



2022 | CORPORATE SOCIAL
RESPONSIBILITY
REPORT

morgan

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The Pillars of Morgan Culture

The four formal pillars of Morgan's culture express our commitment and guide our decisions and actions. We believe in:

Investing In Relationships: For corporate social responsibility (CSR), this means advocating for inclusion and opportunity for our employees and our supply chain partners and vendors.

Finding A Better Way: We make the world better and more sustainable when we invent ways to do more with fewer resources. When we do, more people have access to the goods and services that empower their lives.

Defining Our Own Destiny: Relying on established systems and processes often means relying on less-than-ideal practices. At Morgan, we look for the right thing to do and then find a way to do it. This self reliance frees us to create the best services for our customers and to find ways of increasing our CSR contributions.

Excellence Every Day: All the other qualities of our culture also can be summed up in these three words. From the efforts of our founders on Morgan's very first day to those of our team members around the world today, we demand the best of ourselves. We also demand it from our colleagues, suppliers, customers and communities.



Morgan's Vision for Corporate Social Responsibility

We're driving towards a better future.

Across Morgan and all over the world, we are deepening our commitments to be a force for a more prosperous, sustainable and inclusive world. We realize that every source of change and empowerment starts with a supply chain. When we strengthen those systems, we build pathways to individual and societal progress.

Since its founding, Morgan has built its business through transformation. Where others accept the status quo or settle for incremental change, we see opportunities for reinvention. There is so much ahead for us to do: Improving stewardship of resources; championing diversity in our workforce, our partners and our community; designing the systems that widen access to products and services. But with every milestone along our journey, Morgan will keep driving ahead.

“As global supply chain leaders, we will always embrace our role for change and improvement.”



In our last report, I shared Morgan’s vision for corporate social responsibility (CSR). It’s reprinted at left, and we will publish this statement in each future CSR report. While it’s great to write about new initiatives, I want to make sure that all our stakeholders understand our enduring commitments. Those start with me and extend to every member of our global organization.

Our vision and our cultural values (reprinted on page two) guide our efforts to improve the contributions we make to our employees, our communities and our environment—even as we also seek to grow our bottom line.

How Our Vision Drove Action in 2022

Since 2020’s report, we have made great progress in all these areas. We have used the lessons of COVID, supply chain shocks, geopolitical instability and economic challenges to make Morgan stronger.

- Because we were separated from each other and from our customers, we now work harder to deepen those connections. Transportation may seem to be a transactional business, but the best aspect of our industry is about relationships. We take the time to understand our clients’ goals and motivations so that we can be true strategic partners. When we gain the deepest level of clarity, we can provide more than just a truck move. Instead, we help them deliver goods to their customers faster, at lower cost and using fewer natural resources.
- Because we met virtually for so long, we now have found ways to adopt hybrid work environments for our non-operations staff. With more online meetings, we have been able to reduce commutes and travel significantly. We also have reduced our need for office space, even as Morgan grows. That results in happier employees with better work-life balance, and it reduces our carbon footprint.
- As the recent pandemic placed a premium on workplace health, we learned new ways to sanitize our workplaces and work via touchless processes. The old mentality of ‘toughing it out’ through a workday while under the weather has been

replaced with zero tolerance for sickness on the job. We also increased investment in healthcare and benefits across our global workplaces.

- Because of inflation and supply chain uncertainty, we have introduced new services to squeeze more value from every supply chain dollar. Our custom-tailored transportation networks move more goods with fewer resources by combining loads and shifting transportation modes. Morgan’s new control tower services use the best of visibility technology and human expertise—software and savvy—to gather insights and translate them into increased efficiency.
- Last, we are more determined than ever to give back in ways that enrich and strengthen the communities where we live and work. In 2022, Morgan and its employees made an unprecedented effort to volunteer and contribute to worthy causes in our locations around the world.

As I wrote last year, we will always be at the beginning of our CSR journey. We have so much more work to do. True corporate social responsibility is a long-haul, and we will keep moving down that highway. We will never stop driving towards a better future.

David W. Morgan
Founder & CEO
D.W. Morgan Company



A Profile In Social Responsibility

“When we succeed, everyone wins—from our customers to Morgan team members, partner companies, the communities where we live and the environment that we all share.”

Morgan transforms supply chain efficiency by creating custom supply chain networks for its manufacturing clients, some of the world’s largest and most complex supply chains. In 2022, that included two of Gartner’s Top 10-rated manufacturing supply chains.

When we succeed, our customers experience lower costs, improved product availability, enhanced customer satisfaction and better coordination between supply chain partners.

While these outcomes drive business value, our competency at creating custom infrastructure and solutions also leads to social gains. Some of the notable CSR values of Morgan custom supply chain networks are:

- **Increased utilization and productivity.** According to data from the World Economic Forum, an estimated 43% of trucking capacity is wasted by vehicles driving with less than full loads—even sometimes completely empty.

Better data and analytics enable us to identify routes where it’s possible to create regular, dedicated truckloads for our customers. That results in fewer carbon emissions per kilo of freight moved.

- **Improved supply chain orchestration.** When suppliers’ actions aren’t coordinated in complex supply chains, the result is lots of waste: goods left waiting during transit; “safety stock” buffers sitting idle on warehouse shelves, extra shipments, component materials left unused, inventory unsold. Morgan networks get the right goods to the right places at just the right time—with dramatically less waste in materials, transportation and effort. The company’s newly introduced Custom Tailored Control Tower service brings technology and human expertise together to ensure maximum efficiency for clients’ global transportation.

- **Less carbon-intensive modes of transit.**

Many expedited shipments result from lack of coordination between suppliers and poor alignment between groups inside the enterprise. Better data and custom approaches enable Morgan to shift cargo to dramatically less carbon-intensive transportation modes. Moving goods by truck instead of train can reduce carbon emissions by three to six times, and ocean transit can be 10 to 50 less CO2 emissions compared to air according to research by the UK’s Department for Environment, Food and Rural Affairs.



A Profile In Social Responsibility

▪ **Smarter decisions through innovative financial models.** Morgan pioneered the use of third-party inventory ownership with its Inventory On Demand™ service. When financial pressure and payment terms aren't an issue, Morgan clients are able to optimize transportation and inventory levels. They're also able to minimize environmental impact. Recently, Morgan partnered with Taulia, the supply chain fintech leader, to broaden its portfolio of inventory finance solutions.

▪ **Use of technology to make gather better insights and take more efficient actions.** Morgan's proprietary ChronosCloud® technology enables all partners in a supply chain to share and coordinate end-to-end information. Our custom-tailored control tower solutions leverage that technology, together with expert human management, to drive visibility, efficiency and continuous improvement.

Morgan Certifications

Attaining third-party certifications for quality, security, sustainability and commitment to diversity are an important part of how Morgan pursues excellence every day.

Here are highlights of our current affiliations and accreditations.

International Air Transport Association (IATA)
Member

U.S. Customs and Border Protection Customs-Trade Partnership Against Terrorism (C-TPAT)
Member

