

KNIGHT-SWIFT SUSTAINABILITY REPORT

2020

Issued On: April 30, 2021

KNIGHT-SWIFT TRANSPORTATION

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ABOUT THIS REPORT

This report may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, and such statements are subject to the safe harbor created by those sections and the Private Securities Litigation Reform Act of 1995, as amended. Such statements may be identified by words such as "anticipates," "believes," "estimates," "plans," "projects," "expects," "hopes," "intends," "strategy," "focus," "outlook," "will," "could," "should," "may," "continue," or similar expressions, and speak only as of the date the statement was made. Such statements are made based on the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties.

Actual results or events may differ materially from those anticipated by the forward-looking statements. Please refer to the various disclosures by the Company in its press releases, stockholder reports, and filings with the Securities and Exchange Commission, including without limitation, the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, for information concerning risks, uncertainties, and other factors that may affect future results.



KNIGHT-SWIFT



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This report follows the guidance for standards and metrics set forth by the Sustainability Accounting Standards Board (SASB). We have included the sustainability disclosures related to the industry sector "Road Transportation," which we believe are most closely aligned with our business.

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ABOUT KNIGHT-SWIFT

Knight-Swift Transportation Holdings Inc. is a provider of multiple truckload transportation and logistics services using a nationwide network of business units and terminals in the United States and Mexico to serve customers throughout North America. In addition to operating full truckload fleets, Knight-Swift also contracts with third-party equipment providers to provide a broad range of truckload services to its customers while creating quality driving jobs for our driving associates and successful business opportunities for independent contractors.



Knight-Swift Transportation Holdings Inc. (Knight-Swift) is the result of the merger between Knight Transportation, Inc. (NYSE:KNX) ("Knight") and Swift Transportation Company (NYSE:SWFT) ("Swift"). We are the industry's largest full truckload company; operating with an extensive fleet of roughly 19,000 tractors, 58,000 trailers, and employing 21,818 people. Here at Knight-Swift, we serve a wide range of customers in a broad array of industries. Headquartered in Phoenix, Arizona, we provide the full complement of truckload and logistics services throughout the US, Mexico and Canada.



Sustainability has always been at the core of our culture. While we have made significant strides in improving our environmental footprint over the years, we believe that setting an ambitious public goal to reduce carbon emissions generated by our fleet by 50% over the next 15 years quantifies our commitment. Our passionate and dedicated team members have the knowledge to rally around and execute on this achievable goal that will benefit our families, our communities, and future generations.

– Dave Jackson, CEO Knight-Swift Transportation

GREENHOUSE GAS, EMISSIONS & AIR QUALITY

Short-Term Goal (Intensity Based)

Reduce CO2 emissions per mile by 5%⁽²⁾ by 2025
 Performance from 2019 baseline year: 3.6% reduction

Long-Term Goal (Intensity Based)

Reduce CO2 emissions per mile by 50%⁽²⁾ by 2035
 We are tracking on pace to meet our long-term goal by 2035

Topic ¹	Greenhouse Gas Emissions					Air Quality		
Code	TR-RO-110a.1 Scope 1, Fleet Emissions	TR-RO-110a.2 Strategies	TR-RO-110a.3 Fuel Consumption, Mix			TR-RO-120a.1 Air Emissions		
Activity Metric	CO ₂ -e	Short-Term and Long- Term Strategies	Total Fuel Consumed	Percentage Natural Gas	Percentage Renewable Fuel	NOx	SOx	Particulate Matter PM ₁₀
Result	2,232,194 t	See Discussion	31,730,450 GJ	<1%	5%	2,923.7 t	9.6 t	30.3 t
Comment	Reported in Metric Tons (t)	See Discussion	Reported in Gigajoules					

Short-Term Strategy Discussion

We will continue our strategy of investing capital in new equipment to take advantage of improvements in tractor cab aerodynamic drag, engine efficiency and developing fuel saving technologies. In addition, we are committed to completing our initiative to install Start-Stop idle reduction technology in all our tractors to reduce emissions. To date, we have deployed this technology in 61% of our tractors and have plans to complete this by Q4 2023. Along with our rigorous management and training efforts centered around fuel efficiency, we are also actively working to implement next generation trailer aerodynamic solutions, optimize diesel emissions with new cleaner burning solutions and implement various other strategies as technology is further developed.

