

Sustainability Report

Environmental Stewardship, Social Responsibility, &
Governance & Ethics

Kirby Corporation
July 2020



Letter from CEO David Grzebinski

At Kirby, we believe a successful business requires an unwavering commitment to a Zero Harm culture, including: No Harm to People, No Harm to Equipment, and No Harm to the Environment. These three tenets are the foundation of our success and underscore our commitment to a sustainable and safe business. Moving liquid products across the waterways and playing a key role in the distribution and services industry is complex and requires significant investments in training, safety protocols, and maintenance to ensure we complete every day without incident and minimize our environmental footprint.

We are proud that our business segments play a critical and positive role in society, supporting industries that ultimately enable a better quality of life for people. For example, petrochemicals, which represent the majority of the cargoes we transport, are used to manufacture everyday consumer products such as cosmetics, electronics, household items, and clothing. Similarly, black oils like asphalt, are critical components for road, infrastructure and housing construction. The demand for these products and many others makes it even more important when we navigate the waterways that our work is done safely and with minimal impact to the environment.

How do we do that? By staying committed to our 'Zero Harm' principles, we enable a sustainable business model that reflects good environmental stewardship. Most people are unaware that marine transportation is the cleanest, safest and most efficient mode of surface transportation in the U.S. with far fewer impacts on society as compared to truck or rail. In fact, one barge tow uses significantly less fuel per ton-mile than rail or truck. Marine transportation results in fewer carbon emissions being released into the atmosphere.

In addition to providing a safe and reliable form of transportation, Kirby has taken significant steps over the years to further its commitment to the environment by investing in newer equipment and cleaner technologies. Most notably, since 2000, we have invested more than \$500 million in inland boat and engine replacements which significantly improved our efficiencies and greenhouse gas emissions. Additionally, in 2012, Kirby implemented the usage of ultra low sulfur diesel on all vessels, further reducing our emissions profile. We've also invested in our barge fleet, including voluntary use of 6 psi pressure relief valves on tank barges that effectively reduce cargo vapor emissions as compared to tank barges designed with pressure relief valves with a 1 psi or 3 psi. Further, all of our barges are double hulled to protect cargo tanks. At our barge cleaning facility, residual cargoes are eliminated through use of technology that removes vapors through use of efficient technology that accomplishes 98 % reduction by operating beyond regulatory requirements. Distribution & Services is also a key contributor to our sustainability model and is a leader in constructing fracturing equipment that minimizes the impact to the environment, including electric, dual-fuel, and quiet pressure pumping units.



Letter from CEO David Grzebinski (continued)

Our commitment to No Harm to People reflects a corporate culture where safety comes first. Our employees are our greatest asset and are key to Kirby's success. All our employees are empowered with stop work responsibility which gives each of them not only the right but also the responsibility to stop operations on any job where they believe unsafe conditions exist. Kirby is proud to say that our safety statistics, which are monitored by the management team and our Board, have significantly declined over the years despite integrating several significant acquisitions. Beyond safety, Kirby is also committed to creating a workplace environment where all employees are treated with respect and dignity. For example, all employees are required to sign and uphold our Business Ethics Guidelines. For our suppliers, we developed a separate Vendor Code of Conduct that supports our core values. Providing a safe and respectful working environment on the boats, in the field, and at the office are fundamental in our business and support our core values of integrity and people.

At Kirby, good governance and board oversight are also critical to our sustainability culture. Our board has broad industry experience ranging from marine transportation and oilfield services to academia. This past year Kirby elected a new member, Tanya Beder, making her the second woman to serve on our board. We believe her vast skill set, including operational and risk management, will add significant value to our company's success in the future. While the board has always overseen our safety and ethics programs, in 2019, we expanded their responsibilities to formally include oversight of our ESG program. With this change, we believe their broad knowledge and expertise will further help guide Kirby on our sustainability path.

While Kirby has done many great things over the years to ensure a sustainable business model, we recognize that we cannot rest on our past successes. In 2020, Kirby is committed to enhancing the data we gather to better understand our impact on the environment and enable continuous improvement. We believe aligning our ESG disclosures with the SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosures) standards and frameworks will further raise our standard and reinforce our commitment to do the right thing. Through these actions, all our stakeholders, including our employees, customers, vendors, and communities, can see that Kirby is indeed committed to a sustainable business model and No Harm to people, equipment, and the environment – every day.

Disclosure Note: Kirby Corporation's Sustainability Report provides an overview of long-term company goals and efforts in support of those goals. Some material is derived from other company documents. Portions of the report contain aspirational or otherwise forward-looking statements. Actual results may differ, possibly materially, from the company's expectations or predictions expressed in the document. See the Appendix for additional important information about these forward looking statements.



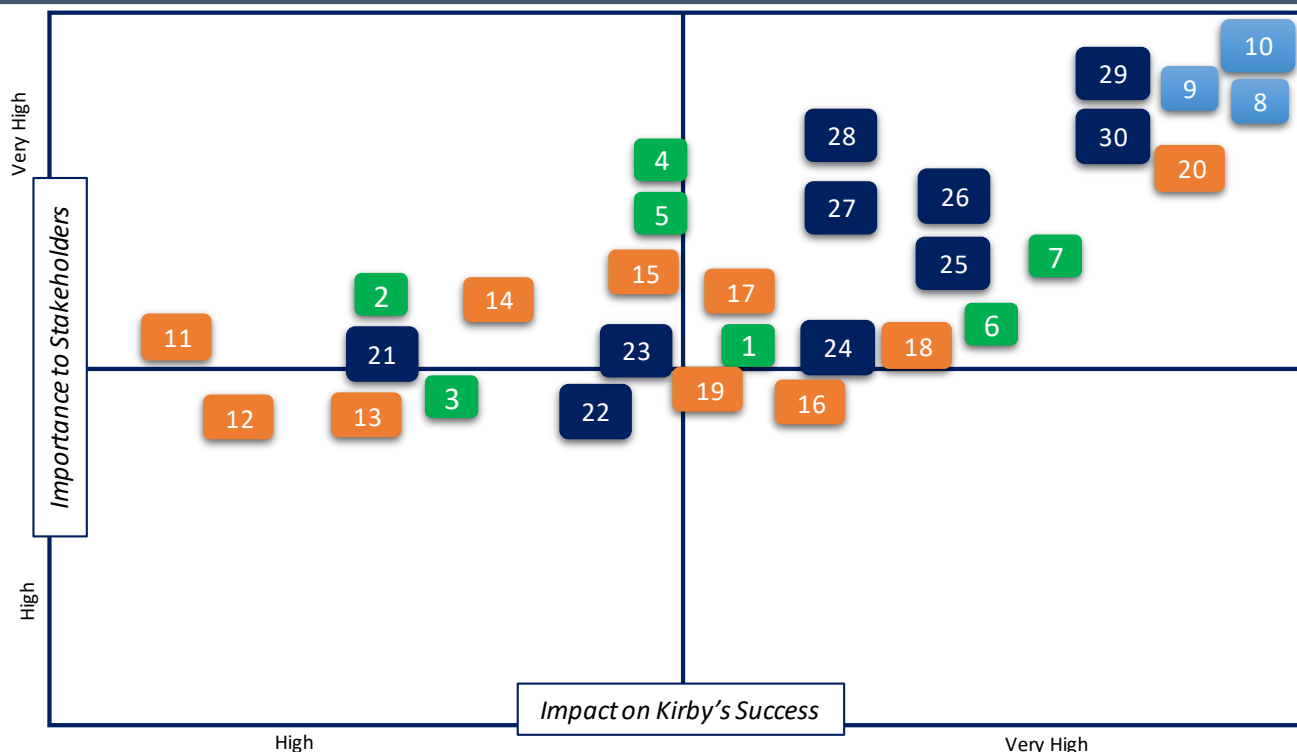
Guiding ESG Frameworks & Standards

Kirby is relying on the following frameworks and standards to guide our ESG journey



Target: Kirby expects to align our ESG disclosures with SASB & TCFD by the end of 2020

Kirby Corporation - Materiality Matrix



ENVIRONMENT

- Water Management - 1
- Residual Material Management & Recycling - 2
- ESG Disclosures - 3
- Climate Change - 4
- GHG Emissions - 5
- Environmental Preparedness & Awareness - 6
- Resiliency & Disaster Response - 7

