

SAVAGE[®]

WHAT WE DO MATTERS

SUSTAINABILITY REPORT | 2021

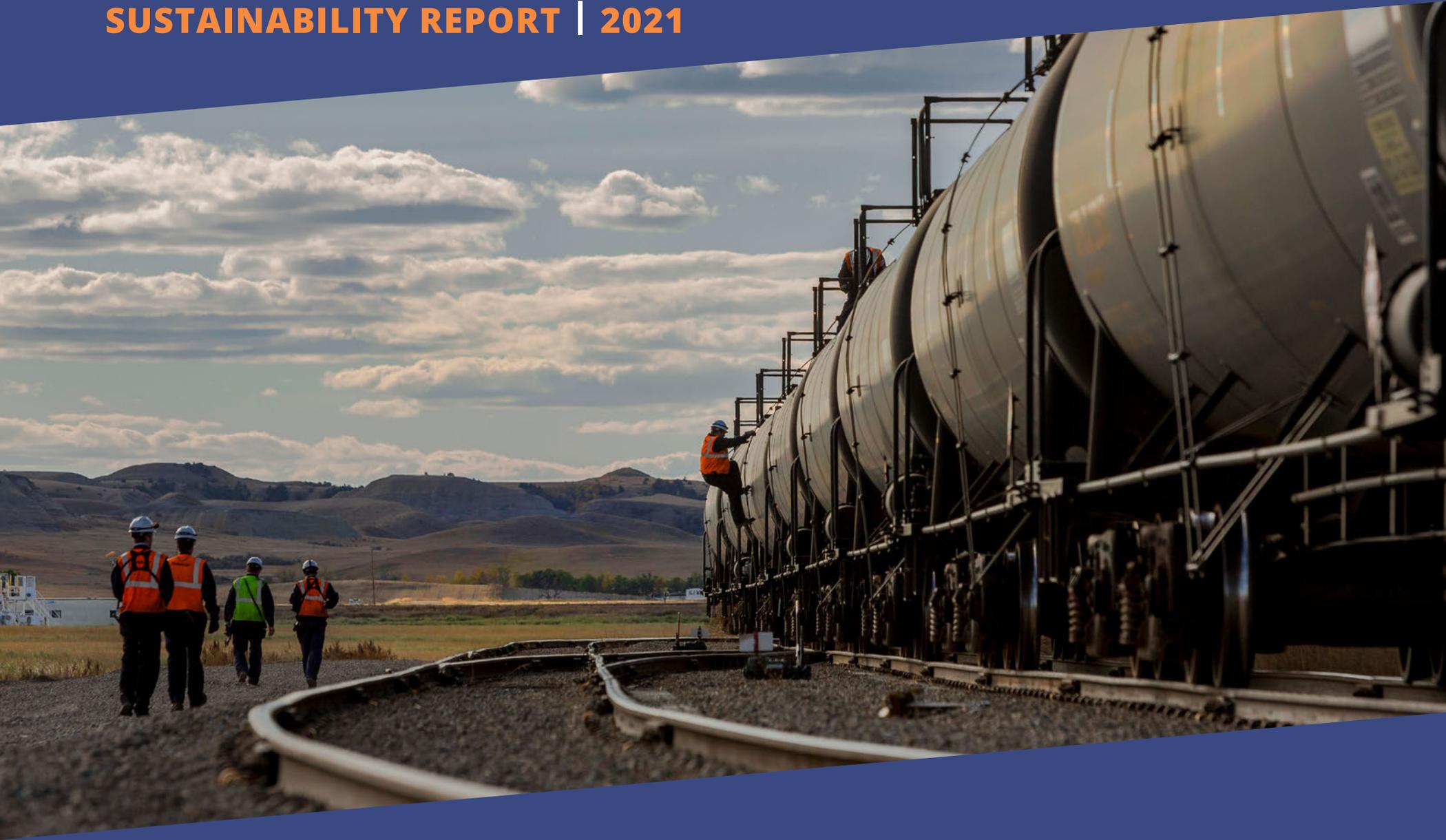




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MESSAGE FROM OUR CEO

TO OUR STAKEHOLDERS,

What we do matters. It takes interconnected networks of purpose-driven, values-based, and results-oriented people to safely and responsibly deliver the food, products, and energy we all need every day. We're supply chain experts with approximately 4,000 Team Members in over 200 locations. Savage is known for operational excellence, dedication to safety, ethical business practices, commitment to developing Team Members, and as a trusted supply chain partner across multiple industries. We move and manage what matters, *enabling our Customers and Partners to Feed the World, Power Our Lives, and Sustain the Planet.*

Our founders — Kenneth, Neal, and Luke Savage — built this company on principles of hard work, integrity, and innovation. Over 75 years, we've grown and successfully navigated changing markets by consistently aligning our actions with the values practiced by the Savage brothers and conveyed in their *Vision and Legacy*, our "cultural constitution." We continue to follow their example by striving *to do the right thing, find a better way, and make a difference* for our Team Members, Customers, and Communities.

We recognize the importance of sustainable supply chains and are committed to their continuous improvement. We're aggressively working on innovative solutions and developing infrastructure to support the transition to a lower-carbon transportation system – we currently have over half a billion dollars of projects in the renewable fuels space in our business development pipeline. We've also significantly expanded the reach of our emergency response, environmental remediation, and waste management services to keep more communities clean and safe.

For decades, we've partnered with *United Way* and other not-for-profit organizations and educational institutions to make meaningful changes benefiting students, neighbors in need, military veterans, and others in our communities. We're proud of our diverse workforce and continue to drive greater diversity within our team. Our culture is about making sure that everyone at Savage is included, valued, respected, and empowered to *make a difference*. We're constantly working to improve the level of service we provide, the safety of our operations, and the protection of our Customers and the communities where we work.

Environmental, Social, and Governance (ESG) principles are key drivers of our strategy that differentiate us in providing value to Customers and Partners. We're excited to present this inaugural 2021 Sustainability Report as we look forward to an even brighter future.



Sincerely,

A handwritten signature in black ink that reads "Kirk Aubry". The signature is written in a cursive, slightly slanted style.

Kirk Aubry

**PRESIDENT AND
CHIEF EXECUTIVE OFFICER**

ABOUT SAVAGE

Our Company

Savage Companies (Savage) is a global provider of industry infrastructure and supply chain services with approximately 4,000 Team Members in over 200 locations. Our company's work in transportation, logistics, essential product handling, and other important services *enables our Customers and Partners to Feed the World, Power Our Lives, and Sustain the Planet*. As a company, we're committed to "continue for future generations." We're equally committed to preserving and protecting our environment for future generations. Our commitment inspires us to be a force for good in our communities and motivates our team to *do the right thing*.

Our rich legacy began in Utah in 1946 when Kenneth Savage returned home from serving in the United States Navy in World War II and purchased a KB-5 International truck with his father, C.A. Savage. They began hauling critical commodities for homes and businesses throughout the region, often working on a handshake agreement. In time, Kenneth's brothers, Neal and Luke, joined the family business. After their father passed, the Savage brothers continued to grow and expand their services and built a successful, multi-generational company on the principles of hard work, integrity, and innovation.

Seventy-five years later, we continue to honor what the Savage brothers created and live by the high standards they set. Our Agriculture, Infrastructure, and Environmental Sectors safely move and manage what matters — using trains, trucks, and marine vessels. We also design, build, own, operate, and maintain a network of transload terminals and material-handling systems at industrial facilities owned by Savage, our Customers, and our Partners.

We're guided by our founders' *Vision and Legacy* that inspires us to *do the right thing, find a better way, and make a difference*. Our strategic capabilities and operational expertise make us distinctive in the markets we serve, and our commitment to our team and our Customers makes us a trusted supply chain partner.

For more information about the Savage family of companies, visit www.savageservices.com/savage-companies.



We provide our solutions across **three primary operating segments** we refer to as sectors. Our organizational structure is designed to leverage core competencies in each sector to achieve our purpose.



FEED THE WORLD

Our **Agriculture Sector** sources, stores, transports, processes, mills, and merchandises grain that's ultimately used to produce flours, foods, starches, and animal feeds. We're a top exporter of grain from the United States to Mexico. We operate four mills and 19 grain facilities throughout North America.



BARTLETT
A SAVAGE COMPANY



POWER OUR LIVES

Our **Infrastructure Sector** owns and/or operates strategic assets that provide transportation, logistics, material handling, and other industrial services. We operate in more than 100 locations with over 70 rail-related operations.



SAVAGE
INFRASTRUCTURE



SUSTAIN THE PLANET

Our **Environmental Sector** provides emergency response, environmental remediation, production services, and hazardous and non-hazardous waste management services. We have over 35 operating locations in addition to on-site operations at 20 Customer facilities.



ENVIROSERVE
A SAVAGE COMPANY

Our Strategy

Our strategic framework includes our purpose, mission, values, and Team Member value proposition that guide strategic decisions and inspire the actions of our Team Members. Our shared commitment to our strategy enables us to deliver value to our Customers and Partners while providing the safe, sustainable, and reliable results they count on.

OUR PURPOSE

We move and manage what matters, enabling our Customers and Partners to **Feed the World**, **Power our Lives**, and **Sustain the Planet**.



**FEED THE
WORLD**



**POWER OUR
LIVES**



**SUSTAIN THE
PLANET**

OUR MISSION

We're supply chain experts. Our Customers and Partners count on us to safely and sustainably move and manage what's essential to their business. Our **shared resources** free our businesses to deploy the right **team** and **solutions** to consistently deliver **results**.



TEAM



SOLUTIONS



RESULTS

OUR VALUES

We **live and lead** according to the values in the **Vision and Legacy: Do the Right Thing, Find a Better Way, and Make a Difference**.



**DO THE
RIGHT THING**



**FIND A
BETTER WAY**



**MAKE A
DIFFERENCE**

OUR PEOPLE

Grow with us! At Savage you'll be **rewarded** for rewarding work, **trusted** to take action, and **supported** as a Team Member.



