

Corporate Social Responsibility Report

2020-2021



Driving Change

We're driving towards a better future.

A VISION FOR CORPORATE SOCIAL RESPONSIBILITY

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.

HOW OUR VISION DRIVES OUR ACTIONS

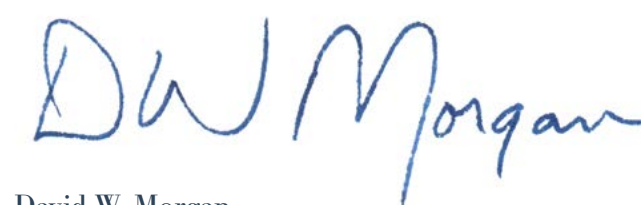
This is Morgan's vision for corporate social responsibility. It's a pledge that echoes the values on which I founded our company more than 30 years ago. Over the years, we have reinforced that commitment as our understanding has grown. Today, our commitment to corporate social responsibility (CSR) begins at the highest levels of our organization and is communicated regularly to team members across the world.

2020's unimaginable challenges showed how powerful our vision can be. As the COVID-19 pandemic spread, the Morgan team knew that we had an essential role to play for our customers. Our clients played critical roles in developing vaccines. They created the infrastructure and systems that made videoconferencing possible, as that became the new norm for business. As conditions developed and changed, I'm proud of how our teams found ways to keep supply chains moving for these customers.

I'm even prouder that we accomplished this, continuing to drive and show up at factories and warehouses all over the globe, without any COVID impact to our own staff or operations. We also helped customers, partners and even competitors adapt and succeed. That's social responsibility on a dramatic scale. Morgan mourns with all those who lost family and friends and endured hardships.

Still, we learned so much from 2020. In addition to responding to pandemic-induced conditions, we completed a comprehensive sustainability audit. Some of the findings from that exercise are highlighted throughout this report. They demonstrate our accomplishments and point us towards future efforts.

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

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

Investing In Relationships:

For 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 distilled to these three words. From my own efforts on that very first day to those of our team members around the world today, we demand the best of ourselves. We demand it for our own success, our colleagues, suppliers, customers and communities.

You can read more about how Morgan's culture drives CSR improvement in the culture section of this report, beginning on page 4.



Custom Tailored Efficiency: A Morgan Company Profile

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 2020, 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, transit and effort.

- **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.

- **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.

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 Standardization (ISO) Certified operations under ISO 9001: 2015 standard.

Transported Assets Protection Association (TAPA) Certified member.

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



Global Presence, Local Commitment

Morgan has custom tailored its operations to match the world's prime activity hubs for manufacturing and distribution. Though we bring Western, ISO 9001 quality and reliability standards to critical supply chains in Asia and Latin America, Morgan embraces the diverse perspectives and capabilities of each local team and culture. It's part of our overall philosophy to **invest in relationships, find a better way, define our own destiny** and deliver **excellence every day**.



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
- Nuevo Laredo, Tamaulipas, MEX
- Austin, Tex. USA
- Houston, Tex. USA
- Dallas, Tex. USA*
- Guadalajara, Jalisco, MEX

ASIA PACIFIC

- Tokyo, JAPAN*
- Hong Kong, CHINA
- Manila, PHILIPPINES†
- Laem Chabang, Thailand
- Penang, Malaysia
- Singapore, SINGAPORE*

EUROPE

- Amsterdam, NETHERLANDS

* Inventory On Demand™
Distribution Location

† APAC Regional Headquarters

CORPORATE HEADQUARTERS

- Carson City, Nev.

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.





Morgan Culture

Creating A Lasting Commitment To Corporate 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 CRC Sustainable Solutions, a sustainability consulting firm, to develop and implement a sustainability strategy. In 2014, Morgan and CRC 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 actually is 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 underlie 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 "pillar" values. These guide our every decision and action and 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

Our Culture

decades. That’s not a coincidence. We take the time to know our customers, to understand their businesses and challenges. An assignment might end, but if we act as partners, there will always be new opportunities.

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 additional Corporate Plus status in 2006, recognizing its ability to execute global-scale assignments for large enterprise customers.

From an operational perspective, Morgan has located operations in opportunity zones and sought to employ a wide range of diverse employees. 71% of Morgan’s U.S. workforce is ethnically diverse and 22% of the global workforce is non-male, with approximately half of those staff members holding management positions.

In 2020, “investing in relationships” meant that Morgan took a leading role to develop touchless protocols for warehouse shipping and receiving in multi-supplier environments. As Morgan implemented these procedures with our clients and partners, we were able to maintain shipment volumes while eliminating the potential for viral transmission.

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

If you do the same job as everyone else, you may be able to make a living, but you’ll never make a difference in the world. Morgan is committed to transforming supply chains. So, products go where they’re needed as quickly and efficiently as possible.

