



2025

Kenco Sustainability Report

Published: October 2026

Reflections from Denis

As I reflect on the past year, I am proud of how Kenco continues to strengthen resilience and the foundation of our sustainability efforts. For us, sustainability is not a standalone effort, it is how we future proof our organization, prepare for changing conditions, and build long-term success for our people, customers, and communities. Every initiative that we pursue is designed to enhance adaptability, improve responsiveness, and support continuity across our operations as business needs evolve.

This year marked an important step forward in scaling responsible growth. As Kenco added over 380 employees and expanded our footprint from 41.5 million square feet in December 2024 to 47 million square feet in December 2025, we sharpened visibility across our operations and established consistent expectations for our Environmental, Social, and Governance (ESG) performance.

We continued to reduce our environmental footprint through increased electrification, energy-efficiency, and enhanced data across our operations, while exploring creative approaches to repurpose waste and minimize landfill disposal. At the same time, we invested in our people, expanding learning opportunities, strengthening health and safety, and deepening our community engagement, while enhancing our governance, data, and risk management capabilities to be well positioned for the future.

Growth brings complexity, and resilience depends on clear insight into how facilities manage risks, allocate resources, and improve over time. Our sustainability program plays a critical role in helping our locations to adopt proven practices from day one while advancing localized improvements that strengthen our network as a whole.

Looking ahead, our priorities remain clear. We will continue advancing sustainability initiatives by investing in technologies, partnerships, and operational strategies that reduce exposure to environmental and business risks. We are also strengthening tracking mechanisms and data capabilities to improve decision making, elevate accountability, and support transparent reporting. Measurement remains essential, not only for demonstrating progress, but for identifying emerging risks and adapting as conditions evolve.

Resilience is built through people, data, and shared responsibility. I am grateful to our associates, customers, and partners whose dedication drives this work forward. Together, we are building a Kenco that delivers operational excellence today and is well positioned to thrive in the future, creating lasting value for generations to come.

Denis Reilly

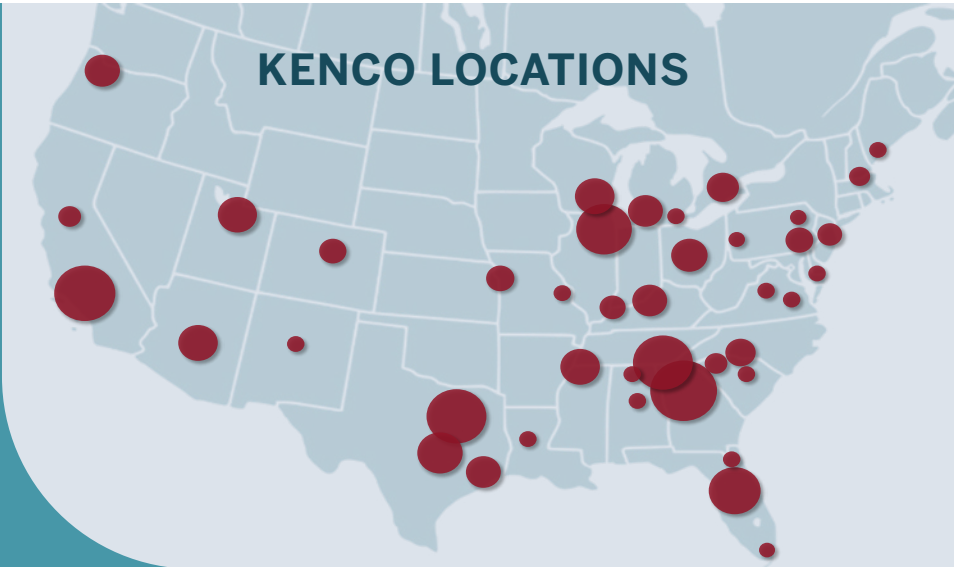
President and CEO, Kenco



About Kenco

For Kenco, sustainability is a core business capability shaped by 75+ years of learning, growth, and adaptation. Founded as a small, family-owned company, Kenco has grown by remaining agile, adapting to changing market conditions, evolving industry standards, and the needs of our customers, employees, and partners. This mindset of continuous improvement has been central to building a resilient organization and continues to power the evolution of our sustainability efforts today. By integrating ESG priorities into how we operate, we enhance reliability, protect our workforce, manage risk, and support long-term growth for our company and our customers.

In the spirit of transparency, this report highlights how our sustainability program supports safer workplaces, more engaged communities, responsible environmental practices, and sustained economic performance. We view sustainability as integral to our business, celebrating progress while consistently asking how we can do better and remain prepared for the next opportunity as we continue to grow.



Our **mission** is to be our clients' most trusted and preferred supply chain partner.

Our **vision** is to innovate relentlessly, delivering integrated logistics solutions on a national scale with the attention of a local partner.

Our **purpose** is to empower our team members to proudly serve our clients by delivering excellence every day.



Our recent awards and accomplishments underscore Kenco's leadership in resilient logistics and sustainable business practices.



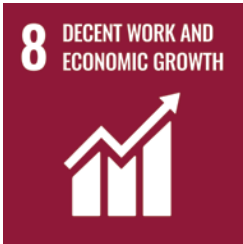
[Kenco EcoVadis Recognition Page](#)

Kenco’s Sustainability Strategy

Kenco’s sustainability strategy is designed to strengthen the resilience of our operations, our workforce, and the supply chains we support. We focus on the areas where ESG priorities most directly influence business continuity, risk management, and long-term performance.

This includes investing in healthy and engaged workplaces, operating with strong ethics and data protections, supporting the communities where we operate, and embedding environmental stewardship into everyday decision-making. We recognize that our impacts on people and the environment are closely tied to operational stability and customer outcomes.

To guide our efforts, Kenco aligns our sustainability commitments with the United Nations Sustainable Development Goals (UN SDGs), a framework for advancing sustainable development. Our initiatives contribute to several of these goals, and throughout this report we highlight the areas where our actions are creating an impact.



Through innovation, collaboration, and a disciplined governance structure, we proactively identify risks, improve efficiency, and build adaptive capacity across our organization, positioning Kenco to perform reliably today while preparing for future challenges and opportunities of tomorrow’s supply chains.

“Driving resilience in the 3PL industry is inherently complex, requiring strong connectivity, cross-functional collaboration, shared objectives, adaptability, and grit. As our sustainability journey evolves—shaped by changing regulations, customer expectations, and environmental and social priorities—we remain focused on strengthening data quality, reporting transparently, and partnering with stakeholders to drive meaningful progress.

