

30 June 2023

Modern Slavery Statement

This statement is made pursuant to the *Australian Modern Slavery Act 2018 (Act)* and constitutes the modern slavery statement for Kuehne & Nagel Pty Ltd (**Kuehne+Nagel Australia, we, our**) for the financial year ending December, 2022. Where in this statement we refer to „Kuehne+Nagel“ it is a reference to our broader corporate group.

We remain committed to improving our practices to combat modern slavery (including eight types of serious exploitation - human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services) in our supply chains or in any part of our business.

Kuehne+Nagel's vision is to be the most respected forwarding and logistics company. This vision, together with our Ethics and Compliance program, is designed to ensure that we comply with all legal and regulatory requirements as well as with our internal regulations and other rules of professional conduct.

Kuehne + Nagel Australia is an accredited Trusted Trader under the Australian Trusted Trader (ATT) Program, which recognises businesses for their secure supply chain and compliant trade practices.

Our structure, operations and supply chains

Structure

In 1890, August Kuehne and Friedrich Nagel founded a freight forwarding company in Bremen, Germany. Over the last 130 years, Kuehne+Nagel has evolved from a traditional shipping company to a global logistics partner that offers highly specialised solutions for major industries worldwide.

Today, Kuehne+Nagel is headquartered in Switzerland, with a presence all over the world, including Australia. Kuehne+Nagel Australia has no owned or controlled entities.

Operations

We are a leading provider of international freight and logistic services and have over 11 locations and approximately 600 employees in Australia, as of December 2022. Our vision is becoming the most trusted supply chain partner supporting a sustainable future. Those employees fulfil a range of roles from executives and professionals to blue collar workers, working as storepersons and forklift drivers, to administrative staff. Of our workforce, 98% are full time and 2% part time. Our casual workforce fluctuates substantially due to seasonal demands of our customers. Of our workforce, 58.2% identify as male and 41.8% identify as female.

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Our company comprises five key business units (Seafreight, Airfreight, Contract Logistics, Road, and Project Logistics) and five key functions (HR, IT, Finance, Sales and QSHE (Quality, Safety, Health & Environment)). Our customers typically operate in the retail or industrial sector that import into, or export products out of, Australia. Our services include: facilitating international and domestic freight forwarding and customs clearance, logistics, storage and distribution. We do not provide land transport or international shipping services directly. We engage with third parties to deliver these services.

Supply chains

The top 5 industries by spend of our suppliers are:

- Transport including shipping, airlines, trucking and distribution support services;
- Leasing and facilities;
- IT, communications – both hardware and software and supporting services;
- Hospitality, including travel and other incidental business expenses;
- Labour hire providers.

Our related entities regularly provide us with services, for example provision of customs services or transportation within in one of our Group's many jurisdictions. In some circumstances we are instructed by our customers to use a specific logistics/other service providers, such as customs or freight providers.

Our suppliers are engaged both locally, regionally and globally. Our procurement processes are managed by regional and/or global category managers and processes providing governance for our local procurement practices.

Although many of our suppliers are domiciled in Australia, they often provide us with goods or services that originate from other jurisdictions, such as shipping companies that operate around the globe and IT hardware.

Risk of modern slavery in our operations and supply chains

We have reviewed the risk of modern slavery in our operations and supply chains

Operations

We consider that the risk of modern slavery in our operations is low because:

- Our operations are all located in Australia, which has been assessed as a low risk jurisdiction for modern slavery by the Global Slavery Index 2023, although we appreciate that even in low risk jurisdictions like Australia modern slavery exists;
- We vet all of employees to ensure that they are entitled to work in Australia and are over 18 years of age unless they are participating in an accredited traineeship;
- No trainees under 18 years of age are permitted to undertake hazardous work;
- All of our employees are paid at least minimum wage;

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- Our forklift and storepersons are covered by an Enterprise Agreement, which guarantees their terms and conditions including wages, leave and overtime;
- Where we use recruiters to provide casual labour, we undertake a detailed due diligence process, which includes ensuring that they have all licences in place to provide casual labour.
- We annually train employees in relation to our Code of Conduct and ask whether they are aware of how to report any instances of non-compliance.
- We did not receive any whistleblower reports in the reporting period that raised red flags for modern slavery.