U.S. Environmental Protection Agency SmartWay
Certified Transport Partner

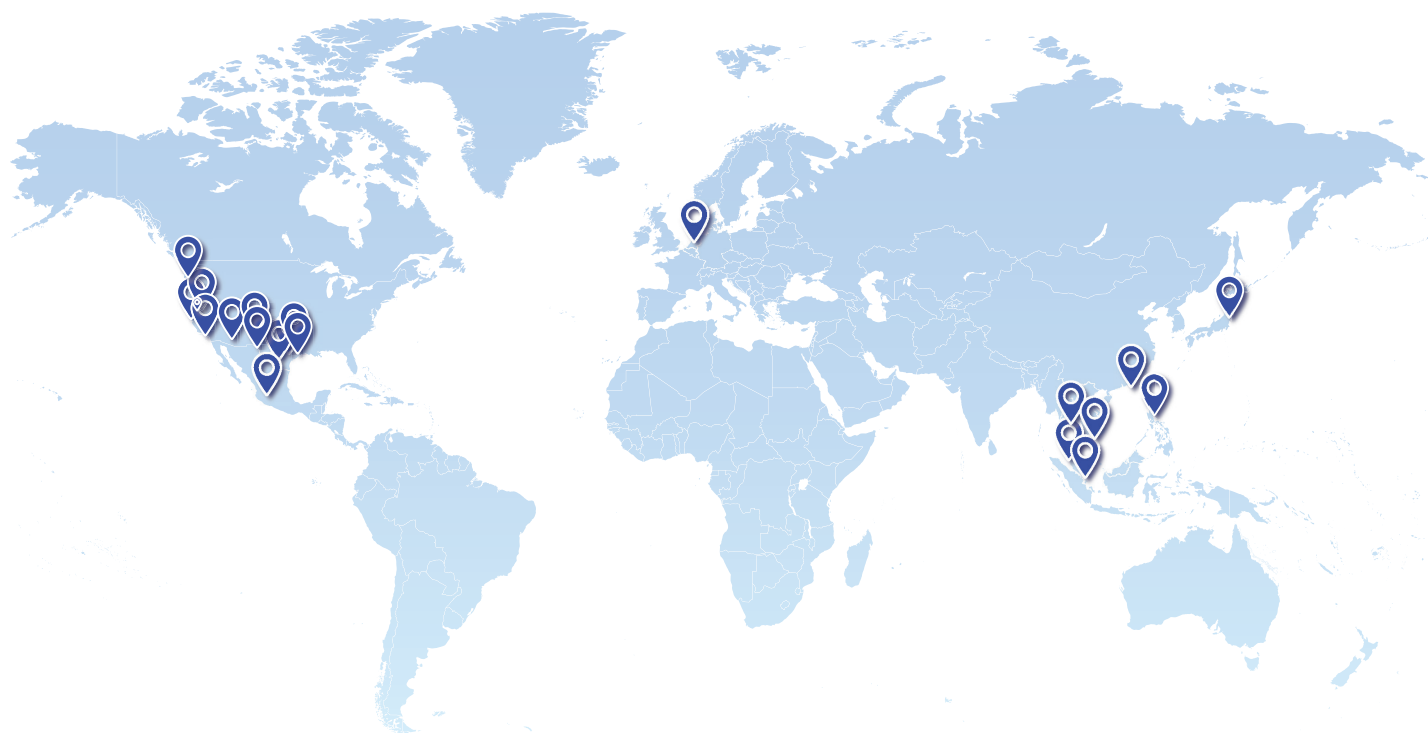
Transporte Limpio
(Mexico's clean transportation program)
Member

International Organization for Standards
Certified operations under ISO 9001: 2015 standard

Transported Assets Protection Association (TAPA)
Certified member

National Minority Supplier Diversity Council (NMSDC) Certified CorporatePlus™ member

Women's Business Enterprise National Council (WeBENC)
Corporate member



Americas

Portland, Ore. USA
San Jose, Calif. USA*
Sacramento, Calif. USA
Los Angeles, Calif. USA
Phoenix, Ariz. USA
Albuquerque, New Mex. USA
El Paso, Tex. USA
Austin, Tex. USA
Houston, Tex. USA
Dallas, Tex. USA*
Nuevo Laredo, Tamaulipas, MEX
Guadalajara, Jalisco, MEX

Asia Pacific

Tokyo, JAPAN*
Hong Kong, CHINA
Manila, PHILIPPINES†
Laem Chabang, THAILAND
Penang, MALAYSIA
Singapore, SINGAPORE*

Europe

Amsterdam, NETHERLANDS

Corporate Offices

Carson City, Nev. USA

Global Capabilities

Morgan also leverages the more than 5,000 locations of the World Cargo Alliance to establish its own additional operations when requirements dictate.



* Inventory On Demand™ Distribution Location
† APAC Regional Headquarters



Culture That Drives Our Actions

Opposite page: Morgan's Texas team collects donations for a Toys For Tots drive.

“The four pillars of Morgan culture guide our every decision and action as they align our company with CSR values”

A Lasting Commitment to Social Responsibility

Morgan recognizes its responsibility to make a positive contribution to the industry it serves and the communities where it operates. The company is committed to integrating social, human, environmental and economic initiatives into its everyday activities.

As part of this process, management has defined the company's sustainability vision, values, and objectives. Defining these critical components of sustainability not only provides guidance as the company moves forward, but it also makes public Morgan's views on what the organization values.

D.W. Morgan has partnered with CRG Sustainable Solutions, a sustainability consulting firm, to develop and implement a sustainability strategy. In 2014, Morgan and CRG conducted a comprehensive sustainability audit, which was updated in a subsequent re-audit in 2020. The objective of the audit was to recognize areas of sustainability strength, while also identifying opportunity areas where new initiatives could improve sustainability performance. Once this activity was completed, we worked together to create an aggressive strategy and a path forward. Much of this work and the resulting strategy can be found in this document.

Morgan's Sustainability Vision

Morgan is committed to driving efficiency throughout our customers' supply chain networks. We promise to leverage next-generation technologies with our decades of knowledge and experience to store, move, and deliver products people need. Most importantly, we will operate in a socially responsible way while reducing environmental impact and enabling our partners to do the same.

Sustainability Culture

Renowned business consultant, Peter Drucker, once remarked that “culture eats strategy for breakfast.” While Morgan agrees that culture is paramount for success, we would argue that

culture is actually a strategy. While various services and elements of our business have changed over three decades, the values that founded our company still form the heart of our offering. And, even though today's Corporate Social Responsibility (CSR) metrics didn't cross our minds as a startup, the values that define ESG align with our goal to create sustainable value for our company, our employees, our customers, and the communities in which we work.

In 2019, Morgan formalized its statement of culture into four “pillars.” These guide our every decision and action as they align our company with CSR values.





Investing In Relationships

Morgan commits to its customers for the long haul. Our longest-term client spans nearly the entire life of our company, and other major clients have relied on Morgan for more than two decades. That's not a coincidence. We take the time to know our customers, making sure that we understand their businesses and challenges.

Investing in relationships also applies to how we treat our suppliers and our employees. Morgan has a long-term commitment to workforce and supplier diversity. The company has been certified as a Minority Business Enterprise by the National Minority Supplier Diversity Council (NMSDC) for about 20 years. Morgan earned the additional Corporate Plus status in 2006, recognizing its ability to execute global-scale assignments for large enterprise customers.

Morgan has located operations in opportunity zones and sought to employ a wide range of diverse employees: 75% of Morgan's U.S. workforce is ethnically diverse and 35% of female team holds management positions.

In 2022, "investing in relationships" meant revitalizing our connections with suppliers, customers, employees and communities post-COVID. In addition, we worked to deepen our ties to diversity organizations, sponsoring events for NMSDC and the Women's Business Enterprise National Council (WBENC).

In prior years, Morgan sponsored staff and management attending minority entrepreneur programs at Dartmouth's Tuck School of Business, UCLA's Management Development Program for Entrepreneurs, Northwestern University's Graduate School of Management, USC and Stanford University's graduate business school. Overall, we believe we have made a tangible contribution to the success of others, and we look forward to continuing these efforts in the future. As recognition of the above initiatives, Morgan CEO and Founder David Morgan has been recognized with NMSDC's Lifetime Achievement Award.



Finding A Better Way

In 2022, technology innovations helped us develop new solutions to increase efficiency for our clients. We introduced the "Custom Tailored Control Tower," for supply chain visibility and management.

Existing control towers focus on using software to identify exceptions and monitor shipments. By contrast, we combine our expertise with both software and savvy. So, customers can fill in their existing visibility gaps with our ChronosCloud® platform. That data is complemented by Morgan's Manila-based team of supply engineers who can manage issues around the clock as they emerge. Our experts also analyze the entire supply chain to spot opportunities for improvement

This year, Morgan also used COVID's lessons to improve its own operations. We implemented permanent hybrid working for non-operations staff and reduced our office space needs. Compared to 2019, Morgan's 2022 air travel decreased by 62 percent, which has a powerful effect on reducing carbon emissions. Fuel costs for land-based travel declined 45 percent; air and land travel were a combined 59 percent lower than in 2019. We drove these improvements by meeting virtually, reducing commuting and sharing workspaces.

Morgan began reporting carbon metrics in 2011 and has utilized a third-party audit of its results since 2014. In that time, we have reduced reported carbon dioxide emissions by 2,096.241 metric tons and devised strategies to reduce packaging waste by 179,000 pounds since 2015. These efforts led to Cisco Systems honoring Morgan with its "Excellence in Sustainability" supplier award. Our company is a certified participant in the US Environmental Protection Agency's SmartWay program and Mexico's Transporte Limpio. We also participate in the Carbon Disclosure Project.

