

# Sustainability Report

---

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

Kirby Corporation  
2022



# Message from CEO David Grzebinski

It has been an eventful year in the sustainability space for Kirby Corporation since our last report. Kirby has continued to walk down many meaningful paths in its continued pursuit of a sustainable future. These paths included increased disclosures, emissions projects, ESG related acquisitions, and collaborations and partnerships. Our team, from the Board of Directors down to employees, has cast a wide net in terms of creating a sustainable footprint. This sustainability report will be our third in the last few years and reflects much of the work that has been accomplished. I'm extremely proud that Kirby's sustainable model is effectively addressing the concerns of our stakeholders and communities, while also upholding our fiduciary responsibility to our shareholders.

Kirby has been committed to a culture of 'No Harm to People, Equipment, and the Environment' for many decades. This commitment has been put into practice in many ways. Creating a culture where safety is paramount is exemplified in all our business practices and day to day operations. I am delighted to share that even in a year filled with many distractions, our marine transportation group had its lowest lost-time injury rate in its history. I'm grateful that their focus remained strong despite a challenging year. It is also important to recognize the significant volume of products we transport and our commitment to minimize potential impacts on the environment. In 2021, Kirby moved approximately 410.6 million barrels of cargo which represents approximately 17.2 billion gallons of product. We only saw minor spills which were quickly remediated. We are steadfastly committed to taking ownership of even the smallest spill as this is essential to our progress and continuous improvement. Transporting petroleum and petrochemicals are vital for both our domestic and global economies and Kirby has the expertise to do so in a safe, efficient and environmentally friendly manner. Research clearly shows that barges have a significantly smaller impact on the environment when compared to railroad and trucking (as noted in this report on page 18). We are proud to be a leader in our industry, delivering critical products safely, efficiently and reliably every day.

We have made strides in other key areas to further benefit the environment. For many years, Kirby has been a leader in the development of modern electric frac equipment, and just last year, we purchased an energy storage solutions business which will help reduce emissions in oilfield and industrial applications. In addition, Kirby is also building a first of its kind diesel electric hybrid towboat for our inland business, and we are partnering with Maersk to provide transportation services for offshore wind projects under a 20-year agreement.



# Message from CEO David Grzebinski (continued)

These new offshore wind vessels will utilize diesel electric hybrid technology. We are also collaborating with Maersk to identify alternative and cleaner fuel sources that could displace diesel consumption in the future. We are proud of these technological advancements and will continue to be involved in cutting edge environmentally focused projects that add value and create healthy returns. Kirby is also actively involved in the Blue Sky Maritime partnership which strives to accelerate energy transition in the marine transportation industry. As part of our commitment, several members of Kirby's team, including myself, serve in key leadership roles, as we strongly believe a collaborative approach is needed in order to progress towards a low carbon future.

While we are proud of the industry working together to address global issues, it is also important to recognize how Kirby addresses issues closer to home. In 2021, Kirby's Disaster Relief Fund ("KDRF"), which is our in-house charitable organization that provides support to Kirby employees and families impacted by natural disasters and significant losses, raised a record number of dollars. Weather events including Winter Storm Uri and Hurricane Ida greatly impacted our employees with incredible loss, property destruction and distress. Kirby matches all employee contributions towards KDRF at 100% and was able to donate over \$750,000 in assistance to our impacted employees as well as their communities. We are committed to our core value of "No Harm to People" – it applies to all facets of our employees lives from work on the waterways, in our manufacturing facilities, and the home.

Our sustainability efforts and goals would not be possible without strong leadership and oversight. Kirby's Board of Directors oversees Kirby's performance and management of various ESG issues, including strategy, climate risks, human capital management, and cybersecurity. This past year, Kirby went a step further to reconstitute our Governance Committee as the ESG & Nominating Committee to better reflect its oversight and commitment to ESG issues. In its new form, the committee oversees the Company's sustainability report, climate change issues and disclosures including TCFD, board nominations, and diversity initiatives.

Overall, while it has been a year filled with unprecedented events, I'm proud of the resilience and achievements that Kirby's employees have accomplished in the ESG space. This report will do a much better job of highlighting and showcasing our accomplishments and our path to a sustainable future.



