

Sustainability Report

**Environmental Stewardship, Social Responsibility,
& Governance & Ethics**

Kirby Corporation
July 2021



Message from CEO David Grzebinski

After a year like 2020, the word sustainable has taken on a whole new meaning. With the world adjusting to a new normal due to the COVID-19 pandemic, we all experienced many challenges on a personal and professional level. Both our business segments, marine transportation and distribution and services, were adversely impacted due to depressed demand for our products which was amplified by low oil prices and an intense hurricane season in the late summer. Despite all the “shocks” to our Company, Kirby proved to be resilient. By exercising our pandemic response plan, Kirby continued to seamlessly deliver critical products and services to our customers while promoting safe work practices to our employees. Our commitment to a Zero Harm culture, including: No Harm to People, No Harm to Equipment, and No Harm to the Environment, remained unwavering and steadfast.

I am extremely proud of the initiative, dedication, and commitment our employees demonstrated during these difficult times. During the pandemic, we limited the direct impact of COVID-19 on our Company through exercising workplace strategies including quarantining, remote work practices and other key actions to maintain business continuity. Through a partnership with Rice University, our Stewart & Stevenson team used its ingenuity and designed and built an advanced version of the ApolloBVM ventilator in an effort to help with the low supply around the U.S. and the world during the height of the pandemic. Following the historic 2020 hurricane season, Kirby's employees, including the Company match, raised a record \$325,000 for our Kirby Disaster Relief Fund to assist their fellow employees in times of need. Recovery aid and material assistance were in high demand due to the destruction in our Gulf Coast communities, and Kirby employees stepped up to the plate. I'm pleased that in a year filled with significant economic hardships, the Kirby spirit of helping our employees and our communities in need continued.

Despite the challenges of 2020, Kirby was able to make significant progress in its ESG journey. Last year, the Company published our most robust Sustainability report featuring our first-ever emissions disclosures and emissions reduction target. We continued to advance our ESG strategies and aligned our disclosures with the Sustainability Accounting Standards Board (“SASB”) and the Task Force on Climate-related Financial Disclosures (“TCFD”). Both can be found in the Sustainability section of our website. In 2021, a team of Kirby employees are taking our macro level emissions data to a micro level in order to better understand our emissions footprint. We also intend to broaden the scope of our TCFD report to include our distribution and services business. Beyond Kirby, we proudly serve in participatory and leadership roles in various maritime industry coalitions that are tackling marine decarbonization efforts. Kirby will continue to play a key role in these initiatives and coalitions as an industry leader and to advance industry's focus on climate change.



Message from CEO David Grzebinski (continued)

With respect to Kirby's emissions, we had set a goal to reduce our marine emissions on a per barrel of capacity basis by 25% compared to 2015. In 2020, we met this goal a few years ahead of schedule. While the Company has made significant progress improving the efficiency of our fleet through new construction and acquisitions, as well as retiring aging and inefficient boats and barge capacity in our fleet, we believe that our fuel consumption and emissions reductions were somewhat impacted by reduced utilization of the marine fleet associated with the demand destruction caused by the COVID-19 pandemic. With economic activity recovering and Kirby's business activity levels ramping up this year, we expect our fuel consumption will increase in 2021. Therefore, in the spirit of transparency and realism, we intend to keep our current emissions reduction target through 2024. As we gain more information about our emissions footprint in the next year or two, we will reevaluate our target and continue to implement additional emissions reduction strategies.

In 2020, we also enhanced several policies that best underscored our commitment to a variety of topics including human rights, vendor code of conduct and business ethics guidelines. Making it clear Kirby's continued commitment to doing business the right way, or "The Kirby Way", has been further underscored through our core values which serve as the guiding principles to preserve the culture and establish expectations of performance. The core values apply to Kirby directors, executives and employees and establish the foundation upon which we operate. In 2020, Kirby also elected its first lead independent director to serve on our Board of Directors. During this year, we also continued to focus on our employees by providing a platform for personal and professional development. Part of that initiative is embodied in our diversity initiatives. I am proud that women represent more than 20% of our Board of Directors, executive leadership, and managerial or professional roles at Kirby.

I'm proud of the progress we made in 2020 despite its challenges and want to recognize those involved in helping Kirby's advance its ESG journey, including shareholders, customers, employees, and ESG rating agencies. Kirby is committed to continuous improvement from the board room to the boats. As 2021 progresses, we will continue to engage with individuals and communities that may be impacted by our Company so we can learn and understand their concerns and priorities. Looking forward, our contribution to society will continue to come in many forms and evolve as the world changes. We will continue to advance Kirby's sustainability program and strive to run our businesses in a way that we and our stakeholders can be proud. We hope this presentation highlights our Sustainability program and our commitment to "Do the Right Thing".



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.





2020 ESG HIGHLIGHTS

2020
SAFE WATCHES
99.96%

COMPLETED:
ESG Disclosures
aligned with –

SASB
(Sustainability Accounting Standards Board) &
TCFD
(Taskforce on Climate-related Financial
Disclosures)
FRAMEWORKS