SAFETY

- Occupational Health & Safety - 8
- Safety of Facilities & Boats - 9
- Management of Dangerous Goods - 10

SOCIAL

- Impact on Society - 11
- Community Involvement - 12
- Sustainable Supply Chain - 13
- Responsible Communication - 14
- Corporate Citizenship - 15
- Employee Wellness - 16
- Human Capital & Workforce Diversity - 17
- Employee Development - 18
- Human Rights & Fair Treatment of Workers - 19
- Customer Service - 20

GOVERNANCE

- Shareholder Engagement - 21
- Digitalization - 22
- Cybersecurity / Data Privacy - 23
- Public Policy & Engagement - 24
- Board Diversity & Independence - 25
- Risk Management - 26
- Governance - 27
- Transparency, Disclosure, Reporting - 28
- Anti-Corruption & Compliance - 29
- Business Ethics - 30



ESG HIGHLIGHTS


2019
SAFE WATCHES
99.95%

~80% OF BOATS
 **BLUE FLAG
PROGRAM
RECIPIENTS**
Perfect Safety
Record


458.7 million
barrels of cargo
transported
WITHOUT
a spill to water


Marine Training
Certificates
INCREASED
by
63%
in the last 3 years 

31%
INCREASE IN
**BILGE SLOP
RECYCLING** 
FOR THE LAST THREE YEARS

**ELECTRIC FRAC
REDUCES**
NO_x EMISSIONS
99% 

Source: USWS

80% 
DECREASE IN
CARGO SPILL RATE
TO WATER SINCE 2002

17% 
Reduction
over the last 5 years of
Relative
CO₂e Emissions
per Barrel of Capacity

75+
**NON-PROFIT
ORGANIZATIONS**
BENEFIT FROM THE
**CHARITABLE
MATCHING PROGRAM**

DIVERSITY
 **2** 
**FEMALE DIRECTORS
ON THE BOARD**

EMPLOYEES:
WHITE – 57%
MINORITY – 22%
UNDISCLOSED – 21%

**INSTITUTIONAL
INVESTOR AWARD:**
 **BEST**
**IN CORPORATE
GOVERNANCE**
Amongst Transportation
Companies

“The Kirby Way”

Safety

Our guiding principle is **No Harm** to people, the environment or equipment. Safety is at the core of everything we do and always drives our decision making.

People

Our people make the difference. We invest in the tools and resources to empower our employees and we promote a workplace that values mutual respect, knowledge, and teamwork.

Integrity

Do the right thing by having the highest ethical standards while always being transparent and accountable for our actions.

Excellence

Creating value for our customers and shareholders by providing the highest quality service and products.

Community

Sharing our success with each other and the communities we live and work in by protecting the environment and encouraging volunteerism.

Safety

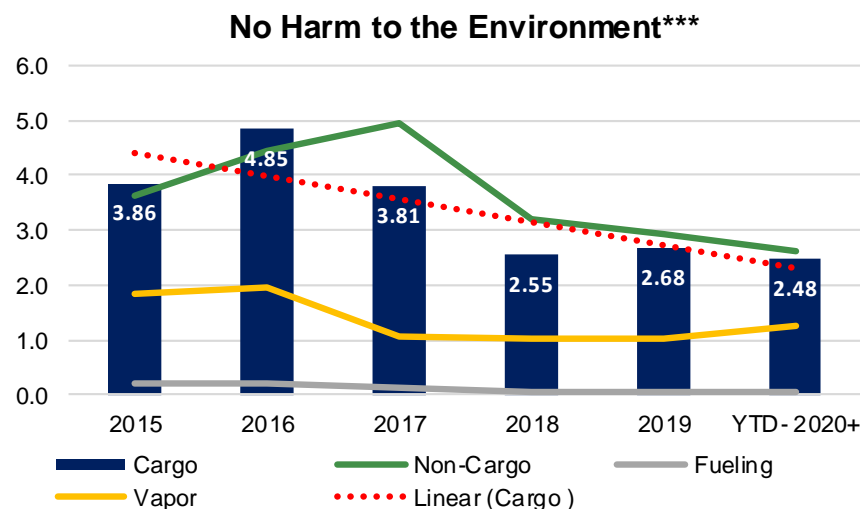
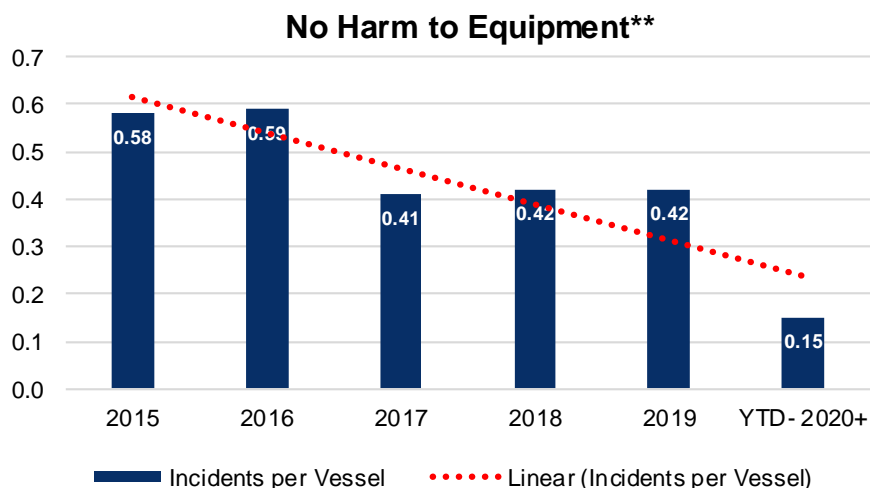
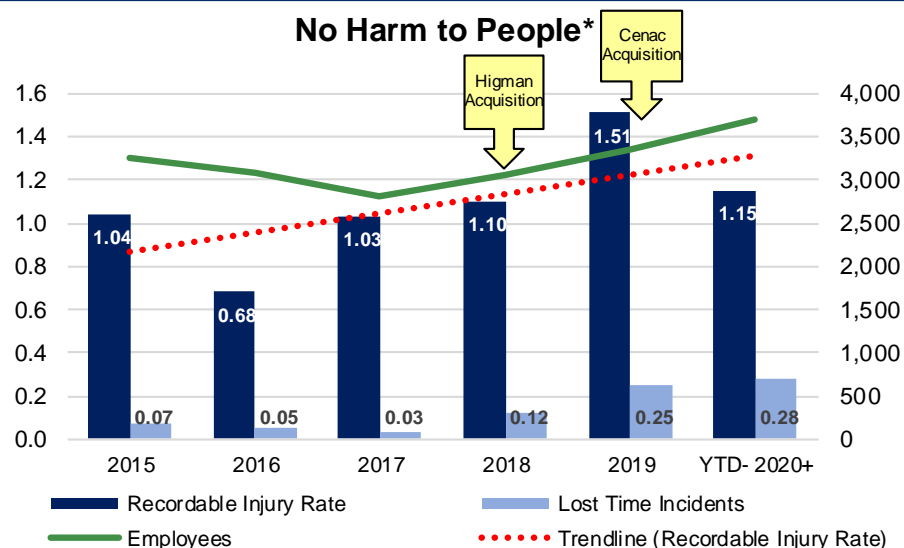
Strong Emphasis on Safety

- Safety is the first and foremost concern in everything we do
- All levels of supervision have the responsibility for the safety of our employees
- The Board of Directors review monthly safety statistics and major incidents at all levels of the organization
- Investing to ensure safe operations is good for morale and benefits financial performance
- NO HARM award banquets held annually to reward and recognize deserving employees
- NO HARM flags awarded to all towboats, tugboats and facilities with zero incidents
- Kirby has the only inland marine U.S. Coast Guard approved training center
 - Company-owned and operated
 - In-house towboat wheelhouse simulator