**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.





# ESG HIGHLIGHTS

**99.95%**  
**SAFE WATCHES**



**COMPLETE:**  
ESG Disclosures  
aligned with –



**410.6** million  
barrels of cargo  
transported  
**WITH ONLY**  
60 gallons spilled to  
water

**~6,000**

Marine Training  
Certificates

**ISSUED**  
Since 2017



Kirby Inland Marine

**LOWEST**  
**LOST TIME**  
**INJURY RATE**



In the history of the  
organization

**ELECTRIC FRAC**  
**REDUCES**  
NO<sub>x</sub> EMISSIONS


**99%**

Source: USWS

Acquisition of an  
Energy Storage  
Solutions Business

**E-DAPTIVE**



**40%**   
**Reduction**  
**TARGET OF**  
**CO<sub>2</sub>e Emissions**  
per Barrel of Capacity  
By 2040

Kirby Disaster Relief Fund  
Raised:

**~\$750,000**

For employees  
impacted by the Winter  
Storm Uri & Hurricane  
Ida

**DIVERSITY**



**33%**



Diverse Directors  
**ON THE BOARD**

**EMPLOYEES:**

White – 69%  
African American – 11%  
Hispanic – 14%  
Other – 5%

**COMPANY PRIDE / ENGAGEMENT**

**85%**



Of employees indicated they  
are **PROUD**  
to work for Kirby

2021 Company Culture  
Survey Results

# Guiding ESG Frameworks & Standards

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



# “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'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.

[illegible]

# Stakeholder Engagement & Participation

- Blue-Sky Maritime Coalition (BSMC)
  - Kirby is a founding member and serves in leadership positions (Board of Director & Treasurer)
  - 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 through development of infrastructure, encouraging innovation and promoting policies
- Getting to Zero Coalition –
  - The coalition acknowledges that an urgent and equitable decarbonization of the maritime supply chain by 2050 is possible and necessary, with urgent action to be taken immediately and over the coming decade
- Business Network for Offshore Wind (BNOW)
  - Kirby is a leadership member and also serves in the network's Gulf of Mexico working group
  - BNOW is a nonprofit, educational organization with a mission to develop the offshore wind renewable energy industry and its supply chain
- 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:
  - ESG & Nominating 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 operations
  - Hurricane scenario
  - High water scenario
  - Energy technology transition

## Strategies with Examples:

- Transition Risks:
  - Policy & Legal – *Oil & gas regulations changes*
  - Technology – *Transition to low-emissions equipment – Energy 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 & developing strategies to capture opportunities
- To address its marine fleet's CO<sub>2</sub>e emissions, the Company has established a 40% emissions reduction target per barrel of capacity through 2040
- 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](https://kirbycorp.com/tcfd)

# Safety

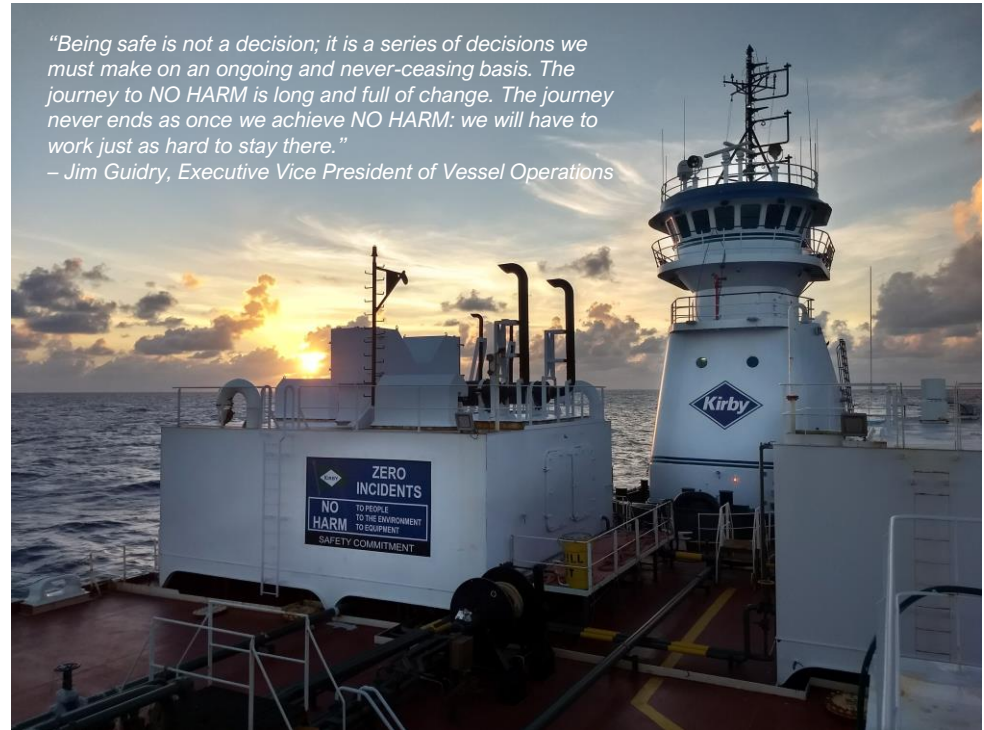
---

# 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
- Employers are expected to adhere to safety rules as a condition of employment.
- All employees, contractors, and consultants are required to follow our safety policy

