



ITS ConGlobal

Sustainability Report 2021

Sustainability & ITS ConGlobal

Future historians will agree that 2021 was pivotal – it's the year we felt the sustained impact of the COVID-19 pandemic. And after two years of disruption to systems that run society, it has taken a toll on all of us.

The events of the past two years have shown us that health, global economics, social systems, and the very world we live in are simultaneously fragile and resilient. With this backdrop, industrial transformation and collaboration have never been more urgent. Many companies are making bold commitments to net-zero, diversity and inclusion, and responsible technology to accelerate the necessary changes in response to the climate emergency, inequality, and nature loss.

Change is our only constant. Whether in business or life, changing the way we do things is a must to keep up with our fast-moving world. We stay resolute in our commitment to building a more sustainable supply chain.

ITS ConGlobal's transformation journey as a company is interconnected with our sustainability journey. I believe the most significant impact we can make is by working with our customers to develop sustainable innovations that address the world's challenges.





Our team's health, safety, and well-being will always be our top priority. I am proud to see ITSC employees taking steps, both big and small, to deliver on our mission of taking care. Their collaboration and commitments transform how we deliver results for our customers, communities, and stakeholders. Together we are making a meaningful change that is good for business, society, and the planet.

Within the pages of this report, you will find a comprehensive and transparent description of our responsibilities, actions, and achievements. At ITSC, we view sustainability as an extension of our business strategy, culture, and mission. We are committed to providing distinct value for those we are privileged to serve.

Take care,
Brant Ring

ESG and Climate Adaptation Awards



ITS ConGlobal wins Tomorrow.io's ESG and Climate Adaption Award

"Our main reasoning for selecting ITS ConGlobal first and foremost stemmed from the top-down focus around sustainability cascading throughout the organization," shared Nicole Batista, Customer Success Manager at Tomorrow.io.

Nicole continued, "the team at ITS ConGlobal understands the impact of an ever-changing climate on both their employees and customers. We have been fortunate to see them prioritize initiatives focused on improving safety and operational efficiency in the face of volatile weather impact."

Take care of each other, our customers, and our business.

Our mission is an essential navigation tool, especially when talking about safety and the environment.

Our mission statement helps cut through the noise and points employees at the heart of our company's passion for terminal operation expertise.



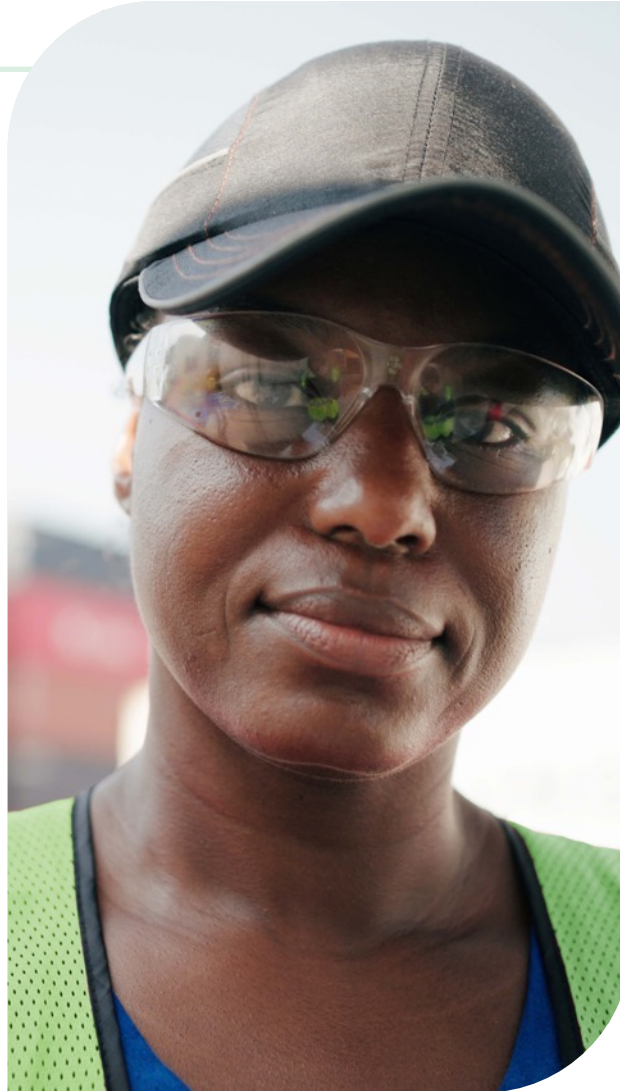
Our approach to Zero Harm enables us to work safely and responsibly in complex industrial environments.

We firmly believe we can work every move, every shift, every day with Zero Harm to our people, the environment, and the communities where we operate.





Zero Injuries
Zero Environment Incidents
Zero Damage Incidents



Safety and Zero Harm

We believe our actions are an essential part of maintaining a positive safety culture, and they fuel our Zero Harm philosophy:

Take personal responsibility – this shared sentiment means everyone is accountable for promoting a safe and healthy workplace for ourselves and others affected by our activities.

Proactively identify and manage risks – we are proactive in making every work environment safe, healthy, and secure, not only for ourselves but also for our teammates, clients, contractors, and the community. Before all work tasks, we conduct risk assessments, report hazards when observed, and action solutions to prevent harm and protect health.

Communicate openly – communication is the cornerstone of safe behavior. We foster a team culture where incidents, hazards, and near misses are reported and managed in a receptive and supportive environment. Building safety moments into all meetings are an integral part of our working day.



The Road to Achieving Zero Harm

More and more organizations worldwide are aiming towards a sustainable path for their businesses. Changes in expectations for both stakeholders and society and the urgency of climate change have caused companies to make commitments to do more; because our future depends on the sustainable work we do today

The ITS ConGlobal mission is to take care of each other, our customers, and our business. We operate in complex, industrial environments, making us passionate about creating a world where safety is the center. We orient everything we do around a Zero Harm approach for zero injuries, zero environmental incidents, and zero damage incidents.

We will succeed in achieving Zero Harm with the following practices:

- Everyone is part of the Safety Process
- Employees are required to participate and comply with the Safety Program
- Keep safety at the center.
- Provide sufficient resources for safety programs, including setting and monitoring objectives for continual improvement
- Ensure employees are trained to perform operational tasks safely
- Eliminating any unnecessary risk



Multimodal Edge

ITSC combines multimodal service, the largest depot terminal network in America, and technology to support our partners globally.

Industrial Terminal Operations

Terminals play a significant role in global logistics and supply chain, efficient and streamlined terminals improve cargo movement.

Our operators have the expertise and resources to command specialized equipment needed to run terminals.

Depot/Container Yards

ITSC operates more depot container yards than any of its peers and continues to expand.

We are the only hub provider with a transcontinental scale. In 2021, we processed more than 1 million units.