Through steady improvements in energy efficiency, waste management, and operational practices, we are building a clearer view of our baseline, our progress, and our path forward. Our openness to innovation and continuous improvement makes this work both dynamic and rewarding. We are taking a deliberate approach and remain energized by the journey ahead.”

—Caroline Guild, Sustainability Manager

Kenco's Sustainability Strategy

OUR PROCESS AND APPROACH

In 2024, we conducted a materiality assessment aligned with leading sustainability frameworks, including the IFRS Foundation's SASB Standards, the Global Reporting Initiative (GRI), and the UN SDGs. Using a mapping and engagement exercise, we identified which ESG topics are material for our organization and our stakeholders:

 ENVIRONMENTAL.	Greenhouse Gas (GHG) and Energy Management
	Environmental Compliance
	Waste and Water Management
 SOCIAL.	Community and Culture
	Workforce Health and Safety
	Employee Engagement and Development
 GOVERNANCE.	Business Ethics and Integrity
	Data Privacy and Data Security
	Critical Incident Risk Management

Our ESG Steering Committee, comprised of various business functional leaders and led by our Sustainability Manager, provides strategic oversight for day-to-day execution of initiatives that contribute to our business within these areas.

2025 Progress Highlights

ENVIRONMENTAL.

Improved carbon intensity (metric tons CO₂e per \$1,000) by **3.45%**.

Material handling equipment improved to **86%** electric.

LED lighting is utilized in **87%** of warehouses leased and operated by Kenco.

Improved data collection and availability across our **140+** locations.

SOCIAL.

Developed **English as a Second Language (ESL) and Spanish for Business** programs.

Strengthened workplace health and safety by incorporating **Mental Health First Aid training and certifications** through the National Council for Mental Wellbeing.

Associates contributed **3,378** volunteer hours, the highest level of engagement in Kenco's history.

Achieved Kenco's lowest-ever total recordable incident rate (TRIR) of **2.18**.

GOVERNANCE.

Improved **ESG readiness and compliance** through enhanced data tracking.

Strengthened **social and governance practices** by expanding resources.

Reinforced **governance** through clearer accountability.

Enhanced **risk oversight and updated policies, internal systems, controls, and digital infrastructure**.

Environmental



Sustainability in Action

At Kenco, we focus on positive environmental outcomes by effectively and transparently monitoring environmental key performance indicators (KPIs) to identify opportunities for fleet electrification, improved facility energy efficiency, and overall waste reduction.



GREENHOUSE GAS EMISSIONS

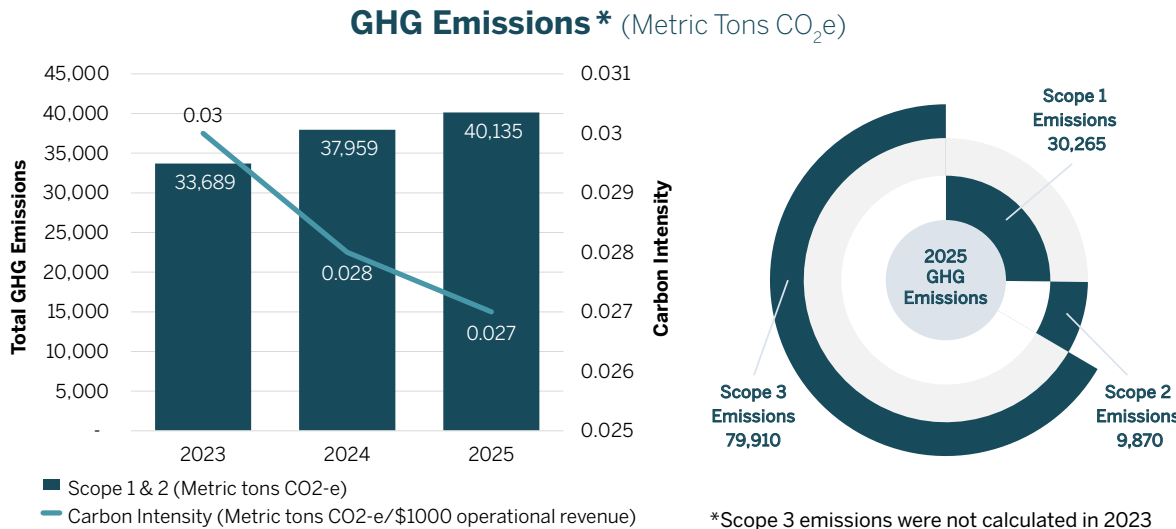
In 2025, we focused on regulatory readiness for the California Senate Bills 253 and 261, related to Scope 1 and 2 emissions and climate risk. Kenco is well prepared to meet these requirements, having completed foundational work that positions us to be ready if or when the requirements go into effect. We also calculated our Scope 3 emissions for the first time, marking a significant milestone in expanding our emissions coverage and data maturity. This work reflects not only our commitment to compliance, but also the importance of strengthening our business resilience and decision-making. As part of these efforts, we conducted a climate scenario analysis that evaluated potential physical and transition risks within our operations. A few key findings from the scenario analysis include:

- Kenco assessed physical climate risks across 50 key facilities over a 30-year horizon, identifying elevated risk primarily to tropical cyclones, water stress, and heatwaves (out of six total physical risk categories: flooding, sea level rise, wildfires, tropical cyclones, water stress, and heatwaves).
- Financial and operational risks are limited to select sites, with no material near-term business impacts due to Kenco's existing resilience and continuity practices.
- Transition risks, especially regulatory requirements, technology costs, and customer expectations, present the most significant forward-looking considerations with continued opportunities to improve efficiency and resilience.

We continue to enhance our methodology for collecting and tracking data for our Scope 1 and 2 emissions. In addition to our comprehensive internal systems, we use a third-party platform to accurately measure our utility consumption across all sites.

Our overall Scope 1 and 2 emissions increased in 2025 due to business growth and the expansion of warehouse locations. However, in 2025, our carbon intensity for Scope 1 and 2 emissions improved by 3.45% year-over-year, decreasing from 0.028 to 0.027 metric tons CO₂e per \$1,000 of operational revenue, reflecting our focus on energy efficiency as Kenco continues to grow.

Upon completing our first Scope 3 emissions inventory, we calculated total emissions of 71,077 metric tons of CO₂e for 2024, increasing modestly to 79,910 metric tons of CO₂e in 2025. The majority of our greenhouse gas emissions are associated with Scope 3 activities, particularly purchased goods and services, as well as employee commuting and remote work. This analysis establishes an important baseline for understanding our emissions profile and provides greater visibility into key emission drivers across the organization.