*"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



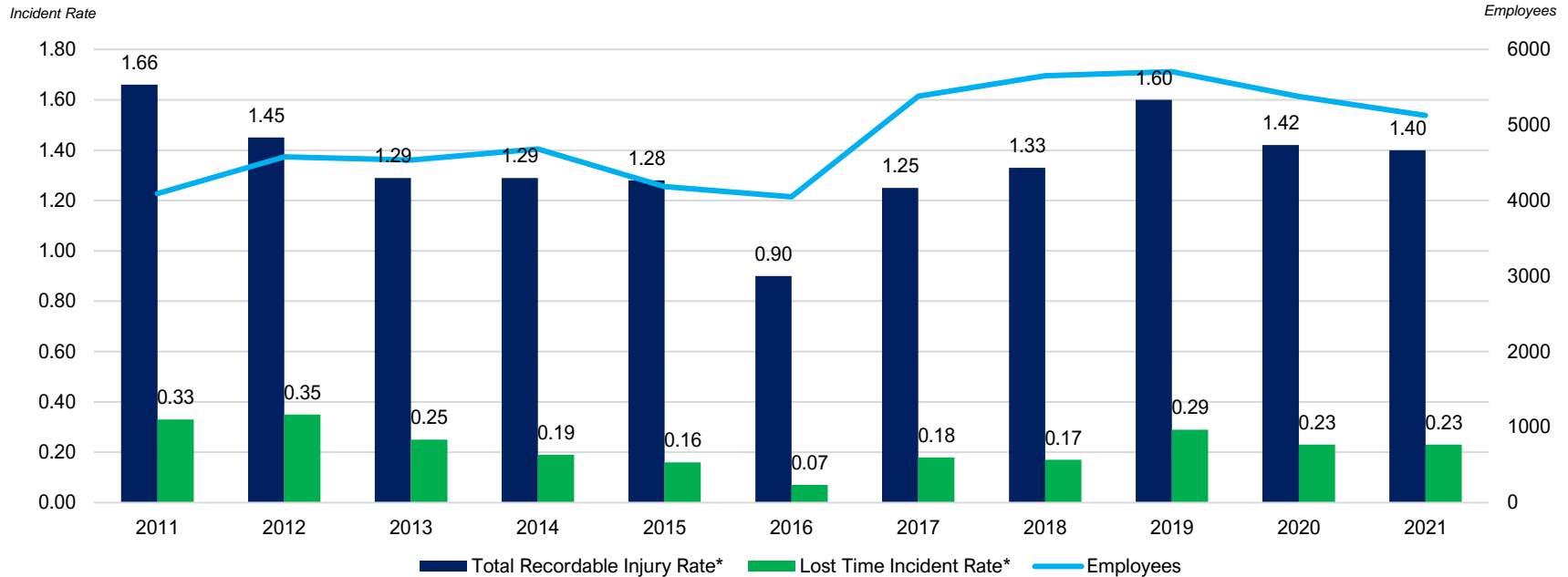
**ZERO INCIDENTS**

**NO  
HARM**

to people  
to the environment  
to equipment



# Kirby Corporation Employee Safety



- Downward trendline for employee injury rates since 2019
- Driving continuous improvement and awareness through employee engagement, setting expectations, best practices, safety meetings, regular safety seminars and programs, safety committees/teams by location, and virtual employee town hall meetings with senior management
- Kirby Marine Transportation reduced its total recordable injury rate by 12% compared to 2020 and by 30% compared to 2019 performance
  - Inland Marine reduced total recordable injuries in 2021 by 23% vs. 2020
  - Inland Marine achieved the lowest lost time injury rate in the history of the organization during 2021

**No Harm to people, environment, or equipment is the Kirby Way**



\*Recordable and lost time rates per 200,000 hours worked.  
Note: Incidents include injuries and illnesses. Kirby bases its safety data on information available at the time of publication.



