

AIT Sustainability Report

APRIL 2022





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ABOUT THIS REPORT

This inaugural sustainability report represents AIT Worldwide Logistics (“AIT”) data from Jan. 1, 2021, through Dec. 31, 2021. This report covers AIT’s global operations, including warehouses, and all owned or leased facilities.

Questions can be submitted to
sustainability@aitworldwide.com.

Thank you for taking the time to download and review AIT Worldwide Logistics' inaugural Sustainability Report. With the release of this document, we are thrilled to announce that AIT has committed to achieve **net-zero emissions by 2035.**

After careful review, our organization determined that this goal is both attainable and necessary, and we are eager to share the review process with others in the freight forwarding industry who wish to identify their own net-zero timeline.



Vaughn Moore
Executive Chairman and
Chief Executive Officer



Ray Fennelly
Chief Information Officer
Executive Sponsor,
Corporate Social Responsibility

WHY NOW?

While this is the first formal sustainability report issued by the company, our long-term customers, teammates and partners will recognize that many of the AIT initiatives included in this document were first launched many years ago.

These are programs that emerged organically from the company's core values: earning our customers' trust, valuing our teammates, engaging in our communities and applying our ethics. In recent years, we came to recognize sustainability as the common thread for these initiatives, and in 2021, we determined that a formal expression of AIT's commitment to corporate social responsibility was the next logical step forward.

Gathering the organization's numerous environmental, social and governance programs into one streamlined document also provides a unified reference that will help our customers and partners bolster their own sustainability credentials. This report serves as a single source to verify that when partnering with AIT, companies are conducting business with an organization committed to corporate social responsibility.

We are incredibly proud of the contributions from teammates that helped lead us to this point. AIT's alliances with organizations like St. Jude Children's Research Hospital®, the founding of the company's diversity and inclusion committee, and our longstanding participation in the U.S. Environmental Protection Agency's SmartWay Transport Partnership are just a few examples of the many efforts that were initiated at a grassroots level by teammates who advocated for an expanded vision of the company's core values.

BUSINESS CONTINUITY

Finally, we'd like to draw attention to a frequent theme in this report: business continuity. We have determined that commitment to business continuity should be a key corporate social responsibility objective with a broad range of recurring positive outcomes.

The persistence of AIT as an organization provides jobs for our teammates, ensures critical goods are delivered for our customers, and generates charitable giving in our communities. We strive to be a model for others in our industry and we humbly believe that the continuity of AIT's operations provides a sustainable net-positive result for our people, our customers, and the communities where we live and work.

CONCLUSION

We invite you to peruse this inaugural report and share your feedback. We are **taking action today to deliver a better tomorrow** and we hope you'll join us on the journey towards a sustainable future built on a foundation of positive environmental, social and governance practices.

Sincerely,

Two handwritten signatures in black ink. The first signature is 'Vaughn Moore' and the second is 'Ray Fennelly'.



OUR VISION

BECOME THE GLOBAL LOGISTICS PROVIDER RESPECTED FOR DELIVERING A WORLD-CLASS EXPERIENCE.

OUR MISSION

AT AIT, WE VIGOROUSLY SEEK OPPORTUNITIES TO EARN OUR CUSTOMERS' TRUST BY DELIVERING EXCEPTIONAL WORLDWIDE LOGISTICS SOLUTIONS WHILE PASSIONATELY VALUING OUR CO-WORKERS, PARTNERS AND COMMUNITIES.

OUR BUSINESS

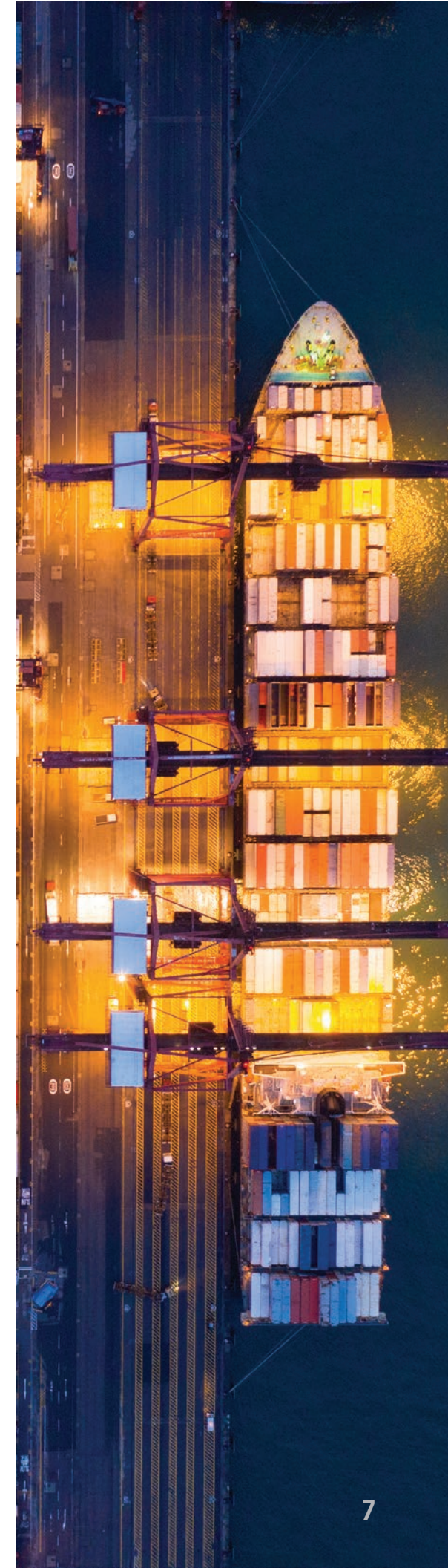


AIT Worldwide Logistics is a global freight forwarder that helps its customers grow by expanding access to markets all over the world where they can sell and/or procure raw materials, components and finished goods.