“Finding a better way” has meant increasing utilization and productivity per load. It led us to create our own apps and mobile tools so that we can act on information better and faster. And, it’s an attitude that we all must bring to every detail of our daily activities.

Over the past year, that value has helped Morgan to adapt to dynamic conditions. The necessity of driving and working in warehouses during COVID-19 inspired us to find new ways to accomplish our goals. For instance, we developed new ways to reconcile freight without a presence on customer loading docks. And, our award-winning innovation in technology gave us a foundation to quickly adapt and deploy digital solutions to support these new processes.

Morgan’s supply chain transformation services always seek to create a double bottom line: They create efficiency, cost

reduction and competitive advantage for customers, while also typically reducing carbon footprint.

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. Morgan has also been named five times as a winner of Supply & Demand Chain Executive’s “Green Supply Chain” 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.

In addition, Morgan’s ChronosCloud supply chain software has been designed to reduce waste, improve visibility, support blockchain technology and reduce risk among partners in multi-party supply chains. The solution provides an overall view of financial and operational events within a supply chain from pickup to payment. With ChronosCloud’s cloud-based, digital architecture, users can access information continuously and globally while reducing paper consumption and waste streams.

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 return it to manufacturers for responsible recycling whenever possible.

Morgan recently also took occupancy of its first LEED Gold Certified office space in Manila’s Podium building. The procurement team for this space prioritized a space that matched its corporate value of “finding a better way” as it developed guidelines for the new regional headquarters.

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 promise both to innovate and to execute for our clients. We may gain a customer based on the idea of transforming operations into something better. But, it’s maintaining those operations as 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 ESC, 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 2020, “excellence every day” meant continuing to deliver critical supplies for essential manufacturing clients who provided COVID testing equipment, kept the world working with video conferencing infrastructure and shipped pharmaceuticals. Our organization began creating safety protocols within hours of learning about the pandemic, and we kept rolling every day, while keeping our team members safe.

Morgan was proud to have its culture of sustainability excellence recognized in 2021 by Supply & Demand Chain Executive. The editors of that industry publication honored Morgan as one of its featured “Green Supply Chains” for the year. It was the sixth time that Morgan has received this award for its ongoing commitment to create green solutions within the manufacturing transportation industry.

DEFINING OUR OWN DESTINY

Designing better, more responsible solutions is hard work. It’s easier to accept limitations for lack of resources or because a customer or competitor 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.

There’s no denying that 2020 was among the most difficult and heartbreaking years we have ever faced. While we will always remember it as a time of loss for so many around us, we will also be proud of the safe environment and continuous operations that we maintained.

Peter Drucker was right: Before anything else, success is a culture issue. We believe that 2020 proved the essential strength of Morgan’s culture, a set of values that informs every decision we make and every action we take.

Our culture is built for the broadest definition of success—continuous, socially responsible progress for all stakeholders over the long haul.

Giving Back To Our Communities



Helping Kids Improve Their Life Choices

California-based Teen Esteem provides programs and tools that help kids make healthy life choices and avoid risky behavior. Through school presentations, assemblies, parent education nights, conferences and workplace events, the organization educates students and their families about such issues as prescription drug abuse, pornography, dating violence, mental health, vaping and more.

Morgan has partnered with Teen Esteem to help fundraising efforts for these programs. Over several years, Morgan has donated sports tickets and suites and signed memorabilia for auction. To date, Morgan's efforts have generated thousands of dollars to support Teen Esteem. More information is available at www.teenesteem.org.



COVID Compassion

When COVID-19 arrived in the Philippines in 2020, health was not the only casualty. Many schoolchildren were left behind as schools struggled to adapt to remote learning.

While online and broadcast-based curriculum proved efficient to distribute, a majority of Filipino children don't have access to the required technologies. A 2019 government survey showed that only about a quarter of households had access to computers or mobile devices with Internet capabilities.

Because of this, educators decided to print lessons and asked donors to donate reams of paper, toner and ink jet cartridges. Morgan's Manila team worked with ComPass (Community Passion of Directing Relief Where It Is Needed) to identify four provincial schools in need. Through this partnership, Morgan provided funds to help purchase the needed supplies at four area schools.



Relief for Typhoon Survivors In The Philippines

Morgan's Philippines team also organized donations for the ComPass "Bayong of Hope" program, which provided essential supplies in the aftermath of catastrophic typhoons in November 2020.

Each "baying" or backpack basket contained food, water, first aid and personal hygiene items, as well as fresh towels. These supplies were designed to support families of up to six members for at least a week. Morgan's donations helped families in Marikina City, Albay, Nueva Vizcaya, Isabela and Cagayan.



Giving Back To Our Communities

SHARING WITH MORGAN'S GLOBAL COMMUNITIES

In 2020-21, Morgan celebrated its 30th anniversary with the communities where it operates.