# 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 2021

**66%** of 82 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 2021

Boats	★ Gold Stars	Years of No Harm
23	1	2
48	2	3
42	3	4
66	4	5
45	5	6
13	6	7

**92%**  
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:

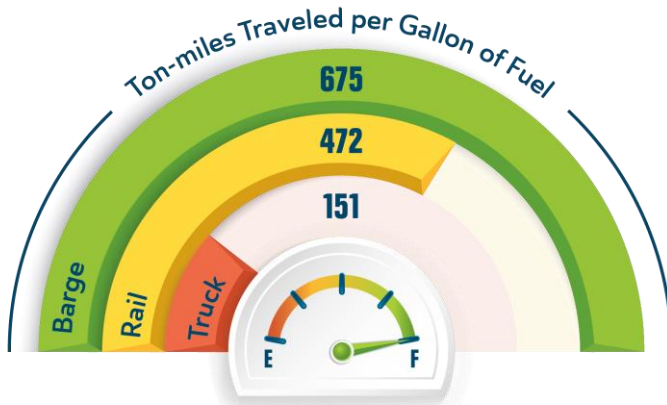
- Conduct our business and operate our vessels in a manner that protects the environment and the health and safety of our employees and the public
- Recognize and be responsive to public concerns about waterborne transportation and its effects on the environment
- Make safety, health and the environment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



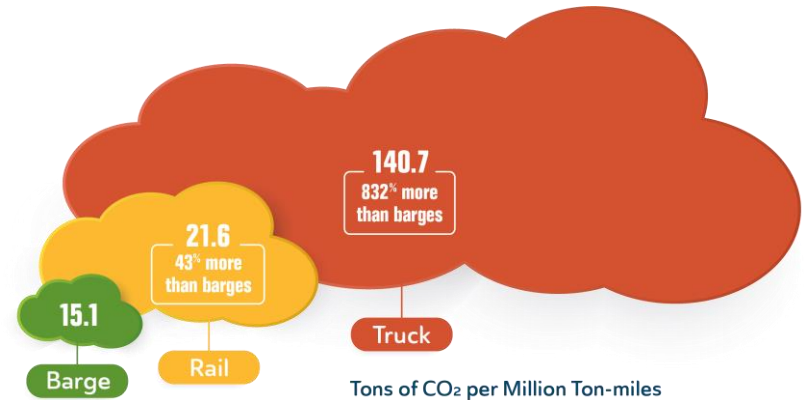
# Marine Transportation: A Good News Story For Safety and the Environment

## Barges: Most Fuel Efficient



- A rail car is 30% less efficient than a barge
- A truck is 78% less efficient than a barge

## Barges: Better for the Environment



- To move an identical amount of cargo **by rail generates 43% more carbon dioxide** than by barge, and **trucks generate over 800% more emissions.**

## Barges: Protecting Our Communities

- Inland waterways transport moves hazardous materials more safely.
- All transport modes continuously work hard to prevent accidents, human errors, and other causes of spills. Statistics for 2001-2019 show **trucks have 239% and rail cars have 287% more incidents than barges.**

Rate of Spills in Gallons per Million Ton-miles  
(Spills over 1,000 gallons)



Source: National Waterways Foundation: *A Modal Comparison of Domestic Freight Transportation Effects on the General Public: 2001-2019*

