Parking Truck in Kuehne + Nagel Villefranche/Saone – France
- Excellent Core Partner (Gold) 2017 by HUAWEI Shenzhen – China
- Service Excellence Award – seafreight, Sterlite Tech Logistics Meet 2017 – India
- Sofidel Suppliers Sustainability Award: Best Supplier – for companies that obtained the highest score based on the TenP platform – Italy/Germany
- Best Company to work for 2017, HR Asia – Singapore
- Pharma Industry Award: Best Workplaces 2017 – Ireland
- Award "Highlight in Safety" by Unilever in Indaia-tuba – Brazil





This leaf is green! Are you?

Environment



Environmental sustainability at Kuehne + Nagel is based on the principle of providing practical and effective solutions to address environmental challenges for both our customers and ourselves. Setting and implementing global environmental policies, management systems, and tracking and maintaining key performance metrics enable Kuehne + Nagel to continually integrate and drive environmental sustainability throughout the organisation.

Our Commitment

Kuehne + Nagel has been making continuous progress towards reducing the environmental impact of our logistics services and associated processes. In 2010, Kuehne + Nagel's commitment to environmental sustainability was formalised with the introduction of the environmental policy. This global policy, still in effect today, was among the first policy from a global logistics service provider with a framework of measurable results. It is a comprehensive statement of Kuehne + Nagel's environmental commitment with a focus on preventing pollution at the source. Environmental sustainability is integrated into each of the four business units globally to ensure consistency and innovative environmental thinking.

Environmental Management System

Kuehne + Nagel has an extensive global environmental management system in place to identify, track, and

manage relevant information indicative of corporate-wide environmental performance. These include management systems that cover a full range of environmental compliance and performance metrics relevant to Kuehne + Nagel operations, including the following elements:

- Environmental compliance management
- Climate change management
- Energy management
- Air quality management
- Waste management
- Water management
- Biodiversity management

Information and performance data on a majority of these programme elements are tracked and reported through corporate reporting systems such as the Global Facility Carbon Calculator (GFCC) and the Global Transport Carbon Calculator (GTCC). Kuehne + Nagel QSHE reports published periodically include environmental performance data at the facility, division, business unit, and corporate levels, and are reviewed by executive management for performance. This enables Kuehne + Nagel to monitor and identify successes, risks, and opportunities for improvements and reductions worldwide.

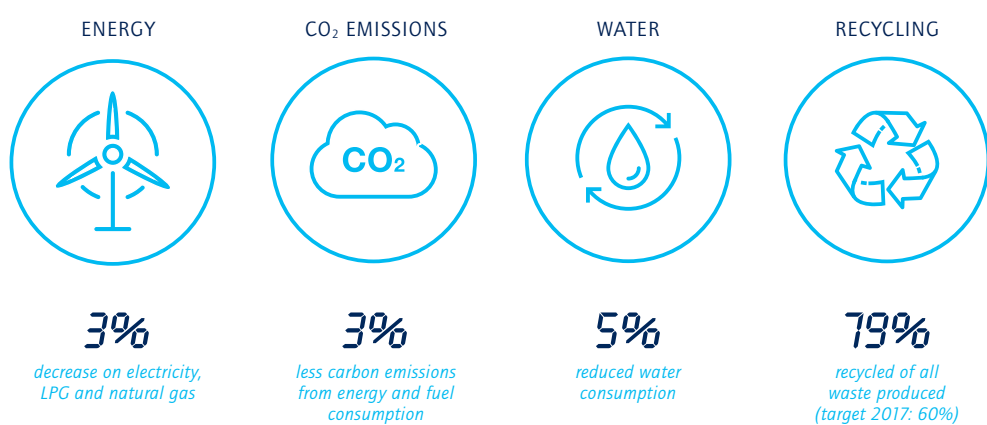
Performance Review 2017

Kuehne + Nagel continued to improve its performance on environmental activities. 2017 performance is based on the global environmental data system GFCC.

Annual sustainability targets support us to track progress. We plan ahead, with objectives set for the period up to 2020, ensuring that we have clear medium- to long-term goals.



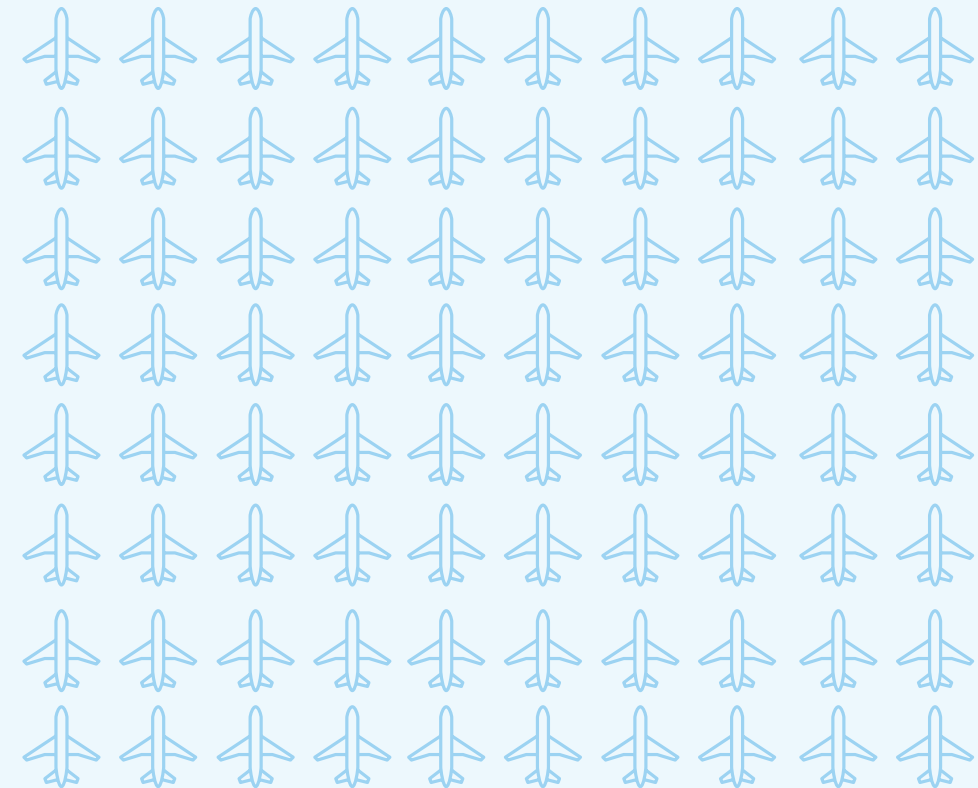
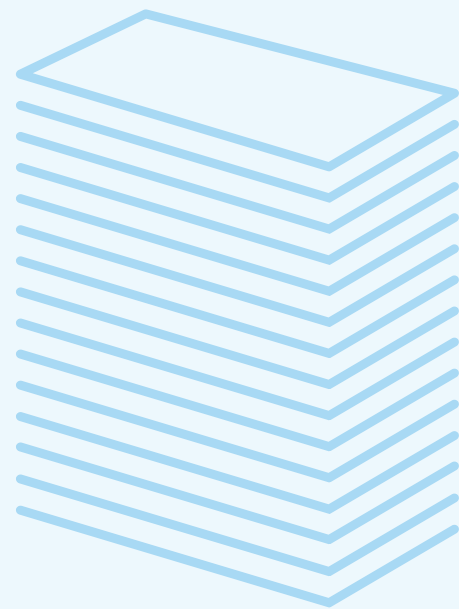
Performance (2017 vs. 2016)