423.4 million
barrels of cargo
transported
WITHOUT
a spill to water in 2020

5,000
Marine Training
Certificates
ISSUED
Since 2017



Offshore Vessels
INCREASED
their **RECYCLING**
PERCENTAGE

FOR THE LAST
CONSECUTIVE
THREE YEARS



KDS Manufacturing
ELECTRIC FRAC
REDUCES
NO_x EMISSIONS


99%



Source: USWS

84%
DECREASE IN
CARGO SPILL RATE
TO WATER SINCE 2002



25% 
Reduction
OF MARINE
CO₂e Emissions
per Barrel of Capacity
by 2024

Kirby Disaster Relief Fund

\$325,000

Funds Raised in
2020 to Aid with
Hurricane Recovery
Efforts



DIVERSITY



2



FEMALE DIRECTORS
ON THE BOARD

EMPLOYEES:
WHITE – 69%
MINORITY – 28%
UNDISCLOSED – 3%

**INSTITUTIONAL
INVESTOR AWARD:**



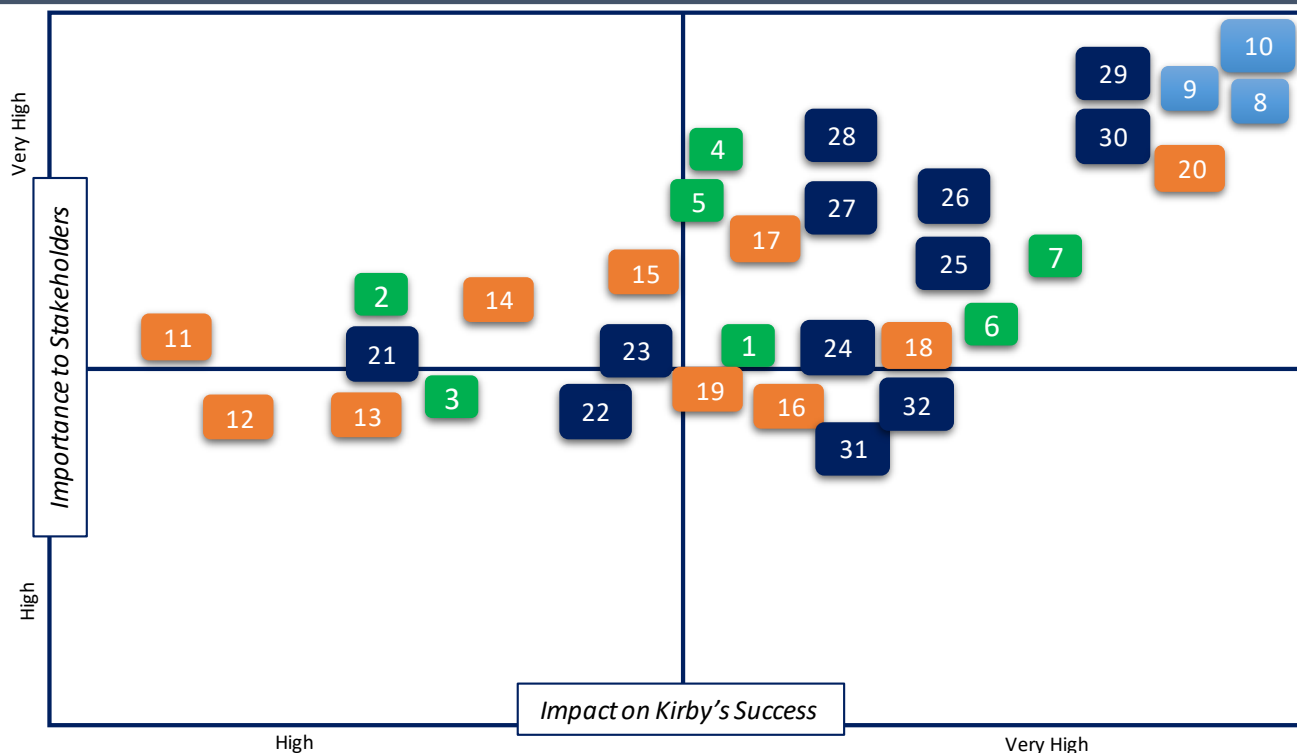
BEST
**IN CORPORATE
GOVERNANCE**
Amongst Transportation
Companies

Guiding ESG Frameworks & Standards

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



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
- Technology & Innovation - 31
- Product Life Cycle & Quality - 32

“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

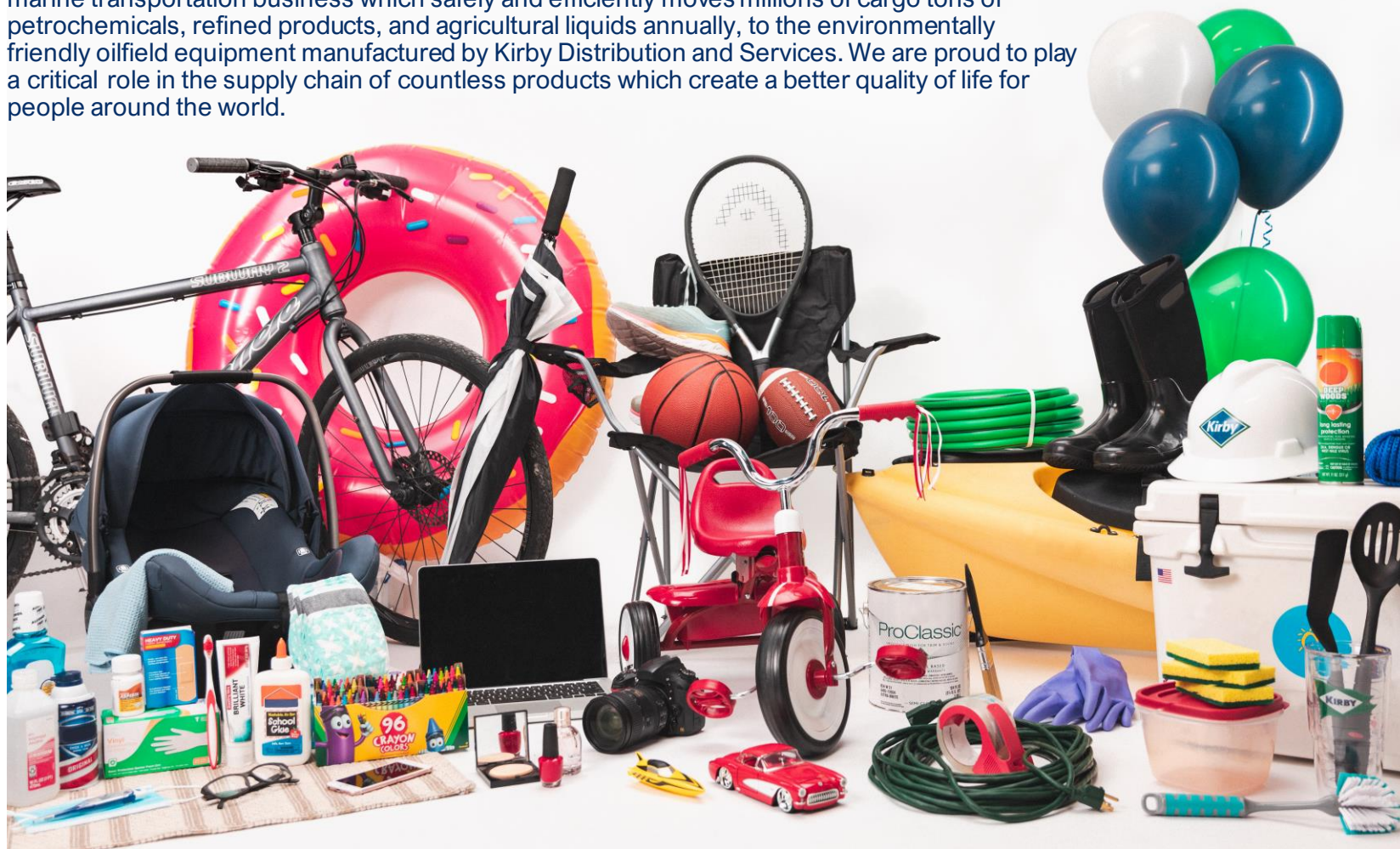
Creating value for our customers and shareholders by providing the highest quality service and products.

Community

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

Kirby Contributes to a Better Quality of Life Every Day

Kirby's products and services are vital to the development of common end-products such as those illustrated in this slide and used by people daily. Our involvement stretches from our marine transportation business which safely and efficiently moves millions of cargo tons of petrochemicals, refined products, and agricultural liquids annually, to the environmentally friendly oilfield equipment manufactured by Kirby Distribution and Services. We are proud to play a critical role in the supply chain of countless products which create a better quality of life for people around the world.



Stakeholder Engagement & Participation

- Blue-Sky Maritime Coalition (BSMC)
 - Kirby is a founding member
 - Kirby serves in leadership positions: Board of Directors, Treasurer, and Workstream Lead
 - BSMC members recognize the need to address global climate change and are committed to accelerating the transition of waterborne transportation in the United States and Canada toward net zero GHG emissions
 - Coalition objectives:
 - Accelerate the development of zero emissions vessels and necessary infrastructure
 - Encourage innovation in commercial and operational practice to reduce emissions as quickly as practical
 - Promote policies that support the transition to net zero emissions, including policies that monetize the benefits of reduced emissions and allocate them in the most effective fashion
- Increased engagement with customers regarding environmental matters including:



The ESG Team actively engages with a variety of stakeholders to best understand and address the most pressing ESG matters. Some of the stakeholders are listed below.