# Marine Transportation – GHG Emissions

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

## Scope 1: Marine Transportation Fleet CO2e (MT)

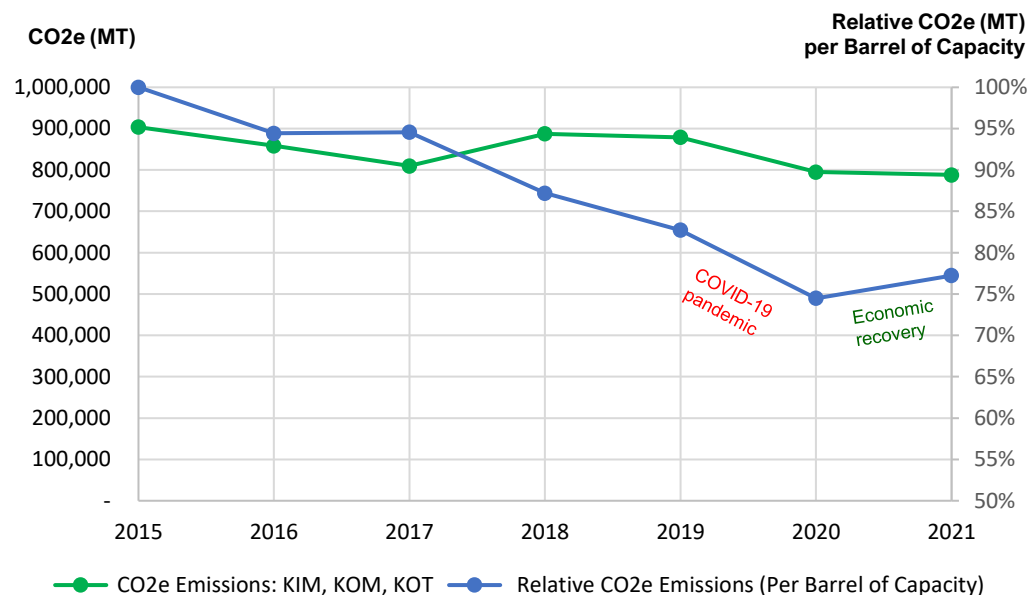


### Emissions Performance (2015 to 2021)

- Since 2015, total CO2e emissions have declined 13% despite significant growth in the fleet
  - Total barrel capacity up ~15%
  - Result of inland acquisitions offset by offshore fleet retirements
  - Diesel consumption declined 10% '19Y/'20Y primarily due to reduced activity associated with the COVID-19 pandemic
- Since 2015, average age of inland boats is down 16 years and offshore boats is down 18 years

### Emissions Reduction Targets:

- 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
- Short term target: Overall, Kirby emissions are expected to decline 25% per barrel of capacity by 2024
- Long term target: 40% reduction of emissions per barrel of capacity by 2040



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

**↓ 25%**



**Target Reduction by 2040**  
(vs. 2015 base year)

**↓ 40%**

# 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%
2021	787.9	76.2	27.5	76%

### 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 13% 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 ~6,000 renewable energy certificates in 2021; 100% renewable representation
  - ~25% of Scope 2 energy is renewable
  - \*2021 Scope 2 excludes 6,000 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
2021	796.5	77.1

\*Fuel gallons consumed include gasoline, diesel, and ethanol

## Kirby Corporation Scope 2 – Indirect Emissions

Year	MWh (thousands)	CO2e MT (thousands)	NOx (MT)	SO <sub>2</sub> (MT)
2019	30.9	13.6	8.4	12.0
2020	23.1	10.2	6.3	8.9
2021	19.9	7.4	4.4	4.3



\*\*Barrel capacities reflect Kirby Inland Marine and Kirby Offshore Marine operating tank barge



# Decarbonizing Initiatives – 40% Reduction By 2040

When it comes to decarbonizing the company, Kirby is pursuing many paths in order to achieve best results.

- Continuing Kirby's commitment to decarbonization with a 40% reduction by 2040 of Scope 1 Emissions – roughly 160,000 metric tons of CO<sub>2</sub>.
  - Proactive implementation of existing tools and technologies:
    - Biofuels with emission reductions of 20-30% per vessel\*
    - Hybrid power technologies with reductions up to 80% per vessel
    - Engine re-powers with reductions of 15-20%
  - Dedicated development of future carbon reduction techniques, alternative fuels, and power sources and their respective supply chains.
  - Thorough establishment of procedures and best practices to drive emission reducing operations.
- Through the appropriate combination of these initiatives, the potential exists to meet emission targets without the application of carbon offsets.



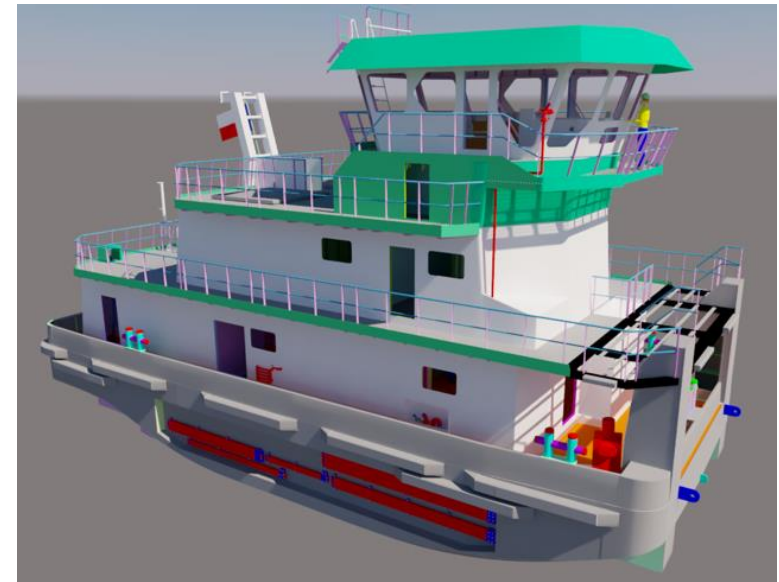
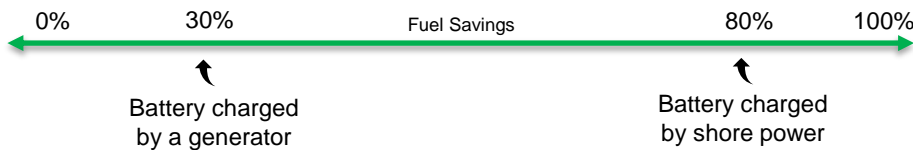
\*Based on lifecycle analysis



