

2021

Environmental Social and Governance Report



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Letter From the Founders

“Transfix applies modern technology to digitize and make transparent a market that was traditionally analog and opaque.”



We founded Transfix with the goal of improving the lives of the men and women who work in the logistics and trucking industry while simultaneously improving the speed and accuracy with which goods could flow through the supply chain to consumers.

Our foundational thesis was straightforward: apply modern technology to digitize and make transparent a market that was traditionally analog and opaque – trucking.

Trucking, in addition to being a very large industry (\$680B) is also extremely wasteful. Up to thirty percent of all truck miles driven in the United States are empty. Detention – or wait time – at loading docks is associated by one estimate with reductions of annual earnings for commercial truck drivers totalling more than \$1B.

Transfix is on a path to eliminate waste in the transportation industry. Empty miles become loaded miles. Lost hours become working hours. Digitization allows for much greater productivity with the same input – we use technology to improve utilization and create value for our customers and driver partners.

The principles of environmental stewardship are not an ancillary objective for Transfix – reducing the amount of

waste in the trucking industry is at the heart of our value proposition.

As Founders, we also believe the most successful companies are diverse, well-governed businesses. Above all else, we are proud of the culture we have built at Transfix. We have built a board, leadership team, and company that reflects diversity of all kinds, including age, gender, and race. We are proud that Transfix will be one of the first public companies in the transportation industry led by an Asian female CEO, Lily Shen. We are also proud to have built a strong company culture that values equity, inclusion, and social responsibility and continuously reflects on how to improve and have an impact on the broader community.

We are excited to now share Transfix’s commitment to the future through this inaugural ESG (Environmental, Social, and Governance) report. We are still early in this journey, but we remain obsessed with the mission and inspired by what our team has achieved so far.

Drew McElroy
Co-Founder and
Chairman of the Board

Jonathan Salama
Co-Founder and
Chief Technology Officer

¹ 2020 CSMP State of Logistics Report. Industry size reflects 2019 industry data.

² BMO Capital Research, “Digital Divide: Upending Freight Brokerage,” published November 2020.

³ January 2018 U.S. Department of Transportation, Office of Inspector General, Report No. ST2018019



Sustainability must continue to expand the boundaries of environmental, social, and economic considerations; true sustainability will only come from a more connected world – a world where equal opportunities are driven by responsibility, innovation, and human connection.

At Transfix, our vision is to build a digitally connected world where goods can move seamlessly with the most transparency, trust, and the least waste possible.

Millions of people in the US dedicate their lives to ensuring a strong, thriving economy with a resilient supply chain. By bringing together dedicated professionals, artificial intelligence (AI)-driven brokerage services, and intuitive software, we are enabling those we serve to deliver for their customers, generate new economic opportunities and drive long-term impact – all while aiming to minimize empty miles driven for a more sustainable future.

ESG governs how we operate as a company, as well as how we endeavor to support the greater ecosystem to become better corporate citizens.

Purpose-led and guided by our values, Transfix’s culture is one of integrity, transparency, excellence and respect. We believe in creating a safe environment where every employee can be their authentic self and is supported to flourish both personally and professionally.

Over the years, we have sought to model diversity and inclusion for the industry – starting at the top with our Board, but also at all levels of our organization. Forty percent of our current Board of Directors and forty three percent of our senior executive team are women. Forty nine percent of our employees identify as Black, Indigenous, and persons of color (BIPOC).

We support numerous organizations that bring Diversity, Equity, Inclusion, and Justice (DEIJ) to the supply chain, particularly focusing on women and other underserved populations to support the development of these communities in our industry.

Transparency, accountability, ethics, and risk management are core tenets of our governance standards. From our

philosophy of “one-share, one-vote,” ensuring we provide an equitable voice to our shareholders, to how we manage data security, privacy, and risk, to how we service and listen to our customers, we set high standards for ourselves and our partners.

We are excited to help usher in a new era of intelligent, modern logistics with a focus on sustainability for our customers, our employees, our shareholders and our planet. While we are still in the early days of realizing our vision fully, our dedication to creating a more sustainable, equitable, and efficient freight ecosystem is unwavering. And with each day, we get closer and closer to realizing that vision.

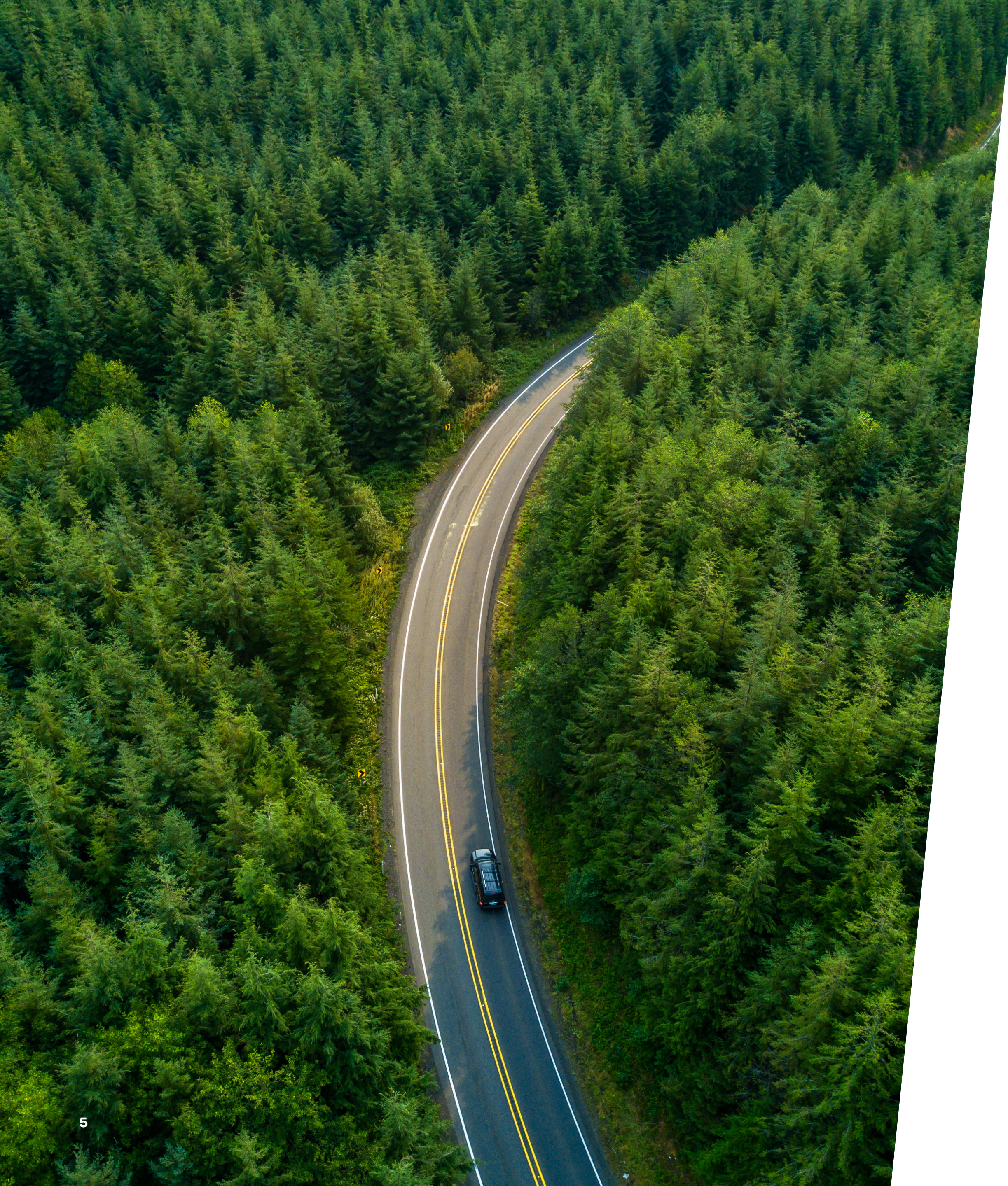


Lily Shen,
CEO and President

Message from Lily Shen

“We are excited to help usher in a new era of intelligent, modern logistics with a focus on sustainability for our customers, our employees, our shareholders, and our planet.”





