

2022

Environmental, Social, and Governance Report



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“From increasing efficiency to reducing waste to supporting diversity and inclusion within our workforce, we are proud of the impact we are making.”



Dear Transfix Community,

We are thrilled to share with you the progress we made in our environmental, social, and governance (“ESG”) initiatives in 2022. Since our founding, we have been focused on revolutionizing the logistics industry with innovative technology and exceptional customer service. Core to that mission is our deep commitment to the community and planet, and continued implementation of ESG practices that align with our values and vision for a sustainable future.

We take great pride in our team’s diversity in our New York and Atlanta offices, and for those working off-site, and understand that our people are the backbone of our organization, and that our success is dependent on their talent, innovation, and passion. We are committed to providing a safe, equitable, and inclusive workplace where everyone has the opportunity to thrive.

We recognize our responsibility as citizens to reduce our environmental impact and contribute to a more sustainable future, and are actively working on various initiatives such as deploying more efficient carrier routing in order to reduce empty miles. We are also committed to giving

back to the communities we serve through charitable initiatives and volunteer efforts.

This, Transfix’s second annual ESG report, reflects the progress we have made in the past year and our commitment to the future. From increasing efficiency, to reducing waste, to supporting diversity and inclusion within our workforce, we are proud of the impact we are making.

This year marks a new chapter for Transfix, as Jonathan has transitioned from his role as Chief Technology Officer to focus on leading the company as Chief Executive Officer now and into the future. Working with our dedicated and thoughtful team, the two of us look to build upon our past success, and not simply to rest on our laurels. We are confident that our efforts in the area of ESG will continue to produce value for all of our stakeholders and the community at large.

A handwritten signature in yellow ink, appearing to read 'Jonathan Salama'.

Jonathan Salama
Co-Founder & Chief
Executive Officer

A handwritten signature in yellow ink, appearing to read 'Drew McElroy'.

Drew McElroy
Co-Founder, President, &
Chairman of the Board



Introduction

Transfix continues its efforts to revolutionize the movement of goods to benefit carriers, shippers, consumers, and the environment.

The Transfix Intelligent Freight Platform™ uses data, machine learning, automation, and human expertise to match shipper demand with truckload capacity. This in turn helps carriers reduce empty miles and shippers reduce indirect emissions.

This report demonstrates our continued commitment to sustainability and ethical practices, as well as our willingness to learn and adapt to the changes in the industry.

We remain committed to providing support and resources to our carriers and shippers as they navigate the shifting landscape. This includes providing access to a large network of customers, providing transparent pricing solutions, and responding proactively to the needs of the market. In 2022, we upgraded our Transfix Shipper App and Transfix Carrier App to provide even more helpful solutions.

We believe we are poised to play a significant role in transforming the logistics industry for the better.



Our Mission

To build the world's most connected and intelligent freight platform.

Our Vision

To create a world where goods can move seamlessly, sustainably, and with trust.





We are DRIVEN by...

Our values are the foundation of our business. They guide decision-making so that, as we evolve, we remain true to our purpose.



Inclusion.

Lead with empathy. Understand challenges. Recognize obstacles. Build solutions, together.

Meaningfully promote diversity and inclusion in all its forms. Root out toxicity and bias quickly.

Break down silos. Bring together a multitude of voices. Ensure every voice is heard.



Excellence.

Set and raise the bar. Insist on the highest standards from all.

Use sound judgment to make timely and critical decisions. Trust data, and your instincts.

Be obsessed with providing a positive customer experience, internally and externally.



Integrity.

Reliability matters. Authentic relationships are built on trust.

Do the right thing, always. Make decisions with our people, customers, industry, environment and community in mind.

Honesty and openness are at our core. Give and receive feedback with kindness and courage.



Tenacity.

Do what you say, say what you mean, and use wit and grit to get it done.

Own it. Seek responsibility and take accountability for actions and outcomes, good and bad.

Communicate with clarity and proactively address misunderstandings and misalignment. Be persistent in your pursuit of excellence.



Boldness.

Have a learner's mindset. Be on a journey of continuous exploration and experimentation.

Be brave. Ask the hard questions. Challenge the status quo. Improbable outcomes are achieved together.

Be ambitious. Use data to guide you but not confine you. Set clear, and high expectations, then follow through.



Agility.

Have a sense of urgency. Stay hungry and execute with speed and intention.

Try hard things. If you fail; learn, then keep moving.

Be humble. Know when to double-down, and when to let go.



Fun.

Love what you do, support each other and have fun in the process.

Take your work, but not yourself, too seriously.

Celebrate success and each other.



World Economic Forum Annual Meeting 2022, Davos

Transfix spoke on several panels at the World Economic Forum Davos 2022 covering topics like “Taking the Long View.”

The discussion covered building long-term objectives into short term responses in the context of current world events, ideas to build strategic foresight into policy making, long-term thinking in an era of resource constraint, and leadership responses to navigating supply chain challenges.



Drivers partake in Transfix's Comfort-in-a-Box giveaway during National Truck Driver Appreciation Week

Comfort-in-a-Box Kits

Drivers participated in Transfix's Comfort-in-a-Box giveaway during National Truck Driver Appreciation Week. Partnering with customers during National Truck Driver Appreciation Week, we were able to share custom Comfort-in-a-Box kits to on-the-road drivers. They included items like warm blankets, heavy duty gloves, warm socks, a utensils kit, and more.



Purpose-Led Events

In 2022, we committed to being 'Purpose. Driven throughout our network. At events we attended, we intentionally sought out opportunities to align with purpose driven leaders and community impact organizations bringing awareness to their causes and championing for a brighter future. At the FreightWaves Future of Supply Chain conference, we partnered with Rhodes Scholar Coleman Warren, founder of Simple+Sweet Creamery, a mobile ice cream business used locally sourced goods and donated more than 50% of its profits to the Northwest Arkansas Food Bank. At the FreightWaves event, Simple+Sweet Creamery, with help from Transfix, was able to feed more than 5,000 families in the Northwest Arkansas community.



Our Director of Sustainability, Patrick Blute photographed with Coleman Warren.