Marine Transportation Safety Highlights

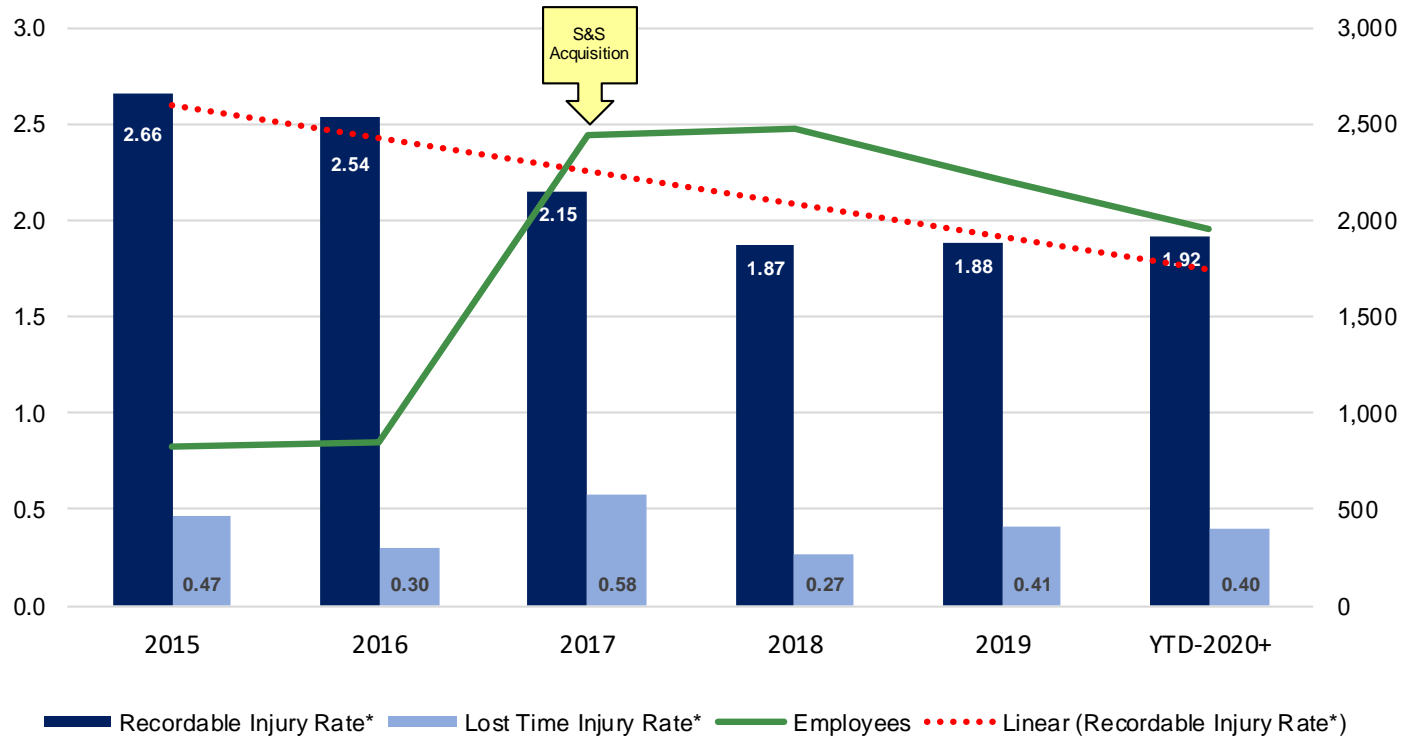
- 2018 / 2019 increases in Harm to People impacted by acquisitions and time required to implement Kirby's safety culture
 - Excluding acquisitions 2018 recordable injury rate was 1.02
 - Excluding acquisitions 2019 recordable injury rate was 1.20
- 2019 Safe Watches – 99.95%
- More than 1,000 inland liquid barges cleaned without an injury or a spill
- Nearly 4,300 supervisor vessel visits and 500 senior management vessel visits during 2019
- Cleaned 300 pressure barges without a vapor release
- Treated successfully 2.2 million gallons of waste water
- 83 million gallons of fuel loaded onto Kirby boats and barges without a spill



* Recordable injury and lost time rates per 200,000 hours worked
 ** Incidents per vessel = total incidents / average number of active vessels per day
 *** Incident rates per 1,000 transfers including spills to the deck and water
 + Year to date through May 2020



Distribution and Services Safety Highlights



- Overall downward trendline for safety statistics since 2015
- Driving continuous improvement and awareness through employee engagement, daily safety meetings, regular safety seminars, safety committees/teams by location, and employee town hall meetings with senior management

We strive for ZERO HARM every day



* Recordable and lost time rates per 200,000 hours worked
+ Year to date through May 2020




Blue “No Harm” Flag Program

- All boats and operations groups that achieve “No Harm” to People, the Environment and Equipment during the year fly a blue “No Harm” flag
- Flying a “No Harm” flag reinforces that the employees are steadfast in their commitment to operating SAFELY every day

Marine Transportation 2019:

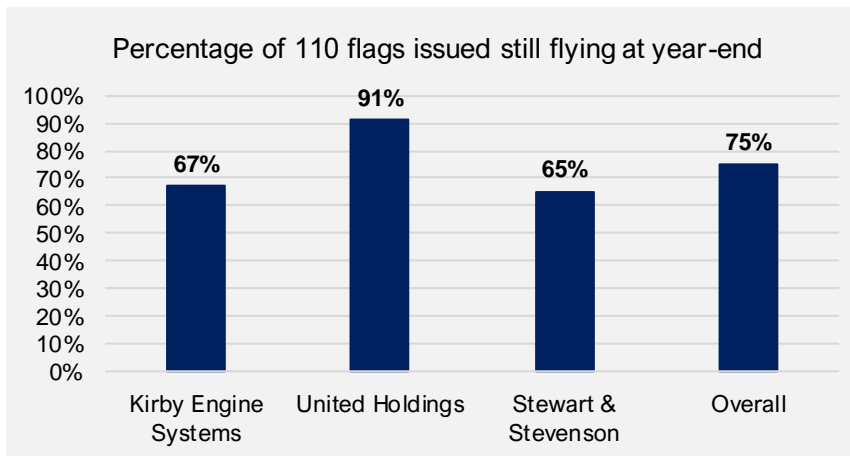
- 276 out of 352 boats were still flying their flag at year end
- Total represents ~80% of boats operating

| Boats |  Gold Stars | Years of No Harm |
|-------|--|------------------|
| 52 | 1 | 2 |
| 73 | 2 | 3 |
| 69 | 3 | 4 |
| 32 | 4 | 5 |



The crew of the M/V Guadalupe proudly receive their “No Harm” flag with two gold stars indicating 3 years of No Harm to People, the Environment and Equipment.

Distribution & Services 2019:



The UE Manufacturing facility in Oklahoma City displays the “No Harm” flags for all operations teams with No Harm to People, the Environment and Equipment.

Environmental Stewardship

Environmental Commitment

Kirby is committed to continuously improving the compatibility of our operations with the environment

Management and the employees of Kirby pledge to:

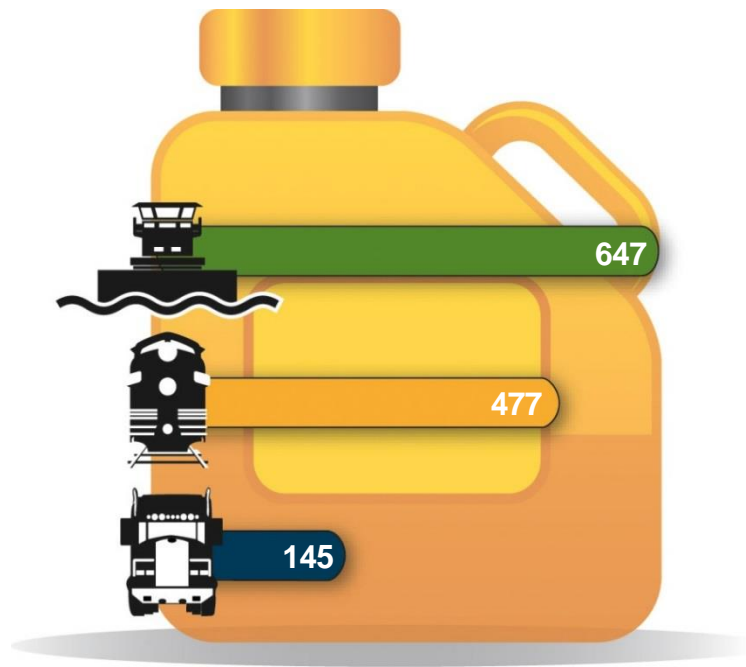
- Conduct our business and operate our vessels in a manner that protects the environment and the health and safety of our employees and the public
- Recognize and be responsive to public concerns about waterborne transportation and its effects on the environment
- Make safety, health and the environment a priority in our business planning
- Commit to reduce overall emissions and waste generation, and comply with all laws and regulations concerning emissions and waste
- Participate with government and the public in creating responsible laws, regulations, and standards to safeguard the workplace, community, and environment
- Establish and maintain, in cooperation with public authorities and others, emergency preparedness procedures and plans to mitigate the effects of accidents which may occur