Long-Term Strategy Discussion

We will make meaningful progress using technologies and strategies that are currently available in the marketplace. However, to meet the long-term goal of a 50% reduction, we will be reliant upon new technologies that are currently under various phases of development. We are anticipating that zero-emissions vehicles (including battery electric and hydrogen fuel cell vehicles) will move from prototype phase to cost-effective market solutions. We are currently testing and closely monitoring these technologies and anticipate that the solutions will be a meaningful contributor towards the targeted reductions.²

¹ TR-RO-110a.2 Discussion of Long-Term and Short-Term Strategies to Manage Scope 1 Emissions

² (2) Both Short-Term and Long-Term Goals are based upon the 2019 emissions of CO₂-e of 1,378 g/mile



GREENHOUSE GAS, EMISSIONS & AIR QUALITY

Limiting Factors

Limiting factors associated with our Long-Term Goal would include: the pace of development around Zero-Emissions Vehicles, the availability of fueling/charging infrastructure, the availability of financial incentives through the development phase, the range capabilities of Zero-Emissions Vehicles, and the development of appropriate aftermarket support systems, among others.

Sustainability Initiatives



Knight-Swift Zero Emissions Battery Electric Vehicle

SUSTAINABILITY INITIATIVE & ZERO-EMISSIONS VEHICLE

Knight-Swift anticipates meeting our goals through various initiatives, including:

- Implementing next generation tractor and trailer aerodynamic solutions;
- Continuing deployment of advanced idle reduction technologies;
- Utilizing next generation clean diesel engines;
- Operating Zero-Emissions vehicles, including battery electric and hydrogen fuel cell technology;
- Executing various other strategies as technology is developed and introduced to the market.



Knight-Swift is a charter member of the Environmental Protection Agency's (EPA) SmartWay program. Created to help companies advance supply chain sustainability and improve freight transportation efficiency, the SmartWay program assists corporate leaders and government policymakers in achieving their environmental goals.

Participating carrier partner performance is ranked against the performance of other companies in their sector relative to supply chain footprint, innovation and efficiency. **Knight-Swift is proud to be an 14-time consecutive SmartWay Award winner.**

DRIVER WORKING CONDITIONS

Knight-Swift's culture and our commitment to Safety, the well-being of our employees, and the operational success that defines our business are not accidental. We have carefully created a culture where operational excellence and safety go hand in hand; where our expectations are defined by producing consistent safe outcomes and where our employees can be productive, safe, and secure. Our safety culture has been carefully cultivated through our hiring and screening practices that ensure only competent, conscientious, and capable individuals are put in safety sensitive functions; where people are trained and prepared to be safe and successful; through an operational approach that simplifies and focuses expectations and which leverages information and technology in ways that support and empower our employees and foster ownership and accountability for safety performance and results.

In our business we clearly define roles and expectations; we train and educate our employees; we create accountability for performance; we recognize achievement; and we constantly scrutinize our results and search for ways to improve. We learn from others and we are always searching for and investing in technologies that help us strengthen this culture and improve our results. Over the past decade the company has invested significantly in technologies that improve safety and working conditions for our truck drivers including:

- | | | | |
|-----------|--|-----------|---|
| 01 | Electronic Logging Devices (ELDs) | 02 | Electronic Stability Control |
| 03 | Automatic Transmissions | 04 | In-Cab Power Invertors |
| 05 | In-Cab Telematics | 06 | Collision Mitigation/Adaptive Cruise Control |
| 07 | Push button 5 th wheel release | 08 | Forward Facing Cameras with Feedback and Coaching |
| 09 | Real-time Location Specific Weather Alerts | 10 | Sitting-duck Alerts |
| 11 | Speed Too Fast for Condition Alerts | 12 | Automated Hazardous Material Handling Application |
| 13 | Opti-Idle | | |

These technology enhancements as well as various safety initiatives have been intended to sustain and improve our overall safety metrics.

Total Fatality Rate (2020)³

Fatality rate per 200,000 hours worked is 0.00

Total Recordable Incident Rate (2020)

Per 200,000 hours worked = 2.35

³ TR-RO-320a.1 (1) Total recordable incident rate (TRIR) and (2) fatality rate for direct employees



DRIVER WORKING CONDITIONS

Year	Voluntary/Involuntary	Annualized Turnover % ⁴
2020	Involuntary	11.7%
2020	Voluntary	44.8%

At Knight-Swift Transportation, we are proud of our retention rates over time and are committed to the continuous improvement of attracting and retaining the best people. One of the ways we increase participation in careers in transportation, is through our proud partnerships.

We are proud to be part of the Veterans Affairs (VA) on-the-job training and apprenticeship program. Approved by the U.S. Department of Labor to assist military veterans as they transition to a civilian occupation, it's just one of the ways we support our veterans. Apprenticeships for veterans are open to Active-Duty members of the Navy, Marines, Coast Guard, Army and Air Force, as well as those who have served or are currently serving in either the Reserves or National Guard.