CASE STUDY



E-freight initiative creates a paperless end-to-end environment



PER YEAR, MORE THAN **7,800** TONS OF PAPER DOCUMENTS ARE BEING PROCESSED, AS PER IATA, THAT IS ...

... THE EQUIVALENT OF **80** BOEING 747 FREIGHTER AIRCRAFTS FILLED WITH PAPER!

The e-freight initiative is an industry wide effort, driven by IATA, involving not only freight forwarders like Kuehne + Nagel but all members of the logistics industry such as shippers, carriers, ground handlers, customs brokers and customs authorities. As per IATA, each year more than 7,800 tons of paper documents are processed, the equivalent of 80 Boeing 747 freighter aircrafts filled with paper. With the various e-freight sub-projects, relating to different areas of the transportation process, the overall aim is to create a paperless end-to-end environment.

Kuehne + Nagel's paperless initiatives



Electronic versions of the Air Waybill, Consignment Security Declaration and Dangerous Goods Declaration



The electronic exchange of the consolidation manifest



Common platform for all industry members to exchange data via a single digital shipment record



Climate Change

Greenhouse gas (GHG) emission reductions have been a priority for a long time at Kuehne + Nagel. In addition to managing direct emissions, Kuehne + Nagel has a track record of improving energy efficiency at its facilities and offers a wide range of innovative products to support customers improve energy efficiency and reduce the company's carbon footprint.

This includes setting corporate GHG emission reduction goals and policies, which complement the efforts of our 2020 environmental strategy.

History of Climate Change Reductions

Kuehne + Nagel understands that the impacts and reduction efforts associated with greenhouse emissions require long-term commitment as the effects of both cannot be realised in only one year. Therefore, implementing reduction initiatives have been a key priority to Kuehne + Nagel. The company's GHG management strategy includes a rigorous accounting system to generate an annual inventory of worldwide emissions. This process and the associated GHG emissions reported from 2010 to 2017 were validated by an external third-party consultant. Since 2010, the global Kuehne + Nagel inventory has been developed, maintained and third-party verified by Kuehne + Nagel's ISO/BVC accredited party in accordance with GHG Protocol and the European Norm EN 16258. The table below shows the 2016 – 2017 results.

	Metric Unit	2017	2016	Change in %
Carbon emissions (CO₂)*				
CO ₂ total	000' tons	202	208	-3
CO ₂ per FTE	tons	2,907	3,134	-7
CO ₂ per 100 m ²	tons	1,971	2,420	-19

Kuehne + Nagel started with public environmental reporting since 2012.

* CO₂ is for Scope 1 and 2 emissions (mainly fuel from owned trucks and electricity consumed in our premises).

** A site in Kuehne + Nagel is defined as all operated facilities with >15 employees and floor space > 800 m².

The total GHG inventory encompasses the company's diversity and complexity. A total of approximately 700 sites** including warehouses, offices, and distribution centres within Kuehne + Nagel's operational control is accounted for in the current inventory. This includes both Scope 1 (direct) and Scope 2 (indirect) emissions as categorised by the GHG protocol. Based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Kuehne + Nagel has been working on developing a Scope 3 emissions inventory. While emissions could be estimated for most Scope 3 upstream categories, Kuehne + Nagel places a high value on sound science and decision-making. Also, it has

elected not to publicly report Scope 3 GHG emissions due to a significant, unverifiable level of uncertainty in emissions estimate.

Carbon Emissions Reduction Goals

Kuehne + Nagel is very proud of the progress achieved so far. In the area of carbon dioxide (CO₂) emissions, Kuehne + Nagel has met the proposed reduction goals established in 2010, a global target that is part of our 2020 environmental strategy to reduce relative carbon emissions by 15 per cent per FTE and 15 per cent per 100 m² from 2010 – 2020.



In 2017, Kuehne + Nagel reduced its CO₂ emissions by 7 per cent per FTE and 19 per cent per 100 m². The achieved reduction exceeded our goal due to the use of effective emissions control, and successful efforts by the employees to become more energy efficient. Kuehne + Nagel is currently working to establish their next carbon emissions reduction goal(s).

Energy Efficiency

At Kuehne + Nagel, energy management is global, comprehensive, and extends beyond energy efficiency efforts in warehouses and buildings. It is a team effort guided by the global environmental policy. Energy management responsibilities are coordinated by the corporate energy team established in 2017. The team involves personnel from purchasing, QSHE, facility management and real estate. Each department provides cross-functional contributions, ensuring that

- energy efficient technology is in use,
- opportunities are identified in the design process,

- renewable energy opportunities are realised and financed, and
- data is tracked routinely and consistently by facilities.