Transfix is on the road to
**revolutionize the movement
of goods** for the benefit of
carriers, shippers, consumers,
and the planet.



Transfix, **a next-generation intelligent freight platform**, helps mitigate operational waste and carbon emissions by utilizing data, machine learning, automation, and human expertise to help carriers reduce their empty miles and shippers lessen their indirect emissions.



Freight Tech 100.

We were recognized by FreightWaves as a company that champions innovation and disruption in the freight industry. This marks Transfix's fourth consecutive year placing in the top 100.

As of 2019, medium and heavy-duty vehicles produce about twenty four percent of transportation emissions in the United States.¹ The United States, via the Paris Agreement, is committed to limit greenhouse gas emissions (GHG) to attempt to keep global warming below two degrees Celsius compared to pre-industrial levels. By targeting inefficiencies in the transportation industry, Transfix is doing its part to help reduce domestic motor carrier GHG emissions and that can help mitigate climate change.

Transfix's core offering, a business-to-business (B2B) domestic freight brokerage solution, is built to match shipper demand with truckload capacity on a many-to-many, multi-geography, multiple load basis. This provides us with the ability for more efficient matching of trucks and freight, which we believe will mean fewer empty miles driven, increased profitability for carriers, and less waste – a win-win for industry and the planet.

10.23 billion tons

freight shipped by truck in the US²

Trucks move nearly

three- quarters

of US domestic tonnage by weight³

Up to

30%

of all truck miles in the US are driven empty every year⁴

The DNA of our company is based on a combination of both logistics expertise and cutting-edge technology. Our founders Drew and Jonathan knew that moving freight brokerage from an antiquated, analog system to a more efficient data-driven, streamlined one would have a wide range of benefits for shippers, carriers, society, and the planet.

¹ EPA, "Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2019," published 2021.

² American Trucking Association, "Economics and Industry Data"

³ American Trucking Association, "Economics and Industry Data"

⁴ BMO Capital Research, "Digital Divide: Upending Freight Brokerage" published November 2020.





Our Inaugural Report

Transfix's inaugural ESG Report marks a major step forward in the company's journey towards helping people, industry, and the planet. It highlights our achievements to date and sets forth our goals for the future.

The ESG Report was created with the assistance of Guidehouse, Inc., a leading ESG advisory firm, and utilizes issues and metrics provided by The Value Reporting Foundation (formerly the Sustainable Accounting Standards Board), the Global Reporting Initiative, and key performance indicators used by ESG rating agencies, including Sustainalytics, Just Capital, and MSCI.

Transfix's objective is to provide a comprehensive and transparent description of the state of our ESG initiatives today. Missing or incomplete data in the ESG report is noted, along with efforts to obtain alternate sources of information. We will continue to develop means to better collect, define, and analyze data and inputs in future ESG Reports.



This report is our roadmap to help us continue to drive positive impact across the board.

We performed a materiality assessment to determine which ESG issues are most important to shippers, carriers (and their drivers), investors, and employees to determine where to focus our future ESG efforts. We assessed the results utilizing a variety of factors, and aligned our findings with our overarching business strategy, and our long-term goals for a more sustainable future.





Environment

Protecting the Environment: Transfix’s business model improves efficiency and reduces empty miles, which helps address climate change.

Transfix’s solutions, and the data and technology underlying them, are designed to streamline the freight industry by eliminating the inefficiencies that contribute a significant amount of carbon emissions. Transfix’s platform reduces the distances a carrier must drive from their last delivery to their next pick-up, therefore reducing empty miles and, by extension, emissions. Further, Transfix’s platform enables the overlaying of disparate shipper networks to match carriers with backhaul opportunities, which can eliminate even more empty miles. As Transfix evolves, we are constantly identifying new ways to optimize the transportation industry.



Social

Leading with Diversity, Equity, and Inclusion: Transfix firmly believes that diversity is critical to performance and has a diverse team at all levels.

Commitment to diversity is embedded in Transfix’s hiring and performance management practices, and Transfix’s culture encourages its employees to be their authentic selves. Through these practices, Transfix has built a diverse Board, leadership team, and employee base. With programs like employee resource groups (ERGs), Transfix employees are given an opportunity to align around cultural causes with like-minded colleagues. Transfix also looks beyond its own operations and participates with industry nonprofits and organizations that promote diversity in the broader trucking and technology industries, as is described later in this ESG Report.



Governance

Driving Accountability, Transparency, and Collaboration: Transfix’s governance model reflects its commitment to diversity, transparency, and collaboration.

Transfix’s senior executive team and Board of Directors are individuals with varied backgrounds, aligned on the goals of bringing efficiency and sustainability to the freight industry, while establishing best-in-class corporate governance as we transition to being a public corporation. Together they bring a complement of strengths and experience that have been key drivers in Transfix’s success and rapid growth. Transfix’s philosophy of “one share, one vote” ensures that all investors are fairly represented in shareholder decisions.



Our values are the foundation of our business. They guide decision-making so that, as we evolve, we remain true to our purpose: To build a digitally connected world where goods can move seamlessly with transparency, trust, and the least waste possible.

Win together.

Diverse backgrounds, experiences, and perspectives create the best team and results.

We are team-oriented and prioritize collective wins over individual achievements. We understand that the best results are achieved by drawing on the diverse backgrounds, experiences, and perspectives of our team. We encourage all employees to bring their authentic selves to the table to help us reach our maximum potential.

Deliver every day.

We aim to provide all stakeholders that interact with Transfix with a great experience.

We deliver on our promise to shippers, carriers, drivers, employees, and investors, providing reliable service every day and striving for excellence in all that we do.

Be a superhero.

Take what you do, but not yourself, seriously. Be humble. Be kind. Help others.

We expect everyone, no matter their role, to be the very best version of themselves. Transfix employees are bold, but outcome focused. Humility, kindness, and a willingness to help others are valued over toughness and egocentricity, creating a positive and productive work culture where employees feel valued and empowered to make Transfix the best it can be.

Eliminate waste.

We seek to drive efficiencies within Transfix, and work to drive inefficiencies out of the transportation industry.

We are committed to eliminating waste, and we understand that that process starts from within. We care deeply about being good stewards of the larger community and, by driving efficiencies within Transfix, we deliver efficiencies throughout the industry, benefitting a wide range of stakeholders.

Drive the future.

We are passionate about driving impact. We aim high and think big.

We combine competitiveness with creativity to set aggressive goals and find innovative solutions to achieve them. We apply this philosophy to effect meaningful change in everything we do, making us a leader in the industry as a business and as a member of the community.



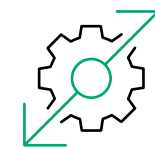
The Transfix Difference

At Transfix, we are driven to deliver the solutions that help shippers and carriers make their supply chains more efficient and environmentally responsible. We are equally committed to creating an environment – within our own walls as well as across the broader supply chain – that encourages all people to be their true, authentic selves.



Data

We use intuitive technologies and data-driven insights enabling our shipper and carrier partners to make faster, efficient, and more informed decisions to drive profitability and sustainability.



Efficiency

We are purpose-built to deliver many-to-many freight matching on a network level for shippers and carriers, providing efficiency, predictability, and helping to eliminate empty miles.



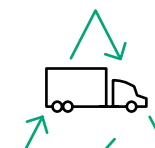
Service

Transfix delivers dedicated service with talented, tenured, and sector-based freight and transportation experts, all empowered with cutting-edge AI-enabled and ML technologies, driving automation to every step of the process.



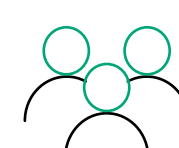
Capacity

Transfix delivers capacity at scale by building the necessary tools to help carriers manage their businesses – so they can provide the right opportunities for their drivers, extract the most value from their own assets, and deliver competitive prices and service to shippers.



Purpose

Transfix is driving social responsibility forward by helping reduce carbon emissions, improve the carrier and driver experience, and foster an industry of diversity, inclusion, and equity.



People

Transfix believes that by bringing together people with different backgrounds, experiences, ideas, and expressions we build superior solutions for our customers and the industry.