Morgan challenged the teams at each of its 10 global locations to make donations in support of worthy, local organizations.

Recipients include

- Texas Children's Hospital
- Wounded Warrior Project
- Susan G. Komen Breast Cancer Foundation
- The ALS Association
- Phoenix Children's Hospital
- Monthly Miracles (Calif.)
- St. Jude's Children's Hospital
- Eagle Valley Children's Home (Nev.)
- The Father Ray Foundation Welcome Center (Bangkok)
- Hogares de la Caridad (Guadalajara, Mex.)
- Fundacion Calle Cero (Guadalajara, Mex.)
- RealLife Foundation (Manila)
- ChildHope (Manila)
- Penang Cheshire Home (Penang, Malaysia)
- Parsatuan Syukaur Penyayang Pulau Pinang (Penang, Malaysia)





Sustainability Performance And Objectives

Morgan believes that it is critical to have measurable sustainability objectives in place.

Stated objectives allow Morgan to track sustainability performance from period-to-period for both individual projects and for operational issues. Below are our current sustainability objectives.

1) CHG reductions: Sustain improvements in CHG emissions while adding more cargo movements by 2025. This goal translates into a 5% reduction in normalized emissions while maintaining current levels of absolute emissions.

2) Manage our waste streams: In 2019, Morgan established a waste stream reduction goal of 10% by weight by 2023. We are making progress toward our waste goals and implemented improved processes with our recycling provider. There is still more work to do, but we are on track to achieve our goal on time in this area.

WHAT ARE WE DOING?

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 and auxiliary power units reduced emissions by 50 MT of CO₂e annually
- 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

Facing Page: A worker prepares shipments with PalletWrapz reusable shrouds. This simple strategy reduced carbon emissions by more than 42 metric tons and diverted more than 174,000 pounds of plastic wrap from waste streams.

Sustainability Performance



Freight Wings

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

Over the past few years, Morgan outfitted 9 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 Vers-A-Deck is helping to reduce GHG emissions by over 200 MT CO₂e annually.



Fuel-efficient Trucks

Morgan scheduled the acquisition of seven new big-rig tractors in 2021. This equipment will deliver improved reliability and fuel efficiency compared to existing cabs.

The new additions to the fleet are each expected to return a savings in excess of 10MT CO₂e per 50,000 miles driven.



Process Digitization

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 record-keeping. Recently, it has taken the next step towards becoming a shared, digital document repository for transportation partners.



Electric Vehicles

In an effort to remain at the forefront of sustainable practices, Morgan recently initiated 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.



PalletWrapz

PalletWrapz replaces the plastic shrink wrap used to provide stability to loaded pallets. The product is designed to be reused more than 2,500 times.

In addition to improving efficiency through decreased wrap and removal time, PalletWrapz significantly reduce the environmental impact of shrouding pallets during transportation, which is commonly used to prevent damage due to shifting loads.

Assuming a 2,500-use lifetime, each PalletWrapz has an equivalent effect of 0.004 kg CO₂e per pallet vs. single-use shrink wrap's 0.532 kg CO₂e impact per pallet. The net savings per pallet is 0.528 kg CO₂e. This is an example of an initiative Morgan pioneered for a supply chain partner. While Morgan's direct emissions are not reduced with PalletWrapz, our Scope 3 emissions, the footprint upstream and downstream for our partners, is reduced over 43 MT CO₂e on average per year. In 2020, we were able to reduce our overall supply chain footprint by 65.52 MT CO₂e with this program. In 2021, savings was 39.13 since client shipping declined due to COVID impacts.



Morgan People

Diversity And Inclusion

Morgan believes that individual differences, backgrounds, and experiences make us stronger when we work together.

Morgan ensures that diversity, equity, and inclusion is 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).

Employee 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. We use survey scores to measure year-over-year effectiveness. Employee feedback helps us gain insights that we can use to design initiatives for process improvement, employee engagement, job satisfaction, and organizational development.

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 focus areas based on survey responses include:

- **Career Development:** Formalized succession planning for key roles, identification and development of future leaders, department / local level cross training of all essential functions, recurrent training for field operations staff via monthly staff meetings (Includes each of the following: driver-specific, quality, safety, security, and policy / process updates)
- **Compensation and Benefits:** Annual market analysis for all market areas to ensure pay and benefits lead the market. Transparent compensation ranges for each role, a global performance review process with flexibility in how merit budget is applied.

Morgan People

- Recognition / Rewards: Annual employee appreciation events, birthday / anniversary celebration, service milestones program, local spotlight in quarterly newsletter, quarterly bonus program.

- 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, regular check ins with all staff.

- Some locations may have specific needs such as policy / process standardization, partner management objectives, additional HR / management support to implement change or processes.