Morgan's commitment to reduce waste extends to its aggressive IT asset management. Instead of just disposing of equipment at the end of its usefulness, Morgan has developed programs to donate obsolete equipment, make it available to employees and recycle it when possible.



Excellence Every Day

For some companies, that's just a slogan. At Morgan, going beyond expectations is how we establish deep trust with our clients. It's the way we build long-term partnerships. We may gain a customer based on the idea of transforming operations into something better. Yet, it's maintaining those operations at world-class levels that keeps the client coming back for more.

Even when things are running well, that "excellence every day" mentality is what helps us move from "good" to "great." We constantly evaluate our business, our customers and ourselves and adapt to changing conditions and opportunities.

For CSR, this means that our efforts aren't an initiative, they're an ongoing program with the goal of continuous improvement—for our clients, the environment, our communities, and ourselves.

In 2022, "excellence every day" meant maintaining COVID-era protocols for workplace health, sanitation, disinfection and touchless processes. Morgan also formalized a zero tolerance for sick employees in the workplace.

As rising inflation increased pressure on many companies' staff health and wellness budgets, Morgan worked to maintain and improve these benefits. In the US, we maintained health benefits at minimal additional cost to employees. Morgan also added the Juneteenth holiday to its paid time off calendar, along with two new floating holidays. In Asia, we enhanced benefits, reduced enrollment waiting periods, added vision care and annual checkups for our Penang, Malaysia staff and expanded coverage to include a first-tier dependent at no additional cost. In Mexico, where health benefit plans are not the norm for most employers, we provide on-site government health care services and clinics. We also adopted the government's increased minimum vacation accruals.

Morgan culture of sustainability continues to be recognized by *Supply & Demand Chain Executive*. The magazine has honored Morgan six times as one of its "Green Supply Chains."



Finding A Better Way

Designing better, more responsible solutions is hard work. It's easier to accept limitations for lack of resources or just because a customer said "no."

The path we choose has led Morgan to take on some of the toughest challenges in the world's most essential supply chains. Morgan will always be the company that finds a way. We trust our vision and take responsibility for figuring out how to make that vision happen.

Morgan has created new programs for training and leadership development so that our culture is passed to the company's next generation of leaders. Our culture is built for the broadest definition of success—continuous, socially responsible progress for all stakeholders over the long haul.

Culture In Action 2022

Morgan continues to invest in our relationships with the communities where we work and live. Initiatives included a “lights out” workday on Earth Day, during which staff were encouraged to work by natural light only where possible; an e-waste recycling drive; and a “giving back” program, which brought the Morgan team into relationships with worthy organizations around the world. Whether it was making pork noodle



Earth Day, 2022

Operations staff works by natural window lighting in Penang, Malaysia on Earth Day, April 22, 2022.



Earth Day, 2022

A Bangkok, Thailand team member rides his bicycle to work as part of Morgan's Earth Day celebration.



Recycling Drive

Staff at Morgan's Guadalajara, Mexico location collect obsolete electronics for recycling in September, 2022. Morgan collaborated with customer Cisco Systems and partner DB Schenker to support the drive. Multiple global Morgan operations joined the effort.



Volunteering Together

In Manila, Philippines, Morgan's team provides clothing, food supplies and toys to a rural province of the country in partnership with Elevaxion and Hearts of Joy Foundation.

lunches for a Home for Boys in Bangkok, donating holiday toys, food and clothing in Mexico and the U.S., or helping a Down Syndrome organization and orphanage in Penang, we were there to care for and support those with need in an especially challenging year. In addition to donating Morgan team effort and time at each location, we also made donations to 10 organizations across all our operations areas.



Volunteering Together

In Bangkok, Thailand, a Morgan staffer serves lunch at Banglamung Home for Boys. Morgan also donated toys, sports equipment and classroom materials to the orphanage.



Volunteering Together

Team Morgan Portland, Oregon donates food, toiletries, clothes and blankets to St. Andre Bessette Catholic Church.



Volunteering Together

The management staff at Morgan's Carson City, Nevada headquarters collect and donate blankets and coats to Fish, the largest area social services provider. The efforts were in partnership with Carson Montessori school.



Volunteering Together

Members of Morgan's Phoenix, Arizona team gather canned food for the local St. Mary's Food Bank.



Nurturing People At Morgan

Opposite page: Morgan managers participate in a Habitat for Humanity project.

“We believe that individual differences, backgrounds and experiences make us stronger when we all work together.”

Morgan believes that individual differences, backgrounds, and experiences make us stronger when we work together. We ensure that diversity, equity, and inclusion are practiced within the organization by:

- Providing equal employment opportunities in all business decisions.
- Prohibiting discrimination based on age, ancestry, color, family or medical care leave, gender identity or expression, genetic information, marital status, medical condition, national origin, physical or mental disability, political affiliation, protected veteran status, race, religion, sex (including pregnancy), sexual orientation, or any other characteristic protected by applicable laws, regulations, and ordinances.
- Consistently examining our unconscious biases and taking steps to create an inclusive culture that makes everyone in the organization feel welcome.

The National Minority Supplier Development Council (NMSDC) has certified Morgan as a minority-owned business enterprise and awarded it the additional “Corporate Plus™” designation. That status identifies our company as able to take on enterprise-scale assignments on a global basis.

Morgan also allies itself with women-owned businesses as a corporate member of the Women’s Business Enterprise National Council (WBENC).

Morgan Feedback

Morgan champions employee welfare through regular employee communications, surveys, and feedback. An annual global survey provides insight into overall job satisfaction in key target areas by location and job level. It is also an opportunity for the company to understand current concerns and issues and to design improvements. We use survey scores to measure year-over-year effectiveness.

We also train and direct management members to bring forward any employee-related concern that requires higher-level resolution. Our goal is that all concerns are resolved locally, immediately and appropriately.

Current people focus based on survey responses:

- Career Development: Formalized succession planning for key roles, identification and development of future leaders, department / local level cross training of all essential functions, and recurrent training for field operations staff via monthly staff meetings (Includes each of the following: driver-specific, quality, safety, security, and policy / process updates)



Morgan People

Current People Focus (continued)

- Compensation and Benefits: Annual market analysis for all market areas to ensure pay and benefits lead the market, transparent compensation ranges for each role and a global performance review process with flexibility in how merit budget is applied.
- Recognition / Rewards: Annual employee appreciation events, birthday / anniversary celebration, service milestones program, local spotlight in quarterly newsletter and quarterly bonus program.

**33% of Female Staff
Hold Manager or
Higher Title**

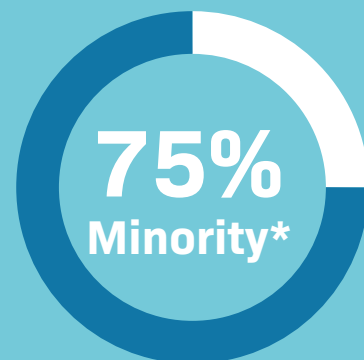


**86% Global Retention
89% U.S. Retention**

- Leadership / relationship management: Increase two-way communication via in person or web-based meetings (more use of video to allow for more personal experience), scheduled meetings between management and staff and regular check ins with all staff.
- Some locations may have specific needs such as policy / process standardization, partner management objectives and additional HR / management support to implement change or processes.