Climate-related Risks & Opportunities

Kirby's Marine Transportation Group moves millions of cargo tons of petrochemical, refined, and agricultural products annually. Demand for these products has increased over the years and according to the International Energy Association is expected to continue moving forward. Therefore, Kirby is met with a dual challenge with respect to emissions from transporting said products and climate-related risks and opportunities. Below is a summary of the framework used in Kirby's report on the Task Force of Climate-related Disclosures.

Governance:

- Board oversight:
 - Governance Committee → ESG issues
 - Audit Committee → Climate-related risk & opportunities
- Management oversight:
 - Climate-related risk & opportunities
 - ESG/Sustainability issues



Risk Management:

- Our enterprise risk management process, Kirby is performing a scenario analysis of risks and opportunities associated with changing weather patterns that could have significant impact on our marine transportation operations
 - Hurricane scenario
 - High Water scenario

Strategies with Examples:

- Transition Risks:
 - Policy & Legal – *Oil & gas regulations changes*
 - Technology – *Transition to low-emissions technology*
 - Market – *Eco-friendly fracking equipment*
 - Reputation – *Cargo spills*
- Physical Risks:
 - Acute – *Hurricanes*
 - Climate – *Flooding*

Target & Metrics:

- Kirby Corporation is committed to reducing the negative externalities of climate-related risks
- To address its marine fleet's CO2e emissions, the Company has established a 25% emissions reduction target per barrel of capacity through 2024
- See slide 17 for more information



To learn more about Kirby's Task Force on Climate-related Financial Disclosures, please visit our website at kirbycorp.com/tcfd

Safety

Strong Emphasis on Safety

- Safety is the first and foremost concern in everything we do
- All levels of supervision have safe work responsibility
- The Board of Directors review safety performance of the organization

- Investing in 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



"Being safe is not a decision; it is a series of decisions we must make on an ongoing and never-ceasing basis. The journey to NO HARM is long and full of change. The journey never ends as once we achieve NO HARM: we will have to work just as hard to stay there."
– Jim Guidry, Executive Vice President of Vessel Operations



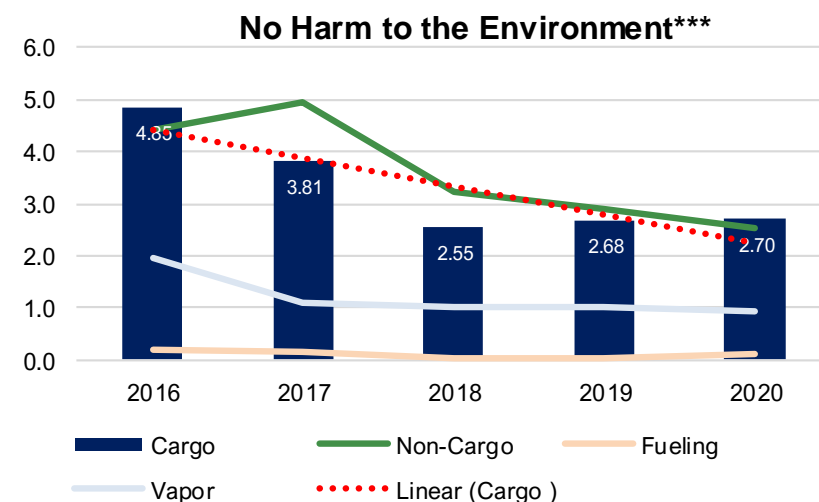
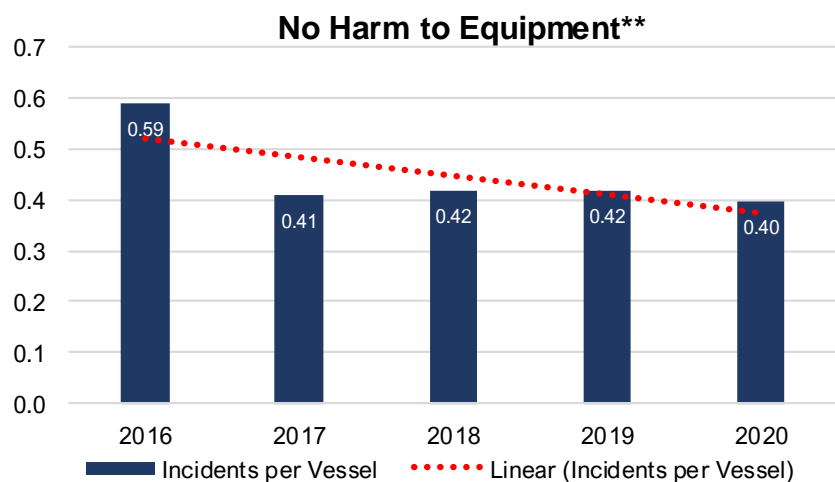
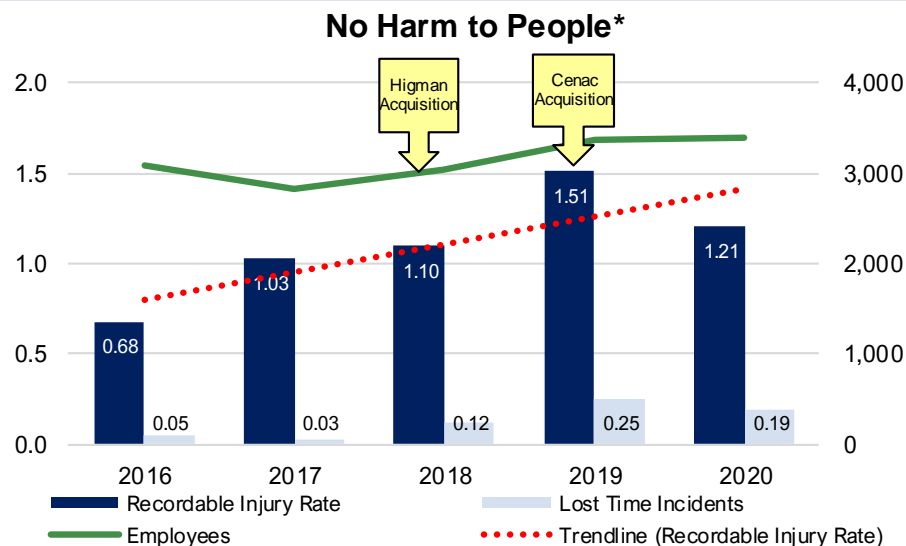
ZERO INCIDENTS