Morgan has increased its use of virtual, on line meetings as it has 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.

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 are consistently provided across the organization following the local guidelines on healthcare, as well as above-market-average industry practices. Additionally, an annual review of the same 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 the skills and knowledge that enable our team members to perform to consistent quality standards in all locations and job functions. In addition to the standard regulatory and compliance trainings such as health and safety training and quality standards training, the company has implemented standard trainings for new hires, appointed safety team members, and 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.

Below is the link for the Project Management Training – Udeny, which Morgan offers based on nine different job roles

- www.udemy.com/course/project-management-professional-certification-program-pmp/ – involves almost 42 hours of online training

- www.udemy.com/course/the-project-management-course-beginner-to-project-manager/ – involves 7 hours of online training

Harassment Prevention Training

We use Cal-Chamber 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 US organization as a best practice.

Ethics and Code-of-conduct Training

Morgan has planned to introduce this training in Q4 2021 and follow a recurrent training schedule of every 2 years opposite the harassment training.

Other Professional Training for Specific Job Roles

Some positions, such as HR, Finance, Security, may require job specific training for certifications or recurrent training requirements.

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 undertakes 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 1 credit hour in ethics. www.credly.com/badges/b3cb71e-f37d-4519-b7b7-06d06eb7f84d/public_url

Second Languages: Morgan’s Guadalajara, Mexico team is enrolled in English language classes and supports this learning with English skills practice in the workplace. In addition to general language training, workers are taught specific supply chain and transportation vocabulary. Selected native English-speaking staff is learning the Spanish vocabulary concurrent with the Guadalajara team’s training.

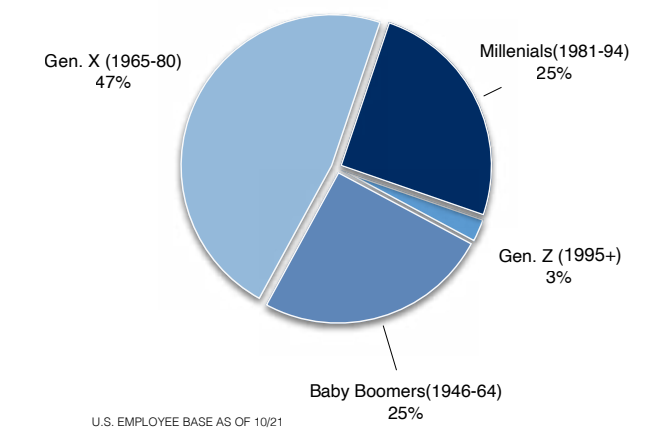
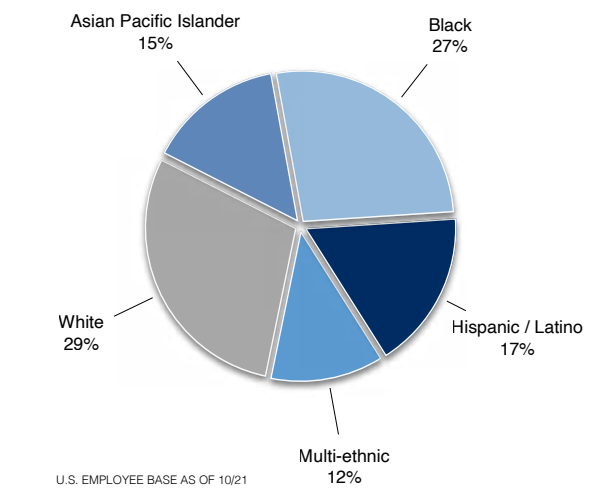
Employee Recognition

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

Who We Are

Key Metrics:

- Female workers – 22% of global workforce / half of these workers are in management roles (Manager or higher)
- Minority status – 71% of US workforce is considered minority
- Retention rates – 73% in 2020, 83% in 2021



Safety Initiatives

MORGAN'S COVID-19 RESPONSE

Documented COVID Specific disease control policy that defines our workplace requirements based on CDC guidance and state specific mandates. Also includes internal processes for reporting exposures / illness, documentation, case management, return to work process, and training requirements. Also, we have documented and implemented our social distancing policy, workplace postings / modifications, personal protection equipment (PPE) requirements. Morgan's human resources team (HR) conducts initial interview and contact tracing then manages each case through return-to-work process.

PPE, such as face masks, hand sanitizer, face shields and gloves (as needed by location), has been provided globally by the company. We monitor PPE levels to ensure there is always a 60-day supply on hand. The company has also provided truck sanitation kits and requires all staff to sanitize equipment after each use. Our offices have regular cleaning service, and a complete sanitation process is provided as needed.