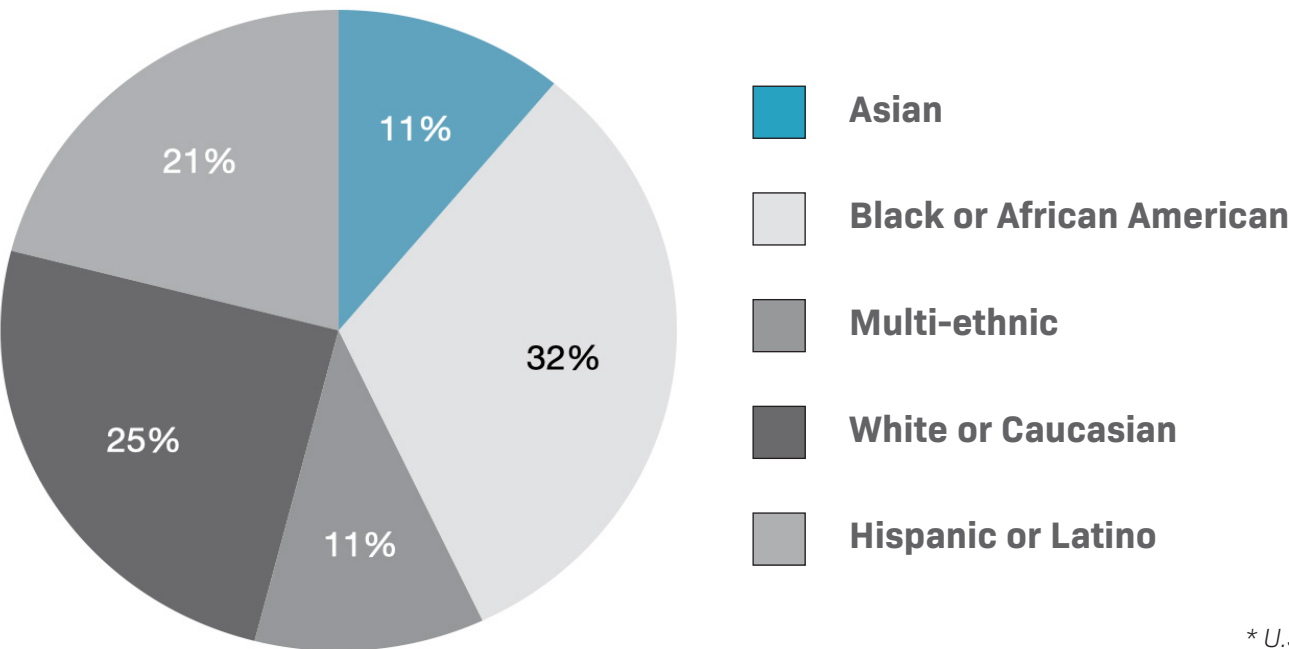
Morgan has increased its use of virtual, online meetings as it learned their value over the course of the COVID-19 pandemic. For instance, our Manila, Philippines-based team has established regular town-hall Zoom meetings while they are not allowed to work in-office. They also host monthly “virtual lunches,” where co-workers share discussion and a meal remotely.

Morgan’s senior management team also meets virtually for monthly strategic updates. These platforms have increased interdepartmental collaboration and effectiveness over the past two years of implementation.



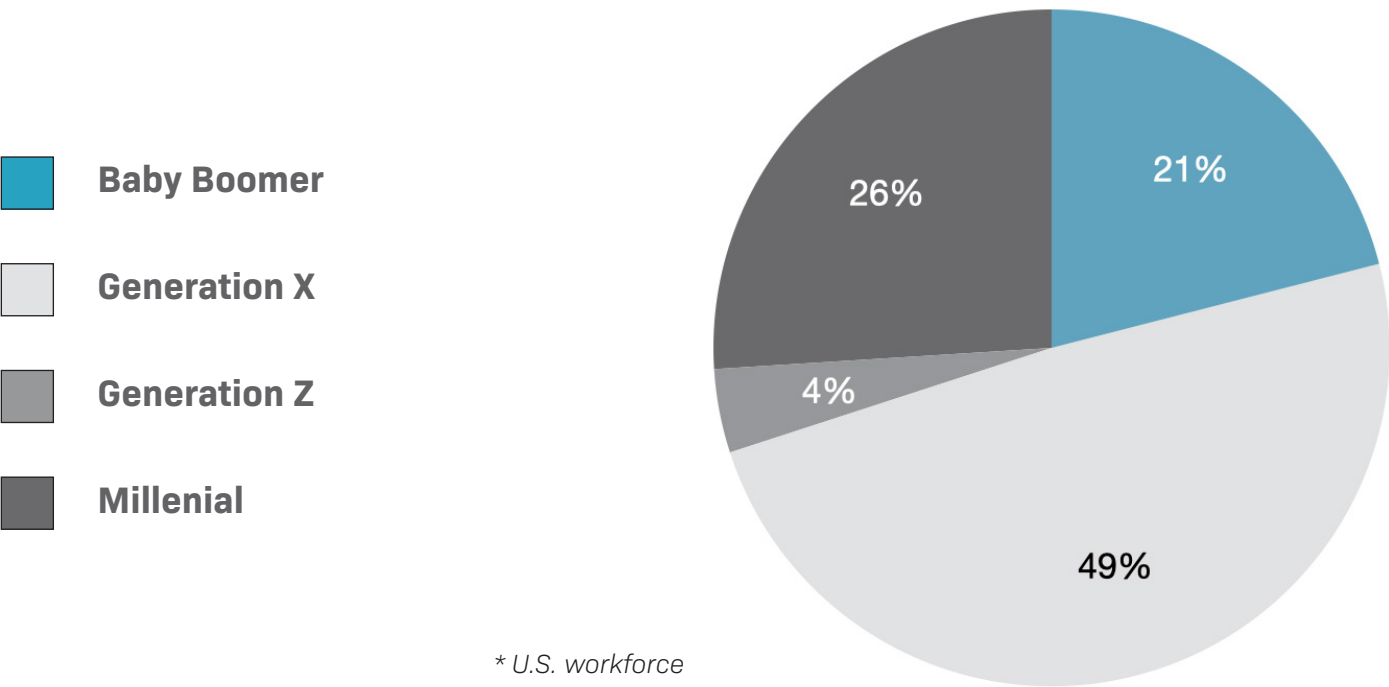
* U.S. workforce

Who We Are: Ethnicity



* U.S. workforce

Who We Are: Generations



* U.S. workforce

Morgan People

Compensation And Benefits

Morgan takes pride in providing employees with highly competitive compensation and benefits. To ensure this, an annual review of employee compensation and benefits is conducted. The results provide the company with market insights and ensure that employees are provided with above-market average compensation and benefits based on that review.

Health coverage benefits consistently provided following local guidelines on healthcare as well as above-market average industry practices. Additionally, an annual review of these benefits supports our promise of providing a comprehensive and balanced benefit package that meets or exceeds the market standard.

Other company benefits include a paid-time-off program, holiday pay, retirement plan (US), free uniforms, and company-provided equipment.

Career Development and Training

As a global organization, Morgan is committed to providing employees with the skills and knowledge they need to perform to consistent quality standards in all locations and job functions. In addition to the standard regulatory and compliance training, such as health, safety and quality standards, the company has implemented standard training for new hires, appointed safety team members, and implemented other operations-based requirements.

While it's critical that we train employees to excel every day in their current roles, we also believe in supporting future career growth. We encourage staff to attend the industry-based conferences and seminars that ensure they are up to date with skills specific to their area of expertise.

Harassment Prevention Training: We use Cal-Chamber of Commerce standards for management- and employee-level harassment training, which also

covers workplace bullying. Though this curriculum is mandatory only in California, we apply it across the U.S. as a best practice. Ethics and code-of-conduct training was introduced in 2021 and will follow a recurrent training schedule of every two years opposite the harassment training.

Professional roles: (HR, finance, security, etc.) may require job specific training for certifications or recurrent training requirements.

IT: Our tech employees completed over 200 hours of training in 2022.

Security: As an essential link in sensitive supply chains, Morgan complies with all required Transportation Safety Administration (TSA) and regulatory agency training / registration. We are also registered as a compliance manager for the Department of Transportation Federal Motor Carrier Safety Administration (DOT / FMCSA).

Finance: Our finance team completes recurrent training for CPA, audit procedures, company filings and registrations.

Human Resources: Our staff maintains the Senior Professional in Human Resources (SPHR) certification through HRCI, which requires 60 hours of continuing education every three years. Of this, 15 hours must be in business management or strategic HR and minimum of one hour in ethics.

Employee Recognition

Morgan is a reflection of its people's achievements. We ensure that employees know what it means to pursue excellence every day through the ChampionShip quality metrics program, our employee-recognition events and the success stories we share in Morgan's company-wide, monthly newsletter.



Team Bangkok, Thailand



Team Houston, Texas



Team Penang, Malaysia



Members of Team Phoenix, Arizona



Team San Francisco, California



Members of Team Guadalajara, Mexico



Morgan Safety Initiatives

“We have a shared responsibility to maintain safe and healthy workplaces for everyone.”