NO to people
HARM to the environment
to equipment



Marine Transportation Safety Highlights

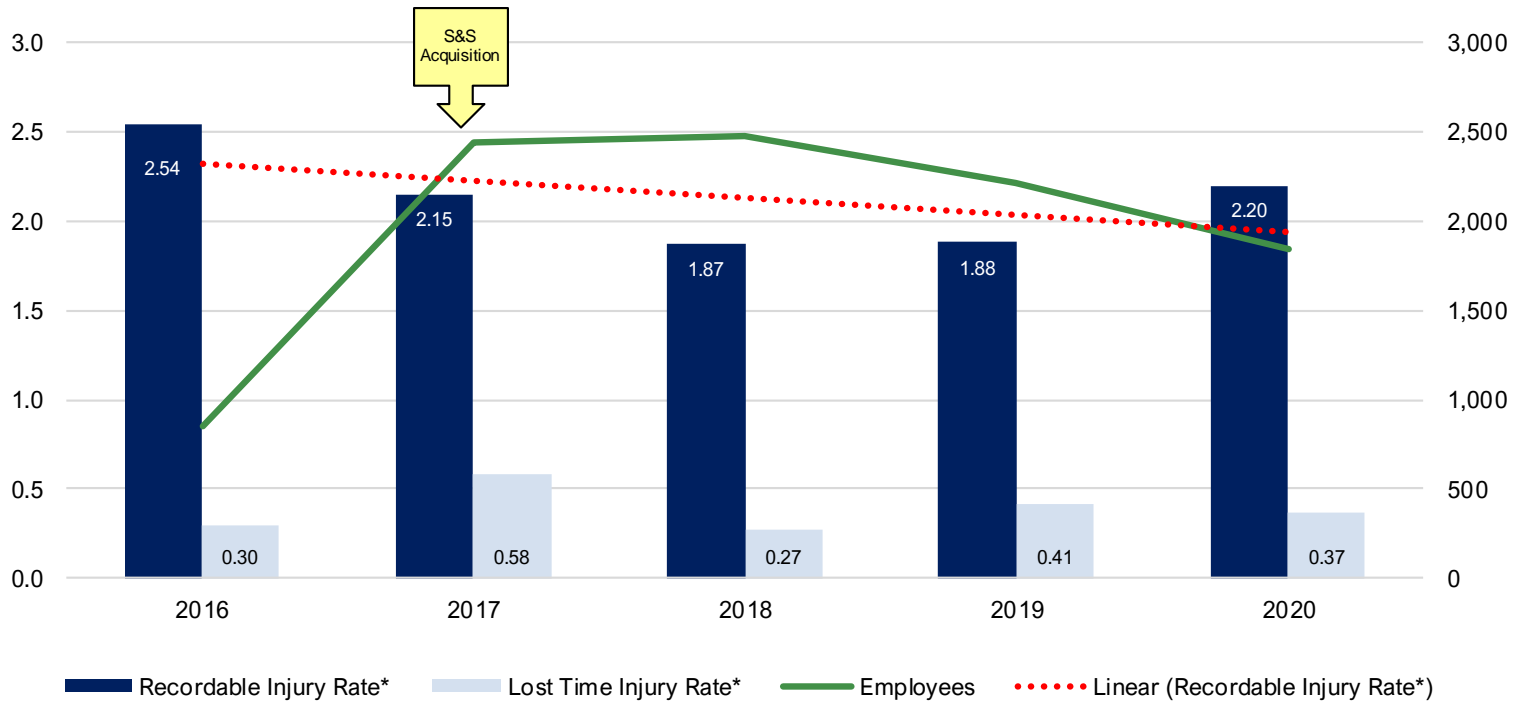
- Reduced Recordable Injury Rate by 20% in 2020
 - Offshore Group reduced injury rate by more than 50%
 - Florida Bunker Group and Kirby Ocean Transport maintained another year with Zero Harm to People, Environment and Equipment
- 2020 Safe Watches – 99.96%
- Treated successfully 2.5 million gallons of waste water
- 423.4 million barrels of cargo transported without a spill to the water



* 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



Distribution and Services Safety Highlights



- Overall downward trendline for safety statistics since 2016. While the recordable injury rate increased in 2020, the severity of incidents was lower as evidenced by the decrease in the lost time injury rate.
- Driving continuous improvement and awareness through employee engagement, safety expectations, implementation of safety best practices, safety meetings, regular safety seminars and programs, safety committees/teams by location, and virtual employee town hall meetings with senior management

We strive for ZERO HARM every day



* Recordable and lost time rates per 200,000 hours worked



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

Distribution & Services 2020

66% of 99 flags issued still successfully flying at year-end



The crew of the *M/V Steve Holcomb* proudly receive their “No Harm” flag with five gold stars indicating six years of No Harm to People, the Environment and Equipment.



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.

Marine Transportation 2020

Boats	 Gold Stars	Years of No Harm
39	1	2
37	2	3
56	3	4
41	4	5
20	5	6

63%
of boats had gold stars
at year-end

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:

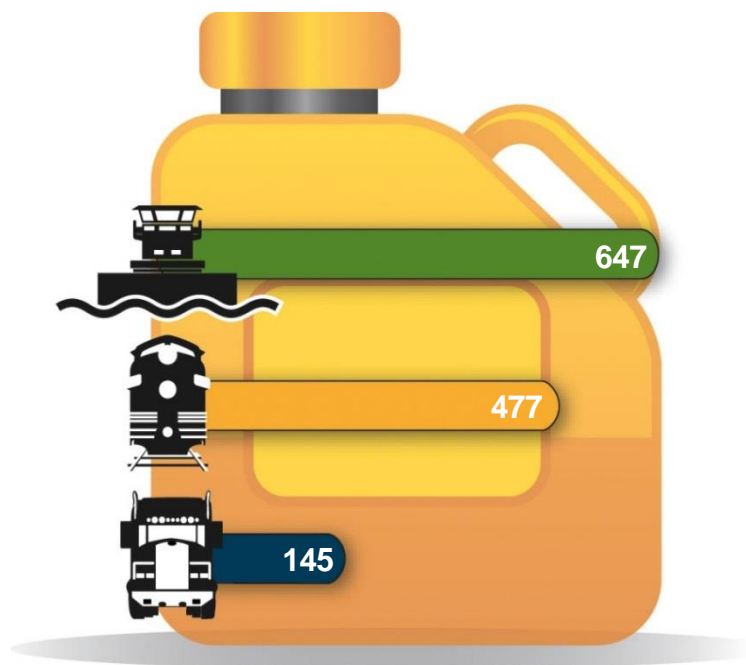
- Conduct our business and operate our vessels in a manner that protects the environment and the health and safety of our employees and the public
- Recognize and be responsive to public concerns about waterborne transportation and its effects on the environment
- Make safety, health and the environment a priority in our business planning and risk management
- 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

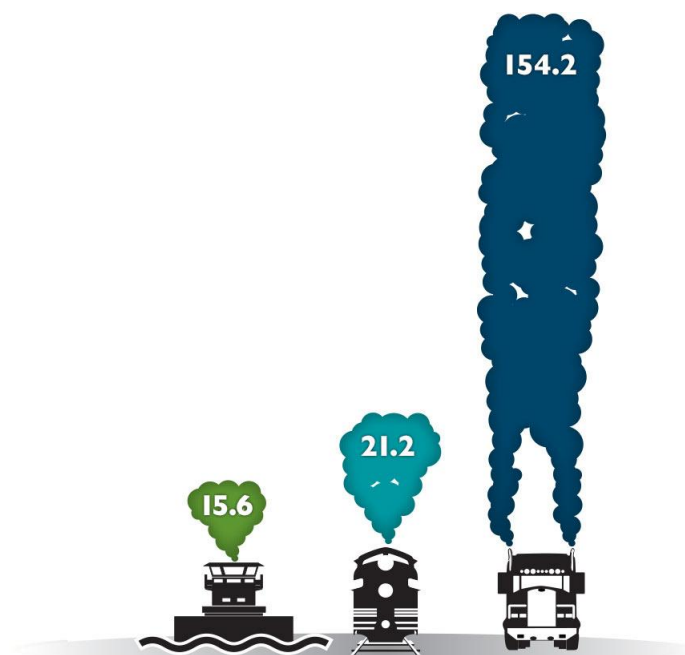


Marine Transportation is a Good News Story

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](#)