Our business continuity planning (BCP) team meets regularly to provide updates on local operations, case management updates, and make decisions on any modifications needed. Frequency has been weekly during the majority of the pandemic, then reduced to monthly as pandemic situation improved. Morgan's Asia team has its own regional BCP team that meets at same frequency and reports to US BCP group. All instructions or modifications are communicated internally by HR)

HR tracks and reports global case counts and hospitalization rate, state or country specific mandates in place, and recently added vaccination rates by location. This information is used to monitor the situation and take proactive steps to protect our people and our business.

We have sent regular Covid related communications to all global workforce via email and ask that local management also communicate directly with staff. These were releases monthly for the past year and have subsequently been reduced to quarterly as the pandemic situation improved. The frequency is determined based on current needs.

It's worth noting how quickly Morgan pivoted to work-from-home conditions for its office personnel, well ahead of any government shutdowns. Existing competencies with operational business continuity planning, well-documented work standards and a culture that embraced technology were key elements to our successful response.

Even as restrictions were lifted in some states, Morgan never changed our policies to continue all safety measures and reporting. HR staff also completed employee wellness checks a few times in 2020. Top management also made personal phone calls to check in on all our employees.

Policies

Morgan has a documented Health and Safety policy intended to outline the collective responsibility to maintain a safe and healthy workplace. 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.

Safety Programs

Local management conducts a monthly Occupational Safety and Health Administration (OSHA) compliant facility inspection to include facility, furniture, equipment safety, fire hazards, emergency equipment, first aid, automated external defibrillator supplies, exit routes, storage and staging areas, cleanliness, etc. Any items marked as unacceptable must be addressed within 30 days.

Morgan’s documented internal process for work related injury / illness requires all incidents to be reported to HR regardless of perceived severity. The documentation, care plan, interactive process, and return to work plan are managed by HR. Worker comp claims are processed and managed by HR. All medical information is strictly confidential. Only return to work or required work modifications are reported to the local manager. Morgan has only 1 recordable Worker’s Compensation claim from 2018 through August, 2021. This contributes to a low experience modification rating which keeps worker comp premiums as low as possible.

Our Driver Expectation Policy is intended to provide a clear and written explanation of the minimum standards for commercial drivers. It applies to all Morgan drivers as well as partner or outsourced drivers working on behalf of Morgan. This document addresses areas such as Department of Transportation regulations, security measures, safety rules, prohibited conduct (e.g. using hand-held devices while driving, leaving loaded trailers 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 responsibility in the event of a work-related vehicle accident or incident resulting in damage to third party property. (Truck accidents, forklift incidents, damages to stationary objects) Drivers have a responsibility to report these immediately to their supervisor, follow all procedures at the accident site, collect information / field reports, and cooperate with post-accident procedures such as equipment inspection and transport, post-accident drug and alcohol testing, internal documentation process.

Each file is then submitted to a Morgan administrator, who initiates a committee review call. The accident committee reviews the details of each case to determine fault, liability, and whether it is preventable. Corrective / disciplinary actions are determined based on details of the case. (Coaching, training, written warning etc). The case is then processed for insurance claim and equipment repairs are initiated. Morgan has experienced only three DOT recordable accidents for the period from 2018 through August, 2021. About half of all vehicle accidents are no-fault incidents caused by other drivers. The majority of vehicle related accident reports are small claim property damage only with no fatalities or major damage.

Morgan participated in a voluntary “how’s my driving” motorist observation reporting (MOR) program via Safety First. For this, each participating trailer was equipped with a safety decal which included a unit number and phone number to report safe or unsafe driving.

This program helps to identify driver habits or safety issues before they become an accident. It also supports 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 decaled vehicle for review. The local manger discusses the report with the driver and takes steps to validate the report (e.g. via dash cam footage, GPS tracking to verify speed, location, driving conditions, etc). Many times the report results in coaching of the driver and record keeping. However, if a pattern of unsafe driving (driving too fast for conditions, tailgating, improper lane change, etc) emerges, a more detailed discussion or disciplinary action is taken.

HR maintains all personnel files, training records, payroll records, DOT files, and employment related files. All information is held as strictly confidential and shared 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 acknowledgments, performance reviews, license / certifications. Staff meeting and policy acknowledgment forms are saved to local Dropbox folders managed by HR. We utilize a human resources information system provided by ADP for record keeping and reporting of many items such as license, certifications, recurrent training (harassments, 1st aid / CPR, forklift certificates), job specific training courses, company equipment, MORs, accident reports, disciplinary/ corrective actions.

Training

HR provides monthly staff meeting content that is shared with Morgan’s global operations staff. Items that apply to office or remote staff are shared individually via e-mail or web meeting. Each monthly meeting covers a topic specific to drivers, safety, security, and quality. These also include policy updates or general updates / information based on operational or business needs in this format.