Environment

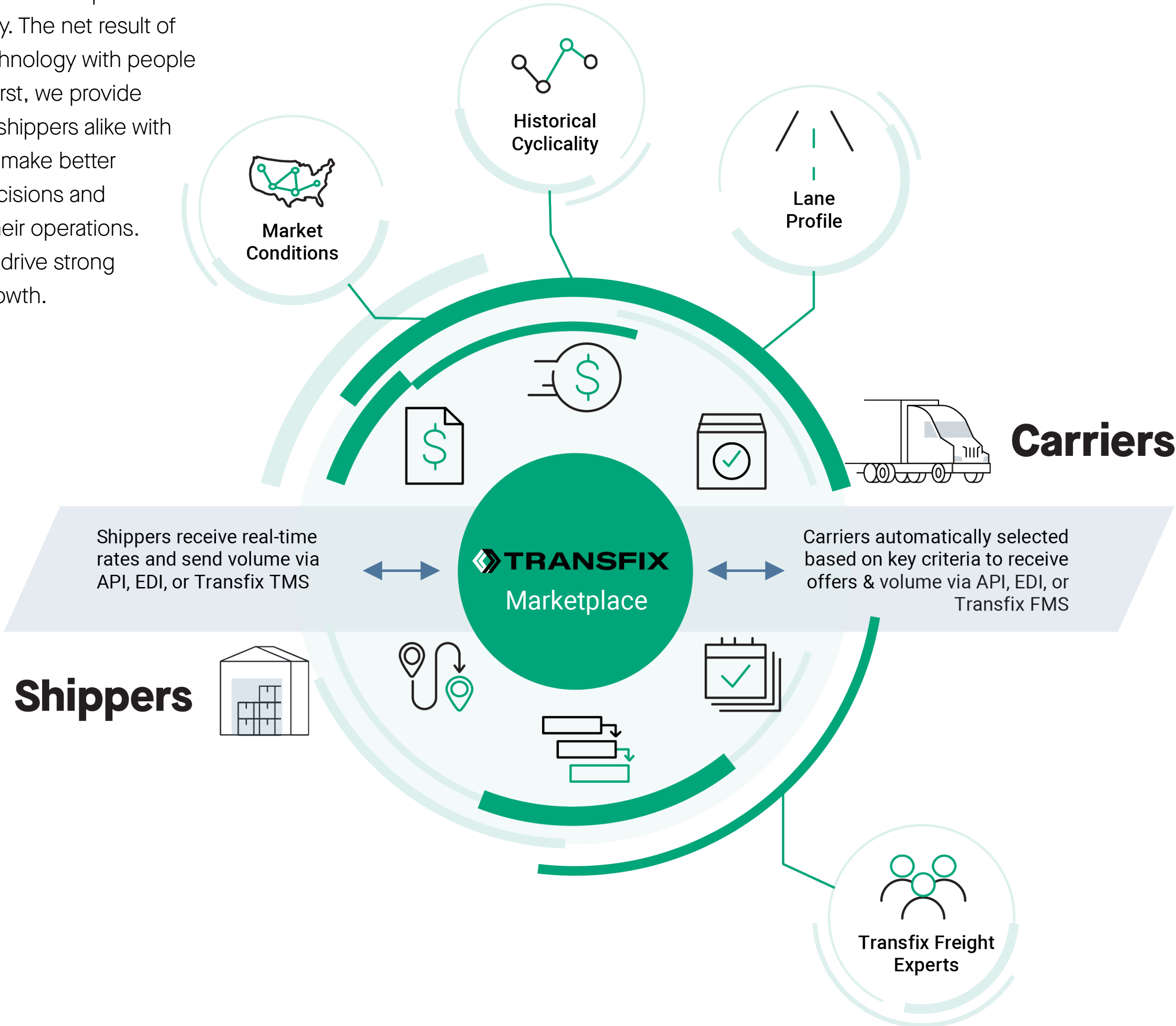


How Transfix Addresses Waste and Inefficiency

Transfix addresses waste and inefficiency by targeting complex and antiquated processes in the logistics space. Our sophisticated data and advanced analytics provide us with the tools to efficiently drive carrier-shipper matches with initiatives like managed backhaul to enable shippers to reduce excess capacity and empty miles in their networks; lane alerts to surface business opportunities on preferred carrier routes; and, in our transportation management system, shipment optimization to consolidate multiple shipments into a single, more carbon and cost-efficient load.

The Transfix methodology also requires a human touch. While data, technology, and AI allow us to drive efficiencies, **we firmly believe that human expertise remains a critical element, and the combined power of technology and human decision-making yields the best results.**

We drive substantial growth by augmenting our AI-enabled services with human expertise, so we can address process exceptions real-time and intuitively. The net result of marrying technology with people is twofold: First, we provide carriers and shippers alike with the ability to make better business decisions and streamline their operations. Second, we drive strong company growth.



Our combination of data, technology, and human expertise helps to create trusted relationships with carriers and shippers alike.



Internal Assessment of Empty Miles Saved

We estimate that when carriers work with Transfix, they save **millions of unnecessary empty miles every year.**

This year we worked with a third-party sustainability consulting firm to develop an initial emissions reductions framework to help quantify our environmental impact using a multi-faceted approach. The purpose of this exercise was to create an internal benchmark for ourselves as we prepare to conduct further work to measure saved empty miles and footprint our carbon emissions. To ensure transparency and accountability, as well as improved estimates over time, we are disclosing the methodology.

We sent a survey to thousands of our carriers, requesting data on fleet characteristics, haul characteristics, and typical empty mileage in their businesses

while contracting with Transfix. The survey allowed Transfix to estimate what percentage of carriers' miles traveled would have been empty miles had they not been working with a digital freight broker. Based on this work, we believe that a significant percentage of carriers' empty miles can be avoided through working with Transfix.

We then applied that percentage to the fraction of our business we believe is the most likely to realize a reduction of empty miles driven, based on our knowledge of the size of carriers' fleets and the mileage of their hauls with us.

We paired these results with publicly available and internal data, including an

Environmental Protection Agency (EPA) well-to-wheels¹ emissions factor to identify the average emissions across a carriers' fleet.

We recognize that surveys are susceptible to human biases and other errors, and we are committed to refining our emissions reductions estimates as new data sources become accessible across our entire carrier base.

As a result of this work, we estimate that in 2021 we helped facilitate millions of fewer empty miles, preventing thousands of tons of CO₂ emissions.



2021 Highlights

We drove momentum for our sustainability mission while making significant strides in our business.

Partnerships

WE SUPPORT



United Nations Global Compact

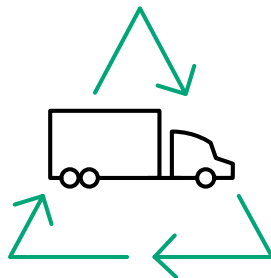
We joined the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries. These stakeholders work to implement sustainability principles and take steps to support United Nations goals.



EPA SmartWay Certified

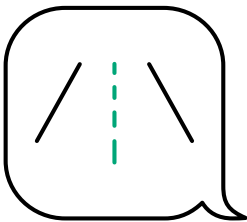
We continued as a participant in the Environmental Protection Agency’s SmartWay program. Carriers that are registered with SmartWay can track and monitor fuel use and freight emissions.

Solutions



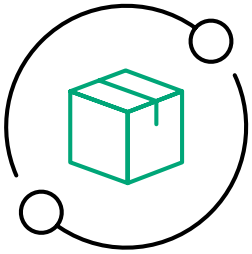
Managed Backhaul

We rolled out managed backhaul, a product where we utilize our platform to fill an empty trailer following completion of a delivery by a customer’s private or dedicated fleet. This helps improve asset utilization and creates an opportunity for other shippers to access off-market capacity.



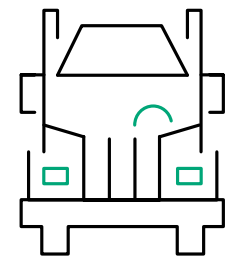
Shipment Optimization

We introduced a new way for our shippers on our transportation management system to reduce costs and help carriers save on empty miles. We leverage our data to recommend carriers that can transport a shipper’s goods based on the shipment size, location, and the delivery requirements.



