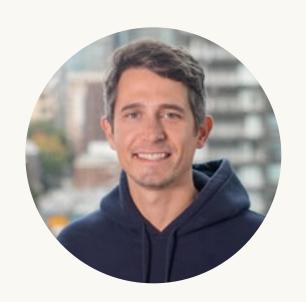


## Ship Responsibly

## Convoy's 2021 Sustainability Report

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# Letter from Co-founder and Chief Executive Officer Dan Lewis

## Transforming the future of freight and reducing waste for people and the planet

## Waste benefits no one

Inefficiencies in freight transportation traditionally lead to two significant areas of waste. First, they generate extra carbon emissions that negatively change our climate. Second, they waste a truck driver's available service hours, adding stress and time away from home. Trucks drive millions of miles without a load ("empty miles") every year, wait idly at facilities for hours each day, and are assigned to jobs without full visibility into whether the job is compatible with a load to haul back on their way home. This makes the system more expensive for drivers, shippers, and carriers, all while adding extra carbon to the environment.

These issues are challenging, but I believe the industry has turned a corner. Nearly all of our shippers and more than 90% of S&P 500 companies publish annual sustainability reports. The industry is increasingly tapping technology to gain supply chain efficiency while reducing its carbon footprint, and we're excited to be at the forefront of this transformation.

## Helping customers reduce waste for people and the planet

One of the most rewarding parts of working in the supply chain is that reducing waste benefits everyone. For example, reducing the number of empty miles driven with each job simultaneously reduces carbon emissions, the cost of shipping, and the driver's time on the road and away from their family. It's a win-win-win scenario, and with this great opportunity comes a whole lot of responsibility to see it through.

Waste reduction for people and the planet is critical to sustainability and is at the core of everything we do here at Convoy. We believe we are successful when we help our customers and reduce waste in both areas. We challenge ourselves to do that every day.

## A path to zero emissions trucking and improved livelihoods

We are committed to doing our part to drive sustainability and achieve a zero emissions industry. Among other things, in 2021, Convoy helped customers with batched shipments, green appointment windows, and flexible trailer return times to reduce costs and wasted time for shippers, carriers, and drivers. Our Automated Reloads program applies technology to connect multiple loads, for example, to create full round trip routes - when drivers take a load north, they have a job that runs back south. Last year, this program reduced empty miles for our carriers from 35% to 19% while saving them time surfing thousands of loads across dozens of sources just to find that reload. Convoy's drop-and-hook offering, enabling small carriers to access power-only loads, helped carriers earn up to \$19,000 more per power unit by increasing revenue-producing miles and reducing wasted time by 70%.

Our environment is also a customer who pays us according to how it's treated. For example, with predictable weather and fewer extreme weather events, we have a much more predictable supply chain, from food and raw material production, to manufacturing, to store shelves, to the final destination. Everyone benefits from cleaner air and less congestion.

Last year, we launched the sustainability-focused #NoEmptyMiles campaign to start new discussions around waste in the freight industry. In 2021, we kept 2.8 million pounds of carbon emissions from the atmosphere by reducing empty miles. Empty miles is a problem we can tackle together as an industry with the potential to remove 40 million metric tons of CO2 – the equivalent of taking 8.6 million passenger vehicles off the road for a year.

## **Shipping with Convoy means shipping responsibly.**

Looking to 2022, we continue to invest in projects that show the greatest potential to reduce waste, offset CO2, and improve lives. We are prioritizing transit time efficiency and operational improvements

with our volume distribution tool to reduce delays at shipper facilities, give time back to drivers, and put more money in their pockets. We are building our partner ecosystem to drive collaboration and a path to zero emissions. We help our customers achieve their sustainability goals using technology to access real-time data, insights, and transparent reporting.

I'm grateful for all the drivers, dispatchers, transportation planners, logistics managers, procurement officers, supply chain executives, brokers, and partners I've had the chance to work with. Their insights and feedback continue to drive the work we do every day. I am equally thankful to everyone at Convoy, whose dedication enables us to make a difference in the future of freight.

Our work is just getting started, and in fact, we'll never be done. There will always be ways to improve, new problems to solve, and new and innovative ideas to pursue. Here's to seeing what other solutions we can work on together next.

Dan Lewis, CEO





## Our sustainability commitments and goals

**Convoy commitments and goals** 

## **Right now**

## **Up next**

## Reduce empty miles and eliminate carbon emissions in trucking

As of December 31, 2021, Convoy has prevented over 7 million pounds of carbon emissions from entering the atmosphere since the company was founded in 2015.

By the end of 2022, our goal is to prevent another 3.8 million pounds of unnecessary carbon emissions from polluting our planet.

## Operate with net-zero carbon by 2040

We operate fully carbon neutral with the purchase of carbon offsets for our scope 1, 2, and 3 emissions. Convoy will continue to operate carbon neutral and decarbonize the trucking industry while pursuing a path to achieve net-zero emissions by 2040.

## Make trucking sustainable for truck drivers

Since 2015, programs like <u>Convoy Go</u> have provided small carriers and their drivers with access to more efficient and lucrative power-only loads. <u>Hassle-Free Detention</u> and <u>QuickPay™</u> help carriers get paid quickly and easily. <u>TruckYeah Savings</u> provides financial economies of scale that enable drivers to save on fuel, factoring, and equipment. And through <u>Convoy for Brokers</u>, drivers have more ways to find and book jobs.

Convoy will continue to build toward a future of democratizing access to freight by investing in technology that makes it more efficient for small carriers to keep their trucks full and earning.



Convoy is solving fundamental issues in the freight industry while building a more sustainable future. We move thousands of truckloads through an optimized, connected network of carriers, saving time and money for shippers, increasing earnings for carriers, and eliminating carbon waste for our planet. Our digital freight network uses technology and data to solve problems of waste and inefficiency in the \$800 billion trucking industry, which generates over 87 million metric tons of carbon emissions from empty trucks. Our reliable and flexible capacity maximizes efficiency and makes us the partner of choice for many of the nation's largest shippers across America.

CONVOY NO HIS WATER

## **Our story**

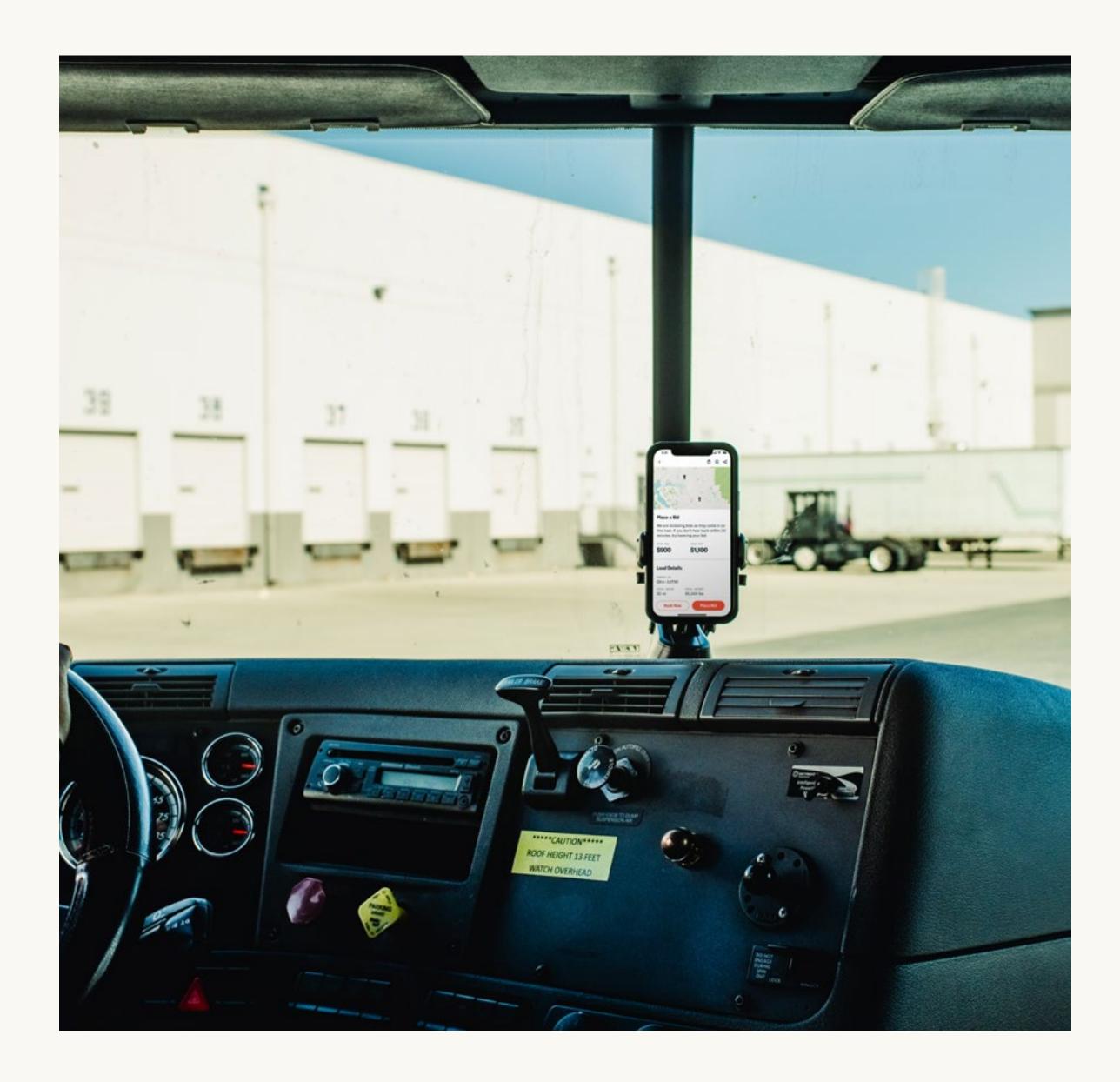
Convoy was born from conversations at truck stops and warehouses in the Pacific Northwest. Founders Dan Lewis and Grant Goodale saw the inefficiency of freight and wanted to use their experience in supply chain and tech to effect change.