We acknowledge that there is inherent risk in using labour hire services. This is because labour hire arrangements involve reduced visibility over the treatment of workers. In Australia, each of our labour hire providers needs to hold a Labour Hire Licence where it is available in the State of operation. We closely select, manage and review our labour hire providers and undertake due diligence in relation to these suppliers.

Supply chains

We do not consider that we cause or contribute to modern slavery via our supply chain, but accept that there may be modern slavery within our supply chain, particularly in the later tiers over which we have limited visibility. We have identified the following modern slavery risks in our supply chains:

- **Industries with high risk:** as a logistics provider, we are very aware of the risk of modern slavery in the transportation sector, particularly shipping. As with all businesses, we have modern slavery risk in our IT hardware, merchandise and uniforms, PPE, cleaners, and facilities management.
- **Geographic risk:** where our suppliers operate in jurisdictions of higher risk for modern slavery, that increases the inherent risk that suppliers domiciled in those jurisdictions cause, contribute or are directly linked to modern slavery. This includes jurisdictions in which slavery is lawful or where the rule of law does not protect workers from exploitation, including where child labour is lawful.

During the reporting period, we continued our modern slavery risk assessment of new and requalified local suppliers via a questionnaire (see the heading „actions“ for further details). This ongoing supplier risk assessment has identified the following key risk areas in the reviewed suppliers:

- (1) use of agency, registered training organisations, and seasonal workers by our suppliers; and
- (2) use of 3rd party suppliers for the transport and road logistics distribution network of our clients' products.

Actions to manage modern slavery risk

Operations – Policies and Procedures

Our business activities are conducted in line with the ethical principles laid out in our global **Code of Conduct**. The code applies to all members of the company and serves as a guide of worldwide consistent principles. It promotes ethical behaviour in all our business interactions, internal and external.

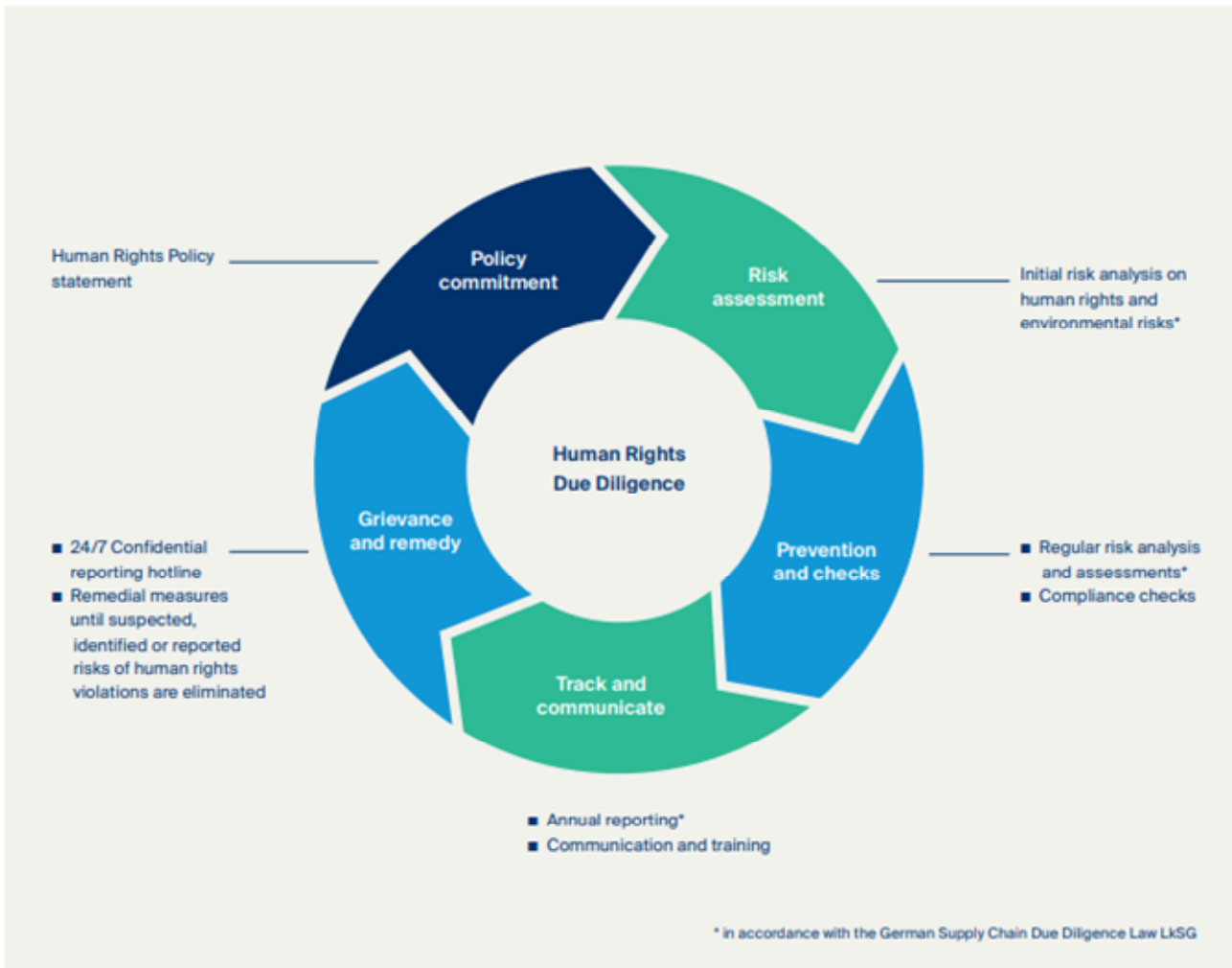
Our Code of Conduct expresses our opposition to violations or limitations of Human Rights and Dignity of any kind which includes, but is not limited to, any form of discrimination, slavery and torture, human trafficking, or forced and child labour. It provides that Business activities must be delivered according to the commonly accepted principles of Human Rights and Dignity.