Intermodal & Automotive

ITSC operates more rail terminals for Class I railroads than any of its peers.

With nearly 6 million container lifts and the movement of more than 2 million finished vehicles, we have the scale, breadth, and capabilities to compete in the global marketplace.

Ops Infused with Technology

ITSC has deep, proven experience in developing and implementing technology solutions – we move ideas from inception to impact.

We use technology strategically and help our customers focus on initiatives that unlock value.

ITS ConGlobal Multimodal Network

Our national footprint combined with the industry's broadest array of mobility services providing clients – all top tier, advanced transportation companies with unparalleled market reach and coverage.

Serving the transportation industry for over 50 years.

- Workforce of nearly 2,400 employees
- North American reach anchored by our offices in Fort Worth, TX, Chicago, IL, and Houston, TX.
- Latin American presence with operations in Mexico and Costa Rica.



Our Depot Network

As a leader in the container industry since 1968, we know containers.

With strategic locations near ports and inland distribution hubs across the US, Mexico, and Costa Rica, ITSC stores, sells, rents, repairs, and modifies all types of shipping containers.

As the industry's only provider of depot services spanning North and Central America, we provide more than 200k TEUs of capacity and our network touches more than 1M units every year.

- Equipment sales and leasing
- Wheeled and stacked storage
- Repair estimation
- Maintenance and repair
- Refrigerated unit repair and maintenance
- Container modifications



Intermodal and Automotive Operations

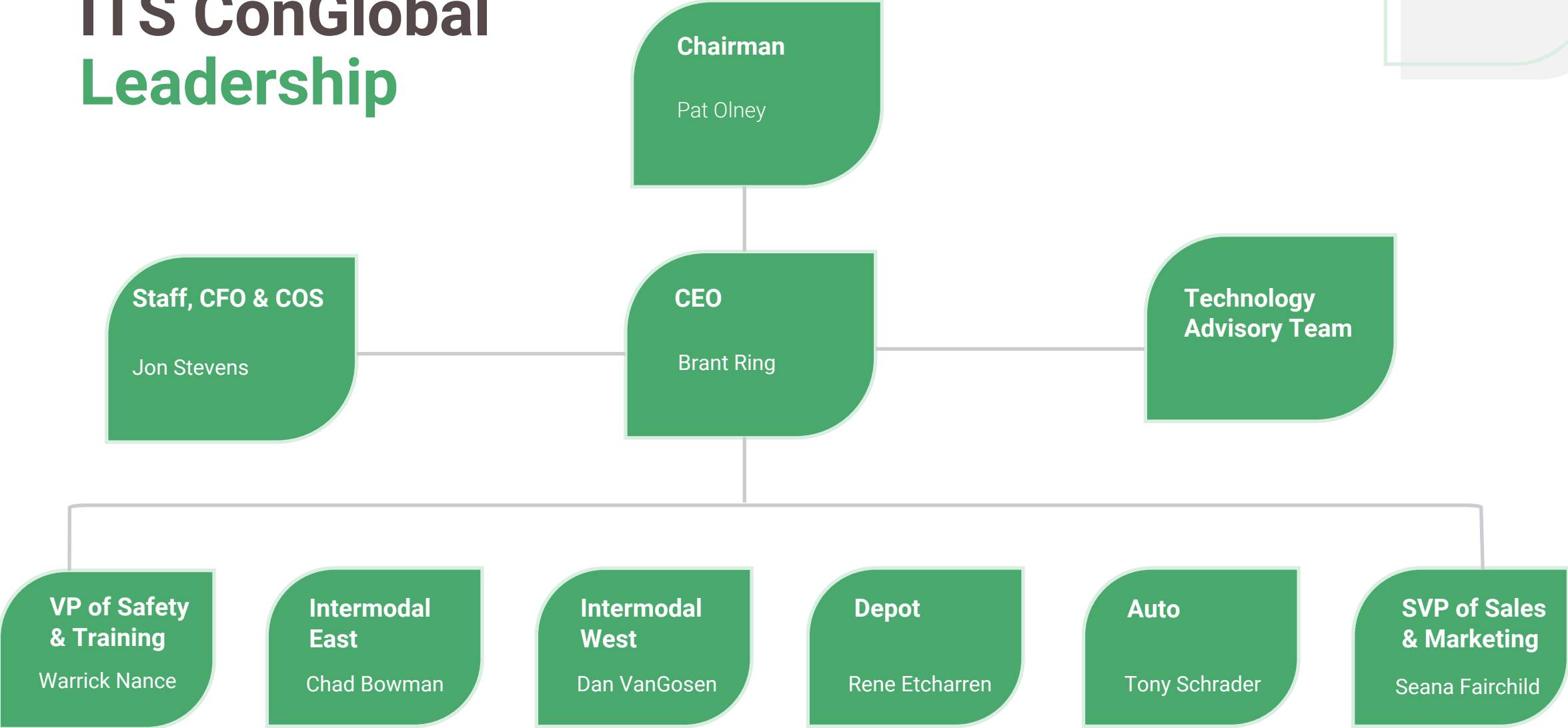
Our network scale allows us to move labor and resources to in-demand terminals, leverage purchasing power, and offer a modernized portfolio of products and services, giving our customers a competitive advantage.

- Intermodal trailer and container loading and unloading, including LTL and parcel service handling
- Finished vehicle loading and unloading
- Drayage
- Railcar maintenance and repair
- Railcar switching
- Checkpoint operations
- Inventory management
- Terminal operations design
- Warehouse/distribution center operations





ITS ConGlobal Leadership



GRESB Assessment: Sustainability Benchmarking

Global Real Estate Sustainability Benchmarking (GRESB) is a global agency that assesses the Environmental, Social, and Governance (ESG) performance of assets.

More than 100 institutional investors use GRESB data to engage with investment managers on their sustainability performance for real estate and infrastructure investments.



1st Overall Score

Within Transport

Out of 8

1st Management Score

Within Transport

Out of 8

3rd Performance Score

Within Transport

Out of 8



Strategic Focus

ITS ConGlobal is your go-to expert in multimodal, industrial terminal operations.

We are a customer-centered company and rally around four strategic priorities—culture, customers, cost, and capabilities.

Culture

ITSC drives more sustainable results by protecting employees while simultaneously challenging them and unleashing their skills and talents.

Cost

We operate with an awareness of cost control, re-engineering proven processes to eliminate waste.

Our mission is to divert as much waste from landfills as possible and emphasize repurposing and recycling our waste.

Customers

Our customers expect more, and we want to deliver on that sentiment. We are providing new lines of service-sensitive activities through simplified touchpoints, faster and more resilient operations, and predictive analytics.

Capabilities

We continue to adapt and build resilience to manage and predict the ongoing disruptions around us and boost performance. We remain steadfast in our commitment to our customers while creating new services that provide advanced visibility.