2,000+

The number of U.S. veterans hired in 2020, managing a strong program at both Knight and Swift Transportation.



1,992

The number of employment opportunities created in 2020 for students starting a new career in the transportation industry.



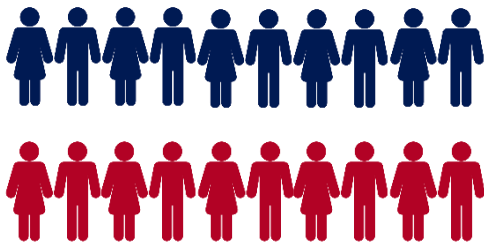
At our 14 nationwide Academies, we give our students an exceptional Commercial Driver's License (CDL) training experience not having them stray too far away from home. The Swift Academy is recognized by the Commercial Vehicle Training Association.

⁴ TR-RO-320a.2. (1) Voluntary and (2) involuntary turnover rate for all employees

DRIVER WORKING CONDITIONS

The Knight-Swift family of companies offer a wide array of benefits, services and amenities to our employees. This enables our drivers to maintain a healthy lifestyle on the road, improve their overall health and receive ongoing support for a long and successful career. Some of the relevant benefits and services include⁵:

- Medical, dental, and Rx benefits with variety of coverage options
- Full suite of voluntary benefits offered including critical illness, hospital indemnity, accident, disability and supplemental life insurance
- Free wellness program includes biometric screenings, health coaches and education to help drivers maintain or improve their health and prepare for their Department of Transportation (DOT) exams
- Medical testing within our own dedicated network and series of on-site clinics
- Sleep apnea screening and treatment
- Telemedicine and nurse-line services available 24/7 to support driver health needs while on the road
- Employee Assistance Program (EAP) available 24/7 to support drivers and their families with counseling, financial and legal issues so they can focus on safe distraction free driving
- Free life insurance coverage and will preparation services available to full time employees
- Fully refurbished and upgraded driver lounge centers to maximize comfort and respite periods
- Terminals equipped with state-of-the-art fitness centers
- Onsite amenities including mini-markets with healthy food choices
- Chronic condition management programs
- Smoking cessation programs
- Health and wellness onsite events to foster ongoing wellness education and awareness

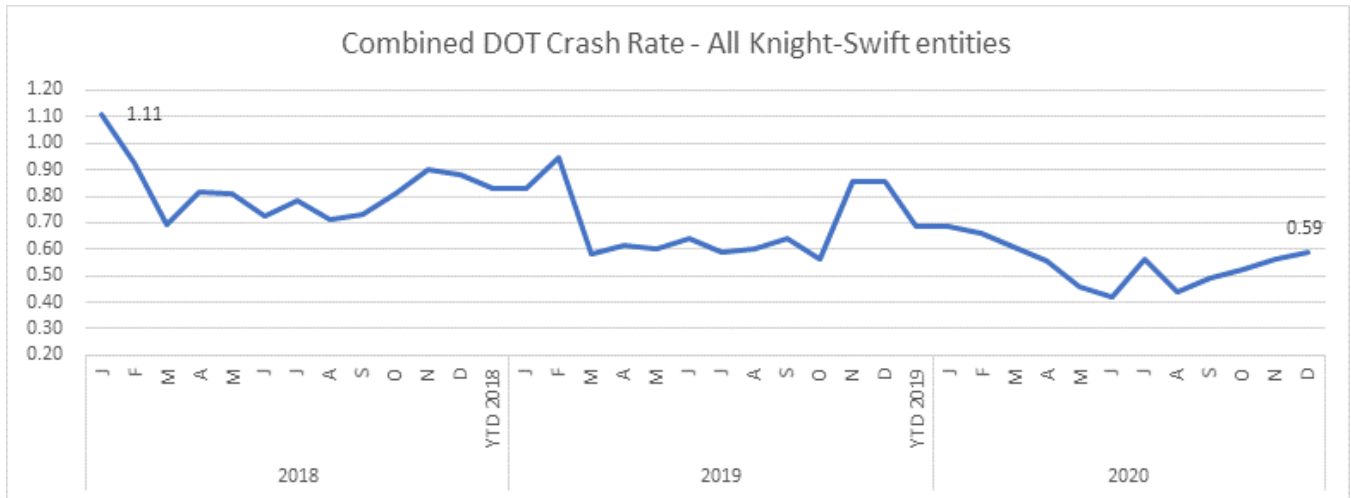


At Knight-Swift Transportation, we are committed to our corporate responsibilities as an industry leader and global citizen. To achieve this, we are engaging in continuous improvement efforts across key areas that impact our driving associates, our employees, our customers, our suppliers, our stockholders and our environment.