# Inland Marine – Hybrid Electric Towboat

Kirby will be the first inland marine transportation company to own and operate a diesel-electric hybrid towboat in the United States

- Proprietary in-house design, development, and construction underway for a diesel-electric inland push boat incorporating an energy storage system (ESS) to significantly reduce emissions
- Ready for service in 2023
- Flexible battery design allows for adding or removing battery packs based on power needs
- Reduced maintenance schedule and costs against conventional vessels
- Efficiency gains in multiple operating modes
- Fuel savings up to 30-80%:



## KIRBY PARTNERSHIP



## SPECS:

- Hybrid Drive with 2 Generators (1130 kW)
- Battery Pack : 1243 kWh
- Charge time at dock (480 VAC, 200A) : 6 hrs



# Kirby Offshore Marine

Kirby Offshore Marine was a first mover to integrate tier four engines into their tugboat fleet

**~25% of fleet  
TIER FOUR**

- RONNIE MURPH
- RANDY McCRANEY
- CAPE ANN
- CAPE HENRY
- CAPE HATTERAS
- CAPE CANAVERAL
- CAPE LOOKOUT

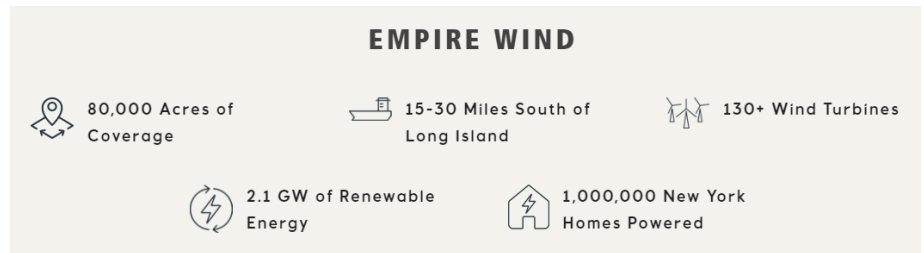


**As engine tier level increases, engines produce less emissions and become more efficient and environmentally friendly**

# Kirby Offshore Wind

## Kirby enters the renewable energy space through a 20 year partnership with Maersk

- Under the 20-year framework agreement:
  - Kirby will provide barge transportation services for offshore wind towers and turbines to Maersk Supply Service
  - First project is Empire Offshore Wind, a joint venture between Equinor and bp off the coast of New York
- Capital investment: \$80-100 million for two feeder barge and diesel-electric hybrid tugboat units
- Each feeder barge will have the capacity to transport next-generation turbines of 15 megawatt and greater
- Operations are expected to commence in late 2025 or early 2026

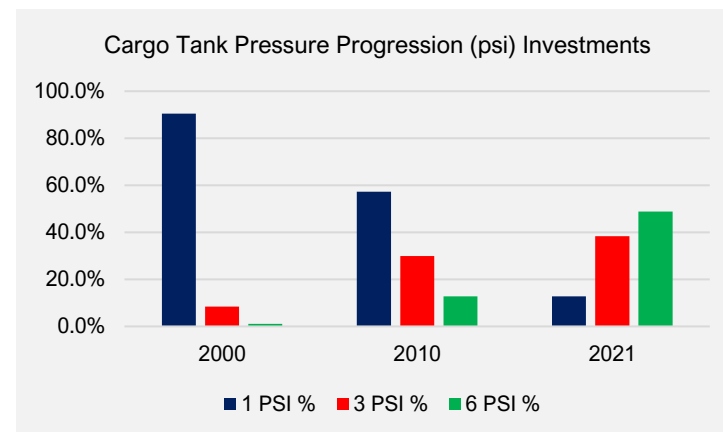


Source: [www.empirewind.com](http://www.empirewind.com)