Evaluating Energy Performance Progress

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

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

All operating locations and other locations larger than 800 square metres report energy consumption and energy costs to the Global Facility Carbon Calculator monthly. Data is analysed quarterly at each facility, business and functional unit, and at corporate levels. Every six months the data is reported to the Kuehne + Nagel management.



7%

reduction of CO₂
per FTE in 2017



19%

reduction of CO₂
per 100 m² in 2017

Metric Unit	2017	2016	Change in %
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Energy

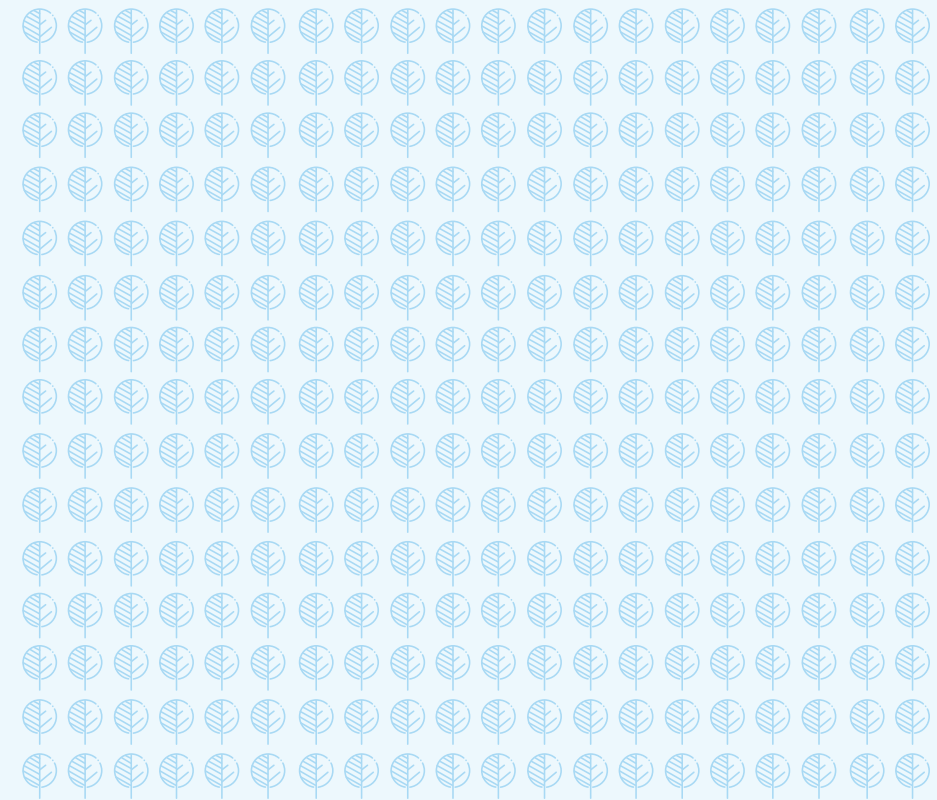
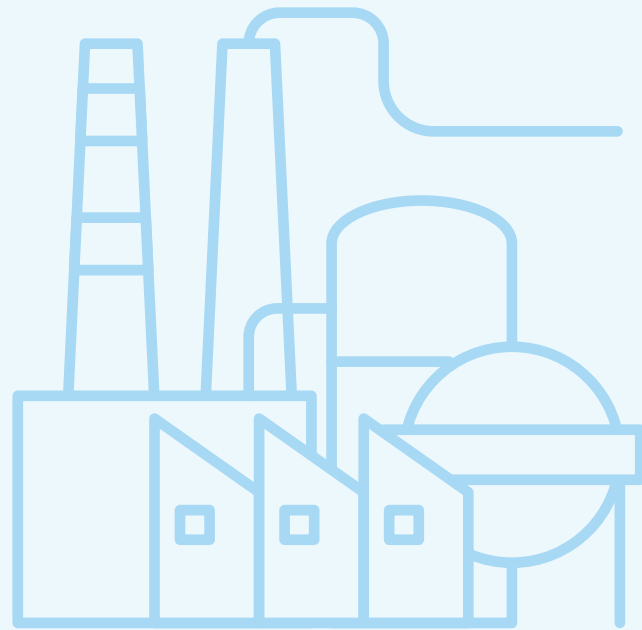
Electricity total	Million kWh	426	455	-6
Electricity per FTE	kWh	6,114	6,816	-10
Electricity per 100 m ²	kWh	4,146	5,298	-22
Natural gas total	Million kWh	188	191	-2
Natural gas per FTE	kWh	2,712	2,875	-6
Natural gas per 100 m ²	kWh	1,839	2,234	-18

Kuehne + Nagel started with public environmental reporting since 2012.

CASE STUDY



Investing in renewable energy at Kuehne + Nagel Singapore



PER YEAR, MORE THAN **530,737** KG OF CO₂ EMISSIONS ARE AVOIDED ...

... THE EQUIVALENT OF **3,041** TREES IN SINGAPORE.

Renewable energy numbers for selected regional offices

Germany
55,000,000 kWh

This amount represents approx. 13% of the Group's total renewable energy consumed.

Netherlands
6,141,381 kWh

A total of 6,826 kWp of solar cells were installed in different facilities.

France
3,673,870 kWh

Photovoltaic panels were installed in more than 10 facilities.

Singapore
1,000,327 kWh

Photovoltaic panels were installed in the Singapore logistics hub.

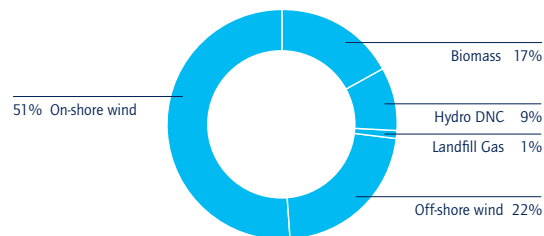
Group's total energy 426 million kWh, from which 15% or 66 million kWh is from renewable sources.