⁵ TR-RO-320a.3. Description of approach to managing short-term and long-term driver health risks

ACCIDENT & SAFETY MANAGEMENT

The commitment to highway safety has yielded outstanding results and recognition for our various companies over the years. The company’s combined DOT recordable Crash Rate has declined 52% since 2018.



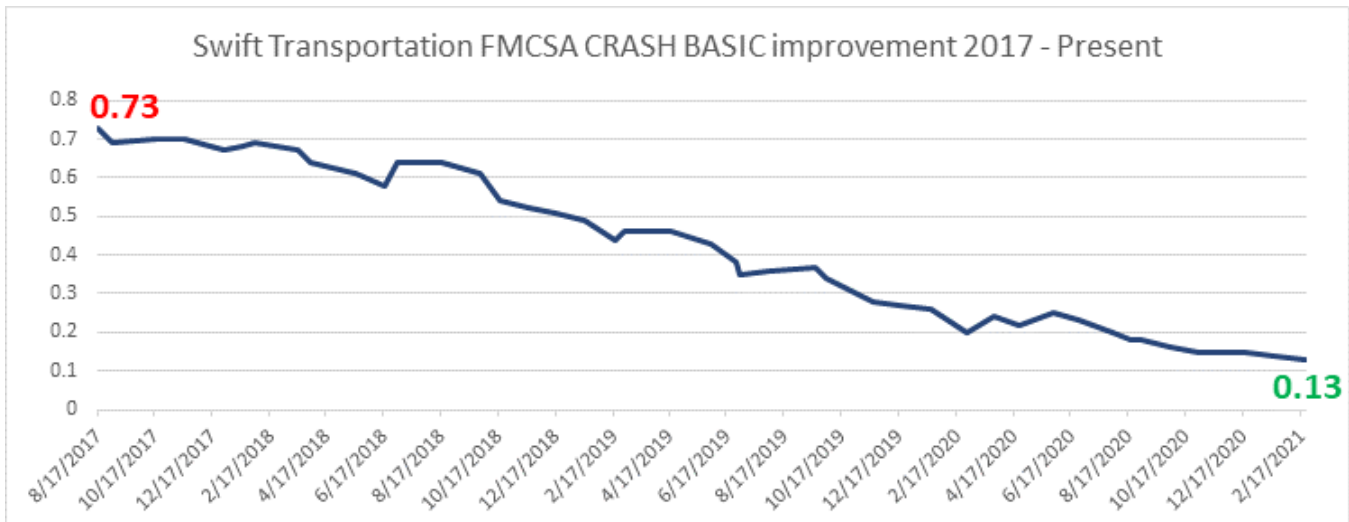
DOT Crash Rate per MM (YTD 2020)	Total
Consolidated Rate per MM	0.54



ACCIDENT & SAFETY MANAGEMENT

Our commitment to safety, coupled with the investments made in enhanced safety technologies, has benefitted highway safety, protected our drivers and provided our fleets the tools to clearly see, manage, and measure safety performance. By fostering ownership of specific safety expectations and outcomes among our employees and by aligning our organization to those expectations, Knight-Swift is able to cultivate a safety culture of accountability and achievement throughout our entire organization.

We have experienced meaningful and significant improvements in driver safety and accident mitigation. This can be seen in the Federal Motor Carrier Safety Administration (FMCSA) crash indicator Behavior Analysis and Safety Improvement Category (BASIC) rates since 2017 that showcase the positive impact our safety standards have had on our fleet's safety results.





Knight-Swift is National Safety Council Road to Zero Coalition Member and a Founding Member of the Alliance for Driver Safety and Security, also known as "The Trucking Alliance."

Proud Sponsors of Truckers Against Human Trafficking.

ACCIDENT & SAFETY MANAGEMENT

Safety Measurement System BASIC Percentiles ⁶	(1) Unsafe Driving	(2) HOS	(3) Driver Fitness	(4) Controlled Substances/Alcohol	(5) Vehicle Maintenance	(6) Hazardous Materials Compliance	(7) CRASH BASIC
Average	23%	62%	33%	10%	57%	0%	22%



Each business has a separate operating authority which means the data is represented as an average of scores for the largest segments including Knight Transportation and Swift Transportation. This reported average value represents 99.5% of the Knight-Swift family of the data. The remaining 0.05% is excluded as immaterial due to the fact that the companies are not reported within the same peer group.