Our Goal is ZERO Spills and Releases

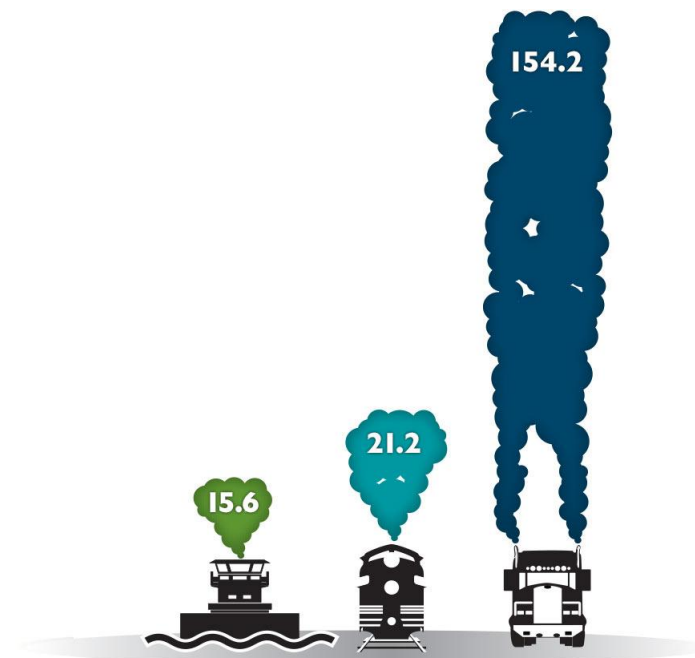


Marine Transportation is a Good News Story

Marine transportation is the cleanest, safest and most efficient mode of surface transportation in the U.S., with far fewer impacts on the population than truck or rail.



Ton-miles **Traveled** per Gallon of Fuel



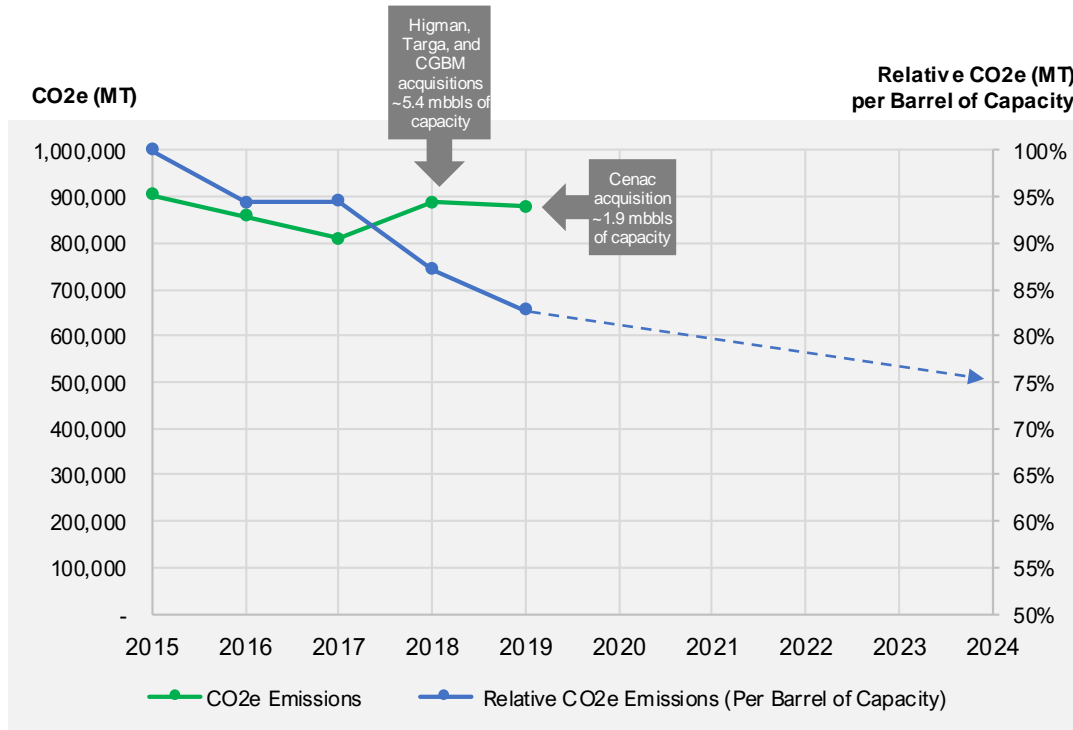
Tons of **CO2** per Million Ton-Miles

Source: National Waterways Foundation: [A Modal Comparison of Domestic Freight Transportation Effects on the General Public: 2001-2014](#)

Kirby GHG Emissions

~98% of Kirby's emissions are from the marine transportation fleet

Scope 1: Marine Transportation Fleet CO2e (MT)



- Since 2015, total CO2e emissions have declined 3% despite significant growth in the fleet
 - Total barge capacity up 18%
 - Total boats operated up 8%
 - Result of inland acquisitions offset by offshore fleet retirements
- Fleet emissions per full-time marine employee down 6% since 2015
- Investments in newer boats and engines have improved overall fuel efficiencies and reduced emissions
- Average age of inland and offshore boats is down 12 years



**Relative CO2e Emissions
per Barrel of Capacity
(since 2015)**

↓ 17%

**Target Reduction
by 2024
(vs. 2015 base year)**

↓ 25%

Kirby GHG Emissions Summary

Marine Transportation Fleet Scope 1 – Direct Emissions

| Year | CO2e MT (thousands) | Diesel Gallons Consumed (millions) | Barrel Capacity* (millions) | Relative CO2e Emissions (Per Barrel of Capacity) |
|------|------------------------|--|-----------------------------------|--|
| 2015 | 903.9 | 87.4 | 23.9 | 100% |
| 2016 | 858.5 | 83.0 | 24.0 | 94% |
| 2017 | 809.7 | 78.3 | 22.6 | 95% |
| 2018 | 887.6 | 85.8 | 26.9 | 87% |
| 2019 | 878.9 | 85.0 | 28.1 | 83% |

Kirby Corporation Scope 2 – Indirect Emissions

| Year | MWh (thousands) | CO2e MT (thousands) | NOx (MT) | SOx (MT) |
|------|--------------------|------------------------|----------|----------|
| 2019 | 35.7 | 15.6 | 9.6 | 13.8 |

Emissions Performance

- ~98% of Kirby Corporation Scope 1 GHG emissions come from the operation of the marine transportation boat/barge fleet
- Ultra low sulfur diesel fuel consumption and CO2e emissions have declined 3% since 2015 despite significant growth in the number of vessels in the fleet
- Increase in ultra low sulfur diesel consumption and CO2e emissions in 2018 and 2019 due to inland acquisitions and increased barge activity
 - 2018: Higman, Targa, CGBM acquisitions added ~5.4 million barrels of capacity and 75 towboats
 - 2019: Cenac acquisition added ~1.8 million barrels of capacity, 34 towboats, and 2 offshore tugboats
- Offshore marine net retirements totaling ~1.3 million barrels of capacity and 26 tugboats since 2015
- Investment in new boat construction includes six offshore tugboats and seven inland towboats in 2018 and 2019

Future Emissions Disclosures

- Report scope 1 direct emissions for the remaining ~2% portion of Kirby Corporation including marine transportation and distribution and services facilities
- Compile mileage data for the offshore fleet to develop additional quantified reporting of emissions data per ton-mile

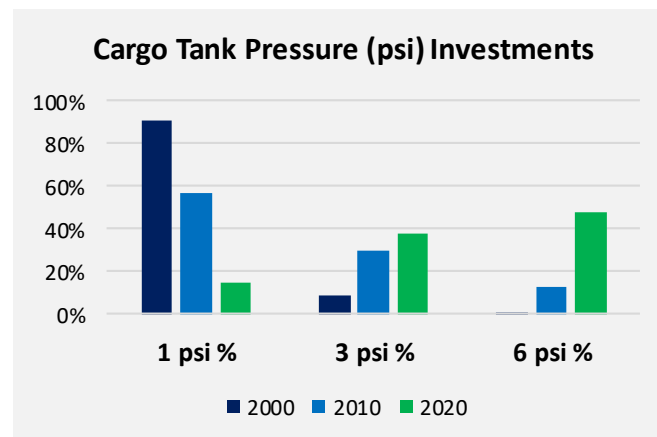


* Barrel capacities reflect Kirby Inland Marine and Kirby Offshore Marine tank barge businesses