Lane Alerts

We launched lane alerts, a product where carriers tell us their preferences for lanes they service, and receive notifications when loads become available on those lanes, allowing carriers to more efficiently book business on their preferred lanes where availability allows.



Autonomous Vehicle (AV) Initiatives

We held discussions with leaders in the AV space so that we can help develop technologies that improve automation of freight at lower cost and with greater safety, while simultaneously reducing carbon emissions in the supply chain.



Path Forward

Transfix understands that climate change is a global challenge that requires continued collective action year after year.

Environment

Within One Year

Calculate Scope 1 and 2 emissions, and identify material categories of Scope 3 emissions.

To set impactful reduction goals Transfix will take the first step of calculating the carbon footprint associated with direct GHG emissions from sources that are owned or controlled by the company. Transfix will also begin to collect the data required to calculate Scope 3 emissions.

Within Three Years

Calculate Scope 3 emissions.

We will work to create the right tools, technology, and data products to reduce carrier emissions as we are creating them. This exercise may result in a discrepancy with our current “emissions saved” methodology.

Procure a portion of our electricity from renewable electricity sources.

To continue to make every part of our workplace more sustainable, we will ensure that our office spaces are powered by renewable sources when possible.



Path Forward

We are setting ambitious goals to improve the sustainability of our operations going forward.

Environment

Within Five Years

Set ambitious Science Based Target Initiative (SBTi) goals aligned with GHG reduction targets.

Science-based targets are important because they provide an established pathway for companies to reduce GHG emissions. “Science-based” means our targets will be in line with the latest climate science and goals of the Paris Agreement (limiting global warming to below two degrees Celsius above pre-industrial levels and pursuing efforts to limit warming to one and a half degrees Celsius). We plan to set ambitious SBTi-based targets once we have calculated our Scope 1, 2 and 3 footprints.

Transfix will report inline with the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

By reporting inline with the TCFD framework, we can more effectively disclose climate-related risks and opportunities.

Transfix aims to disclose to the Carbon Disclosure Project.

As a company built on integrity, Transfix recognizes the importance of transparency and accountability.



Social



Capacity-Led Organization

Transfix does not want its internal work around diversity, equity, inclusion, and justice to live solely within its company walls. We want to positively impact the lives of the carriers that we work with to move freight every day.

We recognize that being a carrier is a hard job. We strive to implement changes large and small in how we do business with carriers, because that can result in an improved quality of life for thousands of people.

Transfix is committed to extending the diverse and inclusive foundation it established internally to the broader transportation community. Transfix is in the process of identifying additional partnerships and initiatives in which it can participate to foster greater industry diversity and inclusivity.

Transfix has built a capacity-led business model. Being capacity-led means the carrier experience drives our business strategy. We believe that a focus on carrier experience benefits shippers as well.

While Transfix works with carriers of all sizes, it focuses primarily on mid-size carriers. Many mid-size carriers lack access to enterprise shippers due to their limited sales, technology, and back-office capabilities. Transfix provides this access, helping these businesses scale and succeed.



In 2021 alone, Transfix drove
\$277 million
in revenue to carriers.



The Transfix team combines our own real-world experience with proprietary tools to solve the every-day challenges in transportation and help carriers be more efficient.

Part of what drives Transfix's capacity-led strategy is its commitment to helping mid-sized carriers who make up so much of the nation's motor carrier fleet. Transfix aggregates data points on every shipment, which can result in increased efficiency and allow for real-time troubleshooting, ongoing monitoring, and strategic network planning. These capabilities are complemented by experienced customer service representatives available to carriers 24/7, 365 to assist when issues arise.

In keeping with its focus on carriers, Transfix launched Transfix FMS, a freight management solution, in 2020 at no cost to carriers. The FMS helps them increase load volume, pricing transparency, and identify the most profitable routes and customers. In 2022, Transfix will roll out its free carrier resource center, which will provide content on a wide variety of topics that can help carriers in business, while cultivating a community within the Transfix carrier network.

Social

“We value our growing partnership with Transfix because they identify long term business opportunities – it’s about servicing the customer, not about the cheapest transactional rate for each load. We allocate capacity resources to Transfix because they understand our needs and honor award commitments.”

- Brown Trucking Company



Transfix gives back.

Transfix knows that its business depends on the communities in which it operates and seeks out a wide range of opportunities to give back.



Rescuing Leftover Cuisine (RLC).

Before the pandemic, Transfix worked closely with RLC to provide excess food from catering services, including Transfix's weekly Friday lunches, catered dinners, and on-site events, to local shelters and soup kitchens in the greater New York City area. Pre-Covid, Transfix provided over 3,500 meals and 4,200 pounds of food that would otherwise have gone to waste to those in need. As we begin the return-to-work process, we have revived our relationship with RLC.



Trucker Emergency Assistance Responders (TEAR).

We partnered with Trucker's Emergency Assistance Responders to give back to drivers in need during the holiday season. TEAR is a non-denominational nationwide 501(C)(3) charity that helps truck drivers that suddenly find themselves stranded on the road and unable to get home due to inclement weather, accidents, injury, or illness. Transfix employees donated cold-weather items, including gloves, scarves, hats, and blankets, to support truck drivers in distress. Continued work with TEAR includes a \$10,000 corporate sponsorship through 2022 to help stranded drivers.



Employee Matching Program.

We launched an Employee Matching program for employee donations to registered 501(C)(3) social justice organizations and charities to further our employees' donations to causes and organizations important to them. Our employees have donated thousands (which have been matched by Transfix) across dozens of organizations.



Transfix drives improvements in diversity, equity, and inclusion from the inside out to positively impact our employees, communities, and society.

Transfix's commitment to diversity, equity, inclusion, and justice expands beyond its internal operations. Transfix is a proud advocate and partner of organizations working to promote diversity in the trucking industry.



Diversity, Equity, Inclusion, and Justice

Transfix plans to continue to expand its network of partners dedicated to diversity in trucking and is in the process of setting up partnerships with **Tribe Transportation, a Native American and woman-owned carrier, and Veterans in Trucking, a jobsite targeting former armed services members**, to drive benefits to these diverse communities.



Leading Ladies of Logistix.

This is a minority-led organization for female logistics and transportation professionals in North America. Co-founder Tawana Randall has been instrumental in providing user feedback in our product development process. Through its partnership with Leading Ladies, Transfix sponsored “Business in a Box,” an initiative designed to help women entrepreneurs enter the trucking industry. Transfix will continue this partnership through 2022 with a commitment of \$20,000 to sponsor boxes that contain a new laptop and vouchers for dispatcher training, tax consultation services, and entrepreneurial advisory.



Real Women in Trucking.

This organization empowers women in the trucking industry by providing educational resources, networking opportunities, peer-to-peer mentorship, and advocating in Congress for issues impacting women in trucking. Transfix worked with founder Desiree Wood to expand its partner network and ensure issues important to drivers are surfaced to our internal teams.



SHE Trucking.

SHE Trucking provides mentorship, community, and education to Black and BIPOC women in the trucking industry. Transfix has sponsored SHE Trucking for three years by providing funds for their annual conference and to help women entering the trucking business obtain training and commercial driver’s licenses. Separately, Transfix has worked with SHE Trucking founder Sharae Moore to obtain feedback from her network of 10,000+ drivers to better understand how to create inclusive product messaging for the BIPOC community and what needs diverse, female trucking industry professionals have.



National Minority Women Association in Transportation.

This organization was established in 2021 with the objective of providing support, advocacy, and awareness to key issues affecting minority women in transportation. Transfix is currently in the discovery phase to learn how it can best partner with the organization and is particularly focused on providing opportunities for minority women drivers to gain access to more business opportunities by leveraging Transfix’s technology.



Truckers Against Trafficking

Transfix understands the role the transportation industry plays in human trafficking and will leverage its role in the industry to be part of the solution. In 2022 Transfix will be partnering with Truckers Against Trafficking, through which Transfix will be able to offer free training and certification to our carrier network on how to identify and report trafficking while on the road.



Transfix is working to improve the lives of those who move freight.