Investing in Renewable Energy

Kuehne + Nagel is investing and installing onsite renewable energy at its own operations and continues to expand and collaborate with external partnerships. As per the GHG Protocol, Kuehne + Nagel considers electricity consumption in the definition of renewable energy (excluding other energy sources such as Natural Gas and LPG), therefore currently 15 per cent of the global energy used in Kuehne + Nagel facilities is from renewable sources. The following examples highlight our sustained effort:

Average Renewable Energy purchased (globally)



Highlights

In 2017, Kuehne + Nagel

- received the LEED Gold certification and the BREEAM certification in several facilities in Europe, Asia and North America,
- launched an internal communication platform on "myKN" to exchange best practices and environmental topics, and

- conducted energy audits as scheduled based on ISO 50000 and the ISO 14001 Standards.

Waste and Recycling

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

Recycling, Reuse, Treatment and Disposal

All waste recycling, reuse, treatment, and disposal practices are required to comply with applicable regulations and the Kuehne + Nagel environmental policy, which also includes establishing profiles of waste streams, content identification, and labelling. Waste management practices and technologies are required to be approved by the QSHE organisation where the emphasis is on using only the most environmentally safe and appropriate waste management practices available.

Ensuring Waste Compliance

The Kuehne + Nagel Waste Management programme requires each location to assign an Environment Champion who is responsible for ensuring that employees receive appropriate waste training. Corporate QSHE globally administers the waste training for the coordinators. Compliance with all Kuehne + Nagel facilities and other regulated waste requirements are evaluated by means of the Quality Audit Tool (QAT).



Metric Unit	2017	2016	Change in %
-------------	------	------	-------------

Waste recycled

Waste total	000' tons	394	492	-20
Waste recycled	000' tons	313	401	-22
Waste recovered	000' tons	55	59	-7
Waste landfill	000' tons	26	31	-16
Recycling rate	%	79	82	-4

Kuehne + Nagel started with public environmental reporting since 2012.

Setting Waste Goals and Evaluating Progress

Kuehne + Nagel has been setting total waste reduction goals since 2010. Using 2010 as a base year, Kuehne + Nagel set a 2020 target to reach 75 per cent of all waste to be recycled. In 2017 the Group's exceeded this goal and achieved a recycling ratio of 79 per cent of

the total waste. Specific goal period achievements are highlighted in the table above (numbers in 000' tons).

Total waste is tracked and reported globally by disposal types: waste to landfill, waste recycled and waste recovered.





Water

Understanding our Water Footprint

Reducing water consumption and improving water quality are important elements of Kuehne + Nagel's environmental programme. As a result, we continue to actively manage and work towards reducing our corporate water footprint. Kuehne + Nagel's water management provides a global framework including both general and specific elements for water management within the company. The standard requires Kuehne + Nagel operations to manage water resources by understanding water consumption, comply with regulatory requirements, implement systematic conservation and reuse, and report water usage.

Water resources include water intake, effluent water discharge, and rainwater.

All Kuehne + Nagel sites currently track and report water usage. Although Kuehne + Nagel does not have a quantitative goal, conservation efforts indicate a 5 per cent decrease in water consumption globally in 2017. Water conservation efforts have been achieved through recycling/reuse and improvements to our buildings and operating processes. The majority of our water-intensive operations are located in the United States and Europe in areas that are not subject to water stress or water scarcity. However, they also contribute significantly to our conservation efforts.

	Metric Unit	2017	2016	Change in %
Water				
Water total	Cubic meters	980,124	1,033,137	-5
Water per 100 m ²	Cubic meters	10,003	11,998	-17
Water per FTE	Cubic meters	14,790	15,439	-4
Water recycled	Cubic meters	31,865	30,994	3
Ratio recycled	%	3.2	2.9	10

Kuehne + Nagel started with public environmental reporting since 2012.

Biodiversity and Ecosystem

Enhancing and preserving biodiversity are important values in Kuehne + Nagel's effort to protect its physical environment. We have been working to preserve biodiversity both on our property and through our support and cooperation with local communities.

Biodiversity at Kuehne + Nagel

When developing property, the planning process begins with a thorough evaluation of local soils

and geologic conditions, ground water and hydrology characteristics, drainage, flora and fauna and items of archaeological or historical significance. The resulting design seeks to comply with all known local, state or federal regulations and to avoid or minimise negative impacts on natural resources.

We have focused on maximising the efficient use of existing space, and wherever possible, on renovating premises to meet our current and future business needs. This allows the Group to grow while minimising its impacts on biodiversity and natural resources.

CASE STUDY



Implementing the LED roadmap



20%

OF OUR FACILITIES (WAREHOUSES AND OFFICES) ARE COVERED WITH LED, WHICH EQUALS ...

... 1,600,000 sqm

OF LED, WE HAVE IMPLEMENTED WORLDWIDE IN 2017.

Our target in 2018*

2,000,000 sqm of LED

Kuehne + Nagel's facility management directly manages one of the biggest real estate portfolios in our sector worldwide. In 2017, our most significant sustainability project was the LED roadmap. Here, the main focus is to upgrade the existing lighting systems in our premises to LED, both in warehouses and offices. The first benefit of using this new technology has been an immediate and substantial reduction in energy consumption. In this way, we have been able to reduce CO₂ emissions, besides resulting in considerable economic savings for our company.

* Implementing the LED roadmap requires different approaches, depending on whether the facilities are owned or leased (majority). Sometimes assistance is given by the main real estate partners (landlords), but more often we take the initiative ourselves to implement LED by devising a specific roll-out process in each country.



Do it right – the first time!



226

pharma customer
audits



99%

of quality audit
performance

Secure, Safe and High-Quality Services



For Kuehne + Nagel, it is imperative to create a secure and safe environment in all countries we operate and for all parties involved. This is reached by harmonising operational standards across business units and countries and allows us to develop solutions and services that improve confidence and customer satisfaction.