Our Approach to Sustainability

The transition to a low carbon economy is accelerating due to recent and strengthened commitments from governments, companies, investors, and the public. This shift has grown the awareness of the need for meaningful change and made ITSC recognize we need to work collaboratively to expand our impact.

01

Committing to a Greener Future

The last year brought extraordinary challenges. It has also been a time to recommit to our values, priorities, and the difference we want to make in the world.

We are committed to being sustainability leaders and reducing our carbon footprint to combat the urgent climate crisis. As we build on the positive momentum of our actions, we're building out initiatives to become carbon-neutral across our operations.

02

Protecting people and the planet from emissions

As one of the largest transportation support companies in the United States, ITS ConGlobal has an essential responsibility to build a more sustainable supply chain.

The transportation and logistics industry is a leading source of CO2 emissions, and we are committed to doing our part to create a more sustainable world.

03

Designing Strategies for Sustainable Development

We brought in an environmental compliance specialist to unify our sustainability, compliance, and environmental initiatives.

As our company evolves, we'll continue to advance our sustainable development policy to guide us toward a greener future.

Sustainability Goals

Our sustainability strategy is grounded in our purpose to provide our customers with terminal operations expertise while making essential innovations that support the United Nations Sustainable Development Goals (UN SDGs).

As a leader in multimodal operations, we embrace the accelerated pace of learning, change, and expectations worldwide and within our communities and workforce. Conversations about sustainability are quickly evolving, and we are listening and responding, internally and externally, to increase the speed and scale of our actions and impact.



Our Pledge to Sustainable Environmental Management

- Monitoring and reducing the use of resources
- Research renewable energy sources and place preference on them rather than non-renewable
- Minimize waste and reuse materials where feasible
- Actively seek out and purchase from local vendors
- Promote a business culture that recognizes the importance of developing and maintaining the environmental values of projects and local communities
- Provide relevant training

Depot/Container Yard Wildlife Initiative

In 2021, we reinstated our wildlife sustainability initiative – each depot location is responsible for completing an environmental project annually. Depots personnel restore or maintain their sites' habitats, have a trash pick-up day, build birdhouses, or partner with a local urban garden to support the environment and community.

Sustainable Procurement

Building and maintaining a community of diverse suppliers increases ITS ConGlobal's opportunity to hear new ideas, apply different approaches, and gain access to solutions that meet our customer needs.

We've integrated Corporate Social Responsibility (CSR) principles into our procurement processes and decisions and give preference to environmentally friendly products whose quality, function, and cost are equal to or superior to more traditional ones.

We strive for zero waste by promoting reduction, reuse, and recycling criteria in our purchasing decisions.



Support Local

ITSC supports the local economy by purchasing goods and services from local vendors, further reducing transportation costs and emissions. Localizing our supplies is environmentally friendly, and it helps the communities where we operate, thrive and grow.



Compliance

One of the foundational elements of a robust sustainability strategy is integrating material ESG issues within a formal governance structure to ensure long-term growth.

ITSC complies with all local, state, and federal laws that govern our procurement activity, including environmental protection.



Empowering Employees

Empowering employees through environmental training to be innovative and demonstrate leadership by incorporating sustainability factors into procurement decisions.

Complement ITSC sustainability goals and policies.

Committed to People

At ITS ConGlobal, we are committed to people. We put our expertise and exceptional service at the center of everything we do for our customers, colleagues, and within our local communities.

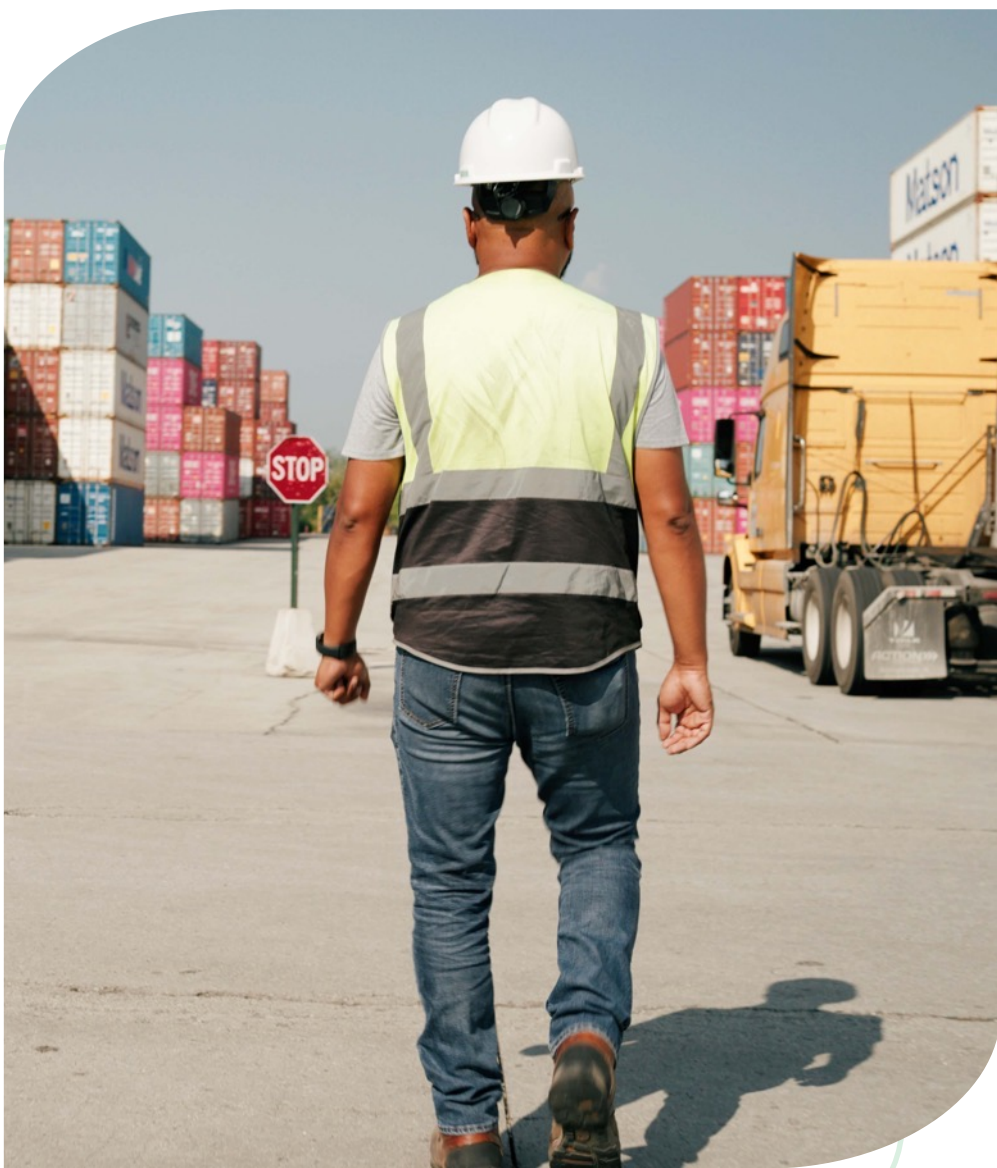
As we expand and evolve, we remain rooted in our mission statement of taking care, and it guides our actions and obligations every day.