Our National Accounts Director, Mike Ghebrehiwet, with Home Depot participants in Asheville, NC.

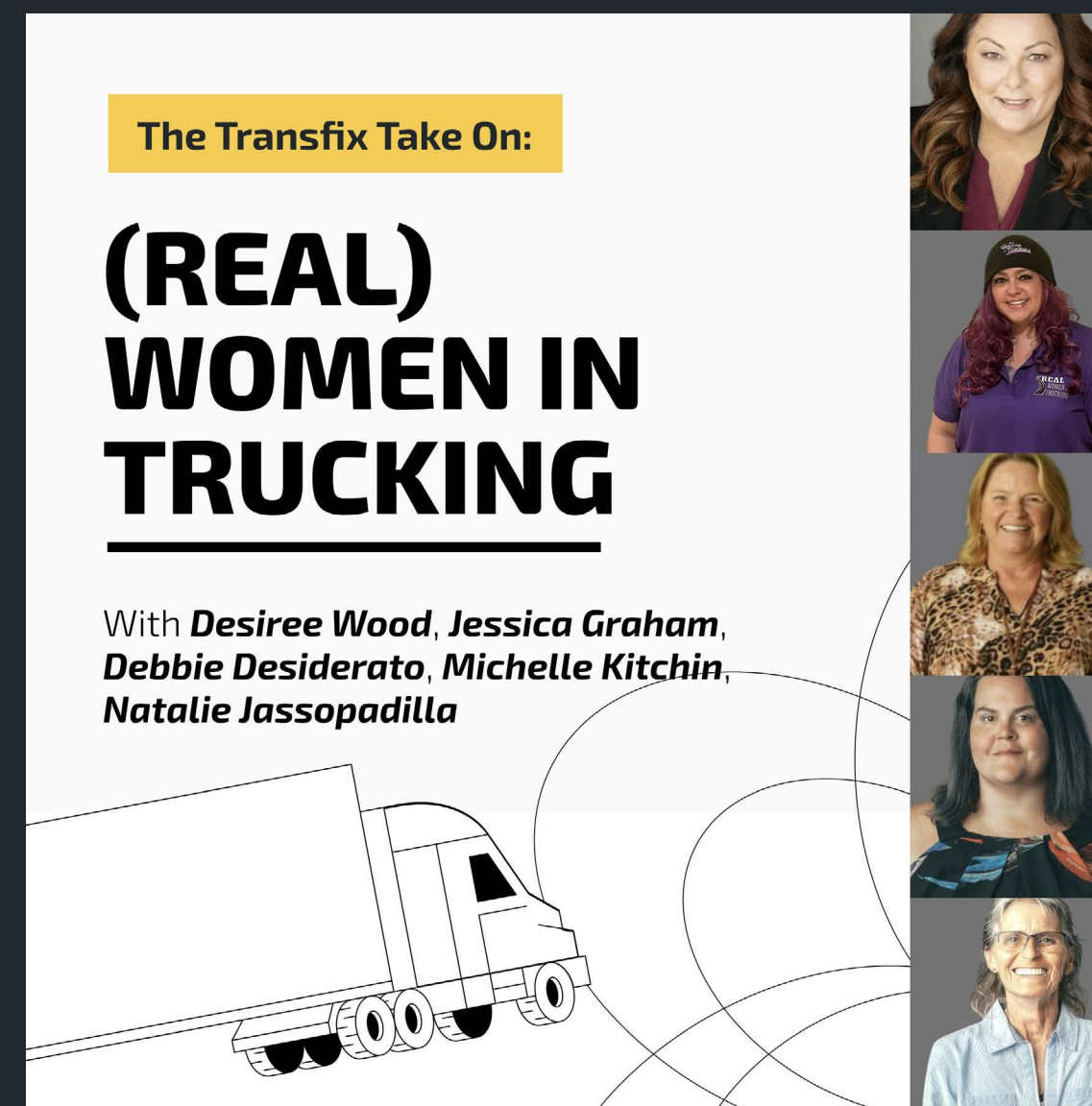
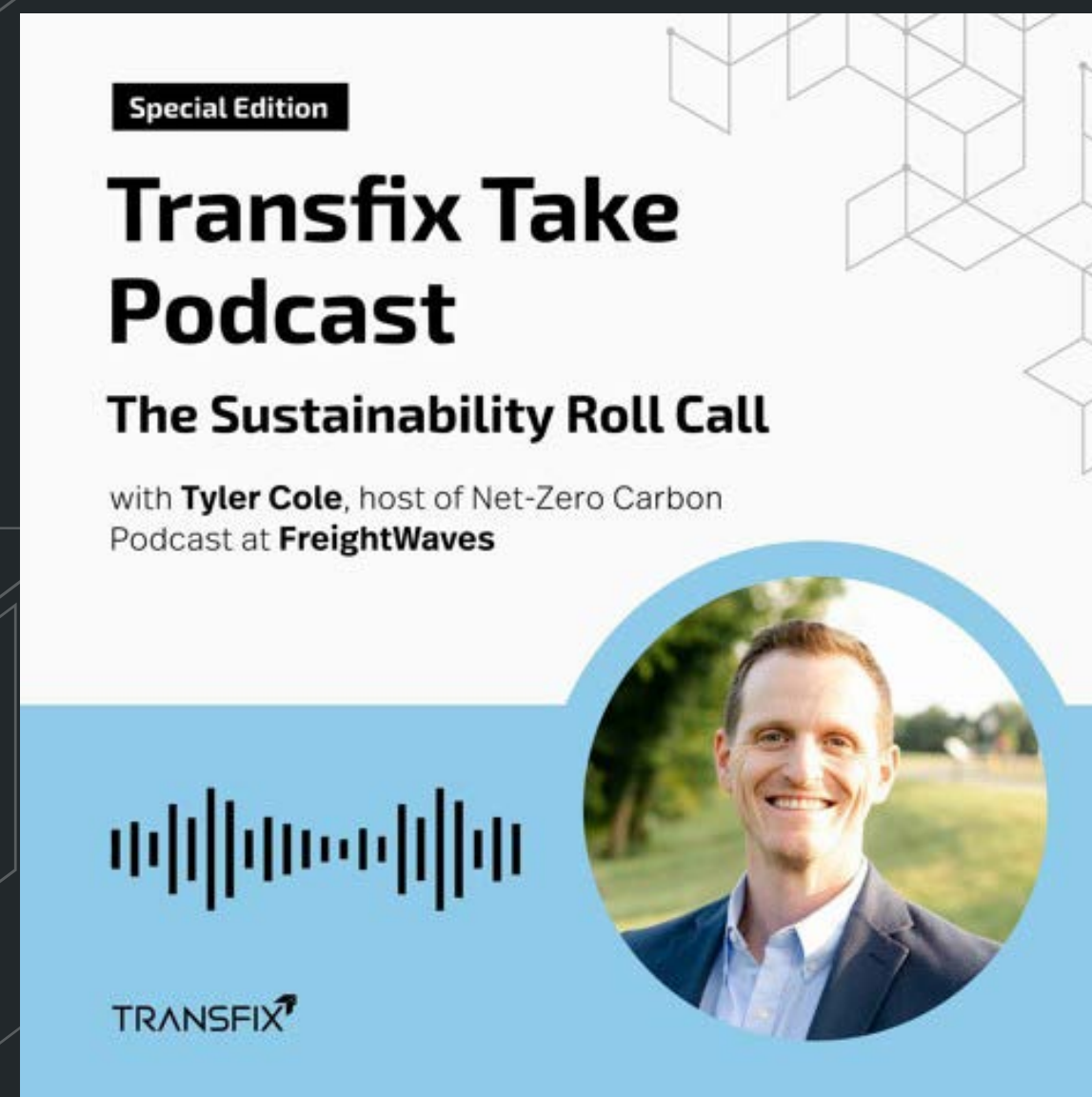
Building Together