# Going Above and Beyond – Marine Transportation

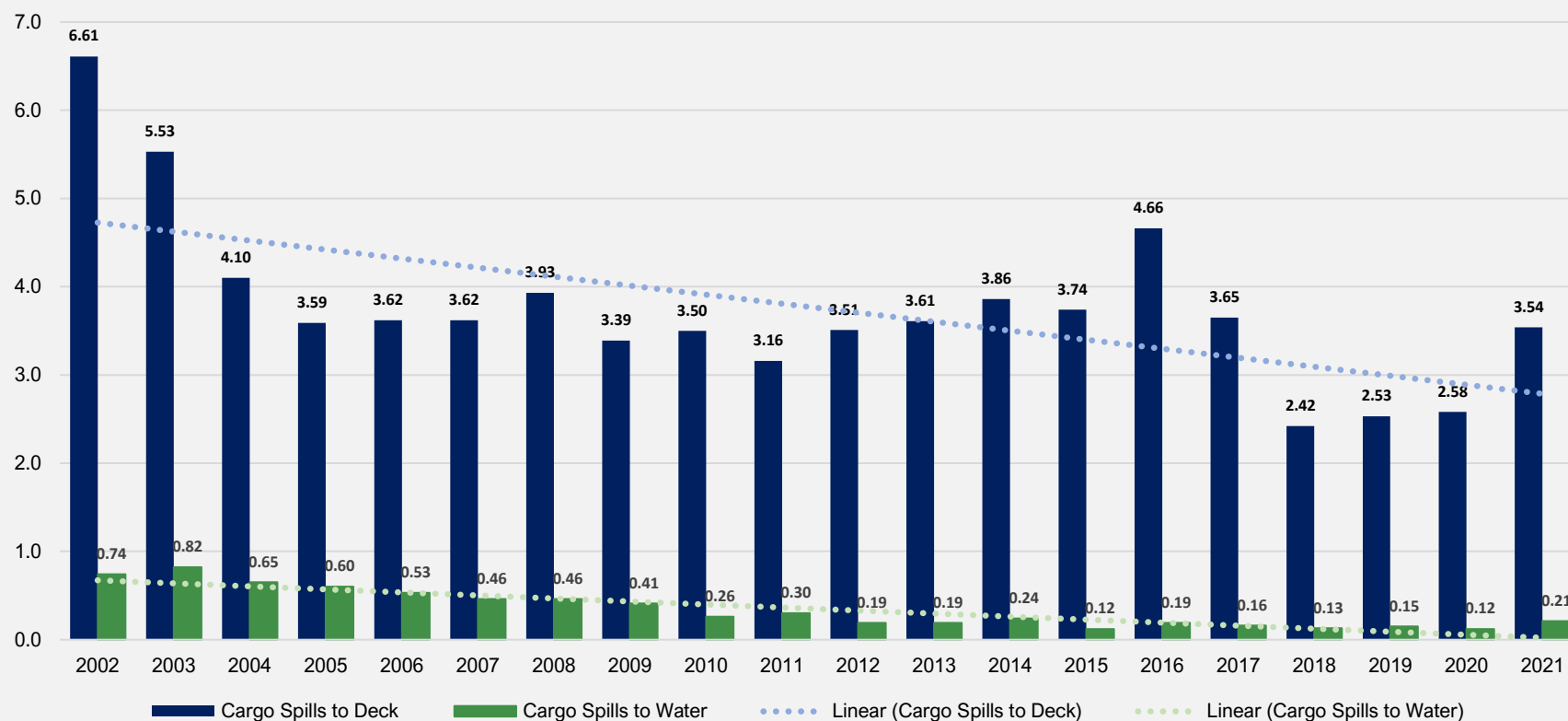
- Kirby implemented usage of ultra low-sulfur diesel on all vessels in 2012
- All tank barges are double hulled to better prevent environmental spills
- Voluntary usage of 6 psi vs. 3 psi vapor relief value settings on inland tank barges (the industry standard) significantly reduce cargo vapor emissions\*
  - ~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.

# Limiting our Impact on the Environment

In 2021, Kirby transported 410.6 million barrels of cargo transported with only 60 gallons spilled 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 since 2002 representing a 72% decrease
- 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 2021 more than 4,000 cargo transfer audits were completed



\* 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%**

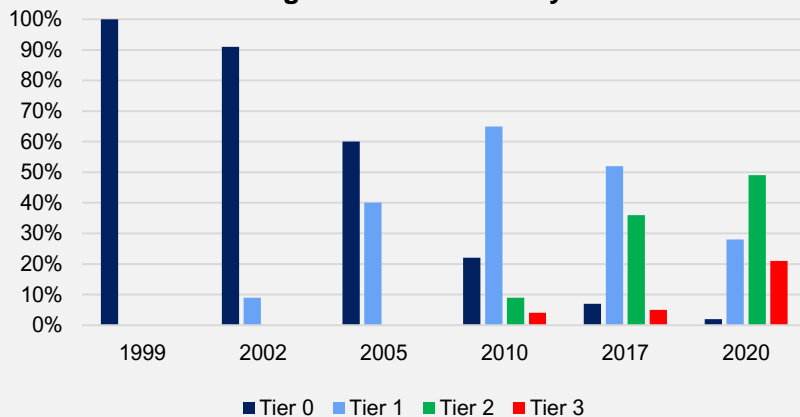
In the last **10** years Kirby's  
investment strategy has...

