

# *ArcBest*<sup>®</sup>

## *2019 ESG Report*

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# Welcome Message

Integrity is one of our six core values, and it has been a part of who we are since our founding. Integrity is about doing what is right, even when nobody is watching, and doing the right thing is what a responsible company does.

Here at ArcBest, we are committed to conducting our business in a highly ethical manner, and when we come to work each day, we work hard to uphold this ethos. We are intently focused on our mission:  
**To connect and positively impact the world through solving logistics challenges.**

While I am extremely proud of the culture that we have cultivated, I also recognize that there is always opportunity to do more. We decided to review our environmental, social and governance (ESG) efforts to see what we have done well and to identify areas where we can improve.

[Continued >](#)



Our Code of Conduct incorporates and pledges our support for the UN Global Compact in the areas of human rights, labor, the environment and anti-corruption. In 2019, we affirmed our commitment to the United Nations Global Compact Ten Principles on Human Rights through our Human Rights Statement of Policy and joined the United Nations Global Compact as a participant that was finalized January 6, 2020.

We also entered into a partnership with Polaris, a leading nonprofit organization that fights to end human trafficking. With this partnership, we have committed to supporting Polaris' efforts to disrupt traffickers and restore freedom to survivors.

In this report, you can read more about these actions and other actions we have taken regarding sustainability, community involvement and employee well-being, and governance and ethics.

During creation of this report, we faced the challenges that came with the COVID-19 pandemic. Our company has continued to play a key role of ensuring essential goods are moved across the country and available when and where

they are needed. We know the work we do is important, and this extraordinary situation has truly demonstrated that importance.

While we continue working hard to keep supply chains moving, our focus remains on the health, welfare and safety of our employees, and we always seek to prioritize safety regardless of whether it's on the highways or at our facilities across North America.

We strive to be a responsible corporate citizen in every community in which we operate, and we invest in wellness and education programs to support our employees' career growth and overall well-being. We value diversity and stand firmly against discrimination of any kind. In 2019 and 2020, we were proud to be recognized on the Top 500 List of Best Employers for Diversity, published by Forbes in partnership with Statista.

I want to say "Thank You!" to all of our employees. Our team members are at the heart of our values-driven culture, and I am inspired by the way they exemplify our values and live out our vision – We'll Find A Way – to help our customers every day.

Environmental, social and corporate governance progress is a long-term commitment that benefits all of us.

We always want to improve how we impact our customers, how we impact our employees and how we impact our communities. Ultimately, our goal is to develop a more robust ESG program. We are committed to continuously making improvements in these areas, and we will continue to set the bar high.

**Judy R. McReynolds**

ArcBest Chairman | President | CEO

# About ArcBest

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ArcBest® is a leading logistics provider with almost 100 years of transportation and supply chain experience. Our team of creative problem solvers focuses on understanding our customers' products and services, and they design solutions that simplify processes, improve productivity and grow business.

## Our mission is clear:

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**To connect and positively impact the world through solving logistics challenges.** This mission guides how we take care of our people, how we interact with our customers and how we aim to help create a better world.

Our employees rely on us to provide the tools they need to **grow** professionally and the health initiatives they need to be **well**.

Our customers trust us to **collaborate** with them daily to fulfill their most complex and demanding supply chain needs with **creative** solutions and **excellent** service.

Our stakeholders expect us to operate responsibly and with **integrity** so that we are well positioned to live out our mission of positively impacting the world.

We realize business success going forward is dependent on our contribution to corporate citizenship, and we want to be known as a company who cares – about sustainability, about our people and communities, and about ethical conduct.

## Our Vision: We'll Find A Way

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## Our Values-Driven Culture

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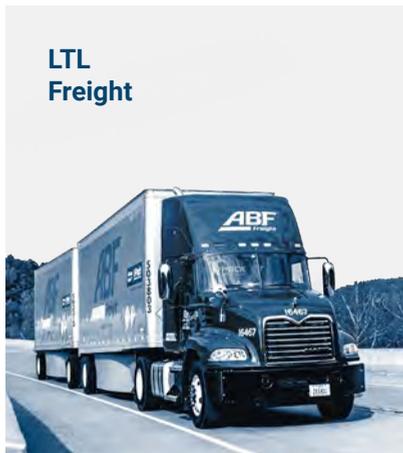
- Creativity – We create solutions
- Integrity – We do the right thing
- Collaboration – We work together
- Growth – We grow our people and our business
- Excellence – We exceed expectations
- Wellness – We embrace total health

# Company Profile

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- Founded 1923
- 13,000 employees
- \$3 billion 2019 revenue
- 240+ asset-based North American service centers
- 95+ years of transportation and logistics experience
- 27,000+ owned and operated assets (tractors, trailers and other vehicles)
- 35,000+ approved contract carriers
- >98% coverage of the United States





# Transportation & Logistics Services



# Awards & Accolades

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## *ArcBest*

- 2019 Inbound Logistics Green 75 Supply Chain Partner
- SmartWay® Transport Partner since 2018
- 2019 and 2020 Great Supply Chain Partner by SupplyChainBrain
- 2019 and 2020 Forbes Top 500 List of Best Employers for Diversity
- Women in Trucking Association's 2019 Distinguished Woman in Logistics Award (ArcBest Chairman, President and CEO Judy R. McReynolds)
- 2015, 2017 and 2019 Women's Forum of New York recognition for achieving at least 30% female representation on our Board of Directors
- 2020 Women on Boards Winning "W" Company for having more than 20% of board seats held by women
- 2016, 2017 and 2019 Healthy Workplace Award from the

- Fort Smith Regional Chamber of Commerce
- Training magazine 2020 Top 125 ranking for the 11th consecutive year for professional development
- 2019 Inaugural Western Arkansas Business of the Year Award
- LEED Silver Certification in 2018 by the U.S. Green Building Council (corporate headquarters)
- 2020 America's Best-In-State Employers by Forbes and Statista Inc.
- 2020 Top 10 Women in Logistics by Global Trade Magazine (ArcBest Chairman, President and CEO Judy R. McReynolds)
- 2019 Most Influential Corporate Board Directors by Women Inc. (ArcBest Chairman, President and CEO Judy R. McReynolds)

## *ABF*

- EPA SmartWay Excellence Award in 2014, 2018, 2019 and 2020
- Nine-time winner of the Inbound Logistics Green 75 Supply Chain Partner

- 2019 SmartWay High Performer
- SmartWay Transport Partner since 2006
- Seven-time winner of the American Trucking Associations' President's Trophy
- Eight-time winner of the American Trucking Associations' Excellence in Security Award
- Seven-time winner of the American Trucking Associations' Excellence in Claims & Loss Prevention Award
- Nine-time winner of the Quest for Quality Award by Logistics Management magazine
- FreightCenter 2019 Diamond Partner of the Year
- Two-time Great Supply Chain Partner by SupplyChainBrain

## *Panther*

- SmartWay Transport Partner since 2008
- Six-time winner of the Quest for Quality Award by Logistics Management magazine
- Two-time winner of the National Expedited Carrier of the Year award by The National Shippers Strategic Transportation Council (NASSTRAC)

# About this Report

As a company with long-term success, we know the importance of being good stewards and taking care of our employees, communities and the world around us. We've reassessed our approach to corporate social responsibility and determined the need to focus on developing ESG strategies. This report aims to provide additional information and transparency to our stakeholders, customers and business partners by communicating our progress on ESG topics.

## Our Response to COVID-19

Throughout the creation of this report, the coronavirus pandemic has posed difficult challenges with unprecedented impact on our world. Our primary focus has been the health and safety of our employees and customers while also ensuring supply chains run without interruption. We've played a critical role in delivering

essential supplies to communities, hospitals and businesses, and will continue to do so to help fight the spread of COVID-19.

Though this is the biggest crisis we've faced, it's not the first. We're proud of the resiliency and determination our people have shown while adjusting to a new normal, and we've taken the necessary steps to emerge from this pandemic stronger and more united than before.

Details about how we've responded to COVID-19 will be featured in our 2020 ESG Report. Until then, [read this statement](#) to learn more.



## Here are some of our accomplishments and achievements from 2019:

- ABF Freight LTL fleet was named a 2019 SmartWay High Performer
- We donated more than \$930,000 to charity
- We gave more than \$53,000 to employees for disaster relief
- We achieved more than 30% female representation on our Board of Directors
- We partnered with Polaris to support the fight to end human trafficking

# United Nations Global Compact Participant

In 2019, ArcBest began the process of joining the United Nations Global Compact (UNGC), and our partnership was finalized January 6, 2020. We are excited to join more than 11,000 other companies in continuing to develop responsible business practices to drive powerful change in the world and in our industry. [Learn more about our UNGC pledge, and read our letter of commitment.](#)

## United Nations Sustainable Development Goals (UN SDGs)

The United Nations Sustainable Development Goals call on companies to take action on specific issues our world faces today – climate change, environmental degradation, inequality, poverty, peace and justice. They also provide guidance on where we can make the greatest impact. We'll consider the UN SDGs, along with other reporting frameworks, in our ongoing ESG assessment and strategy development.

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



# External Reporting and Rating

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We report ESG efforts and initiatives to the following organizations:

## Carbon Disclosure Project® (CDP)

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The CDP runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Through an annual reporting process, the CDP measures and benchmarks a company's progress and encourages companies to take actions that can improve their environmental leadership.

## EcoVadis

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EcoVadis is a global sustainability rating agency that delivers corporate social responsibility (CSR) assessments to show companies their current progress

(and where they can improve) in the following categories: environment, labor and human rights, ethics and sustainable procurement.

## United Nations Global Compact

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The UNGC works to create a better world through uniting businesses and encouraging them to align their operations and strategies with 10 principles that cover human rights, labor, anti-corruption and the environment.

ArcBest also receives ratings from:

## Institutional Shareholder Services (ISS)

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ISS is a leader in corporate governance and responsible investment practices, providing high-quality data, analytics, and insight that empower investors and companies to build for long-term and sustainable growth.





# Governance & Ethics

Corporate governance is the framework that guides the conduct of the board of directors and management of an organization. It lays the foundation for ethical business practices and good corporate citizenship. At ArcBest, our approach to governance is grounded in honesty, transparency and a commitment to doing it right – that’s why Integrity is my favorite of our core values.

***Pamela Roberts***

Associate General Counsel





# Integrity Statement — We Do the Right Thing

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We believe in doing the right thing the first time and every time. This mindset is woven into our company culture and is a pillar of our values. The [ArcBest Code of Conduct](#) (CoC) is our written commitment to establishing effective corporate governance, and it extends to all Board of Directors, officers, employees, representatives, agents, subcontractors and vendors of the Company. Our [Supplier Code of Conduct](#) states our expectations of conduct for our carrier network, company vendors and other service providers, so they can understand and behave consistently with our responsible business practices. Both Codes of Conduct also demonstrate our commitment to the United Nations Global Compact [Ten Principles](#) in the areas of human rights, labor, the environment and anti-corruption.

In addition to our Codes of Conduct, ArcBest has many corporate governance policies in place — including our [Anti-trust Laws Compliance Policy](#) and our [Anti-Discrimination, Harassment and Retaliation Policy](#) — to ensure ethical business performance.



### **Annual Training**

Each year, all ArcBest employees are required to complete Code of Conduct training, which outlines expectations within and outside of the workplace.