REWARDED

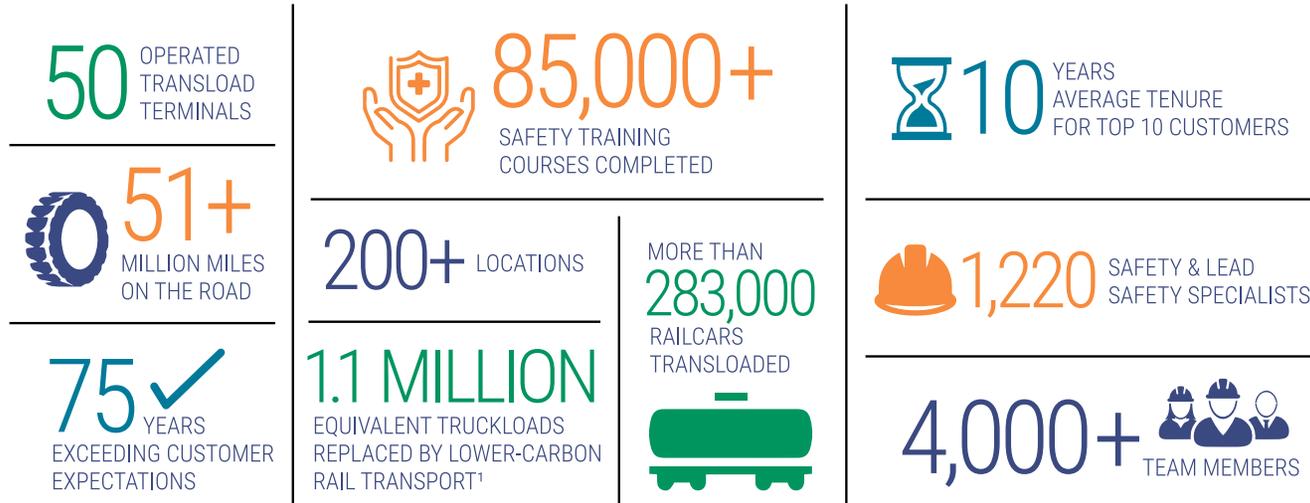


TRUSTED



SUPPORTED

Our 2021 Highlights & Awards



Our strong culture and commitment to ESG principles have brought numerous third-party recognitions and awards, including:

- | | |
|-------------|--|
| 2021 | <p>Military Friendly® Employer (3rd consecutive year as a Military Friendly® company)
Utah Philanthropy Day: Corporate Spirit of Giving Award
Utah Business “CEO of the Year”
Golden Triangle Business Roundtable: Contractor Safety Award (Maintenance)</p> |
| 2020 | <p>Utah International Business of the Year
Utah Business “Best Companies to Work For”
Utah Mining Association: Safety Award
North Dakota Safety Council: Workplace Safety Merit Award (5 Savage operations)</p> |
| 2019 | <p>North Dakota Petroleum Council: Environmental Stewardship Award
Utah Ethical Leadership Award</p> |

¹ Based on AAR estimates, one railcar can hold up to four truckloads of material.
<https://www.aar.org/wp-content/uploads/2020/06/AAR-Sustainability-Fact-Sheet.pdf>.
Assumes that without critical rail transload and railport facilities we operate near major hubs product would need to move via truck direct to market.

OUR SUSTAINABILITY STRATEGY

How We Create Value

We're supply chain experts. We create value by improving all aspects of supply chains for our Customers and Partners. Our sustainability strategy is rooted in the *Vision and Legacy* articulated by our founders in 1999 and our mission statement. Together, they broadly guide how we create value for all our stakeholders — Team Members, Customers, Communities, and Shareholders. We're driven by our commitment to *find a better way*, which has resulted in strong long-term, embedded Customer relationships; extensive supply chain expertise; robust proprietary systems; and processes that deliver safe, consistent, sustainable, and reliable results. Our skilled Team Members bring our values-based, performance-driven culture to life for our Customers and Partners.

SAVAGE SYSTEM FOR DELIVERING VALUE TO OUR CUSTOMERS AND PARTNERS

ELEVATE

We **ELEVATE** the value we bring to Customers by finding a better way.

DELIVER

We **DELIVER** reliable and sustainable services through our delivery systems.

CREATE

We **CREATE** solutions by understanding our Customers' needs and designing customized services.

OUR MISSION

We're supply chain experts. Our Customers and Partners count on us to safely and sustainably move and manage what's essential to their business. Our shared resources free our businesses to deploy the right team and solutions to consistently deliver results.

Our strategy is Customer focused. Our solutions are designed to safely and consistently serve our Customers, minimizing environmental impact and ultimately delivering value to consumers. Supply chain challenges are typically complex. We offer a wide range of services across key supply chain disciplines: transportation services, rail-centric services, facilities management, materials handling, and logistics management. We strive to incorporate the right blend of people, services, processes, and technology to solve complex challenges. Each Savage solution is a uniquely bundled collection of services designed to integrate into our Customer's operations and strengthen their supply chain.

Savage's proprietary system to **create, deliver, and elevate value** for our Customers has served as our platform from which sustainability solutions emerge. Increasingly, our Agriculture Customers are facing pressure from consumers to use sustainably-sourced raw materials. As consumer trends and preferences lead to more focus on ethical and environmental considerations, we see a growing opportunity to utilize benchmarking tools and other environmental and social assessments to support our Customers in their response to consumer sustainability demands. Measurable, documented improvement in various key sustainability performance indicators, combined with the close working relationships we maintain with our growers, allow us to collect and aggregate the information our Customers need to obtain environmental and social certification and show progress toward shared sustainability targets and goals.

Whether we're handling food grade products, production byproducts, hazardous waste, renewable diesel, or other essential materials, we continuously evaluate our Customers' supply chains to identify where they can create more value. We're relentless in our pursuit of improvement and are always looking to *find a better way* to meet the needs of and serve our Customers.

Our teams handle critical parts of our Customers' supply chain so Customers can focus on their core competencies. With Savage as the provider of many integrated services, Customers can deliver safer, more sustainable, more efficient, lower cost, and more transparent supply chains.



Our ESG Focus Areas

ESG factors are integral to our strategy and long-term vision of building resilient businesses that create sustainable value for our stakeholders. Our Customer-centric strategy incorporates specific ESG focus areas that are critical to our sustainability approach and our overall business strategy.

INTEGRATION OF ESG FOCUS AREAS IN OUR STRATEGY:		
ENVIRONMENTAL	SOCIAL	GOVERNANCE
SUSTAINABILITY ACCOUNTING STANDARDS BOARD DISCLOSURE TOPICS		
Fleet Fuel Management	Team Member Health & Safety	Accident & Safety Management
Energy Management	Food Safety	Environmental & Social Impact of Ingredient Supply Chain
GHG Emissions		
OTHER STRATEGIC FOCUS AREAS		
Supply Chain Services & Solutions	Community Investment & Involvement	Board of Directors / Management Structure
Equipment Selection & Certification	Team Member Training & Development	Risk Management
Mobile Equipment Technology & Management	Workforce Diversity, Equity & Inclusion	Savage S7 Delivery System
Agriculture Sustainability Projects		

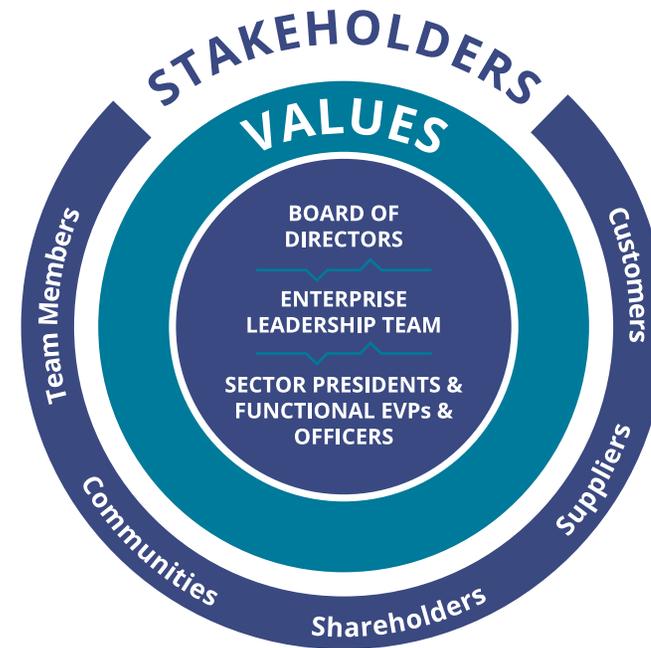
GOVERNANCE

Guided by our values-based, performance-driven culture, we recognize the importance of a strong governance structure and policies. We're committed to the *Vision and Legacy* established by our founders and to being honest, transparent, and ethical in all our actions. We monitor and evaluate our performance to verify ongoing compliance and to identify and implement improvements.

Our Governance Structure Matters

Our business and affairs are managed under the direction of our Board of Directors (board). Our board currently consists of ten members with leadership capabilities and experience in areas important to our business. Over the past 12 months, we've diversified our board members with the addition of two female board members, one of whom has an international background. We're committed to a diverse board and leadership team that reflect our Customers and the communities where we work.

Our management team is comprised of leaders with strong backgrounds and proven track records in the industries we serve. In alignment, our board and management team set the tone for how we do business, furthering our commitment to enduring integrity and values. The Enterprise Leadership Team (ELT), consisting of our CEO, Sector Presidents, and shared services leaders, provides strategic direction and overall management. Each of our Sector Presidents, Group Leaders, Unit Leaders and Team Leaders are also responsible for implementing practices that support our commitment to ESG. To strengthen our commitment to long-term, sustainably delivered value creation, ESG principles and metrics are integrated into our *Savage S7 Delivery System* (see **page 18**) and influence how we review the performance of operations and our Team Members. We also view our suppliers as an extension of Savage. As such, we've implemented a **Supplier Code of Conduct** (located on our website) that requires all suppliers to comply with good governance and business practices.



Our **Enterprise Leadership Team** is comprised of the Chief Executive Officer and his 7 direct reports:

- Chief Development Officer**
- Chief Financial Officer**
- Chief People Officer**
- General Counsel**
- Sector President- Agriculture**
- Sector President- Infrastructure**
- Sector President- Environmental**

We've established policies and compliance documents to reinforce the expectation that our Team Members always act with integrity and *do the right thing*. We're guided by tools and resources including:

- Team Member Handbooks, which include Standards of Conduct
- Equal Employment Opportunity Policies
- Diversity, Equity, and Inclusion Policies
- Community Involvement Guidelines
- Internal Mobility Policy
- Pay Differential Policy
- Anti-Corruption Policy
- Lobbying and Political Contributions Policy
- Record Retention and Recorded Data Policies

Managing Risks & Opportunities at Savage

Enterprise risk management is fundamental to our business. Our stakeholders expect us to appropriately manage risk while also creating long-term value. Risk management is core to the operations of each of our business sectors. Our overall enterprise risk management approach includes the identification, evaluation, and monitoring of financial and operational risks, including ESG issues such as climate-related risks and opportunities.

We prioritize all identified risks and opportunities according to financial impact, likelihood of occurrence, and magnitude of consequences. This process enables us to align our organizational priorities and monitor emerging issues that may shape our future risk exposure. We prepare proactively for risk, both in our efforts to avoid disruption in the short term, and to protect the viability of our business in the long term.



Savage was selected as the business recipient of the **2019 Utah Ethical Leadership Award** for exemplifying the Daniels Fund Ethics Initiative principles of **integrity, trust, accountability, transparency, fairness, respect, rule of law, and viability**.

Climate-Related Risks and Opportunities

We actively strive to identify climate-related issues that may impact our operations. We understand that risks to our business and to the industries we serve are evolving. We're taking steps to understand the potential effects of climate change on our business and evaluate these risks in three categories:

(1) transitional, (2) regulatory, and (3) physical.

In addition to climate-related risks that impact our operations, there are opportunities to serve our Customers and improve the sustainability of their supply chains. Our Customers face growing pressure to address climate-related matters in their supply chains. For example, we regularly work with our Customers to move product from truck to rail with the associated transload points for first- or last-mile delivery. We're also assisting in the renewable diesel supply chain transition and completing environmental remediation projects for our Customers among many other services we provide. We're determined to support and create safer, more reliable and more efficient supply chains, and we're continuing to position ourselves to assist and promote the transition to a lower-carbon economy.