We also attended events with our customers like The Home Depot and its Home Depot Foundation, to make a positive impact in the communities they serve through home building.



The Transfix Take Podcast

The Transfix Take Podcast, a weekly episodic covering industry trends hosted by Transfixers Jenni Ruiz and Justin Maze, highlighted the importance of industry partnership in 2022 to push forward sustainable practices. This included episodes featuring guests from organizations such as SmartWay and FreightWaves to discuss industry best practices, Scope 1 and 2 reporting, the future of ESG in freight, and more.



Environment



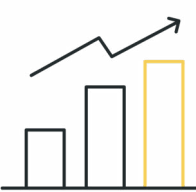
Capacity Procurement

Source carriers and rates from Transfix or an existing carrier network.



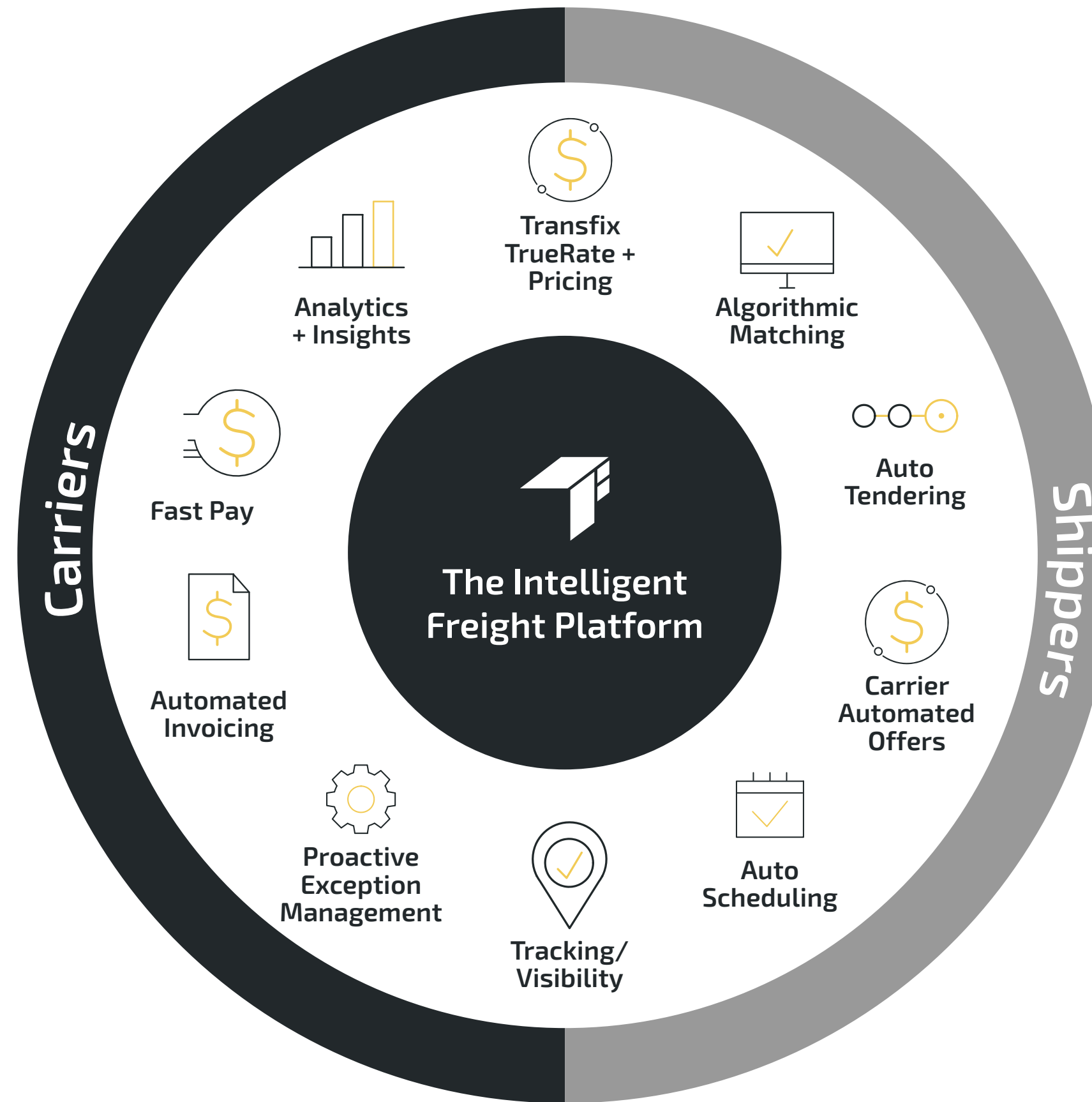
Visibility & Tracking

Receive proactive exception management and track where shipments are in real-time.