Going Above and Beyond – Marine Transportation

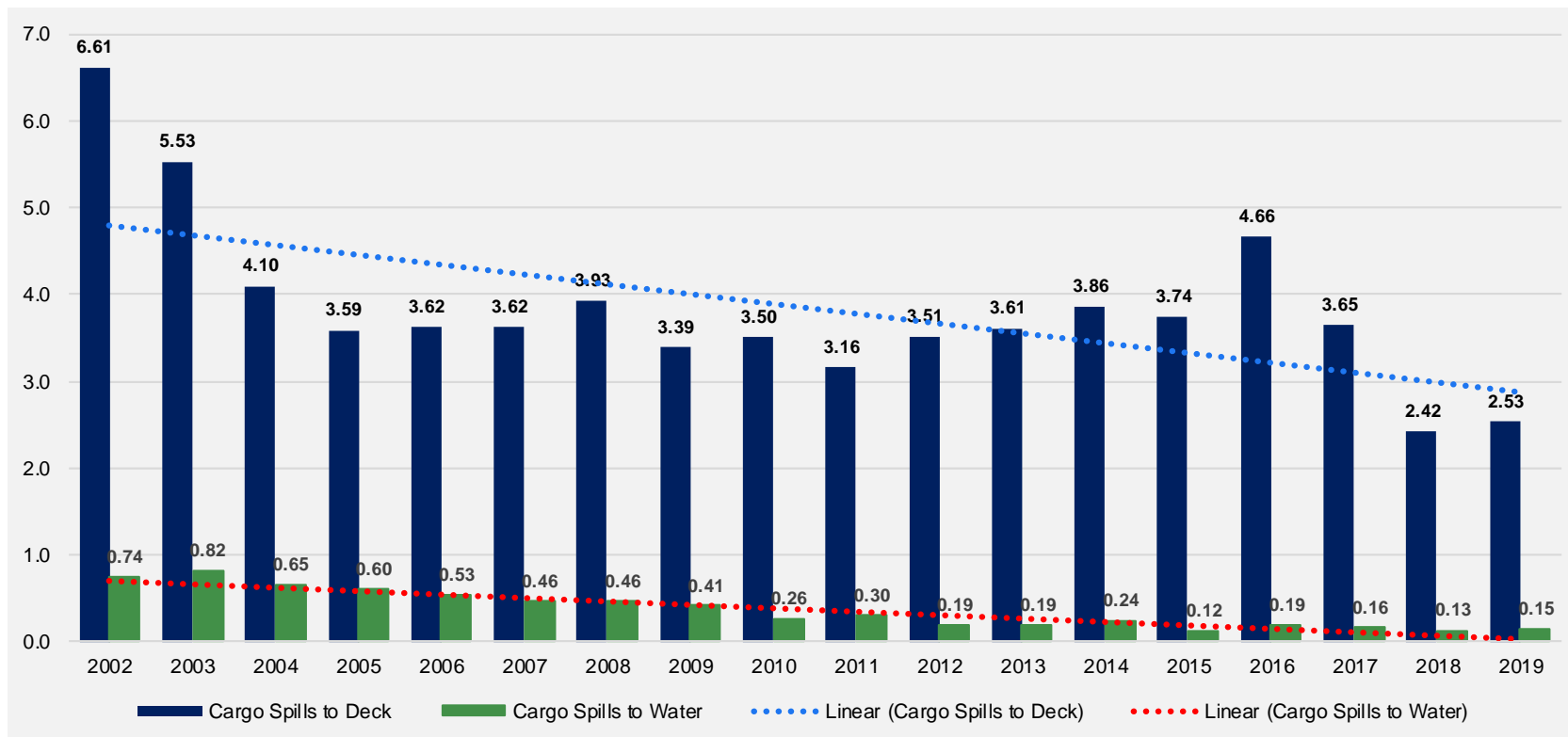
- Kirby implemented usage of ultra low-sulfur diesel on all vessels in 2012
- All tank barges are double hulled to better prevent environmental spills
- Voluntary usage of 6 psi vs. 3 psi vapor relief valve settings on inland tank barges (the industry standard) significantly reduce cargo vapor emissions*
 - ~50% of Kirby's fleet is fitted with 6 psi vapor relief valves
 - Kirby has the largest 6 psi barge fleet in the U.S.
- Company policy does not allow for the discharge of bilge overboard, even if the vessel is equipped with an oil-water separator
- Large tank barge fleet reduces unnecessary emissions and waste
 - Dedicated product tows reduce barge cleaning between cargos
 - Smaller fleeting boats reduce fuel consumption and emissions
 - Linehaul service improves overall barge to boat ratio (Kirby 3:1, Industry 2:1)
- Ongoing boat and engine replacement program improves efficiencies and reduces emissions
- Barge cleaning facility operations goes beyond regulatory standards
 - Residual cargo recovery mitigates waste and efficiency of cleaning process reduces emissions by 98%
- Kirby serves as a leader in numerous industry organizations that help define industry regulations and improve air and water quality



* 6 psi barges are more environmentally friendly and have a lower probability of releasing vapors into the air than 1 psi and 3 psi barges.

Mitigating our Impact on the Environment

In 2019, Kirby transported 458.7 million barrels of cargo without a spill to water



- At Kirby, no spill is too small - all cargo spills, even if only 1 drop, are recorded and reported
- Cargo spills to water have declined to 0.15 incidents per 1,000 cargo transfers– representing an 80% decrease since 2002
- Kirby is committed to continuous improvement through cargo transfer audits, regular tankerman proficiency evaluations, advanced training courses, review and implementation of best practices, review of near-miss events, and quarterly tankerman meetings
- In 2019, more than 4,900 cargo transfer audits were completed, representing 11% of all cargo transfers



* Incident rates of cargo spills per 1,000 transfers



Inland Marine – Investments by the Numbers

In the last **20** years Kirby's investment strategy has...

spent
\$500M+
on engines
and boats

reduced
Tier 0
engines by **98%**

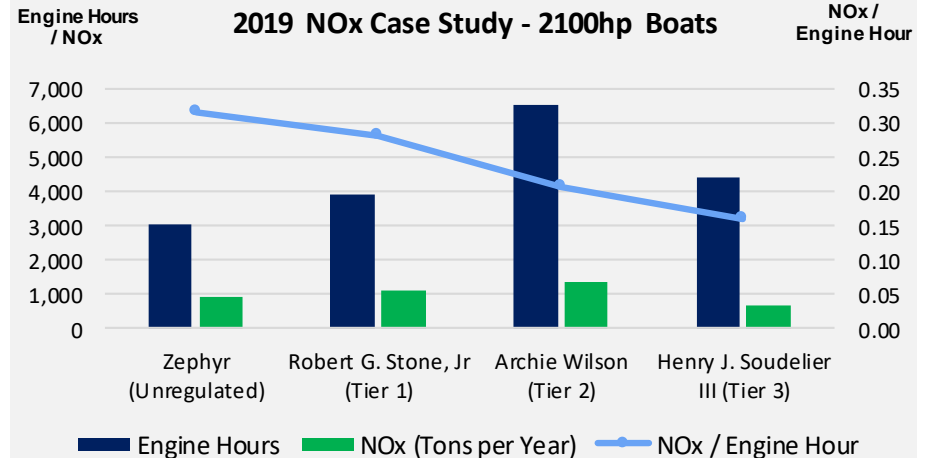
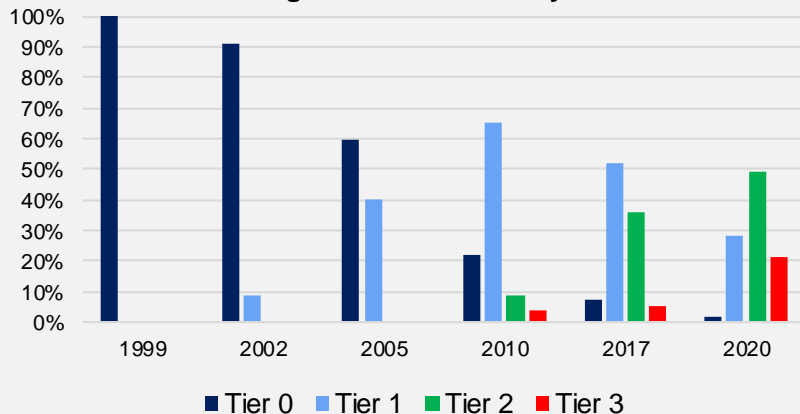
In the last **10** years Kirby's investment strategy has...