Product Quality and Safety

We continuously focus on fulfilling customers' demands by studying their individual requests and design tailor-made industry solutions.

In 2012, Kuehne + Nagel has started to develop its cross-divisional KN PharmaChain solution to comply with increasing regulatory requirements and customer demands to focus on patient's safety. Five years later, in 2017 this has become a recognised customer solution with a network of close to 200 certified sites for seafreight, airfreight, overland and contract logistics. The concept entails a full bill of material, similar to manufacturing production, where formula, recipe and processes are clearly defined, rolled out and implemented. As the first logistics service provider, Kuehne + Nagel has received a GXP pharma compliant network certification by IATA CEIV (Center of Excellence of Independent Validators) for all of its 88 GXP airfreight sites worldwide.

Performance

KN EngineChain, Kuehne + Nagel's solution for the aerospace and aviation industry complies with specific requirements when handling aircraft engines of all sizes. At the end of 2017, the network was comprised of 50 certified sites.

With KN BatteryChain, which was launched in 2017, Kuehne + Nagel has set a new safety standard in the lithium battery supply chain. A new business stream with five qualified hubs, focusing on automotive, high-tech and consumer goods, has been established. Standardised work processes have been created, ensuring safety and reliability, avoiding non-conformities in the handling, storage and transport of lithium batteries. A focus in the reporting year was the successful recertification of the applied standards ISO 9001, ISO 14001 and OHSAS 18001, resulting in a total of more than 1,500 accumulated ISO certifications. The 2015 revision of ISO 9001 allowed us to better define the processes in today's supply chain logistics, as well as to identify and correct shortcomings by means of proper documentation, training and monitoring. This will further facilitate communication with customers and other parties involved.

The thoroughness of a solid process management is underlined by more than 880 branch quality audits conducted and more than 4,300 department reports issued where potential improvements have been agreed and implemented. With over 10,000 non-conformities and potential improvement records, these efforts are indicative of an increasing acceptance of new opportunities to provide a smooth supply chain for our customers.



883

quality audits in 2017



≈ 200

*qualified pharma sites
connected in network*



85%

overall compliance
level in Dangerous Goods

Dangerous Goods

Dangerous Goods (DG) compliance has been improved based on a global applicable audit and risk structure that provided better visibility, corrective and preventive action. A sample size of 998 audit reports containing DG information – approximately 25 per cent of all locations audited – revealed an overall compliance level of 85 per cent.

Clear improvements were made in the establishment of a structured DG Safety Advisor network, the implementation of the internal global guidelines as well as the cataloguing of High Consequence Dangerous Goods. Through auditor training, the quality of the audit replies was improved, allowing for the identification of potential hidden DG in several regions.

The standardisation of the internal approach to DG has opened up new business opportunities. Internal guidelines on forbidden DG have been systematically implemented. This was combined with a rigorous exemption process for locations that wish to engage in the carriage of such cargo. It also allowed for greater control to be exercised over these types of transport. Where exemptions were granted, the consignments were handled with great care. In total, seven exemptions were granted globally in 2017.

Improved compliance reporting and the increasing trend towards drive electrification have resulted in exciting market opportunities for Kuehne + Nagel. The company has therefore launched KN BatteryChain, a new global and cross business unit programme for the storage and transport of lithium batteries.

It was presented for the first time at the IAA (International Automobile Exhibition) in Frankfurt in September

2017. Since then, five locations have met the chain's demanding criteria: Frankfurt (DE), Tokyo (JP) and Seoul (KR) have successfully certified for airfreight, Gärtringen (DE) and Niederaichbach (DE) for contract logistics. Locations must not only comply with all applicable DG regulations. They are also required to meet the ISO 9001 standard and the automotive industry quality standard ISO 16949. An ambitious plan to successfully qualify 32 additional locations worldwide has been rolled out. KN BatteryChain aims to further strengthen the company's network of specialists by facilitating the close cooperation of QSHE and DG professionals.

Important product features of KN BatteryChain are to:

- increase safety and reliability through standardised processes,
- reduce CO₂ emissions,
- manage consumption, and
- prevent pollution and recycle

Customers are invited to make use of information derived from Kuehne + Nagel's Global Transport Carbon Calculator (GTCC) and the Global Facility Carbon Calculator (GFCC). To identify trends and rectify non-conformity, comprehensive reports are created from the company's transport and warehouse activities. Being part of KN BatteryChain, the certified locations focus on providing eco-friendly waste management (including hazardous goods and electronics). Only accredited and licensed suppliers are accepted. The Supplier Management Tool (SMT) lists all business partners. To ensure high levels of compliance and service quality, great care is taken to make them aware of their responsibilities.



Product and Service Innovation

At Kuehne + Nagel, security is managed under the QSHE organisation by a dedicated Corporate Security Manager and the support of a global Quality Expert Security Team.

The Aspects of Security



*Regulatory affairs
and international
security initiatives*



*Supply chain
security*



IT security

Kuehne + Nagel's security management system is designed to fully comply with applicable regulatory and industry security standards.

Kuehne + Nagel is a member of the government business supply chain security programme Authorized Economic

Operator (AEO), established by the World Customs Organisation (WCO). The company currently holds AEO certifications in 32 countries (out of 109), including global certification of the US security programme Customs-Trade Partnership against Terrorism (C-TPAT) and the Canadian Partners in Protection (PIP) programme. By participating in these programmes, Kuehne + Nagel aims to strengthen and assist the end-to-end security of international supply chains, and to foster the legitimate trade of our clients by being granted facilitated custom procedure resulting in shorter lead-times.

Furthermore, in line with additional customer requirements, 11 hubs have been certified in accordance with TAPA (Transported Asset Protection Association) FSR security criteria.

As a leading global logistics provider, we strive to provide our customers with a robust security management system across the entire supply chain to mitigate the potential risks of theft or acts of unlawful interference wherever possible. We continuously seek to create a stable and predictable environment, allowing our customers to pursue their business without disruption or harm and without fear of disturbance with regard to the freight entrusted to Kuehne + Nagel.

