

## 2019 ESG OBJECTIVES

### General Sustainability

The two major 2019 objectives for general sustainability are to improve the published sustainability report and the celebration/communication of ESG improvement success. These objectives are summarized below.

#### *Improvement of Published Report*

- 2018 was our first year publishing a sustainability report. We will learn from this experience, continue to improve the quality, depth and detail of this report . Many of the 2019 ESG objectives support this improvement initiative.

#### *Celebration & Communication of ESG Improvement Success*

- In 2019 we will communicate our sustainability objectives, world class ESG/GRESB scores, and other ESG metrics through many platforms. These items will be published on the sustainability section of the company website. We will also present and discuss these items with all associates in newsletters, broadcast emails, Visual Communication Boards, social media, manager training sessions and town hall meetings. These items will also be discussed with customers at business review meetings. Specific sustainability and ESG material will be included in material supplied to investors.
- In 2020 we will publish our second sustainability report and communicate 2019 ESG performance. This report will be shared with customers, investors, employees, trade unions, other stakeholders and available on the company website.

### Environmental

- Determine alternative sources of renewable energy and motive power. Focusing on renewable energy sources other than fossil fuels avoids environmental impacts, specifically from reduced air pollution emissions and greenhouse gases.
  - Prepare options for renewable electricity sources.
  - Prepare options to obtain additional electric vehicles.
- Improve sustainability with increased recycling and sustainable sourcing.
  - Source methods that can be used to reduce the volume of industrial waste further through increased recycling.
  - Continue to phase out plastic bottled water were possible. Continue the transition to filtered water and reusable insulated steel water bottles.

- Implement sustainable sourcing of supplier products.
- Continue to minimize environmental compliance issues. Strive for 100% compliance.
- Continue implementation of stormwater pollution prevention practices.
- Improve environmental communication with field operations. Use environmental communication to advocate for policy, raise awareness, change behavior, and influence the corporate culture. How well we can communicate our environmental affairs will affect how quickly and thoroughly we can transform our corporate culture.
- All depot operations shall complete an environmental improvement project in 2019. This corporate goal was initiated in 2018.
- Continue to improve mobile equipment efficiency with our OPUS processes. These efficiency improvements reduce the production of greenhouse gasses.

## **Social**

- Increase the number of female, minority, and military veteran owned firms that we can conduct business with.
- Continue develop managers to affectively lead and motivate operational employees.
- Continue to develop technology with mobile equipment monitoring and hazard detection/analysis. This will further enable us to identify and correct an at-risk situation or trend before a loss event occurs.
- Continue to evaluate trends and tweak controls so we can prevent incidents in the following categories:
  - Life Saving Activities
    - Fatigue Related
    - On Rail Switching
    - Track Protection
    - Securement
  - Injuries
    - Slip, Trip & Falls
    - Injuries During Maintenance
    - Sprain & Strains
  - Damage Events
    - Collisions
    - Dropped Chassis
    - Damage Loading or Unloading

- Continue to recruit greater organizational diversity
  - Pro-active recruitment efforts to attract Military Veterans
  - Maintain 3<sup>rd</sup> party posting partnerships that target Diversity & Military Veteran groups
  - Developing programs to maximize opportunities that target groups with employment barriers
- Continue to provide employees with multiple avenues to facilitate productive communication with employees and express concerns
  - Written word; electronic; mobile; telephonic
  - OMBUDSMAN secure line
- Utilizing local resources to assist in development of our workforce

### **Governance**

- Continue to evaluate and develop the Company's governance policies to ensure that those policies reflect the current state of all applicable State and Federal laws.
- Continue to regularly monitor the Company's 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 the Company through the 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 the Company's governance program to all levels of the Company organization.
- Continue to monitor and roll out data intrusion software/hardware to all remote locations
- Improve and strengthen password polices within modern password complexity standards
- 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