Three Categories of Climate Risk

- **Transitional risks** relate to changing market forces and consumer preferences. These risks reside in how industries must adapt their business activities and investments to mitigate carbon emissions.
- **Regulatory risks** result from legal, regulatory, policy, and liability actions associated with climate change.
- **Physical risks** impact the physical environment and include acute, event-related, and chronic or progressive risks caused by the effects of carbon emissions released into the atmosphere. Examples include extreme weather events including abnormal temperatures, floods, and destructive storms as well as changes in weather patterns.



All of our sectors are subject to transitional risks and opportunities. The growing momentum for the transition to clean energy and sustainability has generally increased sustainability commitments from investors and Customers. Preferences have been shifting, and we've adjusted the composition of our business as a result of these changes. For example, Savage was founded by transporting coal, lumber, and cement. Over time, we've transitioned with the shale revolution, demand for renewable diesel, and the expansion into environmental services and agriculture. By maintaining our core value of providing high-quality, worry-free service to our Customers, we've been able to diversify into markets and services that contribute to long-term value. As our Customers work to improve the sustainability of their supply chains, they're turning to us for help in meeting their objectives without sacrificing efficiency, safety, or performance.

In addition to market forces — and to mitigate regulatory risks — we regularly monitor laws and regulations such as those related to greenhouse gas (GHG) emissions that impact our operations and those of our Customers. We've identified opportunities to help Customers transition volume from truck to rail, improving handling efficiency while reducing fuel consumption and GHG emissions. See **Greenhouse Gas Emissions & Air Quality** section on **page 38** for further detail. We've also expanded our waste management business in our Environmental Sector to help Customers responsibly manage waste byproducts.

Some of our facilities, assets, and operations, including Customer locations where we provide services, are located in areas that are susceptible to hurricanes, earthquakes, droughts, flooding, and other natural disasters, or could be affected by the impacts of climate change. These considerations are included in our enterprise risk management process, which includes mitigating strategies and action plans depending on the severity and likelihood of those weather events. For example, we have a robust storm response plan we activate whenever storms along the coastal areas are forecast. This includes pre-staging equipment, evacuation planning, programs to assist Team Members, and programs to support our Customers during and after a storm.

Our Agriculture Sector is also subject to risks associated with climate fluctuations. Our Customers count on us to source sufficient corn, wheat, and soybean crops to meet their growing demand. Changes in weather patterns, extreme weather conditions, and catastrophic weather events put commodity production at risk and may adversely impact our ability to meet Customer needs. Utilizing our enterprise risk management procedures, we assess and prioritize the risks that affect our Agriculture Sector. While we've begun to consider ways to incorporate climate science in our business planning, we also mitigate risks by diversifying suppliers and geographical areas, seeking weather-adapted plant species, and providing technical support to farmers in implementing sustainable practices. See **What We Do Matters for the Environment** section on **page 33**.



SOCIAL

Savage is committed to doing the right thing for our Team Members, Customers, and Communities. We provide opportunities for our Team Members to grow and develop their careers while fostering a culture that promotes safety, integrity, innovation, diversity, equity, and inclusion. We support charitable causes and community initiatives that *make a difference* in people's lives and provide opportunities for Team Members to give back through meaningful service projects.

Our Culture Matters

Our Team Members are the heart of our success. Across our company, our Team Members are united in our commitment to deliver safe, reliable, sustainable, and efficient supply chain services to our Customers. This commitment begins with our *Vision and Legacy* and is driven operationally by our *Savage S7 Delivery System* (see diagram and discussion on **page 18**).

We believe that trusted and engaged Team Members are key to our ability to provide world-class Customer service. Shared commitment to our *Vision and Legacy* and a collective passion for excellence drives our company culture and helps our Team Members earn the trust and loyalty of our Customers. Fostering a culture centered on our *Vision and Legacy* requires continuous investment in our workforce, including providing an environment where our Team Members feel rewarded, trusted, and supported, and where Team Members have the opportunity *to do things they never dreamed possible*.



Our Vision and Legacy

Kenneth, Neal, and Luke Savage, the brothers who founded our business, wrote our *Vision and Legacy* statement in 1999 to memorialize the principles of integrity, hard work, fair dealing, and innovation that guided their approach to business for decades, and it continues to guide us today. The principles our founders set in our *Vision and Legacy* statement serve as our "cultural constitution" and guide how we develop our team, earn our Customers' trust, and differentiate our service offerings.

SAVAGE VISION AND LEGACY STATEMENT

Our vision and legacy for this Company is that it will continue for future generations.

We view the role of owners, board members, managers, and employees as a stewardship, always doing what is right, in balance, for our Company, employees and customers.

We expect that all business dealings be conducted with integrity and on the basis of what is fair and honest.

A major purpose of the Company is to provide our people with opportunities for personal growth – to do things that they never dreamed possible.

We expect the Company to be aggressive and in control, pursuing business opportunities where it can succeed by developing trusting relationships with customers.

We expect our people to be progressive, relentlessly seeking improvement – asking the question, "How can we become better tomorrow than we are today?"

We desire that all future owners, leaders, and employees continue this Vision and Legacy.



Savage S7 Delivery System

Whether we're handling food-grade products, production byproducts, hazardous waste, renewable diesel, or other essential materials, we analyze our Customers' supply chains to identify where we and our Customers can create more value. To deliver a consistent level of service to all our Customers, we operate using our proprietary *Savage S7 Delivery System (S7)*, first developed in 2003.

S7 is the roadmap that guides our operations in serving Customers. Within the seven core components of S7 (described in the graphic on the following page), we've identified standards, metrics, and tools that help ensure we operate safely, exceed Customer expectations, treat our Team Members equitably, comply with applicable laws and regulations, maintain equipment, and continuously improve performance.

We think of S7 as a wheel that drives consistent results. The Customer is the hub and is central to everything we do. Team, compliance, asset management, professionalism, and performance together make up the spokes of our wheel. In order for our company to operate at the highest level, all the spokes must be in balance. And, safety, health, and environment (SH&E) surrounds everything we do — because everything we do should be safe and environmentally sound.

We're relentless in our pursuit to *become better tomorrow than we are today*. We track and evaluate our performance through monthly reporting, review, and monitoring of specific key performance areas and operational metrics. In addition, annual assessments and appraisals are conducted across the business to identify areas requiring improvement, verify that standards are being met, and confirm action plans are in place to address any deficiencies identified.



S7 ENSURES THAT OUR TEAM PROVIDES VALUE TO OUR CUSTOMERS IN A STRATEGICALLY CONSISTENT WAY

CUSTOMERS

Our Customers consistently receive worry-free service.

TEAM

Our Team Members are hired right, trained right, and treated right.

SAFETY, HEALTH & ENVIRONMENT

We value the safety of our people, our property, and the communities in which we operate and live.

COMPLIANCE

Our teams are prepared to respond to emergency events and comply with regulatory standards and best practices.

ASSET MANAGEMENT & MAINTENANCE

We manage and maintain equipment and facilities to maximize their useful life.

PROFESSIONALISM

Our team, facilities, and equipment demonstrate a professional attitude and appearance.

PERFORMANCE

We track and report on our performance on a real-time basis.

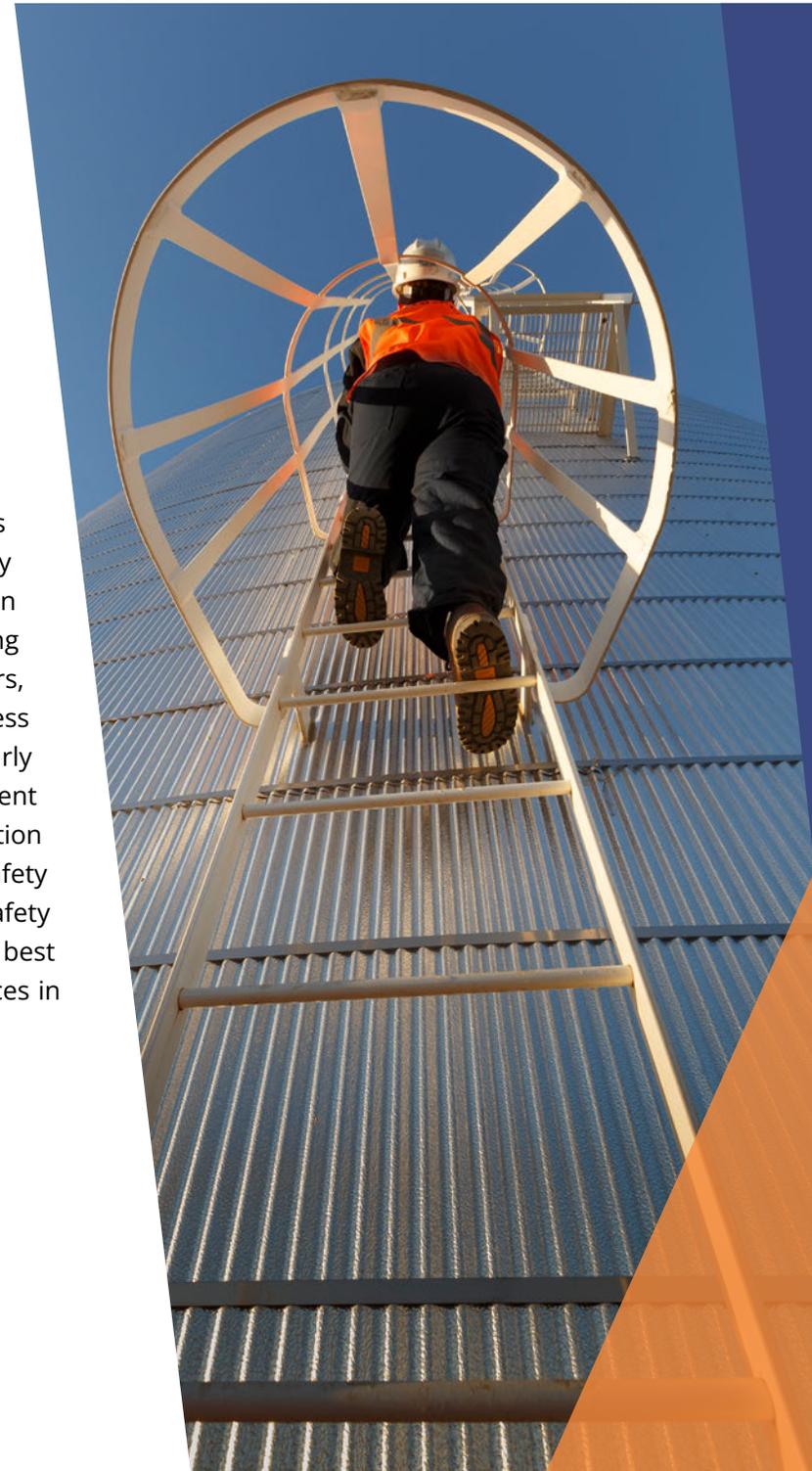


Safety Matters

Protecting the health, safety, and wellbeing of everyone involved in the work we do is paramount. We're proactive in preventing incidents and injuries to ensure the community is safe and our Team Members return home safely after every shift. Every day, we work to find better ways to drive toward our objective of being the safest place to work.