ENERGY EFFICIENCY

In 2025, we launched a site-level sustainability survey initiative to help inform decision-making, increase engagement, and embed sustainability across the organization. The survey provided valuable insights into site level practices, such as waste and water management, LED lighting, automation, electric material handling equipment, and employee generated ideas. These insights contribute to a clearer understanding of our current performance and help to identify opportunities for targeted improvements.



Efficiency Initiatives

- In 2024, we reached our goal of achieving at least 80% LED lighting across our facilities. Since then, we have maintained 87% at our warehouses, but we will continue to explore opportunities to implement more LED lighting, where reasonably feasible.
- Kenco strives to collaborate with our customers on sustainability and efficiency initiatives. As part of these efforts, two facilities within our operations are currently LEED certified. We always welcome opportunities to work with our customers on sustainability projects.

87%
**LED lighting across
our facilities**

Automation & Efficiency

- Kenco has been working with a third-party to identify energy efficiency opportunities at various facilities.
- Continued our partnership with GreyOrange by expanding deployments of autonomous mobile robots (AMRs), resulting in an average energy reduction of 44.8% compared to traditional lead-acid material-handling equipment.
- Partnered with a labor management technology provider to pilot a first of its kind gamification platform designed to improve performance and productivity. The system tracks real-time metrics like attendance, quality, and productivity, and measures performance when employees are clocked in and logged into different operations, when employees are clocked in and assigned to specific operations, with results displayed on centralized digital monitors. The platform enables live performance visibility and coaching and has delivered a 7% productivity improvement, driven by reduced warehouse travel, peer led learning, and enhanced efficiency operational insights. Management defines the metrics, teams, and scoring methodology, while teams create custom names and compete in friendly competition. Performance rankings result in first-, second-, and third-place finishes, with incentives ranging from recognition awards to monetary payouts, increasing engagement and sustained participation.
- Deployed a new automation system at one of our Phoenix facilities that enables automated and manual trailer loading and unloading, improving safety, including lowered risk for accidents and near misses, through automation that reduces employee exposure to operational risks year-round, such as decreased heat-related exposure during summer month.



Fleet Optimization

We continue to expand our focus to improve fleet efficiency and reduce emissions, including route optimization and consolidation, driver training programs focused on smooth acceleration and reduced idling, driver incentives tied to fuel efficiency, and consistent fleet maintenance practices. Some of our other fleet management practices include:

- Updating our software to report and benchmark fleet asset metrics against other carriers. The carbon emissions reporting functionality is still under development.
- Onboarding a fleet maintenance management system to strengthen maintenance tracking and performance.
- Working with information technology (IT) team to integrate updated Electronic Logging Devices across all power units to capture data on driver performance and preventive maintenance. This integration will provide visibility into over-idling, failing sensors, and clogged filters related to diesel particulate filter systems. It will also track driver behavior and the consistency of preventive maintenance execution to improve efficiency.

Environmental Metrics: Performance & Progress

	Units	2023	2024	2025
Scope 1 & 2 Emissions	Metric tons CO2-e	33,689	37,959	40,135
Scope 3 Emissions	Metric tons CO2-e	N/A	71,077	79,910
Carbon Intensity	Metric tons CO2-e / \$1000 operational revenue	0.030	0.028	0.027
Total Energy Usage	kWh	134,887,905	148,296,763	157,101,736
Renewable Energy Generated	kWh	360,383	359,612	344,442
Renewable Energy Consumed	kWh	219,104	208,649	175,563
Total Waste to Landfill	Tons	7,302	8,190	10,530
Waste Diversion from Landfills	Tons	1,673 (18.88%)	2,037 (19.85%)	1,784 (14.5%)
LED Utilization in Our Leased and Operated Warehouses	%	75%	87%	87%
MHE Electrification Across Portfolio	%	82%	78%	86%



ENVIRONMENTAL COMPLIANCE

Environmental compliance is a foundational component of Kenco’s environmental stewardship and risk management approach.

We recognize our responsibility to safeguard natural resources and minimize environmental impacts across our operations and the communities in which we operate. Kenco maintains robust processes to monitor, implement, and comply with applicable environmental laws and regulatory requirements, including those related to stormwater pollution prevention and the management of hazardous materials. Where applicable, associates participate in comprehensive, role-based training programs designed for regulatory compliance and operational consistency. These programs address key environmental compliance areas, such as Hazard Communication (HAZCOM); Department of Transportation Hazardous Materials (DOT HAZMAT) regulations; hazardous waste management with Resource Conservation and Recovery Act (RCRA); and stormwater management using Spill Prevention, Control, and Countermeasure (SPCC).

RESOURCE MANAGEMENT

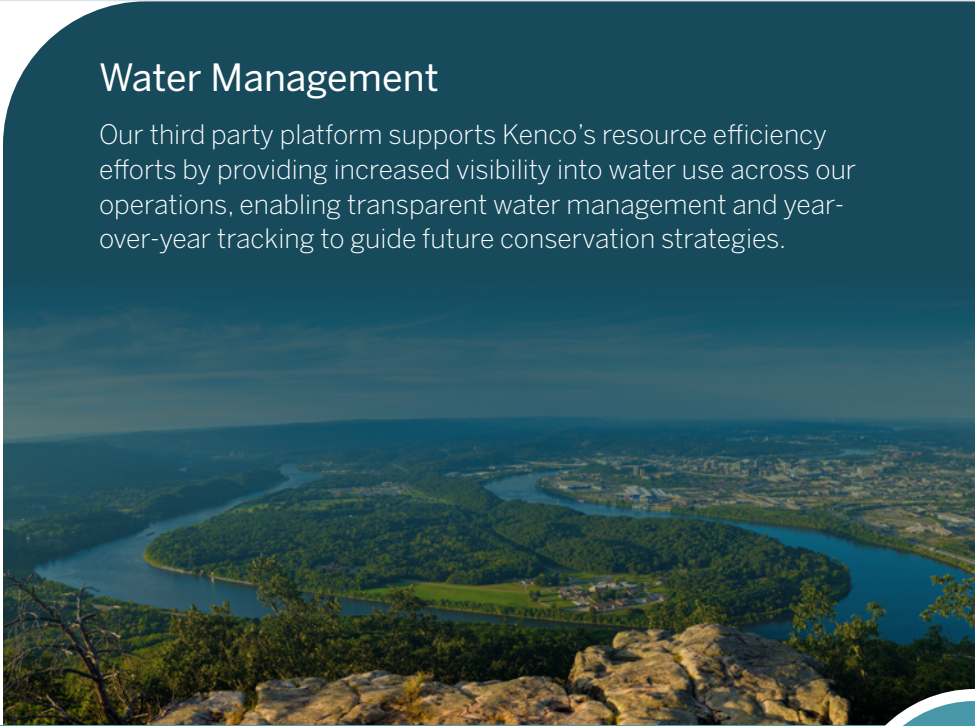
Waste Management

In 2025, Kenco diverted 1,784 tons of waste from landfills, with total waste to landfill amounting to 10,530 tons, based on approximately 95% of tracked waste.