Our GPS-enabled app debuted shortly after Convoy's founding in 2015. It's how we move thousands of truckloads across the U.S. each day through what is now the most tech-connected carrier network in the nation. Through the app, Convoy makes it easy for carriers to find and bid on freight on the lanes they want to run, helping them earn more with less hassle. In 2015, Convoy announced free QuickPay™ for drivers within 48 hours. By 2017, carriers could bid on their preferred lanes without phone calls or negotiations. In 2018, Convoy was the first to guarantee automatic detention in the app.

That same year, shippers met <u>Dynamic Backup</u>, getting instant backup and spot rates with guaranteed coverage, a safety net that kept them off the costly spot market. Today, this pricing capability is available to shippers through 15 industry-leading TMSs.

Convoy has always believed that solving decadesold problems of inefficiency in freight requires an approach with tech at its core. In 2019, Convoy was first to achieve an industry milestone: fully automating the freight brokerage process. Automating the more mundane tasks helps Convoy's customer experience teams focus on solving shippers' truly complex and unique problems.





Also in 2019, Convoy debuted <u>Convoy Go</u>, a nationwide drop-and-hook marketplace that gives any carrier or owner-operator access to preloaded trailers, which were once only available to larger asset-based carriers. This year also saw the launch of Convoy's Automated Reloads program, which batches loads to reduce carbon emissions by 45%. To date, shippers and carriers have prevented more than 7 million pounds of carbon emissions by shipping responsibly with Convoy.

In 2020, Convoy introduced <u>Guaranteed Primary</u>, an industry-first pricing program that guaranteed capacity on primary freight without an RFP. The program ignited conversations still happening today around the industry's reliance on the costly and time-consuming RFP. In 2021, another industry first: Convoy Go expanded with the first nationwide, automated drop service for backup and spot freight, delivering reliable drop capacity across the routing guide.

And most recently, in 2021, Convoy partnered with fellow transportation providers USA Truck and

AFS Logistics — to launch <u>Convoy for Brokers</u>, which opens up our digital freight network to truckload brokerages.

Unique freight programs like Dynamic Backup,
Convoy Go, Guaranteed Primary, and Convoy for
Brokers provide innovative options for shippers
and brokers to access flexible, reliable capacity,
regardless of the market. They bring us closer to
our founding mission in 2015: to transport the world
with endless capacity and zero waste. Fortune 500
companies like Anheuser-Busch, Procter & Gamble,
Niagara, and Unilever have recognized Convoy for
our innovation, service, and partnership.

Looking ahead, we see a world where trucking operates more smoothly. Drivers have full trucks and are paid quickly, and we've removed most hassles from their everyday. We've moved beyond the opaque and inefficient aspects of trucking, into the full transparency and efficiency of a digital freight network.

## **Our mission**

Our mission is "to transport the world with endless capacity and zero waste." This describes how we use our innovation and expertise to create sustainable solutions for the complex challenges facing our world.



## **Our values**

Our values form the basis of who we are, and how we strive to show up every day for customers, carriers, employees, and our planet.

We proudly share our values with others as a reflection of our commitment to live these values in everything we do, including our support for a more sustainable future. These values are foundational to building a credible sustainability strategy that will position Convoy for long-term growth, urgently address climate change, and make us the company of choice for the best and brightest talent.

**Start with the customer**—We walk a mile in our customers' shoes and deeply understand their challenges and opportunities in order to delight them and deliver where it matters most. Their trust takes years to build, but can be broken in a moment.

**Take ownership**—We see things through to completion, doing what needs to get done even beyond our own roles. We value results and learning, not activity. When we miss, owning it and recovering quickly is the next best thing to making the right call in the first place.

One team—Together we are building one Convoy with one mission, and we will succeed or fail through our trust in one another. We put our customers' and Convoy's needs first, over the interests of our own group.

Bring out the best in others—We create an inclusive environment and invest in people so that everyone has the opportunity to do their best work. We make each other better by celebrating great work, sharing feedback, assuming positive intent, and being authentic.

Raise the bar—We hold ourselves and others to increasingly high standards and raise the bar with each new hire. We're hard to satisfy, and we pursue excellence in the quality and delivery of our work.

Have a sense of urgency—Our mission is pressing, and we reflect that in our commitment and pace. We think, decide, and act in days instead of weeks. We use judgment when trading off speed for other qualities.

Love problems, not solutions—Problems are evergreen, but the best solution changes over time. We don't get so attached that we can't let a solution go when a better one arises. We work as hard to define and understand problems as we do to solve them.

**Know why**—We know why before taking action or investing time. We give context, set clear goals, and use independent judgment. We don't do anything just because "someone said so" or "it felt right," and we are intentional about trade-offs.

**Think big**—We look beyond our day-to-day and regularly consider the full potential of our mission and the opportunity in front of us. We think past our comfort zone and plan for a future beyond our customers' horizons.

Challenge ideas, respect decisions—Speaking up candidly to vet ideas or share concerns is everyone's job and the hallmark of a trusting team. We make space for this, even when it's uncomfortable or the delivery is imperfect. Once a decision is made, we get behind it.

**Dive deep**—We know the details of our business, explore anecdotes, and question beyond surface-level descriptions. We ask questions and audit explanations. We use judgment to decide when to make trade-offs for speed.

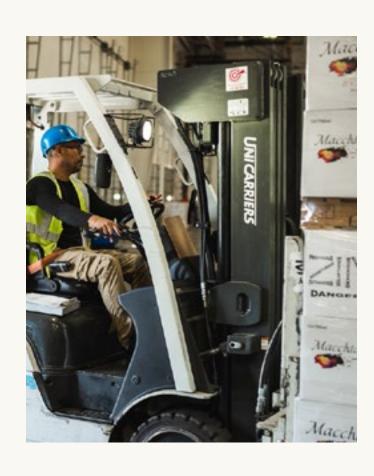
Innovate deliberately—Our focus is a limited resource. We invest it in building and strengthening the advantages we create for our business and stakeholders. Elsewhere, we don't reinvent the wheel.

## Who we show up for every day

## For shippers

Convoy helps companies ship responsibly with data and insights that help them remove waste in their operations.

This saves shippers time and money while providing reliability, efficiency, and unmatched flexibility.



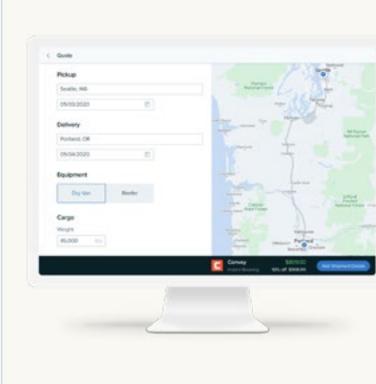
## For carriers and drivers

Convoy maximizes earnings for carriers and drivers by keeping their trucks full on the lanes they like to run with less hassle. This also results in eliminating unnecessary carbon emissions for the planet.



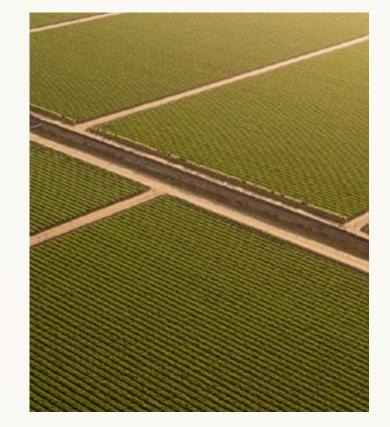
## For partners and brokers

Convoy provides supply chain partners access to our automated, real-time pricing and guaranteed capacity, offering their customers more options to find and book affordable, high-quality coverage.



## For the environment

Businesses choose to
work with Convoy to efficiently
move freight nationwide in
a sustainable and socially
responsible way.

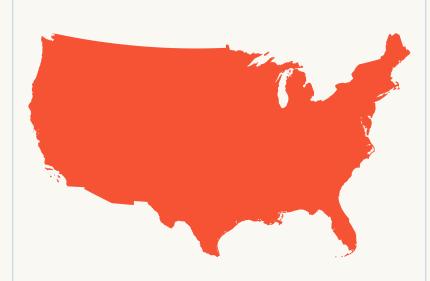


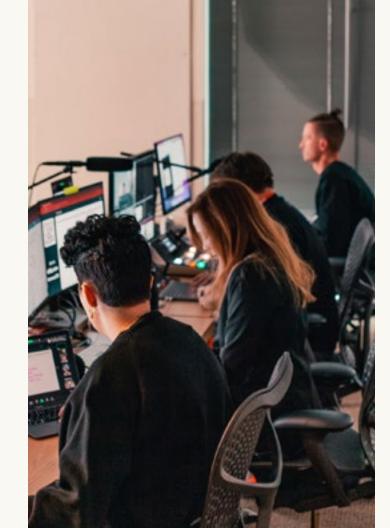
## For our communities

We work to be a responsible member of our home communities of Seattle and Atlanta, as well as supporting the communities of truck drivers and shippers nationwide.