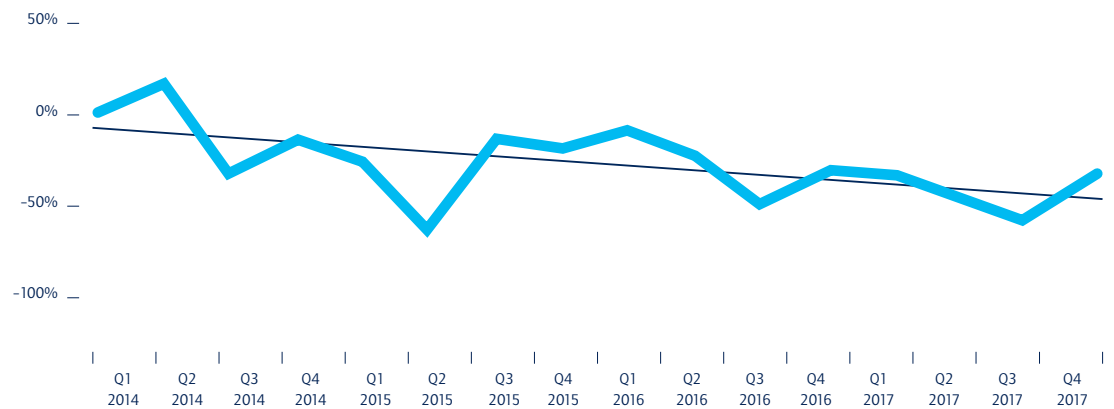
In order to comply with these governmental requirements and to meet contractual obligations where Kuehne + Nagel has signed customer contracts with specific, enhanced security standards, the Quality Expert



34%

theft reduction
from 2014 - 2017

Constant decrease of loss values over the years



Security Team and global QSHE organisation have developed and established a three-tier KN SecureChain certification scheme. It is based on ISO 28001 standards and enables sites to become KN SecureChain certified depending on the scope of activities performed. Based on business demands and requirements by the end of 2017, Kuehne + Nagel certified 35 branches for KN SecureChain.

Innovative solution

In order to improve the working conditions for drivers and to mitigate risk exposure to drivers and customer assets during overnight rests, Kuehne + Nagel and

International Road Union (IRU) agreed on usage of TransPark certified parking places. These places provide a safe and secure area with necessary infrastructure to ensure reaching final destination in safe condition.

Highlights

- Continuous reduction of theft ratio
- Kuehne + Nagel appointed by IRU to certify parking places
- 28 European parking locations vetted by Kuehne + Nagel in 2017
- Expansion of vetting to other regions in 2018



Occupational Health and Safety

Kuehne + Nagel continues to build on the safety culture and leadership of the company. It's our ambition to achieve the highest level of health and safety for all parties involved in our operations: employees, customers, contractors and the general public. To accomplish this, the "No Harm" campaign is being continued.

Through its OHSAS 18001 certified and compliant Occupational Health and Safety management system, Kuehne + Nagel ensures continuous improvement. Contractors and third parties are required to meet the safety standards and to stop an activity if it is thought to be unsafe.

Top goals of the "No Harm" to people campaign



No accidents or workplace related illnesses caused by our operations

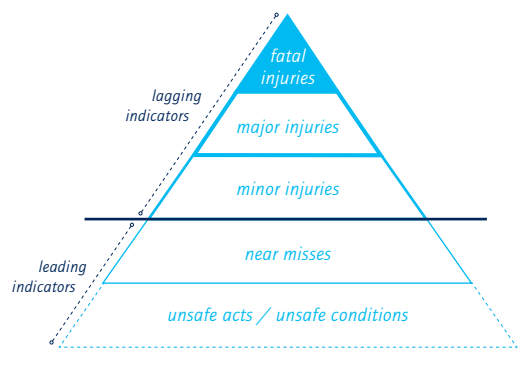


Continual safety and health awareness through training and awareness programmes



Reduction of incidents through close monitoring and dissemination of learning from incidents

Safety Pyramid



These reported situations are used to learn from and identify areas for improvement.

The Global Expert Team Safety and Health has started to develop the second phase of the "No Harm" campaign; a module for warehouse supervisors. This module is currently being introduced and will ensure the journey to "No Harm" will continue.

The Middle East and Africa launched the "Get Home Safe" campaign. As part of the campaign all employees undergo training in defensive driving. Further instruments and tools in place are the "seat-belt convicers", roll-over simulators and awareness training. The campaign will continue to be rolled out within Kuehne + Nagel in 2018 and beyond.



748

days without accidents
in Guarulhos, Brazil



724

days without accidents
in Natura, Colombia

The Global Safety and Health Policy Manual has been reviewed and re-issued to ensure we stay aligned with international labour laws and standards.

Rules for reporting incidents have been further improved, especially the reporting of lost workdays needed further alignment between the regions. Whilst the second half of 2017 was excellent, the first half recorded two fatal accidents. One fatal injury was related to warehouse operations. This warehouse incident triggered an investi-

gation with the supplier how to better secure the driver cabin of a forklift. The other fatal injury happened when, on his way home, a Kuehne + Nagel employee became involved in a road traffic accident. In the face of this tragedy, immediate actions were initiated, including the launch of the "Get home safe" campaign.

The CEO and management are fully committed to support any action necessary to prevent any future harmful incidents of employees or contracted third parties.

Kuehne + Nagel Group (all Business Units)

	2017	2016
Number of Fatalities (FAT)	2	0
Lost Time Injury Frequency (LTIF)*	15.93	14.95
Total Reportable Case Frequency (TRCF)**	19.30	21.66

* LTIF - The number of LTI's per 1,000,000 working hours

** TRCF - The number of TRC's per 1,000,000 working hours

During the reporting period an increasing number of lost time incidents were recorded. This is partly due to improved alignment with reporting. The severity of the injuries decreased and the number of lost work days saw a reduction of 15 per cent to 47,984 days.

The Lost Time Injury Frequency (LTIF), which was initially introduced in 2016, increased to 15.93, while the Total Reportable Case Frequency (TRCF) decreased to 19.30.