Safety Policies

Morgan maintains many formal policies to ensure consistently safe operations. Below are some of the company’s key documents for safety.

Morgan’s **Health and Safety** policy outlines our shared responsibility to maintain safe and healthy workplaces. All work-related safety issues must be reported to local management as soon as they are discovered. Faulty equipment must be tagged out for non-use until repaired or replaced.

Local management conducts monthly **OSHA compliance** inspections, which include general facilities, furniture, equipment safety, fire hazards, emergency equipment, first aid supplies, automated external defibrillators (AEDs), exit routes, cleanliness and storage and staging areas. Any items marked as unacceptable must be addressed within 30 days.

Morgan also has a documented internal process for **work related injury or illness**. All work-related injuries must be reported to human resources (HR) staff regardless of perceived severity. The HR staff manage subsequent documentation, care plans, interactive processes, and return-to-work plans. They also process and manage any workers’ compensation claims.

All medical information is kept strictly confidential: Only return to work or required work modifications are reported to the local manager. Morgan has no recordable injury or illness claims for 2022. This contributes to a low experience modification rating, which has resulted in the lowest possible insurance premiums.

Our **Driver Expectation** policy explains the minimum performance standards for commercial drivers. It applies to all Morgan drivers as well as partner or outsourced drivers working on behalf of Morgan. This document includes Department of Transportation (DOT) regulations, security measures, safety rules and prohibited conduct (for

example, using a hand-held communications device while driving, leaving a loaded trailer unattended, transporting unauthorized passengers, leaving the scene of an accident). Repeated violations of this policy typically result in loss of driving privileges.

The **Accident / Incident Reporting** policy outlines roles and responsibilities in the event of a work-related vehicle accident or incident resulting in damage to third-party property. Drivers have a responsibility to report occurrences immediately to their supervisor. They must follow all procedures at the accident site, collect information and field reports, and cooperate with post-accident procedures such as equipment inspection, post-accident drug and alcohol testing and internal documentation of the event.



Morgan Safety Initiatives

Each file is then submitted to a review committee. The accident committee reviews the details of each case to determine fault, liability, and whether the event was preventable or non-preventable. Corrective and disciplinary actions are determined based on details of the case. These may include coaching, training, written warnings or other measures. The case is then processed for insurance claim and equipment repairs are initiated. Morgan has experienced only three DOT recordable accidents in the three years from 2018 through 2022. Of these, one of the three incidents were determined to be no-fault and caused by the other driver. A majority of vehicle-related accidents resulted in small claim property damage only, with no fatalities or major damage.

Morgan participates in a voluntary “how’s my driving” **motorist observation reporting** (MOR) program through SafetyFirst. Each trailer is equipped with a decal that includes an ID and phone number for reporting unsafe driving. This program helps to identify driver habits or safety issues before they become an accident. It reinforces our commitment to safety, both internally and to the public, and reduces our insurance premiums. When a MOR is received, it is sent to the local manager of the decal vehicle for review. The local manager discusses the report with the driver and takes steps to validate the report (i.e., use dash cam footage, GPS tracking to verify speed, location, driving conditions, etc.). Many times, the report results in coaching of the driver and recordkeeping. Patterns of unsafe driving can prompt more detailed discussions or disciplinary actions.

HR staff maintain all personnel files, training records, payroll records, DOT files, and employment-related documents. All information is held confidentially and shared only on a need-to-know basis or as required by law. Local managers have access to non-confidential records in electronic form, such as training or policy acknowledgements, performance reviews, licenses and certifications. Staff meeting and policy

acknowledgement forms are saved to Dropbox folders managed by the HR department. We utilize ADP’s HRIS system for recordkeeping and reporting of many items, including licenses, certifications, recurrent training, job specific training courses, company equipment, MORs, accident reports and disciplinary/corrective actions.

Health And Safety

Safe work environments protect our staff, partners, and customers. They also allow employees to focus on doing their work at the highest quality levels. To achieve this, Morgan regularly reviews and updates its health and safety policies, including responses to the recent COVID-19 pandemic, to incorporate the most current practices.

We assign a local Emergency Response Team at each location so that emergencies can be addressed quickly and appropriately. The Emergency Response Team receives specific training, including an emergency response procedures, crisis and emergency communication, advanced first aid and CPR skills, and more. As part of our commitment, all employees are required to undergo a Health and Safety training during their new-hire orientation. Relevant policies are reiterated during monthly and quarterly local operations meetings. These include:

- Morgan’s documented health and safety policy
- Workers compensation injury trends
- Global COVID policies and protocols, including personal protective equipment, sanitation, supplies and work accommodations. Morgan has experienced zero work-related transmissions globally to date.
- Annual emergency response and safety team training for CPR, AED and first aid
- Electronic Logging Devices (ELD) policies
- Truck cab cameras

Training

Morgan’s HR team provides monthly staff meeting content to be shared with operations staff. Items

that apply to office or remote staff are shared individually via email or web meeting. Each monthly meeting covers a topic specific to drivers, such as safety, security or quality. We also include policy updates or general updates and information based on operational or business needs in this format.

All U.S. employees receive training to prevent harassment and bullying, as required by state regulation. We have voluntarily expanded this curriculum to all our U.S. staff as a best practice. International managers may also receive this training, if appropriate.

Each location has a dedicated local safety team that is trained in first aid, CPR and AED use. Their certification for these skills must be renewed every two years and must meet OSHA requirements for workplace health and safety. All safety equipment and supplies are inspected monthly and replaced as needed.

Morgan has internal, certified fork lift trainers who ensure that all operators of this equipment are trained and certified appropriately.

Technology

Morgan uses Samsara's electronic logging devices (ELDs) for its driver logbook entries. Drivers update their records daily, with compliance reviewed by local management.

Samsara dash cams also provide data and video (both interior and exterior) for truck operations. The system proactively alerts local leadership to all harsh driving events, such as hard braking, failure to come to a complete stop, excessive speeds, unsafe following distances and distracted driving. In event of an accident, we are able to review the conditions through the Samsara platform. In addition, it tracks positive driving behavior and provides a report card for each driver. Last, the system records fleet maintenance needs and proactively alerts local leadership if any mechanical or maintenance issues need attention.

Morgan tracks long-distance moves via a proprietary application (ChronosTouch) on the driver's phone. This provides continuous GPS tracking throughout the movement.

Compliance

Driver Qualifications: Before they are hired, drivers are screened for license verification, driving record, DOT physical, verification of work and driving experience, criminal background, road tests, and valid FMCSA drug and alcohol clearinghouse records.

In addition, Morgan conducts a semiannual review of driving records, which exceeds DOT annual review requirements.

HR personnel review all driver qualification records annually to ensure that all required documents are on file. HR tracks and collects commercial driver's license renewals, DOT physical (medical card) renewals and Federal Motor Carrier Safety Administration drug and alcohol clearinghouse records.

Morgan maintains a DOT-compliant drug and alcohol testing program. This requires random annual drug testing of 50% of all drivers and alcohol testing of at least 10% of all drivers. Morgan is currently testing 65% of its average driver headcount for these purposes. All staff responsible for supervision of drivers must complete "reasonable suspicion" training within 90 days of assuming that position.

HR maintains driver qualification files for each driver. Drivers are required to report all roadside inspections immediately, as well as citations received in company vehicles and personal driving-related violations within 30 days of conviction.

Prior to COVID's onset, each driver underwent a ride-along observation to ensure safety, security, quality, and compliance. This included validation of company knowledge, process, procedures such as uniform and tech requirements, vehicle operations and inspections and safe driving practices.

Safe Driver Program

In mid-2022 we began developing a Safe Driver program to promote and encourage safe driving practices. The program was designed specifically for our U.S.-based commercial drivers and went into effect on January 1, 2023. Using Samsara technology, we now track and measure seven risk factors: Crashes, harsh driving incidents, distracted driving, following distance, traffic sign and signal compliance, speeding and specific policy violations (such as obstructing cameras, not wearing seat belts, using a hand-held communications device while driving).

Drivers achieving a safety score of 95 or higher are eligible to participate in the company's quarterly Safe Driver raffle.