All US employees are trained on harassment prevention and bullying to California’s regulatory standards. Although it is required for all management and staff in the state, Morgan has expanded the program to the entire US as a best practice. International management may also receive this training if appropriate.

Each location has a dedicated local safety team which is trained in 1st aid, CPR and use of AEDs. This certification is 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 in-house certified forklift trainers to ensure all operators are well trained and certified to operate this equipment.

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.

Compliance

Driver Qualifications Pre-hire, each driver is screened to include license verification, driving record, DOT physical, verification of work and driving experience, criminal background, road test, and valid FMCSA drug and alcohol status.

Morgan conducts semi-annual review of driving records, above the US DOT’s annual requirements.

Driver Qualification files are audited annually to ensure all required documents are on file. HR tracks and collects CDL renewals, DOT physical (medical card) renewals, and annual FMCSA D&A query.

Safety Programs

Morgan maintains a DOT compliant Drug and Alcohol program. DOT requires random drug and alcohol testing as follows:

- Drug testing of 50 percent of average driver headcount
- Alcohol testing of 10 percent of average driver headcount

Morgan is currently testing 65 percent of its average driver headcount. All staff responsible for supervision of drivers must complete “reasonable suspicion” training within 90 days of hire or promotion.

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

Driver Ride Alongs Prior to COVID, each driver underwent a ride along observation to ensure all safety, security, quality, and compliance criteria were met. This included validation of company knowledge, process, procedures such as uniform & IT requirements, vehicle operations and inspections, safe driving, etc.

Governance & Compliance

Morgan and its associated group of companies is committed to ensure that we operate in an environment of the highest standards and that we are accountable to all our global stakeholders: customers, vendors, and employees. Our strong foundation and unique culture drive our responsibility in maintaining 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 are the responsibility of the Chief Financial Officer (CFO).

Business Ethics and Code of Conduct

Morgan's business ethics and code-of-conduct policy outlines our global commitment to professional and ethical business conduct. It is a key document that is reviewed annually, updated and published to 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 / promotion and every two years thereafter. Employees at all levels are encouraged to report concerns regarding business conduct to HR and / or any member of management.

Customers and Vendors

Morgan ensures that customers and suppliers ("Partners") we work with 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 this Code are met upon the commencement and renewal of a contractual relationship with Morgan.

Compliance is of paramount importance and applies to the following requirements, but is not limited to: Human Rights, Labor Standards, Health and Safety, Environment, Fair Business Conduct, Protection Information and Property

Any violations of the requirements of this Code may put at risk the Partner's business relationships with Morgan, including termination.

Financial and Regulatory Compliance

We take seriously our compliance efforts to ensure 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)

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

Tax: As a responsible organization, we ensure that our taxes are filed and paid in a timely manner. Our team of consultants in close collaboration with our Finance group ensures that this is achieved.

Governance & Compliance

Internal controls: Globally, we ensure that operations are conducted in an approved manner. Recording, custody of assets and authorization are segregated. We have sets of rules, procedures and activities that are in place to make sure risks are minimized and consistency in producing reliable financial reports and statements is achieved.

Contracts and Legal: Our team of legal advisors and experts collaborate with our executives and leaders to see to it that contracts entered with our partners are compliant with local laws and regulations and ensures that the interest of the organization is always protected.

Insurance: Relative to the industry that Morgan operates, securing insurance arrangements enables us to protect the organization on unforeseen events. We ensure we partner with reputable insurance companies. Annual reviews are conducted to assess coverages, identify new risks that needs to be covered and policies are adjusted as appropriate to ensure business continuity.

Risk Management

Morgan provides a high-level risk management strategy in all levels of the organization including risks that are seen to be inherent in the industry. Our drivers and field operations staff are educated on the vulnerabilities and prevention best practices regarding theft, hijacking, and human trafficking. Risk management strategies include awareness training, operational process / 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 / 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 its 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, compiled a report addressing strengths, and suggested areas of improvement.

IT Risk Management

Different risk management policies and procedures have been put in place to cover the different security areas of IT:

People

Cybersecurity alerts are being sent to all employees via email to spread cybersecurity awareness within the company. This quarterly or any time there are relevant news or topics that is deemed necessary to roll out to everyone.

To reduce cybersecurity risks from a device endpoint perspective, we utilize JAMF as our Mobile Device Management (MDM) platform so we can easily and remotely implement policies to our employee's company-provided devices like laptops and phones. With JAMF, we can control what apps are installed or usable on a device or even wipe its contents in case of theft or loss. Additionally, we leverage JAMF to roll out company-wide

anti-virus applications to the devices as well.

Last quarter, we also completed implementing Multi-factor Authentication (MFA) to all relevant company email accounts, which further lessens risks in unauthorized access to our employee's emails.

On our facilities, we now require guests to use a Guest Access Network that is separate from what our employees use to limit the possibility of on-site guests intruding 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 also in the process of rewriting the said document to ensure it is still up-to-date and relevant.