Marine Transportation – GHG Emissions

~99% of Kirby's emissions are from the marine transportation fleet

Scope 1: Marine Transportation Fleet CO2e (MT)

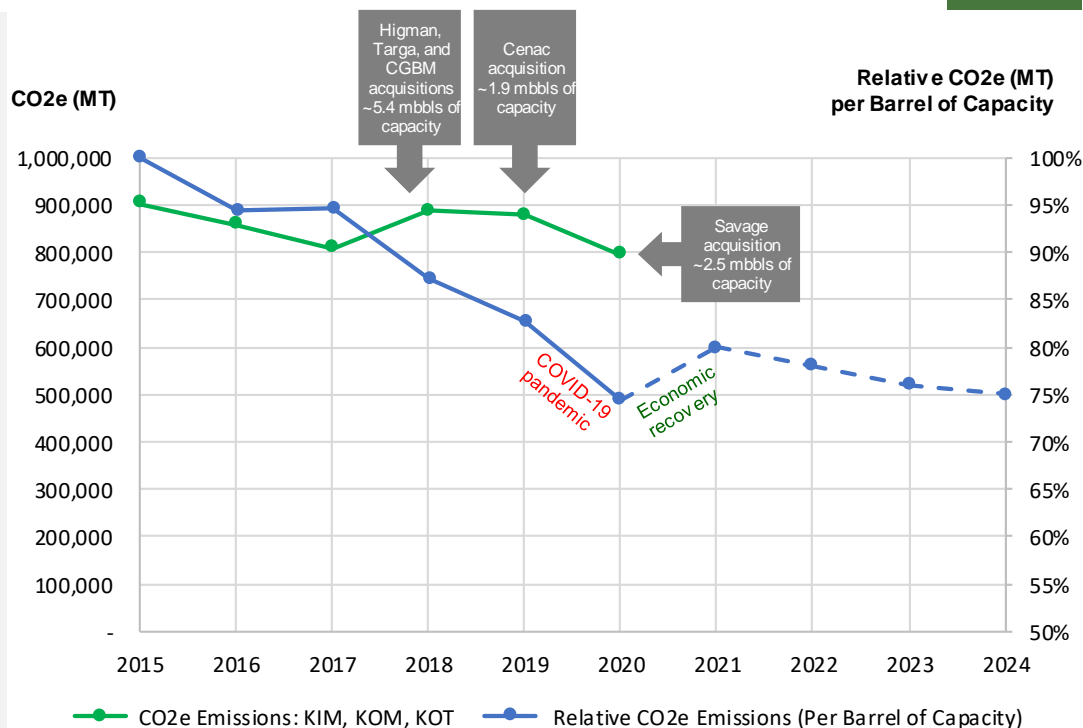


Emissions Performance (2015 to 2020)

- Since 2015, total CO2e emissions have declined 12% despite significant growth in the fleet
 - Total barrel capacity up 17%
 - Result of inland acquisitions offset by offshore fleet retirements
 - Diesel consumption declined 11% '19Y/'20Y primarily due to reduced activity associated with the COVID-19 pandemic
- Investments in newer boats and engines have improved overall fuel efficiencies and reduced emissions
- Since 2015, average age of inland boats is down 14 years and offshore boats is down 12 years

Emissions Reduction Target (2015 to 2024)

- In 2020, Kirby met its 25% emissions reduction target early as a result of the COVID-19 pandemic and the associated reduction in economic activity
- Given 2020 was an unusual year, the Company expects its activity and total emissions will increase in 2021 as the economy recovers
- Overall, Kirby emissions are expected to decline 25% per barrel of capacity by 2024



Kirby Corporation – GHG Emissions Summary

Marine Transportation Fleet Scope 1 – CO2e 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%
2020	795.1	76.9	28.2	74%

Scope 1 Emissions Performance

- ~99% 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 12% since 2015 despite significant growth in the number of vessels in the fleet
 - 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
 - 2020: Savage acquisition added ~ 2.5 million barrels of capacity, 45 towboats
- Emissions data reporting project launched in 2020 to better understand Kirby's emissions footprint on a micro level

Scope 2 Emissions Performance

- 100% of Scope 2 energy is consumed from the grid
- Signed a 36-month agreement for 100% green e-certified energy in April 2020 for all Kirby marine transportation facilities in Texas
 - ECO Solutions Champion issued ~3,000 renewable energy certificates in 2020; 100% renewable representation
 - 12% of Scope 2 energy is renewable
 - *2020 Scope 2 excludes 3,000 MWh of electricity consumed from renewable sources

Kirby Corporation Scope 1 – CO2e Direct Emissions

Year	CO2e MT (thousands)	Fuel Gallons Consumed (millions) +
2020	804.9	77.9

+Fuel gallons consumed include gasoline, diesel, and ethanol

Kirby Corporation Scope 2 – Indirect Emissions

Year	MWh (thousands)	CO2e MT (thousands)	NOx (MT)	SO ₂ (MT)
2019	30.9	13.6	8.4	12.0
2020	23.1*	10.2	6.3	8.9