We annually track waste metrics to identify performance gaps that help lead to optimization of our waste diversion programs and greater visibility for implementing site-specific initiatives. We have found success using waste dashboards to identify specific metric driven initiatives, such as composting nearly 150 tons of waste across multiple locations in 2025 for both discarded and damaged food products. Advancing our tracking mechanisms provides critical insights that inform future decision-making, which we leverage to drive continuous improvement and support more targeted waste reduction strategies company-wide.

Water Management

Our third party platform supports Kenco’s resource efficiency efforts by providing increased visibility into water use across our operations, enabling transparent water management and year-over-year tracking to guide future conservation strategies.



Social



Strength in Community and Culture

At Kenco, our success is powered by our people and the communities we are a part of. By intentionally investing in community and culture, we are building an environment where people feel connected, supported, and proud to belong today and for the next 75 years.



WORKFORCE HEALTH AND SAFETY

We are focused on maintaining a workplace where individuals feel secure, supported, and confident in performing at their best.

Through continued investment in robust safety systems, ongoing training, and a culture grounded in care and accountability, we reinforce health and safety as shared responsibilities and embedded elements of our daily operations.

Building a Safety Culture

At Kenco, the health, safety, and well-being of our people come first, which is why we continue to invest in programs that strengthen our safety culture. Over the year, we expanded onsite physical wellness services across operational locations and at the corporate level, recognizing the role physical readiness and well-being play in injury prevention and day to day safety.

We also advanced mental well-being as a core component of workplace safety through instructor led Mental Health First Aid training and certification. In addition, Safety Moments shared at both site-level operations and corporate meetings help reinforce shared responsibility and keep safety present in everyday discussions.

Our approach extends beyond tracking injuries alone, and we recognize that a lack of incidents does not necessarily indicate strong safety capacity. To better understand potential risks, we investigated nearly 1,000 near misses and more than 2,000 reported safety concerns throughout the year. By learning from these “almosts”, we focus on strengthening awareness and reducing risk before incidents occur.



Safety First: 'Safety Starts with ME!' Campaign

Kenco fosters a proactive, people-centered safety culture, exemplified by the launch of our Safety Starts with ME! campaign.

This initiative empowers employees at every level to take personal ownership of safety by strengthening self-awareness, improving risk recognition, and embedding intentional "safety resets" into daily routines. By focusing on human factors and personal accountability, the campaign promotes a mindset in which everyone actively contributes to creating and maintaining a safer work environment.

In 2025, this approach delivered measurable results, with Kenco achieving one of the strongest safety performances in company history and demonstrating meaningful progress within our industry. The campaign drove a 20% year-over-year reduction in both TRIR and lost time incident rate (LTIR), resulting in the lowest rates ever recorded at Kenco. More than 20,000 Safety Spotlights were logged, and 60 Kenco locations completed the year with zero Occupational Safety and Health Administration (OSHA) recordable injuries. We are especially proud of our team members who shared personal reasons for prioritizing safety and made a public pledge to protect themselves and one another.

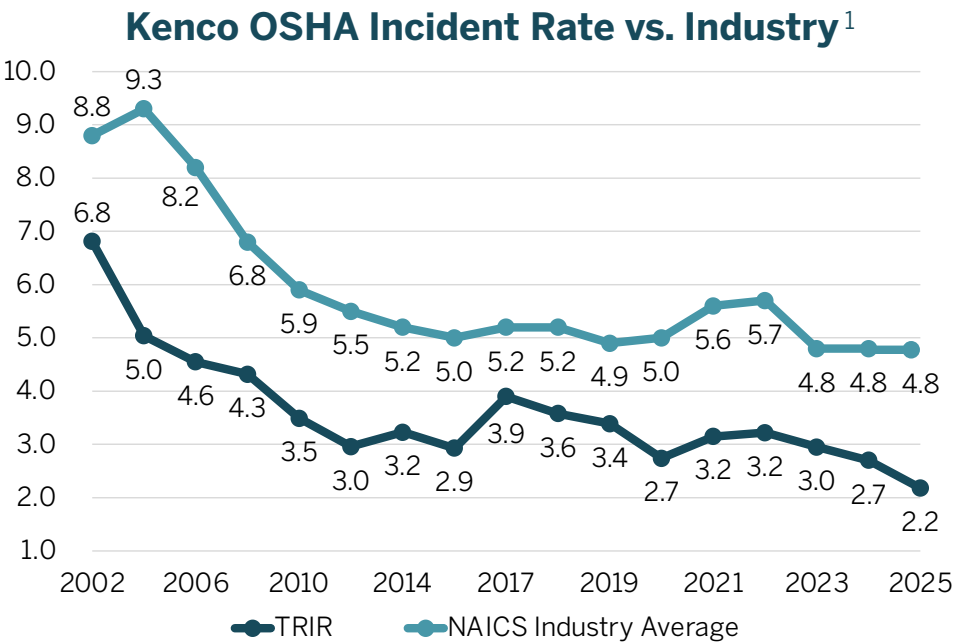


Social

Safety Metrics: Performance and Progress

Our OSHA TRIR improved to 2.18 in 2025, continuing to outperform the industry average. These results underscore both the effectiveness of our safety programs and the strong engagement of our employees.

	2023	2024	2025
OSHA TRIR	2.93	2.70	2.18



¹ Bureau of Labor Industry Average for Warehousing and Storage October 2025 (NAICS Code 49311)

In 2025, we deployed a new enterprise safety management platform that has strengthened our ability to monitor and report both leading and lagging safety indicators. The system continues to enhance our visibility into safety culture and performance metrics, has improved benchmarking against global organizations, and is strengthening our foundation for data-driven decision-making. This investment is reinforcing Kenco’s position as a safety leader by better equipping the company to drive continuous improvement across our operations.

Our MCS Ogden, UT facility celebrates 1,000 days incident-free!



“We are incredibly proud of each and every one of you for your dedication to safety and your hard work in maintaining a safe and productive work environment. This achievement is a result of all of us working together, looking out for one another, and always striving to do better”

—Mike Jones, MCS Ogden Operations Manager

“Our Journey to Safety Excellence continues to drive meaningful improvement through engaged and empowered teams. In 2025, **Safety Starts with ME!** brought associates together in a shared commitment to safe work, reinforcing personal ownership through storytelling and mind-on-task safety resets.”