Sustainability Performance And Objectives

“It is Morgan’s objective to improve our efficiency metrics continuously from year to year.”

Good planning is essential for the transportation and logistics industry. Morgan has made a concentrated effort to increase the efficiency and eliminate wasteful practices in our operations. It is our objective to improve our efficiency metrics from year-to-year. Below are a few accomplishments we have made since establishing our baseline in 2013:

- Reduction of empty miles through better planning and attention to routes reduced emissions by 300 MT of CO₂e when compared to the 2012 baseline and 35.94 and 28.01 MT CO₂e in 2020 and 2021, respectively.
- Lower fuel consumption due to reduced idling time and increased use of aerodynamics reduced emissions by 50 MT of CO₂e annually. New idling policies are expected to reduce emissions even further in 2023.
- Improved loading, routing, vehicle policies, and vehicle performance has combined to reduce our environmental impact from 3,619.187 MT CO₂e in 2013 to 1,522.946 MT CO₂e in 2020.
- Avoidance of paper printing items that can be electronically retained reduced 11.59 and 6.05 MT CO₂e in 2020 and 2021, respectively.

Technology

Through an electronic logging device (ELD) system provided by Samsara, all drivers are completing digital logs daily. These are reviewed for compliance by the local leadership daily. With Chronos Touch, Morgan also can track long distance moves via the driver’s phone to provide real time GPS tracking throughout the movement.

Morgan driver operations are also monitored via Samsara dash cameras, with both interior and exterior views. The system proactively alerts local leadership to all harsh driving events, including,

but not limited to hard braking, failure to come to a complete stop, excessive speed, unsafe following distance, and distracted driving. The system is invaluable for continuously improving operations. When an accident or traffic incident occurs, it allows us to review footage of the event.

Morgan’s Samsara technology isn’t just for correction. It logs positive driving and provides a report card for each driver to validate that safe driving methods are being always practiced. Additionally, the system keeps record of fleet maintenance needs and proactively alerts local leadership if any mechanical or maintenance issues need attention.



Sustainability Initiatives



Freight Wings Improve Fleet Fuel Efficiency

Morgan has a strategic mix of trailers in the fleet tailored to specific delivery needs. We outfit our long-haul trailers with aerodynamic panels to reduce drag and improve efficiency. We are seeing reductions of 480 gallons of diesel fuel consumed annually per trailer. This translates into a savings of about 4.9MT CO₂e each.



VersaDecks Add To Trailer Capacity

Over the past few years, Morgan outfitted nine trailers with improved flooring systems. These systems allow Morgan to carry double the volume on over 400 routes each month that previously met space restrictions before meeting trailer weight restrictions. Adding the additional deck, Morgan better protects shipments, maximizes utilization of trailer space, and reduces emissions through reduced freight legs. On average, the VersaDeck is helping to reduce GHG emissions by over 200 MT CO₂e annually. Morgan is planning to add two additional VersaDeck trailers to the fleet in 2023.



Next Generation Cabs Run Leaner, Cleaner

Morgan continues to acquire new tractors that deliver improved reliability and fuel efficiency. These new additions to the fleet are each expected to return a savings in excess of 10MT CO₂e per 50,000 miles driven.



PalletWrapz® Save Plastic Waste

Morgan has a strategic mix of trailers in the fleet tailored to specific delivery needs. We outfit our long-haul trailers with aerodynamic panels to reduce drag and improve efficiency. We are seeing reductions of 480 gallons of diesel fuel consumed annually per trailer. This translates into a savings of about 4.9MT CO₂e each.



Electric Trucks Drive The Future For Freight

In an effort to remain at the forefront of sustainable practices, Morgan is conducting internal studies into the benefits and opportunities of including electric vehicles in its fleet. We will be closely following real-world trials of electric transport vehicles to ensure they provide the performance promised, including reducing the environmental impact of consuming fossil fuels. To supplement market testing of vehicles, Morgan plans to acquire three 26' electric straight trucks and five electric Sprinter vans as they become available.

Digital Processes Identify and Remove Waste

Morgan continues to invest in technologies that create paperless and digital processes throughout the supply chain. FlexShip, our shipping process system, has already eliminated many paper and offline forms from shipment creation, customs, tracking and other recordkeeping. Recently, the company has taken the next steps towards becoming a shared, digital document repository for transportation partners.





Governance And Compliance

“Morgan promises to perform work of the highest standards and to be accountable to all our global stakeholders—customers, vendors and employees.”

Our strong foundation and unique culture drive our continuous compliance with local laws and regulations across all Morgan locations. We expect all companies, partners and individuals connected with Morgan to conduct business in the same way as we do. Overall management of Morgan’s governance, risk and compliance is the responsibility of the Chief Financial Officer (CFO).

Business Ethics and Code of Conduct

Company Code of Conduct: Morgan’s business ethics and code-of-conduct policy outlines our global commitment to professional and ethical business conduct. We review and update this key document annually and publish it for the entire organization so that employees understand the company’s ethical imperatives.

All management-level staff receive training in this area within six months of hire or promotion and every two years thereafter. Employees at all levels are encouraged to report concerns regarding business conduct to Human Resources staff and/or any member of management.

Customer and Vendor Conduct: Morgan ensures that the customers and suppliers (“Partners”) with whom we work globally adhere to all applicable laws and regulations and act ethically. This includes all entities and persons that provide products or services to the company pursuant to contractual obligations.

Partners are expected to establish their own compliance programs and are required to acknowledge that the standards in Morgan’s code are met upon the commencement or renewal of a contractual relationship with Morgan.

Compliance is of paramount importance and applies to such areas as human rights, labor standards, health and safety, environmental practices, fair business conduct and protection of business information and property.

Any violations of the requirements may put at risk the Partner’s business relationship with Morgan, up to and including termination.

Financial and Regulatory Compliance

We comply with requirements that our financial reports faithfully represent the results of our business. This is coupled with adherence to local laws and regulations for all our global locations.

Accounting: Our financial books are prepared based on global relevant standards and principles namely: Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS).



Governance And Compliance

Audits: We undergo an annual external financial audit in accordance with Generally Accepted Auditing Standards (GAAS).

Tax: We ensure that our taxes are filed and paid in a timely manner. A team of external consultants, in close collaboration with our finance group, ensures that this is achieved.

Internal controls: Globally, we verify that operations are conducted in an approved manner. Recording, custody of assets and authorization are segregated. We have rules, procedures and activities to minimize risks and achieve consistency in producing reliable financial reports and statements.

Contracts and Legal: Morgan's team of legal advisors and experts collaborate with executives and leaders so that contracts are compliant with local laws and regulations while also safeguarding the interests of the organization.

Insurance: Proper insurance arrangements help us protect the organization in case of unforeseen events. We partner with reputable insurance companies and conduct annual reviews to assess coverages, identify new coverage risks and to adjust policies to ensure business continuity.

Risk Management

Morgan provides a high-level risk management strategy in all levels of the organization, including risks inherent in the industry. Our drivers and field operations staff receive training on common vulnerabilities and prevention best practices regarding theft, hijacking, and human trafficking.

Risk management strategies include awareness training, operational processes and procedures, and security monitoring of all our vehicles and facilities. Further, employees are empowered and encouraged to report immediately any suspicious activities observed at any point.

- Most Morgan drivers are local or regional so there is reduced risk of hijacking or observation of trafficking. Still, we work to bring awareness and encourage reporting if suspicious activity is observed.

- We currently provide annual awareness training on truck hijacking as a topic in monthly staff meetings.

- As part of our overall quality and compliance commitment, Morgan completes an annual, simulated emergency response exercise. This involves members of the global management team, as well as selected operations employees. In 2020, the emergency scenario tested responses for safety and continuity of operations after a hypothetical devastating earthquake in Morgan's Northern California operations region. A third-party auditing company oversaw the two-day event and compiled a report addressing strengths and suggested areas of improvement.

IT Risk Management

Morgan has implemented risk management policies and procedures for various IT security areas:

People

- Cybersecurity alerts are sent to all employees via email to spread cybersecurity awareness within the company. This is done quarterly or any time there are relevant news or topics deemed necessary to communicate.