To understand how it can best help the trucking community, Transfix conducted a twenty five question survey with a national audience of 310 carriers. The results were sobering. Of those surveyed:

74%

believe that mental and physical wellness are severely under-addressed in trucking.

78%

feel that the healthy food options on the road are insufficient.

88%

do not exercise on the road due to lack of time, equipment, or both.

As a result, a key initiative for Transfix is to continue our investment in the trucking community's health and wellness. To that end, Transfix will partner with the Trucking Fitness Company (TFC) starting March 1, 2022 to provide access to discounted memberships designed to help kickstart drivers' health and wellness journey. The TFC app will provide drivers access to daily personalized workouts that take into account their individual fitness level. The workouts can be done inside the truck, outside of the truck, or even at home. In addition, TFC provides a habit-based nutrition coach that partners with the drivers to help them lose weight and gain energy, by identifying healthier food options on the road for any food outlet, which is just one more way they're striving to improve drivers' overall health. In the future, we plan on expanding our efforts outside of the fitness realm.



Transfix worked with veteran trucker and founder of **Fit's Possible Trucking** Candace Rivers on a **"Let's Lose Weight and Move Freight"** promotion for a Fit's Possible Trucking and Transfix give-away. Transfix committed \$5,000 to the give-away, which provided five winners with a health and wellness package with everything they needed to "get on the road to the best version of you." The package included a 365-day fitness calendar with guidance and motivation for drivers seeking accountability in working out daily and the Candace Rivers mobile phone app, which provides access to videos and live training sessions to help drivers get fit on the road.



Maintaining a Diverse Workforce

Transfix's approach to employee engagement is aimed at creating a positive work culture where people can be the best versions of themselves both personally and professionally.

“Transfix culture empowers me to take the initiative to take on additional responsibilities that will help prepare me professionally. That, in turn, can be applied to my personal life. In addition, being the Chairperson for an ERG group allows me to use my creative side to create a safe space for people who look like me in the industry.”

Christie - Carrier Success Lead, Atlanta

Talent Acquisition.

To improve diversity within Transfix over time, and to reflect the diversity present in the communities in which we live and operate, the company actively seeks out new ways to bring diverse candidates into its recruiting process, and to ensure inclusive hiring practices. In 2022 Transfix will be rolling out an educational program to make its recruiting, interviewing, and hiring processes more inclusive and robust. This educational series will help hiring managers and those participating on interview panels understand best practices, minimize bias, improve the candidate experience, and increase the number of diverse hires.

People Practices.

Transfix is intentional in its efforts to identify ways to be more inclusive. Ahead of its semi-annual performance assessment process, Transfix delivers education to people managers to help raise awareness and mitigate implicit bias. Through this training, people managers learn about common types of biases that may affect the performance ratings of diverse employees and provide guidance and best practices for how to guard against them. In 2022, Transfix plans to engage a consulting firm to help us identify programs, policies, and actions we can take to make the workplace more inclusive.

Psychologically Safe Environment.

Transfix prides itself on freedom of expression and is dedicated to ensuring that every employee feels empowered to bring their authentic self to the workplace. In 2021, Transfix established three new ERGs to show support for our Latinx, Asian and Asian Pacific Islander, and LGBTQIA+ employees, and provide safe spaces for them to celebrate and learn. In 2022, we will be rolling out a manager leadership training program intended to deepen our culture of inclusion and ensure all employees feel psychologically safe in the workplace.



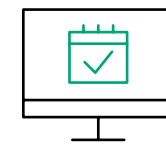
Inclusive Recruiting

Transfix is exploring opportunities, both internally and externally, to reach communities with diverse pools of talent.

A diverse workforce brings new ideas to the table and fosters innovation – for Transfix, this is foundational. Transfix puts processes in place to ensure DEI is embedded throughout our recruiting and hiring process. Transfix is continually looking to identify areas of improvement in diversity hiring. Transfix also employs inclusive interviewing techniques and regularly adopts innovative approaches to help prevent biases from influencing hiring decisions.

In 2021, Transfix worked with Jopwell, a diversity recruitment platform focused on career advancement for Black, Latinx, and Native American students and professionals, to obtain continued access for minority candidates. Transfix is now in the planning stages of developing an internship program that will source from college campuses to increase diversity in our workforce from the ground up.

Transfix will also implement Greenhouse, a leading Applicant Tracking System (ATS) that promotes DEI, to manage hiring in 2022. Greenhouse is one of the highest rated ATS for DEI. The platform will enable us to take small steps like asking candidates pronouns when they apply, to more complex initiatives such as DEI surveying, out-of-the-box training, and more robust DEI data and reporting to ensure that we are meeting our engagement and hiring goals. Transfix will continue to build DEI into our recruiting and hiring practices through a multi-pronged approach, including:

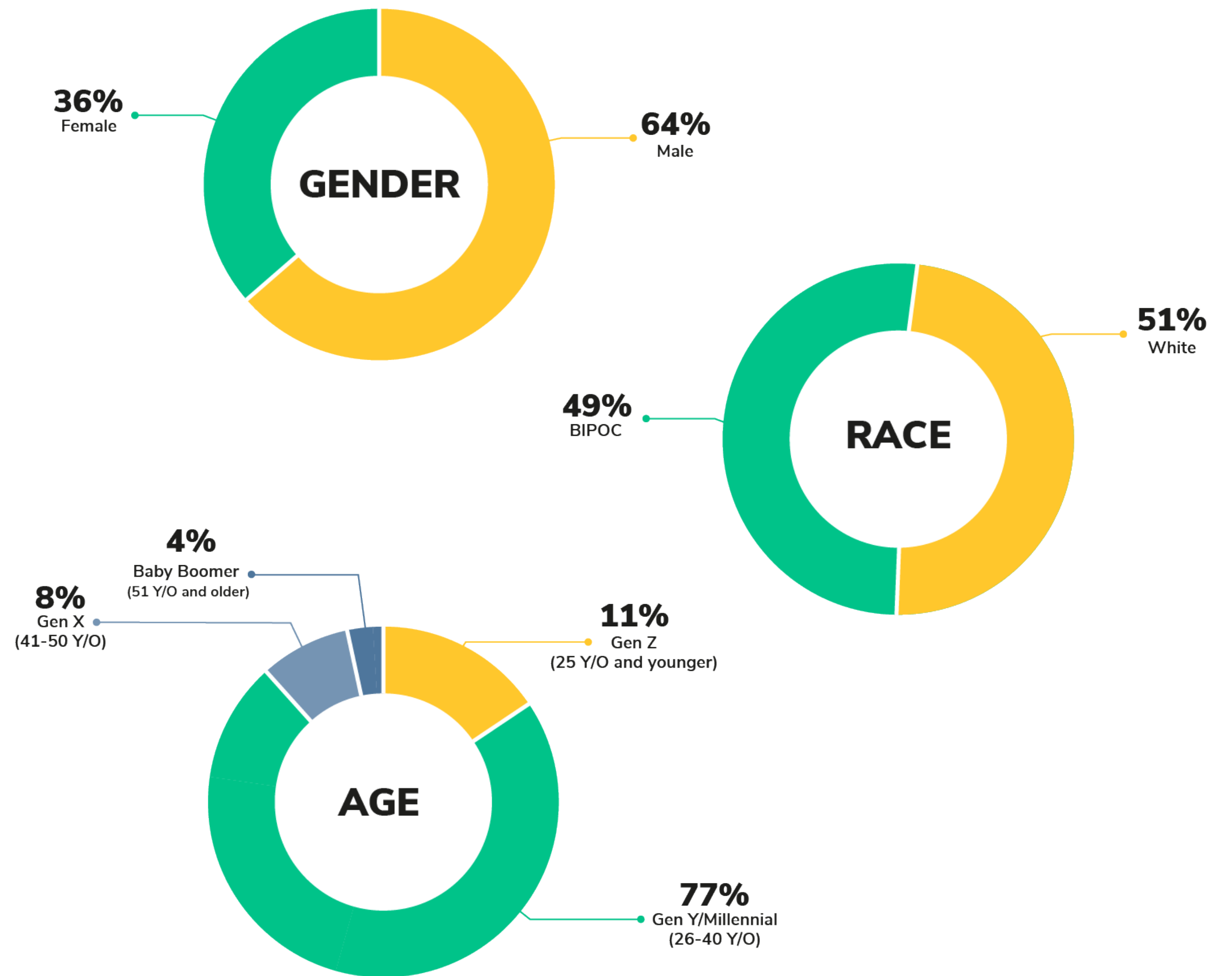


On a voluntary basis, survey candidates that have made it past the screening phase so that we can leverage data and insights around candidate demographics, candidate feedback, hiring manager behaviors, unconscious biases, and hiring decisions to continually improve. This data is protected and would not be shared with anyone involved in the hiring decisions.