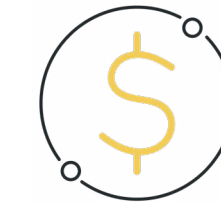
AI-Powered Insights

Optimize networks with real-time metrics on spend, volume, facilities, service levels, and more.



Freight Execution

Create and tender shipments via routing guide, spot auction, instant booking, or Transfix TrueRate+.



Audit & Settlement

Simplify freight audit with a collaborative workflow for faster resolution and payment.



Transfix Connect

Integrate existing systems via API, EDI, or upload data with a CSV for a seamless experience.

Transfix Intelligent Freight Platform™

Through the Transfix Intelligent Freight Platform™, we provide tools for shippers and carriers to make their supply chains more efficient and environmentally responsible. Through our suite of products and services, we are determined to create efficiency, reduce waste, and work toward environmental stewardship.



Transfix Eliminates Empty Miles

Transfix tackles the inefficiencies in the logistics industry by modernizing outdated processes. Our use of cutting-edge data analytics allows us to optimize carrier-shipper matches, allowing for reduced empty miles and optimizing capacity.

We believe that technology is just one aspect of the solution. The human element plays a crucial role in driving efficiencies, and we augment our AI-enabled services with the expertise of our employees to address real-time exceptions and enable better decision making. This approach leads to improved operations for carriers and shippers, as well as strong growth opportunities for our company.



**Within 3 years of joining
SmartWay, Transfix has
successfully tracked
over 8 million miles with
certified carriers.**



Scope 1 + 2

We have collected data on our Scope 1 and 2 emissions. Scope 1 emissions refer to direct emissions from sources that are owned or controlled by the company, such as refrigerants. Scope 2 emissions are indirect emissions from the consumption of purchased electricity, heat, or steam.

With this data in hand, we can begin to set goals and develop strategies for reducing our carbon footprint.

In the future, we plan to publicly release our findings and discuss the steps we are taking to reduce our emissions. We are committed to being a leader in sustainability and environmental responsibility, and we see the reporting of our Scope 1 and 2 emissions as an important step in this journey.

We also apply this mindset to our internal practices. For example, we proactively met with the building management of our new office space to evaluate ways we can be more energy efficient.

Scope 3 Materiality Assessment

We recognize the importance of measuring and managing these emissions in order to have a comprehensive understanding of our impact on the environment. In the future, we plan to release a report detailing our methodology for measuring and reducing scope 3 emissions.



Highlights from 2022

Understand our Scope 1 and 2 emissions.

We have collected the data on our Scope 1 and 2 emissions. Our focus is on continuing to develop appropriate tools, technology, and data to decrease emissions for our network.



Looking Ahead

Procure a portion of our electricity from renewable electricity sources.

To continue to make our workplace more sustainable, we will look into powering our office spaces with renewable sources when possible. Transfix understands that climate change is a global challenge that requires continued collective action year after year.

Report inline with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, set Science Based Target Initiative (SBTi), or adopt an accepted industry standard.

As a company built on integrity, Transfix recognizes the importance of transparency and accountability. By reporting in a more standardized framework, we can more effectively share our climate-related risks and opportunities and track our progress.

Social



Celebrating Our Carriers

At Transfix, we understand that promoting diversity, equity, and inclusion goes beyond just our internal operations. We are determined to have a positive impact on the carriers we work with every day by making changes in our business practices that can enhance their quality of life.

We respect the carrier experience and believe that its quality directly benefits shippers as well. Our main focus is on smaller and mid-size

carriers who often face challenges in accessing enterprise shippers due to their limited resources. Transfix helps bridge this gap, providing them with the necessary support to grow and thrive.

We have partnered with Supplier.io to be in a position to help shippers track their Tier 2 diversity spend on carriers. This could also be beneficial to carriers by providing a way to differentiate themselves from other carriers.

We are committed to using our platform to positively impact not just our own internal operations but the entire transportation community.



CELEBRATING CARRIERS



TransFIX My Rig

In 2021, we introduced the TransFIX My Rig signature activation to advocate, honor, and reward truck drivers. Drivers nationwide entered into this annual contest for a chance to win a cab renovation by celebrity host Jason Cameron. Held during National Truck Driver Appreciation Week, the unveiling event is a special opportunity to thank the incredible men and women who keep our goods moving across the country every day. 2022 marked the second annual TransFIX My Rig makeover contest.

Winners include Debbie Desiderato, owner of Walkabout Transport, LLC. and an Australian-born trucking veteran driver of over 40 years, and Jessica Graham from Real Women in Trucking, who's been driving for over 10 years and who homeschooled her daughter in her truck, affectionately known as the "Black Widow" for a portion of that time.

During National Truck Driver Appreciation Week, we also provided home-on-the-road kits for drivers across the country, containing materials that would not only allow for customization of a sleeper cab to make it more comfortable, but warmer during colder months. Kits included blankets, a plant, a frame, warm gloves, and other essentials.



Winner Jessica Graham with Transfixer Jenni Ruiz and truck renovation expert Jason Cameron.



Winner Debbie Desiderato sees her truck for the first time after winning the inaugural TransFIX My Rig contest.



Diverse Supplier Program

We proudly announced our partnership with Supplier.io for Tier 2 Diverse Supplier Reporting.

Tier 2 Diverse Supplier refers to a tier of suppliers in a supply chain that are owned by underrepresented groups, such as women, people of color, and veterans.

The reporting of Tier 2 Diverse Suppliers in our database will be updated quarterly, providing real-time insights into the diversity of Transfix's supply chain and helping our shippers get a stronger understanding of initiatives in their network.

Diversity in the supply chain is crucial as it leads to a more inclusive and equitable business environment, drives innovation, and can strengthen the bottom line. By partnering with Supplier.io, Transfix promotes diversity and inclusion in its supply chain and contributes to a more sustainable future for all.



