



ConGlobal 2022 ESG Objectives

General Sustainability

Our major sustainability objective is to improve communication of ESG goals and achievements and better outline a strong path forward.

Communication

We have been publishing sustainability reports for 4 years. Our goal is to continue to improve the report by outlining 5-, 10-, and 20-year plans of how we are going to achieve the ESG commitments that we have set forth. Within the plans, we want to emphasize specific ways that we will reach our goals. Our current timeline to achieve this is the end of 2024.

We will continue to communicate all goals and achievements of ESG commitments via our sustainability report and also engage our customers, partners, and stakeholders in conversations about our performance. We plan to engage them through presentations, newsletters, emails, social media, and manager training sessions.

Our 2022 report will be published in June 2023 and will be shared with customers, investors, employees, trade unions, and other stakeholders and be made publicly available on our website.

Environmental

- Energy
 - Developed an energy management policy to address best practices and efficiency of energy consumption. We will continue to track our energy use and search for ways to improve. We plan to start an LED retrofit of all depot locations to reduce energy use and potentially set the stage for on site solar generation in the future.
- Electric
 - Prepare options for obtaining electric vehicles. Our San Bernardino intermodal location became the first to convert to completely electric vehicles, and our plan is to expand this across as many sites as we can. The cost of \$300,000 for an electric hostler reduces the ROI as compared with a traditional diesel version, so we plan to investigate potential sources of funding to subsidize the cost of ownership.
- Sustainable Sourcing & Waste Diversion
 - The first step to diverting waste from landfill is starting at the source. We plan to continue to seek out sourcing materials that are recycled to reduce our volume of industrial waste. We are looking to partner with a waste diversion company to decrease the amount of waste that ends up in landfill.
 - Encourage employees to use a reusable water bottle to eliminate plastic waste. Exploring ways that we can ensure every office has filtered water to refill water bottles.
- Compliance
 - Continue to strive for 0 incidents of non-compliance.



- Annual internal site audits and an interactive compliance calendar is in the works to ensure 100% compliance.
- Reviews of stormwater plans and SPCC plans to ensure they are up to date and still relevant to the operations of each site.
- Implement environmental trainings in safety trainings to emphasize importance and raise awareness for environmental issues.

Social

- Increase the number of female owned, minority owned, and veteran owned firms we can conduct business with.
- Continue to train and develop managers to affectively lead and motivate operational employees.
- Continue to develop technology and mobile equipment monitoring and hazard detection/analysis in order to further identify and correct an at-risk situation or trend before a loss occurs.
- Continue to evaluate trends and tweak controls to prevent incidents in these categories:
 - Lifesaving activities:
 - Fatigue related incidents
 - On rail switching
 - Track protection
 - Securement
 - Injuries
 - Slip, trip, and fall
 - Injuries during maintenance
 - Sprain and strains
 - Damage events
 - Collisions
 - Dropped chassis events
 - Damage in loading or unloading
- Continue to commit to greater organizational diversity
 - Pro-active recruitment efforts to attract US veterans
 - Maintain 3rd party posting partnerships that target Diversity & Veteran groups
 - Developing program to maximize Work Opportunity Tax Credit which provides opportunities that target groups with employment barriers
- Continue to provide employees with multiple avenues to facilitate productive communication with employees and allow them to express concerns
 - Via written word, electronic, telephonic
- Utilize local resources to assist in development of our workforce



Diversity, Equity, and Inclusion (DEI)

1. Diversity in Leadership

Objective: Increase diversity in leadership positions throughout the organization, ensuring representation of individuals from diverse backgrounds, including but not limited to gender, ethnicity, race, age, and socioeconomic status.

Action steps:

- a. Incorporate proactive measures to attract and retain diverse talent at all levels, including leadership positions.
- b. Establish diverse candidate slates for all senior-level positions and implement inclusive hiring practices.
- c. Provide leadership development and mentoring programs that promote diversity and inclusion.
- d. Regularly review and assess representation to track progress and identify areas for improvement.

2. Inclusive Workplace Culture:

Objective: Foster an inclusive workplace culture that respects, values, and promotes diversity and equality, where all employees feel safe, supported, and empowered to contribute their unique perspectives and talents.