—John Barlew, Vice President of Safety

CULTIVATING COMMUNITY AND CULTURE

At Kenco, our people remain central to our purpose and performance. Supporting an environment where employees feel heard and empowered to strengthen teams, enhance collaboration, and drive positive outcomes for our customers and communities.

Our approach prioritizes building trust and psychological safety, supporting continuous learning and professional growth, cultivating a sense of belonging, and strengthening ties to the communities where we operate. Together, these efforts help create an environment where every employee feels connected and able to contribute authentically.

As we continue to build on the strong cultural foundation established across our organization, we remain focused on elevating and fostering a healthy, inclusive, and high performing workplace.

We maintain and operate two Community and Culture field chapters, including a corporate chapter, serving as key forums for fostering engagement and cultural alignment across the organization. For example, at our corporate chapter, we facilitate ongoing programming and discussions that bring employees together, including interactive events, learning sessions, community outreach, and opportunities to recognize and celebrate diverse backgrounds. Activities are scheduled at a regular cadence, with at least one initiative each month, and are thoughtfully aligned with cultural awareness observances to encourage inclusion, connection, and a deeper sense of shared understanding across our workforce.



Social

A Culture of Belonging

Our Employee Community Networks (ECN) play a key role in strengthening our culture of connection and inclusion. Through ongoing meetings, panels, and open dialogue, these networks create spaces where allies and employees with shared experiences can connect, learn, and support one another.



Our Veterans' ECN - Honor, Empower, Resource, Outreach, Engagement, Service (HEROES)

Mission

Facilitate focused, positive interactions amongst our veterans and those interested in or involved with the military community.

HEROES provides an employee network to support veterans, service members, and allies through mentorship and community engagement.

As part of one 2025 theme, **“Mentorship in Action,”** the network recognized January’s Mentorship Month by facilitating shared experiences, mentorship-focused exercises, and resources, including GallantFew, to help members navigate personal and professional development.



“The HEROES ECN has been one of the most meaningful parts of my time at Kenco. Since joining five years ago, the group has provided the camaraderie, purpose, and support that many Veterans miss after leaving a structured, mission driven environment. HEROES has grown alongside Kenco, helping establish Veterans Day as a paid holiday, hosting annual Veterans Day events, and partnering with organizations such as the VFW and A Soldier’s Journey Home to support Veterans in our community. What makes this work especially impactful is how closely it aligns with Kenco’s guiding principles. We lead with humility and respect, earning trust through authentic service to one another. We demonstrate courage, commitment, and compassion by empowering every individual and promoting inclusion. And we strive to get better, delivering meaningful results and strengthening our community through disciplined, purpose driven action. HEROES is a clear example of these principles in motion, and I’m proud to contribute to a group and a company that continues to build a thriving culture and a best place to work environment.”

—David Guzman, Senior Benefits Analyst



Kenco Women Igniting Change (KWIC)

Mission

Cultivate and sustain an environment where women thrive at Kenco through connection, development, and discussion.

In March 2025, we presented our KWIC's Women's Leadership Panel to celebrate Women's History Month.

Featuring some of Kenco's female leaders, the panel explored key themes such as mentorship, courageous risk-taking, collaboration, and practical strategies for managing stress and preventing burnout.

Building on these conversations, KWIC launched an inaugural Book Club featuring **How Women Rise** by Sally Helgesen and Marshall Goldsmith, reinforcing the group's focus on supporting women's leadership and growth, increasing awareness of career-limiting habits, and equipping employees and allies with practical tools to advance women across the organization.



"KWIC has provided opportunities for me to increase my own awareness and raise the awareness of others around the issues women and girls face in the workplace and society. I have appreciated the views of my colleagues and sharing space with the like-minded women on our council. I have felt a sense of belonging with KWIC and have excitedly witnessed the increase of sites joining our calls. My hope is that anyone who joins our calls or any of the ECN calls will feel the connection with others and learn along the way."

– Amy Buckley, HR Business Partner



Leveraging Inclusion for Transformation (LIFT)

Mission

Always helping individuals feel empowered, supported, and seen, while providing the tools needed to help teammates feel the same.

In 2025, LIFT focused on engagement related to connection, respect, and community-building during times of complexity and change.

Meetings created safe, supportive spaces for employees to listen, learn, and engage thoughtfully, while also honoring Black History Month by recognizing leaders who advanced equality and strengthened black communities. Interactive discussions explored ways to bridge differences, build allyships, and reinforce a culture of inclusion, culminating in our intranet community page,

It Takes a Village to Build a Community, which elevated voices from across Kenco and encouraged continued engagement.



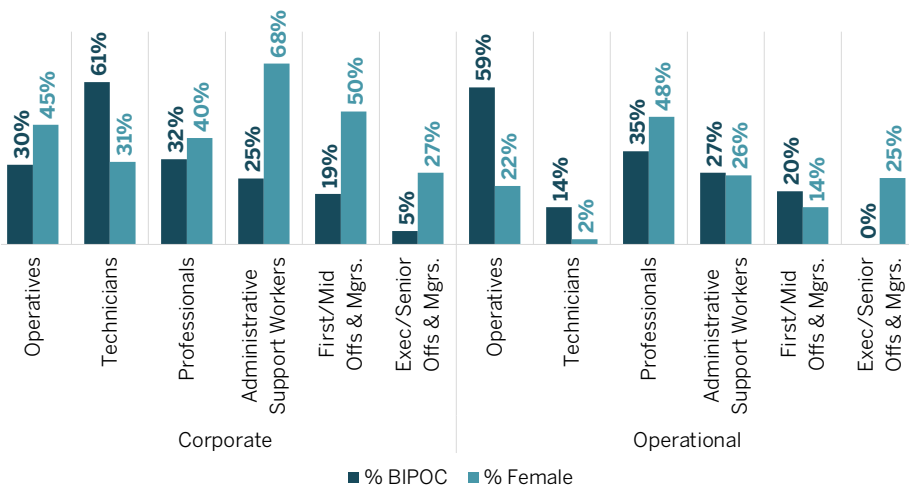
"Through LIFT, I've built meaningful relationships with people across the company that I never would have met otherwise, and it's given me a deeper sense of purpose here beyond my day to day work. I wanted to help create the kind of workplace where people genuinely love showing up every day, a place where everyone feels included, valued, and seen. Being able to have a positive impact on our community and build that with my council members and all of the wonderful individuals across Kenco that join our meetings throughout the year, means so much to me."