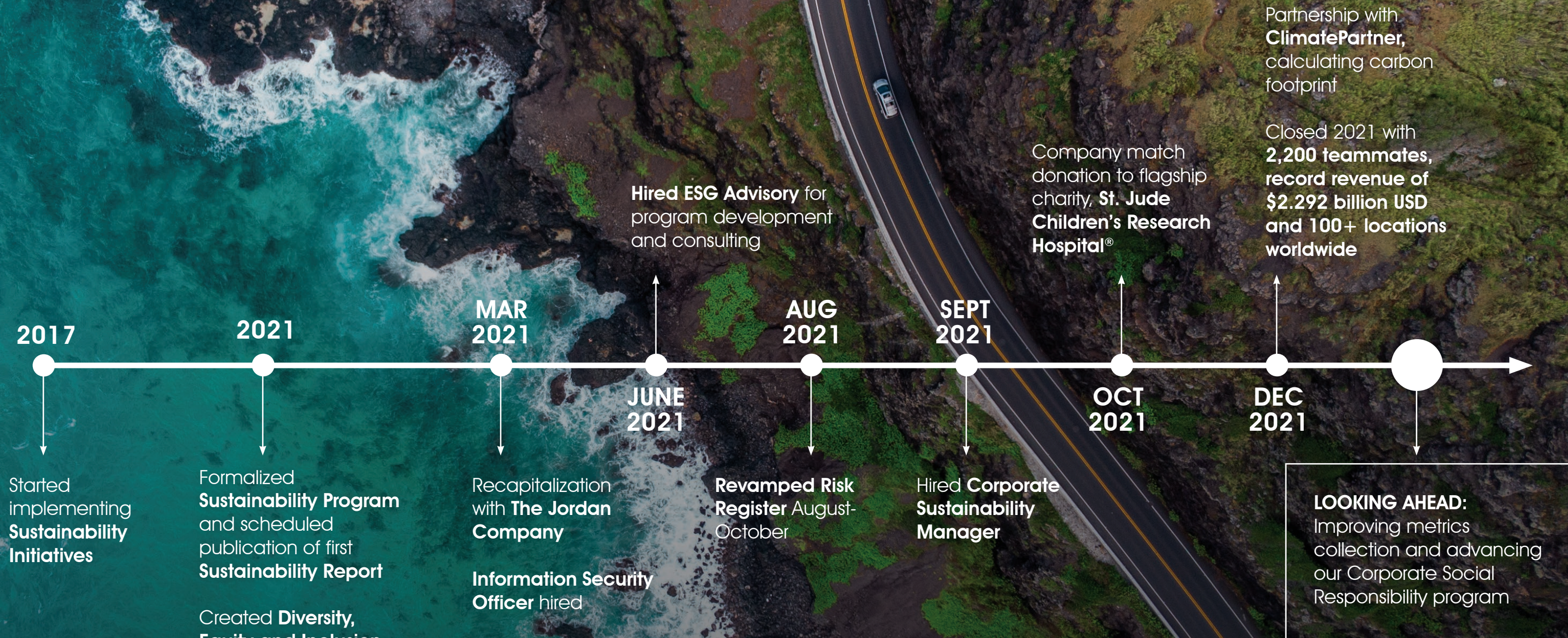
For more than 40 years, the Chicago-based supply chain solutions leader has relied on a consultative approach to build a global network and trusted partnerships in nearly every industry, including aerospace, automotive, consumer retail, food, government, healthcare, high-tech, industrial and life sciences.

Backed by scalable, user-friendly technology, AIT's flexible business model customizes door-to-door deliveries via sea, air, ground and rail—on time and on budget.

With expert teammates staffing more than 100 worldwide locations in Asia, Europe and North America, AIT's full-service options also include customs clearance, warehouse management and white glove services.



CORPORATE SOCIAL RESPONSIBILITY TIMELINE



SUSTAINABILITY AT AIT

AIT recognizes the importance of its corporate obligation to actively participate in and oversee sustainability objectives, with an understanding that these factors significantly influence the global community, as well as our company's own growth and success.

To ensure an ongoing, committed focus on business sustainability, in 2021, AIT created a holistic governance structure to formalize our existing, as well as anticipated, environmental, social, and governance (ES&G) practices—our sustainability program.

We plan to grow this program through a focus on reducing carbon emissions—both ours and our customers'—and waste, investing in our employees and communities, and implementing strategic governance designed to both manage and protect the organization and its values.

To develop our strategy, we conducted a materiality assessment, performed a peer benchmarking assessment, and aligned our goals with the United Nations Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB), and Global Reporting Initiative (GRI).

Based on our materiality assessment, AIT determined three high-priority areas on which to focus efforts in the near term:

- 1 **Greenhouse gas (GHG) emissions and energy management**
- 2 **Labor practices**
- 3 **Employee health and safety**

We also established an organizational chart to define roles and responsibilities for our material ES&G topics with defined metrics for monitoring and reporting.

Finally, we are currently in the process of incorporating our sustainability program into our existing quality management system.

We continue to improve on and track metrics for other material ES&G topics that are listed on page 18.



COVID-19 RESPONSE

The COVID-19 pandemic continues to present a challenge to our operations and work environment in many ways.

As essential workers, AIT acted quickly to ensure that the organization could continue to service our customers, including those essential to fighting the pandemic, while keeping our teams safe.

Thanks to coordinated efforts and emergency response plans, our resilient organization was able to adapt and continue delivering quality service while maintaining the health and safety of our team members. The company pivoted to provide temporary flexible work arrangements, when possible, for qualified job roles in response to individual health, safety and family needs that emerged during the pandemic. Comprehensive resources and guidelines were compiled on AIT's intranet and remain available for teammate reference today.

We believe it is important to consider both the physical and mental state with respect to our team members' health and safety.

For example, in 2021 we asked all teammates to wear face coverings at AIT facilities, while the company provided mindfulness coaching for our leadership team to encourage empathetic workforce management. We also provide fit-for-work and wellness programs for teammates, including telehealth, employee assistance programs and weekly meditation offerings.

As a leader in freight forwarding, collaboration with our global customer base is pivotal. To maintain this connection throughout the pandemic, we implemented scheduled communication touch points, which engaged and informed customers with carrier updates and industry alerts—all centralized on AIT's COVID-19 Disruption Hub (now the Supply Chain Disruption Hub).





Accordingly, we established a diversity and inclusion committee in 2021. The committee embodies AIT's core values of passionately valuing our co-workers and actively engaging in our communities by working to create a more inclusive company culture, as well as expanding opportunities for everyone in our communities.



In its inaugural year, the committee focused on selecting two partner non-profit organizations for service and donation opportunities: Communities in Schools and Kids Hope USA. In addition to providing in-person volunteer opportunities for our teammates, both partner organizations received in-kind donations on behalf of AIT Worldwide Logistics.

In 2022, AIT plans to implement additional goals and action items to advance our community and social strategies. The DE&I committee was also instrumental in providing feedback on appropriate teammate diversity and inclusion training for a forthcoming global rollout.