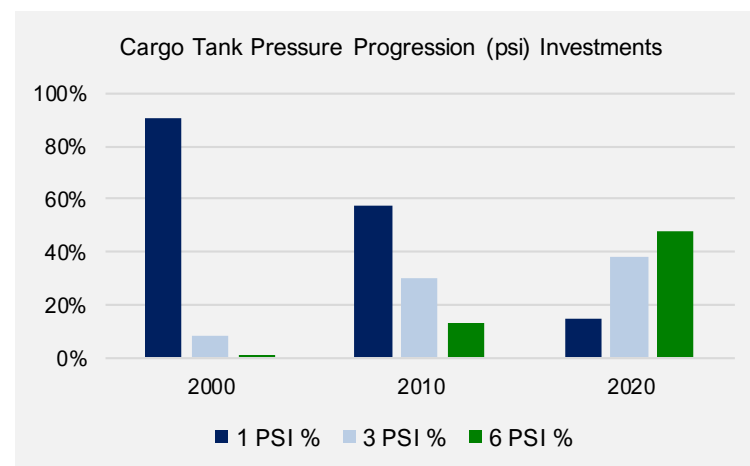


**Barrel capacities reflect Kirby Inland Marine and Kirby Offshore Marine tank barge businesses



Going Above and Beyond – Marine Transportation

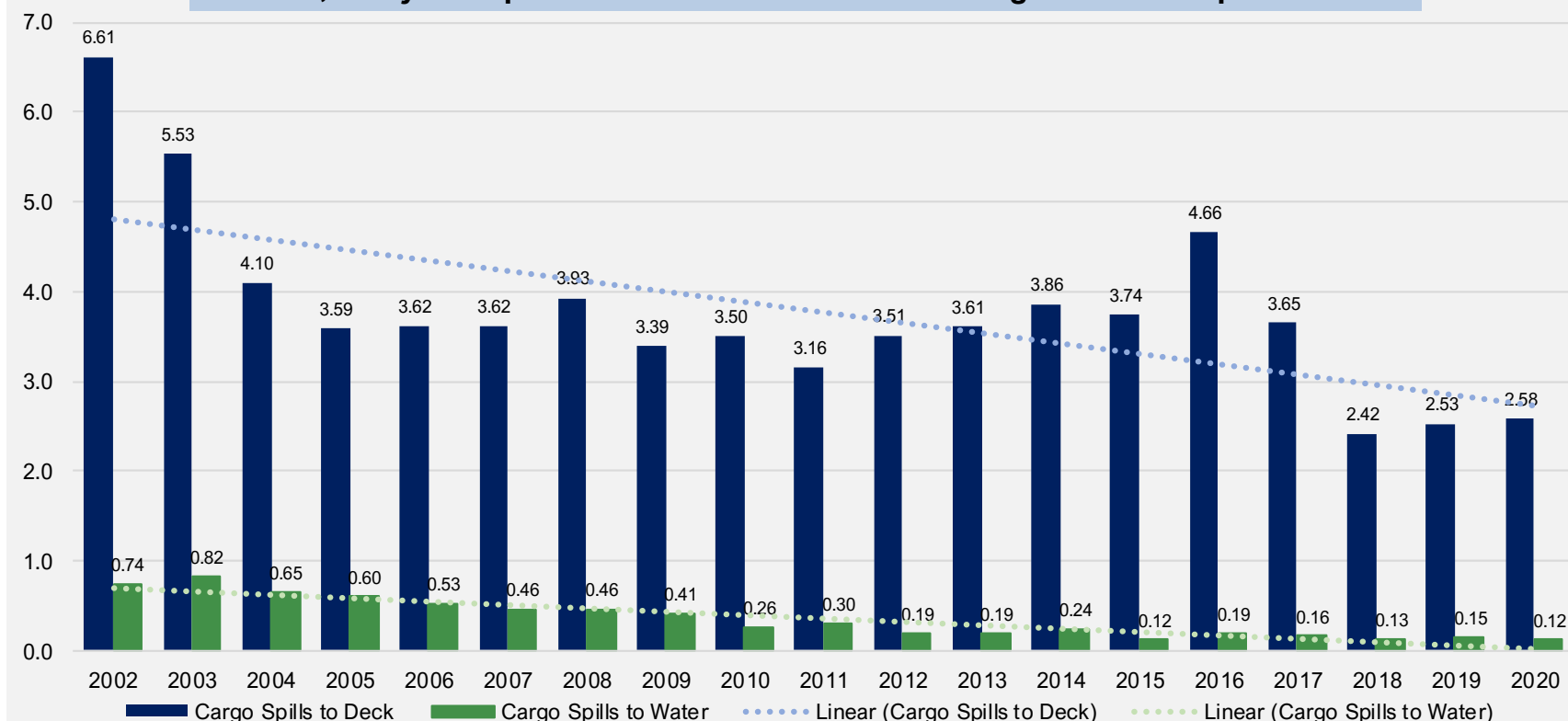
- Kirby implemented usage of ultra low-sulfur diesel on all vessels in 2012
- All tank barges are double hulled to better prevent environmental spills
- Voluntary usage of 6 psi vs. 3 psi vapor relief value settings on inland tank barges (the industry standard) significantly reduce cargo vapor emissions*
 - ~50% of Kirby's fleet is fitted with 6 psi vapor relief values
 - 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 2020, Kirby transported 423.4 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 0.12 incidents per 1,000 cargo transfers – representing an 84% 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 2020 more than 5,500 cargo transfer audits were completed, representing ~14% 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%**

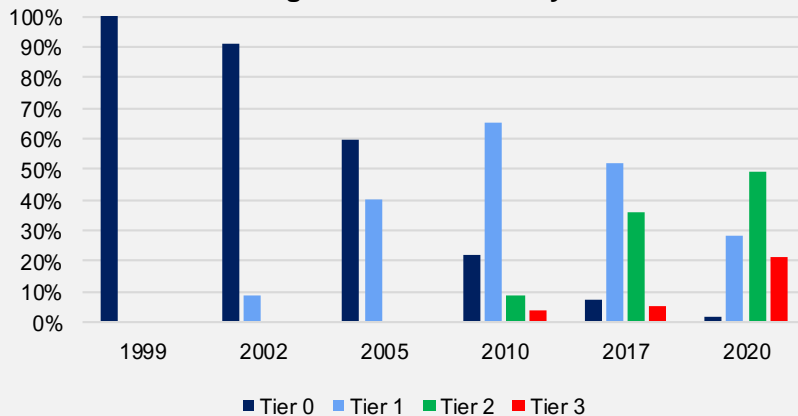
In the last **10** years Kirby's investment strategy has...

reduced
Tier 1
engines by **37%**

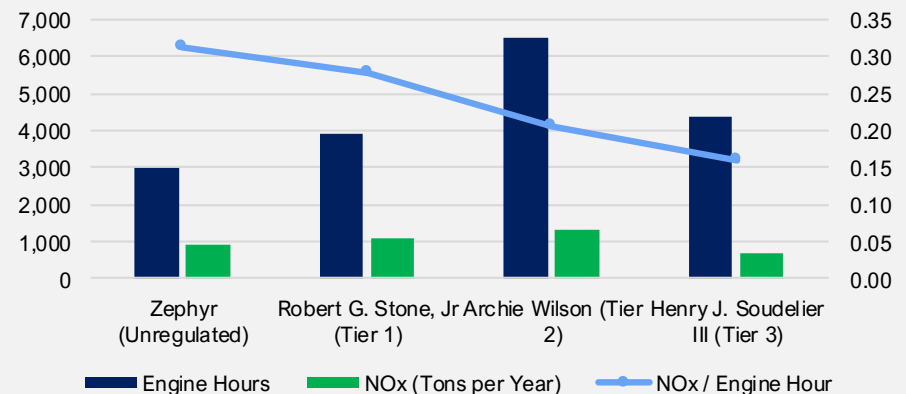
increased
Tier 2
engines by **94%**

increased
Tier 3
engines by **30%**

Percentage of Inland Boats by Tier



2019 NOx Case Study - 2100hp Boats

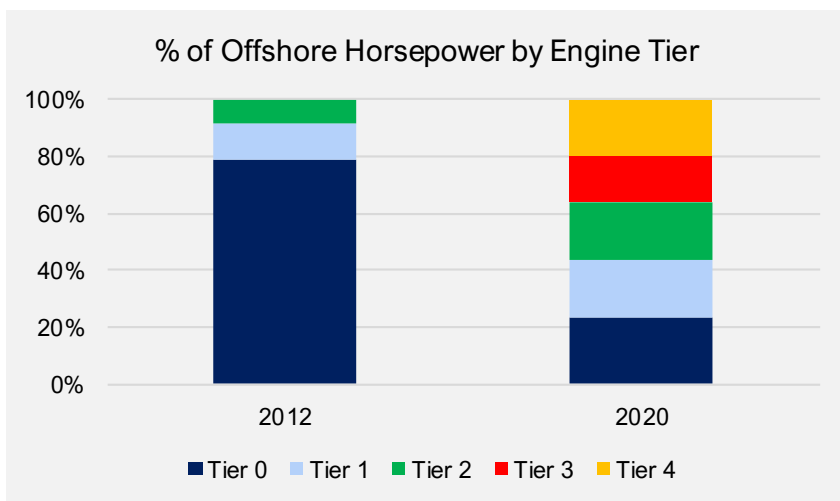


As engine tier level increases, engines produce less emissions and become more efficient and environmentally friendly