2021 felt like even more of a rollercoaster ride than 2020. From violence in the US Capitol, greater access to the COVID-19 vaccinations and testing, to a string of massive climate crises from a polar vortex to widespread fires to extreme wind trapping a container ship in the Suez Canal, one thing was constant: upheaval.

But day after day, we've witnessed the inspirational courage of our frontline workers as they fight the pandemic and drive home solutions for our customers despite seemingly insurmountable odds.

ITS ConGlobal is dedicated to making meaningful, inclusive, and enduring contributions as our communities address and recover from these challenges. The world needs our industry leaders to take action on these interconnected crises more than ever.





Stakeholder Engagement

We routinely engage directly with our customers, investors, suppliers, and other stakeholders on sustainability and social impact to ensure they have accurate, credible information about our company and communicate how we consider their priorities in our strategy.

We commit to:

Practicing active listening—we're listening to the advice of experts and feedback from our customers, employees, investors, and community partners.

Leveraging innovation and technology—we're investing in technology coupled with our domain expertise to deliver products that provide intelligence to operations while improving safety and reducing harmful effects on the environment.

Emphasizing collaboration—our cross-functional teams and customers are working together on solutions that serve the greater good.

Operating with empathy—the challenges we've faced over the last two years have made life overwhelming for many. We are striving to lead with empathy, kindness, and compassion.

Investor Transparency

At the heart of most successful sustainability and responsibility strategies are meaningful stakeholder engagements and partnerships. Considering the perspectives of specific stakeholder groups on Environmental, Social, and Governance (ESG) issues helps to align business strategy with sustainability.

ITS ConGlobal places a high priority on communicating with shareholders and other investors.

Disseminating the Latest Information with Transparency and Fairness

ITSC is timely in sharing information through disclosures, meetings, and briefings. According to our investor relations policy, other activities ensure transparency and fairness in communications with individual and institutional investors.

Relations with Investors

We regularly announce financial results and hold meetings to explain the strategies, and conduct tours of our operations for investors.



Customer Satisfaction

Driven by better awareness and regulatory changes, customers are increasingly interested in sustainable practices in our operations. Over the last few years, we have adopted a proactive and transparent approach to satisfying customers' sustainability expectations.

We talk with our customers often to better understand their needs, priorities, and how we can work together, benefitting everyone.

To effectively meet the needs of our customers, we are focused on three key areas:

- **Evolve digital to unlock data across the organization.** By creating customer-centric metric dashboards, ITSC can become a more responsive and proactive partner.
- **Rethink our operating models.** Being reactive is expensive. We can save our customers time and money by implementing the right solution to move from reactive analysis to predictive action.
- **Build asset-light technology solutions.** By using intelligent AI-enabled technologies, we can optimize processes and services to the highest degree. ITSC is bringing to market cloud-based products that are flexible, system-agnostic, and infrastructure light and will drive efficiencies and provide a higher service level, all at a competitive cost.



Together, We Do Our Best Work

Diversity and Inclusion are a central part of our culture and how we work at ITS ConGlobal. They are crucial to our mission to take care of each other, our customers, and our business.

We recognize that everyone is equally different, and it's those unique experiences, perspectives, and voices that drive us forward. Every employee is encouraged to learn new skills and is considered for opportunities that require that skill.

We believe there are three key reasons why Diversity and Inclusion are essential for our business:

1

A diverse workforce provides insights into all stakeholders' needs and motivations, providing solutions proactively.

2

We operate in a complex and competitive industry; a broader range of talent makes us highly innovative and stronger together.

3

Embracing a broader worldview will help us build bridges to trust, respect, and an understanding spanning cultures and locations.



Social Performance Indicators

Our people are at the very heart of our business

Sustainability is often described as the “ability to meet the needs of the present without compromising the ability of future generations to meet their needs.” As sustainability becomes a key focus for more organizations, employers must develop new ways of doing business, and Human Resources has a critical role.

- Employers have found that attracting applicants who value sustainability can enhance recruitment and retention.
- Employees can develop their commitment to an organization’s sustainability values and goals through training and development. In addition to building awareness, targeted training in environmental stewardship helps connect the dots to overall ecological accountability.

Diversity and Inclusion

Diversity and Inclusion are a central part of our culture and how we work at ITS ConGlobal. They are crucial to our mission to take care of each other, our customers, and our business. We recognize that everyone is equally different, and it’s those unique experiences, perspectives, and voices that drive us forward. Nothing other than a person’s talent should stand in the way of an opportunity.



89% of employees are men



11% of employees are women

27%

Of employees are
under 30 years old

49%

Of employees are
between 30 & 50
years old

24%

Are over 50 years
old

Collaborative Efforts

Collaboration is an essential part of ITS ConGlobal's sustainability strategy and is key to our ability to make a difference. We partner internally across our business units and with our customers leading the way.

We understand the urgency of climate change but recognize the challenge is too great for any of us to solve alone.



What's next:



Hub Cities

Our vision is to increase these training programs and expand to other hub cities where depot and intermodal locations can interact to capitalize on this framework.



Efficient Training

We believe that expanding collaboration will result in more quality training and maximize production at both depot and intermodal locations.

ITS ConGlobal celebrated Energy Awareness Month in October by announcing the full replacement of diesel-powered yard hostlers with electric vehicles (EVs) at a large California intermodal facility operated by ITSC.

Both companies pursued incentive dollars under California's Proposition B and CORE programs. ITS ConGlobal purchased 15 Evs, and BNSF supported the program by investing in and installing the chargers.

This collaboration made BNSF's Stockton location one of the first electrified intermodal yard fleets in North America.

In 2021, our Chicago teams operating intermodal ramps and our adjacent depots collaborated to train employees in a more controlled environment.

The initiative allowed new intermodal employees to learn how to operate hostlers at our depot locations. The result of the program was improved learning within a less congested environment, rapid onboarding, and keeping our ramp crews focused on the complex intermodal business.

Innovate for Good

We live in the most interconnected world we've ever known. These connections have helped ITSC create new, tailored technology products to solve long-standing problems that will make us and the customers we serve more efficient and shrink our collective carbon footprint.

Our domain expertise in operating industrial terminals allows us to understand the needs of our customers, their goals, and the unique issues and challenges they face. It also helps us translate those needs into architected IoT solutions that unlock new opportunities in this zero-carbon economy.

Redefining gate operations

Our next-generation checkpoint system automates the gate process to reduce idling trucks and expedite missions.