The increased numbers can be explained by the rigorous changes in Safety and Health KPI definitions in 2016 and the first half of 2017. The "No Harm" to people initiative and a stable reporting quality have resulted in an impressive improvement in the second half of the year.

Employees and Third Parties

Every reasonable precaution is taken to protect the health and safety of employees, of the people working for us, as well as of the people in the environment we work in.

We require employees and suppliers to adhere to all compliance obligations, relevant regulations, rules, work instructions and safety measures at all times.

We also urge everyone to stop potentially unsafe activities immediately and to report unsafe situations to supervisors.

The increased number of employees and the continuous expanding network of Kuehne + Nagel locations require a constant training effort by the QSHE team members. Face-to-face and online trainings ensure employees are aware of worksite hazards. Trainings are provided on a global level, as well as on national and local levels. On a daily basis, supervisors and team leaders make certain that rules, regulations and prescribed work procedures are followed. Daily visual checks and regular inspections of the workplace are conducted to identify hazards and potential risks, and to inform employees accordingly. Employees carry out pre-use checks on the equipment they use. They have been provided with and are required to wear personal protective equipment



(PPE) when job hazard assessments identify the need for it. To be prepared for emergencies, business continuity plans are available and emergency drills are carried out on a regular basis (e.g. fire drills).

All contractors and sub-contractors working in our facilities are made aware of the safety and health policy prior to commencing any activity. We are in good standing with the applicable Workers Compensation Board and provide third parties with verification from the Board. Visitors are required to register with our reception desk or gate upon arrival and departure; they receive a safety introduction on what to do "in case of". Visitors are at all times accompanied by an employee to minimise the risk of injury or incident.

Facilities

Facilities hold regular safety committee meetings during which any health and safety issues are recorded. In addition, regular inspections are conducted. These include, but are not limited to checking:

- First aid kits
- Fire extinguishing equipment
- Safety and housekeeping
- Accessibility of emergency exits
- Emergency signage
- Lighting

Safety procedures are made available both in written form and online training formats in the respective local languages.

Highlights

- Prevented incidents or injuries that lead to illness
- "No Harm" for warehouse employees stimulated reporting of unsafe acts and unsafe conditions
- In Brazil we received an "Excellence in Safety" Award from one of our major client.

Data Privacy and Security

Information Security Management supports Kuehne + Nagel's mission and business objectives. Effective management of risks concerning the confidentiality, integrity and availability of information assets is essential to Kuehne + Nagel achieving its mission and business objectives. Information Security Management promotes and enables the effective management of risks to information assets according to established standards, best practices and a process of continuous improvement.

Risk management will be comprehensively integrated into all of Kuehne + Nagel's business processes. Risk-based decision support throughout our business will foster the ambitious pursuit of opportunities and the effective response to, and recovery from, adverse events. Customers, partners and others will confidently entrust information assets to Kuehne + Nagel as an extension of their businesses.

GRI Index

This 2017 Sustainability Report is GRI referenced. In this table you will find references to specific sections in all 2017 Kuehne + Nagel reports, with the correspond-

ing links. This report has not been externally assured. However, we are committed to continuously improving our sustainability reporting.

General Standard Disclosures

<i>Profile Disclosure</i>	<i>Description</i>	<i>Reference</i>	<i>Page</i>
Organisational Profile			
GRI 102-1	Name of the organisation	Consolidated Financial Statements 2017 Report , Notes to the Consolidated Financial Statements	45
GRI 102-2	Activities, brands, products, and services	Business Units	
GRI 102-3	Location of headquarters	Consolidated Financial Statements 2017 Report, Notes to the Consolidated Financial Statements	45
GRI 102-4	Location of operations	Locations	
GRI 102-5	Ownership and legal form	Annual Report 2017	13, 14
GRI 102-6	Markets served	Locations Your Industry	
GRI 102-7	Scale of the organisation	2017 in Focus Consolidated Financial Statements Report Status Report 2017	2, 3, 4, 17, 18, 19, 33, 37
GRI 102-8	Information on employees and other workers	Sustainability Report 2017, Society	16
GRI 102-9	Supply chain	Sustainability Report 2017, Supply Chain Management	14
GRI 102-10	Significant changes to the organisation and its supply chain	There have been no significant changes regarding size, structure, ownership, or supply chain during 2017	
GRI 102-11	Precautionary Principle or approach	Annual Report 2017	94
GRI 102-12	External initiatives	Sustainability Report 2017, Engaging with Stakeholders	8
GRI 102-13	Membership of associations	Sustainability Report 2017, Engaging with Stakeholders	8

Strategy			
GRI 102-14	CEO's Statement	Sustainability Report 2017, Welcome Message	3
Ethics and Integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	Sustainability Report 2017, Ethics and Compliance Code of Conduct	10
Governance			
GRI 102-18	Governance structure	Corporate Governance Report	13
Stakeholder Engagement			
GRI 102-30	Effectiveness of risk management processes	Annual report 2017	9, 10
GRI 102-40	List of stakeholder groups	Sustainability Report 2017, Engaging with Stakeholders	8
GRI 102-41	Collective bargaining agreements	Sustainability Report 2017, Society	16
GRI 102-42	Identifying and selecting stakeholders	Sustainability Report 2017, Engaging with Stakeholders	8
GRI 102-43	Approach to stakeholder engagement	Sustainability Report 2017, Engaging with Stakeholders	8
GRI 102-44	Key topics and concerns raised	Sustainability Report 2017, Engaging with Stakeholders	8
Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	Annual Report 2017, Listed Companies of the Group	103
GRI 102-46	Defining report content and topic Boundaries	The process for defining the report content was done in three stages. The first one was an internal assessment of the information available along with the corresponding sources. The second phase was the preparation of the data platform and collection of data. The last phase was the elaboration of the report, followed by a diligent internal review and approval process.	
GRI 102-47	List of material topics	Sustainability Report 2017, Engaging with Stakeholders Sustainability Report 2017, Materiality Matrix Sustainability Report 2017, Ethics and Compliance	8 5 10
GRI 102-48	Restatements of information	No restatements.	
GRI 102-49	Changes in reporting	There are no changes.	
GRI 102-50	Reporting period	The information provided is for the reporting period 1 January to 31 December 2017	
GRI 102-51	Date of most recent report	October 2017	