Offshore Marine – Investments by the Numbers

Engine Tier Strategy

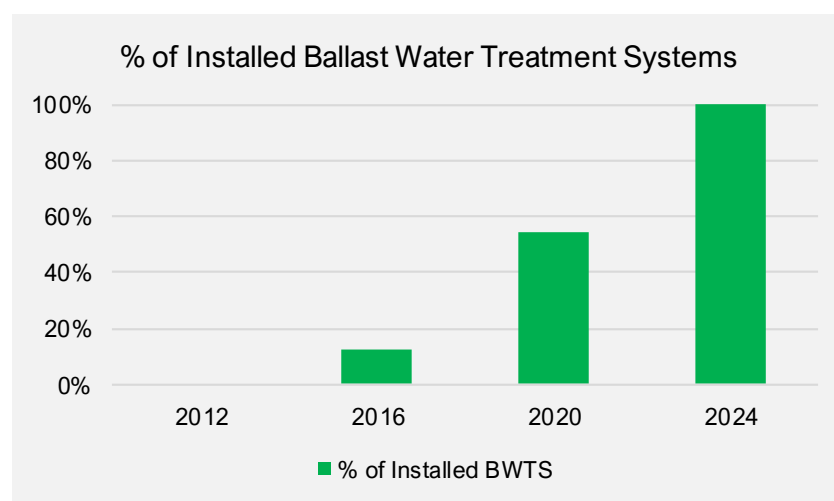
- Since entering the offshore market Kirby's investment strategy has **reduced Tier 0 engines by 85%**
- In the last 5 years Kirby's investment strategy has **spent \$200M+ on Tier 3 and 4 engines and boats**



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
- By the end of 2024, Kirby will have all remaining vessels outfitted with **ballast water treatment systems**



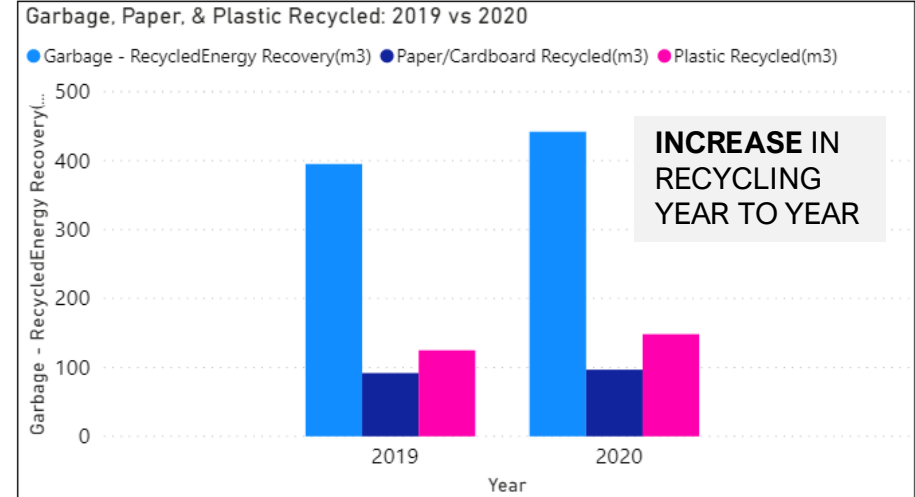
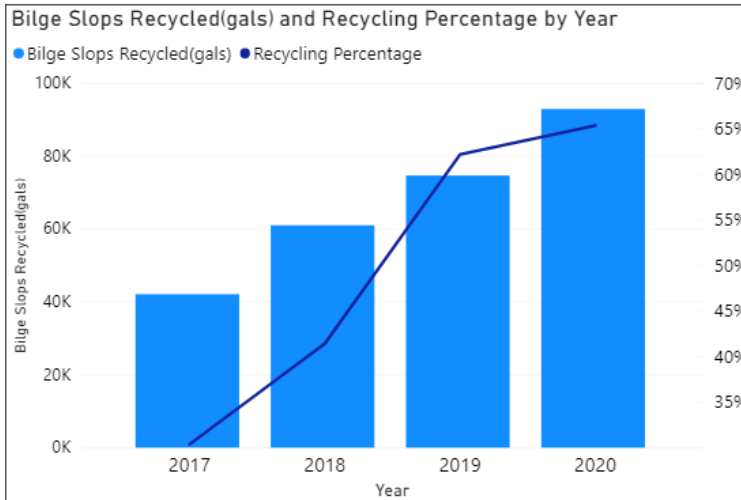
Kirby is committed to a cleaner and more efficient offshore fleet



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



Offshore Marine – Recycling & Responsible Practices



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 or highly efficient natural gas reciprocating engines together with 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 3x (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® Auxiliary Power Units (APUs) which meet Tier 4 EPA regulations and drive unit efficiency and productivity

Coldtainer® – temperature controlled units which are made with technology and materials that are energy efficient and eco-friendly that result in 40% reduction in CO2 emissions vs. Standard Refrigeration

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

Awarded Top Green Provider in 2020 by Food Logistics

ThermoLite® Solar Panels



Precedent® S-Series



TriPac® Auxiliary Power Unit



Coldtainer®



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
- Waterways Council, Inc.
- 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 \$600,000 to the foundation

- **Charitable matching donation program**

- Kirby matches qualifying employee charitable contributions
- More than 50 nonprofit organizations benefited from this program in 2020

- **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%
- 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

In 2020, Kirby and its employees raised

\$325,000

for recovery efforts following one of the toughest hurricane seasons in history



Employee Benefits & Engagement

At Kirby, our employees are our most important assets. Engagement looked slightly different during the COVID-19 pandemic, but we continued to stay committed to their success through a variety of different means. Wellness, education and training, and employee engagement create positive morale and a family friendly atmosphere.

- Employee town hall virtual meetings with executive leadership across the country

2020 Total Employee Compensation & Benefits:
\$627 million

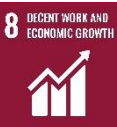
Average Tenure of Employees:
11 years

Generous medical, health and wellness, retirement 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
- Comprehensive retirement plans

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



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 are motivated to be more involved in the **community**



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>	650
Intro To Tankbarge (educating our customers)	<i>Course conducted to orient and inform and customers in maritime liquid cargo handling by barge</i>	508
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

*Certificates issued (2017-2020)

- 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.
- Over the last 4 years, almost 5,000 certificates have been earned in subjects such as safety, seamanship, boat and barge operations and navigation by our crewmembers.
- In 2020, with the COVID-19 pandemic causing disruptions to our business and limiting social interactions, Kirby was still able to complete nearly 1,000 training courses.



Pictured above are new deckhands learning and practicing proper line throwing from a Kirby instructor.