—Danielle Hamm, Digital Marketing Specialist

KENCO DIVERSITY 2025

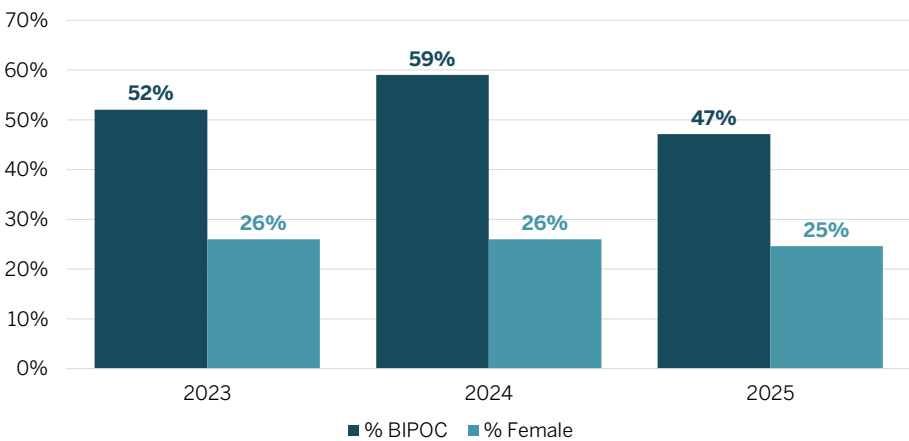
Data as of 12/31/2025

Diversity by Kenco Job Grouping ¹



¹ Kenco diversity by EEOC job level categories

Diversity at Kenco ²



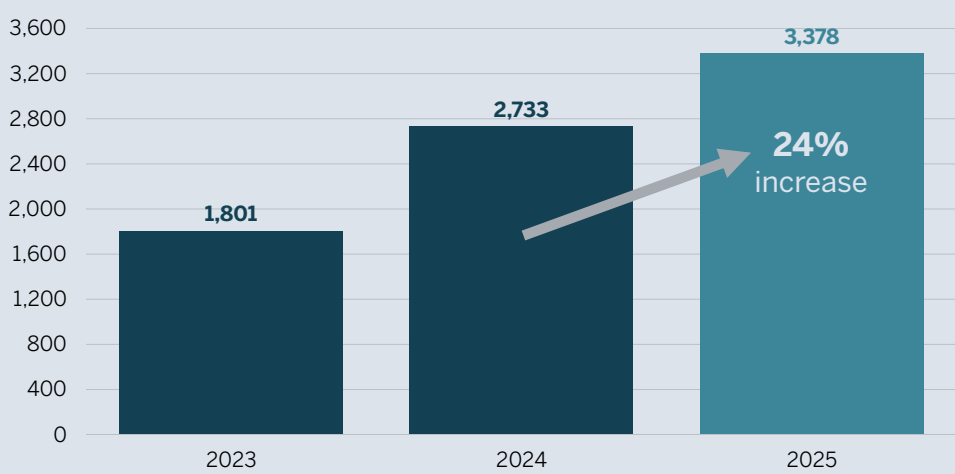
² Kenco enterprise-wide diversity trends

Showing Up for Our Community

Kenco has established community outreach at the forefront of our values by giving back to our communities through both volunteer efforts and financial support.

In 2025, Kenco employees contributed 3,378 volunteer hours, a 24% increase from 2,733 in 2024, and the highest volunteer hours Kenco has ever measured.

Volunteer Hours



In 2025, employees participated in more than 100 organizations and employee led initiatives. A company leadership summit was leveraged to collect over 250 books for Girls Inc., reflecting strong hands on involvement. Additionally, employee contributions to United Way reinforced a culture of generosity across the organization.



Social

In celebration of our 75th anniversary, Kenco deepened our community impact by investing in both people and places, including our employee volunteers partnering with green|spaces to plant 17 trees, supporting a greener future for Chattanooga schools and neighborhoods. Kenco presented green|spaces with a donation to further advance local environmental initiatives and community resilience.

In addition to employee led community engagement, Kenco supports disaster relief and recovery efforts through strategic partnerships. As an approved Federal Emergency Management Agency (FEMA) transportation provider, the company is capable of arranging the movement of critical disaster supplies and also provides ongoing financial support to the American Logistics Aid Network.



Community Involvement Spotlight

Kenco’s Monee, Illinois site demonstrated outstanding community involvement in 2025, earning Volunteer of the Year recognition from the Monee Township Food Bank.

The team contributed a total of 174 volunteer hours throughout the year, making a meaningful impact.

“This recognition is particularly meaningful to us, as it reflects our strong dedication to the community where we live and work.”

–Sharon Ware, Mgr. Human Resources

Social

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

At Kenco, we recognize that sustainable, long-term success is built on investing in our people. This approach is reflected in a robust range of learning and development opportunities that support growth for both individual contributors and leaders.

Kenco offers a variety of learning programs and resources designed to support skill development across the organization. These include initiatives such as Job Trainer Certification Program, a broad catalog of e-learning courses, and a structured learning approach focused on aligning specific objectives with defined knowledge outcomes. Many learning resources are also delivered through Kenco's learning management system. This centralized platform provides associates access to a wide range of courses that support both role specific learning and broader professional development.

Some of the topics in the self-paced e-learning, instructor-led courses, and structured programs include:

- Delivering and receiving feedback
- Leading crucial conversations
- Facilitating training and knowledge-sharing
- Identifying and building on personal strengths
- Supporting new hires



Our goal is to foster a workforce that feels connected, supported, and resilient, contributing to the company's shared success.

OPERATIONAL CONTINUITY

Operational continuity at Kenco relies on a stable, engaged workforce.

Our Human Resources team members and General Managers play a key role in supporting this stability through consistent leadership, clear communication, and strong execution of talent programs. While engagement is a shared responsibility, Human Resources and General Managers play a key role in retention and workforce stability by helping team members feel supported, developed, and connected at work.

We also strengthen workforce stability through our Kenco Connectors program. Connectors support new hires during the transition by serving as peer to peer guides, helping new team members feel welcomed and integrated into Kenco's culture. Our Connectors provide encouragement, share resources, and help new team members navigate roles. This program also helps mitigate workplace isolation, which can contribute to disengagement and turnover. By fostering a sense of belonging and community, Connectors help build trust, social connection, and psychological safety. These relationships support an engaged workforce and help Kenco maintain operational continuity over the long term.

"Kenco is advancing our business continuity planning to strengthen organizational resilience. Over the past 12 months, we launched a cross-functional effort with leaders in Operations, I.T., Risk Management, Solutions, and Safety to review the top business continuity plans across more than 140 locations, and identify best practices for adoption. Informed by direct input from leaders who have managed real crisis scenarios, including major facility losses, the new standard incorporates direct experience and modernizes threat assessments to address risks such as data breaches and cyberattacks, helping ensure the company can respond effectively when customers depend on it."