“My father and grandfather started Tri-F in 1982 operating out of the same terminal for the past 40 years just outside of Fresno, California. I am now the third generation to run the family business, working to grow the fleet and provide a positive workplace for our 35 employees. My father Rick, a disabled veteran, received his Diverse Supplier certification five years ago. We’re very excited to see there is more interest in the private sector and we look forward to watching our beloved family business grow.”



Scott Freud, VP Tri-F

Employee Resource Groups (ERGs)

ERGs are voluntary, employee-led groups where historically marginalized groups can gather to offer support to one another. These groups allow employees with a particular commonality to safely share a space and support each other while spreading awareness and emphasizing advocacy on a company-wide level. In 2022, Transfix had five thriving ERGs.

At Transfix, a commitment to diversity, equity, inclusion, and justice is not just about the numbers – it is about striving to provide every employee with the space to express themselves authentically.





EMPLOYEE RESOURCE GROUPS



TRANSFIX
AAPI

AAPI@Transfix is our Employee Resource Group (ERG) for everyone who identifies as Asian American and Pacific Islander (AAPI). Its mission is to create a safe space to connect, share, and support each other during challenging times. The AAPI community is a diverse body, made up of a multiplicity of ethnic groups. Each of these groups takes pride in its own specific cultural identity and navigates its own complicated set of strengths and challenges.



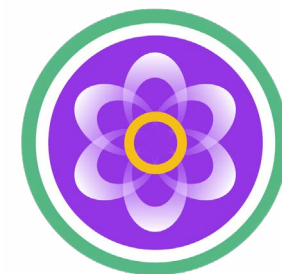
TRANSFIX
FORTHECULTURE

ForTheCulture@Transfix is our Employee Resource Group (ERG) for African American and Black identifying people. Founded in 2019, its mission is to foster a diverse and inclusive workplace that promotes cultural awareness. For the members, it strives to enable leadership development and engagement opportunities. For the greater Transfix organization, its programming is designed to build cultural competence by celebrating and spreading the knowledge of Black culture and excellence.



TRANSFIX
PRIDE

Pride@Transfix is our Employee Resource Group (ERG) for people who identify as LGBTQIA+ and allies. Its mission is to build opportunities for advocacy and awareness of the LGBTQIA+ community through structured programming, industry engagement, and community building.



TRANSFIX
WOMEN

Women@Transfix is our Employee Resource Group (ERG) for female-identifying individuals. Its mission is to break the glass ceiling by empowering our women employees. For its members, the ERG provides personal and career development opportunities. For the greater Transfix community, it aims to bring awareness to some of the many issues women face in the workplace through social and educational events.



TRANSFIX
SOMOS

SOMOS@Transfix is our Employee Resource Group (ERG) for everyone who identifies as LATINX/E or Hispanic. Its mission is to take a leading role in meeting the needs of the Latinx community within Transfix through cultural awareness and promotion of the Latin culture and people. For its members, the ERG is providing opportunities for personal and career development. For the Transfix organization, it is actively working to raise the visibility of LATINX/E identifying people through positive and consistent engagement.



SOCIAL



Transfix Gives Back

Transfix seeks to provide a wide range of opportunities for employees to give back to the communities we serve in an intentional and meaningful way.



Donating to Ukraine.

Following Russia's invasion of Ukraine, the Transfix community came together to offer support to the victims of this horrific conflict. To aid in the response efforts, Transfix organized a donation drive to support four charities that were providing humanitarian relief to Ukraine – UNICEF, Afya Foundation, USA for UNHCR, and CARE. For every dollar donated, Transfix matched up to \$100 per employee. In total, Transfix donated over \$4,500 to assist Ukrainian communities that have been displaced, injured, and negatively impacted.



ERG Holiday Campaign.

For our annual holiday donation drive, we turned the reins over to our ERGs, described in more detail above, to support charities in need of essential goods. Each of our five ERGs selected a non-profit that was near and dear to their hearts as the recipients of our company-wide donation drive. During the month of December, employees were invited to donate via YouGiveGoods.com to one, two or all five organizations, with Transfix also making a contribution to each non-profit! Combined, there were 950 unique items donated, worth a total of \$5,242.



The five charities the ERGs selected for the Holiday Campaign included:



Part of the Solution (POTS) offers a variety of comprehensive and personalized services to fight poverty and hunger, offering nutritionally balanced lunches and a community food pantry. Selected by our AAPI ERG and seeking non-perishable food donations.

Good+Foundation

Good+Foundation works to dismantle multi-generational poverty by pairing tangible goods with innovative services for low-income fathers, mothers and caregivers, creating an upward trajectory for the whole family. Selected by our ForTheCulture ERG and seeking baby and toddler supply donations.



WomenRising assists women and their families in achieving self-sufficiency and living safe, productive, and fulfilling lives, through social services, economic development, and advocacy services. Selected by our Women ERG and seeking baby and toddler supply donations.



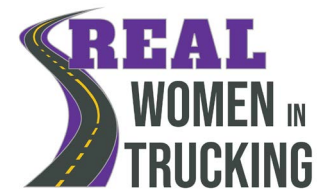
The Ali Forney Center protects homeless Lesbian, Gay, Bisexual, Transgender, and Questioning youths from the harms of homelessness and empowers them with the tools needed to be independent. Selected by our Pride ERG and seeking cold-weather gear donations.



Animal Haven finds homes for abandoned cats and dogs throughout the NY Tri-State area and provides behavior intervention when needed to improve chances of adoption. Selected by our Somos ERG and seeking cleaning supply donations.



Transfix plans to continue expanding its network of partners dedicated to making an impact in the trucking industry, including women- and veteran-owned businesses, and organizations that support the LGBTQIA+ community, safe practices, and human worth, among other causes.



REAL Women in Trucking 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.



National Minority Women Association in Transportation 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's mission is to “educate, equip, empower and mobilize” our carrier network on how to identify and report trafficking while on the road. Transfix has been a proud partner of this organization for the second year in a row, providing training to its staff on how to identify possible situations of trafficking, as well as informing its broader shipper and carrier audiences with relevant training material through its media channels.