### **Reporting Misconduct**

We encourage employees to speak up for what is right without fear of retaliation. Our leadership team wants to know any time an employee believes someone is violating our Code of Conduct in any way. Employees know they can talk about any concerns with their supervisors, report directly or indirectly to our HR Compliance & Inclusion group, or utilize “EthicsPoint” – an anonymous Ethics & Reporting Hotline available 24/7/365. Vendors, suppliers and service providers doing business with ArcBest or its subsidiaries are encouraged to report questionable, illegal or unethical behavior through the channels outlined in our Code of Conduct.

# Board of Directors

Our [Board of Directors](#) leads and upholds ArcBest corporate governance, aiming to drive business forward by guiding us to be the logistics provider, employer and investment of choice in our industry. They are led by Chairman, President and CEO Judy R. McReynolds and consist of eight other members independent of ArcBest.

Our primary committees are:

- **Compensation Committee** — Responsible for reviewing and approving executive management compensation, among other duties
- **Audit Committee** — Responsible for overseeing the Company's financial reports, systems of internal controls, internal auditing process and compliance with legal and regulatory requirements, among other duties
- **Nominating/Corporate Governance Committee** — Responsible for identifying individuals qualified to become Directors, overseeing CEO succession planning, recommending changes to the Board and reviewing relevant ESG issues, among other duties

# The ESG Committee

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Our ESG Committee was formally established in 2020 under the direction of the Nominating/Corporate Governance Committee of the Board of Directors. Its purpose is to provide guidance to the Company and its Board of Directors on matters relating to corporate citizenship, and to oversee and make recommendations concerning the Company's ESG initiatives, policies and practices relating to safety and health, environmental sustainability, social concerns, and other public issues. We will continue sharing ESG Committee progress in future reports.



# Cybersecurity

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We take proactive measures to protect our computer systems, network and data from all forms of cyber threats, so that our customers, suppliers and others with whom we interact feel confident when sharing information during business interactions. As part of our commitment to cybersecurity, we require employees to complete annual training on information security and the policies we have in place.





# People & Communities

“One of my favorite ArcBest values is “growth.” It reminds us that we grow our people and our business, and I’m very thankful for our commitment to our employees. We make large investments in our many learning opportunities and wellness initiatives, and I enjoy seeing team members learn, grow and advance as we serve our customers and community with excellence.”

**Jason Turner**

Vice President

Talent and Growth Initiatives





# Diversity & Demographics

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ArcBest is proud to celebrate diversity and provide equal opportunities for each of our 13,000 employees. Embracing different backgrounds and experiences helps us create an environment in which our employees want to belong, and it helps us better serve our customers around the globe. We are pleased to have ranked on [Forbes' Top 500 List of Best Employers for Diversity](#) and are committed to assessing, developing and measuring the success of our diversity, equity and inclusion (DEI) strategy with guidance from a DEI consulting firm.

# 2019 Workforce Demographics

We started identifying our role in corporate social responsibility, including diversity, equity and inclusion, and defining what those mean within our mission over a year ago. We realize we have work to do in this area – as you will see in the data presented here. In some cases, our representation is underreported, and, in others, we simply fall short in representing the diverse makeup of our nation.

In this report, we re-establish our commitment to work with a renewed, intentional focus on diversity and inclusion. To assist us in achieving our goal of developing a program that becomes a distinct but interwoven piece of our cultural DNA, we recently partnered with a consultant who specializes in the areas of diversity, equity and inclusion.

We are also working to develop our Diversity, Equity and Inclusion Policy, reviewing our training, and seeking further opportunities to emphasize inclusion and bystander empowerment to prevent or stop discrimination when it occurs. Most importantly, we are creating opportunities to listen and learn.



**Dana Deason**

Senior Manager  
HR Compliance & Inclusion

*“ArcBest” data referenced in this table is comprised of employee data for ArcBest II, Inc. “ABF” data referenced in this table is comprised of employee data for ABF Freight System, Inc. ArcBest II, Inc. and ABF Freight System, Inc. are both wholly owned subsidiaries of ArcBest Corporation. The majority of ArcBest II employees report to our headquarters in Fort Smith, Arkansas. ABF Freight personnel are employed at one of 240 service centers across North America.*

<b>ArcBest</b>		
Breakdown of Ethnicity and Race Totals:		
Asian	70	2%
Black	103	3%
Hispanic	156	5%
American Indian/Alaska Native	22	1%
Native Hawaiian/Pacific Islander	1	<1%
2 or more race	31	1%
White	2803	88%

<b>ABF</b>		
Breakdown of Ethnicity and Race Totals:		
Asian	112	1%
Black	1942	15%
Hispanic	1481	11%
American Indian/Alaska Native	66	<1%
Native Hawaiian/Pacific Islander	44	<1%
2 or more race	202	2%
White	9077	70%

# Diversity Training

As we continue to work toward a more inclusive organization, we believe in educating our people about the importance of diversity. Our annual Code of Conduct training covers our anti-discrimination and anti-harassment policies, and every employee is required to participate. Through our talent management platform, employees can access a variety of online courses that cover topics such as Working Well with Everyone, The Power of Inclusion, Workplace Diversity and Diversity for Leaders.



# Women at ArcBest

In a traditionally male-dominated industry, we're committed to developing our female workforce – in the corporate environment and in the field – so they have an equal opportunity to advance their careers.



## 2019 Stats:



of expedite fleet drivers are female



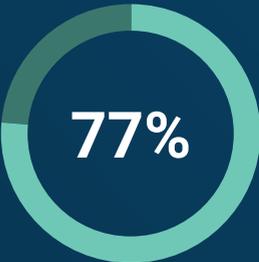
of ArcBest supervisors are female



of ArcBest executives are female



of our Board of Directors are female

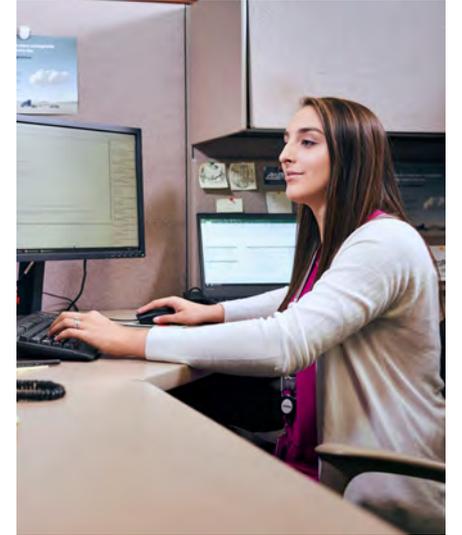


of our ESG Committee members are female



# Awards

- Judy R. McReynolds, ArcBest Chairman, President and CEO, won the Women In Trucking Association's [2019 Distinguished Woman in Logistics Award](#).
- We were recognized by the [Women's Forum of New York](#) in 2019 (also in 2017 and 2015) for achieving at least 30% female representation on our Board of Directors.
- We have been designated a [2020 Women on Boards](#) Winning "W" Company for having more than 20% of board seats held by women.
- Judy. R. McReynolds, ArcBest Chairman, President and CEO, was named to the list of the [2020 Top 10 Women In Logistics](#) by Global Trade Magazine.





## Employee Profile

In March 2019, Nok Clark was promoted to Publications Manager in our Customer Experience department.

Nok began her career with ArcBest in 2003 as a coordinator in Customized Solutions. She continued to develop her skill set and knowledge of the organization to advance her career and fill roles such as corporate accounts analyst, sales representative and supervisor of local sales support. She's an exemplary team member who embodies our core values and represents our brand well.

I love working at ArcBest and have learned many new aspects about the company throughout my career. There's always a challenge with every position, but ArcBest has great leaders who help provide guidance and support along the way.

### **Nok Clark**

Publications Manager  
Customer Experience

# Military Programs

We believe those who fought to protect our country shouldn't have to struggle to find a job to support themselves and their families after completing their time in the military. Through partnerships with three military programs, we help service men and women transition back into a civilian lifestyle with the opportunity to have an established, successful career. In 2019, 5% of ABF employees were veterans, and we are working on programs to continue to increase this number.

## Teamsters Military Assistance Program (TMAP)

ABF Freight partners with the International Brotherhood of Teamsters to offer military members at Fort Carson in Colorado and Fort Riley in Kansas the ability to participate in TMAP. During this six-week program, held at each installation, ABF Freight instructors (many of whom are veterans) teach courses that guide active-duty service members into obtaining a Class A CDL. We host a graduation ceremony for soldiers who complete the training and offer them a full-time driving position at an ABF Freight service center where they can

earn between \$66,000 to \$85,000 per year, along with health insurance and pension benefits. We have hired over 500 drivers through the TMAP program.

## Soldiers for Life – Transition Assistance Program (SFL – TAP)

In 2018, ABF Freight partnered with the U.S. Army to train military members for our Operations Supervisor role, which has an average starting salary of \$63,000. As of 2019, the Operations Supervisor position is officially part of the Army Career Skills Program at Fort Bragg in North Carolina, and we are currently developing the curriculum with the goal to begin the end of 2020.

## U.S. Army Partnership for Youth Success Program (PaYS)

On May 20, 2019, ABF Freight President Tim Thorne signed a memorandum of agreement to solidify our partnership with the U.S. Army Partnership for Youth Success (PaYS) program. PaYS connects first-term regular Army and Army Reserve soldiers to the civilian workforce by providing two guaranteed job interviews and possible employment after the Army.

At ArcBest and ABF Freight, we strive to hire great candidates who exemplify our values. This partnership with the U.S. Army is a way to reach possible candidates who display the leadership skills and professional standards we are seeking. As a veteran who understands the transition from the Army to the civilian workforce, I'm proud that we are partnering with the PaYS program.



**Tim Thorne**

President  
ABF Freight





## Employee Well-Being

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Our people are the heart of our organization and are the reason we've been in business for nearly 100 years. We're committed to investing in and supporting their overall well-being so they can achieve a healthier, happier and more successful life. Through wellness programs, safety initiatives, professional and personal development, and feedback channels, we encourage our employees to be their best selves at work and at home.

# Embracing Total Wellness

We believe that healthy employees are engaged employees. That's why wellness is one of our six core values – it's a part of our culture and a part of who we are as a company. Our wellness value means we embrace total health, focusing on four areas of well-being: physical, financial, social and emotional. Last year, we were honored to receive the 2019 Healthy Workplace Award from the Fort Smith Regional Chamber of Commerce. Here are many of the wellness initiatives employees have access to:

## Employee Benefits

All eligible employees and their families have access to medical, dental, vision, prescription drug, and disability coverage, along with

supplemental life insurance, identity theft protection and legal advice from outside counsel.

## Choice Wellness Program

Our voluntary wellness program is available to employees enrolled in our Choice Benefits medical plan and is designed to help them stay healthy, feel secure and maintain a positive work/life balance. Those who participate and complete yearly requirements benefit from reduced premiums, deductibles and out-of-pocket expenses.

The program is based on points and after employees complete the requirements to reach the point threshold for their reduced premiums, they can use leftover points to purchase gift cards and enter sweepstakes drawings for significant prizes.