More than a thousand Convoy team members across the U.S. focus on eliminating waste and inefficiencies in freight every day.







We are facing a massive problem of inefficiency – and our environment is paying the price.

Carbon emissions from trucks mean that every mile driven takes a toll on our environment, and this is compounded by the fact that 35% of heavy trucks on the road today are driving empty.

Heavy-duty full truckload freight accounts for more than 252 million metric tons of CO2 emissions per year. Today, 87 million metric tons of CO2 equivalent emissions are the result of empty miles.



## **#NoEmptyMiles**

In November 2021 we officially launched our #NoEmptyMiles initiative to bring awareness and drive action around reducing empty miles in the supply chain. This initiative is focused on three key areas: education, action, and collaboration.

**Education:** We want to be an approachable resource for shippers and the community to learn about empty miles and the impact they have on both the climate and our economy. We want to arm the industry and consumers with knowledge so they can take action in reducing empty miles.

**Action:** Not only do we want awareness of empty miles to grow, we also want to see the industry take action to reduce them. Through education,

we want to share solutions that are available today to help shippers reduce empty miles in their supply chain. Through programs such as batching loads and creating flexible pick-up windows for carriers, shippers can take immediate action to reduce empty miles.

Collaboration: We can't solve the problem of empty miles alone. We want to promote other solutions and leaders in the industries that are actively working to make supply chains more sustainable. We believe the only way for the freight industry to work towards net-zero emissions is through partnerships and collaboration. Some examples of partnerships we think are valuable include utilizing electric and alternative fuel vehicles and with carbon offset programs.

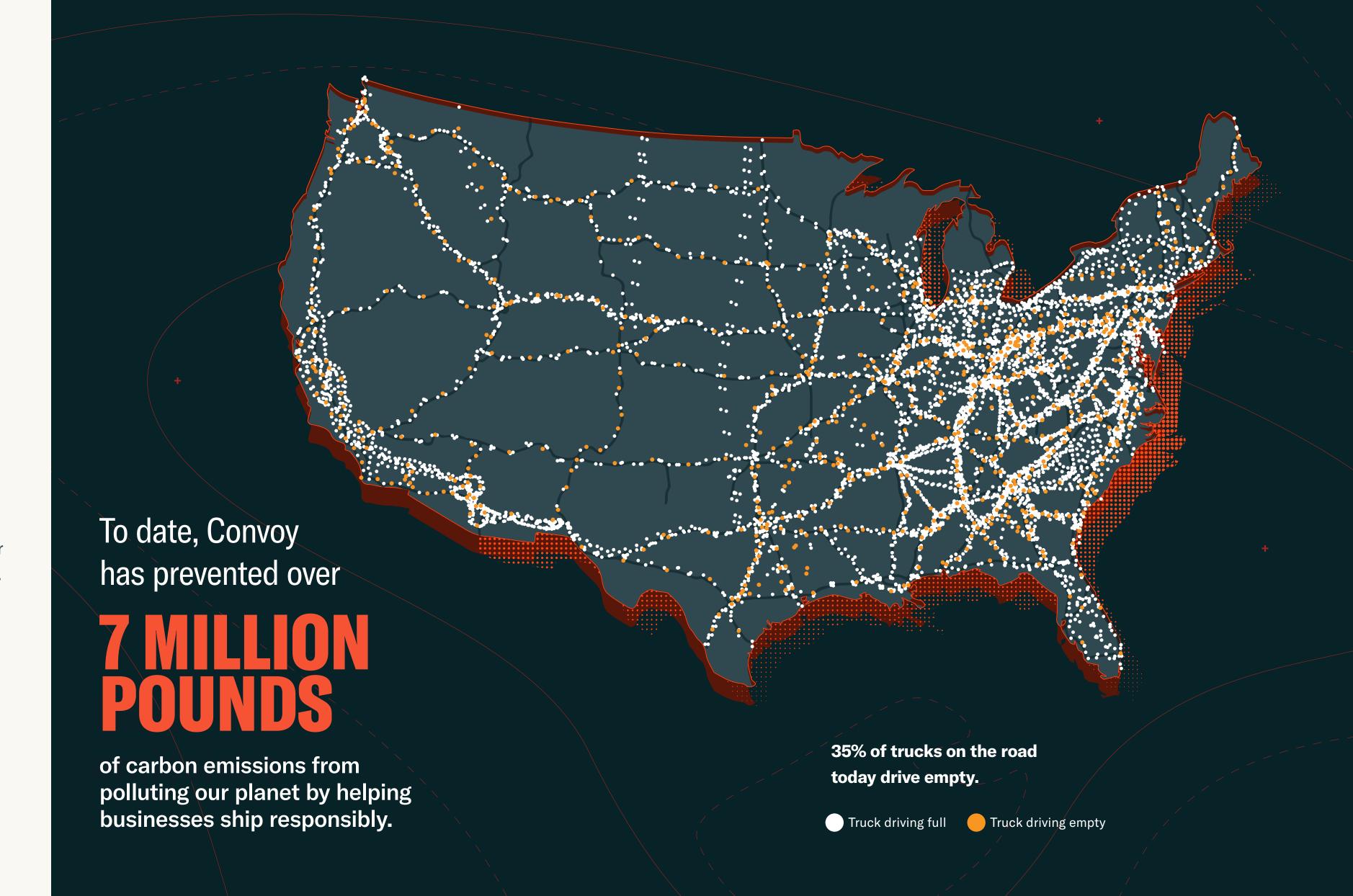
## Scope 4 avoided emissions

Avoided emissions, or scope 4, are emission reductions that occur outside of a product's life cycle or value chain, but as a result of the use of that product or service. Examples of goods and services that avoid emissions include low-temperature detergents, fuelsaving tires, energy-efficient ball-bearings, and teleconferencing services. Other terms used to describe avoided emissions include climate positive, net-positive accounting, and scope 4 emissions.

The use of Convoy's digital freight network enables our customers to potentially avoid billions of pounds of carbon emissions.

To date, Convoy has prevented over 7 million pounds of carbon emissions from polluting our planet by helping businesses ship responsibly.

Achieving transportation excellence involves the ability to manage transportation in a way that is safe, economically efficient, competitive, socially inclusive, accessible, reliable, affordable, fuel-efficient, environmentally friendly, low-carbon, and resilient to external shocks, such as disruptions resulting from climate change factors and natural disasters.



## **Sustainability highlights**

## Fewer emissions

To date, our customers have saved over

7 MILLION

pounds of carbon emissions.

## Fewer empty miles

To date, our network optimization has enabled

2,193,740

fewer empty miles.

Fewer gallons of fuel

To date, our customers have saved

337,500

gallons of fuel.

## Recognition



2021 SEAL Award



**Ecovadis Silver Rating** 



**SmartWay Transport Partner** 



World
Finance Most
Sustainable
Company in
Logistics

## **The Climate Pledge**

Convoy is committed to measuring and reporting greenhouse gas emissions on a regular basis, implementing decarbonization strategies, and neutralizing any remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets to achieve net-zero annual carbon emissions by 2040.



**Convoy partnered with** 

# the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC), to support our <u>Supplier</u> <u>Diversity Program</u>.

Partnerships further Convoy's ability to help minority-owned and womenowned trucking businesses access exclusive freight, and help our customers reach their supplier diversity and corporate social responsibility goals. Together, we are able to unlock opportunities for the thousands of carriers in our network that are certified as diverse suppliers through these organizations, helping to even the playing field for historically underutilized businesses around the country.

**Convoy joined** 

## the United Nations Global Compact, the world's largest corporate sustainability initiative.

Convoy is joining thousands of other companies from around the world in demonstrating its support for the development, implementation, and disclosure of responsible business practices.

## **EPA SmartWay certification**

Convoy is proud to be a recertified SmartWay Carrier Partner since 2017. Registered SmartWay Carrier Partners measure, benchmark, and track their efforts to increase efficiency and fuel economy.