Report Profile			
GRI 102-52	Reporting cycle	Annually reported.	
GRI 102-53	Contact Point for questions regarding the report	Juerg Meier (juerg.meier@kuehne-nagel.com), Edgar Uribe (edgar.uribe@kuehne-nagel.com), Danica Dimitrijevic (danica.dimitrijevic@kuehne-nagel.com) Kuehne + Nagel Management AG Dorfstrasse 50, PO Box 67, CH-58834 Schindellegi	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	GRI-referenced	
GRI 102-55	GRI content Index	This report is GRI Standards referenced	
GRI 102-56	External assurance	There has been no external assurance for this report.	

Specific Standard Disclosures

Profile Disclosure	Description	Reference	
ECONOMIC			
Economic Performance			
GRI 103	Management Approach	2017 in Focus	3-33
GRI 201-1	Direct economic value generated and distributed	Consolidated Financial Statements 2017 Report Remuneration Report 2017	37
Anti-Corruption			
GRI 103	Management Approach	Sustainability Report 2017, Ethics and Compliance	10
GRI 205-2	Communication and training on anti-corruption policies and procedures	Sustainability Report 2017, Ethics and Compliance	10
Anti-competitive Behavior			
GRI 103	Management Approach	Sustainability Report 2017, Ethics and Compliance	10
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Annual Report 2017, Provisions note 1	89

ENVIRONMENTAL			
Energy			
GRI 103	Management Approach	Sustainability Report 2017, Environment	20
GRI 302-1	Energy consumption within the organisation	Sustainability Report 2017, Environment	25
GRI 302-3	Energy intensity	Sustainability Report 2017, Environment	25
Water			
GRI 103	Management Approach	Sustainability Report 2017, Environment	20
GRI 303-1	Water withdrawal by source	Sustainability Report 2017, Environment	31
GRI 303-3	Water recycled and reused	Sustainability Report 2017, Environment	31
Emissions			
GRI 103	Management Approach	Sustainability Report 2017, Environment	20
GRI 305-1	Direct (Scope 1) Greenhouse Gas (GHG) Emissions	Sustainability Report 2017, Environment	24
GRI 305-2	Energy Indirect (Scope 2) Greenhouse Gas (GHG) Emissions	Sustainability Report 2017, Environment	24
GRI 305-4	Greenhouse Gas (GHG) Emissions Intensity	Sustainability Report 2017, Environment	24
Effluents and Waste			
GRI 103	Management Approach	Sustainability Report 2017, Environment	20
GRI 306-2	Waste by type and disposal method	Sustainability Report 2017, Environment	28
GRI 306-3	Significant spills	There have been no significant spills in 2017	28
Environmental Compliance			
GRI 103	Management Approach	Sustainability Report 2017, Environment	20
GRI 307-1	Non-compliance with environmental laws and regulations	Kuehne + Nagel does not identify fines or any other form of sanction regarding non-compliance with environmental laws and environmental regulations during 2017.	
Occupational Health and Safety			
GRI 103	Management Approach	Sustainability Report 2017, Environment	20
GRI 307-1	Non-compliance with environmental laws and regulations	Kuehne + Nagel does not identify fines or any other form of sanction regarding non-compliance with environmental laws and environmental regulations during 2017.	
Training and Education			
GRI 103	Management Approach		
GRI 404-1	Average hours of training per year per employee	Sustainability Report 2017, Society	16

Diversity and Equal Opportunity			
GRI 103	Management Approach	Sustainability Report 2017, Society	16
GRI 405-1	Diversity of governance bodies and Employees	Corporate Governance 2017 Report 2017 in Focus	3, 4
Child Labor			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Kuehne + Nagel's Code of Conduct does not explicitly comment but refers under "employment practices" to "Kuehne + Nagel Values", and "Core Principles", whereas, in addition Kuehne + Nagel's Supplier Code of Conduct explicitly covers the topic "freely chosen employment". As a basic principle, all Kuehne + Nagel suppliers are expected to sign the Kuehne + Nagel Supplier Code of Conduct.	
Forced or Compulsory Labor			
GRI 409-1	Operations and suppliers at significant risk for forced or compulsory labor	Kuehne + Nagel's Code of Conduct does not explicitly comment but refers under "employment practices" to "Kuehne + Nagel Values", and "Core Principles", whereas, in addition Kuehne + Nagel's Supplier Code of Conduct explicitly covers the topic "freely chosen employment". As a basic principle, all Kuehne + Nagel suppliers are expected to sign the Kuehne + Nagel Supplier Code of Conduct.	
Supplier Social Assessment			
GRI 414-1	New suppliers that were screened using social criteria	Kuehne + Nagel's Code of Conduct does not explicitly comment but refers under "employment practices" to "Kuehne + Nagel Values", and "Core Principles", whereas, in addition Kuehne + Nagel's Supplier Code of Conduct explicitly covers the topic "freely chosen employment". As a basic principle, all Kuehne + Nagel suppliers are expected to sign the Kuehne + Nagel Supplier Code of Conduct.	
Public Policy			
GRI 415-1	Political contributions	It is Kuehne + Nagel's principles to not make political contributions, whether in monetary payments or other donations in kind to political parties or their institutions, agencies or representatives anywhere in the world.	
Customer Privacy			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Kuehne + Nagel has not received any complaints about data breaches, leaks or any other data losses for 2017. suppliers are expected to sign the Kuehne + Nagel Supplier Code of Conduct.	
Socio Economic Compliance			
GRI 103	Management Approach	Sustainability Report 2017, Ethics and Compliance	10
GRI 419-1	Non-compliance with laws and regulations in the social economic area	Kuehne + Nagel does not publicly release this information.	

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