## Health Programs & Services

We have a variety of programs and services in place to assist employees and their families on their path to embracing total health:

- **Castlight** is our digital health platform. Introduced in 2018, it's personalized for each employee to house their wellness information, provide options for in-network care and keep track of Choice Wellness requirements.
- **Naturally Slim® (NS)** is a 10-week mindful eating program designed to help participants lose weight, reduce risk for metabolic syndrome and improve their overall health. We offer it several times throughout the year free of charge to employees, their spouses and adult dependent children.

## Naturally Slim Success Story

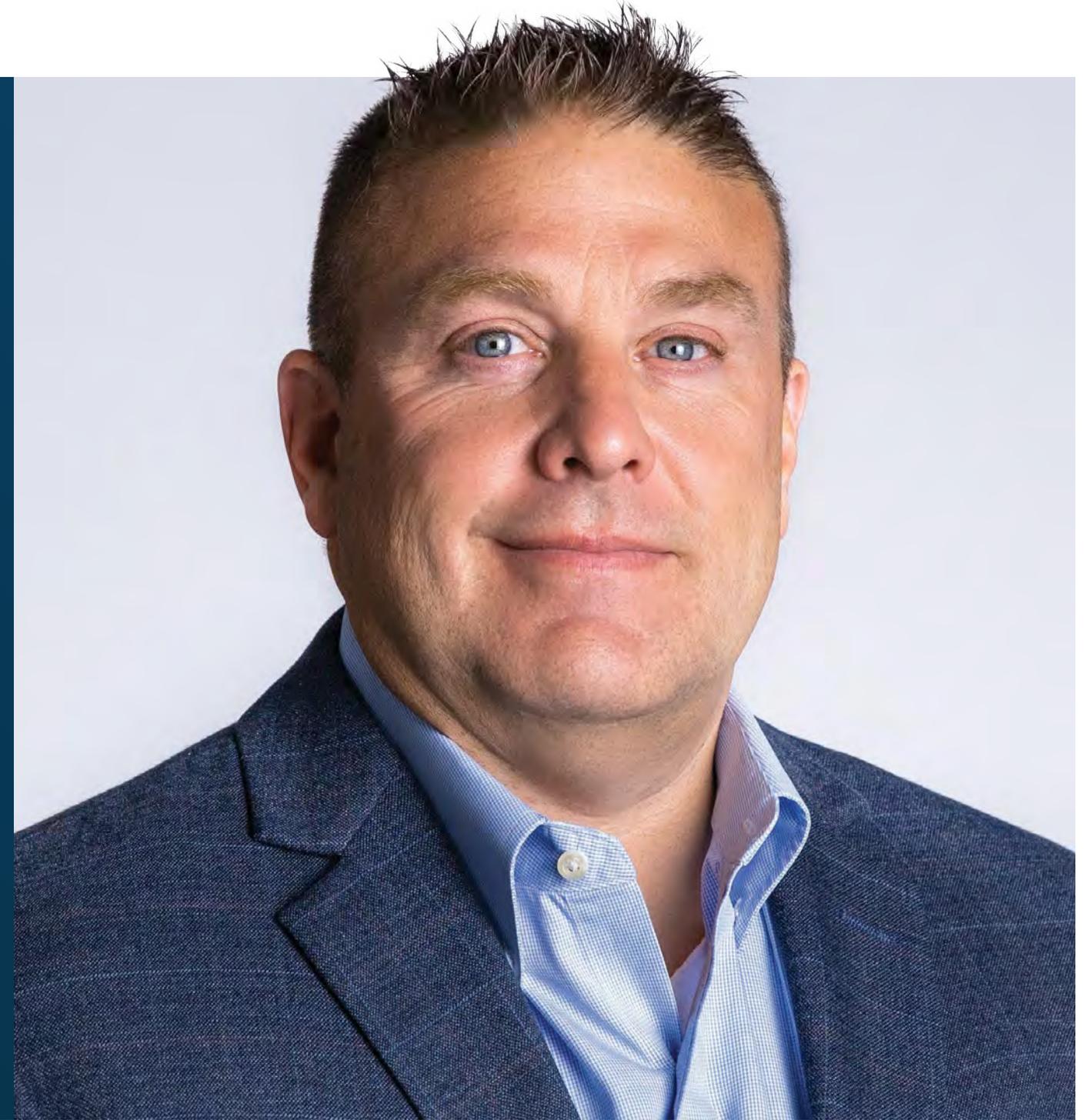
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Marc Weidner, vice president sales – east, participated in Naturally Slim after a health scare put him in the emergency room. He decided NS was a good option for him because the program's principles are based on allowing you to eat what you want, just in a different way. Marc lost 87 pounds in 18 months and feels more energetic in all aspects of life.

The ArcBest wellness initiative really enforces our organization's investment into the entire person – in how they perform both inside and outside of work. And that really reinforces our overall strategy of taking care of the people who make our business operate. I feel more energetic, and I feel better not only about the physical results but because I feel like I've invested in myself and my family.

**Marc Weidner**

Vice President  
Sales - East



## 2nd M.D.®

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2nd M.D.® is a service that provides expert second opinions from a network of more than 350 board-certified doctors. We provide this service free of charge to employees who are enrolled in our Choice Benefits medical plan, and their spouses, children and parents, even if they are not covered under our health plan. This allows us to assist employees in stressful situations and provide help when it comes to physical, emotional and financial wellness.

## Doctor on Demand

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Doctor on Demand is a telemedicine service that connects our employees with doctors, psychologists and psychiatrists right from their devices 24/7/365. Through live video, doctors can perform exams, review symptoms and prescribe medications to help treat minor illnesses or manage specific conditions. Behavioral health services are also available for full mental wellbeing support, from talk therapy to medication management. Apart from a copay, the service is free to use.

## Premise Health®

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Premise Health® is an employer-sponsored clinic for ArcBest employees located in Fort Smith, with additional locations in Arkansas and Oklahoma. The clinic provides free on-site health services to employees and a low copay for covered family members.

## Hines® and Associates

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Hines® and Associates is a free program that gives employees access to Certified Health Education Specialists (CHES®) and American Council on Exercise (ACE®) professionals to help achieve their best wellness lifestyle. It also offers access to registered nurses who specialize in helping manage diabetes, high blood pressure, weight loss and chronic diseases.

## Wellness Holiday

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Employees who participate in the Choice Wellness Program and meet the annual requirements are awarded one Wellness Holiday per year, in addition to their vacation, holidays and personal time off.

## ArcBest Fitness Center

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Our fitness center at our Fort Smith headquarters is available for use before work, during breaks and after work. The fitness center is equipped with treadmills, ellipticals, stationary bikes and weights, and we also offer classes including yoga, strengthening and toning, and dance fitness.

## Health discounts

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Health discounts are available when purchasing exercise equipment from select manufacturers and for memberships to several gyms across the country.





## Dance Fitness Fun

Dance fitness is led by employee Brittney Lee, content specialist, who combines easy-to-follow moves, exciting music and interval training for a full body workout. Moves are designed to improve cardio, strength and balance.

With fast-paced lifestyles and technology conveniences, now more than ever, we must be intentional with our level of physical activity. Dance fitness is a fun and energetic workout that not only helps me get my steps in each day but also improves my focus at work and helps relieve stress. I enjoy the team support, and I love how dynamic the instructor is.



**Daysi Rosales**

Marketing Campaign  
& CX Project Lead



# 2019 Wellness Events

Every year, we promote wellness through a variety of events:

- **Annual Wellness Challenge.** In 2019, we hosted a team step challenge. Employees formed groups of 6-8 people and earned points for their team based on their daily step count. More than 186 teams participated, walking over 265 million steps – which is equivalent to walking around the globe more than 5 times!
- **Annual 5K & Health Fair.** Every year in October, we host a 5K race and health fair as part of ArcBest Family Day. In 2019, over 100 employees (including family members) participated in the 5K, which raised over \$10,000 for the United Way of Fort Smith Area. The health fair provides valuable information about our benefit vendors, life insurance plans, nutrition counseling, mammograms and retirement.
- **Diabetic Fair.** In 2019, we held our first on-site diabetic fair which consisted of an interactive presentation from our Premise Health physician Dr. Thomas Bonin, M.D., and a cooking demonstration for healthy, diabetic-friendly snacks. A Hines Health coach was also present for one-on-one discussions.

## Wellness Champions

ArcBest Wellness Champions are employees across the organization who guide and encourage coworkers going through their own health journeys.

## Other 2019 Wellness Events Include:

- On-site bloodmobile donations to the Arkansas Blood Institute
- First Friday Fruit
- ArcBest Cycling Club
- On-site mobile mammograms
- Free on-site flu shots
- Free on-site biometric screenings for Fort Smith employees
- Wellness Week sponsored by the Fort Smith Regional Chamber of Commerce



## Success Story

Bobby Terrill changed his views on wellness six years ago after realizing he wasn't prioritizing his health.

In early 2014, I came to realize that I was unhealthy. I was overweight, had bad habits and was pushing 260 pounds when most of my life I had always been around 190. I was uncomfortable in my own skin.

With the positive example his supervisor set, Bobby became interested in making changes to his eating habits and exercise routine. He now enjoys running 5Ks, half- and full-marathons and overall, lives a healthier lifestyle.

Being with ArcBest, I was so excited to have Wellness as one of our core values. Seeing that our company truly wants its employees to be healthy and happy meant a lot to me. I've never seen a company with such an emphasis on wellness in such a positive way and provide us with tools to help everyone achieve their own personal goals.

### **Bobby Terrill**

Truckload

District Sales Manager

# Driver Wellness

Ralph Garcia has been an ABF Freight road driver for 28 years. As a professional truck driver, he knows the importance of maintaining a healthy lifestyle while on the road.

It's hard for a driver to find time to get exercise, but with all the new regulations around health and fitness, many drivers have to pay attention to their weight and health. I've always been involved in sports and athletics, so I've ingrained exercise into my routine. I always exercise before I leave the house, and I'll stop driving every two hours for about five minutes to run in place or walk. It just takes discipline.

Eating right is also essential. Ralph typically packs his lunches with healthy foods and ensures he drinks plenty of water.

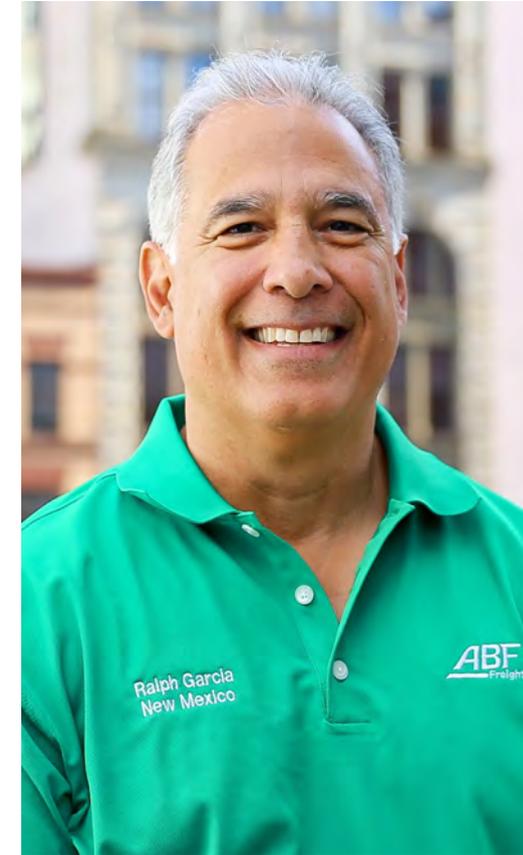
My motto is 'Don't eat anything out of a bag. Eat clean.' I'll pack anything that's natural — fruits, vegetables and meats that aren't processed, and I'll drink a lot of water. Staying hydrated is a big thing. A lot of drivers tend to drink soda instead of water. But as a truck driver, staying hydrated with water is so important to keep our organs from drying up.