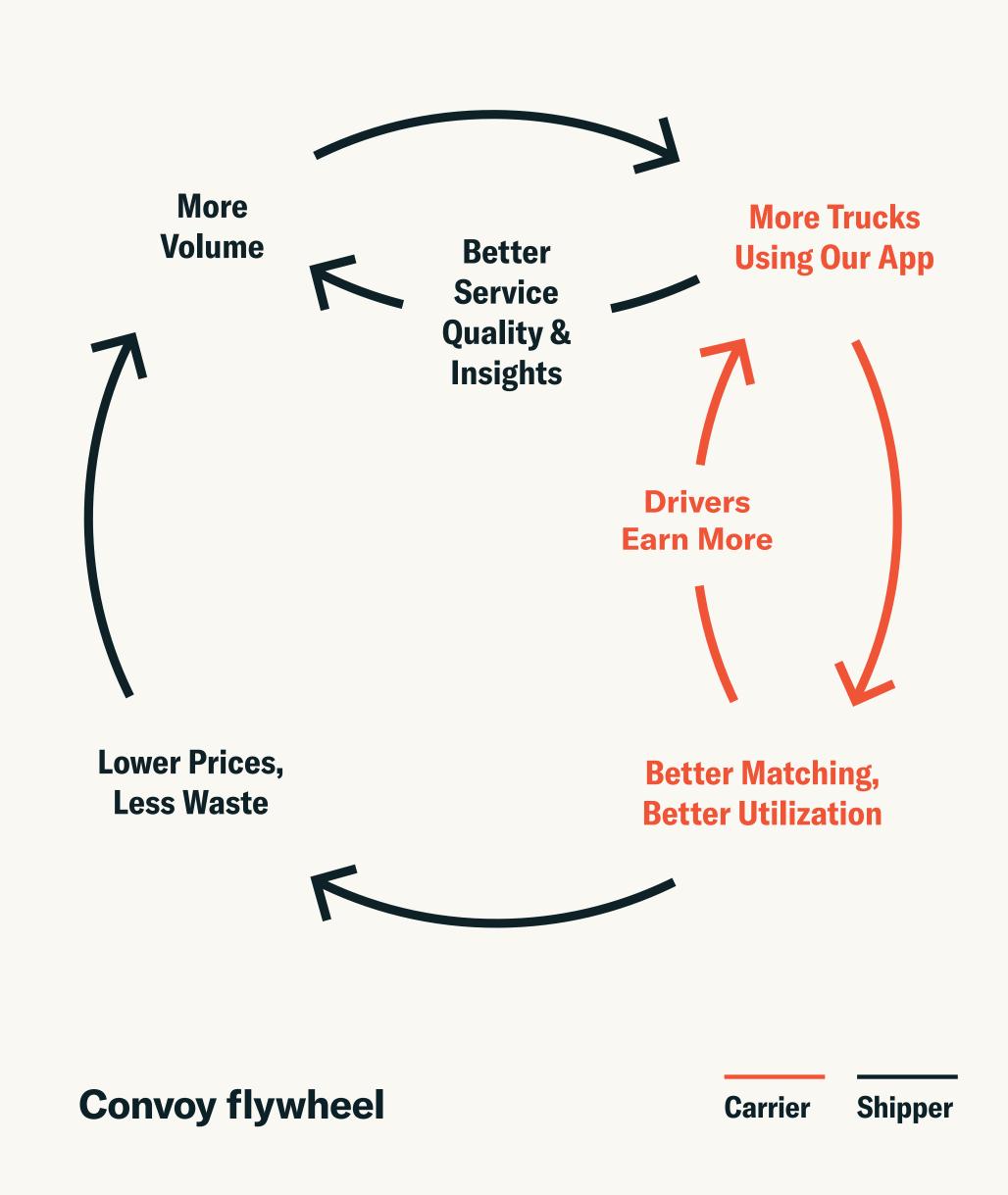








# A digital freight network, the most sustainable way to ship



## Convoy's digital freight network was created with efficiency at its core.

Convoy's digital freight network factors in both current and future truck availability to find the best positioned truck for any given shipment. The foundation of our network is an open and fully connected marketplace of shippers and carriers driven by automation and supported by a broad, ever-growing set of shipper and carrier capabilities. That fully connected marketplace increases the momentum of our flywheel. As more carriers join the network, capacity increases and shippers see lower prices per mile and higher quality. In addition, as the network grows, insights emerge from the data that help shippers and carriers improve their businesses.

As the first digital freight network, Convoy is at the forefront of supply chain innovation. Through initiatives like brokerage automation, Green Appointment Windows, and Automated Reloads, Convoy helps shippers stay on the cutting edge and meet their sustainability goals.

## Spotlight:

## Sustainability in Transportation



Dan Lewis, CEO of Convoy, was invited to talk shipping and sustainability with Danny Gomez, Managing Director, Financial and Emerging Markets at FreightWaves, for the inaugural episode of Net-Zero Carbon.

## When is it the Right Time to Begin Talking About Sustainability Initiatives?

It is never too early to start talking about and measuring sustainability initiatives. The way to get data is to first measure it imperfectly. The difficulty in figuring out how to first measure it leads to learning how to formalize it within your company. The more you work at it, the better your data becomes to start sharing externally in sustainability reports.

## How can the Trucking Industry Become More Sustainable?

As an industry, we should be invested in reducing fuel costs and wasted hours. This becomes a win-win for everyone.

## What is a Misperception in the Industry?

There is a perception that you have to sacrifice revenue to achieve sustainability goals. However, as an industry we have turned a corner. Sustainability goals help businesses to run more efficiently and make smarter procurement decisions.

## What Can Companies do Now?

First, ask providers you are working with what you can do to make your company more sustainable and reduce waste. Second, get your internal teams to measure your efforts. Make a goal as a company to come up with a metric to measure sustainability and assume you are not going to be perfect in the beginning. Setting an imperfect goal drives you to continue making changes to get closer to something more impactful.

## What Can We Do as an Industry?

Create standards for reporting the efficiency of networks. We need to measure the efficiency of systems, create incentives, and be transparent in the way we do rates and pricing. It's important for us to find a way to connect sustainable efforts to the price people are paying and the money drivers earn. We also need to offer benefits and incentives for companies who create efficiencies in the system. These drive positive behaviors and a more sustainable network.





**Danny Gomez**Managing Director, Financial and
Emerging Markets at FreightWaves

Watch the recording here

Over the next decade. the \$800 billion that companies spend each year to truck freight around the country will shift from traditional, offline approaches to digital-first strategies. These new freight systems are easy to use, full of rich data insights, and optimized by machine learning algorithms. The pattern of digitization has played out in nearly every other industry, and it's happening in trucking right now.

## Built on a foundation of data and insights



More than 50 terabytes of proprietary Convoy freight data



More than 1,000 unique data points collected on every Convoy load, across millions of pickups and deliveries



More than 2.7 million facility ratings and written reviews from drivers in Convoy's digital freight network

The trucking industry links more than 100,000 shippers across the domestic supply chain with a diverse base of more than 1 million carriers and 3 million drivers. It operates in silos with minimal data, opaque pricing, millions of empty miles, and lots of waiting around. This freight system no longer keeps up with the dynamic requirements of a healthy supply chain.

Trucking is shifting to connected, transparent, and data-rich systems that efficiently orchestrate shippers, carriers, drivers, trucks, trailers, docks, yards, and more. Carriers and drivers experience higher truck utilization, fewer empty miles, and less wasted time. Shippers benefit from better reporting, more visibility, and real-time pricing and decision-making at lower total costs.

The data and insights generated through freight transportation create substantial value beyond the transportation of goods. Transportation teams increasingly rely on insights gathered from analyzing tender practices, facility operations, driver feedback, and more to increase efficiency and drive down costs. These insights are just the tip of the iceberg.

Digital freight networks like Convoy have systems orchestrating every step of the shipment lifecycle with real-time connectivity between tenders and spot boards to the inside of trailers and cabs of each truck. There is incredible potential to optimize inventory, warehouses, orders, and more by providing quick and accurate signals through real-time APIs, not human transcription.

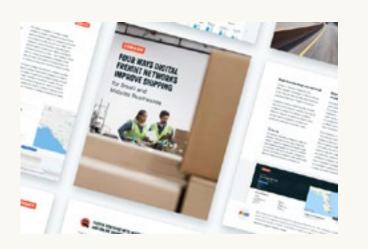
Convoy has one of the industry's most comprehensive databases of insights and reports to help shippers make sustainable choices.