Safety-Driven Leadership

Our commitment to health and safety is woven into our company culture and is integral to how we conduct business. Our leadership sets the tone for our safety culture and is active in motivating safety compliance across our operations. Within S7, we've identified a subset of standards and measures that serve as leading indicators, or predictors, of success in protecting our Team Members, Customers, and the environment. Our Safety Leadership Council, comprised of our ELT, business unit leaders, and upper-level operational and SH&E management, meets regularly to review leading indicators and safety performance metrics, discuss incident trends, and review progress on company-wide SH&E initiatives. This collaboration allows management to come together to critically and candidly evaluate safety performance and proactively implement corrective actions. In addition, our Safety Leadership Council discusses learnings from incident investigations and shares best practices with operations and SH&E leaders to keep leading-edge safety practices in place.



Keeping Safety Top of Mind

We work diligently to foster an environment where safety is always top of mind. Our robust set of written SH&E policies and procedures document responsibilities and expectations for operating safely at all times.

Training, combined with clear and consistent communication of health and safety expectations, supports our safety culture. All Team Members, including supervisors and management, participate in routine safety training courses, delivered through *Savage University* (our learning platform commonly referred to as *SavageU*), covering SH&E rules and procedures, operation-specific safety protocols, and job-specific safety procedures. Regularly scheduled team meetings and organization-wide communications also highlight safety policies and help maintain a focus on safety.

Every Team Member at Savage is empowered and trusted to take responsibility for their own safety and the safety of their coworkers. Creating a safe workplace is a team effort. Team Members pledge to adhere to our safety expectations and policies when they sign their *Safety Commitment Card* as part of their graduation from introductory safety training. We encourage Team Members to carry this card with them as a constant reminder of the important role they play in maintaining a safe workplace.

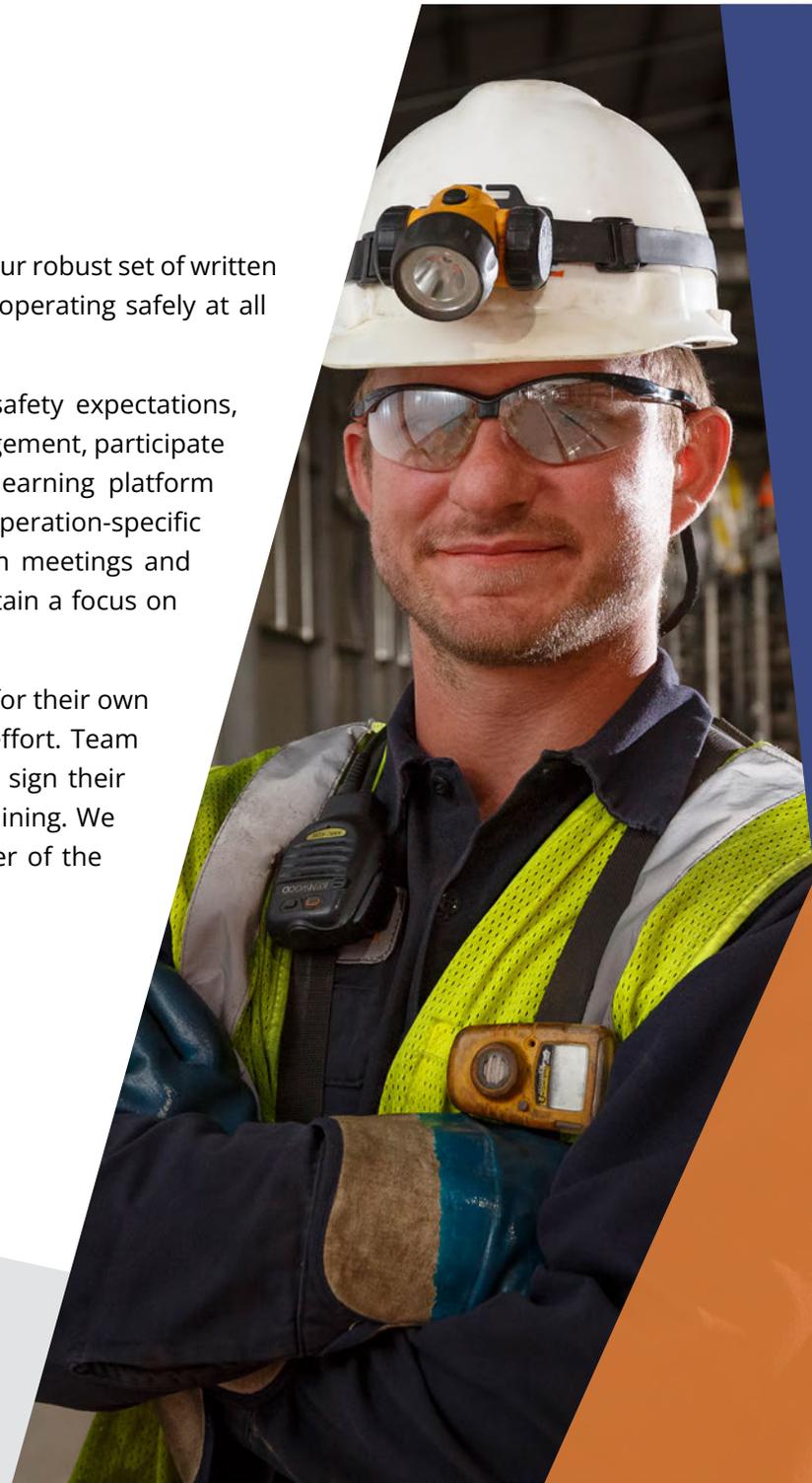
DURING 2021 OUR TEAM MEMBERS
COMPLETED MORE THAN

 69,000 ONLINE SAFETY
COURSES

6,500 CLASSROOM
COURSES



 9,500 ON-THE-JOB
SAFETY ASSESSMENTS



Our Team Members are equipped with a number of tools and systems to aid in maintaining our safety culture, including:

- **SHAPS** – Our *Savage Hazard Analysis and Prevention System (SHAPS)* supports our goal of zero incidents by providing a systematic approach to recognizing, assessing, and eliminating or controlling hazards that may be present.
- **5S System** – The *5S System* is used to organize our workspace so that tasks can be performed efficiently, effectively, and safely. Applying this system, Team Members habitually sort, straighten, shine, standardize, and sustain work areas so that work can be performed efficiently and with reduced risk of injury.
- **Stop Work Obligation** – All Team Members have a responsibility and obligation to stop any task or operation where safety concerns exist.
- **Inspections and Observations** – Routine inspections and observations provide a mechanism for closely looking at safety procedures and actual practices and challenging both for improvement, while also providing an opportunity to highlight and praise safe behavior.
- **Incident Reporting and Root Cause Analysis** – We utilize a standard process to ensure Team Members receive proper care, fulfill compliance obligations and make sure we have all the information and knowledge to learn from our mistakes and improve performance.



We encourage Team Members to take on greater responsibilities and become safety leaders within our company. Team Members who have demonstrated a strong commitment to safety, a positive attitude, and a willingness to help others are eligible to apply to our *Safety Specialist Program*. Those who are selected to participate receive additional safety training – including three days on-site at our Service Support Center – and earn the internal designation of Safety Specialist. They use their newly acquired safety knowledge to serve as front-line leaders in delivering Savage’s safety culture and safety performance. Our Safety Specialists lead monthly safety meetings, help address and correct unsafe behaviors and conditions in a timely manner, and positively reinforce the importance of adhering to safety protocols by proactively engaging fellow Team Members to improve safety practices and performance. Additionally, Safety Specialists are assigned ownership of certain safety measures prescribed by S7 and work with site leadership and their fellow Team Members to elevate SH&E performance.

As indicated above, our key performance indicators and safety metrics are monitored and analyzed for trends across operations. As trends are identified, we use the information to modify policies and procedures, training, and company-wide communication. The following table shows our safety record for the year ended December 31, 2021:

	INFRASTRUCTURE TOTAL	AGRICULTURE TOTAL	ENVIRONMENTAL TOTAL	COMPANY TOTAL
TOTAL RECORDABLE INCIDENT RATE	1.55	1.27	0.73	1.17
FATALITY RATE	0.00	0.00	0.00	0.00
LOST TIME INJURY RATE	0.29	0.00	0.08	0.17

OVER THE PAST
FIVE YEARS, WE HAVE
**LOWERED OUR TOTAL
RECORDABLE INJURY RATE (TRIR)**
BY **35%** AND **LOST TIME
INJURY RATE (LTIR)**
BY **60%**

APPROXIMATELY
28% OF OUR **MORE THAN
4,000 TEAM MEMBERS**
HAVE EARNED THE DESIGNATION OF
SPECIALIST OR LEAD SAFETY SPECIALIST

Consistency in supporting operations is an important component of maintaining a safe work environment. We recently streamlined our SH&E function to provide a consistent approach across all Savage operations. As a result, nearly 60 full-time Team Members work as one SH&E team to support designated operations and projects across the globe – in line with their safety expertise and business objectives. This change ensures uniform application of SH&E protocols and provides an increased level of SH&E support to operations while yielding measurable safety improvements.

One Area of Focus — Keeping Safe on the Road

Our Team Members drive millions of miles each year on various types of terrain and in varying driving conditions while serving our Customers. We've taken a multifaceted approach to improve the safety of our drivers and making the roads in our communities safer. We believe awareness, training, discipline, and focus are key to reducing the risks inherent to driving. As a result, we've strategically decided wherever possible, drivers will be Savage Team Members (not contractors), and all drivers will receive our in-depth SH&E and role-specific driver training.

Safety and health expectations are clearly identified in our training programs as well as our SH&E and role-specific safety policies and procedures. Formally documented individual training plans help verify our drivers complete all required safety training.

We've leveraged technology to equip our vehicles with advanced fatigue management and driver-assist systems, including collision mitigation, lane-departure technology, active braking technology, and comprehensive in-cab electronics, including cameras and telematics monitoring systems. This state-of-the-art technology helps prevent potential accidents and incidents while allowing us to track and record vehicle locations and driving behaviors (e.g., speeding, harsh braking, rapid acceleration, and seat belt usage).

OUR SH&E TEAM MEMBERS
HAVE AN AVERAGE OF
14.5 YEARS OF
SH&E
EXPERIENCE
AND HOLD A TOTAL OF
40 SAFETY-RELATED
CERTIFICATIONS



Driver safety data collected by the in-cab monitoring systems is compiled and reviewed continually. This review enables us not only to recognize and praise our safest drivers but also to identify driving behaviors that can be improved. We help individual drivers improve their safety by providing prompt, direct feedback, reinforcing safety protocols, and setting goals for improvement. Observations derived from the review of driver safety data also help us to identify safety topics to highlight in our regular safety and communications meetings. These meetings are an important tool for ensuring safety stays top-of-mind for all our Team Members.