—Jeff Sacker, VP of Logistic Operations

LEADERSHIP DEVELOPMENT

Kenco focuses on developing leaders across the organization, with the Leaders Engaged in Advanced Development (L.E.A.D.) program, demonstrating a structured and effective approach to senior leadership development.

L.E.A.D. is a three-year, cohort-based program designed to advance Kenco's "Get Better" guiding principle by preparing senior leaders for the transition from Director to Executive.

The program builds leadership skills and mindset over time to boost engagement, retain top talent, and support long term leadership strength. Through a blended learning approach, participants develop leadership skills by engaging with senior leaders, taking part in business simulations, participating in structured job shadowing, and collaborating in dynamic, skill focused workshops.

"Participation in the LEAD program had an incredible impact both personally and professionally. It challenged me to think strategically, strengthen my communication skills, and embrace continuous growth. I was able to build strong connections and it has positively influenced the way I lead others."

—Kenny Gordon, Director of Logistic Operations

Our 2025 L.E.A.D Graduates



SPOTLIGHT

Spotlight is Kenco’s internally developed, enterprise-wide software platform designed to strengthen operational excellence, safety, engagement, and continuous improvement across warehouse and corporate environments.

Organized into modular tools, Spotlight enables frontline and leadership teams to recognize positive behaviors and improvement opportunities (“Thumbs Up” and “Stop & Think”), conduct structured observations such as Gemba Walks, 5S audits, quality and safety observations, and assign and track action items at the site level. The platform also supports broader workforce engagement and communication through features such as pulse surveys, employee suggestions, digital recognition badges, SMS communications, driver messaging, and new-hire reminders, all governed by robust role-based permissions and site-specific configurations. Integrated with Kenco’s HR systems, Spotlight provides real-time dashboards and reporting that allow leaders to monitor participation, identify trends, reinforce safe and efficient practices, and drive accountability, ultimately serving as a unifying digital backbone for operational resilience, culture, and performance management across Kenco’s network.

Social Metrics: Performance & Progress

3.97	Gallup Rating Comparable to 3.98 in 2024
29.1%	Voluntary Employee Turnover Improvement from 30.7% in 2023
59.1	Net Promoter Score (NPS) above the average benchmark for B2B Industry of 34 (according to 2024 B2B International Superpowers Index)

Growing Engagement: From a Single Seed to a Shared Initiative

In Billy Baber’s, a Kenco Warehouse Clerk, small backyard experiment, growing a watermelon from a casually planted seed, sparked a broader initiative at one Kenco facility in Wilmer, Texas. With encouragement from coworkers, he built raised garden beds using repurposed pallets and began growing produce such as herbs, tomatoes, peppers, and strawberries.

Today, about 10 associates actively maintain the garden, with several inspired to start their own at home. This employee-led effort reflects strong engagement and peer support across our operations, bringing colleagues together and promoting collaboration.





Governance

17 PARTNERSHIPS
FOR THE GOALS



Governance for a Sustainable Future

At Kenco, strong governance and operational resilience are essential to maintaining effective oversight and supporting our responsible growth.

We recently implemented three new enterprise management systems to strengthen workforce management, asset oversight, and employee travel coordination. Together, these systems enhance governance, ESG performance, and enterprise risk management by improving data transparency, strengthening internal controls, and supporting operational continuity. By providing reliable, near real time insights across key operational areas, these capabilities enable more consistent decision making, reduce reliance on manual or fragmented processes, and support proactive risk management. Collectively, these platforms reinforce Kenco's resilience and long term value creation while advancing well governed, sustainable business operations.



BUSINESS ETHICS AND INTEGRITY

Business ethics and integrity are fundamental to how we operate and build trust with our customers and partners.

In 2025, we strengthened our governance framework to better address emerging digital and ethical risks, partly by improving our data tracking on ethics and compliance-related metrics. We also established a new executive role, Chief Digital & Information Officer, to provide strategic oversight of data, technology, and digital transformation initiatives. These updates, along with ongoing work to implement enhanced risk management systems, contribute to our approach to ethical conduct and responsible decision making.

All employees receive regular training on business ethics to support a shared understanding of our standards and expectations. We also maintain a confidential reporting mechanism which continues to be an effective and trusted channel for employees to raise concerns. This process reinforces our commitment to transparency and accountability, and encourages an environment where individuals feel comfortable raising issues.

Innovation & Collaboration

In 2025, Kenco launched a new Vice President of Strategic Transformation role to deepen customer partnerships and drive innovative, high-impact supply chain solutions.

Through collaborative workshops focused on efficiency, resilience, and sustainability, the role helps translate strategy into action. In one collaboration, Kenco worked with a customer that has publicly set emissions-reduction targets to explore decarbonization opportunities, including the potential use of electric yard shuttles to reduce operational emissions.



Governance

DATA PRIVACY AND DATA SECURITY

Protecting customer data is fundamental to maintaining trust across our supply chain.

We employ a layered, proactive approach to cybersecurity that includes continuous IT system monitoring, comprehensive data governance policies, cloud-based security controls, and role-based access management. These safeguards are strengthened by regular risk assessments and vulnerability testing, with cross-functional teams monitoring and responding to evolving threats. To reinforce a strong culture of awareness, ongoing training is required for all employees on cybersecurity and phishing simulation topics.

In collaboration with the Chief Digital & Information Officer, we introduced a formal artificial intelligence (AI) policy and established an AI governance committee to guide the responsible development and use across the organization.

“Kenco continues to demonstrate best of breed behavior by strengthening its cybersecurity posture this year via expanding layered, intelligence driven controls that safeguard both internal operations and customer data. The company is advancing its zero trust architecture, tightening identity and access management, and deploying continuous monitoring across cloud and on prem environments to detect and contain threats in real time. Investments in incident response readiness, third party risk oversight, and security automation are designed to reduce disruption and accelerate recovery, reinforcing overall organizational resilience. Together, these initiatives reflect a proactive, adaptive security strategy that protects the business today while preparing it for emerging risks ahead.”