Knight-Swift companies had 6 minor hazardous material cargo incidents resulting in the release, containment, and clean-up of 211 gallons of materials in 2020⁷.

Activity Metrics

Code	Activity Metric	Category	Unit of Measure	Response/Comment
TR-RO-000.A	Revenue ton-miles (RTM)	Quantitative	RTM	35,041,370,298
TR-RO-000.B	Load factor	Quantitative	Number	86.6% (2020)
TR-RO-000.C	Number of employees Number of truck drivers	Quantitative	Number	Consolidated Employee Count (2020) = 21,818 Consolidated Driver Count (2020) = 16,563

⁶ TR-RO-540a.2. Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance (*Data represented for Swift Transportation and Knight Transportation only*)

⁷ TR-RO-540a.3. (1) Number and (2) aggregate volume of spills and releases to the environment



COMMUNITY GIVING

The Knight-Swift Charitable Foundation, the formal charitable arm of Knight-Swift Transportation, is committed to investing and supporting our employees, their families and the communities we serve.

Funded by voluntary payroll contributions from employees and Owner Operators, followed by a dollar for dollar match from the Company, these generous contributions make tremendous positive impacts in our communities in a myriad of ways. From employee hardship grants, scholarships, and charitable organization support, in 2020, we were proud to award over \$1.3 million dollars in assistance.

\$397,489

The amount of employee assistance grants provided in 2020

\$240,000

The amount of scholarships provided in 2020

\$710,391

The amount of community grants provided in 2020



Community grants are those awarded to organizations nominated by our employees. We are proud to champion great organizations who support our communities in our home state of Arizona and across the entire United States.

One relationship we are extremely proud of is our partnership with Children's Miracle Network. In 2020, grants were given to 42 hospitals in order to help address their most urgent and critical needs.

Whether providing care to children without insurance, investing in research that discovers new treatments and cures, training the next generation of doctors and nurses, or offering families comfort and peace of mind during the most trying moments of their lives, Knight-Swift is proud to support Children's Miracle Network in their life-saving mission.

PANDEMIC RESPONSE

Knight-Swift has invested over **\$12,000,000** on coronavirus related relief efforts since the beginning of the pandemic. This investment included offering Personal Protective Equipment (PPE) such as face coverings, hand sanitizer and cleaning supplies to all of our employees. Early during the pandemic, when essential supplies were difficult to find, particularly for our driving associates over the road, the company's invested millions of dollars in food, water and other essential provisions to be available for our employees in need. Employees unable to work, due to contracting the virus or because of high risk status, were provided income continuity.

Our compensation approach was immediate, ahead of the curve and more generous than later created regulatory requirements. Family assistance was also provided to the immediate households of those workers who were more critically impacted by long term hospitalization.

We are proud of the many men and women who have continued to deliver food, goods, and supplies coast-to-coast during the crisis. Our financial strength has enabled us to provide stability to all of our employees, and we proudly offered a multitude of supplemental support during the pandemic, including:

- **Supporting Our Driving Associates:** Resources to support mental and physical well-being with offerings such as telehealth visits and virtual fitness classes.
- **Driver Onboarding:** Many precautionary measures were included in our day-to-day operations, specifically for essential live events such as our Swift Academy and Driver Qualification Programs:
 - Mask requirements in all locations; disposable masks were provided if needed
 - 6-foot distance requirement where possible
 - Temperature checks
 - Virtual learning options
 - Limited group gatherings; limited people in truck
 - Cleaned and sanitized trucks and bunks
 - Daily facility cleaning and sanitization
 - Ample hand sanitizer for employees
 - Single occupancy for students coming into a hotel
 - Prescreen questionnaire prior to visiting our locations
- **Leadership Communication:** Our executive leadership team provided consistent communication on safety protocols for all employees.



The company has done a wonderful job making sure its drivers are as healthy and cared for as they can be while on the road. It's great to feel valued and appreciated during a difficult time.

– Michael Sanchez, 10 year Driving Associate

WORKFORCE DEVELOPMENT

Our success depends on our ability to attract, retain, and develop a talented and skilled workforce. At Knight-Swift, we do this by offering learning and development opportunities to all employees through our online corporate universities. These learning experience platforms empower our employees with customized learning content designed for their specific needs. Through our universities, we aim to create a culture of continuous learning, where we focus on learning at every stage of an employee’s career journey.

In an effort to build the next generation of leaders, we also create and facilitate customized development programs for our employees, placing an emphasis on people managers and senior leaders. Our talent development work focuses on building high-performing teams that produce results, drive change, and sustain an innovative high-performance culture.