Gold Star Logistics Group supports female logistics and transportation professionals in North America. Founder Tawana Randall has been instrumental in providing user feedback in our product development process. Through its partnership with Gold Star, Transfix started sponsoring “Business in a Box,” an initiative designed to help women entrepreneurs enter the trucking industry. Transfix will continue this partnership through 2023 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, and provide placement for the next generation of trucking through Randall's first-accredited freight dispatching course at Clayton State University.



Truckers Emergency Assistance Responders (T.E.A.R.) is a charitable organization founded in 2019 by three truck drivers who saw a need to help fellow drivers that suddenly found themselves displaced and stranded on the road. Transfix worked with the organization to sponsor drivers that were struggling to find carrier placement beyond the COVID-19 pandemic, as well as provide resources necessary to stay safe and compliant on the road.

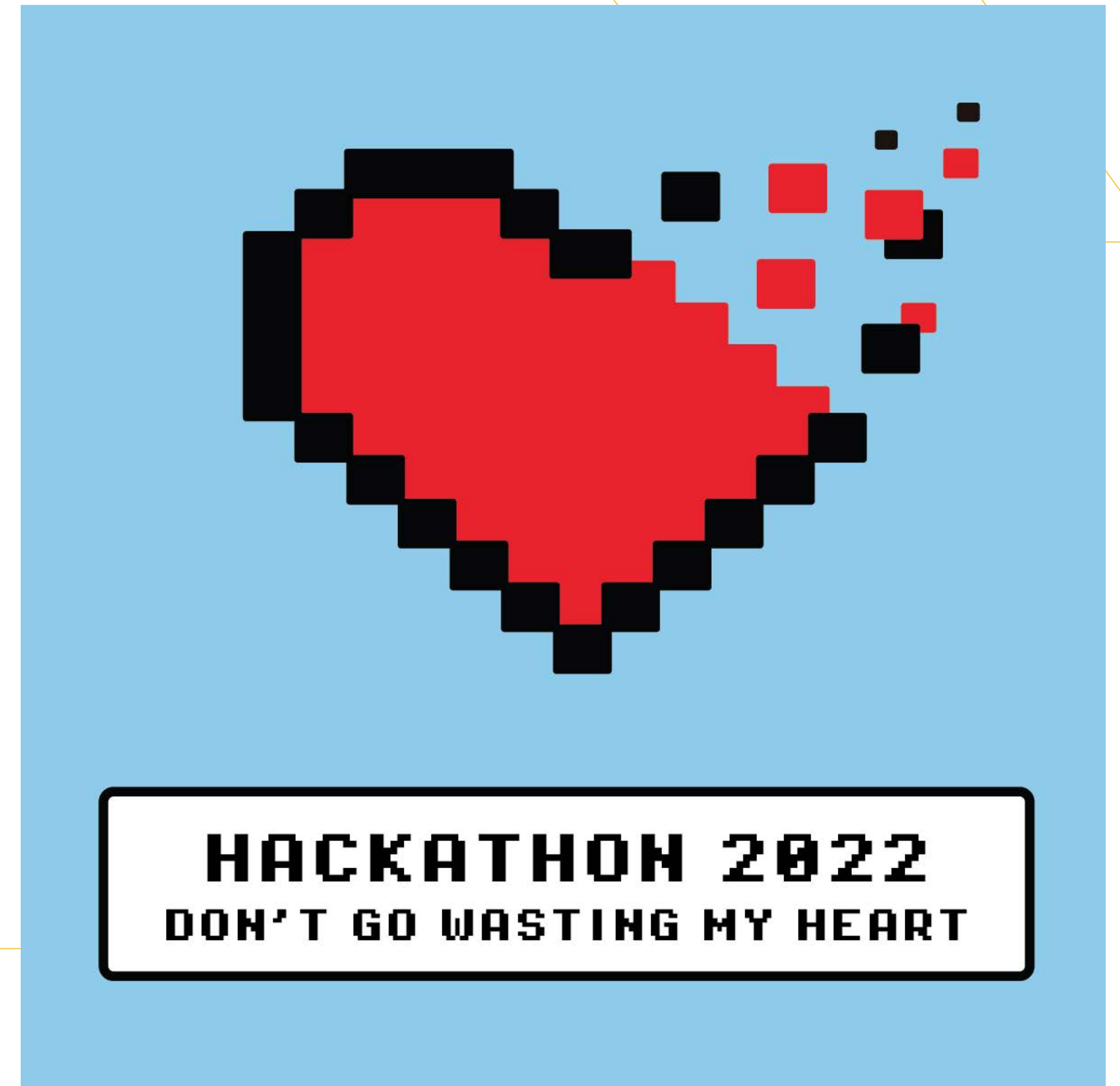


Freeworld aims to end generational poverty and recidivism by accelerating economic mobility for returning citizens. We are proud to support this important and impactful way to drive participation and economic mobility in our industry.



Hackathon

In July, Transfix hosted a company-wide Hackathon to drive innovation, spur collaboration, and develop new ideas and approaches to issues small and large. The theme for Hackathon 2022 was, Don't Go Wasting My Heart, which is centered around doing good. Teams, made up of people around the company in different locations, jobs, and levels, were encouraged to take that theme and apply it however they saw fit. Some common areas were sustainability, ESG, diversity, equity, inclusion, and justice, health & wellness, and eliminating waste.





Managing for a Diverse Community

Accessibility for our Customers

Transfix is committed to providing an equitable experience and improving the usability of our website and the Transfix Intelligent Freight Platform's suite of products by conforming to accessibility standards when feasible.

For example, where feasible, Transfix adjusts contrast ratios and text size to respect standards that are designed to promote viewing inclusivity.

We understand accessibility is an important component of being a good partner, and in connection with that we completed an audit of our public website in Q3 2022 and are working through the recommendations of the report.

In designing this report, we have tried to use color palettes that are more accessible to those who are visually impaired.





Inclusive Recruiting

Transfix continues to explore and identify, both internally and externally, opportunities to reach communities with diverse pools of talent.

We believe a diverse workforce brings new ideas to the table and fosters innovation. For Transfix, this is foundational. Transfix puts processes in place to try to embed DEIJ 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.