Overall, Ralph enjoys focusing on wellness and encouraging other drivers to do the same.

Exercising and eating right makes me feel better, and it makes me more alert on the road. I hardly miss work because I stay healthy, and it makes me a better husband to my wife, because I have enough energy to do things with her when I'm home. Overall, wellness makes me a better person.

## Ralph Garcia

ABF Freight Road Driver



## Q&A with Shannon Fazikas

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Q: Why is embracing total wellness important to you?

A: It's important to embrace total wellness for your mind and body to be well. If you disconnect and do something that is good for your overall health, you are less stressed. Going for a walk or a run puts my mind at ease!

Q: How do you stay active?

A: I love to run, play catch, play basketball, swim and hike with my family.

Q: How do you feel about wellness being a company value?

A: I think it's great! ArcBest thinks about our overall health and that speaks to the type of company they are. They invest in and want their people to be happy and healthy.

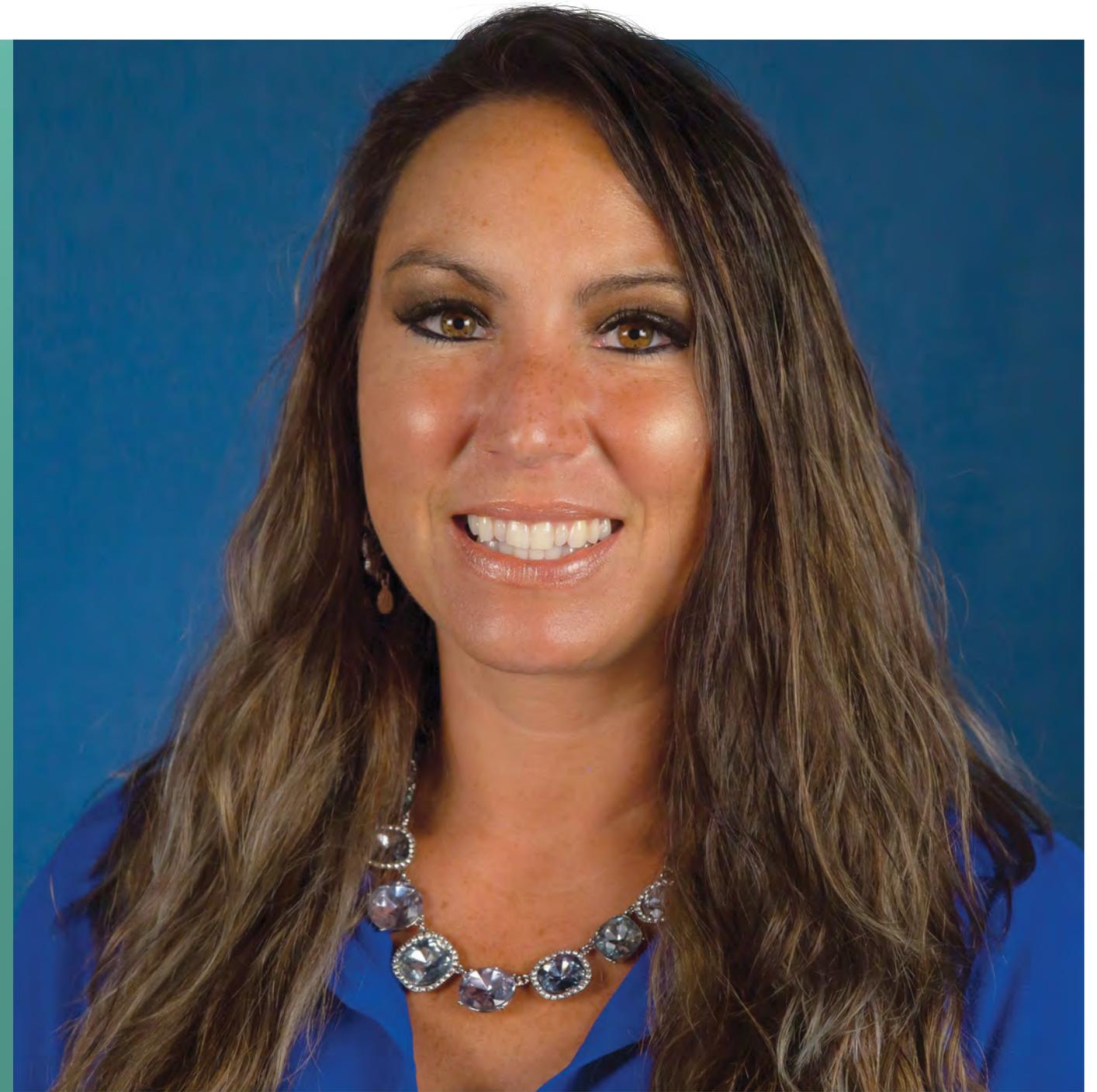
Q: How do you promote wellness in the workplace?

A: I jump on conference calls and discuss wellness with coworkers and ask how everyone is incorporating it into their life. I stress how important it is to have a healthy mind.

### **Shannon Fazikas**

Director

Enterprise Sales



# Financial Wellness

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We promote financial wellness through tools and programs that can help employees lower personal debt and save for their futures.



## Transamerica®

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We partner with Transamerica Corporation to provide our employees an easy, secure way to save for life after retirement. As a company, we'll match 50% on the first 6% contributed to the 401(k), and employees can contribute 1%-69% of their eligible pay.

## Gradifi®

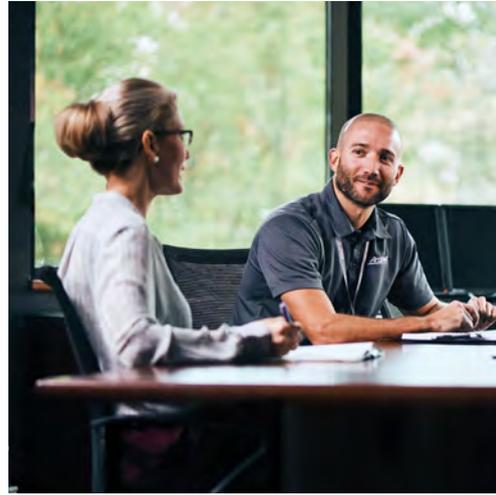
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We formed a new partnership in 2019 with Gradifi which provides employees access to expert independent counselors at American Student Assistance to help them take control of student loan debt.

## Tuition Reimbursement Program

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We believe everyone should have the option to achieve a degree without going into substantial debt. Through our tuition reimbursement program, we reimburse 50% of the tuition and fees incurred by our employees. In 2019, approximately 120 employees requested reimbursement, and we paid out over \$290,000.



# Workplace Safety

Creating a workplace where everyone feels safe is at the forefront of our business decisions and a responsibility we take seriously. The policies we have in place, including our [anti-discrimination, harassment and retaliation policy](#), provide detailed protocols for the health, safety and welfare of all employees. We also encourage and expect our employees to contribute to a safe working environment at all locations through compliance and reporting.



# 2019

## Safety Initiatives

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- **Everbridge** is our emergency communications system that allows employees to receive timely information via text, push notification on the Everbridge app, email or phone call in the event of an emergency.
- Our **Stay Safe** initiative is focused on ensuring every member of our team gets home safely every day. The Risk Management team oversees this program and sends out monthly updates that encourage employees to perform their jobs safely and think about their actions whether they are moving freight, driving or working in an office. We allowed a full year of the Stay Safe initiative to be in place before we began evaluating its impact. As of the date this report is published, we're experiencing, on average, a 25% reduction in injuries per month.\*
- We partnered with a private **security training group** to help raise awareness about workplace violence. They also conducted a crime prevention analysis of our campuses and hosted on-site training events.

*\*Average reduction in injuries per month June 2020 - October 2020*

## Other ways we promote safety:

- Employees are required to complete annual safety training
- All new hires are required to complete workplace violence training during their first week
- Nearly 140 online training modules are available covering a variety of safety topics
- First-aid kits are kept in all work rooms, fitness centers, and shipping and receiving areas
- Automated external defibrillators (AEDs) are located near the main elevators on every floor of our Fort Smith locations
- A designated group of employees are trained in first aid, CPR and AED processes
- All employees have access to our Emergency Action Plan, which includes an emergency contact list and procedures for what to do in case of medical emergencies, fires, tornadoes, earthquakes, workplace violence and other safety threats

# Safety & Security

As a transportation company, safety is critical. We're committed to protecting our customers' freight and ensuring that our employees work in a safe and secure environment. We pride ourselves on our safety procedures and guidelines and commend each driver for their professionalism behind the wheel and devotion to safety on and off the road.

## ABF Freight Safety Awards

The ABF fleet demonstrates our commitment to safety:

- The only seven-time winner of the American Trucking Associations' President's Trophy
- Eight-time winner of the American Trucking Associations' Excellence in Security Award
- The only seven-time winner of the American Trucking Associations' Excellence in Claims & Loss Prevention Award
- 2019 and 2020 Quest for Quality Award
- 79% of drivers earned company awards for safety in 2019



# Driver & Safety Training

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- All service center employees, including drivers, dock workers, supervisors, shop, office and sales personnel are required to complete training on proper freight handling techniques and obtain certification for handling hazardous materials.
- Before drivers are certified to operate ABF Freight equipment, they must complete our “Road Test Orientation and Training” course, pass a written exam and successfully complete a road test. We require all drivers to complete yearly training and recertification.
- Before any employees can operate a forklift, they must be certified. ArcBest has Regional Managers of Safety and Security across the nation who help train and certify these employees.
- Service centers conduct required monthly safety meetings to train staff on safety topics such as forklift safety, hazmat security, proper lifting procedures and the dangers of heat stress.



# ELD Training

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In 2019, the Federal Motor Carrier Safety Administration began strictly enforcing the electronic logging device (ELD) mandate which requires most commercial truck drivers to log their hours of service electronically. The ELD law is one of the industry’s biggest regulatory changes in the last 40 years, and through it, the federal government aims to create a safer work environment for drivers and the general public.

While our drivers logged their hours electronically prior to the mandate, we understand the importance of continual training for drivers to stay up to date on changes and additions to the law. In 2019, our training team conducted 12 regional workshops for ABF Freight service center managers. The six-hour class consisted of technical presentations, hands-on exercises and live demonstrations of the ELD system. The service center managers then deployed the training to our drivers with great success: 4,000 employees across the nation were trained on ELDs in eight weeks.

# 2018-2019 ABF Freight Road Team

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Members of the ABF Freight Road Team serve two-year terms as ambassadors for the company and may speak at civic and fraternal organization events, school assemblies and career fairs about driving safety and sharing the road with trucks. To be eligible for our Road Team, ABF drivers must have at least 10 years of driving experience and an exemplary driving record.