Most importantly, we are SSAE18 SOC 2 Type II certified since 2017 which showcases the processes we have in place in safeguarding our customers' data, most especially in the cloud.

System

All our IT systems utilize Amazon Web Services (AWS), an industry leader in cloud services worldwide which offers a wide-range list of security, identity, and compliance services for applications. We currently leverage their Identity & Access Management (IAM) service to ensure only authorized users are allowed access to our systems, as well as CloudWatch and Alarms to monitor system activities.

To reduce risks of system downtimes, we use multi-availability zones for our production systems, and we also ensure we do regular and automated back-ups of our databases.

Lastly, we conduct a bi-annual Third Party Vulnerability Assessment and Penetration Testing (VAPT) of all our systems so we can proactively determine and work on gaps if there are any.

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 global (outside of the US) locations of Morgan in relation with 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, however, is minimal since international locations represents a small portion of Morgan's total spend outside of the US dollar.

- Venturing into hedging activities per management's assessment is impractical to pursue currently.

- Interest rate risk: This emanates from the existing Line of Credit (LOC) and Equipment Financing subject to LIBOR rates.

- 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 as well as accounts receivables and accounts payables. Cash and cash equivalents are always maintained with 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 the customers and vendors comprising Morgan's customer and vendor base.

Quality Compliance

ISO 9001:2015

Our International Organization for Standardization (ISO) 9001:2015 Certification was issued on December 5, 2011.

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, 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 responsive customer service

Governance & Compliance

- 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 Morgan rolled out its first quality performance program called “The Perfect Shipment” program. The purpose was to...

- Provide a clear road map 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

- Standardize execution of a perfect shipment

All while providing greater value and customer service to our clients

In 2011 we were going through the ISO 9001 certification process. At that same time, we decided to refresh the Perfect Shipment program. In the third quarter of 2011 we rolled out our improved Quality Performance Program, called “ChampionShip.”

Some of the key changes introduced with ChampionShip included:

- A web tool for real-time visibility
- A corrective action system
- Tighter time requirements

How Does ChampionShip Work?

- The program is managed on a quarterly basis.

- Quality is tracked in four key staff groups: Field operations, corporate operations, finance and technology.

- Each group is assigned key measures of quality to attain

- Each measure is assigned a quarterly target

- Each measure contributes a certain percentage to the group’s overall score

- Progress reports are issued every two weeks

- Employees have 2 bonus opportunities if targets are met

In Quarter 3, 2011 we reported a total company performance of 40%. Today we are consistently reaching 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 2020-21 progress. 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. APPLICATION LEVEL C



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Standard Disclosures Part 1: 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 the CEO. See page X.

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	Custom-tailored transportation network services and inventory management solutions.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	Fully	Company is organized into three main entities: <ul style="list-style-type: none"> • D.W. Morgan LLC, which comprises North America transportation operations. • Morgan Global Logistics, Singapore, PTE, LTD, which comprises international transportation operations. • D.W. Morgan Manufacturing, Inc., which is an 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 this report.	Fully	United States, Mexico, Thailand, Philippines are relevant to the sustainability issues covered in this report.

Profile Disclosure	Description	Reported	Cross-reference / Direct Answer
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	Geographic breakdown: <ul style="list-style-type: none"> • The Americas • Asia Pacific • Europe Verticals <ul style="list-style-type: none"> • Telecommunications • Biotechnology / Healthcare • High Technology OEMs
2.8	Scale of the reporting organization.	Fully	150+ including dedicated independent contractors.
2.9	Significant changes during the reporting period regarding size, structure or ownership.	Fully	Morgan moved its international transportation operations entity from Hong Kong to Singapore.
2.10	Awards received in the reporting period.	Fully	Since its last CSR report, Morgan has received the following awards: <ul style="list-style-type: none"> • Cisco Systems Supplier Appreciation Awards, "Excellence in Sustainability" • Cisco Systems Supplier Appreciation Awards, "Excellence in Partner IT" • Supply & Demand Chain Executive Magazine, "SDCE 100: Recognizing the Industry's Most Innovative Supply Chains" (2-time winner since last report) • Supply & Demand Chain Executive Magazine "Green Supply Chain Awards"



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3. Report Parameters

Profile Disclosure	Description	Reported	Cross-reference / Direct Answer
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	Fully	2020-2021
3.2	Date of most recent previous report (if any)	Fully	2013
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 relevant 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	The 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 this 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 the report. All key performance indicators occur within the time frame 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.

Profile Disclosure	Description	Reported	Cross-reference / Direct Answer
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 restatements 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



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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	Morgan is a closely held, private company. The company shareholders are founders David and Palmyra Morgan. 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.
4.2	Include 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.
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 shareholders.
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 • Employees, other workers and their trade unions.