34,000+

The number of learners utilizing our universities in 2020

1,460+

The number of self-paced courses available in 2020

161

The number of customized development tracks in 2020

235

The number of live instructor-led sessions held in 2020

Employee training has deep roots in our company culture and we believe that providing the necessary skills for job success are critical to our business model. We have created and managed several New Employee Skills Training programs at Knight-Swift Transportation that aim at closing skill gaps for our most critical roles within our Operations and Finance teams.

01

New Employee Skills Training Programs

Over **18,720 experiential classroom learning hours** have been logged since the inception of the program in 2016.

02

Driver Leader Professional Learning Paths

Created in 2020, the Learning Path development training is built specifically for Driver Leaders to support upskilling initiatives that are tied to improving driver retention.



WORKFORCE DEVELOPMENT

Knight-Swift embarked on a journey in 2020 to develop a series of safety focused driver training modules that were built in-house by our Learning & Development team in partnership with our Safety department. This mobile adaptive micro-learning program named First Gear™, was designed to enhance the driver training experience and provide training needed to meet safety standards and expectations.



Several digital learning strategies were created and implemented in 2020 to provide more robust training and development opportunities for our students and our employees.

- Our Academy created an integrated virtual classroom experience to support our CDL students
- Introduced a Driver Performance Program that ties job performance and on-the-job learning on topics such as safety, fuel, and productivity metrics
- Our Voice Your Choice engagement tool recorded 14,869 comments from our Driving Associates in 2020, with a driver support response rate of 99.3%. This feedback tool provides learning opportunities and problem resolution quickly and efficiently
- Our strong Cyber Security Strengths Assessment, Cyber Security Training Programs, as well as our Multi Factor Authentication processes, are part of our Cyber Security strategy to protect our networks and data
- Our Shop Tech Training Program is designed for all levels of technicians in our organization: Body Technicians, Level 1 Technician, Level 2 Technician, and Level 3 Technicians. A large portion of the training was also migrated online in 2020 due to the pandemic



5,900+

The number of hands on Shop training hours in 2020

28,200+

The number of completed Shop Technician courses in 2020

WORKFORCE DEVELOPMENT

We believe employees have opportunities to make contributions toward our success while enjoying leadership developmental programs that help individuals reach personal and professional goals. Understanding company culture and expectations is critical to the success of a leader and we have a responsibility to carry a mantle of a high-performance work place. At Knight-Swift we have created opportunities for leadership development for both seasoned and emerging leaders in order to elevate leadership effectiveness, drive change, and sustain an innovative, high-performance culture.

01

Leadership Development Training

We provide leaders at all levels of the organization opportunities to attend specially designed leadership development training throughout their career. These experiential learning workshops are built to provide tools and resources that allow leaders to be more successful in fulfilling leadership expectations and tackle difficult challenges in our competitive market.

Over 1,500 leaders have graduated from our workshops (2017-2020).

02

Management Development Program (MDP)

This program designed to recruit and develop recent college graduates while providing them opportunities to learn and grow. The rotational program has a rich history in our organization, and provides individuals the critical business acumen important to our business while learning and applying leadership skills to manage responsibly and effectively. We partner with colleges and universities across the country to source talented new graduates from a variety of educational programs.

03

Promotional Opportunities

With our commitment to employee development, we are proud of the individuals who have shown initiative and skill over their tenure. At Knight-Swift, 465 internal leadership promotions took place between 2018-2020.

04

Tuition Reimbursement Program

Our employees are eligible to participate in our progressive tuition reimbursement program while getting an education at an accredited college or university. In addition, we have established robust partnerships with schools like Southern New Hampshire University (SNHU), Grand Canyon University, and the University of Arizona – Global Campus, which now provides employees over 270 program options from Associate to Doctoral degrees.

DIVERSITY, EQUITY & INCLUSION (DEI)

At Knight-Swift diversity, equity and inclusion serves as a pillar to support our organization's innovative culture. Attracting and retaining a diverse workforce allows us to leverage the effects of diversity to achieve a competitive business advantage, while working towards a more inclusive workplace. When diverse voices are represented and heard, new ideas emerge that foster creative solutions and problem solving. It is with this commitment in mind that we build upon our Employee Resource Groups (ERGs) now and in the immediate future.