Deliver ongoing education and training for hiring managers, interviewers, and employees at all levels to ensure inclusive and equitable interviewing, recruiting, and hiring practices.

The Team at a Glance¹



¹ Internal data for 296 full time employees as of 12/31/21. One person declined to take the survey.



Fostering an Inclusive Culture

For Transfix, diversity, equity, inclusion, and justice are not just about the numbers – it is about making sure every employee has the space to express themselves authentically.

ERGs and Events.

Transfix encourages employees to share their experiences and celebrate their diversity through a wide variety of affinity groups and events.

AAPI @

ForTheCulture @

PRIDE @

SOMOS @

WOMEN @

Policies and Programs.

Transfix does not tolerate discrimination or harassment in its working environment. Transfix has anti-discrimination policies and procedures in place, and all employees are required to complete annual anti-harassment and unconscious bias training.

Transfix conducted a DEIJ-specific employee engagement survey in 2020 to evaluate our progress and understand where we can do better. Transfix carried forward many of the questions into its 2021 employee survey and will continue to do so into 2022 and beyond to monitor progress and maximize impact.

Transfix strives to maintain a culture where every employee can feel comfortable bringing the version of themselves they want into the workplace. That is why in 2022 Transfix will also implement a program across senior leadership to further embed DEIJ into Transfix's culture and operations.

Social



Great Places to Work Certification.

We were re-certified by the Great Place to Work Institute as a "Great Place to Work," proving that we are a leader in workplace culture, employee experience, and leadership development with a high-performance culture that drives better business outcomes.



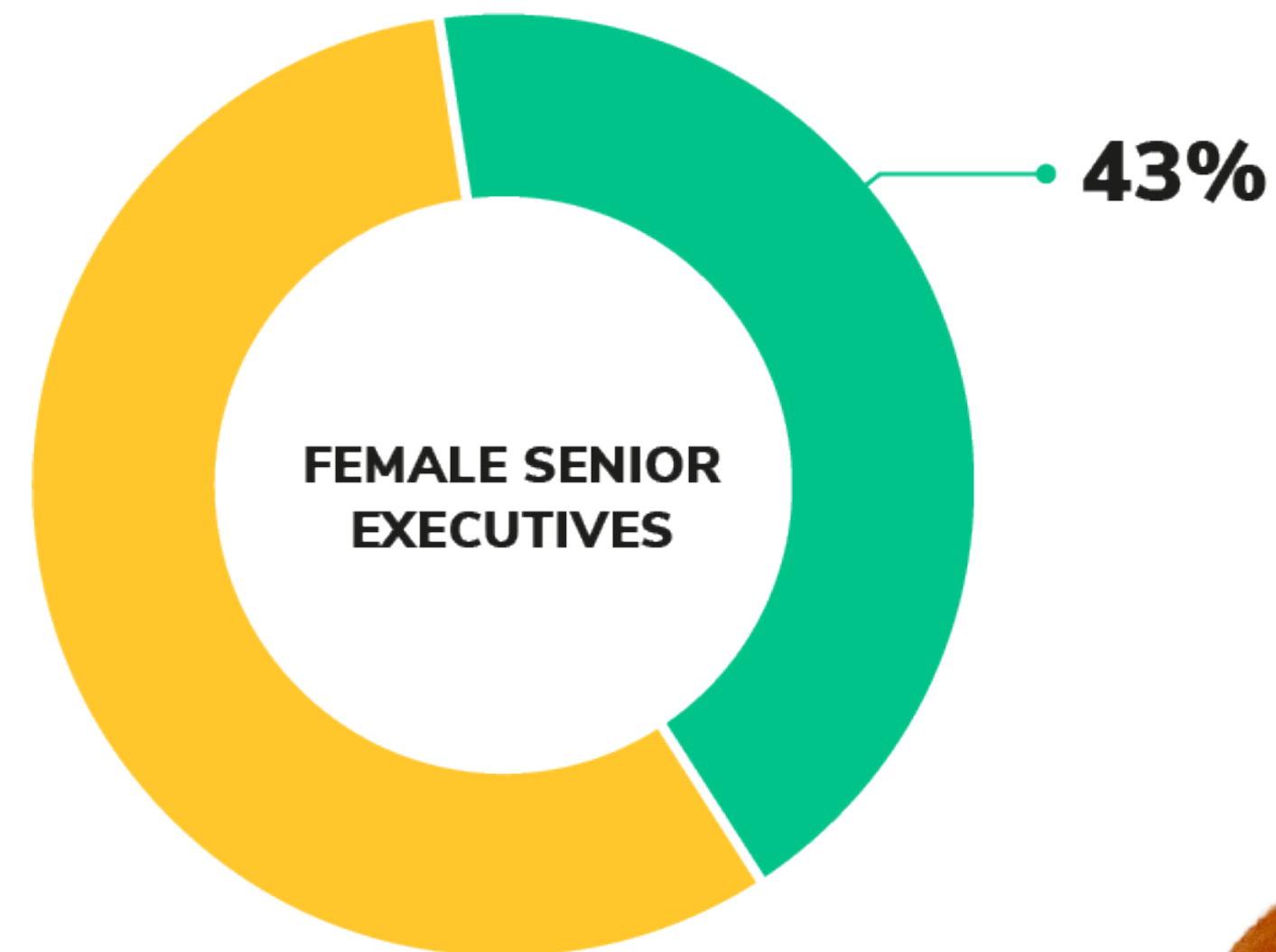
Championing Female Talent

Transfix is committed to providing equal pay for equal work.

Gender pay equity is foundational to Transfix. We have standard salary bands to help prevent unintended inequities from arising through the hiring and recruiting process. Additionally, we conduct regular compensation audits looking at salaries and compensation practices across similar jobs to identify and address disparities.

Transfix is committed to continuing to promote gender pay equity by:

- Continuing to conduct regular pay audits and addressing underlying disparities.
- Implementing formalized gender pay audits.
- Continuing to refine Transfix's unconscious bias training to address bias in hiring.
- Analyzing job descriptions for language that may deter female applicants.



Culture of Continuous Feedback

Transfix's performance management process is designed to empower our employees to succeed.

Transfix's employees drive its success and Transfix is committed to making sure each person understands their value and is empowered to reach their full potential.

Transfix encourages a culture of open communication in which employees receive constructive feedback in real time and can address issues proactively to improve performance.

Transfix attracts and retains top talent by cultivating a growth and learning-focused work environment where people are given the tools to succeed.

Transfix continually seeks to enhance our performance management strategy to assure that the process is meaningful, productive, and inclusive. Investment in people is an investment in our key asset – our world-class pool of talented and passionate professionals.



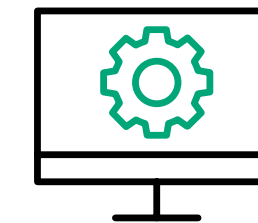
Personalized Development Plans.

Employees receive regular performance assessments to track and communicate growth. Managers hold weekly one-on-one meetings with direct reports to discuss performance and career development, and to contribute to employee well-being.



Management Training.

Transfix's performance management system is built on recognizing and working with people's unique strengths. Managers are trained to think critically about their own management style to determine whether a different approach might yield better results. Managers receive training on the performance management process, which embodies Transfix's philosophy of continuous feedback and supporting personal growth.



Unconscious Bias Training.