Supply Chain Visibility and the Digital Freight Network

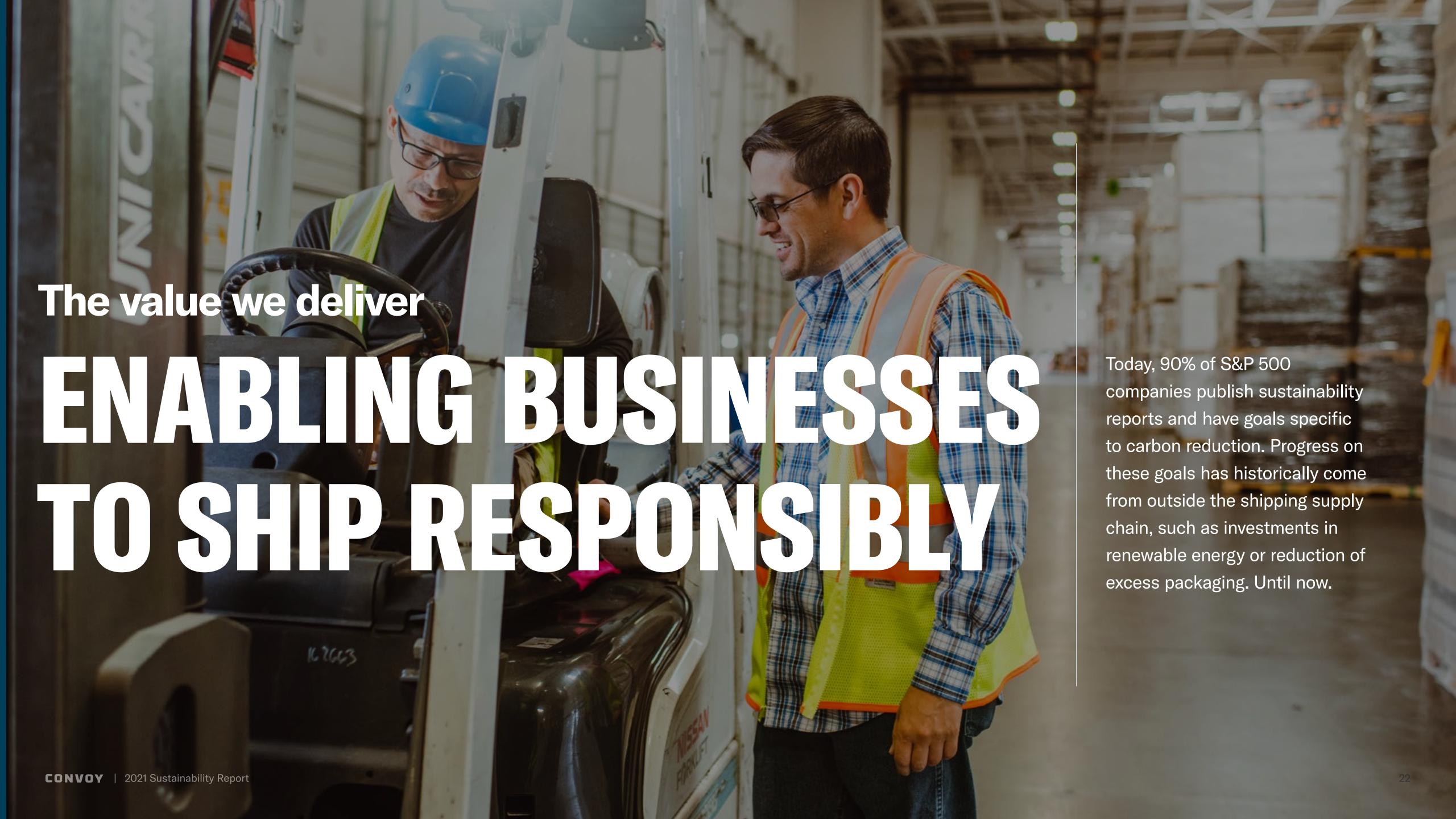


A New Approach to Primary Freight



Four Ways Digital Freight Networks Improve Shipping



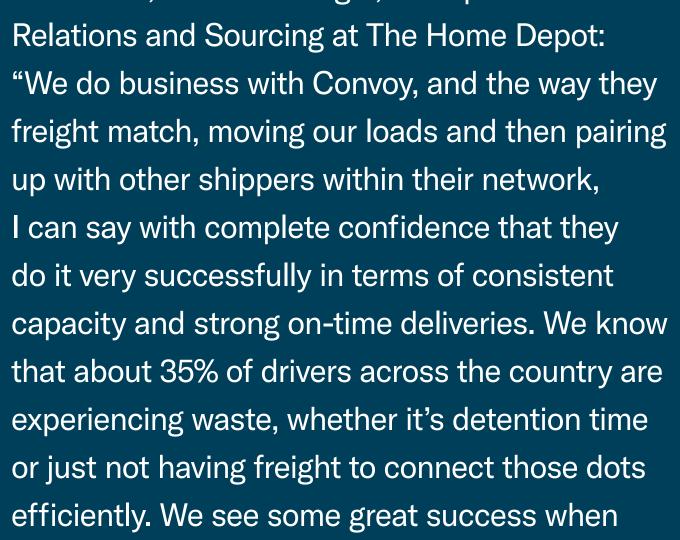


## Spotlight:



## Cutting cost, increasing efficiency, and reducing emissions with The Home Depot

Ron Guzzi, Senior Manager, Transportation Carrier working with Convoy."







Ron Guzzi Senior Manager, Transportation Carrier Relations and Sourcing,



Head of Sustainability

Watch the recording here

## Driven by sustainability. Praised by shippers.

## **Batched Shipments**

Through Automated Reloads, Convoy automatically identifies the right set of shipments to group together for a carrier, then lets the carrier book those shipments as a single job. This makes it easier for the carrier to find more loads to keep their truck full and earning, and it reduces the carbon emissions from empty miles by 45%.

If the trucking industry as a whole were to reach the same levels of efficiency, it would reduce carbon emissions by 40 million metric tons, which is equivalent to:



Taking **8.6 million passenger vehicles** off the roads for a year—
approximately the number of passenger vehicles registered in the state of Florida.



Eliminating 5 million homes' use of energy for one year.



Planting **661 million tree seedlings** and allowing them to grow for 10 years.



Recycling 1.7 billion trash bags of waste instead of sending them to landfill.



Eliminating 92.6 million barrels of oil.

## Spotlight:



## Ardagh Group saved 34,632 lbs of CO2 in 2021 by maximizing efficiency and eliminating empty miles with Convoy.



The carbon emissions for aluminum are considered scope 3, requiring a look at the emissions created from the activity around the can's distribution and transportation network. On both sides of the Atlantic, Ardagh considers itself a large over-the-road full-truckload shipper of bulky products.

"We try to have the plant located close to the customer, but that's not always the case," said John Sadlier, Chief Sustainability Officer at Ardagh Group. "We implement just-in-time fulfillment for our customers because they're very high-speed large bottlers or food centers. Therefore, we need a very close business relationship with our freight partners, and they need to bring solutions to us. Convoy does a very good job with that."

In the past year alone, Convoy's network optimization solutions have saved Ardagh 34,632 pounds of CO2 emissions and 1,539 gallons of fuel by utilizing Convoy's Automated Reloads capability and Green Appointment Windows. Over the same time period, Ardagh shipment volume increased, further accelerating its carbon emission savings. Sadlier credits Convoy's innovative solutions, as well as its what-can-I-do-for-you attitude, for building the foundation for a strong partnership. In a shipping network like Ardagh's, some lanes are easier to satisfy than others, so Sadlier is grateful for Convoy's hard work in sourcing those hard-to-find haulers.

Read the full case study

## **Green Appointment Windows**

Convoy launched Green Appointment Windows in May 2020 to encourage shippers to book their shipments within a flexible appointment window for pick up and delivery instead of an exact appointment window. Our research uncovered that longer appointment windows maximize carrier schedules and reduce empty miles, resulting in a carbon reduction of 36% for the shipment.

## A Sum of the content of the conte

Benefits of choosing a Green Appointment Window:

**Greater access to capacity**—More carriers are able to fit the job into their schedule with green appointments.

**Higher quality**—Green appointments create more flexible load opportunities for carriers. With flexible loads, carriers choose what works for their schedules within a set of flexible appointment options, leading to higher on-time performance and lower falloff rates.

**Lower costs**—Longer appointment windows increase the lead time of finding and booking the most efficient carrier for the shipment, which ultimately reduces costs.

Reduced carbon emissions—When a shipper selects a pickup appointment and delivery appointment greater than eight hours, their shipments result in that 36% decrease in carbon emissions.

## Carbon offset program in partnership with carbonfund.org



**Identify emissions generated** 



Fund certified projects



**Track emissions impact** 

At Convoy, many of our shippers are developing a net-zero supply chain and overall business operation. Our own mission to "transport the world with endless capacity and zero waste" reflects similar goals and has informed our decision to join <a href="https://doi.org/10.1001/join-net-zero">The Climate Pledge</a> and have <a href="https://doi.org/10.1001/join-zero">carbon emissions transparency</a>.

By partnering with offset providers, we make it easy for shippers to transport freight completely carbon neutral. With any waste that is not eliminated by the efficiencies of our digital freight network through our Automated Reloads and Green Appointment

Windows, we offer the option to offset with carbon credits. A carbon offset represents a reduction in CO2 emissions or other greenhouse gases, created through an emissions reduction project. Project developers rely on offset purchases or donations to fund long-term investments in sustainable technologies and environmental management.

## **Why Offset**

Carbon offsets are an effective way for shippers to counteract the scope 3 carbon emissions produced by their transportation.

Convoy is offering this program at the cost of the credits with no markup - 100% of funds go directly towards the purchase of carbon offsets.

As transportation leaders recognize the importance of quantifying sustainability metrics, Convoy makes it easy to track and report on the effect of their shipping activities.

Convoy gives shippers visibility into data across 10 core categories, one of which is sustainability. Shippers get a detailed assessment of their year-to-date environmental impact, including the amount of carbon emissions and fuel saved.

The data that Convoy generates for Anheuser-Busch goes well beyond visibility, which Angie Slaughter, Vice President of Sustainability, Logistics, SVC, and Capabilities Procurement at Anheuser-Busch, said was a minimum expectation for all of its carriers. Convoy's real-time insights into transportation market cost and capacity availability help Anheuser-Busch buy smarter.

Anheuser-Busch already has a strong data culture and key performance indicators are constantly measured and ranked so that opportunities for improvement can be targeted. In particular, it benchmarks all of its facilities, stacking them from worst to best, looking for outliers, and calculating how much could be gained if laggards were brought up to average performance and benchmarks.

Convoy furnishes Anheuser-Busch with monthly facility reports based on carrier reviews, enabling identification of hot spots within its network, an understanding of the cost of operating inefficiently, and rapid implementation changes.