On 1 January 2023, Kuehne+Nagel globally adopted a **Human Rights Policy** that consolidated existing guidance and includes and supports the following principles:

1. Prohibition of child labour
2. Culture of diversity and inclusion, free from harassment and discrimination
3. Employee rights and fair labour practices, including the prevention of forced labour and slavery
4. Freedom of Association and right to collective bargaining.

Kuehne+Nagel's **Sustainability Report 2022** provides an outline of our strategies in this area on a global basis. Kuehne + Nagel Australia aligned its strategies to support the goals of the Sustainability Report 2022¹. The diagram below visualises the Kuehne+Nagel Human Rights Due Diligence Program. In 2022 a Human Rights Risk Assessment has been undertaken in accordance the German Supply Chain Due Diligence Act. In the mid term similar risk assessments are planned to be rolled out in further countries including Australia.

¹ [Sustainability Report 2022 | Kuehne+Nagel \(kuehne-nagel.com\)](#)



Human Rights Due Diligence

Recruitment

We have in place various policies and work instructions that govern our employment practices. These include our:

- Recruitment & Selection Policy
- Onboarding Policy
- Remuneration & Benefits Policy
- Health and Safety Statement
- Employment Contracts Management Policy

These policies and work instructions are designed to ensure that we meet all our legal obligations to our employees. They include requirements that all employees are legally entitled to work for us (for example they are of legal working age and are entitled to work in Australia) and that they are paid appropriately.

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Training

We annually train employees in relation to our Code of Conduct, which includes modern slavery prohibitions, and ask whether they are aware of how to report any instances of non-compliance.

Reporting of concerns

We have a Whistleblower Protection Policy that facilitates staff and suppliers reporting matters of concern, including human rights impacts such as modern slavery (which is a violation of our Code of Conduct and therefore reportable). Our Whistleblower Protection Policy provides that individuals who raise concerns pursuant to that policy are protected from retaliation.

All staff and business partners have access to a confidential ethics reporting service through NavexGlobal, a leading global provider of hotline and other compliance services, their Confidential Reporting Line service through its “EthicsPoint” service. This service is communicated to all staff & business partners, throughout the employee/supplier/business partner life-cycle communication steps and annually. EthicsPoint offers a secure and confidential mechanism for staff to report concerns with unethical or illegal behaviours, including modern slavery issues, via toll-free phone or web intake. Reference to EthicsPoint services can be found on our compliance portal.

Identifying and addressing modern slavery is a universal and vital issue and there is a mechanism in place via EthicsPoint for employees to report any risks of trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services.

Supply chains

Customer due diligence

During a tender bidding process, larger customers typically share their code of conduct with us for review and acceptance. Similarly, we share our Kuehne + Nagel Code of Conduct with our customers. The principles laid out in our customers’ codes of conduct are typically comparable to the principles we are working towards.