It's an honor and a pleasure to serve the company and the trucking industry, and to promote safety and be a mentor to others. Thanks to the Road Team, I've established new friendships and had great experiences. It's been an awesome thing to be part of that group.



**Sammy Brewster**  
Driver  
ABF Freight

# 2019 ABF Freight Load Team

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The ABF Freight Load Team is an elite group of freight-handling professionals from service centers throughout North America. Load Team members are selected based on their safety records, involvement in the Quality Process, personal integrity and ability to load trailers in an optimal fashion.



# 2019-2020 America's Road Team

In 2019, three ABF drivers were named to the American Trucking Associations' America's Road Team – a national public outreach program led by a small group of professional truck drivers who share superior driving skills, remarkable safety records and a strong desire to spread the word about safety on the highway. ABF is proud of the following three drivers who were chosen as captains:



Scott Davis of Missouri has been a professional driver for 43 years, the last 18 with ABF Freight. He has driven over 4.4 million accident-free miles.



Sammy Brewster of Georgia has been a professional driver for 29 years, the last 12 with ABF Freight. He has driven over 400,000 accident-free miles.



Todd Wilemon of Mississippi has been a professional driver for 35 years, the last 26 with ABF Freight. He has driven over 2.75 million accident-free miles.

# 2019 Highway Angels

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The Truckload Carriers Association's Highway Angel<sup>SM</sup> program has been recognizing professional truck drivers since 1997 for their courageous and kind acts on North America's roadways. Many of America's drivers go out of their way to help motorists in simple inconveniences and even life-threatening situations. Eight ABF drivers were Highway Angel recipients in 2019.

## Highway Angels Spotlight

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ABF driver Robert "Bob" Digrazia was traveling near our service center in Sarasota, Florida when he approached a car with its driver-side door panel on fire and a young female driver still inside. Bob acted quickly – he used his tractor's fire extinguisher to put out the flames, began directing traffic and provided a safe place for the young driver to wait until emergency responders arrived.



ABF driver Donald Wood came across a motorist whose pickup was stuck in heavy snowfall, and he spent more than an hour shoveling the impacted snow around the tires in 30-degree weather. The motorist contacted ABF to make us aware of how grateful he was that Donald saved him during a snowstorm.

## Driver Safety Spotlight

Tony Spero has been an ABF Freight city driver for 31 years. In March 2018, he reached 60,000 consecutive hours of accident-free driving and earned the Platinum Safe Driving Award (equivalent to 4 million miles). Tony also earned a commemorative plaque for 25 years of safety performance and a 30-Year Safe Drive Ring for 30 years of accident-free driving.

Tony is also an 18-time winner at the Connecticut Truck Driving Championship and a 2-time winner at the National Truck Driving Championships, which further speaks to his impeccable safety record.

I never let the actions of another driver affect my composure, and I'm constantly aware of my surroundings. I never drive aggressively, and I strive to have no accidents.

### **Tony Spero**

Driver  
ABF Freight



# Panther Premium Logistics Safety Highlights

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Safety measures and policies also apply to all independent contractors, owner-operators and fleet owners in our Panther fleet. In addition to compliance training required by the FMCSA, we've developed safety processes that allow us to monitor vehicle compliance and contractor safety performance. We've implemented Contractor Safety Awareness and Safety Focus programs to heighten awareness, promote safe driving behaviors, and reduce violations and accidents.



# Recruiting and Retention

## Recruitment

We believe our people are the best in the industry, and our Talent Management team is dedicated to recruiting the right individuals for every position. Through a variety of recruiting efforts at job fairs and by utilizing platforms like LinkedIn, we seek candidates who express our core values and can make the greatest impact on our customers and business.

We also strive to improve our application, interview and onboarding processes so that we continue to attract reliable employees and aspiring leaders. In 2019, we received nearly 60,000 job applications, conducted close to 10,000 interviews and hired 2,452 people.

## Employee Development

Growth is a crucial organizational value that states “We grow our people and our business.” This value serves as a call to action for us to provide continued learning and development opportunities for employees at every level of our organization. We want to ensure everyone has access to the training they need to do their job successfully and achieve their career aspirations.

**We're pleased to rank among Training magazine's 2019 Top 125 for the 11<sup>th</sup> consecutive year for professional development. We placed 19<sup>th</sup> in 2019 and 12<sup>th</sup> in 2020. Over 6,200 team members completed 1,100+ instructor-led courses and 55,000+ online courses.**



## ArcBest University (ArcBest U)

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ArcBest University is our comprehensive learning program for employees including web-based, classroom and virtual learning options.

### Web-based Training

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Elevate is our online learning portal that offers employees hundreds of courses on soft and technical skills. Training topics include office software programs, emotional intelligence, social styles, how to handle difficult conversations and much more.

### Instructor-led Training

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We taught over 1,100 classes in 2019 covering topics like job development, skills and computer program training, emotional intelligence and leadership development. Instructor-led training is offered in a classroom and virtually.

## Goals & Development Planning

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To effectively grow our people and our company, the Employee Experience team has focused on working closely with each business unit to customize a performance management system that rates a person's performance on role-specific competencies, yearly goals and ArcBest values. Through annual reviews, career counseling sessions, individual development plans and consistent check-ins with direct supervisors, employees are better positioned to create their own paths to success.

## Our Progress Toward Reimagining Performance Reviews

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- By the end of 2019, we defined specific competencies for all roles
- By the end of 2020, annual performance review processes will be determined for all roles
- By January 2021, all teams will be using the new review process



# Leadership Highlights

- The average tenure of a director is 20 years
- 167 employees were promoted to first-time leadership roles in 2019

## ArcBest Leadership Academy

The Leadership Academy (LA) is designed for high-potential employees (nominated through an in-depth process) who have demonstrated the qualities of being a future leader in our organization. The training consists of three, two-day training sessions focused on the four levels of leadership – Self, Team, Organizational and Community. LA classes are held annually from August to November and involve 32 employees. Over 150 employees have graduated from the LA.

## ArcBest Leadership Series

Leadership Series is a 10-part training course

created by our Talent Management team, and participants must be nominated by directors and senior leadership. The series is designed for all current leaders to gain a base knowledge of leadership and management best practices, but is also a great course for up-and-coming leaders who may not yet have a team. Courses include Building Trust, Employee Development, Communications and Progressive Discipline. To date, 568 employees have participated in the ArcBest leadership series.

## New Supervisor Training Program

To help new supervisors and managers succeed, we provide in-house training modules that teach basic leadership

and management skills. In addition to the online curriculum, they'll also attend two management training classes at our headquarters. The online curriculum is also available for employees who aspire for a supervisory role.

## MBA Program

Through our partnership with Harding University, we offer on-site and virtual classes to employees wanting to pursue a Master of Business Administration degree. The program takes about two years to complete, and employees receive a 15% discount per credit hour and become eligible for our tuition reimbursement program – allowing them to obtain their MBA for less than \$10,000.

I chose to get my MBA through the ArcBest program because I wanted to improve my leadership and people management skills while networking with people within the company. Prior to starting the program, I had a minor interest in Human Resources. The classes provided instilled a passion for HR and people. Now, I work on our Talent Management team as an Employee Experience Project Manager and hope to eventually lead a team of HR professionals.



**Mindy Smith**  
Project Manager  
Employee Experience



### **Driver Development Program**

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To overcome the driver shortage that continues to affect our industry, we develop drivers through our Driver Development Program. This program is a partnership with the International Brotherhood of Teamsters that allows us to hire potential drivers, even those without commercial driving experience or a CDL, and train them in-house. Program participants receive six weeks of paid training at a service center. At the end of the six weeks, the trainee receives a Class-A CDL with all endorsements and is offered a full-time position.

### **New Initiative: Virtual Reality Training**

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We continue to invest in innovative technology to make logistics easier for everyone. As we rolled out a new operational system across the nation, we recognized the need for a way to provide training to our teams quickly and easily. Using virtual reality technology was the ideal way to accomplish this, and we were successful using this new process. 2019 was our first year to use this technology, and we're excited about the opportunities virtual reality presents with employees and customers.

## Employee Engagement

Collaboration is another ArcBest core value, and we encourage open communication from all employees. Hearing honest and direct feedback helps us make improvements and strengthen our values-driven culture. We provide many channels for employees to give feedback and ensure each voice is heard.

### 7 Ways Employees Can Share Their Opinions or Concerns

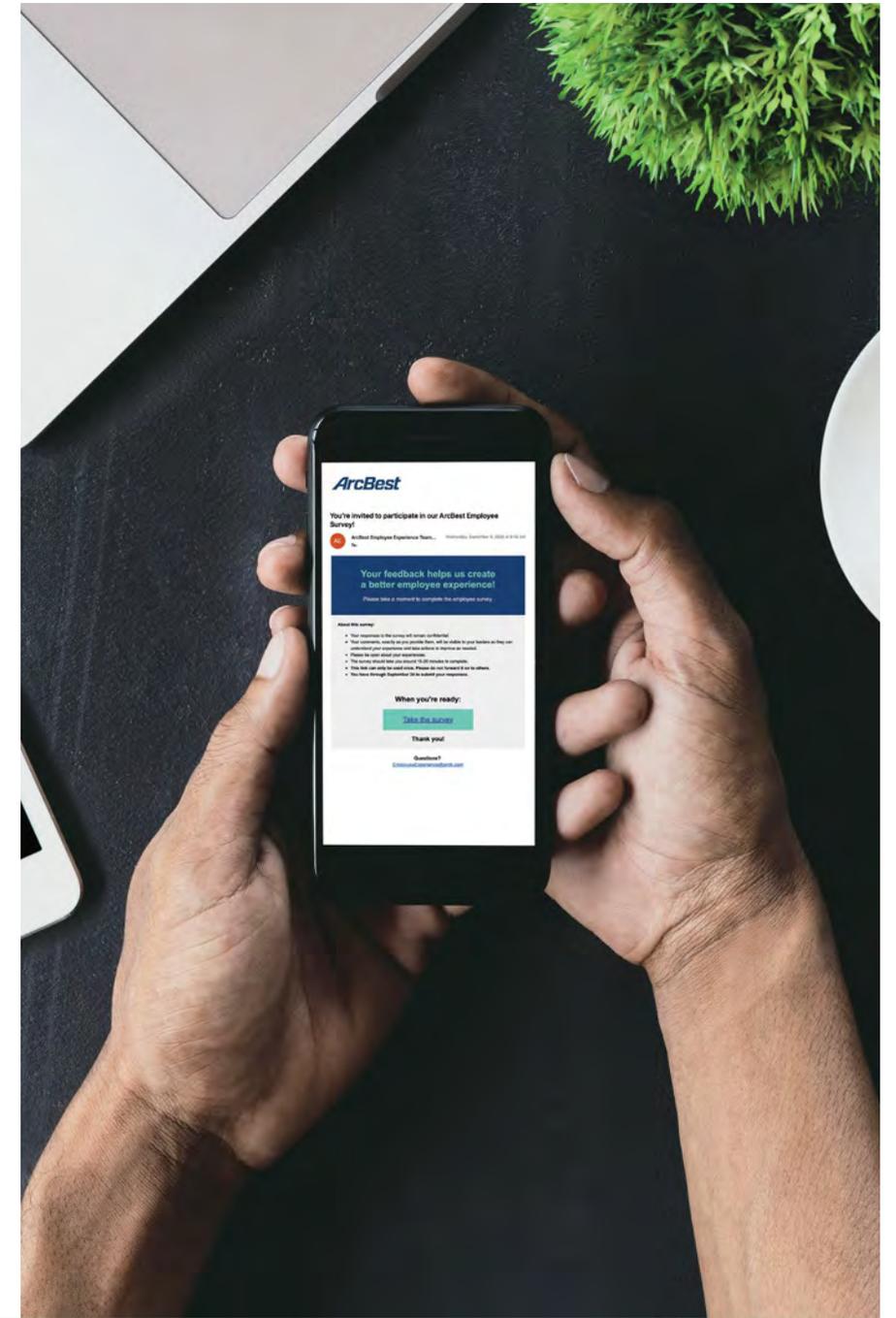
- Annual survey
- Pulse survey
- ArcBest Creativity Box
- SAM online suggestion system
- Anonymous reporting hotline
- Employee experience inbox
- Talking directly to supervisor

## Annual Survey

Every year, employees can provide feedback by participating in an annual survey. The survey covers nine categories: communication, supervision, benefits, management style, culture, customers, employee engagement, working relationships and performance. The responses we gain help us better support our customers while improving our work environment. In 2019, we had the highest-ever employee participation rate at 90% and an overall survey statement favorability rating of 80%.