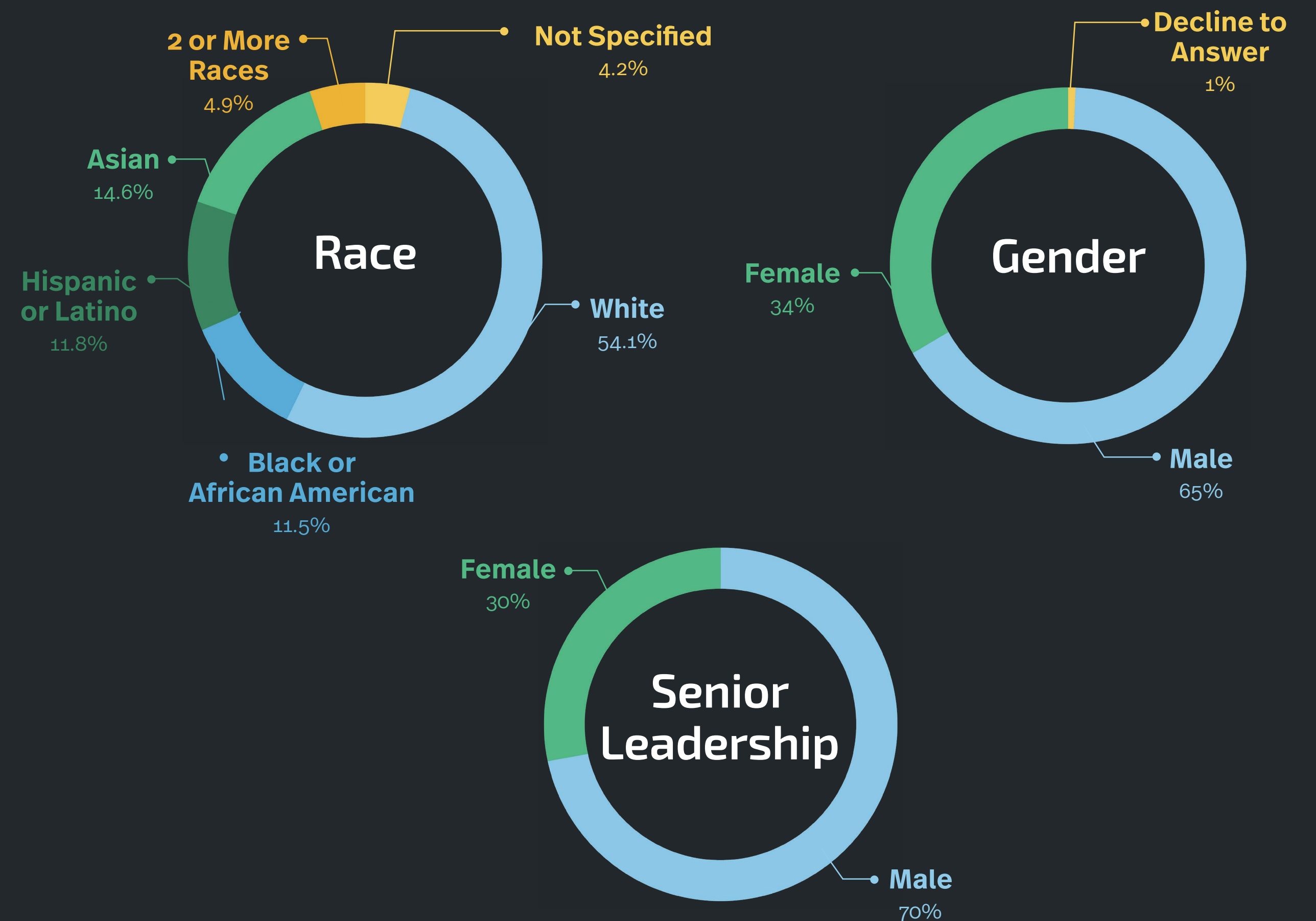
Transfix implemented Greenhouse, a leading Applicant Tracking System (ATS) that promotes DEIJ, to manage hiring in 2022. The platform enables us to take steps like asking candidates' pronouns when they apply, to more complex initiatives such as DEIJ surveying, out-of-the-box training, and more robust DEIJ data and reporting to help us track and meet our engagement and hiring goals.

Transfix will continue to build DEIJ into our recruiting and hiring practices through a multi-pronged approach, including:

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

Employee Demographics at a Glance

Transfix staff (not including contractors or consultants) as of December 31, 2022.



*As of 12/31/22, senior management defined as Director and above.

People First Culture



Great Place 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.

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 2022 employee survey and will continue to do so 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. In 2022, Transfix successfully implemented a training program for DEIJ across senior leadership.





Culture of Continuous Feedback

Gender Pay Equity at Transfix.

Transfix places a high importance on gender pay equity and takes proactive steps to achieve and maintain it. We have established standard salary bands intended to eliminate any unintended pay disparities that may arise during the hiring process. Our company also conducts regular compensation audits, examining salaries and compensation practices across similar job roles, to identify and resolve any pay gaps.

Moving forward, Transfix is committed to promoting gender pay equity in the following ways:

- Conducting regular pay and formalized gender equity audits and addressing any disparities found.
- Improving unconscious bias training to address biases in hiring and management.
- Reviewing job descriptions for language that may discourage female applicants.

Benefits Beyond Compensation

People Practices.

Transfix is dedicated to promoting inclusiveness in its workplace. The company provides education to its people managers prior to its semi-annual performance assessment process to raise awareness and minimize implicit bias. The training is designed to equip managers with the knowledge and skills to guard against common biases and provides guidance on best practices.





Highlights from 2022

Updated company-wide holiday calendar.

We now recognize Martin Luther King, Jr. Day as an official company holiday. We are proud that our employees celebrate a day that stands for social justice.

Conducted a formal gender pay equity audit by a third party.

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

Enhanced 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 extended job-specific training beyond our operations teams so that every function can reap the benefits.

Increased 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.



Looking Ahead

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 are seeking to establish a program to ensure our employees' financial donations and volunteer time are maximized with the right platform partner.

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 is investigating 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.