DIVERSITY, EQUITY AND INCLUSION AT AIT

OUR COMMITMENT TO DE&I

AIT AIMS TO FOSTER CHANGE AND FURTHER SOCIAL PROGRESS NOT ONLY WITHIN OUR OWN ORGANIZATION, BUT ACROSS THE GLOBAL COMMUNITY.



OUR DE&I PRIORITIES IN 2022

INCLUSION TRAINING

After selecting a DE&I training partner and content in 2021, the Human Resources team is launching inclusion training in 2022. AIT teammates around the world will participate in a series of training courses with a live coach and e-learning focused on the importance of inclusion, respectful workplace etiquette and embracing diversity.

Additionally, AIT's core value descriptors were rebranded in 2021 for easier understanding and translation to all global teammates. For 2022, the HR team is launching training around each value.



2022 GOAL TO DONATE

\$250,000 TO NON-PROFIT ORGANIZATIONS

The AIT Cares program, which is focused on donations and volunteering, is getting a new look and focus for 2022, with an overall goal to donate \$250,000 to non-profit organizations nominated by our teammates.

AIT provides each teammate with five paid volunteer hours annually to give back to the communities where they live and work.

RESOURCES

In 2021, the HR team hired two full-time teammates to help the organization meet our DE&I goals: a community engagement specialist to manage corporate donations and volunteer programs, and a culture specialist dedicated to ongoing engagement initiatives.



COMMUNITY INVOLVEMENT

AIT is investing in the communities where we live and work by moving from a single partnership with one flagship non-profit organization to relationships with dedicated flagship organizations in each of our global regions: Asia, Europe, India and North America.

While St. Jude Children's Research Hospital® will remain the designated flagship organization for North America, in 2022, AIT will launch a teammate campaign to select an organization for each of the other regions.



MATERIALITY ASSESSMENT

In 2021, AIT conducted its first materiality assessment to determine which sustainability-related topics might be considered most important to the business. The materiality assessment process leveraged industry-specific standards, internal and external stakeholder feedback, and peer benchmark comparisons to generate a list of priorities for AIT's sustainability program.

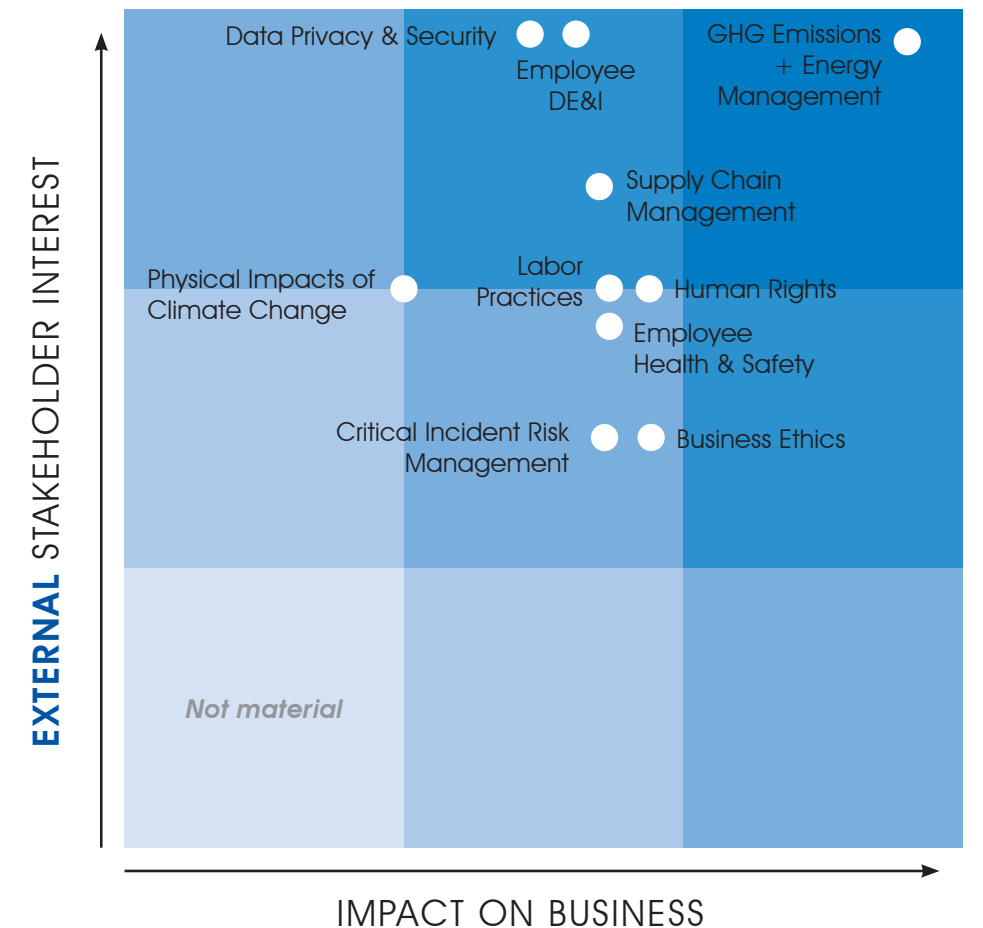
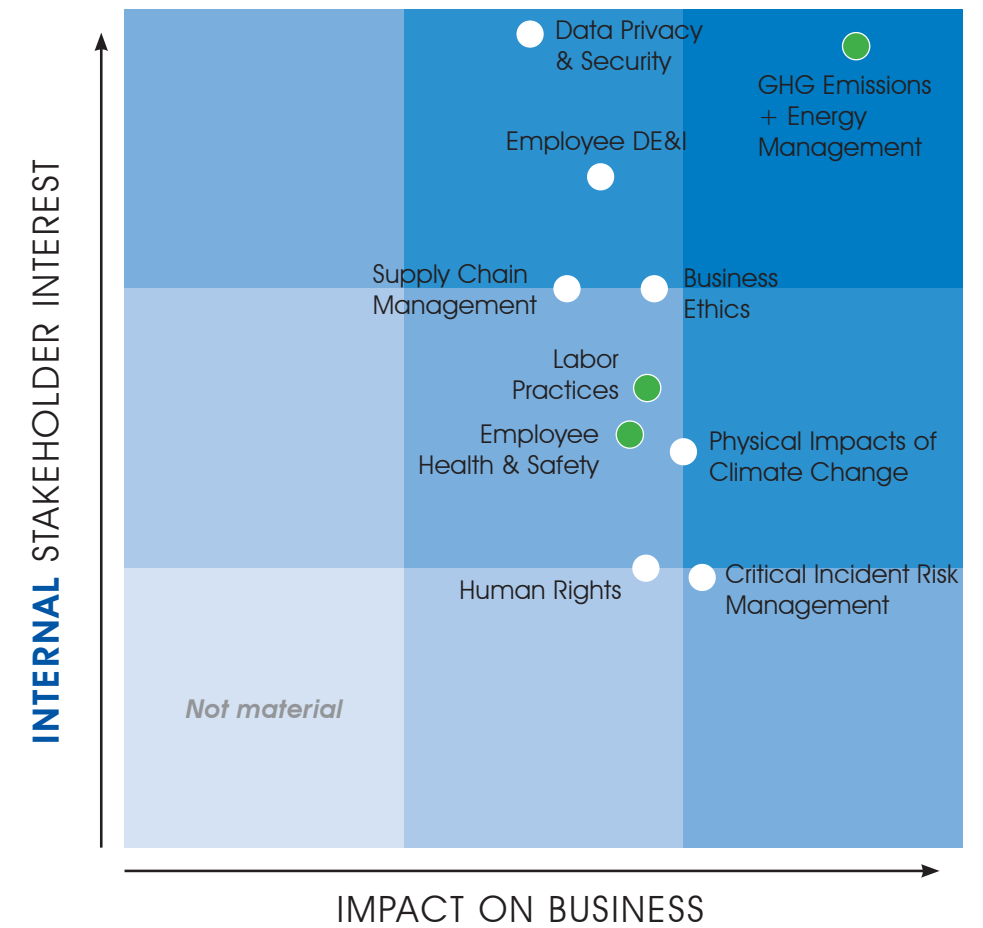
The materiality assessment will be refreshed every two years, at a minimum, and more frequently when major organizational shifts occur, such as large-scale acquisitions or completion of a capital reinvestment cycle.