Distribution and Services – Training & Education

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

- The COVID-19 pandemic limited instructor-led classes for human capital development in 2020. Fortunately, the business continued to utilize the online course system and was able to continue investing in their employees.
- 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'
- Universal Waste Rule

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 Transformers
- EGSA Journeyman Study

Courses (2020)	Courses Offered	Courses Completed
Environmental, Health & Safety	72	24,029
Legal Compliance	22	4,391
Skills	50	3,256

Courses Offered
(more than 1000+ participants):
Work Place Safety
Universal Waste Rule Training
Storm Water Pollution Prevention
Stop Work Responsibility
Spill Prevention & Control
Slips, Trips & Falls

Instructor-Led Classes		
OEM Partner	Number of Different Classes	Total Number of Attendees
Allison	49	96
DEUTZ	9	43
DTNA	6	23
MTU	17	39
Volvo Penta	8	19

Pathways to Diversity

Kirby is making inroads in diversity...

Our people are the most important asset we have at Kirby, and our Core Values promote a workplace that values mutual respect, knowledge sharing, and teamwork. We continue to advance our “People” core value through our ongoing efforts around promoting our culture and workforce development. Our current initiatives include robust hiring and promotion practices, our leadership development training initiatives, and our corporate-wide inclusion and diversity training. This training is provided to managers and employees to support continued advancement and includes coaching, mentorship, and effective feedback.



- Elected first female board member in 2015 and second in 2019
- Elected a new racially/ethnically diverse board member in 2021
- Females represent 22% of the Executive Leadership including:
 - VP, General Counsel & Corporate Secretary
 - VP and Chief Human Resources Officer
- Females represent ~28% of the managerial and professional staff
 - Directors and Vice Presidents in Finance/Accounting, Marketing, Legal, Human Resources, and E-Commerce
- All employees are required to complete diversity and inclusion training in 2021

Diversity Statistics*

All Employees			
Gender		Race	
Male	90%	White	69%
Female	10%	Minority	28%
		Undisclosed	3%
Excluding Vessel & Maintenance Employees			
Gender		Race	
Male	75%	White	71%
Female	25%	Minority	29%

*As of December 2020

Governance & Ethics

Governance Highlights – Board of Directors

TOPIC	PRACTICE
INDEPENDENCE	<ul style="list-style-type: none"> 8 out of 10 directors 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"> 2 out of 10 directors are female 1 out of 10 directors is racially/ethnically diverse
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

- Kirby is committed to doing business the right way or “The Kirby Way”
- All Kirby directors, executives and employees are required to sign and uphold the Business Ethics Guidelines
- Guideline 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
- More than 3,500 training courses completed on Business Ethics and Foreign Corrupt Practices Act in 2020



VENDOR CODE OF CONDUCT

- In 2020, Kirby implemented stronger guidelines for our suppliers which were designed to help ensure responsible product sourcing and the safety and well-being of workers across the global supply chain
- 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 kirbycorp.com/governance/

Cybersecurity and Data Privacy

GOVERNANCE

- Kirby senior management briefs the board quarterly on information security matters.
 - Steering Committee: Meets at a minimum 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
- The Company has not experienced an information security breach in the last three years.



EMPLOYEE EDUCATION & TRAINING

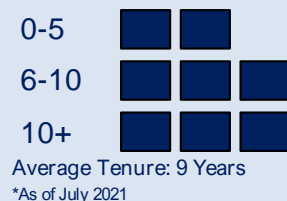
- **Training:** Security awareness program utilizing weekly tips and training
 - ~1,700 employees completed cybersecurity awareness training in 2020
 - All employees will be required to complete annual cybersecurity training in 2021
- **Testing:** Perform monthly phishing scam tests with associated real-time training
- **Education:** Cybersecurity Director speaks at operations meetings to raise awareness and educate on current topics

Board Composition and Experience

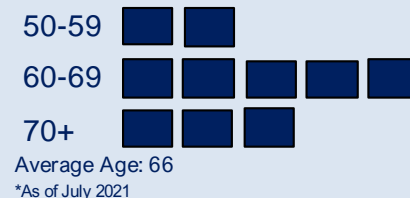
Core Industry Experience (in years)



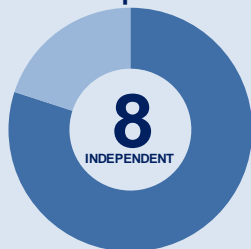
Independent Director Tenure*



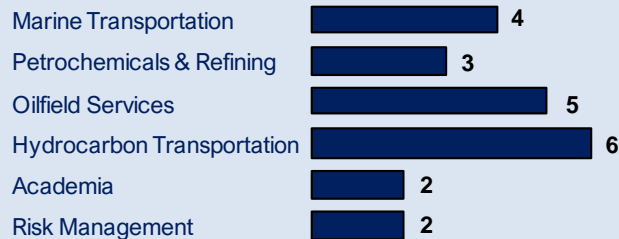
Age*



Director Independence



Industry Experience



Director Diversity
















Industry Experience



Board Committees

All three Board committees consist solely of independent directors

Director		Audit Committee	Compensation Committee	Governance Committee
Anne-Marie N. Ainsworth	F R			
Richard J. Alario	F			
Tanya S. Beder	F R			
Barry E. Davis	F			
C. Sean Day				
Richard R. Stewart	F			
William M. Waterman				
Shawn D. Williams*				



Chairman



Member

R = Risk Management Expertise
F = Financial Expertise

Appendix

SASB Supplemental Data



SASB Materiality Map	Additional Marine Transportation Standards	
	Accounting Metric	2020 Results
Environment	<u>Environmental Footprint</u>	
GHG Emissions	Air emissions for the following pollutants: SOX and particulate matter (PM)	In Progress
Air Quality		
Energy Management		
Water & Wastewater Management	Energy Efficiency Design Index (EEDI) for new ships	4.31 grams of CO2 per ton-mile
Waste & Haz. Materials Management		
Ecological Impacts	<u>Ecological Impacts</u>	
	Shipping duration in marine protected areas and areas of protected conservation status	Kirby vessels maintain awareness of Marine Protected Areas and abide by all navigational and environmental restrictions in our areas of operation
Social Capital		
Human Rights & Community Relations		
Customer Privacy		
Data Security	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
Access & Affordability		
Product Quality & Safety		
Customer Welfare	Number and aggregate volume of spills and releases to the environment	13 releases totaling 13.2 gallons
Selling Practices & Product Labeling		
Human Capital	<u>Business Ethics</u>	
Labor Practices		
Employee Health & Safety	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Not applicable
Engagement, Diversity & Inclusion		
Business Model & Innovation	Amount of legal and regulatory fines and settlements associated with bribery or corruption	None
Product Design & Lifecycle		
Business Model & Resilience	<u>Accidents & Safety Management</u>	
Supply Chain Management		
Materials Sourcing & Efficiency	Number of serious marine incidents	One
Physical Impacts of Climate Change	Fatality rates	One
Leadership & Governance		
Business Ethics	Number of Conditions of Class or Recommendations	72 classed offshore vessels: Zero past due conditions or recommendations
Competitive Behavior		
Legal & Regulatory Environment		
Critical Incident Risk Management	Number of port state control (1) deficiencies and (2) detentions	Zero
Systemic Risk Management		



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, 2020 and in subsequent quarterly filings on Form 10-Q.