- We combine Artificial Intelligence (AI) with high-resolution imagery and data inferencing to authenticate site visitors, validate their business purpose, and identify assets within seconds.
- Our solution improves Ingress and Egress challenges of security, safety, and truck turn times which helps reduce air pollution and wasting fuel.

Fewer moves=less fuel

Our load-plan optimization algorithm predicts optimal inventory placement and hyper-efficient route planning to increase terminal velocity.

- This tech can sit on top of any terminal system to make guided recommendations for significant productivity and efficiency gains across all planning levels.
- Our solution boasts fuel savings despite the disruption and concentrated volumes. Year-over-year fuel savings improvement even with additional diesel lift equipment, railcar deficits, and lot congestion.

Multitasking for more

Our vehicle-based inventory system uses existing operational equipment to automate the yard check/inventory reconciliation process.

- The technology uses the same AI, high-resolution imagery, and data inferencing capabilities as our checkpoint system to validate assets and their location in seconds.
- Customers use this independently or stacked with our other systems.
- Powered by onboard batteries, the system mounts to existing yard/terminal vehicles for a safer, more efficient, real-time inventory reconciliation.

Value-added technologies

- **Tomorrow.io Advanced Weather Planning** provides hyper-local predictive weather forecasts for operation proactive decisioning.
- **Telematic solutions** like GPS tracking and dash cams provide insights into fleet utilization, fuel efficiency, preventative maintenance, and driver safety.
- **Remotely Operated Yard Trucks by Phantom Auto**, highly-integrative software allows enterprises to operate any crewless vehicle. Live video monitoring, remote guidance, remote control of industrial equipment equipped by drive-by-wire.



From Pledges to Progress

Over the past year, we have seen the effects of climate change in yet another unprecedented fire season, along with devastating storms, deep freezes, and disastrous flooding, all while facing the continued spread of a global pandemic.

A journey to net-zero is a complex one. We've identified concrete first steps, which include measuring, disclosing, and setting targets for emissions, accelerating our search for low-carbon opportunities, and innovative technology targeted at reducing dwell and redundant dwell equipment moves.

Climate change is one of the most significant environmental and social issues of our time. Facing our planetary challenge requires ambition, action, and accountability. And we are set for the task.

Environmental Performance Indicators

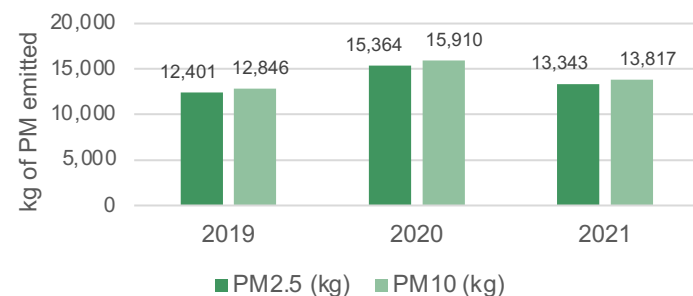
As one of the largest transportation support companies in the United States, we have an essential responsibility to build a more sustainable supply chain.

The transportation and logistics industry is the leading source of CO2 emissions, and with the urgency of climate change and the need to create a more inclusive world, we must all do more.

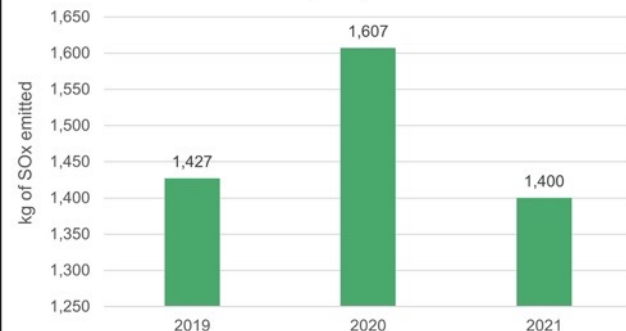
We track our emissions annually for PM2.5, PM10, Sox, NOx , and CO2 and decreased emissions while increasing the number of units handled.

To lower the number of pollutants we release, we will continue to invest in tier 4 diesel engines and deploy electric vehicles (EVs) where it's feasible.

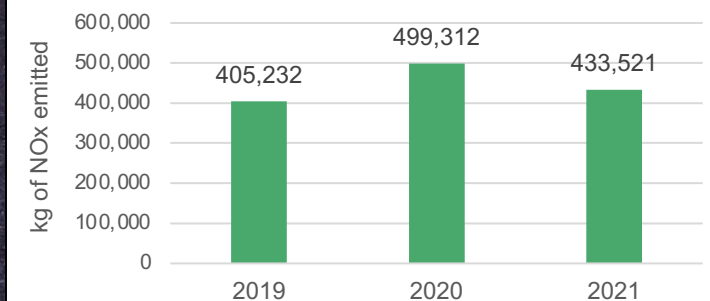
Particulate Matter (PM) Emissions



Sulfur Oxide (SOx) Emissions



Nitrous Oxide (NOx) Emissions



Expanding our Footprint Focused While Shaping Net Zero



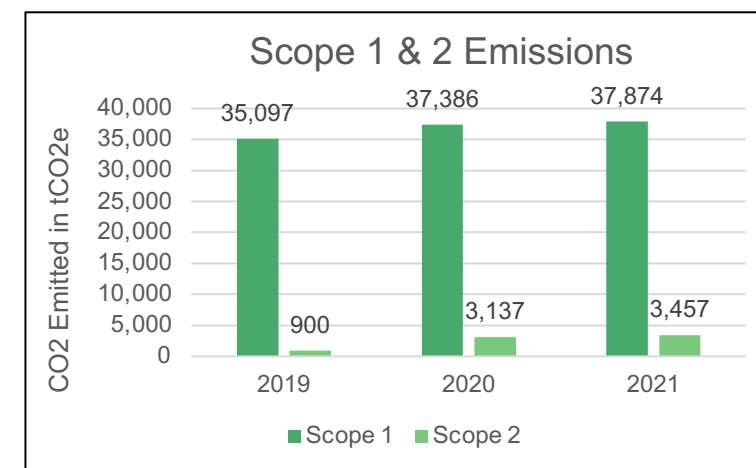
Cincinnati, Cleveland (2), Columbus, Detroit, Indianapolis, Louisville, and St. Louis

The strength of our determination to further the vision of being an expert partner in terminal operations was underlined by our acquisition of 7 container yards/depots across the Midwest that specializes in inland depot services to the international and domestic shipping sector.

The addition filled critical geographic gaps in ITSC's existing network while meeting our customer demand for container sales, leasing, and maintenance and repair.

As we've integrated these new locations into our operations, we are rethinking how we can be more 'carbon conscious' in everything we do. There is no 'one size fits all approach,' but carbon has to be one of the high-value outcomes that we seek, in balance with other objectives.

We're refining how we track scope 3 emissions for more holistic and transparent reporting.