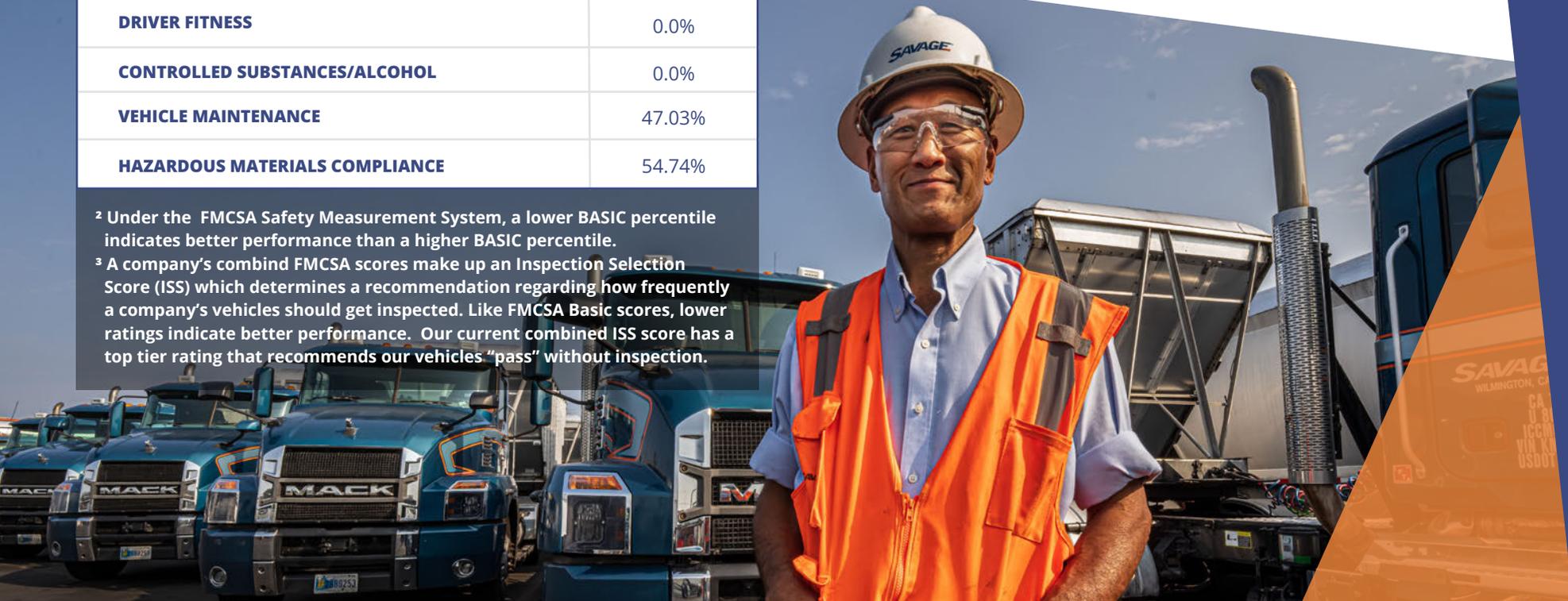
All Federal Motor Carrier Safety Administration (FMCSA) metrics fall well below established intervention levels – signaling industry-leading performance. For the year-ended 2021, our driver safety metrics reported to the FMCSA are as follows:

SAFETY MEASUREMENT SYSTEM BASIC PERCENTILES ^{2,3} :	COMPANY TOTAL
UNSAFE DRIVING	9.76%
HOURS OF SERVICE COMPLIANCE	10.80%
DRIVER FITNESS	0.0%
CONTROLLED SUBSTANCES/ALCOHOL	0.0%
VEHICLE MAINTENANCE	47.03%
HAZARDOUS MATERIALS COMPLIANCE	54.74%

² Under the FMCSA Safety Measurement System, a lower BASIC percentile indicates better performance than a higher BASIC percentile.

³ A company's combined FMCSA scores make up an Inspection Selection Score (ISS) which determines a recommendation regarding how frequently a company's vehicles should get inspected. Like FMCSA Basic scores, lower ratings indicate better performance. Our current combined ISS score has a top tier rating that recommends our vehicles "pass" without inspection.

4 RECORDABLE,
AT-FAULT ROAD
ACCIDENTS
WITH
OVER **51**
MILLION MILES
DRIVEN



Team Member Engagement Matters

Each of our more than 4,000 Team Members play a critical role in delivering world-class service to our Customers, and our success depends on our ability to attract, engage, develop, and retain a skilled and motivated workforce. We recognize that we can't provide value to our Customers and Partners if our Team Members aren't engaged. Our Team Member value proposition defines and communicates our commitment to ensuring our Team Members are given an opportunity to grow with Savage and that they feel rewarded, trusted, and supported. Through survey technology, we regularly seek input from all our Team Members. This feedback is handled confidentially and shared with leaders who then identify actions to improve. Our goal is to listen to feedback and put leaders in a position to address issues and strengthen their relationships with their teams.

The development of trusting relationships between our leadership and their teams is critical. Our Team Members know Savage is committed to transparency. They know they can trust their Team Leaders and Savage management to *do the right thing* and communicate regularly. To facilitate trust building and leadership development, we've implemented our *Hire Right, Train Right, and Treat Right* programs where our Team Leaders receive training and continuous support to improve how they manage their work with our Team Members. Leaders participate in our *Savage Leadership Development Program (SLDP)* designed to support their careers as they take on new responsibilities and grow. We empower our leaders to support their teams' performance and development by supporting ongoing education on core leadership competencies, our culture, and diversity, equity, and inclusion topics, among others.



Training and Development

At Savage, a formal training program is available for every Team Member. These customized training programs outline company, Customer, regulatory, site-specific, and role-specific training requirements and allow us to track progress and make sure our Team Members have the requisite knowledge to perform their assigned responsibilities. Our training is delivered through *SavageU*, a combination of computer-based modules, on-the-job training and assessments, and instructor-led classrooms taught by qualified instructors, and is documented using our learning management systems. Training topics are also reinforced through monthly safety and communication meetings during which key company policies and safety protocols are highlighted.

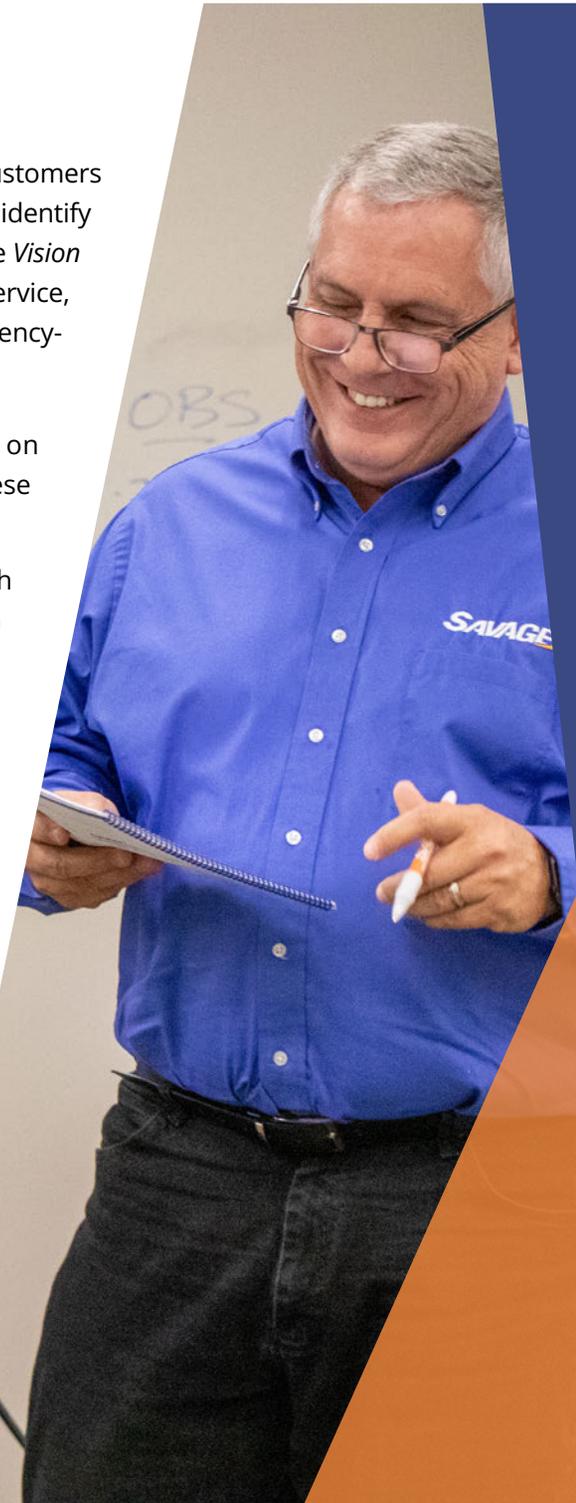
Providing regular, thoughtful feedback to our Team Members is important for creating a positive, productive workplace where everyone has the ability to succeed and advance in their role. Quarterly one-on-one check-ins, as part of our Team Member Performance System, give Team Members the opportunity to meet with their Team Leaders and obtain productive feedback on performance, set goals, discuss training progress, and target areas for improvement.

As part of our **Vision and Legacy**, Savage **commits to helping our Team Members do things they never dreamed possible**. That's exactly what happened with one Team Member who started out as a diesel mechanic and driver and has since spent time leading operations and teams across North America. Today he is a key leader for one of our business units and serves as an officer in our company.



Recognizing excellent performance and growing talent is the key to our success. Our company and our Customers both benefit when we help our Team Members *do things they never dreamed possible*. For this reason, we identify and provide development opportunities for Team Members who demonstrate dedication to the *Savage Vision and Legacy* and perform their assigned responsibilities with a strong commitment to safety, customer service, and excellence. Subject to application requirements and approval, Team Members participate in competency-based training, mentoring programs, and/or career development programs, including:

- **Safety Specialist and Lead Safety Specialist** – As discussed in **Keeping Safety Top of Mind** on **page 20**, this program equips Team Members to advance their role as a safety leader. Often these leaders become shift supervisors or are admitted to our *OnDeck* program.
- **OnDeck** – This development program assists Team Members in advancing in their career. Through active coaching, classroom training, and on-the-job training, *OnDeck* provides Team Members with the knowledge and experience to be a successful operations manager.
- **New Manager Training** – Our new manager training program is designed to support operations managers after transitioning into leadership and to prepare managers for managing full teams and the responsibilities that come with leading teams. A major focus of our training is strengthening the culture of the company and how we treat our teams.
- **Advanced Leadership Program (ALP)** – As leaders continue to progress, we continue to invest in their development with our *ALP* program designed to deepen and broaden leadership skills and prepare them to take on even more responsibility across the company.
- **Authorized Instructor** – Our *Authorized Instructor Program* aims to grow our pool of skilled trainers by providing experienced Team Members an opportunity to develop training skills and an understanding of how to help others learn and retain information. Authorized Instructors must also satisfy certain years-of-service and job-specific safety training requirements in order to be eligible to lead Savage training courses.



Diversity, Equity & Inclusion Matters

We welcome our Team Members' differences in age, race, color, ethnicity, family and marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make them unique. We believe that our individual differences, life experiences, capabilities, and talents contribute to our culture, our reputation, and our success.