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

Transfix is committed to upholding high standards of business conduct and expects its employees and partners to conduct themselves ethically, with integrity and a spirit of collaboration, and in compliance with all legal requirements in all aspects of their operations. The company aims to maintain a culture of compliance, integrity, and accountability that enables the company to provide services in accordance with the highest professional and ethical industry standards.

Transfix aims to acknowledge the importance of establishing a governance structure that creates appropriate guideposts and guidelines for effective management and Board of Directors oversight to best serve all of the company's constituencies. Managing the business responsibly begins with strong oversight. Transfix's management and Board oversee the risks and opportunities of the company, including ESG strategy and risks. As the company grows, internal governance and the Board's oversight role naturally becomes even more important.

Consistent with Transfix's mission, vision, and core values, the company has adopted a variety of policies and practices that are expected of our management and staff. These policies are codified and clarified to a large extent in the company's Employee Handbook. Employees are required to acknowledge their receipt of the Handbook and their obligation to comply with the policies included. The policies cover, among other things:

- Equal employment opportunity
- Open door policy
- Discrimination, harassment and retaliation in the workplace
- Employee safety and health and physical security
- Employee conduct
- Time off and leaves of absence
- Information Security and Acceptable Use

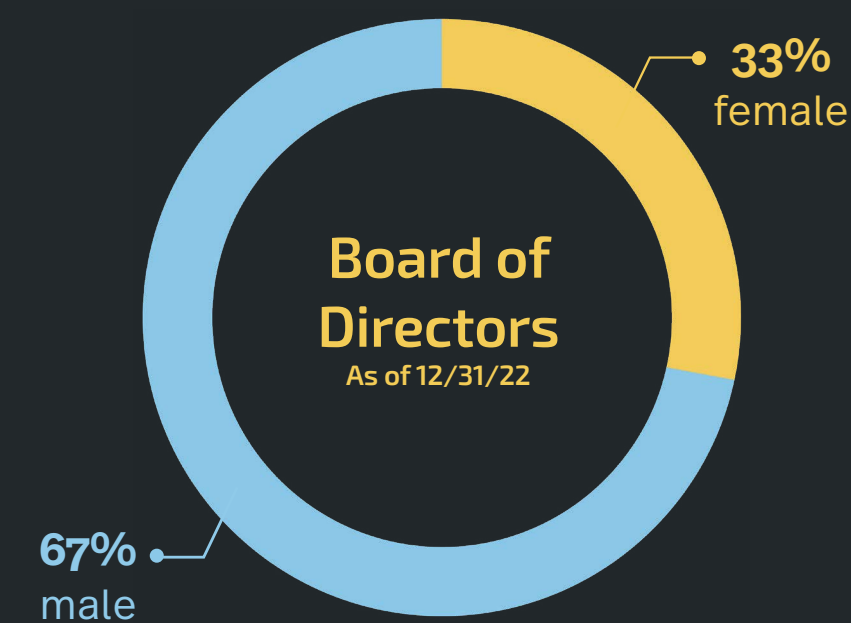
In connection with these policies, Transfix has established procedures for submitting complaints, feedback or concerns, including anonymously.

Our Board

Our Board of Directors has general oversight responsibilities for the company. Including diverse perspectives, backgrounds and voices on our Board is an important component of our governance. As vacancies arise, the Board keeps an eye to diversity, among other things, in considering candidates. In light of its role, the Board may, in the future, consider the creation of committees to allow more focused attention on delegated strategic priorities.

Our Investors—One Share, One Vote

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. Transfix's “one-share, one-vote” philosophy means that all investors' considerations are taken into account when it comes to shareholder voting.





Data Risk Management

In the transportation industry, the management of data security, systematic data risk, and data privacy is of utmost importance.

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

We take data risk management very seriously in light of the integral role Transfix serves in supply chains and movement of goods. The Chief Technology Officer 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 four 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 2022, application penetration tests did not identify any material vulnerabilities. In addition, Transfix employs automated vulnerability management services which identify vulnerabilities for our container operating systems, laptops, and workstations, as well as GitHub's "Dependabot" service, 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 provide comprehensive coverage and rapid response times.

- 2022 Service Availability Incidents¹ = 0
- Degraded Performance Incidents² = 30

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 a lower quality of service.





Cybersecurity and Data Privacy

Our Approach.

Transfix implements various measures to protect the security and privacy of user data. Our production systems are hosted on a leading cloud service designed for resiliency, sustainability, and scalability. Databases are configured for redundancy, backed up regularly, and all data is encrypted. The company follows SOC2 protocols and maintains an annual cycle for Type II audits, with the most recent audit completing in mid-2022.

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. Transfix implements various measures to protect the security and privacy of their data. 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.

Change management and access controls are employed throughout Transfix's production infrastructure. 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.

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.

In addition, Transfix has a privacy policy that describes its practices in connection with information it collects through, among other sources, its websites, apps and social media pages. This policy is available on Transfix's website.





Highlights from 2022

Established ESG Committee.

The Committee is composed of senior executives and operational management leaders. The Committee is 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 periodic 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 designated an ESG lead for the organization.

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

The established ESG Committee will continue to report to the broader executive team and Board of Directors and plans to establish a cadence for its reporting, including on the ESG Report.



Looking Ahead

Our Code of Business Conduct.

This year, Transfix plans to reinforce its values and standards, internally and externally, by compiling a Code of Business Conduct to provide a high level summary of its values, policies, and conduct expectations.

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.

TRANSFIX³

In conclusion, Transfix remains committed to responsible corporate citizenship and sustainable business practices. The company's dedication to sustainable transportation solutions and its ongoing efforts to reduce its carbon footprint demonstrate a commitment to a better future for its customers, employees, and the environment. Through the implementation of rigorous data security measures, ongoing risk management evaluations, and ongoing training for all employees, Transfix is working to ensure the safety and privacy of its customer data. As the transportation industry continues to evolve, Transfix is poised to meet the challenges and capitalize on the opportunities presented, while maintaining its focus on responsible business practices. The company is confident that its efforts in these areas will continue to drive long-term value for all stakeholders and a better world for us all.



TRANSFIX 

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