reduced
Tier 1
engines by **37%**

increased
Tier 2
engines by **94%**

increased
Tier 3
engines by **30%**

Percentage of Inland Boats by Tier



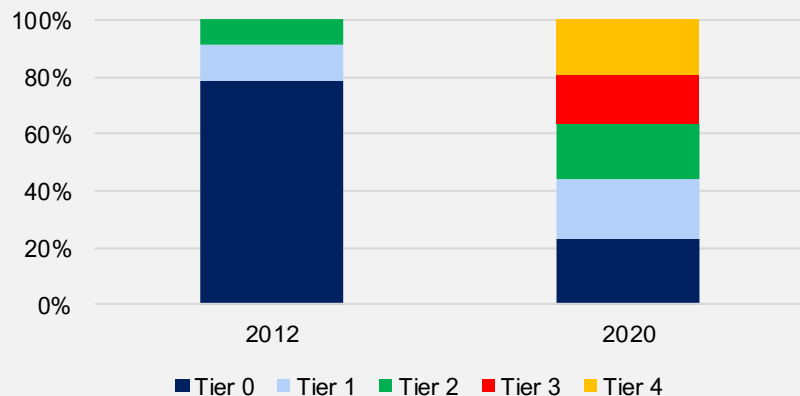
As engine tier level increases, engines produce less emissions and become more efficient and environmentally friendly

Offshore Marine – Investments by the Numbers

Engine Tier Strategy

- Since entering the offshore market Kirby's investment strategy has **reduced Tier 0 engines by 85%**
- In the last 5 years Kirby's investment strategy has **spent \$200M+ on Tier 3 and 4 engines and boats**

% of Offshore Horsepower by Engine Tier

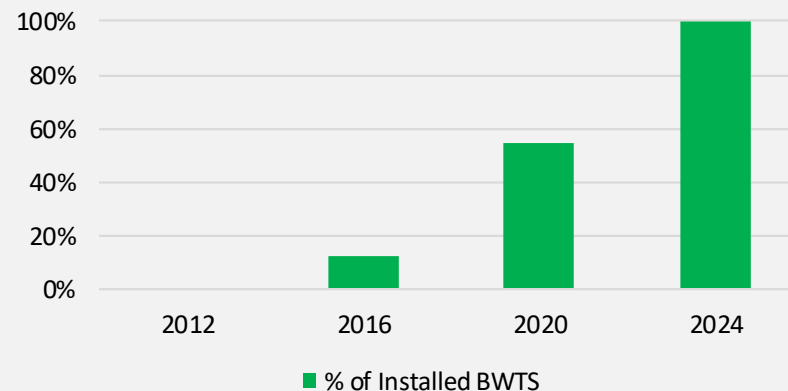


As level of engine tier increases, engines produce less emissions and become more efficient and environmentally friendly.

Ballast Water Management

- In the less than a decade, Kirby has installed **ballast water treatment systems** on **55%** of its fleet
- In the next **4 years**, Kirby will have all remaining vessels outfitted with **ballast water treatment systems**

% of Installed Ballast Water Treatment Systems



Kirby is committed to a cleaner and more efficient offshore fleet

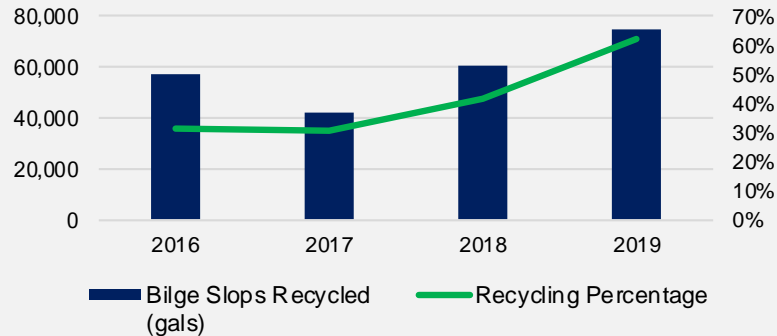


*Ballast water treatment systems are only installed on vessels that use ballast water to maintain stability.



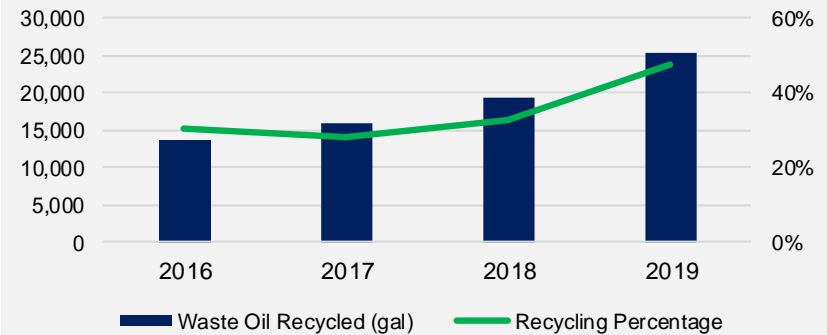
Offshore Marine – Recycling & Responsible Practices

Bilge Slops Recycled



31% increase in bilge slop recycling

Waste Oil Recycled (gal)



17% increase in waste oil recycling



Enhancing Cetacean Habitat and Observation (ECHO) Program Participant

Kirby voluntarily participates in programs to reduce underwater noise and support recovery of Southern Resident Killer Whales in southern British Columbia and northern Puget Sound waters.



Kirby is proudly represented on the Olympic Coast National Marine Sanctuary Advisory Council which is committed to protect the Olympic Coast's natural and cultural resources.

Kirby is proud that the vessel environmental action plan for Kirby Offshore Marine has resulted in activities that support our commitment to No Harm to the Environment



Going Above and Beyond – Distribution and Services

Kirby manufactures technologies that significantly reduce the environmental impact of hydraulic fracturing

Electric Fracturing Units

- E-frac units operate using natural gas turbines and electric motors, reducing their environmental footprint
- Units operate on field gas that may otherwise be flared
- Compared to conventional fracturing units, e-frac units:
 - Reduce NOx emissions by up to 99%
 - Reduce CO2e emissions by 32% and NO2 by 28%
 - Reduce average sound pressure by up to 69%



Stewart & Stevenson built electric frac unit

Dual Fuel and Quiet Fracturing Units

- Dual-fuel (DGB) fracturing units have up to an 85% diesel displacement rate when using natural gas
- Units can operate on CNG, LNG, pipeline gas, and field gas that would otherwise be flared
- Reduces trucking and road traffic associated with diesel fuel transportation to the wellsite
- Noise reduction units reduce decibel levels by more than 300x (10+ dB noise reduction) compared to conventional frac units



UE Manufacturing built DGB and quiet frac unit

Going Above and Beyond – Distribution and Services

- Largest manufacturer of frac units with Tier 4 engines, achieving higher EPA standards
- Development of dry gel hydration units eliminates usage of mineral oil and/or diesel in slurries pumped into wells
- Paint and solvent re-use and recycling reduces waste by-products by 95% and recovers 99% of solvents for re-use
- LED lighting installed in key facilities to reduce energy consumption
- Thermo King sells environmentally friendly products including:
 - ThermoLite® solar panels which deliver clean, reliable performance in a wide variety of applications, resulting in longer battery life, decreased waste, lower fuel consumption and reduced emissions
 - Precedent® S-Series refrigeration units which achieve Evergreen CARB and EPA emissions compliance while adding performance
 - TriPac® Auxillary Power Units (APUs) which meet Tier 4 EPA regulations and drive unit efficiency and productivity

| CO2 Savings | Precedent® S-Series | TriPac® APU |
|-------------------------------------|---------------------|-------------|
| Diesel Cylinder Engine | 4 to 5 | 2 |
| Metric ton savings of CO2 annually* | 2.5 | 2.5 |