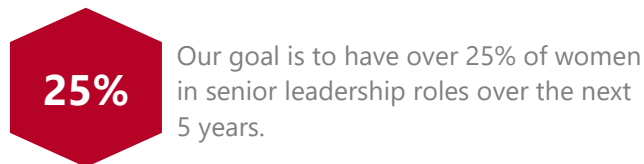
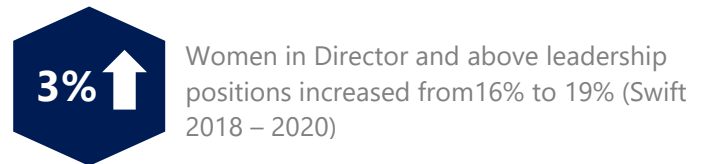
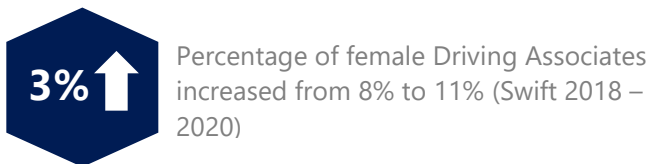


Women in Leadership Network

Our Women in Leadership Network works to support women in leadership positions to create an equitable and inclusive workplace culture.

Our mission is to work to understand specific challenges women face today and leverage those learnings to contribute to create a more inclusive environment where women can thrive.

312 The number of women leaders eligible to participate in 2020



DIVERSITY, EQUITY & INCLUSION

Starting in 2020, Knight-Swift invested in a partnership with ExecOnline and Yale School of Management to offer an executive leadership development certification program: **Fostering Diversity, Equity and Inclusion**.

Senior executives across all lines of business benefit from participation in this high impact, virtual experience, attending sessions with peers as well as participants from other industries across 120 countries. Fostering Diversity, Equity and Inclusion scored 98% in learning application post-program.

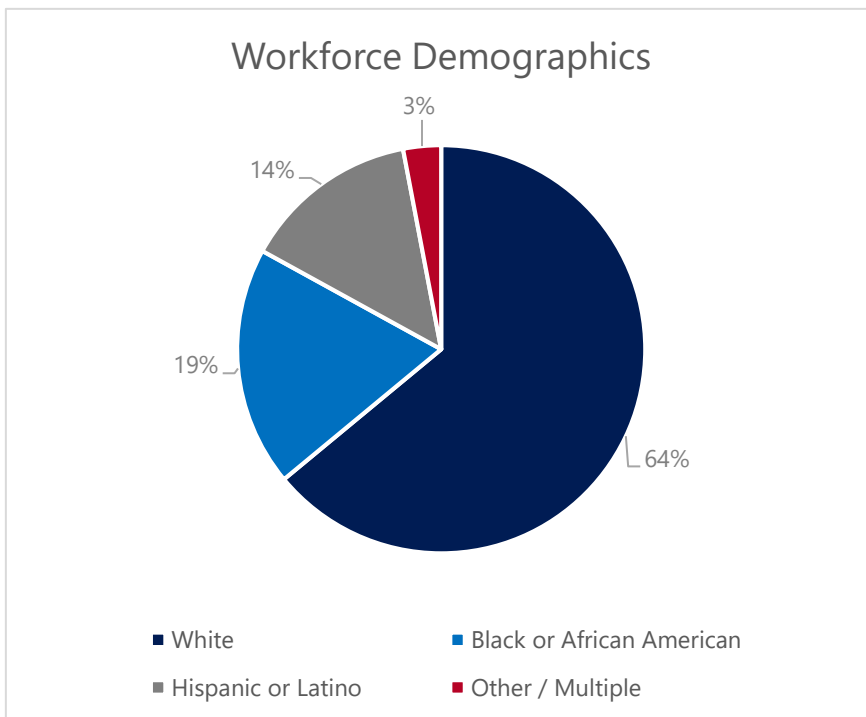
Knight-Swift cohort groups are continuing this trend, and are engaging in important dialogue with others at all levels of the organization in pursuit of our goals towards a more diverse, inclusive workplace.

Executive Development

Taught by world-renowned educators and thought leaders in diversity, equity, inclusion and organizational behavior, the program focuses on three core objectives:

- Overcoming bias,
- Expanding decision-making networks, and
- Leading more inclusive teams.

In 2021, Knight-Swift will introduce a **LatinX Employee Resource Group (ERG)** that will serve as a network for employees, promoting cultural diversity and professional development for its members.



At Knight-Swift we understand that actively fostering DEI directly impacts business performance and advancing DEI efforts is our responsibility.

Our strategic initiatives aim at increasing these efforts now and in the years ahead.