Unconscious bias can lead to unequal outcomes for diverse employees, which not only hurts those employees, but damages the firm's potential for long-term success. Diverse and inclusive workplaces foster innovation, creativity, and the kinds of positive behaviors resulting in higher productivity and returns on investment. Transfix incorporates education and awareness around unconscious bias into our performance management processes to drive an inclusive and diverse culture.



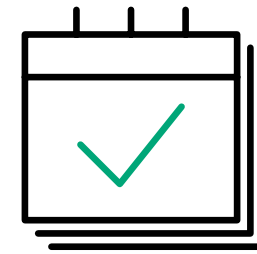
Compensation Auditing.

Transfix reviews all employee compensation through bi-annual compensation audits to ensure salaries are equitable, competitive, and reflective of employees' value to Transfix. Compensation adjustments consider the individual's performance, tenure, criticality to the company, external market data, and compensation for other similarly situated Transfix employees to ensure fairness.



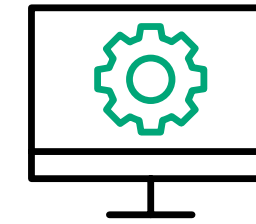
Benefits Beyond Compensation

Transfix strives to create an environment where employees have the support they need to flourish personally and professionally.



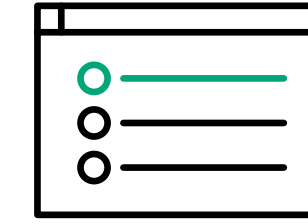
Non-Salary Benefits.

Transfix provides paid holidays along with three floating holidays and “meeting light” days on culturally or religiously significant holidays to foster inclusion. Transfix celebrates the addition of new family members of the Transfix team and offers 12 weeks of fully paid, gender neutral parental leave, in addition to an annual childcare credit. Transfix offers insurance coverage that provides access to a 24/7 nurse hotline, lactation consultation, and a future moms’ group. Transfix continues to explore ways to enhance our employees’ experience through the provision of additional



On-the-Job Training.

New members of our carrier operations team undergo a robust three-month training program that arms them for success by providing them with an in-depth understanding of the industry, their role, the tools at their disposal, and the organization itself. New joiners shadow someone on their team and perform hands-on exercises so they can perform their day-to-day responsibilities with a high degree of confidence from day one. Throughout their career, employees have access to training so that they can



Employee Engagement Surveys.

Transfix values the input of our employees and knows that one of the keys to an engaged workforce is ensuring employees have a voice. Transfix conducts annual employee engagement surveys to help gauge how employees view their managers, their work environment, company culture, the performance management process, and their opportunities for career growth. These surveys are tailored to reflect organizational changes, enabling Transfix to monitor how current events or internal transitions are impacting employees, and how employees perceive Transfix’s efforts to adapt to the changing environment. This open communication process improves employee engagement and satisfaction, helping Transfix retain top talent.



Response to Covid-19

Transfix is committed to helping its employees and the communities it serves deal with the effects of the Covid-19 pandemic.

The health of our employees and the communities where they live and work is of primary concern to Transfix. For this reason, Transfix will not require any employees to come into the office until it is safe to do so. Many Transfix employees have been working from home since March of 2020. Since that time, Transfix has provided training to managers to understand how to better lead remote teams, and has provided employees with the necessary IT equipment and collaboration tools so they can continue to be productive and effective at home.

Transfix has provided the option for employees to work from the office beginning in September of 2021, subject to the health and safety requirements as defined in our Covid-19 policy.

While we are still in the process of developing our return to office procedures, we will allow each department the flexibility to determine the return-to-work strategy best suited to its culture and responsibilities.

When the pandemic hit, we acted. Transfix, in association with the Truckers Emergency Assistance Responders and Stuckey's, a roadside convenience store with operations across the country, distributed over 1,000 masks, pocket sanitizers, along with dry goods and pantry essentials to truckers.



Path Forward

We recognize that more work is required to ensure our DEIJ agenda is as holistic as possible and embedded in all the work we do with both internal and external stakeholders.

Social

Within One Year

Update company-wide holiday calendar.

Starting in 2023, we will recognize Martin Luther King Day as an official company holiday. Martin Luther King Day is a national holiday that is widely recognized across many organizations and companies, and we look forward to our employees celebrating a day that stands for social justice.

Implement a platform that facilitates a better way to direct personal financial donations and volunteer time to a range of organizations.

In addition to our robust portfolio of DEIJ initiatives, we will establish a program to ensure our employees' financial donations and volunteer time are maximized.

Conduct a formal gender pay equality audit by a third party.

We will conduct a formal audit to ensure we can identify any gaps in our organization, and ways to address them. This will allow us to even more proactively narrow any potential gender pay gap, as well as ensure transparency in the process.

Enhance job-specific training, data awareness training, and data security training.

We know that job-specific training increases job satisfaction, employee motivation, and decreases employee turnover. It also helps level up our employees' skill set, creating a stronger talent pool now and in the future. We plan to extend job-specific training beyond our operations teams so that every function can reap the benefits.

Increase employee engagement surveys from an annual to a bi-annual cadence.

Increasing our employee engagement survey cadence will allow us to identify and resolve gaps in our employee strategy more quickly. It will provide us additional insight into how to continually improve the employee experience.



Path Forward

We will continue to build towards a more inclusive and equitable community by executing on our goals and aspirations over the next five years.

Social

Within Three Years

Introduce a special benefit program for heads of ERG groups.

ERG leaders hold influential positions in the company. They contribute to employee retention, cultural education, and company culture. Transfix will provide additional benefits for heads of ERGs during their term to reflect the investment of time beyond their day-to-day responsibilities and the positive impact they have on our organization. These benefits could be in the form of additional cash or equity compensation, budget for external participation in ERG conferences, access to management coaching, or formal mentorship.

Introduce human rights training.

The trucking industry plays a major role in avoiding human trafficking. It is important for our employees to be able to understand how the two overlap.

Within Five Years

Explore local community impact assessments and development programs.

We believe we can positively impact local communities across the country, so we will identify ways to drive social change for communities that interact with Transfix and its services regularly.



Governance



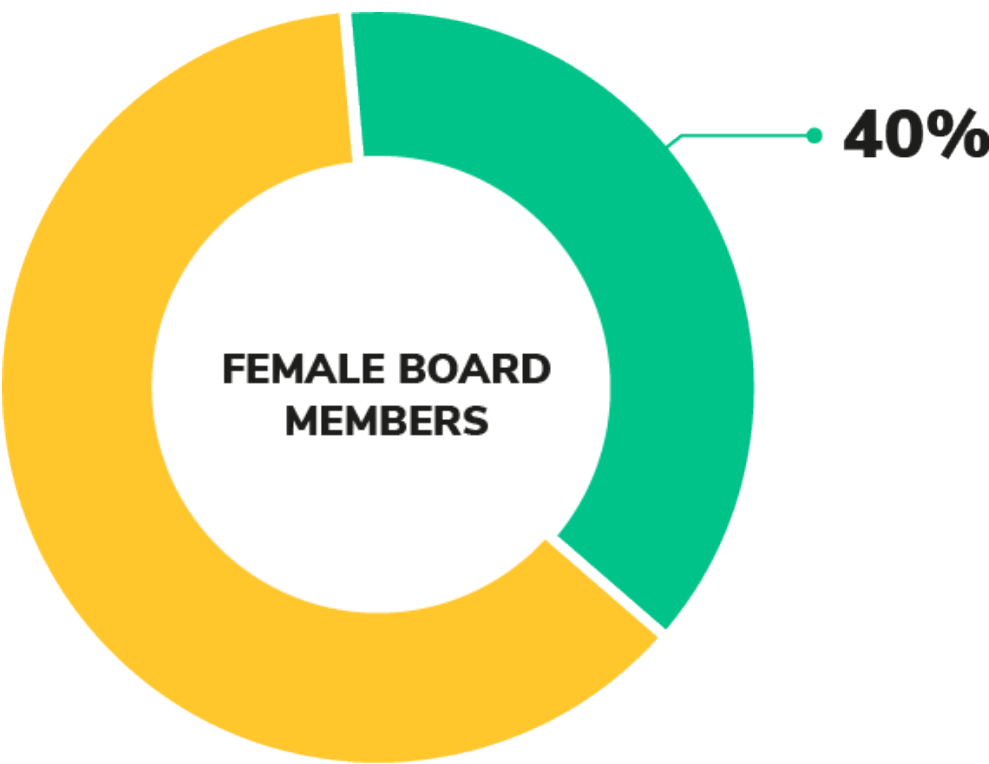
Our Approach to Governance

One Share, One Vote

Transfix’s “one-share, one-vote” philosophy ensures the company takes all investors’ considerations into account when it comes to shareholder voting. It is common for founders leading fast-growing start-ups to implement high-vote shares. These “controlled companies” can leave other investors with little ability to influence governance.