2021 AIT MATERIAL ESG TOPICS

1. GHG EMISSIONS AND ENERGY MANAGEMENT
2. LABOR PRACTICES
3. EMPLOYEE HEALTH AND SAFETY
4. DATA PRIVACY AND SECURITY
5. EMPLOYEE DE&I
6. SUPPLY CHAIN MANAGEMENT
7. CRITICAL INCIDENT RISK MANAGEMENT
8. HUMAN RIGHTS
9. PHYSICAL IMPACTS OF CLIMATE CHANGE
10. BUSINESS ETHICS

KEY

- Material, prioritized in 2022
- Material
- Not material



SUSTAINABLE DEVELOPMENT GOALS



The United Nations Sustainable Development Goals (SDGs) are considered a call for action by all countries to promote prosperity while protecting the planet. As a global service provider, AIT recognizes that its sustainability program should be structured to be viewed as relevant in any jurisdiction. The 17 SDGs provide a global framework suited for policy and procedure development that enables organizations worldwide to contribute collectively and in a coordinated manner toward sustainable change.

Visit <https://www.un.org/sustainabledevelopment> for more information.

AIT's sustainability program is aligned with eight United Nations Sustainable Development Goals.



GOAL OF

NET-ZERO EMISSIONS BY 2035

ENVIRONMENT

WHY

There is growing global consensus that in order to avoid the worst impacts of climate change, the world requires coordinated action to reduce greenhouse gas (GHG) emissions. As a logistics provider with a global footprint, we recognize our participatory role in this global commitment to action.

Our AIT team, investment partners, suppliers, and customers believe GHG emissions and energy management are priorities, and increasingly expect logistics service providers to offer both emissions tracking and offsets. These expectations are coupled with requests to reduce the industry’s overall footprint by exploring paths to net-zero emissions.

WHERE WE ARE NOW

AIT is committed to understanding our carbon emissions and environmental impact both directly, through our operations and warehousing activities, as well as indirectly, through our transportation service providers.

We developed a carbon accounting and management program, which includes emissions tracking, in collaboration with ClimatePartner. Through this partnership, AIT measured our complete global carbon footprint for all AIT companies for 2021.

AIT’s integration with ClimatePartner also provides an accredited solution for our customers, which supports CO2e footprint tracking at the shipment level for all international shipments. Likewise, this partnership enables our customers to directly purchase carbon offsets through accredited carbon offset projects.

In early 2022, AIT processed its first carbon balance sheet evaluations for all global locations across 2021. We will use the results to identify areas for improvement as well as our baseline for reaching net-zero emissions by 2035.

Based on that evaluation, AIT and our external partners generated 27,584 metric tons of carbon dioxide equivalent (CO2e) in 2021. The balance sheet above includes all three scopes of the GHG Protocol, the most widely-used international accounting tool.

Scope	Area	Emissions (CO2e metric tons)
Scope 1	Direct emissions from company facilities and vehicles	11,945
Scope 2	Purchased electricity, heating, steam and coiling for own use	4,673
Scope 3	Purchased goods and services, waste, business travel, employee commuting, etc.	10,966
Overall results		27,584

AIT analyzes our emissions mainly by our number of teammates and the size of our office and warehouse facilities. This method results in an average emissions measurement of 13.7 metric tons of CO2e per employee and 0.085 metric tons CO2e per square meter. AIT will continue to measure our emissions and monitor the success of our emissions-reduction initiatives at both the global and facility levels. Around the world, **AIT continues to invest in more efficient technology, including a shift to cloud computing and state-of-the-art cooling systems in our facilities.**

The switch to on-demand data availability also means AIT has greatly decreased its number of test environments. And any existing local servers are shut down during non-working hours.

Additionally, in part thanks to pandemic-induced organizational flexibility, teammates at more than 90% of AIT workplaces have switched from desktop PCs to laptops, which require less energy and generate less heat.

Finally, the organization plans to apply AIT-Switzerland’s ISO 14001 certification knowledge across the entire global network.



PHYSICAL IMPACTS OF CLIMATE CHANGE

WHY

AIT maintains operations across the globe, with some facilities located in areas at high risk for climate-change impacts, such as sea level rise, drought, and flooding. We aim to mitigate these risks to not only maintain the continuity of our business operations, but more importantly, to protect our employees and the communities where they live and work.

WHERE WE ARE NOW

As part of our business continuity planning, AIT has defined our approach to minimize climate change risks. And as our efforts become fully integrated into our day-to-day business practices, we're committed to sharing the results of our improvements.