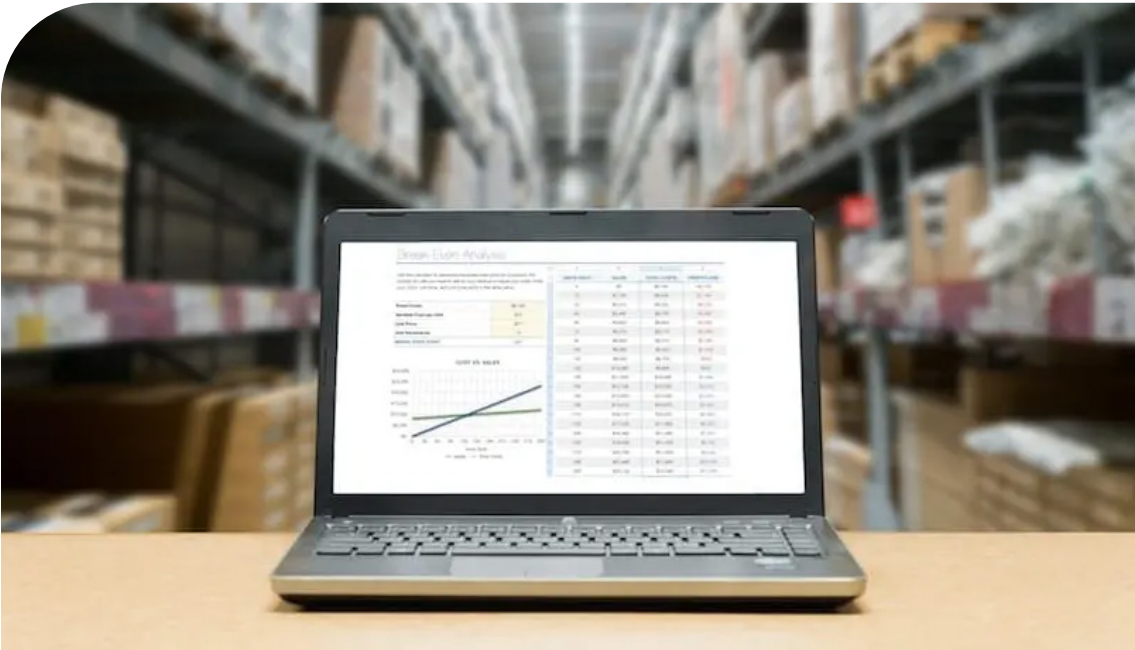
–Mike Crumpler, Vice President IT Security

Advancing System and Organization Controls (SOC) 2 Compliance

To further strengthen our information security posture, Kenco initiated our SOC 2 Type II compliance journey in calendar year 2025.

During the year, we established a dedicated cross functional team, completed a formal readiness assessment, and began implementing key controls aligned with SOC 2 criteria. These efforts lay the foundation for enhanced operational discipline, stronger risk management, and greater assurance for customers regarding the security and reliability of our systems.

Looking ahead, our team will continue efforts to support strong data security and privacy, and demonstrate to our customers, partners, and associates that safeguarding information is central to how we do business.



Governance

RISK MANAGEMENT

Supply chain resilience depends on strong preparation for unexpected events.

Kenco's incident risk management is built into our daily operations through trained teams and tested response systems. Our risk management team supports this work with environmental, health, and safety programs, focused risk assessments, strong security controls, and site specific continuity plans with external recovery support as needed. Some of these activities include:

- Site-level vendor safety evaluations, including standard procurement reviews, workers' compensation EMR assessments, and evaluation of overall safety programs
- Operational risk management with job hazard analyses conducted for new sites and when new equipment or technologies are introduced
- Enterprise risk assessment through annual catastrophe modeling of distribution locations to evaluate weather-related risks and mitigation measures

AI Policy and Governance Body

The cross functional AI committee includes leaders from IT, Risk, Legal, and Human Resources, bringing together technical, operational, legal, and people focused perspectives. One of the committee's initial priorities was developing Kenco's AI Policy and overall governance framework to guide ethical and secure AI adoption.

The AI Governance Body meets regularly to review new AI tools, evaluate emerging risks, and address evolving regulatory and ethical expectations, helping keep AI initiatives aligned with company values, risk management practices, and long term business objectives.



"At Kenco, resilience is not a static goal, it is a continuous capability we are intentionally building as our industry, workforce, and technologies evolve. We are at a pivotal moment, defined by a fundamental shift in how work is performed and how intelligence is created, applied, and scaled. Our approach is intentional: we are investing in AI technologies while also investing in our people through training, clear guardrails, and responsible use to drive engagement, efficiency, and trust.

Across our corporate teams, we are enabling the use of generative AI tools such as Copilot, Claude, and ChatGPT, the same technologies the future workforce will harness. By adopting these tools early and responsibly, we strengthen our ability to adapt as roles evolve while maintaining strong governance and data protection. In our operations, we are leveraging agentic AI to move beyond traditional automation, using intelligent systems to analyze complex variables, uncover insights, and drive optimization, positioning us not just for the future, but to lead it."

–Pal Narayanan, Chief Digital & Information Officer



Crisis Management

Kenco is currently establishing a crisis management software tool to support business continuity during disruptive events.

This includes a centralized system to manage notifications to sites and associates, such as weather alerts and advanced preparation guidance, helping teams stay informed and ready to respond.

In addition, the system is intended to support management efforts to respond swiftly and effectively once an event occurs. This includes coordinating actions across sites, tracking developments as situations evolve, and supporting clear communication throughout the response period.

Climate Related Risks

Kenco integrates climate-related risk considerations into the early stages of new customer onboarding and facility scoping.

The risk management team evaluates acute, chronic, and transition risks based on facility location and operations, including exposure to extreme weather events such as tornadoes and flooding. These assessments help determine whether mitigation measures or facility improvements may be needed.

Flood risk assessments also evaluate stored commodity types and warehouse placement to reduce potential environmental contamination risks. All evaluations are conducted in accordance with our Risk Assessment Policy and are informed by FEMA Flood Maps, FM Natural Hazard Maps, publicly available climate data, regulatory reviews, and internal operational insights.

Looking Ahead

Over the past year, we continued to move our sustainability efforts forward by strengthening our foundations, deepening engagement, and reinforcing a culture rooted in community, safety, and long term value. Looking forward, we are focused on building even greater transparency and accountability through initiatives like:

- Obtaining SOC 2 certification
- Increasing engagement across the organization
- Using regulatory requirements to strengthen and mature our sustainability program
- Continuing to embed sustainability into everyday decisions and operations
- Building partnerships that enable collaboration and shared progress

Together, these steps support greater transparency, stronger integration across the organization, and sustained value creation for people, customers, and communities.

Powered by Partnership. Driven by Purpose.

Kenco supplies integrated logistics solutions that include distribution, eCommerce fulfillment, comprehensive transportation management and material handling equipment services, and customized supply chain solutions – all designed for Operational Excellence. Kenco continues to be a leading 3rd party logistics provider in North America, building lasting customer relationships for over 75 years. Kenco's focus is to support customers' business needs through connected solutions and to redefine third-party logistics by offering innovative solutions.

If you have any questions about the contents of this report, please reach out to us here.