After the acquisition, we saw a slight lift in our year-over-year scope 1 & 2 emissions.

Environmental Performance

We are committed to measuring and managing environmental performance and practices in our operations and supply chains and improving them over time.

Our approach to managing energy consumption, greenhouse gas (GHG), emissions, water consumption, waste generation, and environmental compliance includes:

- Collecting performance data for our global operations
- Maintaining awareness of potential business and environmental risks and opportunities associated with climate change
- Sharing our progress with stakeholders and disclosing our performance
- Engaging with our suppliers to reduce environmental impacts

Terminal operations is an energy-intensive business. ITSC purchases fuel and energy-related activities to run our offices and container yard network. Because motive units are the most significant fuel consumers, ITSC trains our staff about fuel efficiency, and we use Global Positioning Units (GPS) to identify and shut off idle units.

Water scarcity is affecting more and more regions worldwide. Because we depend on

water availability, our environmental stewardship efforts focus heavily on sustainable water management.

As needed, we filter our wastewater to remove particles, metals, chemicals, sediments, odors, minerals, and other impurities. Our water management practices and processes comply with applicable water protection laws and immediately adapt to tightened regulations.

Water +33%

Water use (m3)

2021

Depots	10,147,473 gal
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Total	38,412 m3
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Energy +17%

Energy use at depot facilities in MWh

2021

Electricity	3,907,158
Renewable	1,022,805
Natural Gas	4,972,743

Total	4,972,743 kwh
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Fuel -2%

Fuel consumption measured in gallons/kwh

2021

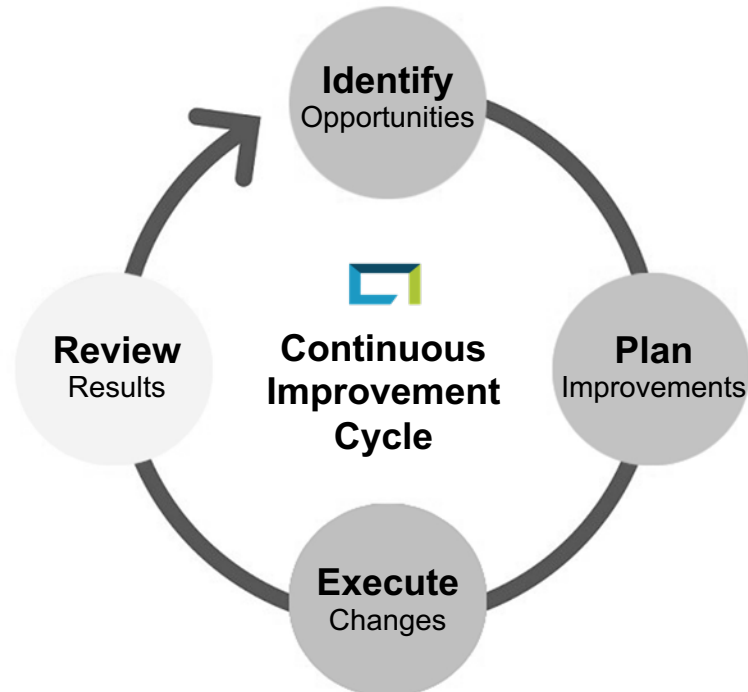
Diesel	63,083/256,747
Dyed Diesel	3.4M/137.5M
Gasoline	250,241/8.3M

Total	3,728,902 gal
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Continuous Improvement

ITS ConGlobal regularly reviews industry best practices to target continuous improvement opportunities, enhance environmental performance, meet compliance obligations and achieve reduction goals.

We guide our environmental strategy by comprehensively reviewing and assessing the company's most significant environmental challenges and risks. Our environmental priorities include becoming carbon-neutral by 2050, monitoring and reducing the use of resources, minimizing waste, and prioritizing diversity amongst suppliers.



ITS ConGlobal is creating sustainable pathways that measure our incremental successes for reducing carbon pollution, recycling waste, reduced power usage, and increasing dependency on zero-emission solutions.

ITSC is continuously:

improving workforce engagement by taking responsibility

lowering the cost of operations and climate-related risks

building a brand customers trust by taking a stand on social and environmental issues

capturing new markets by leveraging technology to digitize and transform operating environments

ITS ConGlobal Governance



Working environment policy

ITS ConGlobal workplaces are characterized as a safe and stimulating working environment that promotes good attendance, cooperation, and motivated employees.

Our leaders have ultimate responsibility for the working environment at the ITSC. However, everyone at the workplace has personal responsibility for their health, working environment, and cooperation to ensure a pleasant working environment and an excellent corporate climate.

To achieve this culture, we will:

- systematically review and evaluate the ITSC working environment
- set objectives each year for our ecological programs and including placing measures in the budget process
- invest in the continuous development for managers and employees around environmental issues

Equality and diversity policy

Employment is based upon abilities, qualifications, attitude, and job-related factors. Every qualified employee and applicant has the same opportunity for hire, training, placement, promotion, compensation, demotion, termination, and benefits without regard to race, color, religion, sex, gender, national origin, pregnancy, ancestry,

citizenship, genetic information (including of a family member), veteran or military status, physical or mental disability, age, sexual orientation, gender identity, medical condition, marital status, ethnicity, or any other classification protected by applicable local, state, or federal law.

Discrimination based on any protected category is forbidden and is not tolerated at ITSC. This policy reaffirms our commitment to fair treatment and Equal Employment Opportunity (EEQ) under all applicable state and federal laws.

Quality policy

ITSC develops and provides multimodal, industrial, terminal services that satisfy quality, efficiency, and simplicity market demands.

Excellent service is achieved by:

- being customer-obsessed, honing our core business while transforming and developing new services
- fostering inclusion in our quality programs
- encouraging a continuous improvement mindset
- we amplify our success when we do it together
- recognizing the value our employees bring to ITSC
- have a bias for action by taking ownership and seizing opportunities

The AAW quality program meets the ISO 9001 certification requirements. ISO 9001 is a certification that stipulates specific formal processes companies to follow for their management of Quality Control. It includes monitoring processes, maintaining complete and accurate records, checking for defective output, correcting defects, and continual internal reviews for effectiveness.

Environmental policy

ITSC is committed to environmental leadership in all business activities.

ITSC is architected to provide a safe, healthy workplace while protecting the environment, conserving natural resources, and being a good global citizen. Our approach to managing Environmental Health and Safety is defined in the ITSC Zero Harm Commitment.

ITS ConGlobal Governance



Leadership is responsible for establishing the overall Environmental Policy for the company, ensuring adherence, and reviewing each business unit's performance.

Strategic Sourcing is responsible for selecting vendors and suppliers that comply with ITSC practices.

Each ITSC location is responsible for ensuring our employees and contractors follow all operational processes/procedures.

We believe in being remarkably transparent. By sharing our policies openly, we can achieve a healthy and safe environment.