We're committed to fostering a diverse, equitable, and inclusive culture where all Team Members feel valued, appreciated, and respected, and we strongly condemn racism and discrimination of any kind. While we're proud of our efforts to date — more than 75% of Team Members responding to our annual engagement survey said they felt Savage makes it easy for people from diverse backgrounds to be accepted and succeed — we recognize there's always room to be better tomorrow than we are today.

Consistent with our *Vision and Legacy* and our focus on relentless improvement, we formed a Diversity, Equity & Inclusion (DEI) Action Council. Comprised of 55 Team Members from across our company, the Council is tasked with strengthening our culture of diversity and promoting equity and inclusion within our organization. The DEI Action Council created our DEI roadmap and has made a number of advances in 2020 and 2021, including:

- Implementing a strategy to increase diversity in hiring
- Initiating pay equity analysis with an external consultant
- Translating benefits and training documents to Spanish and French
- Celebrating the diversity of our Team Members through #PeopleofSavage spotlights on social media and within our company's intranet



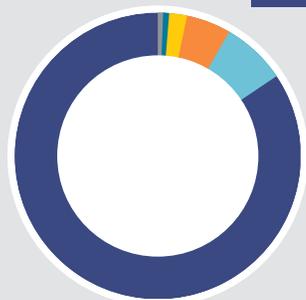
WE'RE A MILITARY FRIENDLY® EMPLOYER

Savage is a military-friendly company committed to providing quality career opportunities to our veteran service men and women. We value the commitment, loyalty, and sacrifices veterans have made to protect our freedoms. We believe the skills, experience, and values gained in the military are an asset to our company and a benefit to our Customers. Thanks to the success of our Savage Patriots careers-for-veterans program, **nearly 10% of our U.S.-based Team Members are military veterans or on active reserve.**

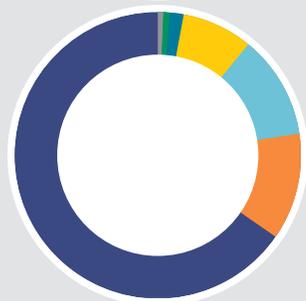
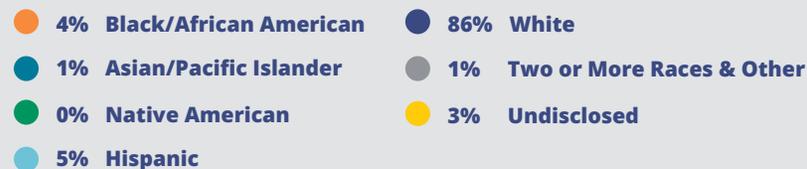
DEI TRAINING INITIATIVE

To further advance our DEI initiatives, we also developed a comprehensive plan to provide education on unconscious bias to all Team Members and initiated efforts to build our suite of core DEI-related training on our learning management system, *SavageU*. During 2021, our ELT and other leaders participated in live and virtual unconscious bias and inclusive leadership training courses. This training will be ongoing in 2022 and will be provided to all Team Members.

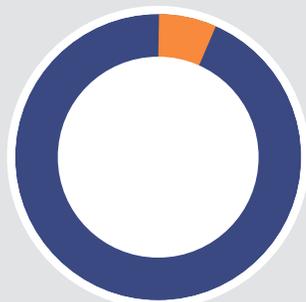
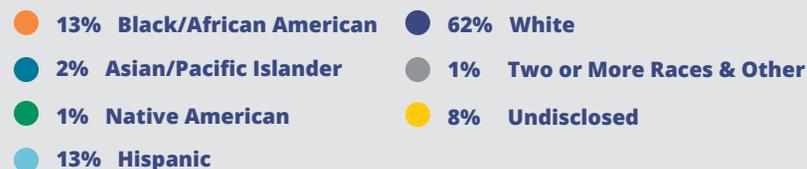
The following chart shows the composition of our U.S. workforce as of December 31, 2021



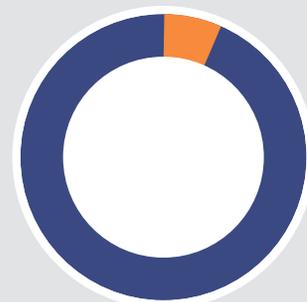
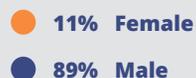
**Racial/Ethnic Group Representation
for Members of Management**



**Racial/Ethnic Group Representation
for All Other Team Members**



**Gender Representation for
Members of Management**



**Gender Representation for
All Other Team Members**



WOMEN IN TRUCKING

During 2021, the number of women truck drivers in the U.S. reached an all-time high. Increasingly, women are stepping forward to fill industry demands. As of the end of 2021, **women represent approximately 5% of our dedicated Team Member drivers**. Many of our women drivers are active in the *Women in Trucking Association (WIT)*, a not-for-profit organization formed to encourage the employment of women in the trucking industry, promote their accomplishments, and minimize obstacles faced by women working in the industry. Since its inception in 2007, *WIT* has been committed to sparking conversations around gender diversity in the industry, drawing attention to key issues, showcasing success stories, and ultimately increasing the number of women in transportation. Each year the organization holds an “I HEART Trucking” photo contest. Several of our Team Members showed their pride in Savage by submitting photos of themselves at work. As a company, we attend *WIT*’s annual event and a vice president from our Talent Acquisition team serves as a member of the *WIT* Membership Committee.



What We Do Matters for the Community

Making a difference is embedded in who we are as a company. Our culture drives our passion for exceeding Customers' expectations by taking the time to understand their needs, striving for continuous improvement, doing the right thing, and always looking for a better way. We apply this same passion and approach to our efforts to support positive change in the communities where we live and work. We strive to be good neighbors and diligently seek out opportunities to use our strengths, skills, and resources to *make a difference*.

Our focus areas for company giving include education, public safety, and assistance for military veterans and their families. Through our *Savage Cares* program, we provide volunteer service and support to many charitable and community organizations and initiatives. We also partner with *United Way* and other not-for-profit organizations to provide meaningful service and financial support. Our Team Members give back through our annual giving campaigns and participate in *United Way's* Day of Caring and other volunteer projects.

Supporting our communities through company giving, sponsorships, and volunteer efforts is not only the right thing to do — it's also good business. We can improve our Team Members' experience at Savage, support Customers, recruit top talent, enhance our reputation, and build important relationships with decisionmakers and other stakeholders when they understand that we truly care about making a difference for our communities.



Savage-Hillcrest Impact Network for Education

We joined with *Hillcrest High School (Hillcrest)*, *Canyons School District*, and *United Way of Salt Lake* to create the *Savage-Hillcrest Impact Network for Education (SHINE)*. *SHINE* provides needed support for *Hillcrest* students and their families through a community hub (resource center) and career and technical education (CTE) pathways.

SHINE's on-site community hub provides students and families with food, clothes, and other necessities, including laundry and shower facilities. This ensures that students and their families have access to needed food, supplies, and resources during the school week and on the weekends. With *SHINE's* help, new CTE courses are being added to *Hillcrest's* curriculum. These courses will provide students with technical-based courses in the fields of transportation, logistics, supply chain management, and other similar areas of study to help them be career-ready when they graduate from high school.

Savage has committed to giving \$500,000 over five years to support the *SHINE* partnership and has also committed time from our Team Members to help students through job shadowing, mentoring, tutoring, and other support activities.

Junior Jazz Basketball Program

For over a decade, we've partnered with the *National Basketball Association's Utah Jazz* to sponsor the Junior Jazz program. Between 50,000 to 60,000 young people in Utah, Idaho, Wyoming, Montana, Arizona, and Nevada participate in the Junior Jazz program each year, making it one of the largest youth sports programs in the world. Run through recreation departments in each state, young players have the opportunity to learn basketball fundamentals and team dynamics and practice those skills in league games while also learning the values of respect, leadership, sportsmanship, kindness, and positivity.

Supporting and Honoring Our Military

In 2021, we worked with the *American Red Cross* to make and distribute 450 care packages for veterans at the V.A. Hospital and V.A. Nursing Homes in the Salt Lake City area, and to support military members and their families impacted by the changing situation in Afghanistan. We also partnered with the *Utah Veterans Alliance* to provide needed resources for veterans and to show appreciation for their service. In December 2020 and again on a larger scale in December 2021, Savage participated in *Wreaths Across America*, where volunteers laid wreaths on the graves of soldiers who gave the ultimate sacrifice.



ENVIRONMENT

We have an obligation to leave the world better than we found it, and we believe that means considering environmental stewardship in everything we do — from the equipment we purchase and use to the design of the systems we develop for our Customers and our teams. Across all sectors, our Customers expect us to be good stewards of the parts of the supply chain we manage, including being good stewards of the environment. We strive to minimize the impact of our operations on the environment, not just because it's good business but because it's the right thing to do.

What We Do Matters for the Environment

Every year, Savage moves or manages more than 104 million⁴ tons of critical products for our Customers. The materials we manage every day directly benefit consumers throughout the United States and around the world. What we move and manage matters not only to our Customers and consumers, it matters for the environment and our communities as well. Always seeking to *do the right thing* and *find a better way*, we look for opportunities to *make a difference* in the world.

⁴ Primarily bulk moves excluding liquid and grains in our Agriculture Sector.

WHAT WE DO SUPPORTS SUSTAINABLE SUPPLY CHAINS

A single railcar can hold up to four times the goods of a single truck, reducing fuel costs and emissions. By utilizing rail, our Customers are able to reduce their carbon footprints. Rail's increased capacity reduces emissions and traffic congestion by decreasing the number of trucks on the road. Due to advanced locomotive technology that increases fuel efficiency and reduces greenhouse gas emissions, rail accounts for only 2% of U.S. transportation GHG emissions, making it the most eco-friendly way to transport freight over land.⁵

We operate the Savage Transload Network of more than 50 multi-commodity, rail-connected terminals across North America. In 2021, our network expanded with new multi-commodity railports now operating in Toole, UT; Pocatello, ID; Chicago, IL; Mossville, LA; and Stockton, CA. With every addition to our network, we increase our ability to help our Customers optimize supply chains, reduce expenses for storing and transporting their products, and reduce their carbon footprint.

Rail has significant efficiency benefits over trucks, but there is still a place in supply chains for trucks and the transload facilities that interconnect the different modes of transportation. As noted in **Our Efforts to Limit Consumption & Emissions** on **page 39** we're taking a number of actions to reduce the impacts of trucking on the environment. As technologies continue to evolve, we expect to continue investing in improvements to our trucking fleets.

⁵ EPA. Fast Facts on Transportation Greenhouse Gas Emissions.

<https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

1 RAILCAR
CAN HOLD
UP TO

4 TRUCKLOADS
OF MATERIAL



WHAT WE DO AIDS THE ENERGY TRANSITION

Savage's Infrastructure and Agriculture Sectors are engaged with Partners on multiple renewable fuel projects to purchase, source, and deliver feedstock to refineries; provide engineering and construction of terminal and other assets; and evaluate ways to drive out inefficiencies and increase value throughout Customer supply chains. Renewable diesel and biodiesel — areas of immediate focus for our renewable energy team — are fuels produced from non-petroleum renewable resources such as soybean oils, fats, vegetable oils, waste cooking oils, crop residues, wood, garbage, and other biomass materials. Renewable diesel and biodiesel can be used to meet the federal Renewable Fuel Standard and other state programs requiring a reduction in the carbon footprint of transportation fuels.