"When you collaborate with your freight partners and combine your data, you build trust and stronger relationships. You're able to look more strategically at the total cost of shipping and the real value you get from your partnerships."

Angie Slaughter, VP of Sustainability Procurement, Anheuser-Busch



Monthly Business Report



## **Sustainability Overview**

Environmental sustainability is at the core of Convoy's mission of transporting the world with endless capacity and zero waste. Convoy is actively working on reducing the CO2 emissions associated with freight by focusing on greater efficiencies throughout the supply chain including reducing empty miles. More at Convoy Sustainability for additional perspectives on your sustainability impact and how to leverage it.

### YEAR-TO-DATE ENVIRONMENTAL IMPACT



**26,793**Pounds of CO2



Gallons of Fue

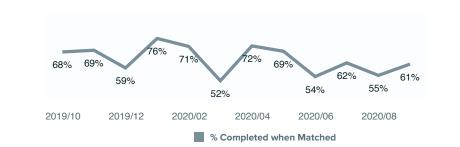


**P134.U** n Equivalent CO2 Offset YTI

## **REDUCING CARBON EMISSIONS**

Convoy is actively working on reducing the CO2 emissions associated with freight, starting with reducing empty miles. We do this by batching live shipments (automated reloads) and booking pickups and deliveries within Green Appointments.

### **Automated Reload Efficiency**





**Carbon Emissions Saved** 

2,866 2,574 2,808 2,574 1,111 1,638 1,872 1,579 526 2019/10 351 2019/12 2020/02 2020/04 2020/06 2020/08

## **Reducing Emissions & Saving Money**

If you were to pay for carbon emissions you've saved in 2020, it would have cost you \$134.0 (\$0.009 per load) in carbon offsets.

Timeline	# of Automated Reloads (vs Total Volume)	CO2 Saved from Automated Reloads (lb)	CO2 Saved from Green Appointments (lb)	Total Fuel Saved (gal)	Total Carbon Emissions Saved (lb)
September 2020	34 (1,441)	1,580	431	70	1,580
August 2020	57 (1,991)	2,574	228	114	2,574
July 2020	64 (2,117)	2,808	228	125	2,808
June 2020	83 (1,580)	4,329	547	192	4,329
May 2020	43 (1,607)	1,872	76	83	1,872
April 2020	127 (1,715)	6,552	456	291	6,552

### **REDUCING PHYSICAL WASTE**

In an effort to support circularity in your supply chain, Convoy has partnered with organizations such as Feeding America and the Salvation Army, to reroute rejected shipments from landfills to charitable donations.

## Spotlight:



**ICC Climate Conference Session #COP26** 



**Jennifer Wong** Head of Sustainability at Convoy



**Bret Shepherd**Senior Director, Transportation
Purchasing at Procter & Gamble



**Brad Benbow**Business Growth Investments
at Ardagh Group



Rose Hartley
Sustainability at
Imperfect Foods

## **Cutting Costs and Reducing Emissions by Eliminating Empty Miles**

During the recent ICC Climate Conference, Convoy hosted a session entitled "Cut Costs and Reduce Emissions by Eliminating Empty Miles," and spoke with three transportation and sustainability leaders from some of the largest companies involved in consumer products, manufacturing, and food delivery: Bret Shepherd, Senior Director, Transportation Purchasing at Procter & Gamble; Brad Benbow, Business Growth Investments at Ardagh Group; and Rose Hartley, Sustainability at Imperfect Foods.

Representing diverse industries that all share the same challenge of empty miles, this group provided some invaluable insight into their individual sustainability goals and how they identified and implemented both small and large actionable items to work toward sustainability in logistics and transportation, and shared some recommendations that any company can implement to eradicate empty miles.

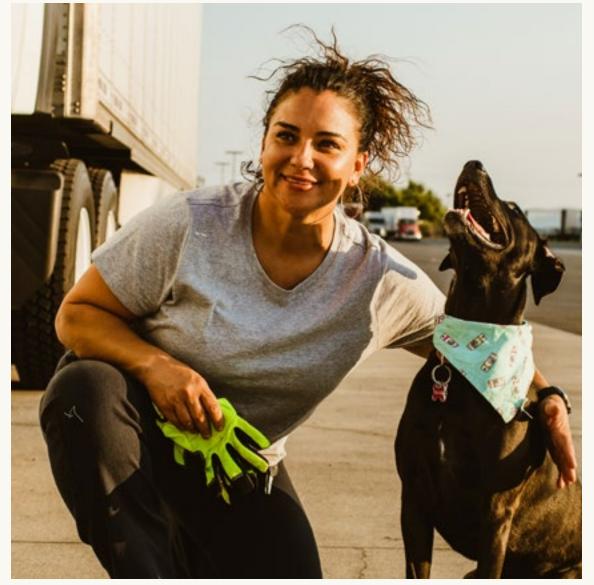


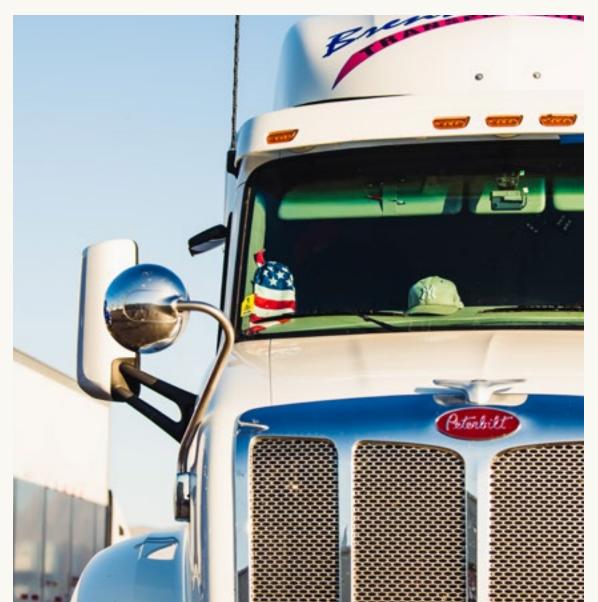
Watch the recording here



fewer than six trucks and hundreds of thousands of drivers are owner-operators of their own rigs. These entrepreneurs are the backbone of the American supply chain, yet they face challenges not shared by their larger counterparts: lack of access to consistent freight and high quality, high volume loads from national shippers, an inability to secure efficient drop-and-hook freight or attractive dedicated or contracted runs, and opaque or unfair financial treatment.







As more small carriers and owneroperators use technology platforms to plan their schedules, they gain access to the same opportunities and safeguards as large trucking companies. Convoy's app empowers drivers to service loads from the largest shippers, proactively plan their routes to know when they'll be home with their families, and create schedules that keep their trucks full and earnings predictable. It's still early days and there is much more potential to help drivers and small businesses make decisions on the options that impact them most.



# Letter from Co-founder and Carrier Experience Officer, Grant Goodale

## If freight is the lifeblood of our country, truck drivers are the beating heart that moves it 24/7.

72% of the freight moved in America is moved by a truck at some point on its journey. Heavy trucks collectively travel 450 billion miles each year, carrying 11 billion tons of merchandise. Without trucks and, more importantly, truck drivers, commodities we rely on for our daily lives would begin to run out in as little as three days.

Convoy's mission is to transport the world with endless capacity and zero waste. For us to be successful, we need trucking companies to thrive. But for the 86% of carriers with 6 or fewer trucks and the hundreds of thousands of drivers are owner/operators, the challenges are evergreen: how to earn more with less

hassle. By reducing the empty miles our carriers drive, Convoy has put more money in carriers' pockets and helped them grow in 2021.

## Trucking must be a sustainable profession in 2022 and beyond. America depends on it.

For small carriers to be successful, we must continue to improve efficiency, reduce waste, and work to democratize access to the technologies that are poised to transform this industry. With fuel prices soaring, the cost of empty miles is of even greater concern to truck drivers everywhere.

Convoy's work to reduce empty miles for our carriers will reach new heights in 2022, but I am also excited to work with industry and government partners to bring electric trucks and other, greener technologies to small carriers sooner rather than later.

I look forward to partnering with other, like-minded companies to ensure that the small carriers in America are part of the solution for a greener, more efficient tomorrow.

Grant Goodale

Grant Goodale, Carrier Experience Officer

At Convoy, we think carriers and drivers are trucking awesome. We're grateful for their stories about how we've helped them earn more with less hassle on each step of the journey.

## **Earning more with less hassle**

Helping to improve the lives of truck drivers has always been a key part of what we do, and we're making it easier for carriers to find, bid on, and haul loads that keep their trucks full and earning on the lanes they like to run. We strive to make life easier on the road not only through trucking-related initiatives, but also through important social causes.

## **Automated Reloads**

This program enables carriers to book multiple loads at a time, helping carriers earn more, minimize empty miles, and eliminate time waiting between work. By enabling bidding on automated reloads, carriers are empowered to be home on their schedule and work at preferred rates, guaranteeing that they spend less time looking for work or driving empty.

"I like bidding on these offers with Convoy.

They keep me on lanes I prefer to run, and get me home when I want. By combining loads from different shippers, Convoy keeps us from driving empty trailers between jobs and we waste less time on load boards keeping our trucks busy."