We are committed to:

Being safety-focused. Our mission is to take care of each other, our customers, and our business. We commit to providing adequate training and the proper safety and emergency equipment.

Being an ethical, environmental partner in the communities where we operate and correct conditions that endanger health, safety, or the environment.

Conserve natural resources by adopting pollution prevention practices.

Maintain and improve operations and technologies to minimize health and safety risks, waste, and other pollution.

Ensure the responsible use of energy throughout our business, including conserving energy, improving energy efficiency, and pursuing renewable energy over non-renewable options.

Participate in efforts that improve environmental protection and understanding. Share appropriate pollution prevention technology, knowledge, and methods.

Promote economically feasible and environmentally sound habitat protection objectives in cooperation with public and governmental agencies.

Adhere to stringent Federal and State requirements no matter where we do business. Exceed expectations when possible.

Promptly report all non-compliance issues according to applicable governmental reporting requirements. Evaluate causes of non-compliance and implement corrective actions.

Commit to reviewing environmental regulations for compliance.

Establish training and communications around environmental laws and regulations to ensure employees are aware and compliant.

Promptly correcting any practice or condition, not in compliance with this policy.

ITS ConGlobal Governance



Safety policy

The ITS ConGlobal mission is to take care of each other, our customers, and our business. We operate in complex, industrial environments, making us passionate about creating a world where safety is the center. We orient everything we do around a Zero Harm approach.

Zero Harm Commitment

ITSC is striving to achieve the goal of “Zero Harm” across our operations – meaning zero injuries, zero environmental incidents, and zero damage incidents.

We will succeed in achieving Zero Harm with the following practices:

- Everyone is part of the Safety Process
- Employees are required to participate and comply with the Safety Program
- Keep safety at the center.
- Provide sufficient resources for safety programs, including setting and monitoring objectives for continual improvement

Leadership is responsible for establishing the overall Safety Policy for the company, encouraging adherence, and reviewing the performance of each business unit.

All ITSC locations are responsible for executing the safety objectives and ensuring compliance with all operational processes/procedures.

ITS ConGlobal’s Safety Pillars

We have established a set of General Safety Principles developed from the analysis of injuries and damage incidents across the ITSC’s lines of business.

- 1. Fit for Duty** – Our employees are courteous, professional, and organized. We never start work without being rested, healthy, and ready. Each employee has dressed appropriately and notifies the operational lead manager if they become fatigued or feel ill at work. We never work under the influence or while using any personal electronic devices.
- 2. Personal Protective Equipment (PPE)** – We never start a task without wearing the required PPE. We understand the importance of our PPE and wear specialized PPE when needed. We regularly inspect and maintain our PPE.
- 3. Climbing & Walking** – Our employees are aware of their surroundings and use 3 or 4 points of contact when mounting and dismounting equipment. We never mount or dismount on moving equipment and use extreme care in adverse conditions.
- 4. Equipment Operations** – All employees are properly trained and qualified before work begins.

We always wear a seat belt, follow the speed limit, and practice defensive driving techniques. Before operating equipment, we perform required inspections.

5. Pinch & Crush Points – We never place ourselves or a body part in an unprotected pinch point. We stay clear of equipment movements and ensure pedestrians or other mobile units are not in the red zone. Our eyes are always on task, and we use proper techniques to adjust/correct improperly positioned equipment.

6. Track & Movement Protection – We always verify track status FIRST and follow local guidelines. We never work on an unprotected or live track. We are alert to changing track conditions and keep PUC/foul lines clear.

7. Securement – We always ensure all equipment connections are secure (King Pin, Couplings, Bridge Plates). We control speeds and follow established procedures to prevent the unintended movement of equipment.

8. Emergency Response – Our employees follow all company and customer procedures. We report all incidents immediately to supervisors and abide by all life-saving processes (CPR, AED, first aid & emergency response plans).

Independent Verification

ASAE 3000 External Review of 2021 Sustainability report and related relevant data and documents

Scope: ITS ConGlobal (international services) covering operations and services at 30 locations. The locations included were those for which ITS ConGlobal controls site logistics, facilities, operations and services. Corporate offices are also included for sustainability goals and initiatives related to corporate management, and personnel and client support.

Sustainability Report Standard : GRI Sustainability Reporting Guidelines - 2022

Review Report Standard: ASAE 3000 – International Standard on Assurance Engagements (ASAE) 3000 (Revised, June 2014).

Description of Control Framework:

There are several international sustainability professional organizations that provide guidance and training. GRESB and CISSP guidance programs are commonly used and have established acceptance. ITS ConGlobal has decided to use the GRI framework guidance and reporting tools for Infrastructure to build their sustainability report.

Sustainability frameworks include three major sections. These areas of organizational sustainability cover the broad scope of management and operation functions necessary to establish plans and resources to continue (sustain) organizational operations during and after disruptive events.

Governance: succession plan, active involvement by management, reliable and engaged staff

Environmental: plans and operational methods to provide least impact on greenhouse gases, water and air quality, incoming resource usage, waste production.

Social: Staff, customers, general community



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Credentials:

SEA—The primary sustainability certification, from International Society of Sustainability Professionals organization

GRI Standards —Globally adopted for applying and reporting progress toward sustainability goals

ISO14001:2015—ISO's Environmental Management System certification

ISO19011:2014—ISO's Quality Management certification

Independent Verification

Review Part 1 - Corporate Management Alignment with ESG frameworks:

Leadership Commitment to ESG initiatives:

ITS Conglobal has established business improvement initiatives over the past six years, independently from their sustainability reporting program. They include:

1. A 10% reduction in GHG emissions and fuel usage
2. Green energy and green locomotion in field tests to evaluate technical solutions for adoption
3. The Zero Harm Commitment
4. The Responsible Labor Initiative
5. ESG, ethical and social compliance, and work injury and accident reporting on a monthly and/or annual basis
6. Ongoing training in ESG areas to increase staff knowledge and commitment and reduce risks.

These efforts continue to show a broad-based commitment to the aspects of business management that is key to the development of an ESG sustainability program and reporting capability.

Risk management matrix:

The sustainability of the entity depends on addressing risks to the continued operation of the organization. These risks can originate internally from management decisions, staff lack of engagement and miscommunication of ESG initiatives and risks, and externally from value chain partners, other stakeholders, competitors and environmental events and conditions. Over the last four years that ITS Conglobal has completed the GRESB assessment, environmental risks and threats have continued to grow rapidly.

The sustainability risks for the organization must be identified, researched and ranked to provide the necessary platform to build and implement the most effective sustainable solutions. ITS Conglobal's senior management and Corporate Board actions, plans and reports are aligned with addressing these risks. The organization has adopted seven risk management evaluation and reporting standards including ISO9001, SA800 and ISO1400. Participation in adoption and reporting to these standards provides evidence of alignment to ESG requirements and has provided a more robust corporate organization to better understand and address the ESG risks.