In the event of an extreme climate incident, redundancy in AIT's planning and infrastructure supports network-wide stability and resiliency.



Migrated AIT on-site data center to the cloud

- Cooler trends in cloud data center's power.
- Power saving, easy to shut down test servers after hours. As of today, 5% of AIT servers are shut down at night.
- Less power and IT hardware, readiness for server growth with proper use of server and disk environments.



Equipment reduction: less power, more cooling

- Power reduction with decommission of stand-alone servers.
- Less power, less cooling, 90%+ of global network on laptops.
- Reduce GHG emissions when blending work schedules, at home or from the office.
- Installation of shared multi-functional printers require less power and fewer hardware units.
- Decommission stand-alone servers, reduce power and cooling needs.



Equipment recycling

- Recycle all end-of-life assets.

All AIT locations have access to a single transportation management system, for example, which enables locations or operators to take over shipment handling from other facilities, if necessary.

LOOKING AHEAD

In the coming months, we will extend our work with specialists to ensure the most accurate and reliable results. AIT will conduct climate risk assessments for all locations and dedicate funds to improve severe weather readiness for facilities in high-risk locations. Each assessment will be reviewed and updated as necessary, every five years. In the case of identified high risks, the action(s) taken will be reviewed for effectiveness.

IN THE EVENT OF AN EXTREME CLIMATE INCIDENT, REDUNDANCY IN AIT'S PLANNING AND INFRASTRUCTURE SUPPORTS NETWORK-WIDE STABILITY AND RESILIENCY.



OUR CORE VALUES SIT AT THE TOP OF OUR STRATEGY.

LABOR PRACTICES

WHY

One of AIT's greatest strengths is our workforce's world-class industry experience. At a time when labor markets are experiencing unprecedented shifts due to the COVID-19 pandemic, technological disruptions, and changing worker expectations and priorities, AIT is prioritizing maximized productivity, engagement, morale, and workforce retention.

Additionally, as a global company operating in many nations around the world, AIT is subject to unique sets of labor laws in different jurisdictions with varying levels of complexity.

WHERE WE ARE NOW

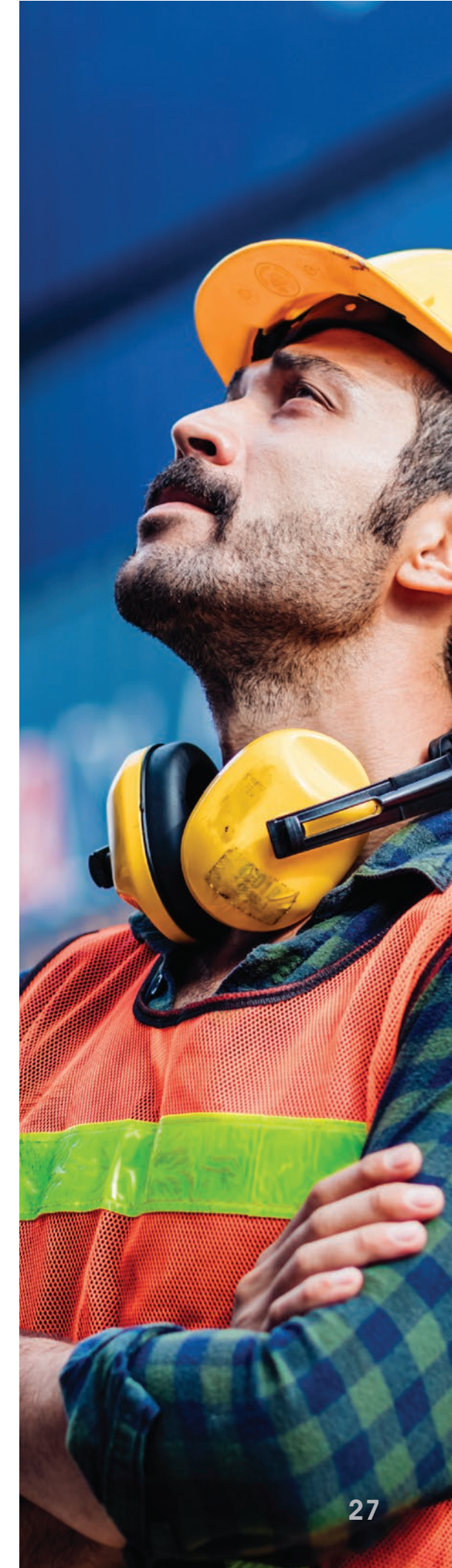
AIT offers a complete benefits package and discretionary, variable-pay rewards. The company also acknowledges our team members for their contributions, via our peer recognition program, impression badges, milestone accomplishments, certificate programs, and employee appreciation events. AIT pays competitive wages, regularly validated based on internal and external benchmark comparisons, which take location into consideration.

AIT also utilizes an Employer Net Promoter Score (eNPS) system to gauge workforce satisfaction. We pair our eNPS score with our Core Value Index (CVI) to better represent employees' priorities within AIT's global company culture.

LOOKING AHEAD

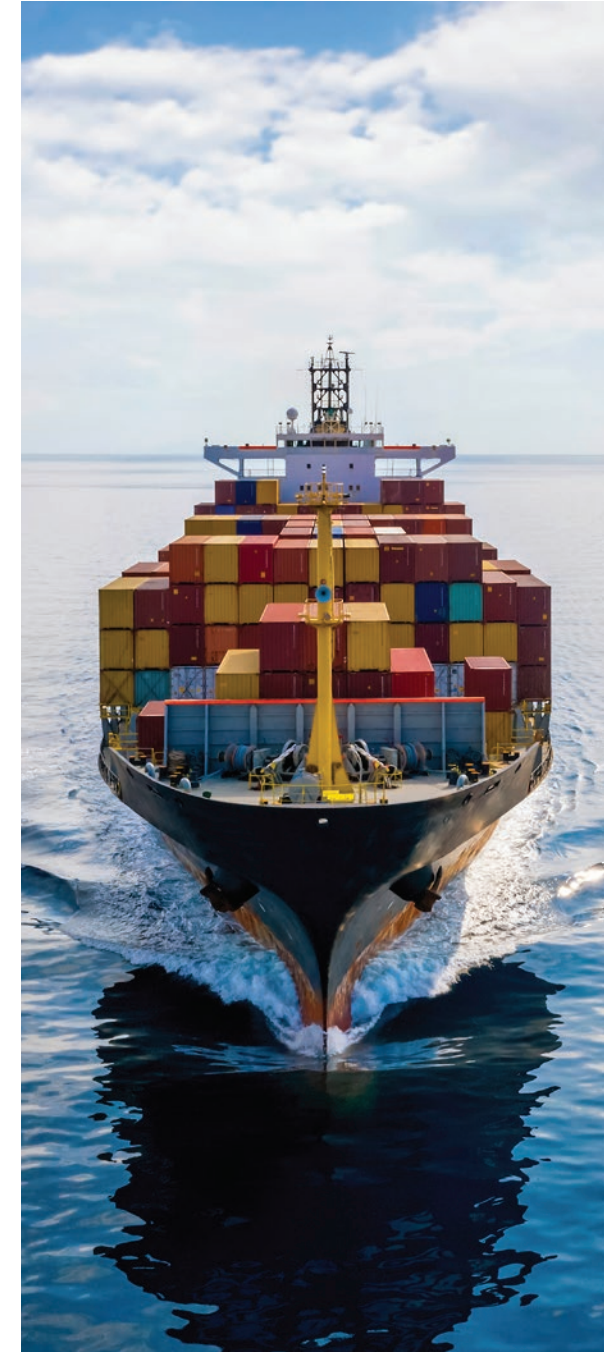
We will continue to focus on ensuring AIT remains an employer of choice for our teammates. Our core values sit at the top of our strategy. How we behave and interact with one another is a large part of what drives our company's success, and we will continue to create and support programs that help grow our eNPS and CVI scores.