- Jorge Ramos of El Poderoso Trucking

## **Drop-and-hook freight**

This program unlocks business opportunities for small carriers and owner-operators, helping them access more freight and spend more time with their trucks full. Small carriers are able to bring in their power unit and haul Convoy's pre-loaded dry van trailers. This gives carriers access to billions of dollars in new shipments that were previously only available to the largest carriers who had a surplus of trailers. Carriers who haul power-only loads in Convoy's network 30% of the time can generate up to \$19,000 more revenue per truck per year by

increasing the number of loads they are able to haul. Carriers also experience up to 70% less dwell time when hauling Convoy power-only shipments.

"We operate almost exclusively power-only loads with Convoy. The main upside is that the wait time is very short, we are in and out of facilities in 45 minutes versus more than four hours for live loads."

- Eduardo Canales, Canales Trucking

## Flexible trailer returns

When carriers haul drop-and-hook freight, Convoy grants them the option to extend their trailer rental for up to 72 hours. This gives carriers more time to find power-only loads for their return trip, helping them earn more money while also reducing wasteful CO2 emissions from miles that would have otherwise been driven empty. Because we are focused on improving the entire supply chain's sustainability, carriers can use our trailers during this extended rental period with any shipper or broker; they are not limited to Convoy loads.



"We've really enjoyed the flexibility that Convoy's power-only program offers.

Their equipment is well maintained and updated. Plus, their flexible trailer return times help us maximize efficiency."

- Billy Ellinger, Hunter Transport, LLC

## **Carrier Stories**



**David's Story** 



**Jose & Alfonso's Story** 



Jacinda's Story

## **Consistent work**

We create opportunities for regular, steady work by enabling all carriers to bid on freight contracts using our mobile app. This program reduces time spent securing individual loads, enabling carriers to focus on driving and generating income. Historically, carriers who are single owner-operators, or those with small fleets, have not had access to dedicated freight from large shippers. Thousands of shipments per month are now available to carriers through short-term contracts.

"If I could, I would dedicate 100% of our business to Convoy. Many customers and brokers will ask you, 'Do you have 20 trailers?' in order to access their dedication contracts. And for us, with only six trucks, it would be impossible to secure those contracts. But the fact that Convoy closed that bridge and made it possible so we could be known as a dedicated carrier on a dedicated route has saved our business during turbulent times. Thanks to Convoy, we don't need to have a huge business in place to be part of a dedicated workflow."

- Inderjit Gill, GSG Logistics

## Free Convoy QuickPay™

Carriers often struggle to get paid in a timely manner – some waiting 30 days or more – and when they do get paid, many companies charge them fees, which eat into carriers' bottom lines. Beyond simply receiving their money, it's important for carriers to have access to fast cash so they can pay their drivers, buy fuel, and cover other short-term business expenses without taking out costly lines of credit or other loans. In 2016, Convoy introduced free QuickPay to carriers, which pays them for their work on Convoy loads within 48 hours, with no fees. Not only is QuickPay fast, it's easy: qualifying loads are automatically paid through this program, with no work required by the carrier or driver.

"Getting paid is one of the quickest and easiest parts of working with Convoy. When I enable location tracking and upload a clear picture of the PODs in the app, I receive my funds in two business days. Thanks Convoy for going above and beyond to get me paid!"

- James Smith, Wit Trucking LLC

## **Hassle-free lumper payments**

Carriers can request and receive lumper payment codes with just a few taps on their mobile device, eliminating the time-consuming phone calls and out-of-pocket expenses that can take weeks to be reimbursed. Dealing with lumper payments has been a major pain point for carriers, yet the experience

hasn't fundamentally improved for decades. With hassle-free lumper payments, Convoy simplifies the time-consuming process of retrieving lumper payment codes and eliminates those related out-of-pocket expenses for carriers.

"Requesting lumper payments is one of the most frustrating and inefficient processes I have to deal with on a daily basis. But now, it takes just seconds to request and receive a lumper payment code in the Convoy app, which saves me time so I can be more productive every day."

- Taber Harden, TT Hauling LLC

## **TruckYeah Savings**

Carriers who haul with Convoy can save money on some of their biggest expenses through our TruckYeah Savings program. The Convoy Fuel Card saves carriers over 40¢ per gallon at over 1,000 truck stops across the U.S., with no fees. Convoy Factoring sends payments to carriers within 48 hours at rates as low as 1%, with no other fees. Carriers can also get big-time savings on a wide range of items and services, such as tires, roadside assistance, and legal services.

"Convoy is taking the trucking industry by storm with their innovations and partnerships! Since signing up for the Convoy Fuel Card three months ago, I have saved over \$3,000."

- Bruce Custer, Insight Trucking LLC

## **Supplier diversity**

This program gives diverse carriers access to more loads, forums to promote their businesses, and opportunities to haul for major shippers. A diverse business means it is 51% owned and operated by a member of one or more diverse supplier groups, including minority-owned businesses, womenowned businesses, people with disabilities-owned businesses, veteran-owned businesses, and LGBTQ+-owned businesses.

Convoy has established partnerships with Women in Trucking, The Women's Business Enterprise National Council (WBENC), and the National Minority Supplier Development Council (NMSDC) to provide resources for certified diverse carriers.

"As a small business owner, I look for every opportunity to access freight. When Convoy reached out about their supplier diversity program, I was astounded that there was a certification that could grant me exclusive access to their freight. As a female veteran, this program has the potential to help my company earn more with less hassle."

- Charmaria Gurley, owner of Gurley All Freight

## **Community donations**

In 2021, Convoy donated \$8,560 to the St. Christopher Truckers Relief Fund. The St. Christopher Truckers Development and Relief Fund (SCF) is a 501(c)(3) truck driver charity that helps over-the-road/regional semi truck drivers and their families when an illness or injury, occurring within the last year, has caused them to be out of work. The SCF is also working to provide programs that will benefit professional drivers and the trucking industry. The funds donated to the St. Christopher Truckers Relief Fund are the direct result of employee decisions to donate their holiday gifts instead of requesting physical gifts.



## **Truckers Against Trafficking**

Convoy continued its partnership with Truckers
Against Trafficking to raise awareness and assist
law enforcement in the identification and reporting
of human trafficking. Convoy and Truckers Against
Trafficking created a certification program for
truckers available as part of Convoy's Haul Stars
program. The training material is available to all
carriers in Convoy's network.

"As the eyes and ears of our nation's highways, truckers are in a unique position to make a difference and close loopholes to traffickers who seek to exploit our transportation system for their personal gain. The ability for us to partner with Convoy and reach a significant segment of the professional trucking industry provides us with an invaluable ally against this heinous crime."

 Kendis Paris, Executive Director/Cofounder at Truckers Against Trafficking.

## **Eco-driving training**

Convoy announced a collaboration with Natural Resources Canada to provide free eco-driving fuel efficiency training. The fuel-efficient equipment and driving practices featured in the SmartDriver training program can help individual drivers reduce their fuel consumption by up to 35%.







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Kendis Paris, Executive Director/Cofounder at Truckers Against Trafficking.

Each year, a select group of carriers with exemplary performance are invited to Convoy's exclusive Haul Stars program. Members get early access to new Convoy products and services, and have direct lines of communication into Convoy leadership and developers, where we engage in deep, productive conversations about how to continuously make Convoy better for all carriers and drivers. The best of the best are celebrated each year with our annual Haul Stars Awards.