Independent Verification

Procedures and Controls: (Performance section of report)

GRI's reporting framework has established 15 Performance areas that provide evidence of the operational ESG goals and actions, when considered and adopted for reporting of the organization's sustainability status and progress. ITS ConGlobal has provided descriptions of their operations, resource use, emissions levels analyses and results for applicable Performance areas, or provided explanations of why the performance area is not applicable to ITS ConGlobal. I have reviewed all of the completed sections and reported key programs and accomplishments below.

Review Part 2 - Results of Independent Review of Performance Actions:

The 15 performance areas and ITS ConGlobal's responses are described below.

Performance 1 – Implementation

IM1 – Environmental section was filled out with the expected areas of concern. Details are presented in the other environmental sections.

IM2 – Social section presented a broad set of HHS initiatives that have been implemented to reduce potential bias and to enable employee, customer and value chain partner to participate in improving operational procedures and sustainable initiatives. The Inclusion and Diversity action described the use of social media and other direct contact channels to attract good candidates. It was noted that the ethnic and sex profile of the personnel did not change significantly since 2019, even though ITS ConGlobal actively recruited a wide range of applicants. The corporate Zero Harm policy supports this performance area by providing guidance for personnel policies.

IM3 – Governance actions include the security controls necessary for protecting corporate assets. Cyber security issues require constant vigilance and ITS Conglobal solutions should be reviewed by external experts. Security and technical improvement recommendations by external experts should be considered for adoption to protect corporate assets.

Independent Verification

Performance 3 – Energy

I reviewed the completed spreadsheets for usage of multiple fuel types, electricity and natural gas for completeness and accuracy of the calculations, data applicability and descriptive commentary boxes in this section. The inputs were reviewed for applicability and completeness against the GRI guidance documentation. Through discussion with the sustainability company manager, I was made aware of the present sources of energy, and of the continuation of the exploratory program to adopt electric vehicles (which are reported under the Renewable Energy category). The natural gas and non-renewable electricity represent the heating and lighting expenditures for the corporate office and the network of operational sites. The aggregation of these numbers across all sites was re-performed; site-level calculations were not. Calculations within the spreadsheet were reviewed for accuracy. The data and contributions within this Energy Performance section are consistent with the size of the organization and footprint of logistical service organization with a similar size network of operational sites.

Performance 4 – Green House Gas Emissions

ITS ConGlobal chose to base this GHG section on the Greenhouse Gas Protocol (ghgprotocol.org) and the EPA reference noted in the Emission calculation spreadsheet, used to source the Emission Factor. The organization provides tools and formulae to convert fuel and energy usage into the related emissions. Those tools and calculations are applied in the spreadsheets attached to this Performance section. I found the formulae to be accurately copied into the spreadsheets.

Within the spreadsheets, I sampled the calculation functions and determined they were based on the correct cell values.

The usage inputs were also entered into the Energy Performance section above and were consistent between worksheets. The data and calculations used in this section appear to accurately represent energy usage and GHG emissions for ITS ConGlobal.

Performance 5 – Air Pollution

Air pollution calculations were based on the EPA reference noted in the Emission calculation spreadsheet above, used to source the Emission Factor for different emission calculations. The inputs derived from ITS ConGlobal operations and financial records and used in the Energy and GHG sections were also used to calculate the air pollution levels. The data and calculations were reviewed and determined to be accurate and consistent with the previous sections Energy and Green House Gas Emissions.

Independent Verification

Performance 6 – Water

Water usage at the operation locations is a low impact environmental factor. Water is used to clean the insides of shipping containers and to wash down site surfaces. Corporate office water use is also very low and within expectations. Functions performed by employees performing the ITS ConGlobal logistics services do not exacerbate the precipitation-based run off. Depot sites are not adjacent to sensitive waterways, nor in flood zones.

Performance 7 – Waste

Waste is defined as on-site discarded, reusable or not-reusable, non-hazardous material that is repurposed or declared end-of-life. The relatively small amount of waste seems within expectations for a logistics service organization. The amount of landfill waste has not changed much between 2020 and 2021. However, due to waste service reductions from waste recovery services that limited their services due to Covid and closed either temporarily or permanently, waste recovery was low. Trends to recover more waste are continued in the 2025 targets. These small waste disposal numbers seem feasible given that ITS Conglobal is a logistical service business with no significant physical product output.

Performance 8 – Biodiversity and Habitat

Based on discussions and review of the locations provided in this report, the depot and rail yard physical locations are not near any highly valuable or fragile biological sites. Many of the sites are fenced to prevent unauthorized human access, which reduces access by animals as well. It is a policy of the firm to attempt to safely remove wildlife that comes onto the work sites. The incidents of wild animal impacts were very rare due to the high fencing. There is an ongoing ITS Conglobal program carried out by site personnel to enhance the natural habitat of the depots through planting native vegetation and in some cases erecting bird boxes. The site personnel are trained to reduce any spills and to immediately clean up any bio-hazardous material.

Performance 9 – Health and Safety

HS1 – Health & Safety: employees. This is a High Relevance Performance area. The 2021 numbers reported for injuries and recovery were similar to those reported in 2020. Inquires during my review of the 2021 report affirmed the results and the safety controls and required ongoing annual training supports the low numbers of reported injuries. Contractors must go through the same safety training

Independent Verification

Performance 9 – Health and Safety

HS1 – Health & Safety: employees. This is a High Relevance Performance area. The 2021 numbers reported for injuries and recovery were similar to those reported in 2020. Inquires during my review of the 2021 report affirmed the results and the safety controls and required ongoing annual training supports the low numbers of reported injuries. Contractors must go through the same safety training when first going onsite.

The Health and Safety program is mutually supportive of the Zero Harm policy.

Performance 10 – Employees

Based in inquiry and inspection, I determined that ITS Conglobal has numerous programs to manage and support employees, including safety and reduction of waste training available to all personnel, advanced training on job function based on role, and fair family leave and bereavement policies. The Zero Harm policy is one keystone for the scope and intent of the personnel policies.

Performance 11 – Customers

ITS ConGlobal has a continuous customer satisfaction program that allows customers to report complaints and give feedback. Some of the feedback results were included in the materials in support of the 2021 sustainability report and were generally positive.

Performance 12 – Certifications & Awards

I reviewed the contents of this section for scope and content. ITS ConGlobal is proud of being recognized by a broad range of organizations for corporate accomplishments in sustainability and performance.

Independent Verification

Opinion:

Based on the inspections, reviews and discussions performed for this external review, I have concluded that the sustainability report and the related supporting documentation and calculations are accurate and provide evidence that the report is accurate and the related sustainability program has been widely adopted and supported by actions throughout the organization. The organization has committed resources and efforts to build out the program and continues to set sustainability and Zero Harm goals and develop actions to meet those goals.

Lowell Smith, ISSP Sustainability Associate