To ensure we remain competitive in the marketplace and provide benefits that meet our teammates' well-being – including financial, mental and physical needs – AIT continually explores practices to improve our team member experience, such as our new hire onboarding program, training content and development opportunities, recognition programs, charitable giving programs, and global benefit offerings.





OUR GOAL IS TO MAINTAIN A TOTAL RECORDABLE INCIDENT RATE, AND OTHER EMPLOYEE INCIDENT RATES, WELL BELOW INDUSTRY AVERAGES.



EMPLOYEE HEALTH AND SAFETY

WHY

We are committed to providing a safe and secure workplace for our teammates and contractors. Workforce wellness is a critical component of our overall health and safety program, and many of AIT's employees and contractors perform functions that involve relatively high risks to health and safety (e.g., driving). Therefore, maintaining high standards for safety across AIT and our extended network is a top priority.

WHERE WE ARE NOW

In addition to tracking global workforce safety using both leading and lagging safety indicator metrics, AIT also employs a safety and risk management program implemented by the Corporate Safety and Risk Management Committee.

This committee provides resources located on AIT's intranet, including emergency

response procedures, safety metrics, safety packets, and policies to develop and ensure adherence to best practices, safety audits, and incident response forms.

The safety site also enables teammates to directly report unsafe working conditions.

Additionally, AIT maintains a code of conduct outlining our expectations that our partners take adequate steps to safeguard health and safety in compliance with local and international requirements.

Finally, in the U.S., AIT strictly adheres to the Department of Transportation (DOT) Compliance Manual for Managers, which outlines several regulations to ensure driver safety, including policies regarding driver qualifications, motor vehicle maintenance, and drug and alcohol abuse. AIT's Regional Teammate Handbooks also list specific steps to report all work-related injuries, accidents and near-misses.

LOOKING AHEAD

AIT will continue to review and track service providers' publicly available safety ratings and/or safety scores, while extending safety-related incident tracking to subcontractor service failures. This will provide insights into health and safety throughout the supply chain and across global regions, allowing us to implement the corrective actions needed to maintain high safety standards and ensure a safe workplace.

Our goal is to maintain a total recordable incident rate, and other employee incident rates, well below industry averages. AIT will continue to evolve our health and safety program, including the adoption of industry best practices, such as incorporating leading indicator metrics into our tracking program. We will also continue to implement improved safety and driver training to support ongoing safety initiatives.





EMPLOYEE DE&I AND HUMAN RIGHTS

EMPLOYEE DE&I

WHY

AIT believes a diverse workforce is essential for generating new ideas and innovations that keep us ahead of our competition. We are committed to advancing employment of all qualified individuals regardless of their background, and to creating a safe and productive workplace for all teammates.

WHERE WE ARE NOW

Our global diversity census tracks gender and ethnicity (as appropriate) by region to identify and prioritize meaningful DE&I initiatives. In 2021, we established a diversity, equity and inclusion committee, which meets monthly to focus on cultural awareness training and community involvement.

In the U.S., we implement DE&I-related policies, including an Affirmative Action Program and Equal Employment Opportunity.

Globally, we focus on anti-discrimination and harassment policies.

We strive to employ a diverse workforce and support external initiatives and causes that advance gender diversity.

LOOKING AHEAD

We will continue to train our entire workforce in anti-discrimination and anti-harassment to help create an inclusive workplace. **AIT will continue to monitor our female population, which today makes up almost 50% of our workforce.** We will continue to drive recruiting efforts that help us increase diverse representation in executive leadership, senior management, and our overall workforce.

HUMAN RIGHTS

WHY

As a global organization specializing in transportation logistics, and with more than 100 worldwide locations in Asia, Europe, and

North America, AIT recognizes that operating in such diverse environments across the transportation industry presents potential exposure to human rights violations. We understand that the transportation of goods, particularly across national borders, includes the risk of various forms of smuggling, including human trafficking. We also appreciate the labor rights risks that exist in the global supply chain, which must be managed appropriately.

WHERE WE ARE NOW

We are committed to ensuring every part of our business – including our extended network – is free from slavery or forced labor of any kind. Our Modern Slavery and Forced Labor Policy reflects our commitment to acting ethically and with integrity in all our business relationships. **We are further committed to implementing and enforcing effective systems and controls to ensure slavery and forced labor does not take place anywhere in our supply chains.**

We have a zero-tolerance approach to slavery and forced labor. All our suppliers are expected to comply with all local and national laws and regulations. We operate a supply chain compliance program, which includes pre-contractual due diligence enquiries and ongoing monitoring throughout the duration of our relationship with that supplier.

AIT's Partner Code of Conduct outlines our expectation that our partners operate in a manner that respects human rights and avoids any human rights violations. We also conduct due diligence processes for modern slavery and forced labor and have a policy Combatting Trafficking in Persons and Forced Labor. Our Regional Teammate Handbooks

also include policies against human trafficking, slavery and forced labor.