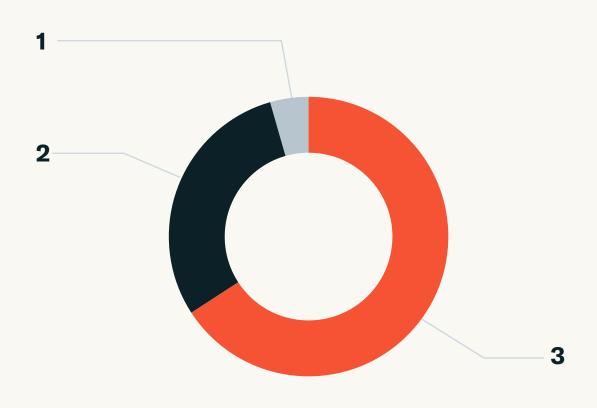






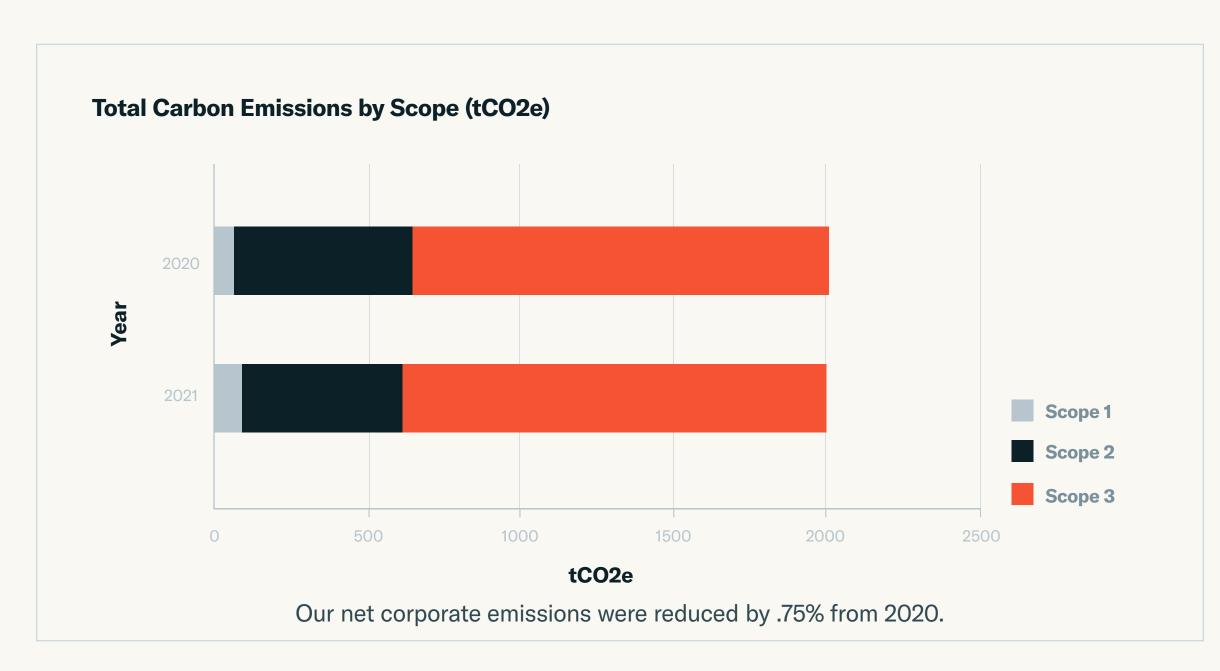
## **Our Carbon Footprint Overview**

Convoy's headquarters are in Seattle, home to approximately 70% of its employees, with a second office in Atlanta, home to the remaining 30%. Both offices are in downtown areas that make it easy to commute by public transit, biking, or walking.



Scope 1	4.5%
Scope 2	26.6%
Scope 3	68.9%

## **Annual Emissions**



## **Scope 1 & 2**

## **Offices**

In 2021, Convoy moved its corporate headquarters to the Russell Investments Center in downtown Seattle. The new office reflects our commitment to sustainability with a near-perfect 99 ENERGY STAR score and LEED Platinum Certification. "The Russell Investments Center is not only the perfect fun and productive place to support our growing base of employees, it is the most sustainable

high rise building in Seattle. We're glad to have found an ideal home in the great Pacific Northwest, which has an abundance of top logistics and technology talent," said Dan Lewis, CEO and Cofounder of Convoy.

Our combined office spaces total 230,593 square feet, a 61% increase from space utilized in 2020.

The electricity, natural gas, and steam used to heat



and cool our offices resulted in 1,366,639 pounds of carbon emissions generated in 2021, accounting for 31% of Convoy's total footprint.

To reduce emissions from building energy, Convoy moved into LEED offices for both our Seattle (Platinum) and Atlanta (Gold) locations, which has reduced our energy footprint by about 20% and saves a total of 273,328 pounds of carbon annually.

## Scope 3

## Servers, software, and hardware

As a tech company, we rely on cloud servers to store our data and power our company, which contributes to 47% of our scope 3 emissions. In 2021, Convoy's servers used roughly 1,421,382 pounds of carbon. As data centers strive to transition to renewable energy, we expect the emissions associated with this usage to decrease.

Convoy also provides every new employee with hardware and office supplies (i.e., a laptop, desk, chair, and monitor). We recognize this comes at a cost to the environment. In 2021, we calculated that our total purchased goods and services equated to roughly 1,747,655 pounds of CO2. We are reducing our use of unsustainable products and purchasing refurbished products when available.

## **Physical waste**

Since Convoy is a paperless office (invoices, bills of lading, and so on are stored in the cloud), the majority of our waste comes from our kitchens. Convoy generates roughly 300 pounds of waste daily, which totals about 50,353 pounds of carbon emissions over the year. Of this waste, roughly 40% ends up in the landfill, 33% is recycled, and 27% is composted.

To discourage the use of single-use products, we provide all employees with a water bottle during onboarding. In addition, ceramic coffee mugs, bowls, and metal silverware are used in our kitchens to further reduce the use of single-use products. While we aim to not use paper and plastic products, we do guarantee that 100% of the paper cups, paper plates, and plastic utensils are compostable in Seattle's compost bins.

In our kitchens, we provide our employees with full access to beverages and snacks. In late 2019, we focused on reducing the amount of individually packaged snacks by switching to more bulk items, but due to the pandemic, we've reverted to individually packaged snacks. Now, we are testing ways to focus on health and sustainability by partnering with companies that produce recyclable or compostable wrappers for individually packaged snacks and sourcing vegan or plant based options.

In summary, in 2021, Convoy produced 4,395,787 pounds of carbon from our own operations, including commuting, building energy, and upstream value chain, while also preventing 2,801,000 pounds of carbon emissions from America's highways.





## **Benefits and employee care**

Our high-quality, competitive benefits are offered to all of our full-time employees with physical, mental, and financial well-being in mind. Convoy covers 100% of employee medical, dental, and vision premiums, as well as 85% for dependents. Our benefits package includes:

- Health plan choices:
  2 full network nationwide plan (HDHP or PPO),
  2 narrow network local plan (HDHP or PPO)
- Dental and vision plans
- Paid parental leave
- Employee assistance program (EAP)
- On-demand mental health programs
- Income protection, such as voluntary life insurance as well as short-term and long-term disability insurance
- Backup child and adult care
- \$500 work-from-home stipend

## For employees, by employees

To create the best benefits possible, Convoy invites employee feedback on how to improve benefits and tailor our benefits package to meet the needs of our employees. Using this feedback, employee benefits have evolved over time. These are benefits that have been added based on employee requests:

- Martin Luther King Day as a paid holiday
- Improved mental health benefits through Lyra
- Added fertility support through Progyny

## **Mental well-being**

Mental wellness is a priority at Convoy, and we work to make sure that employees feel equipped to take care of themselves. Life outside work matters, which is why, in addition to paid holidays, Convoy also offers a flexible PTO policy for exempt employees. Convoy's benefits package also includes access to Lyra to provide care for emotional and mental health. Convoy employees, dependents, and spouses or domestic partners can each access 16 sessions per year for guided self-care, coaching, and therapy. Convoy also offers weekly mindfulness and yoga classes for employees, leads training sessions for managers on how to support employee well-being during the pandemic/remote work, shares company-wide meeting etiquette guidelines, and has moved the whole company to half-days with no meetings on Thursdays.

## **Hybrid work model**

At Convoy, we believe in taking an innovative approach and finding solutions to do the right thing for our customers, our teammates, and the environment.

In March 2020, all employees switched to working from home. To improve the at-home working environment, Convoy provided every employee with a \$500 stipend to make necessary purchases, such as desks, chairs, and internet.

Today, our hybrid model is optimized for collaboration and flexibility.

- No required minimum number of days in office.

  We recognize that as life starts to get back to normal, the right mix of remote and in-office time will vary for each individual. Teams have specific days of the week set aside for in-office collaboration, meetings, and team events, or to simply connect and be present with each other.
- Shared spaces and office hubs where employees can gather to connect and collaborate. Convoy leverages our physical offices with intentionality and purpose. We are working hard to create a great inoffice experience so that our employees want to be there because it is productive and fun, not because they have to. We bring employees together to ideate on new concepts, build team camaraderie and trust, and celebrate wins and milestones together.

Remote work. Local positions still represent
the majority of roles at Convoy. However, we
recognize that for some roles, employees can be
impactful without regular in-person interaction.
To acknowledge that and provide flexibility, we've
created new Remote Eligible roles, which are
spread throughout the organization and allow
employees to work remotely in a variety of states,
and only come into the office a few times a year
for specific events.



"Disconnected. Distant. Alone. These are words that crossed my mind when I thought about joining a new company during the pandemic. Enter TransportASIAN: Convoy's ERG for Asian employees and allies. Joining TransportASIAN immersed me in a community where I felt safe and seen, and it provided organic pathways for connection at Convoy. TransportASIAN has become my Convoy family, where I have the space to discuss tough questions, the invitation to hand-pull noodles for Lunar New Year, and the opportunity to help others feel at home."

Danny C.

## **Employee resource groups (ERGs)**

At Convoy, we're committed to fostering a culture of diversity, equity, and inclusion. Employee Resource Groups (ERGs) are one of the ways our employees help cultivate community within Convoy and create a more inclusive culture. ERGs are employee-led, self-directed, voluntary groups that offer opportunities to network internally, attract a diverse employee base, provide the inclusion of ideas and solutions, and create opportunities for mentoring and career development. Convoy's ERGs include:

- Convoy Commanders
- Black@
- Latinx@
- Parents@
- Pride@
- TransportASIAN
- Womxn@
- Womxn of data design engineering and product (DDEP)

## **Training and education**

Creating a culture of lifelong learning is important to us at Convoy. It promotes growth, both in terms of technical skills and soft skills, allowing each person to elevate themselves and the business.

Training and education highlights include:

- 100% of Convoy employees received annual and midyear reviews.
- Every employee on the product and engineering team received 8 hours of technical training, 8 hours of conference time, 8 hours of soft-skills training, and 30 hours of new-hire training.
- Every employee on the operations team received a minimum of 80 hours of new hire training, where they learned topics related to the trucking industry, customer service, negotiation training, and more.
- **TechEd,** a program for operations employees to learn the basics of software development from our very own Convoy engineers, so that they can make a career shift into the technical side of the business.