ThermoLite® Solar Panels



Precedent® S-Series



TriPac® Auxiliary Power Unit



Social Responsibility

Giving Back to our Industry

Kirby has a long history of supporting foundations, associations and institutions whose charitable work is related to Kirby's core values



- **Seaman's Church Institute**

- North America's largest mariner's service agency providing spiritual support, maritime education and legal advocacy to thousands of mariners and port workers
- In the last 5 years, Kirby has donated more than \$1 million to the institute
- Kirby donated a wheelhouse training simulator to the institute which is used to provide navigational training to 1,600 mariners each year
- Many of Kirby's officers give their time and expertise to help the institute



- **U.S. Coast Guard Foundation**

- Focuses on the well-being, education, and morale of the men and women of the U.S. Coast Guard and their families
- Kirby has proudly supported this organization for more than 30 years



- **Many other industry associations and foundations including:**

- National Coast Guard Museum
- Houston Maritime Museum
- Waterway's Council
- National Association of Manufacturers
- American Bureau of Shipping
- Regional Associations
 - The Gulf Intracoastal Canal Association
 - Texas Waterways Operators Association
 - Louisiana Association of Waterway Operators
- National Waterways Foundation



Supporting our Local Communities

Kirby shares its success with the communities we live and work in by helping to protect the environment, giving charitably, and encouraging volunteerism

- **Galveston Bay Foundation**

- Promotes advocacy, conservation, education, and research related to Galveston Bay
 - In the last 5 years, Kirby has donated nearly \$400,000 to the foundation
 - Kirby participates in annual clean-ups of Galveston Bay and donates a vessel to assist

- **Charitable matching donation program**

- Kirby matches qualifying employee charitable contributions
- More than 75 nonprofit organizations benefited from this program in 2019

- **Other organizations sponsored include:**

- United Way
- Susan G. Komen Foundation
- San Jacinto Monument Park
- Keep America Beautiful
- Numerous customer charitable events



Supporting our Employees and Communities when Disaster Strikes

Our people make the difference, and our motto “Do the Right Thing” is a fundamental value. We strive to provide our employees and their families support and resources when they need it most.

- The Kirby Disaster Relief Fund
 - Nonprofit charitable organization that provides support to Kirby employees, families, and communities affected by natural disasters or qualified family hardship
 - Kirby matches all employee contributions to the fund at 100%
 - Kirby and its employees have raised over \$500,000 for the fund in the last 5 years
- Teams and emergency supplies are ready to deploy to affected areas to protect and aid employees and their families when natural disasters occur including hurricanes, tornadoes and flooding
- Kirby has a long history of assisting distressed people and vessels on the water



Employee Wellness, Training, and Engagement

At Kirby, our employees are our most important assets. Wellness, education and training, and employee engagement create positive morale and a family friendly atmosphere.

- **Generous medical, health and wellness, and assistance programs offered to all employees**
 - Fitness centers or discounted gym memberships
 - MDLIVE provides virtual visits for physical & mental health
 - Improved ergonomics and standing desks
 - Extended maternity leave
 - Financial planning seminars
 - Employee assistance programs
- **Significant investment in our employees through training and education**
 - Extensive managerial skills training via our “Management Essentials Program”
 - Tuition reimbursement for certification, undergraduate and graduate degrees
 - Scholarships for all non-executive employee children – Robert G. Stone Jr. Memorial Scholarship
- **Employee town hall meetings with executive leadership held at facilities across the country**
- **Corporate Culture Survey Insights:**

Employees are unified in our commitment to **safety**



Employees believe that Kirby has a **customer focus** and **clear strategic direction**



Employees would like to do more **community involvement**



Marine Transportation – Training & Education

Kirby takes pride in training their employees above and beyond regulatory and industry standards. The Kirby Training Center is also used to educate customers about the intricacies of the business.

| Examples of Non-USCG Classes Offered | | Certificates Issued* |
|--|---|----------------------|
| Adv. Pilothouse | <i>Continuing Education and Watchstanding Refresher Training for Pilothouse Personnel – Masters and Mates</i> | 558 |
| Intro To Tankbarge (educating our customers) | <i>Course conducted to orient and inform customers in maritime liquid cargo handling by barge</i> | 487 |
| Light Boat | <i>5-day Practical Course in vessel maneuvering and handling involving the utilization of a company towing vessel to improve hands-on skills not always obtainable to the pilot trainees.</i> | 97 |
| Crucial Conversations | <i>Course of training for Masters and Mates designed to promote effective management and leadership through learning enhanced person-to-person communication methods</i> | 487 |

*Certificates issued (2017-2019)



Pictured above is our tow boat simulator where wheelhouse crew can gain repetitive practice navigating in extreme conditions and high-risk scenarios

- The Kirby Training Center located in Channelview, TX, utilizes state-of-the-art equipment, instructional aids and has a full mission bridge simulator to provide US Coast Guard approved certifications and training
- Typically over 1,000 certificates are earned each year in subjects such as safety, seamanship, boat and barge operations and navigation by our crewmembers
- As our marine assets grow, the Kirby Training Center keeps pace with 63% growth in certificate awards since 2017



Distribution and Services – Training & Education

Distribution and Services takes pride in training and investing in their employees

- D&S is committed to Human Capital Development through online course and instructor-led classes
- Courses and classes cover a wide range of topics that increase skills sets, increase productivity, educate about safety & enhance team moral
 - Environmental, Healthy & Safety:
 - Defensive & distracted driving, First Aid Basic & Medical Emergencies
 - Global Safety Principles, 'Slips, Trips & Falls'
 - Legal Compliance:
 - Foreign Corrupt Practices Act, Cybersecurity Awareness
 - Business Ethics, Whistleblowing, Promoting Diversity
 - Skills:
 - Business Writing, Risk-Based Thinking, Initiating & Planning a Project, Transitioning into a Project Management Role
 - Generator Knowledge, Intro. to Hydraulic Systems, Intro. to Electrical Diagrams, Intro. to Transformers, ESGA Journeyman Study



| Courses (2018-2019) | Courses Offered | Courses Completed |
|--------------------------------|-----------------|-------------------|
| Environmental, Health & Safety | 92 | 32,843 |
| Legal Compliance | 24 | 3,700 |
| Skills | 87 | 3,180 |

| Instructor-Led Classes (2018-2019) | | |
|------------------------------------|-----------------------------|---------------------------|
| OEM Partner | Number of Different Classes | Total Number of Attendees |
| Allison | 32 | 957 |
| DEUTZ | 10 | 444 |
| DTNA | 10 | 498 |
| MTU | 20 | 370 |
| Volvo | 2 | 78 |

Pathways to Diversity

In a historically male industry, Kirby is making inroads in diversity...

- Elected first female board member in 2015 and second in 2019
- Females represent 22% of the Executive Leadership including:
 - VP, General Counsel & Secretary
 - VP and Chief HR Officer
- Females represent 25% of the managerial and professional staff
 - Directors and Vice Presidents in Finance/Accounting, Marketing, Legal, Human Resources, and E-Commerce
- Kirby Corporation has had a Diversity Committee for a number of years, but in 2019, management reconstituted the committee to focus on the following specific initiatives:
 - Review the Company's diversity health
 - Review programs, identify areas for improvement, set goals, and implement change
 - Measure improvement and effectiveness of training and feedback
 - Support diversity awareness and training initiatives including:
 - Understanding what "Do the Right Thing" means in terms of diversity
 - Unconscious biases
 - Inclusion
 - Culture sensitivity
 - Diversity of thought
 - Managing in a diverse workplace



Diversity Statistics

| All Employees | | | |
|--|-----|-------------|-----|
| Gender | | Race | |
| Male | 90% | White | 57% |
| Female | 10% | Minority | 22% |
| | | Undisclosed | 21% |
| Excluding Vessel & Maintenance Employees | | | |
| Gender | | Race | |
| Male | 79% | White | 63% |
| Female | 21% | Minority | 24% |
| | | Undisclosed | 13% |

COVID-19 Response

Top Priorities

Health &
Safety

Customer
Service

Business
Continuity

Kirby

- Pandemic response plan activated in early March
- Safeguards to protect our employees, customers, and suppliers
 - Enabled employees to work remotely
 - Enhanced PPE and medical protocols
 - Reduced mariner interaction with shoreside personnel
 - Modified crew change timing and protocols
 - Quarantined employees as a precaution