When selecting suppliers, responses to our due diligence questionnaires are taken into consideration, and we make them aware of any concerns we might have with those responses. Where necessary, we will cease to engage with any supplier who is unable to provide adequate responses to our due diligence inquiries or abide by the AIT Partner Code of Conduct.

Our HR and procurement functions work together to ensure our relevant group policies comply across our business, as well as to manage any concerns that may arise. We have a clear Whistle Blower Rights policy, which is published on our company intranet. All teammates are encouraged to raise any concerns with their manager, Human Resources, or Global Compliance.

LOOKING AHEAD

To identify and mitigate risk, we will continue to monitor ethical standards across the organization, as well as review our policies and supplier due diligence documentation in relation to slavery and forced labor in the supply chain.

Moving forward, AIT is working to ensure that our entire organization—particularly facilities in high-risk markets—conducts proportionate risk assessments to ensure our policies are properly and consistently applied.

To further combat potential human rights violations, we also plan to train both our teammates and vendors, as needed, on human rights risk identification.



PHILANTHROPY

Giving back by actively engaging in our communities is a core value at AIT. **The AIT Cares program aims to help others by improving the quality of life in the communities where we live and work** with a three-part approach: company supported volunteer time, flagship charitable alliances, and organizational giving.



WHERE WE ARE NOW

We hired a community engagement specialist to find and curate opportunities across the globe for teammates to participate in the non-profit sector.

Company-supported volunteer time

Teammates are encouraged to support a cause or mission that they connect with on a personal level. Every team member has access to five paid volunteer hours per year to achieve this goal.

Regional flagship charitable alliances

Our teammates across the globe can maximize impact in their regions by participating in volunteer opportunities with our teammate-nominated flagship charitable alliances. Annually, AIT matches the donations raised by our teammates within their respective regions, up to a certain amount.

- **North America:** St. Jude Children's Research Hospital®
- Flagship alliances for **Asia, Europe** and **India** will be announced later in 2022

Organizational giving

In 2022, AIT plans to give a total of \$250,000 in donations and grant requests in the communities where we live and work. Teammates may recommend non-profit organizations for one-time donations from AIT. The committee meets monthly to review submissions, make final recommendations, and announce new charitable donations on a quarterly basis.

To be considered for a grant from AIT, non-profits must support one of the following:

- The fight against cancer
- Helping children reach their full potential by supporting childhood development, education, and improvement in low-income communities
- Equity and empowerment of minorities, females, and underserved communities

LOOKING AHEAD

As part of our philanthropic strategy, we continue to build partnerships on a global level with different non-profit organizations that support our missions. We will continue to find occasions for teammates to participate in volunteer opportunities throughout the year.



CYBERSECURITY

Protecting our customers' cargo through the global supply chain is part of AIT's core values with data privacy and security playing key roles. Complying with data protection and privacy laws allows AIT to conduct business while also protecting the global supply chain. AIT remains vigilant about cybersecurity risks and ensuring our business partners' and customers' information remains secure.

WHERE WE ARE NOW

AIT's Information Security Management Group (ISMG) includes key executives from all aspects of the business. The information security officer leads monthly ISMG meetings to discuss emerging threats and risks facing the company.

One of the core pieces that drives AIT's security program is a "risk register" that measures known risks to the company's mission, objectives, and obligations, while also taking the likelihood of those risks transpiring into account.

The ISMG shares the overall risk score with AIT's board of directors on a quarterly basis, consistently displaying score improvements each quarter.

AIT teammates are required to complete annual information security training that includes a wide range of topics, such as phishing, insider threats, ransomware, social engineering, and malware. The company conducts quarterly phishing email trials that test individuals' ability to identify malicious links and attachments. Security awareness training is also part of the new hire onboarding process.

Every October, AIT promotes Cybersecurity Awareness month with weekly emails that cover a range of topics applicable to protecting company and personal data.

New threats are always emerging and the company's information technology group periodically sends out emails covering shifts in the security landscape. Data security posters around the office reinforce these topics.

Finally, AIT is partnered with a highly respected third-party security group to keep up to date on the latest security news and bulletins, ensuring that the organization is always operating under security best practices. The third party acts as an extension of AIT's security team, and the two groups meet weekly to discuss continuous improvement to the company's overall security program.

LOOKING AHEAD

As AIT continues to grow, it is essential to consistently monitor our IT risks, evaluating any new threats that newly acquired entities may pose to the parent organization and the ability to best serve our customers.

To best accomplish this, AIT's rigid onboarding process for new acquisitions ensures the technology brought into the AIT network meets our security standards and that no residual threats are lingering within the acquired companies' infrastructure.

SUPPLY CHAIN MANAGEMENT

WE RECOGNIZE OUR RESPONSIBILITY IN CREATING A SAFE, SECURE, AND RESILIENT SUPPLY CHAIN, WHILE ENSURING COMPLIANCE WITH APPLICABLE LAWS AND REDUCING THE ENVIRONMENTAL IMPACT OF OUR BUSINESS.

At AIT, protecting the global supply chain is an essential priority and core value of the organization. In 2021, the world recognized the importance of resilient cargo operations and the fragility of supply chains when disruptions increased for transportation and trade.

We recognize our responsibility in creating a safe, secure, and resilient supply chain, while ensuring compliance with applicable laws and reducing the environmental impact of our business.

Our teams were designated as essential workers during the COVID-19 pandemic, and AIT appreciates the importance of maintaining a healthy, nimble workforce and dedicated partners to maintain business continuity for our customers and the global economy.

WHERE WE ARE NOW

AIT's supply chain security program utilizes standardized policies, procedures, and best practices to effectively secure and safeguard our customers' supply chains across all locations globally.



We developed these standards using guidance from programs and organizations including Customs-Trade Partnership Against Terrorism (C-TPAT), Authorized Economic Operator (AEO), U.S. Transportation Security Administration, European Union Aviation Security, and the Transported Asset Protection Association (TAPA). AIT team members train annually on the supply chain security program and work vigorously to protect supply chain integrity.

Service Providers

AIT's service provider relationships are critical to providing a secure and resilient supply chain. The careful selection and ongoing management of service providers is necessary to mitigate exposure to security and compliance issues in the supply chain.

AIT maintains a robust service provider qualification and management program outlined in our Business Partner Policy.

All service providers must undergo a pre-qualification process based upon the services that they intend to offer.

Pre-qualification includes maintaining appropriate licensure and registration, contractual obligations, completion of a supplier questionnaire and security audit, proof of required insurance coverage amounts, completion of an anti-bribery attestation, compliance with applicable laws and regulations, and adherence to AIT's Partner Code of Conduct.