Know your supplier program

The Integrity Due Diligence (IDD) process is designed to assist our business managers’ decision-making by assessing the risk of conducting business with a particular potential third party. It also helps to develop an objective basis upon which management can proceed in the reasonable belief that the third party is not likely to make improper payments to anyone or commit other illegal or unethical acts in performing its agreements or functions with us. Key emphasis on Integrity Due Diligence procedures is focussing on interactions with government officials such as customs clearance activities when subcontracted to third parties.

Our Supplier Management Tool and our supplier quality review process requires suppliers to agree to comply with our Supplier Code of Conduct, which assists us with our aim of only engaging with reputable organisations who share our opposition to modern slavery.

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In order to identify specific risks of modern slavery in our supply chains, we have continued our supplier risk assessment for this reporting period. This assessment was undertaken by way of issuing a questionnaire to new and requalified preferred suppliers. To date 82 suppliers have been reviewed by way of this process.

Supplier engagement practices

We have in place a supply chain compliance programme which requires all of our suppliers to sign up to, and comply with, the Kuehne+Nagel *Supplier Code of Conduct*. As part of the Supplier Code of Conduct, suppliers agree not to use forced, indentured, involuntary or child labour and agree to uphold internationally proclaimed human rights of workers. They agree to use reasonable efforts to promote the principles of the Supplier Code with their suppliers. We take compliance with our Supplier Code of Conduct seriously and any breach allows us to terminate our relationship with a supplier immediately.

We have standard supplier agreements that require suppliers to agree to manage human rights / modern slavery risk as described in our Supplier Code of Conduct.

Through our supplier onboarding due diligence, the Code is shared with suppliers to assist understanding and compliance and is required to be signed and returned for record keeping.

Modern Slavery Due Diligence

In addition to the matters outlined above, our modern slavery due diligence practices include:

- our supplier onboarding and ongoing review processes that seek to identify, assess and renewing our existing and new suppliers;
- reviewing findings and learnings of our modern slavery program with our Senior Leadership Team as required and on an annual basis;
- annually preparing a modern slavery statement reflective of the preceding period; and
- our commitment to promptly respond, and thoroughly investigate, any allegations of modern slavery practices.

Those steps form part of our contract management system and senior management responsibilities. Internal and external audits are undertaken annually and on an ad-hoc basis to assess our compliance with our own policies and procedures. Through our compliance programs, catalogue of competence authority/approvals matrix, procurement practices and financial audit processes, we continue to regularly review our compliance with our policies and procedures.

Our processes to identify and address modern slavery issues have been enhanced by our ongoing review of our supplier onboarding and monitoring processes and the implementation of the two key recommendations flowing from the risk assessment process in 2021/2022. We will continue to monitor and review these matters in the next reporting period. The training programs for staff and use of the Self-Assessment Questionnaire continue to provide us with clear actions for improving our business practices.

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Remediation

If we identify modern slavery in our operations or supply chains, our response will be guided by the UN Guiding Principles on Business and Human Rights. We will prioritise the interests of the victim of modern slavery and participate in the provision of a remedy where we cause or contribute to the impact.

Assessing the effectiveness of our actions

Our modern slavery program is overseen by our Board.

In 2023, we will assess the effectiveness of our actions by reference to our goals, and will continue to oppose modern slavery in our business and supply chains. In 2023, our assessment will include comparisons of our modern slavery questionnaire results year-on-year, review of our whistleblower reports and seeking to engage with suppliers we consider to have a significant risk of modern slavery in their operations or supply chains where appropriate.

Globally, our short and medium term aim is to accelerate work on Human Rights Due Diligence and roll out an internal awareness and training campaign for our Human Rights Policy. We also plan to amend our supply chain management system and revise our Supplier Code of Conduct.

Consultation

The Reporting Entity has no subsidiaries. Representatives of all of our 5 key functions were involved in the preparation of this statement.

Approval

This statement was approved by the Board of Kuehne & Nagel Pty Ltd on 30 June 2023.

This statement applies to Kuehne & Nagel Pty Ltd.



Francis Murugan
Chairman and Managing Director – Kuehne & Nagel Pty Ltd

Dated: 30 June 2023

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