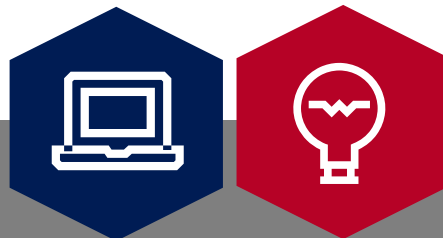
CYBERSECURITY & INFORMATION SECURITY

Oversight of Cybersecurity and Information Security Risk by Nominating and Corporate Governance Committee

Our Board recognizes the importance of maintaining the trust and confidence of our customers, driving associates, and employees and has tasked the Nominating and Corporate Governance Committee with oversight of information security risk. The Nominating and Corporate Governance Committee is composed entirely of independent directors and therefore independently oversees information security. As a part of its objective, independent oversight of the key risks facing our company, the Nominating and Corporate Governance Committee devotes significant time and attention to data and systems protection, including cybersecurity and information security risk.

The Nominating and Corporate Governance Committee oversees management’s approach to staffing, policies, processes, and practices sufficient to effectively gauge and address cybersecurity and information security risk. Our Nominating and Corporate Governance Committee receives regular presentations and reports throughout the year on cybersecurity and information security risk. These presentations and reports address a broad range of topics, including updates on technology trends, regulatory developments, legal issues, policies and practices, the threat environment and vulnerability assessments, and specific and ongoing efforts to prevent, detect, and respond to internal and external critical threats. In addition, the Nominating and Corporate Governance Committee reviews all information security risks with management, including the Company’s Chief Information Officer, to make sure such risks are appropriately monitored, tested, and mitigated.

Additionally, the Nominating and Corporate Governance Committee receives timely reports from management on key developments and incidents across our industry, as well as specific information about peers and vendors.



CYBERSECURITY & INFORMATION SECURITY

Cybersecurity and Information Security Governance Highlights

- Comprehensive reporting to our Nominating and Corporate Governance Committee (both scheduled and real-time) in response to key developments
- Multi-format reporting approach, with presentations to Nominating and Corporate Governance Committee as well as memoranda addressing key issues
- Cross-functional approach to addressing cybersecurity risk, with Technology, Operations, Risk, Legal, and Corporate Audit functions presenting to the Nominating and Corporate Governance Committee on key topics
- Collaborative approach, working with a wide range of key stakeholders to manage risk, and share and respond to intelligence
- Annual penetration testing by an external expert that specializes in information technology security with results provided to the Nominating and Corporate Governance Committee
- Annual review by the Nominating and Corporate Governance Committee of the cybersecurity insurance policy that the Company has in place, which provides coverage in the amount of \$20.0 million
- No fines, penalties, or settlements against the Company in its history for information security Breaches
- No information security breaches in the last three years.

Under the Nominating and Corporate Governance Committee's oversight, management works closely with key stakeholders, including regulators, government agencies, peer institutions, and industry groups, and develops and invests in talent and innovative technology in order to manage cybersecurity and information security risk. Our company has information security employees across the globe, enabling us to monitor and promptly respond to threats and incidents, maintain oversight of third parties, innovate and adopt new technologies, as appropriate, and drive industry efforts to address shared cybersecurity risks. All employees, contractors, and those with access to our company's systems receive comprehensive education on responsible information security, data security, and cybersecurity practices and how to protect data against cyber threats.

CORPORATE GOVERNANCE

- Approximately two-thirds of our Board of Directors members are independent
- Regular executive sessions of independent directors
- Independent Audit, Compensation, Nominating and Corporate Governance, and Finance Committees
- Majority voting standards and resignation policy for directors in uncontested elections
- Annual risk oversight by full Board and Committees
- Robust director and key officer stock ownership guidelines, along with a key officer stock retention policy
- Clawback policy
- New director orientation program
- Annual CEO evaluation
- Director communication policy
- Robust lead independent director position
- Lead independent director authority to call meetings of the independent directors
- All three members of the Audit Committee qualify as audit committee financial experts
- Proxy access
- Stockholder right to call special meetings
- Anti-Pledging and Anti-Hedging Policy with no hardship exemption
- Overboarding policy
- Rigorous annual Board self-assessment
- Management and executive succession planning Strategy
- Director tenure policy

EXECUTIVE COMPENSATION

- Conservative pay policy with named executive officer and director pay targeted to the market median
- Direct link between pay and performance that aligns business strategies with stockholder value creation
- Independent compensation consultant retained by the Compensation Committee to advise on executive compensation matters
- No dividends paid on unvested stock awards
- Clawback policy
- Peer group designated to reflect companies we compete with for business and talent
- Appropriate balance between short and long-term compensation that discourages short-term risk taking at the expense of long-term results
- No re-pricing or back-dating of stock options
- No tax gross-up payments to cover personal income taxes relating to incentive compensation
- Annual CEO evaluation considered when setting CEO compensation





KNIGHT-SWIFT SUSTAINABILITY REPORT

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