Action Steps:

- a. Develop and implement comprehensive diversity and inclusion training programs for all employees to raise awareness, foster empathy, and promote inclusive behaviors.
- b. Establish employee resource groups or affinity networks to provide a platform for underrepresented groups to connect, share experiences, and provide support.
- c. Conduct employee surveys to gauge employee satisfaction, identify potential areas of bias or discrimination, and gather feedback on diversity and inclusion initiatives.
- d. Promote a zero-tolerance policy for discrimination, harassment, and bias, and ensure robust reporting mechanisms and confidential channels are in place for employees to raise concerns.

3. Pay Equity and Fairness:

Objective: Ensure pay equity and fairness across the organization, regardless of gender, race, or other protected characteristics, by conducting regular pay equity assessments and taking corrective actions as necessary.

Action Steps:

- a. Conduct thorough reviews of compensation practices and policies to help identify and address any gender, race, or other biases that may result in pay disparities.
- b. Regularly assess and benchmark salaries to ensure alignment with industry standards and fair compensation practices.
- c. Implement transparent and objective pay structures, clearly outlining criteria for compensation and advancement.
- d. Communicate the organization's commitment to pay equity and fairness to all employees, ensuring transparency and addressing any identified disparities promptly.



4. Supplier Diversity:

Objective: Promote diversity and inclusion throughout the supply chain by actively seeking and engaging with diverse suppliers, including minority-owned, women-owned, and other underrepresented business enterprises.

Actin Steps:

- a. Establish supplier diversity goals and targets, setting specific objectives for engaging diverse suppliers in procurement processes.
- b. Develop a comprehensive supplier diversity program that includes supplier outreach, certification verification, and ongoing monitoring and reporting of supplier diversity metrics.
- c. Provide training and resources to procurement teams to enhance their understanding of supplier diversity and their ability to identify and engage diverse suppliers.
- d. Collaborate with diverse suppliers to build long-term partnerships and provide mentoring and support to help them grow and succeed.

5. Community Engagement

Objective: Contribute to the advancement of diversity, equity, and inclusion beyond the organization by actively engaging with communities and supporting initiatives that promote social equity and equal opportunities.

Action Steps:

- a. Identify community organizations and initiatives focused on promoting diversity. Equity, and inclusion and establish partnerships to support their work.
- b. Encourage employee volunteerism and participation in diversity and inclusion-related activities and initiatives.
- c. Allocate resources to sponsor and support events and programs that promote diversity and equal opportunities in education and workforce development.
- d. Publicly communicate the organization's commitment to diversity, equity, and inclusion and share progress and achievements in this area with external stakeholders.

By setting these ESG objectives for Diversity, Equity, and Inclusion, ConGlobal aims to create a workplace that values and embraces diversity, fosters inclusivity, and contributes to a more equitable and fair society. Regular monitoring, measurement, and reporting of progress will be essential in driving meaningful change and ensuring accountability in achieving these objectives.

Security

- Continue to monitor and roll out data intrusion software/hardware to all remote locations
 - Renew every 90 days
 - Ensure passwords have:
 - At least 8 characters
 - At least one upper case letter
 - At least one lower case letter
 - At least one special character
 - At least one number



- Develop secure options for guest devices within ITS facilities
 - Data throttling
 - Segmented network
- Improve file security standards to protect against unauthorized access attempts
 - Account lock-out
 - Real-time auditing
- Mobile security
 - Implement mobile device management security policies to all company owned devices

Governance

- Continue to evaluate and develop our governance policies to ensure that those policies reflect the current state of all applicable state and federal laws
- Continue to regularly monitor our compliance with all existing governance policies
- Continue to evaluate the composition of the Board to maximize its efforts and performance
- Continue to participate in managing and reducing all risks to our company through implementation of a robust risk management program
- Continue to engage in effective communication with the board to ensure ethical conduct through all facets of the company
- Continue to promote our governance program to all levels of the company organization

ESG Reporting

- ConGlobal has reported to GRESB for the past several years, starting in 2019. We achieved a score of 94 on last year's assessment along with the Transportation Sector Leader distinction. Our goals for the 2023 assessment is to achieve the same distinction and improve our score to a 95 or higher.