Savage's transportation, logistics, materials handling, and design, build, own, operate, and maintain (DBOOM) services regularly strengthen the entire supply chain for production and distribution of renewable diesel and biodiesel, including:

- Feedstock supply and marketing
- Transportation and logistics management
- Transloading
- Storage and terminaling
- Facility design and construction; and
- Facility operation and maintenance

Through strategic use of core capabilities in our Infrastructure Sector and Agriculture Sector, we're working to supply soybean oil that will be critical to meet the growing demand for renewable diesel. In October 2021, we announced the development of a soybean crushing facility in Montgomery County, Kansas. Our plant will be capable of handling approximately 38.5 million bushels of soybeans annually to crush into soybean meal and refined soybean oil, feedstock used in producing renewable fuels, food products, and animal feeds. Construction of the facility is scheduled to start in 2022, with plant operations anticipated to begin in 2024.

Renewable Fuels Gateway to California

Strategically located in California's Central Valley region, Savage's Stockton, California railport includes 20 transload spots and the capability to expand its capacity and services to meet growing market demand. The railport provides a key link in the supply chain for transporting renewable diesel and biodiesel produced in the Gulf Coast and US interior for use by California and West Coast consumers. While primarily intended for the distribution of renewable fuels, the facility is also equipped to safely move and manage additional commodities essential to California's economy.



WHAT WE DO PROMOTES SUSTAINABLE FARMING PRACTICES

We work with our Customers and growers to create a more resilient farming ecosystem – one that can provide reliable commodity production in times of extreme or fluctuating weather conditions. We're members of *Field to Market: The Alliance for Sustainable Agriculture* (the Alliance), a collaborative body that brings together a diverse group of grower organizations, agribusinesses, and other members of the agriculture value chain with a goal of advancing sustainable agricultural practices through pre-competitive collaboration. Our involvement with the Alliance enables us to help our producers assess the environmental performance of their farming practices against national, state, and local benchmarks for key sustainability indicators. These assessments and benchmarks, combined with the Alliance's resources, enable us to support growers in implementing farming practices that reduce environmental impact and improve on-farm economics. Sustainable agriculture practices are important to supporting a viable supply chain into the future, while also reducing environmental impacts.



Field to Market®

The Alliance for Sustainable Agriculture



WHAT WE DO HELPS PREVENT THE SPREAD OF DISEASES

Savage's Environmental Sector works to remediate environmental impact. During the COVID-19 pandemic, the team applied its expertise in biological response and decontamination to mitigate the spread of COVID-19 and other infectious diseases with EPA-approved, hospital-grade disinfectants. Businesses across the United States called upon us for peace-of-mind service to protect their employees, customers, and communities.

WHAT WE DO HELPS RESTORE & PROTECT THE ENVIRONMENT

Waste coal, or coal that was not of sufficient quality for electricity generation when originally mined, can become a significant environmental problem if left in place after mines are closed. Through one of our business units we remove waste coal piles from abandoned mines in Virginia and work with the *Virginia Department of Mines, Minerals and Energy (DMME)* to transform the area to its pre-mining appearance. Waste coal, known as gob, is separated from rock and transported by truck to our terminal in St. Paul, Virginia, where it is blended with run-of-mine coal and eventually used by local power authorities to generate electricity. After removing waste coal, we replace topsoil and plant grass at the sites to help restore the surrounding land, rivers, and forests. Working with public and private partners, tree seedlings are then planted as part of the state's Abandoned Mine Land Program.



Greenhouse Gas Emissions & Air Quality Matters

Our Metrics

As a responsible steward of the environment, we seek to understand our operational footprint and the impact our business has on the environment. We recognize the transportation and logistics industry is heavily reliant on fossil fuels to operate, and we're conscious of the environmental effects of our operations. We've begun efforts to develop a consistent approach to monitoring and measuring our emissions. With the goal of beginning to establish a baseline, we have focused our initial efforts on quantifying only our Scope 1 GHG emissions from vehicles and equipment for this inaugural sustainability report.

The table below summarizes our fuel consumption data and our Scope 1 emissions per the GHG Protocol for the year-ended December 31, 2021.

FUEL CONSUMPTION & GHG EMISSIONS METRICS	
Total fuel consumed in vehicles and mobile equipment (Gigajoules)	1,946,407
Total fuel consumed in vehicles and mobile equipment (MT CO ₂ e)	135,464
% of fuel consumed that is natural gas	Negligible
% of fuel consumed that is renewable	Negligible
Total Global Scope 1 emissions (MT CO ₂ e) (equipment and vehicle fuels plus natural gas used in operations)	135,464 ^{6,7}

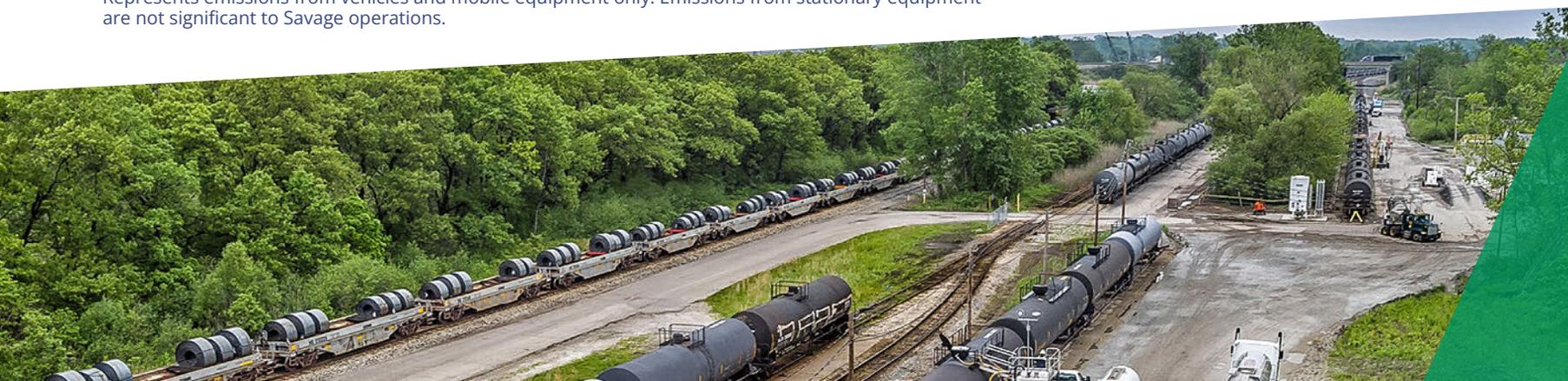
Savage emissions impacting air quality for the year-ended December 31, 2021 are summarized below.

AIR QUALITY EMISSIONS METRICS ⁸ in metric tons	
Emissions of nitrogen oxides (NO _x)	324.6
Emissions of sulfur oxides (SO _x)	1.1
Emissions of particulate matter (PM ₁₀)	6.3

⁶ Represents Scope 1 GHG emissions from vehicles and mobile equipment. Emissions from stationary equipment are not significant to Savage operations.

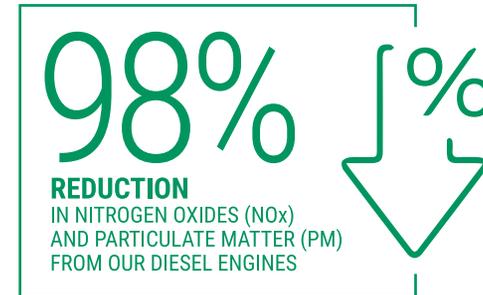
⁷ Scope 1 GHG emissions were calculated in accordance with the World Resource Institute's (WRI) Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol), using their pre-built transportation and stationary combustion calculators which utilize emission factors from the U.S. Environmental Protection Agency (EPA).

⁸ Represents emissions from vehicles and mobile equipment only. Emissions from stationary equipment are not significant to Savage operations.



Our Efforts to Limit Consumption & Emissions

We strive to operate sustainable supply chains. We continue to drive efficiency by keeping our fleet updated, with a current average fleet age of 2.8 years. Since 2010, we've seen a 98% reduction in nitrogen oxides (NOx) and particulate matter (PM) from our diesel engines. We anticipate further reductions will be realized in 2024 with new emission standards. Refreshing our fleet frequently allows us to stay current on updated standards while increasing the efficient use of fossil and renewable fuels.



The in-cab electronics implemented in our fleet of vehicles to promote driver safety and prevent incidents also have sustainability benefits. For example, the data collected by these systems allows us to take corrective actions on speeding, hard-braking, and other similar behaviors that lead to less fuel-efficient driving and increased consumption of fuel, tires, and brakes. Since 2019, we've improved our average mile-per-gallon efficiency by approximately five percent (5%) through improved equipment specification and implementation of technology to monitor and adjust driving behaviors.

Savage's commitment to the efficient use of fossil and renewable fuels is also reflected by other strategies limiting consumption and emissions, including:

- Adopting the most advanced emissions technologies available from original equipment manufacturers
- Deploying aftermarket products to reduce fuel burn
- Applying route planning and electronic tracking to minimize travel time and idling of vehicles
- Assisting manufacturers in developing commercially-viable emissions reduction technologies and low-emissions engines by supporting pilot programs
- Testing different oil types on specific fleets of trucks to identify ways to improve the life of the equipment and reduce the wear and contamination of the oil

We also continuously look for ways to utilize greener or more efficient fuels and technologies in operations. We've tested and are in discussions with manufacturers to begin adding electric-powered tractors to certain routes and, when feasible, we use cleaner renewable diesel and biodiesel fuel in certain California operations. Currently, we're evaluating compressed natural gas and liquid natural gas tractors that can supplement our existing fleet of diesel-powered tractors. We're also testing the impact of adding fuel hydrogenation devices to further increase our average miles per gallon and extend the life of the emissions control equipment that reduces nitrogen oxides and GHG emissions. We'll continue to explore possible applications as vehicle technology improves.

In January 2022, we began adoption of the **California Air Resource Board (CARB)** diesel engine certification across our fleet.

We've invested in five tier-3 compliant, ultra-low emissions locomotives for operations in California, Ohio, and Saudi Arabia. These multi-engine locomotives have each been upgraded with two new Cummins Tier 3 compliant QSK19 engines. The retrofits enable cleaner, more efficient operations.



REDUCE

NITROGEN OXIDES AND PARTICULATE MATTER EMISSIONS BY UP TO

90%

FUEL CONSUMPTION BY UP TO

70%

NOISE LEVELS BY

85%

& INCREASE EFFICIENCY

OVER CONVENTIONAL LOCOMOTIVES

BY UP TO

75%



We are currently testing two **hybrid front-end loaders** at one of our materials handling operations.

WE'VE SEEN **FUEL CONSUMPTION** AT THIS SITE **DECREASE BY**

10%

AND ARE EVALUATING OTHER LOCATIONS WHERE WE CAN TRANSITION TO **HYBRID LOADERS**

Energy Management Matters

We consume operational energy to heat, cool, and power our offices and facilities. Most of our operational energy is consumed in the form of electricity, representing our Scope 2 emissions. In addition, we combust natural gas to provide heating for some of our buildings.