Board Diversity

A diverse board is critical to our success. As a result, we are committed to recruiting highly qualified women and other diverse candidates to be directors of the company. We have delivered on that commitment with our current board.



Board Administration as a Public Company

Transfix will administer our risk management oversight function directly through the new Board, as well as through three standing Board committees that address risks inherent in their respective areas of oversight, including:

Audit Committee.

The audit committee will be responsible for supporting the Board’s oversight of risks associated with financial reporting, accounting, and auditing matters including: the integrity of Transfix’s financial statements, compliance with legal and regulatory requirements; the qualifications, independence and performance of our independent registered public accounting firm; the design and implementation of Transfix’s internal audit function; and risk assessment and risk management.

Compensation Committee.

The compensation committee will assist the Board in discharging its responsibilities with respect to compensating its executive officers and the administration, and will review incentive plans for employees and other service providers, including Transfix’s equity incentive plans.

Nominating and Corporate Governance Committee.

The nominating and corporate governance committee will assist the Board with oversight and identification of qualified individuals to become members of Transfix’s Board, consistent with established criteria. It will also recommend director nominees, corporate governance guidelines, and oversee the evaluation of the Board and its committees.



The management of data security, systematic data risk, and data privacy is paramount in the transportation industry.

Data risk management is critical given the integral role Transfix serves in supply chains and movement of goods. The Vice President of Engineering is responsible for managing risk across Transfix's production systems, customer applications, and corporate IT systems, evaluating each potential risk for both impact and likelihood. Transfix has identified the highest risk hazards and built a mitigation plan for each one so that it is prepared for a range of potential events that could negatively impact Transfix's business or customers.

As an additional layer of protection, Transfix has, for the past three years, employed third-party security teams

that perform annual penetration tests against our production systems. Transfix's engineering managers assess all identified vulnerabilities internally and remediate those of high or critical severity according to Transfix's severity-aligned service level agreements. In 2021, network penetration tests did not identify any material vulnerabilities. In addition, Transfix employs automated vulnerability management services, including a market-leading automated vulnerability management service, which identifies vulnerabilities for our container operating systems and Github's "Dependabot," which flags vulnerabilities for source code dependencies.

Provision of Seamless Service to Transfix's Customers

Transfix is constantly striving to minimize any disruptions to our service and, when they do occur, to ensure they are resolved as quickly as possible. Transfix has in place both manual and automated processes for flagging issues relating to production systems, technical operations, and/or software bugs to ensure comprehensive coverage and rapid response times.

2021 Service Availability Incidents¹ = 46

Fourteen issues were the result of Transfix's internal systems, and thirty-two stemmed from vendor service disruptions. As a result of software design choices that decouple functionality and mitigate single points of failure, the impacts of all but one of these incidents were isolated to limited areas of our products and feature set. Only one incident resulted in a full outage of our internal and external software platforms for nine minutes.

Degraded Performance Incidents² = 5

All five incidents were resolved within two hours. Three of these impacted customer-facing products. Transfix did not measure customer downtime in 2021; however, in Q4 of 2021, we implemented an uptime monitoring service for customer applications to enable us to better assess the customer experience. In January 2022, our uptime was 99.99%.

¹ Event during which one or more aspects of the software platform were unusable or failed to operate.

² Event during which one or more aspects of the software platform operated with performance characteristics that fall outside of normal thresholds, resulting in lower quality service.



Cybersecurity and Data Privacy

As a software and IT services company that facilitates transportation of a wide variety of goods, we play a critical role in many major supply chains. As a result, data security and system reliability are top priorities for Transfix. Cyberattacks, computer malware, viruses, spamming, and phishing attacks could harm Transfix's reputation, business, and operating results. **Transfix has had no known or identified data breaches to date.**

To mitigate these risks, Transfix's production systems are all hosted on a market-leading cloud computing service and architected for resiliency. Kubernetes containers are used for horizontal scalability of our application servers. Databases are configured for multi-availability zone redundancy and automatic failover and are backed up on a nightly basis to multiple geographic regions. Our application uses end-to-end encryption both for data shared between Transfix and our customers, as well as data shared between services within our cloud infrastructure. Transfix's production network uses a virtual private cloud, an isolated virtual network that can only be accessed through special permissions. Transfix's data storage systems are provided by our cloud

computing vendor and are designed for high durability and redundancy.

To ensure data security and confidentiality, Transfix has implemented SOC2 protocols and completed a Type I audit. A Type II audit will be completed in mid-2022. In accordance with best-in-class standards, only members of our software engineering team can access production databases. All code changes to Transfix's platforms are managed in a central, auditable repository, and Transfix employs code review on all changes to production. Changes to production data are executed through command-line scripts using Transfix's data objects, rather than direct SQL, which is then reviewed by peers on the engineering team and logged to a central data change service for

auditability. Infrastructure changes are managed by Transfix's Core Platform team, in coordination with Transfix's Chief Technology Officer and Vice President of Engineering.

As part of our SOC2 controls, Transfix established an annual training program and requires all new hires to read and acknowledge our Technology Acceptable Use Policy, which provides an overview of Transfix's security protocols, and details Transfix's expectations with respect to data security, including confidentiality, password management, usage monitoring, and other relevant topics.



Path Forward

We will focus on creating greater transparency and accountability for ESG matters to ensure oversight of our ESG strategy is considered by the highest levels of management in the organization.

Within One Year

Establish an ESG Committee.

The Committee will be composed of senior executives and operational management leaders. The Committee will be responsible for providing guidance, oversight, and recommendations for our ESG strategy and ways to expand the program. The Committee and our executive team will receive regular training on ESG-related topics to develop their understanding of ESG issues and how they can impact our business strategy. In conjunction with the Committee, we will designate an ESG lead in the organization.

Establish formal annual review and approval process by Board of Directors on ESG.

The established ESG Committee will report to the broader executive team and Board of Directors on a regular basis. The annual ESG Report will be formally reviewed and approved by the Board and/or one of the Board Committees.

Establish a new Code of Business Conduct.

Transfix holds ourselves to the highest standards of business ethics, conducting ourselves with integrity and a cooperative mindset in all aspects of our operations. Transfix maintains a culture of compliance and integrity, which drives our ability to provide services aligned with the highest professional and ethical industry standards. We plan to adopt a new Code of Business Conduct to strengthen our values in this area and begin employee-wide training in business ethics.

Finalize SOC2 Type II Audit.

Transfix intends to finalize a SOC2 Type II Audit to provide a tested level of assurance regarding security practices and risk levels in the organization.

Within Three Years

Join additional ESG initiatives and develop new partnerships.

We know there are numerous organizations and nonprofits endeavoring every day to advance sustainability in the transportation industry. We aim to identify and join additional industry groups and other effective platforms to further participate in the dialogue around ESG issues to contribute to work that positively impacts the community.



As we continue to grow, so will our impact.



We have already executed on many sustainability aspirations over the last eight years, and we will continue to invest in and develop our business so that our customers, employees, and broader transportation community receive sustainable value from us as we grow and evolve.

While always core to the company, Transfix's commitment to achieving its ESG goals has become more focused with the world's heightened awareness of the climate crisis and widespread

social equality issues highlighted in recent years. Transfix will continue to leverage its data, technology, and human expertise to find and encourage increased efficiencies in the transportation industry and to enable more rigorous measurement and reporting of the benefits realized. We will also find innovative ways to broaden our impact to continue to drive change in the economy, the environment, and the community.

To learn more and read
updates, please visit
transfix.io/sustainability



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