- To reduce cybersecurity risks from a device endpoint perspective, we utilize Jamf software as our Mobile Device Management (MDM) platform. This allows us to easily and remotely implement policies to employees' company-provided devices, such as laptops and phones. With Jamf, we can control what apps are installed or useable on a device or even wipe its contents in case of theft or loss. Additionally, we leverage Jamf to roll out anti-virus applications to the devices as well.

- Last quarter, Morgan completed implementing Multi-factor Authentication (MFA) for all relevant company email accounts, which further lessens risks in unauthorized access to our employee's emails.
- At Morgan facilities, we now require guests to use internet via a segregated Guest Access Network, which is not connected to any employee work, activities or data storage. This limits the possibility of guests accessing Morgan confidential data or introducing viruses or malware to our networks.

Process

- We maintain an IT Policies and Procedures document which includes security policies in safeguarding company data and devices. This is reviewed annually and distributed via our company intranet. We are in the process of updating the document.
- Morgan has been SSAE18 SOC 2 Type II certified since 2017. This standard validates the processes we have in place in safeguarding our customers' data, especially in Cloud servers.

System

- Morgan houses its data and applications on Amazon Web Services (AWS), an industry leader in cloud services worldwide. AWS provides a wide-ranging list of security, identity, and compliance services for applications. We currently leverage AWS' identity and access management (IAM) service so that only authorized users are allowed access to our systems, as well as CloudWatch and Alarms to monitor system activities.
- To reduce risks of system downtime, Morgan uses multi-availability zones for our production systems. We also perform regular and automated back-ups of our databases.
- We conduct a biannual Third Party Vulnerability Assessment and Penetration Testing (VAPT) of all our systems to proactively identify and remediate any security gaps.

Financial Risk Management

Morgan recognizes that certain financial risks are incidental to normal business operations. It is the general objective of the company to avoid intolerable risk and to minimize, as far as practicable, the financial risks, losses and exposures associated with business activities.

Specific financial risks identified are as follows:

Foreign exchange/currency risk: This arises from the activities of non-U.S. Morgan locations. Risk includes foreign exchange fluctuations of international currency payments made to vendors, operating expense items including a minor presence in a hyper-inflationary environment.

Managing foreign exchange risk requires understanding of the amount of risk and its related impact of changes in currency exchange rates. The foreign exchange risk and its impact is minimal, since non-U.S.-dollar transactions represent a small portion of Morgan's total spend.

Management has determined that hedging activities would be impractical to pursue in current conditions.

Interest rate risk: This emanates from Morgan's existing Line of Credit (LOC) and equipment financing, subject to London Inter-bank Offered Rate (LIBOR) for interest.

Managing interest rate risk requires an understanding of the amount at risk and the impact of changes in interest rates. Exposures are determined by Morgan through its forecasting process, collaboration, and awareness of changes in the regulatory environment and market conditions of partner financial institutions.

Credit risk: This stems from cash and cash equivalents, deposits with banks, accounts receivable and accounts payable. Cash and cash equivalents are always maintained at reputable financial institutions with strong credit ratings.

Concentrations of credit risk on trade receivables and accounts payable are considered remote due to the assessed credit quality of Morgan's customer and vendor base.

Quality

ISO 9001:2015: Our International Organization for Standardization (ISO) 9001:2015 Certification for operations was issued on December 5, 2011 and has been continuously maintained since that date.

Quality Policy: Morgan helps its clients solve their most critical supply-chain challenges. We specialize in services where the highest levels of management, care, reliability and inventory visibility are paramount. In keeping with this mandate, we demand of ourselves the highest quality processes,

Governance And Compliance

systems and partnerships. We are committed to comply with requirements and to continually improve our services and quality through regular review and refinement to our business procedures and end-to-end process management.

Strategic Objectives: It is our aim to provide:

- Real-time visibility of goods at all times while in Morgan's custody whether in-transit or in a Morgan facility
- On-time, damage-free delivery
- Extraordinary and responsive customer service
- Continuous measurement of and improvements to, the overall value we provide to our customers and to our shareholders
- Business continuity processes that are in alignment with the Quality Management System

ChampionShip Program: In 2006 DW Morgan introduced its first quality performance program, called "The Perfect Shipment." The purpose of this initiative was to...

- provide a clear roadmap of how each person and their role contributes to the overall success of Morgan and transform our organization to be more teamwork focused
- identify creative ways to overcome obstacles
- and standardize execution of a perfect shipment

all while providing greater value and customer service to our clients.

As Morgan underwent initial ISO 9001 certification, the program was updated to include new elements and re-introduced as the ChampionShip quality performance program.

Key changes included:

- developing a web tool for real-time visibility
- leveraging our corrective action system
- and tightening time requirements associated with some performance metrics.

As currently implemented, ChampionShip tracks performance on a per-quarter basis. Morgan employees are divided into four key groups: Field operations, corporate operations, finance and technology. Each group is assigned key measures, with target performance levels for each. Based on achievement, each group contributes a percentage to an overall ChampionShip score.

Morgan encourages high achievement and continuous improvement through progress reports, which go out every two weeks. Employees have two incentive bonus opportunities based on meeting targets.

ChampionShip has driven significant quality gains throughout Morgan. In the program's initial quarter of measurement (Quarter 3, 2011), the company scored 40% for its overall ChampionShip performance. Today, we consistently reach total company performance of 99%.

About This Report

Morgan is proud to share our goals and vision with you in this document. We make very deliberate decisions about investing time and effort to develop our community involvement initiatives, refine our environmental sustainability opportunities and ensure adherence to governance requirements.

This work documents our progress during the 2022 calendar year. We plan to update our Corporate Social Responsibility Report annually.

Greenhouse gas (GHG) emissions calculations are performed in accordance with the GHG Protocol, the US Environmental Protection Agency, the UK Department for Environment, Food and Rural Affairs and the Intergovernmental Panel on Climate Change's guidelines for National Greenhouse Gas inventories.

Additionally, this report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards: Core option and in consideration of the Sustainability Accounting Standards Board Sustainability Disclosure Topics and Accounting Metrics for the Transportation Sector: Air Freight and Logistics, as well as Road Transportation.



GRI Performance Tables

GRI APPLICATION LEVEL C

STANDARD DISCLOSURES PART I: Profile Disclosures			
1. Strategy and Analysis			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
1.1	Statement from the most senior decision-maker of the organization.	Fully	Message from CEO - See page 3
2. Organizational Profile			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
2.1	Name of the organization.	Fully	D.W. Morgan Company (Morgan)
2.2	Primary brands, products, and/or services.	Fully	Customized transportation networks and inventory management solutions
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	<p>Company structure is organized into 3 main entities:</p> <ol style="list-style-type: none"> 1. D.W. Morgan, LLC, which comprises North America transportation operations. 2. Morgan Global Logistics, Singapore, PTE, LTD which comprises international transportation operations. 3. D.W. Morgan Manufacturing, Inc. entity responsible for global inventory programs and management.
2.4	Location of organization's headquarters.	Fully	Carson City, Nevada
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	US, Mexico, Thailand, Philippines, and Malaysia are relevant to the sustainability issues covered in this report.
2.6	Nature of ownership and legal form.	Fully	Privately held
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	<p>GEOGRAPHIC BREAKDOWN:</p> <p>The Americas Asia Pacific Europe</p> <p>VERTICALS:</p> <p>Telecommunications Biotechnology /Healthcare High Technology OEMs</p>
2.8	Scale of the reporting organization.	Fully	150+ including dedicated independent contractors.