### Results

Our Work Reimagined Committee carefully reviews every response and makes recommendations based on requests and concerns. Major takeaways from the 2019 survey include improving our parental leave and bereavement policies and support for continued investment in innovative technology.



## Customer Experience

We believe the learning and development resources available to employees directly contribute to our people being one of our biggest differentiators – they act as creative problem solvers for our customers every day. Developing a robust Voice of the Customer (VOC) program is an ArcBest investment in innovation because we're committed to helping customers overcome their supply chain challenges. We continually make improvements based on customer survey responses and comments, resulting in a 168% increase\* in our Net Promoter Score (NPS). Learn more about current CX initiatives derived from customer feedback at <https://logistics.arcb.com/cx>.

\*3Q 2020 vs. 3Q 2017



# Future Initiatives

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We also use survey responses to determine long-term goals. Here are some areas of focus for 2020 and beyond:

- Continue efforts to enhance the way we collaborate internally between departments to provide a best-in-class experience to our customers
- Continue implementation of various innovative technology and process enhancements to improve the customer and employee experience
- Continue work to improve the experience of employees across the organization





## Community Involvement

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We believe serving our communities is just as important as serving our customers, and we're dedicated to making a difference at home and across the nation. In 2019, through fundraising and volunteering, thousands of our employees gave back in ways that helped create happier, healthier and safer places to live and work.

# Leadership Academy Fundraising Events

Every year, the ArcBest Leadership Academy chooses a community project to support. The Class of 2018 partnered with St. Jude Children’s Research Hospital® and raised more than \$67,000 during 2019 fundraising efforts. The Class of 2019 has joined Ronald McDonald House Charities® (RMHC) to provide stability and resources for families across the nation.

## 2019 Donations and Fundraising Highlights:

- Donated to charity: **\$930,000**
- Donated to United Way: **\$410,000**
- Donated to disaster relief for employees: **\$53,000**

Initially, we decided we wanted to help as many people as possible with our project and supporting an organization whose vision is to create a world where all children have access to medical care, and where their families would be given support, seemed like a perfect fit. We discovered that 10% of our small group had personal experiences with RMHC and there were probably hundreds of ArcBest employees who also have their own stories!

### **Denae Bell**

2019 Leadership Academy graduate



# Partners in Education

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## Mentoring Program

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Since 2015, ArcBest has partnered with Trusty Elementary in Fort Smith, Arkansas, to mentor 5th- and 6th-grade students. During the 2018-2019 school year, more than 30 employees volunteered a total of 449 hours. Mentoring activities included meeting with students twice a month during lunch, helping with kindergarten orientation, hosting a Christmas party, reading to 180 students during Read Across America week and filling more than 350 bags with personal hygiene products for students.

## Pen Pal Program

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We also participate in a Pen Pal Program with Trusty Elementary and pair employees with 5th and 6th graders

to exchange letters. At the start of the 2018-2019 school year, more than 60 employees wrote a letter to their student and received a response two weeks later – this continued throughout the year so that mentors and students both wrote and received a letter each month. For the students, this provides a fun way to develop a friendship while improving their writing skills. In May 2019, ArcBest hosted the annual Pen Pal Picnic at Trusty so mentors and students could meet face-to-face.

## Northside High School Logistics Project

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During the 2018-2019 school year, ArcBest partnered with Northside High School in Fort Smith, Arkansas, to help their Introduction to Supply Chain Management and Logistics class teach 10th- to 12th-grade students about the logistics industry. Employees gave presentations covering transportation, operations, warehousing, supply chain technology, transportation systems and customer service skills. Team member Luke Boen said multiple students showed interest in pursuing a logistics career.

Ultimately, our hope with participating in this project is to educate students early on about ArcBest, so when they go to college, they can apply for our student worker program, which allows them to get a foot in the door while working through school.



**Luke Boen**  
Marketing Campaign &  
CX Project Lead

# United Way of Fort Smith Area

ArcBest has been a Pacesetter company for the United Way of Fort Smith Area for decades and participates in many initiatives including Fill the Bus and Day of Caring. Through multiple fundraising efforts, employee pledges and a company match, we raised nearly \$410,000 in 2019. 100% of our contributions go directly to partner agencies that invest in programs that provide education, childcare, shelter and food. Here are some fun events our employees hosted to raise money:

- Spicy Chip Challenge
- Holiday Bake Sale and Raffle
- Sweaters, Cookies & Cocoa
- Pancake Breakfast
- Nacho Bar
- Halloween Costume Day



# Human Trafficking

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ArcBest fully supports basic human rights for every person and condemns all forms of human trafficking. We expect all employees, suppliers and business affiliates to obey and respect human rights laws, and we will not tolerate any conduct that violates these laws. Due to the nature of our industry, it's critical that we help raise awareness to potentially disrupt trafficking networks. Through partnerships with Polaris and Truckers Against Trafficking® (TAT), we educate our employees and drivers on the realities of modern-day slavery and how they can play a role in supporting the fight.

## Truckers Against Trafficking

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Truckers Against Trafficking is a group that exists to “educate, equip, empower and mobilize members of the trucking, bus and energy industries to combat human trafficking.” ABF Freight partnered with TAT in 2016 and has been a Copper level sponsor since 2017. We’ve trained over 10,000

employees (and continue to train new hires) on how to identify human trafficking in the transportation industry.

## Polaris

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In 2019, we partnered with Polaris – a leading nonprofit organization dedicated to fighting and ending sex and labor trafficking in North America. We’re currently working with the Polaris team to develop and execute education materials for employees and contract carriers on the realities of human trafficking. [Learn more about our Polaris partnership.](#)

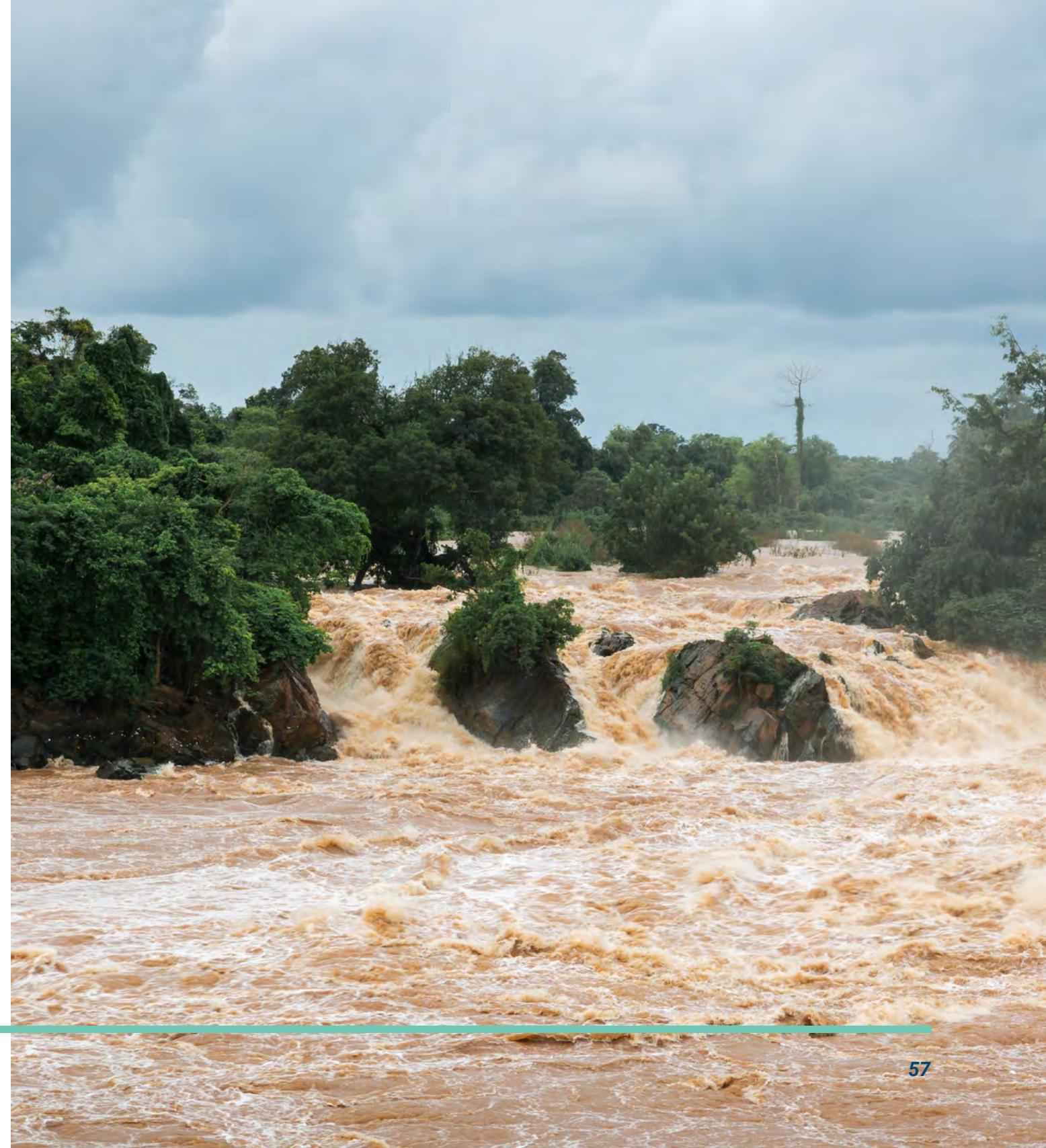


# Disaster Relief

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In May 2019, our Fort Smith, Arkansas, community experienced historic and record flooding, and our Dayton, Ohio, community took the brunt force of an EF4 tornado. These natural disasters left behind significant damage to businesses and homes. The ArcBest Relief Fund – which combines funds from employee donations, employee fundraising and our company match – provided \$53,000 to employees directly impacted.

Employees also volunteered many hours to help clean and rebuild businesses and homes. One example includes 18 employees who helped paint classrooms, clean floors and install drywall at Moffett Public Schools in eastern Oklahoma, which was destroyed by the flooding.