Community

- Jointly developed a low-cost ventilator prototype
 - Team of Stewart & Stevenson engineers
 - Rice University's Oshman Engineering Design Kitchen (OEDK)
- Signed licensing agreement to produce an advanced version of the ApolloBVM ventilator
- Emergency ventilator for first response situations or when a traditional ventilator is not available
- Received FDA EUA approval in June

Kirby is matching 100% of all employee donations to the "Power Up the River" campaign which was recently launched to raise funds for food banks which serve cities along the inland waterways



Governance & Ethics

Governance Highlights – Board of Directors

| TOPIC | PRACTICE |
|-----------------------------|---|
| INDEPENDENCE | <ul style="list-style-type: none"> • Eight out of ten director nominees are independent • Board committees are composed entirely of independent directors |
| LEAD INDEPENDENT DIRECTOR | <ul style="list-style-type: none"> • Richard J. Alario serves as the Lead Independent Director |
| DIVERSITY | <ul style="list-style-type: none"> • Two out of ten directors are female |
| EXECUTIVE SESSIONS | <ul style="list-style-type: none"> • Non-management directors meet regularly without management |
| MAJORITY VOTING | <ul style="list-style-type: none"> • Majority of votes cast is required for the election of directors |
| DIRECTOR EVALUATIONS | <ul style="list-style-type: none"> • Evaluations of the full board and each committee are conducted annually |
| STOCK OWNERSHIP | <ul style="list-style-type: none"> • Stock ownership guidelines established for directors and executives |
| SINGLE VOTING CLASS | <ul style="list-style-type: none"> • Kirby has a single class of voting stock |
| HEDGING & PLEDGING OF STOCK | <ul style="list-style-type: none"> • Hedging and pledging of company stock are prohibited by directors, officers, and employees |
| BUSINESS ETHICS GUIDELINES | <ul style="list-style-type: none"> • Ethics guidelines apply to all our directors, officers, and employees |

2020 Institutional Investor Award: Best in Corporate Governance*



*Received award amongst transportation companies



Ethics Policies and Practices

Kirby is committed to the highest ethical standards across the Company and its supply chain



BUSINESS ETHICS GUIDELINES

- Define Kirby's commitment to doing business the right way, or "The Kirby Way"
- Serve as a guide for employees, officers, directors, contractors, and suppliers to understand the type of behavior expected
- Topics include: Equal Opportunity, Discrimination and Sexual Harassment, Respecting Human Rights, Anti-Corruption, Financial Accountability, Political Activities, Social Media, etc.
- Kirby does not tolerate any retaliation against employees for reporting a violation of law, rule, regulation, or the Guidelines



VENDOR CODE OF CONDUCT

- Corporate integrity, responsible product sourcing, and the safety and well-being of workers across the global supply chain are of paramount importance to Kirby
- Establishes the minimum standards that must be met by any supplier that sells goods to or does business with Kirby regarding:
 - Treatment of workers
 - Workplace safety
 - Impact on the environment
 - Ethical business practices



HUMAN RIGHTS

- Kirby is committed to ensuring a work environment that is free from:
 - Human Trafficking
 - Forced Labor
 - Harmful Child Labor
 - Discrimination and Harassment
- Workers are to be adequately compensated and provided a safe and healthy working environment
- Employees are to always respect the human rights of those with whom they work with and come into contact
- Employees are to encourage partners, suppliers, and other third parties to adopt similar standards with respect to human rights

To learn more, please visit the Governance section of our website at investors.kirbycorp.com

Cybersecurity and Data Privacy

GOVERNANCE

- Steering Committee: Meets quarterly to discuss overall approach, manage priorities and ensure progress
- Audit Committee: Receives a Cybersecurity update quarterly

PROACTIVE DEFENSE

- Managed Detection and Response: Professional service to monitor the network and respond to intrusions on 24/7 basis
- MultiFactor Authentication
- Monthly vulnerability management program for critical and high security patching
- Anti-phishing solution for emails

EMPLOYEE EDUCATION & TRAINING

- **Training:** Security awareness program utilizing weekly tips and training
- **Testing:** Perform monthly phishing scam tests with associated real-time training
- **Education:** Cybersecurity Director speaks at monthly operations meetings to raise awareness and educate on current topics



Board Composition and Experience

Core Industry Experience (in years)



Independent Director Tenure*



Average Tenure: 9.8 years

* As of February 2020

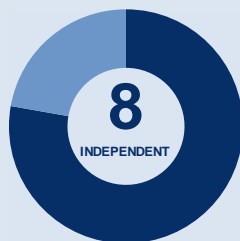
Age*



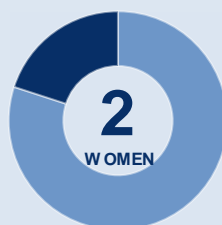
Average Age: 66

* As of February 2020

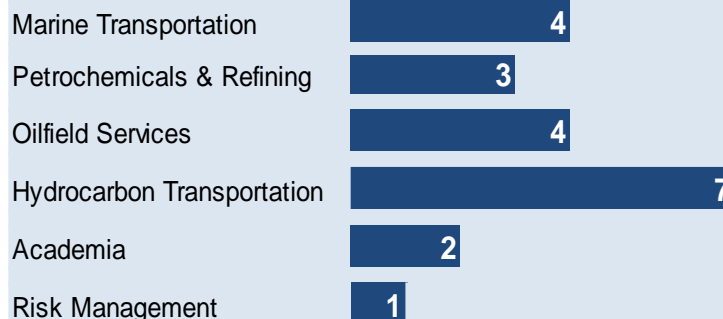
Director Independence



Director Diversity



Industry Experience














Industry Experience



Board Committees

All three Board committees consist solely of independent directors

| Director | Audit Committee | Compensation Committee | Governance Committee |
|-------------------------|---|---|---|
| Anne-Marie B. Ainsworth |  | | |
| Richard J. Alario |  | |  |
| Tanya Beder* | | | |
| Barry E. Davis |  |  | |
| C. Sean Day | |  |  |
| Monte J. Miller | |  |  |
| Richard R. Stewart |  | | |
| William M. Waterman | | |  |



Chairman



Member



*Tanya Beder does not serve on a committee currently, but will be appointed at an upcoming board meeting.



Appendix

SASB Supplemental Data



Additional Marine Transportation Standards

SASB Materiality Map

Environment
GHG Emissions
Air Quality
Energy Management
Water & Wastewater Management
Waste & Haz. Materials Management

Ecological Impacts

Social Capital
Human Rights & Community Relations
Customer Privacy
Data Security
Access & Affordability
Product Quality & Safety
Customer Welfare
Selling Practices & Product Labeling

Human Capital
Labor Practices
Employee Health & Safety
Engagement, Diversity & Inclusion

Business Model & Innovation
Product Design & Lifecycle
Business Model & Resilience
Supply Chain Management
Materials Sourcing & Efficiency
Physical Impacts of Climate Change

Leadership & Governance
Business Ethics
Competitive Behavior
Legal & Regulatory Environment
Critical Incident Risk Management
Systemic Risk Management

Accounting Metric

2019 Results

Environmental Footprint

Air emissions for the following pollutants: SOX and particulate matter (PM)

In Progress

Kirby is not subject to the requirements of EEID criteria.

Ecological Impacts

Energy Efficiency Design Index (EEDI) for new ships

Shipping duration in marine protected areas and areas of protected conservation status

In progress – Kirby vessels maintain awareness of Marine Protected Areas and abide by all navigational and environmental restrictions in our areas of operation

Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment

55% of all offshore marine vessels have a ballast water treatment system

Number and aggregate volume of spills and releases to the environment

In progress

Business Ethics

Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index

Not applicable

Amount of legal and regulatory fines and settlements associated with bribery or corruption

Zero fines and settlements

Accidents & Safety Management

Number of serious marine incidents

2%

Fatality rates

Zero fatalities

Number of Conditions of Class or Recommendations

72 classed offshore vessels: Zero past due conditions or recommendations

Number of port state control (1) deficiencies and (2) detentions

Zero detentions



Disclosures

Forward Looking Statements

Statements contained in this presentation with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, changes in the Jones Act or in U.S. maritime policy and practice, fuel costs, interest rates, weather conditions and timing, magnitude and number of acquisitions made by Kirby, and the impact of the COVID-19 pandemic and the related response of governments on global and regional market conditions. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 2019 and in subsequent quarterly filings on Form 10-Q.