GRI Performance Tables

2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	We moved the international headquarters from Hong Kong to Singapore
2.10	Awards received in the reporting period.	Fully	<p>Since its last CSR report, Morgan has received the following awards.</p> <ul style="list-style-type: none"> •Supply & Demand Chain Executive Magazine "Green Supply Chain Awards" 2021 <p>The full listing of Morgan's awards is available on the company website at dwmorgan.com.</p>

3. Report Parameters			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	2022
3.2	Date of most recent previous report (if any).	Fully	2021-22
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual moving forward
3.4	Contact point for questions regarding the report or its contents.	Fully	CSR@dwmorgan.com
3.5	Process for defining report content.	Fully	The Morgan executive sponsor established a CSR committee under the guidance of the Director of Quality, Compliance and Continuity. Each responsible party was tasked with gathering relative information to complete the GRI standard. The CSR committee was responsible for collaboratively preparing the CSR report for publication.
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	This boundary of this report is for operations under the control of D.W. Morgan, Inc. This boundary pertains to operations under the direct control of either corporate entity.
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	The scope of the report is inclusive of all Morgan global operations. The topic boundary includes operations internal to Morgan only; no impacts outside of Morgan's operations are addressed in this report. All key performance indicators occur within the timeframe of this report and have no cumulative longer-term impacts. Subsequent reports will capture the

			next period of impacts. The data represented in this report is accurate and comprehensive to the best of our ability and knowledge.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	None
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Not	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not	None
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	G3 CONTENT INDEX – GRI APPLICATION LEVEL C

4. Governance, Commitments, and Engagement			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	<p>Morgan is a closely held, private company. The company shareholders are founders David and Palmyra Morgan.</p> <p>The two shareholders act as the company's sole governing board. David Morgan also serves as Chief Executive Officer. Strategy and overall management of the company is set by the shareholders and the company's executive management team.</p>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	David Morgan serves as one of the company's two shareholders and is also Chief Executive Officer. This stems from the closely held, private ownership of the company.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Of the two company shareholders, one serves in an executive role; the other serves exclusively in a governance capacity.

GRI Performance Tables

4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Stakeholders have direct ability to provide direction to the executive team via (1) periodic stakeholder / management meetings and (2) via the office of CEO, which is held by one of the two stakeholders.
4.14	List of stakeholder groups engaged by the organization.	Fully	<ul style="list-style-type: none"> • Communities; • Civil Society; • Customers; • Shareholders and providers of capital; • Suppliers; and • Employees, other workers and their trade unions.
4.15	Basis for identification and selection of stakeholders with whom to engage.	Not	We engage with stakeholders which are in line with our cultural values and business objectives, which are governed by ownership and the executive team.

STANDARD DISCLOSURES PART III: Performance Indicators

Economic

Performance Indicator	Description	Reported	Cross-reference/Direct answer
Economic performance			
EC3	Coverage of the organization's defined benefit plan obligations.	Partially	The structure of retirement plans are based on defined benefit plans. All benefits are available after a 30 day intro period. Participation in the company offered retirement plan is voluntary. The company provides 401K matching up to 4%.
Market presence			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Morgan has a vendor management program. The approved suppliers are selected considering service, cost, capability, and scalability while considering local and global requirements. Morgan endeavors to engage with qualified diversity suppliers, wherever possible.

Environmental

Performance Indicator	Description	Reported	Cross-reference/Direct answer
Materials			
EN1	Materials used by weight or volume.	Not	Materials are not applicable to Morgan's business
EN2	Percentage of materials used that are recycled input materials.	Not	Materials are not applicable to Morgan's business
Energy			

EN3	Direct energy consumption by primary energy source.	Fully	All facilities are owned and operated by a third party. Added reporting capability to identify energy consumption in 2022. Direct energy impact for 2022 is 113.98 MT CO2e.
EN4	Indirect energy consumption by primary source.	Fully	All facilities are owned and operated by a third party without the ability to determine the percentage consumed exclusively by Morgan.
EN5	Energy saved due to conservation and efficiency improvements.	Partially	All facilities are owned and operated by a third party without the ability to determine the percentage consumed exclusively by Morgan.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	No efforts in these areas
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	No efforts in these areas
Water			
EN8	Total water withdrawal by source.	Not	Water is provided as part of the overall lease in Morgan facilities. Not tracked, though developing measures to establish a baseline.
EN9	Water sources significantly affected by withdrawal of water.	Not	Water is provided as part of the overall lease in Morgan facilities. Not tracked, though developing measures to establish a baseline.
EN10	Percentage and total volume of water recycled and reused.	Not	Water is provided as part of the overall lease in Morgan facilities. Not tracked, though developing measures to establish a baseline.
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	Not relevant to Morgan's business.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	Not relevant to Morgan's business
EN13	Habitats protected or restored.	Not	Not relevant to Morgan's business

GRI Performance Tables

EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not	Not relevant to Morgan's business
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	Not relevant to Morgan's business
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Scope 1 emissions: 755.0 MT CO2e
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	Not evaluated
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	1) Reduction of empty miles through better planning and attention to routes; reduced 20 MT CO2e, 2) Improved load planning and utilization of capacities; reduced 50 MT CO2e, 3) Reductions in fuel consumption due to reduced idling and increased use of aerodynamics and new idling procedures / policies ; reduced 50 MT CO2e, 4) Improved diesel fuel consumption due to freight wings saved 4.9 MT CO2e per trailer, 5) Installing Ancra Vers-A-Deck stacking systems reduced emissions 200 MT CO2e annually, 6) Fuel-efficient tractors save 10 MT CO2e per 50,000 miles driven, 7) Pallet Wrapz are reducing 35 MT CO2e from eliminating plastic wrap
EN19	Emissions of ozonedepleting substances by weight.	Not	Not calculated
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not	Not calculated
EN21	Total water discharge by quality and destination.	Not	Water is provided as part of the overall lease in Morgan facilities. Not tracked, though developing measures to establish a baseline.
EN22	Total weight of waste by type and disposal method.	Not	Not currently tracked, but establishing initiatives to establish a baseline in 2022.
EN23	Total number and volume of significant spills.	Not	This is not relevant to Morgan's business.

EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	This is not relevant to Morgan's business.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	This is not relevant to Morgan's business.
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	Efforts are made to reduce the emissions from services provided (see above). Additionally, initiatives such as PalletWrapz are identifying reusable replacements for traditionally consumable items. Use of PalletWrapz eliminated 174,490 pounds of plastic wrap from entering the waste stream between 2019 and 2021.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Use of PalletWrapz eliminated 174,490 pounds of plastic wrap from entering the waste stream between 2019 and 2021. Usage reduced an additional 35 MT CO ₂ e in 2022.
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Fully	D.W. Morgan has not been fined for non-compliance with environmental laws and regulations.

Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Given that Morgan operates in the supply chain industry, the impacts of personnel or MRO are relatively minimal compared to main operations. Employee commuting accounted for 272.96 MT CO ₂ e while employee travel totaled 39.42 MT CO ₂ e, a decrease of over 60% from the 2018 baseline.
Social: Labor Practices and Decent Work			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Employment			

GRI Performance Tables

LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	We do not have the year of birth for most of the PEN and BKK staff so the turnover by age band globally is not complete. We recognize this as a gap and will start recording it for the 2022 report. Also, our system does not provide the option to compare turnover by gender.
LA3	Benefits provided to fulltime employees that are not provided to temporary or part-time employees, by major operations.	Fully	Life Insurance, medical, dental, vision, short-term disability, 401K plan, all federal / state leaves applicable to employees
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Not	N/A

Occupational health and safety			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Accidents, injuries, work related illness are tracked by region.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Not	No current education, training, counseling, prevention or risk control programs in place to assist workforce members, their families, or community members regarding serious diseases.
Training and education			
LA10	Average hours of training per year per employee by employee category.	Fully	12 hours - All Morgan personnel have to attend mandatory annual training. Further, all new hires complete new hire orientation.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Morgan provides employee training or assistance programs to upgrade skills, internal training courses, funding to support external training and education and/or any provision of sabbatical periods with guaranteed return to employment.
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	100%
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Not	We have reached the threshold for EEO1 reporting and now track and report annually to the EEOC

Social: Human Rights			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Investment and procurement practices			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not	All new hires undergo new hire orientation and training specific to their job functions. Morgan personnel attend training based on job duties: Example: An employee whose job requires operating a forklift is trained and certified every two years.
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	Fully	No reports of discrimination.
Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not	N/A
Child labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	No risk for this. No employees under age 18.
Forced and compulsory labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	No risk for this
Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	100%
Indigenous rights			

GRI Performance Tables

HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	No incidents
Social: Product Responsibility			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Product and service labeling			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	Morgan developed a Customer Perception Survey, which is designed to receive direct feedback from the customer and to understand and learn their impressions about the company and its service offerings. In more detail, this allows the company to identify the factors that enhance customer relationships and customer loyalty. This also shows customers that Morgan values the relationship and values their feedback, whether it's positive or constructive. As a result of the survey, Morgan can focus on strengths and weaknesses, analyze how it meets each client's needs, identifies opportunities for improvement, and measures its own performance more effectively.



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