# Other ways we got involved in 2019

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## Medina County Society for the Prevention of Cruelty to Animals

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On Valentine's Day, our Medina, Ohio, team sold carnations and roses and raised \$872 for their local [County Society for the Prevention of Cruelty to Animals](#) – a shelter that protects and cares for abused, neglected or abandoned animals.

## Safety Drive for a Cure

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More than a dozen ABF Freight drivers took part in the 7th annual Safety Drive for a Cure in Georgia, which raises money for the [Pediatric Brain Tumor Foundation](#)® – Georgia chapter. In addition to raising funds, the competition promotes safe driving in the trucking industry.



## Eye Make A Difference®

Employees donated nearly 400 pairs of gently used prescription and non-prescription glasses, readers and sunglasses to Eye Make A Difference – an [Eyes of Hope®](#) program that provides glasses to VSP network doctors and optometric organizations for mission trips.

## Walk to End Alzheimer's

Employees raised over \$2,600 for the [Alzheimer's Association®](#) in September as part of the Walk to End Alzheimer's event at the University of Arkansas – Fort Smith.

## Susan G. Komen® Ozark More Than Pink Walk

On October 5th, 183 employees participated in the 2019 [Susan G. Komen Ozark More than Pink Walk](#) at the University of Arkansas – Fort Smith. ArcBest was the No. 1 fundraising team in the community, raising \$1,350 for the foundation.



## Fisher House Foundation

Our Dayton, Ohio, team raised over \$6,000 through donations for the [Fisher House® Foundation](#) – a local organization that provides support and lodging for military families while their loved ones receive medical treatment. The company matched the funds to bring the total to \$13,110.

## Career Clothing Drive

In October, the Recruiting team held a Career Clothing Drive to benefit the University of Arkansas – Fort Smith [Career Services](#) Professional Clothing Closet. Fort Smith employees donated four cart loads full of gently used professional attire during the drive.

## Feed My Starving Children

In December 2019, 20 ArcBest employees in Illinois helped pack meals for [Feed My Starving Children](#) – a nonprofit that has provided nutritious meals to people around the world since 1987. In less than an hour, our employees packed enough food to feed 86 children for a full year.



## Operation Christmas Child

For the 11th year, more than 50 employees volunteered in Georgia, North Carolina and Texas to help process and transport over 4 million gift-filled shoeboxes in over 800 trailers for [Operation Christmas Child®](#).

## National Wreath Project

In December, four ABF Freight trailers from the Carlisle, Pennsylvania, service center transported nearly 14,000 Christmas wreaths to Arlington National Cemetery to be placed on veterans' graves as part of the annual [Sgt. Mac Foundation's National Wreath Project](#). ABF has been providing transportation for the project since 2007.

## Salvation Army® Angel Tree

Our Dayton, Ohio, team provided Christmas gifts to 70 children in their local community as part of their annual participation in [The Salvation Army Angel Tree program](#).





“Making decisions that conserve our world’s resources is one of the most critical things we can do as a business. Through measuring, benchmarking and assessing our transportation and facility operations, and then using that data to make better choices, we can greatly contribute to environmental sustainability.”

**Mark Bradley**

Vice President

ABF Freight, Fleet Services





# Our Commitment to Sustainability

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As a transportation and logistics company, we acknowledge and understand the effects our industry has on the environment, such as emissions and waste management. We're working hard to positively impact the world by taking steps to minimize our footprint and conserving resources. Through actively exploring and implementing sustainable initiatives such as finding ways to reduce emissions and applying environmental best practices, we are dedicated to doing our part to protect the planet.

# Fleet Awards, Partnerships & Certifications

Our award-winning ArcBest, ABF Freight and Panther Premium Logistics fleets demonstrate our commitment to environmental responsibility:



## *ArcBest*

- 2019 Inbound Logistics Green 75 Supply Chain Partner
- SmartWay Transport Partner since 2018
- 2019 California Air Resources Board (CARB) Certificate of Compliance

## *ABF*

- 2014, 2018 and 2019 EPA SmartWay Excellence Award winner
- Nine-time Inbound Logistics Green 75 Supply Chain Partner
- 2019 SmartWay High Performer
- SmartWay Transport Partner since 2006
- 2019 CARB Certificate of Compliance

## *Panther*

- SmartWay Transport Partner since 2008
- 2019 CARB Certificate of Compliance

# Equipment Efficiency

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We know the environmental effects of operating heavy-duty trucks, which is why we purchase and operate more efficient equipment. Recent efforts have primarily focused on our less-than-truckload fleet.

## ABF Freight Equipment

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ABF Freight has been a long-time adopter of conservation efforts. In 1976, we began voluntarily governing maximum truck speeds (today at 66 mph) to conserve fuel and reduce emissions. In 1994, we purchased new trucks with computerized engine shut-offs to reduce idling, minimize fuel consumption and limit emissions.

We're conscious of the need to operate clean, fuel-efficient equipment – the average age of our road tractors is 20 months and city power units average six years. Recently, we purchased 450 road tractors with optimized fuel economy, purchased or

retrofitted nearly 15,000 trailers with aerodynamic skirts and ordered tractors with roof and side fairings to reduce wind resistance and increase fuel economy.

All road equipment is fitted with low-rolling-resistance tires to reduce energy loss and automated manual transmissions to improve fuel mileage. All new pup trailers are equipped with auto tire inflation systems to reduce fuel consumption. We also use biodiesel fuel in some locations to increase energy efficiency and enhance air quality. All dock forklifts are powered by liquefied petroleum gas (LPG) engines which the United States Environmental Protection Agency (EPA) recognizes as a clean alternative fuel.



# SmartWay® Partnerships

We are a proud partner of the EPA's SmartWay Program, which is a voluntary, market-driven initiative that aims to reduce emissions and fosters the development of a cleaner and more efficient freight supply chain.

Since 2004, SmartWay Partners have avoided emitting more than 134 million tons of harmful air pollution, while saving more than 279 million barrels of oil and \$37.5 billion in fuel costs. That's equivalent to eliminating the annual energy use of over 18 million homes, according to the EPA.

ABF Freight has been a SmartWay Partner since 2006 and also received SmartWay Excellence Awards in 2019, 2018 and 2014. In August 2019, ABF was named a [2019 SmartWay High Performer](#), which recognizes SmartWay Transport Partners that lead the freight industry in producing more sustainable supply chains.

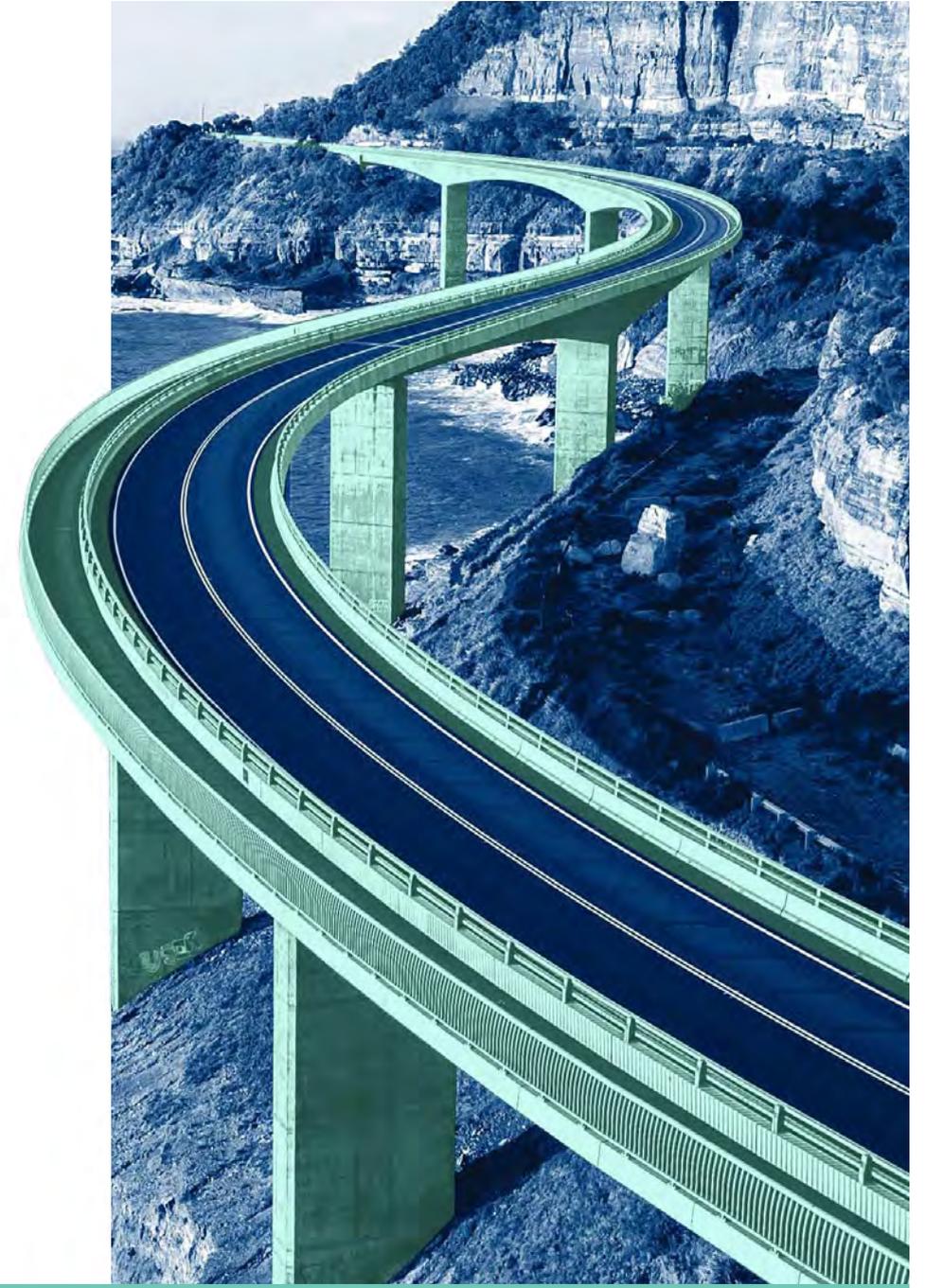
Our Panther and ArcBest fleets are also members of the SmartWay Program – Panther since 2008 and ArcBest since 2018.

We are proud that the EPA has recognized our commitment to maintaining environmental quality. At ArcBest, we are committed to promoting a greener supply chain and adopting measures designed to improve fleet efficiency and sustainability.