AIT's Partner Code of Conduct outlines the expectations of our supply chain partners, including operating in a manner that respects human rights, providing a safe work environment, and engaging in ethical practices.

Service provider relationships are monitored on an ongoing basis with a variety of solutions to ensure compliance with AIT requirements.



Trusted Trader Programs

AIT's commitment to supply chain security is recognized by the various trusted trader program certifications that we maintain at offices around the world.

C-TPAT is a voluntary, public-private sector partnership program designed and implemented by U.S. Customs and Border Protection (CBP) to provide the highest levels of security throughout the supply chain. Participating companies must strictly adhere to a broad range of security criteria, regularly perform risk assessments to identify security gaps, and implement specific security measures and CBP recommendations. AIT received C-TPAT certification in 2006 and was

last revalidated in 2021 as both a forwarder/consolidator and customs broker.

AIT also participates in the AEO security and customs programs in several locations around the world, and regularly evaluates additional AIT locations for participation. AEO certification establishes that a participating organization maintains adequate procedures and controls to ensure compliance, security, and safety throughout the supply chain.

Supply Chain Management and Compliance Training

To ensure that we adhere to all applicable laws and regulations when providing supply chain solutions for our customers, training and providing substantive resources for team

members are top priorities. Teammates are required to take a range of recurrent training, including, but not limited to:

- Anti-corruption and anti-bribery
- Antitrust
- Anti-boycott
- Sanctions and embargoes
- Supply chain security
- Good distribution practices
- Dangerous goods handling
- U.S. export declarations
- U.S. export controls and international traffic in arms regulations

LOOKING AHEAD

AIT plans to train and provide resources to contractors on human rights risk identification, as needed, to aid in combatting potential violations.

To continuously improve efficiencies and reduce transportation emissions in our supply chain, we aim for all our U.S. carriers to achieve SmartWay certification. The current average score is 3.07, and we aim to continuously improve this result year over year.

In Q2 2022, AIT will release a new supplier questionnaire to all providers. The updated form will ensure adherence with the organization's compliance, security, and environmental requirements.



CRITICAL INCIDENT RECOVERY AND ETHICS

AIT CURRENTLY MAINTAINS A ROBUST LIBRARY OF POLICIES, PROCEDURES, AND RESOURCES THAT PROVIDE INSTRUCTION AND GUIDANCE TO TEAM MEMBERS IN THE EVENT OF FAILURES OR DISRUPTION.

CRITICAL INCIDENT RECOVERY

WHY

AIT provides transportation solutions to customers around the world. These solutions impact and are impacted by thousands of people and places every day. Operating in a variety of global environments presents unique challenges and exposure to risks like

environmental disruptions, transportation failures, and IT infrastructure problems.

Regardless of the challenges, it is crucial that AIT maintain appropriate policies, procedures, and solutions to mitigate business interruptions and recover critical business activity as quickly as possible.

WHERE WE ARE NOW

AIT currently maintains a robust library of policies, procedures, and resources that provide instruction and guidance to team members in the event of failures or disruption.

AIT's critical systems are designed with several levels of redundancy to ensure availability during failure events.

This enables work to easily transition to other locations or to be safely and securely handled off-site as described in AIT's Remote Operating Policy. The company also maintains a comprehensive Security Incident Response Plan to ensure that any IT infrastructure failure is urgently addressed. AIT's leadership last participated in Incident Response Plan training and a tabletop exercise in 2021.

Lastly, in the U.S., AIT follows the DOT Compliance Manual for managers, which outlines reporting procedures should an incident occur.

LOOKING AHEAD

AIT continues to mitigate risks by updating our business continuity plan and disaster recovery protocols. We will expand training in this area globally to ensure all team members are comfortable with AIT policies and procedures.





ETHICS

WHY

AIT teammates aim to deliver exceptional world-class logistics solutions and build trust with our business partners and customers by conducting ourselves ethically and honestly.

We are fully aware that the shipment of goods, particularly across national borders, includes the risk of various forms of smuggling, including human trafficking, fraudulent behavior, modern slavery, and corruption.

Additionally, we are cognizant that AIT's partnerships with sensitive customers, including governments, government contractors, and service providers in high-risk markets, heightens bribery risks.

That's why we believe in maintaining an ethical supply chain with a network of thousands of qualified, transparent suppliers across the globe.

WHERE WE ARE NOW

AIT maintains an extensive compliance program addressing topics such as anti-boycott, anti-bribery, anti-corruption, antitrust, sanctions, and embargoes.

Teammates receive recurrent, comprehensive training on these topics to understand what constitutes a violation of law or improper practice, aid in the recognition of how violations can occur, and support the development of skills to avoid violations. All teammates review and sign AIT's employee handbooks and policies addressing ethical expectations as part of the new hire onboarding process.

Building awareness and creating an ongoing culture of integrity within the organization ensures that AIT team members both act ethically and hold our service providers to the same standard.

AIT's Partner Code of Conduct and contracts set forth expectations that our service providers will comply with all applicable business ethics laws and regulations, including, but not limited to, respecting human rights, providing a safe work environment, engaging in ethical practices, and environmental awareness.

If a service provider does not comply with our code of conduct, AIT maintains strict adherence to response protocols. Corrective action or termination of the relationship is required, depending upon the severity of the finding. **AIT's operations teams perform regular business reviews with key service providers to ensure our partners are meeting operational and ethical expectations.**

AIT provides various means of reporting ethical findings or issues with both teammates and service providers. Team members can reach out directly to AIT's ethics officer or director of compliance to report an issue. They can also report an ethics issue or concern anonymously via AIT's Ethics Hotline or an online submission through AIT's intranet site. All reports are immediately reviewed and investigated.

LOOKING AHEAD

As AIT's global footprint continues to grow, we will continue implementing our critical incident and ethics policies in new territories.

We will also continue to maintain ethics as a core value, as we work to develop a culture of honesty, integrity, and transparency across all locations.

Finally, as adherence to local and global business regulations is crucial to our business, AIT aims to train 100% of our teammates on anti-bribery and anti-corruption.



TAKING ACTION TODAY TO DELIVER A BETTER TOMORROW

AIT is building a livable future for our people, our customers and communities, with a global focus on environmental, social and governance sustainability.

To learn more about AIT's sustainability plans or our Corporate Social Responsibility initiatives, contact sustainability@aitworldwide.com.