Profile Disclosure	Description	Reported	Cross-reference / Direct Answer
4.15	Basis for identification and selection of stakeholders with whom to engage.	Not	We engage with stakeholders that are aligned with our cultural values and business objectives, which are governed by ownership and the executive team.

Standard Disclosures Part 3: 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 introductory period. Participation in the company-offered retirement plan is voluntary. The company provides 401(k) matching up to 4%.
Market Presence			
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.		Morgan has a vendor management program. The approved suppliers are selected considering service, cost, capability and scalability, while also considering local and global requirements. Morgan endeavors to engage with qualified diversity suppliers wherever possible.



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Environmental

Performance Indicator	Description	Reported	Cross-reference / Direct Answer
Materials			
EN1	Materials used by weight and 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 without the ability to determine the percentage consumed exclusively by Morgan.
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.

Performance Indicator	Description	Reported	Cross-reference / Direct Answer
Water			
EN8	Total water withdrawal by source	Not	Water is provided as part of the overall lease in Morgan's 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's 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's 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.
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Not	Not relevant to Morgan's business.



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Performance Indicator	Description	Reported	Cross-reference / Direct Answer
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: 1,522.946 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	<p>Reduction of empty miles through better planning and attention to routes: Reduced 300 MT CO2e</p> <p>Improved load planning and utilization of capacities: Reduced 50 MT CO2e</p> <p>Reduction in fuel consumption due to reduced idling and increased use of aerodynamics and auxiliary power units: Reduced 50 MT CO2e</p> <p>Improved diesel fuel consumption due to freight wings, per trailer: Reduced 4.9 MT CO2e</p> <p>Installing Ancra Vers-A-Deck stacking systems: Reduced 200 MT CO2e</p> <p>Use of fuel-efficient tractors, per 50,000 miles driven: Reduced 10 MT CO2e</p> <p>Use of PalletWrapz shrouds and eliminating plastic wrap: Reduced 43 MT CO2e</p>

Performance Indicator	Description	Reported	Cross-reference / Direct Answer
EN19	Emissions of ozone depleting 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 create a baseline.
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, protection 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.



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Performance Indicator	Description	Reported	Cross-reference / Direct Answer
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 Morgan's use of PalletWrapz reusable pallet shrouds in lieu of plastic wrap are identifying reusable replacements for traditionally consumable items. Use of PalletWrapz has 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	Morgan devised strategies to reduce packaging waste by more than 179,000 pounds since 2015.
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	Fully	Morgan has not been fined or sanctioned for non-compliance with environmental laws and regulations.
Transport			
EN29	Significant environmental		
EN25	Identity, size, protection 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.

Social: Labor Practices and Decent Work

Performance Indicator	Description	Reported	Cross-reference / Direct Answer
Employment			
LA2	Total number and rate of employee turnover by age group, gender and region.	Partially	We do not have year of birth for most of the Penang, Malaysia and Bangkok, Thailand staff, so turnover by age group 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 an option to calculate turnover by gender.
LA3	Benefits provided to full time employees that are not provided to temporary or part-time employees, by major operations.	Fully	These include life insurance, medical, dental, vision, short-term disability, 401(k) plans, all federal and state leaves applicable to employees.
Labor / management Relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Not	Not applicable
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.



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Performance Indicator	Description	Reported	Cross-reference / Direct Answer
Training and Education			
LA10	Average hours of training per year per employee by employee category.	Fully	12 hours. All Morgan personnel attend mandatory annual training. All new hires also 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 percent.
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	Morgan has reached the threshold for EE01 reporting and now tracks and reports this information 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 percentages 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: For example, an employee whose job required operating a forklift is trained and certified on that equipment every two years.

Performance Indicator	Description	Reported	Cross-reference / Direct Answer
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	Fully	Morgan has 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	Not applicable
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	Morgan has no current risk for this, since all employees are under age 18.
Forced and Compulsory Labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	Fully	Morgan has no current risk for this.



GRI Performance Tables

Application Level C

Performance Indicator	Description	Reported	Cross-reference / Direct Answer
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 percent.
Indigenous Rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	No incidents of this have been reported.

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 has developed a customer perception survey, which is designed to receive direct feedback from customers and to 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 demonstrates to customers that Morgan values their relationships and values their feedback. As a result of the survey, Morgan can focus on strengths and weaknesses, analyze how it meets each client's needs, identify opportunities for improvement and measure its own performance more effectively.



The image shows the Morgan logo, consisting of the word "morgan" in a lowercase, rounded, sans-serif font. The letter "o" is a solid blue circle. The logo is mounted on a glass surface, and its reflection is visible below it. The background is a blurred reflection of a street scene with trees and cars, overlaid with a semi-transparent orange tint.

morgan

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