**Judy R. McReynolds**

ArcBest Chairman,  
President and CEO



# Sustainable Buildings

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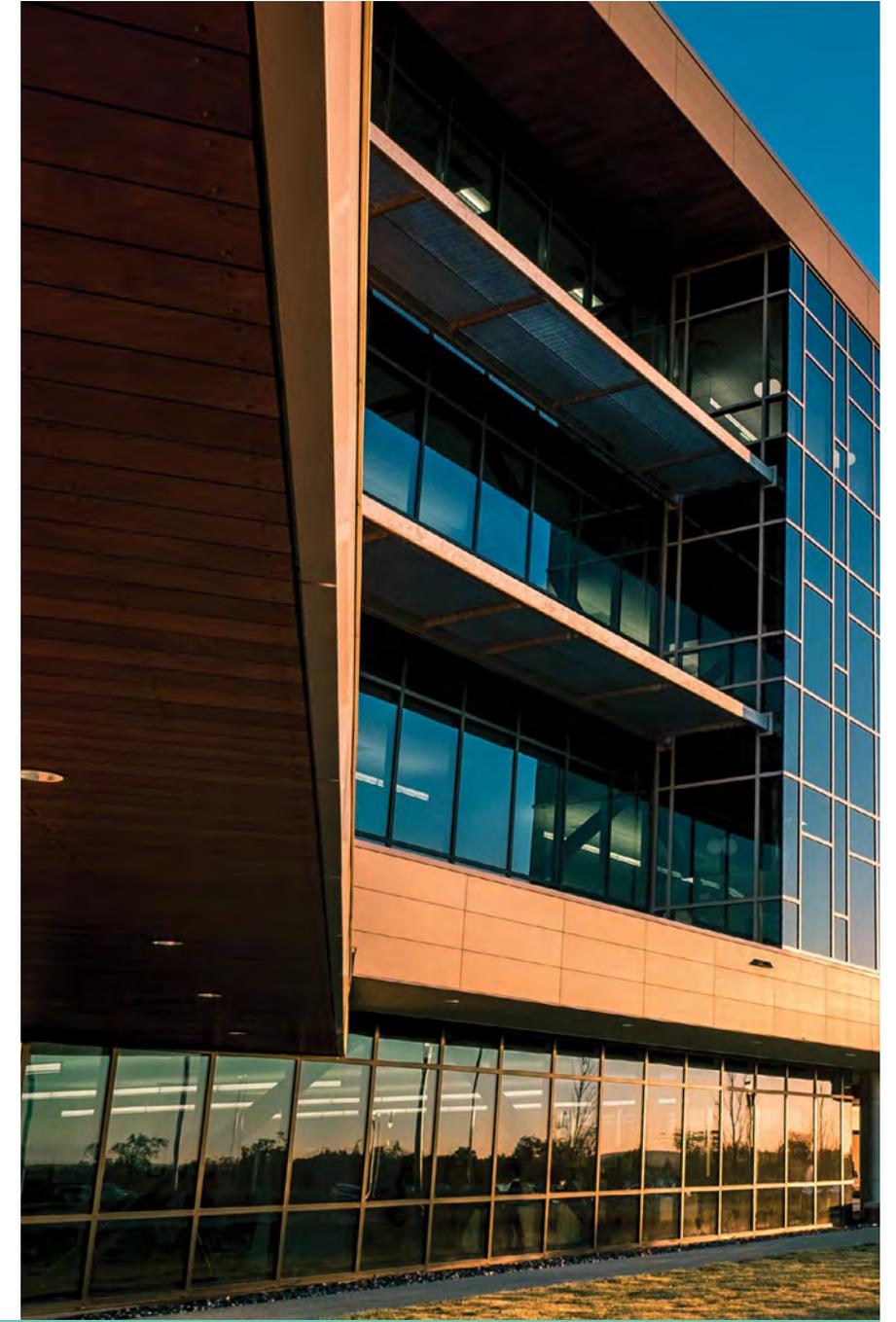
We work to ensure our facilities promote environmental best practices while positively impacting our employees and communities.

## Corporate Headquarters

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The construction of our corporate office in Fort Smith, Arkansas, was completed in 2017 and received [LEED Silver certification](#) in 2018 by the U.S. Green Building Council. The building was designed to optimize energy performance, including an energy-efficient envelope and building materials that consist of nearly 40% recycled content. Other environmentally friendly features include:

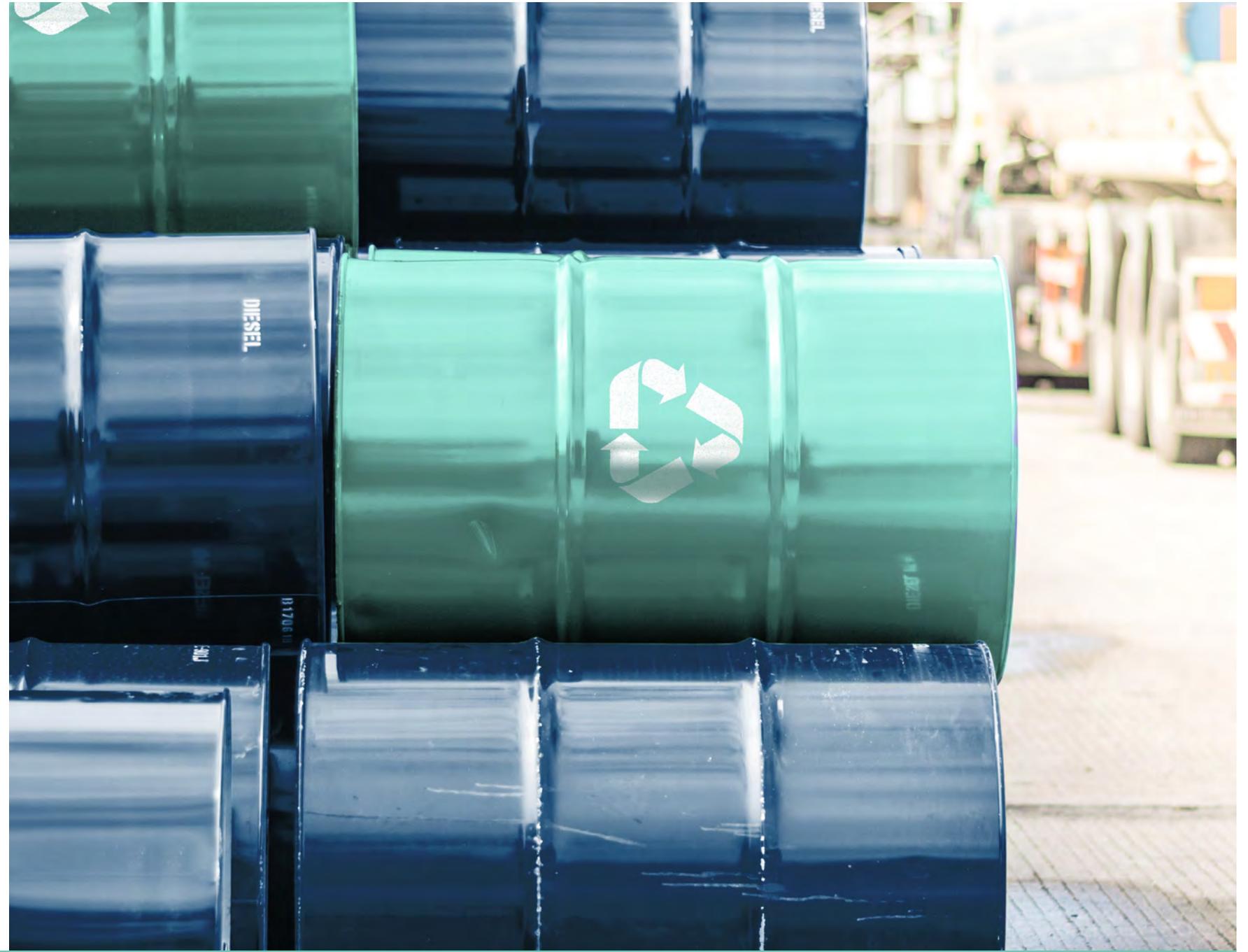
- Low e-coated glass windows with a high UV rating to help reduce summertime heat
- Air-cool chillers that cool the building more efficiently than air ducts
- Rooftop DOAS (Direct Outside Air Systems) Units that pretreat air before it enters the building
- LED lights, light sensors, ambient lighting and energy recovery wheels inside the building to reduce energy consumption
- More than 60 parking spots available for fuel-efficient vehicles, as well as bicycles and motorcycle parking
- Water-bottle filling stations to encourage reusable drinkware
- Recycling stations
- Toilets, sinks and fountains with low water flow to reduce water usage
- Negatively charged carpet fiber that repels stains to eliminate the need to use chemicals when cleaning
- Biodegradable cleaning products and paper towels made from recycled materials
- Recyclable paper products utilized in break areas while also encouraging employees to use their own reusable food containers and utensils



## ABF Service Centers

We're also committed to environmental protection at each of our 240+ service centers:

- **Pollution Prevention.** To comply with the Clean Water Act that regulates water pollution, all service centers are either stormwater permitted, with the appropriate prevention plans in place, or have a No Exposure Certification from the EPA.
- **Fuel Storage Improvements.** To protect water sources, our on-site fuel storage is restricted to facilities with high fuel use, and we use both above and underground tanks. All tank systems comply with federal, state and local regulations, and our underground tanks include state-of-the-art designs with double-walled fiberglass tanks and lines, spill and overfill prevention, and electronic tank monitoring.
- **Recycling.** To minimize waste, we recycle all oil, antifreeze, cleaning solutions and scrap metal, and in many shops, use cloth rags as an alternative to paper towels. We also return used engine batteries to the manufacturer and use retread tires.



# Sustainable Operations

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Many of our services and solutions have been designed with sustainability in mind. We continually evaluate these services, along with our routing and loading processes, to ensure we're operating as efficiently as possible.

## U-Pack®

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U-Pack, a service of ArcBest, offers nationwide household moving services. Since 1997, U-Pack has helped more than 1 million families move their belongings across the U.S. The U-Pack business model incorporates load optimization strategies for the most efficient transportation. Families or individuals moving across the country can load their belongings into a 28-foot trailer, using as much space as they need, and then we fill any remaining space on the truck with commercial freight for a fully optimized load plan. This helps keep moving costs low and helps reduce our carbon footprint by reducing the number of trucks on the road.

## Managed Transportation Services

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Transporting freight using heavy-duty trucks is the fastest-growing contributor to emissions in America – and freight activity continues to increase. The EPA projects that shipping U.S. goods will rise 45% by 2040. That's why it's critical for ArcBest to offer solutions that contribute to environmental sustainability.

Through managed transportation services, we partner with customers to create and execute customized logistics strategies that lead to fewer trucks on the road. Using supply chain optimization, load optimization, pool distribution, vendor consolidation and other transportation strategies, we review and help restructure how customers distribute their freight. Our goal is to reduce the number of trips required to deliver shipments from origin to destination. Benefits include reducing fuel consumption, minimizing air pollution and carbon emissions, and conserving energy. For our customers, they benefit from reducing their overall carbon footprint and transportation costs.



# Future Environmental Goals

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We know we have more progress to make in our sustainability efforts, and we're committed to taking steps in the right direction. Here are some things we're working toward:

- Recording, analyzing and disclosing ESG data across our organization, including energy usage, water usage, recycling and waste management data
- Documenting and disclosing environmental data for our dedicated fleet and capacity providers
- Remodeling older facilities to align with green building practices
- Continuing to purchase clean, fuel-efficient trucks, forklifts and other fleet equipment

# Looking Ahead

This report is the first of its kind in our commitment to annually publish information about corporate social responsibility efforts. We've taken many steps in 2020 to further develop our environmental, social and governance strategy, and we are excited to share these actions in next year's report.

### Next Steps:

- Establishing processes for gathering and analyzing ESG data
- Identifying opportunities for improvement and defining long-term objectives
- Working closely with our Board and leadership team to evaluate which reporting frameworks are most aligned with our strategic objectives



***ArcBest***<sup>®</sup>