Most of our 200+ locations source their own electricity providers, which have their own generation sources. Currently, we don't track our operational energy consumption, in total or by type. As part of our efforts to understand our organizational footprint, we're working to develop a reliable process to aggregate and report energy consumption data for all our offices and facilities. The availability of this data will also enable us to improve the measurement of our environmental footprint and enhance our strategic objectives to do what matters for our Customers and communities.

Our Service Support Center in Midvale, Utah is Silver LEED-certified and demonstrates our **commitment to energy conservation** and **efficient use of natural resources** using the latest construction designs and materials. Highlights include:

- LED lighting and the most efficient fixtures and controls for each application
- High-efficiency HVAC and plumbing equipment, such as chillers, boilers, fans, pumps, water heaters, and packaged air conditioning units
- Optimized HVAC and lighting controls with strategies such as duct static pressure reset, supply air temperature reset, intelligent scheduling, and daylighting



Water Management Matters

Our operations do not require significant use of water.⁹ We use water primarily for purposes of equipment maintenance and sanitation. Water is also used in operating and cooling our office buildings and maintaining our decorative landscaping.

We recognize that water is the world's most precious resource and continue to actively seek ways to do our part and reduce the amount of water we consume. For example, whenever possible, we design, build, and operate facilities to reduce and reuse water. We've also taken action to minimize decorative landscaping and use foliage that requires minimal irrigation.

The landscaping at our Service Support Center uses **drought-tolerant species** and **zero-scape landscaping** where appropriate. The irrigation system installed uses subsurface drip and surface bubblers to **conserve water**.

⁹ For the year ended December 31, 2021, expense related to water consumption approximated less than 0.015% of total operating expenses.

FORWARD LOOKING STATEMENTS

Certain information included in this Sustainability Report may constitute forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements regarding Savage's plans to: move forward with identified climate change opportunities, foster programs regarding diversity and inclusion, and plans to seek opportunities to further integrate sustainability factors into our business. Readers are cautioned not to place undue reliance on forward-looking statements as they are subject to a number of assumptions and known and unknown risks and uncertainties that may cause the actual results, performance, or achievements of the company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained herein are made as of the date of this document. The company assumes no obligation to update or otherwise revise these forward-looking statements, whether as a result of new information, future events, or otherwise.



ABOUT THIS REPORT

Savage is committed to transparent communication of our sustainability efforts to our stakeholders. In preparing our inaugural sustainability report, we considered the standards established by the Sustainability Accounting Standards Board (SASB) and guidance provided by the Task Force on Climate-Related Financial Disclosures (TCFD). Using these frameworks, we identified the performance areas and topics for disclosure that are most significant and relevant to our business.

The information included in this report is in line with Savage's policies surrounding the disclosure of financial and non-financial data. Non-financial data included in this report was not subject to a third-party audit verification process.

The ESG disclosures throughout this report are for the year ended December 31, 2021, unless otherwise noted.

Sustainability Accounting Standards Board (SASB)

This report follows the guidance of the Value Reporting Foundation's Sustainability Accounting Standards Board and recommended disclosure topics for the "Air Freight and Logistics" and "Agricultural Products" industries applicable to our business. The SASB standards provide a standardized reporting approach that yields decision-making metrics, a method to help track progress, and supports comparability for our investors and other stakeholders.



Refer to our **SASB index** on **page 46** which highlights our responses to the suggested SASB Accounting Metrics.



Task Force on Climate-Related Financial Disclosures (TCFD)

We consider the risks and opportunities associated with climate change and the energy transition as part of our overall business strategy. With this inaugural report, we've begun to align with the general approach and guidance laid out by the Task Force on Climate-Related Financial Disclosures. This includes governance, followed by strategy, risk management, and specific metrics.

We've historically considered the broad guidelines on ESG factors to be part of our overall management approach and we continue to enhance our standard data collection processes, baseline metrics, and targets to minimize our exposure to the physical, transitional, and regulatory risks of climate change.

Refer to our **TCFD Index** on **page 49** which summarizes and references our responses to the suggested TCFD disclosures.

CORE ELEMENTS OF RECOMMENDED CLIMATE-RELATED FINANCIAL DISCLOSURES



GOVERNANCE The organization's governance around climate-related risks and opportunities

STRATEGY The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

RISK MANAGEMENT The process used by the organization to identify, assess, and manage climate-related risks

METRICS AND TARGETS The metrics and targets used to assess and manage relevant climate-related risks and opportunities

SASB INDEX

SASB is an independent not-for-profit organization that sets standards to guide the disclosure of financially-material and decision-useful ESG information by companies to their investors and other stakeholders. The following index maps our disclosures to certain SASB indicators. We've utilized SASB's recommended framework for the "Air Freight and Logistics" industry as our business model and operations are focused predominantly on activities within the logistics industry. Where applicable, we also highlight selected information relevant to SASB's "Agricultural Products" industry. Other topics disclosed throughout this report beyond the scope of these standards are not reflected in this index.

As our businesses continue to grow and evolve, we expect to advance and refine our disclosures over time. Metrics and disclosures are reported on an enterprise-wide level, unless otherwise indicated. For sector-specific metrics and disclosures, please send questions via our website

www.savageservices.com/contact.

CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	RESPONSE
GREENHOUSE GAS EMISSIONS				
TR-AF-110a.1	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO ₂ e	135,464 ^{1,2}
TR-AF-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative	n/a	Page 39
TR-AF-110a.3	Total fuel consumed in vehicles and mobile equipment	Quantitative	Gigajoules (GJ)	1,946,407
			Metric tons (t) CO ₂ e	135,464
	Percentage natural gas	Quantitative	Percentage (%)	Negligible
	Percentage renewable	Quantitative	Percentage (%)	Negligible

¹ With the goal of beginning to establish a baseline, we have focused our efforts on quantifying our Scope 1 GHG emissions from vehicles and mobile equipment for this inaugural sustainability report. Emissions from stationary equipment are not significant to Savage operations.

² Scope 1 GHG emissions were calculated in accordance with the World Resource Institute's (WRI) Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol), using their pre-built transportation and stationary combustion calculators which utilize emission factors from the U.S. Environmental Protection Agency (EPA).

CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	RESPONSE
AIR QUALITY				
TR-AF-120a.1	Emissions of NO _x (excluding N ₂ O)	Quantitative	Metric tons (t)	324.6 ³
	Emissions of SO _x	Quantitative	Metric tons (t)	1.1 ³
	Emissions of PM ¹⁰	Quantitative	Metric tons (t)	6.3 ³
ENERGY MANAGEMENT				
FB-AG-130a.1	(1) Operational energy consumed (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	Not available ⁴
FOOD SAFETY				
FB-AG-250a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	(1) 0.76%, (2) 100% corrective action rate. All non-conformances were classified as minor.
FB-AG-250a.2	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Quantitative	Percentage (%) by cost	Not applicable ⁵
LABOR PRACTICES				
TR-AF-310a.1	Percentage of drivers classified as independent contractors	Quantitative	Percentage (%)	Page 23
TR-AF-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	Reporting currency (USD)	\$0.00
EMPLOYEE HEALTH & SAFETY				
TR-AF-320a.1	Total recordable incident rate (TRIR)	Quantitative	Rate	1.17
	Fatality rate	Quantitative	Rate	0.00
	Lost time injury rate (LTIR)	Quantitative	Rate	0.17

³ Represents emissions from vehicles and mobile equipment only. Emissions from stationary equipment are not material to the Savages operations.

⁴ Currently, we don't track our operational energy consumption, in total or by type. As part of our efforts to understand our organizational footprint, we're working to develop a reliable process to aggregate and report energy consumption data for our over 200 locations and facilities.

⁵ Savage only sources raw commodities which are not eligible for GFSI certification. During 2021, 100% of the product milled at Savage flour mills was certified to a GFSI-recognized food safety program.

CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	RESPONSE
SUPPLY CHAIN MANAGEMENT				
TR-AF-430a.2	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	Metric tons (t) CO ₂ e per ton-kilometer	Partially disclosed ⁶
FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Qualitative	n/a	Page 14
INGREDIENT SOURCING				
FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	Qualitative	n/a	Pages 9, 24, and 36
FB-AG-440a.2	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	2.20%
ACCIDENT & SAFETY MANAGEMENT				
TR-AF-540a.1	Description of implementation and outcomes of a Safety Management System	Qualitative	n/a	Pages 19-24
TR-AF-540a.3	Number of recordable, at-fault road accidents	Quantitative	Number	4
TR-AF-540a.4	Safety Measurement System BASIC percentiles ⁷ for:			
	(1) Unsafe Driving	Quantitative	Percentiles	9.76%
	(2) Hours-of-Service Compliance	Quantitative	Percentiles	10.80%
	(3) Driver Fitness	Quantitative	Percentiles	0.00%
	(4) Controlled Substances/Alcohol	Quantitative	Percentiles	0.00%
	(5) Vehicle Maintenance	Quantitative	Percentiles	47.03%
	(6) Hazardous Materials Compliance	Quantitative	Percentiles	54.74%

⁶ Refer to discussion of Greenhouse Gas Emissions beginning on **page 38**.

⁷ Under the *FMCSA Safety Measurement System*, a lower *BASIC* percentile indicates better performance than a higher *BASIC* percentile.

TCFD INDEX

We're committed to continuing to increase transparency on climate change risk management, governance, and performance. The TCFD has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders. A summary of our response to the TCFD-recommended disclosures is below, with references to where this information can be found in this report.

GOVERNANCE	Disclose the organization's governance around climate-related risks & opportunities.	
<p>Delivering business results and creating a sustainable business that does the right thing has guided Savage for 75 years. To ensure our company continues to deliver on these objectives, our Board of Directors and management team work in tandem to prioritize ESG matters. Those priorities include climate-related risks and opportunities, which impact our governance structure, policy setting, and decision making. Our Enterprise Leadership Team is responsible for providing strategic direction and overall management of ESG matters, including providing periodic reporting to our Board.</p>		Pages 11-12
STRATEGY	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	
<p>We believe the integration of ESG factors in our strategy is essential to developing a long-term vision for our company and to creating value for our stakeholders. Our strategic approach is Customer focused. There's growing pressure on our Customers to address climate-related matters in their supply chains and for us to provide solutions that drive results. We're determined to support sustainable supply chain programs, and we're working to ensure we continue to be well positioned for the opportunities expected to arise from the transition to a lower-carbon economy.</p>		Pages 8-10
RISK MANAGEMENT	Disclose how the organization identifies, assesses, and manages climate risks.	
<p>We prioritize identified risks and opportunities according to financial impact, likelihood of occurrence, and magnitude of consequences. This process of identifying and prioritizing risks enables us to align our organizational priorities and monitor emerging issues that may shape our future risk exposure. We prepare proactively for risk, both in our efforts to avoid disruption in the short term and to ensure the viability of our business in the long term. As part of our risk management process, we consider climate-related issues.</p>		Pages 13-14
METRICS	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
<p>We're developing a consistent approach in measuring and monitoring our emissions. With the goal of establishing our baseline and future targets, we've focused initially on quantifying our Scope 1 GHG emissions for our inaugural sustainability report.</p>		Pages 38-39



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