reduced  
**Tier 1**  
engines by **37%**

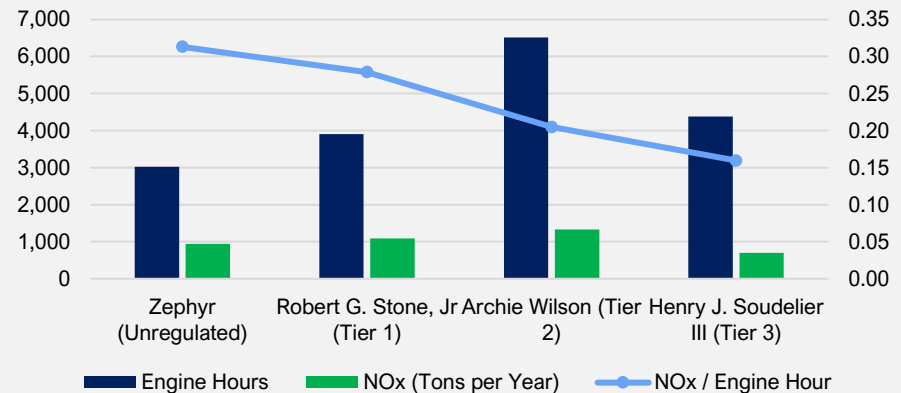
increased  
**Tier 2**  
engines by **94%**

increased  
**Tier 3**  
engines by **30%**

Percentage of Inland Boats by Tier



NOx Case Study - 2100hp Boats



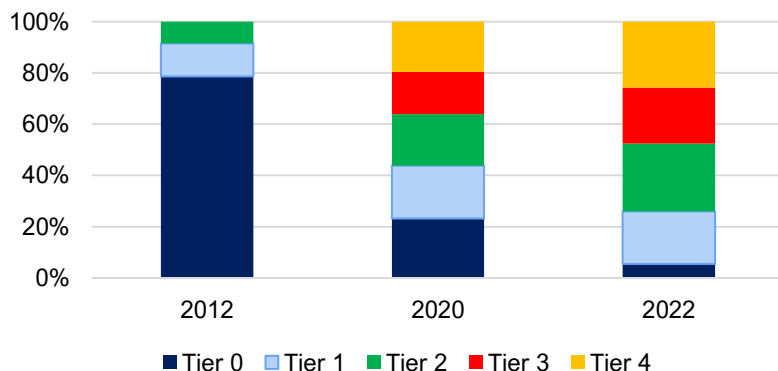
**As engine tier level increases, engines produce less emissions and become more efficient and environmentally friendly**

# Offshore Marine – Investments by the Numbers

## Engine Tier Strategy

- Since entering the offshore market Kirby's investment strategy has **reduced Tier 0 engines by 95%**
- Since 2015 Kirby's investment strategy has **spent \$200M+ on Tier 3 and 4 engines and boats**

Offshore Horsepower by Engine Tier

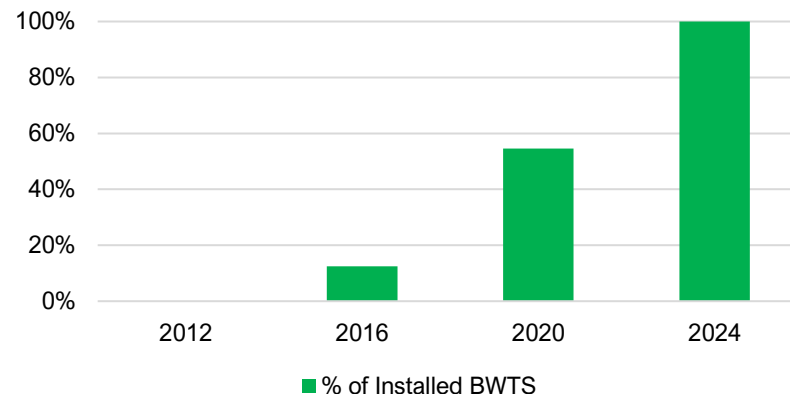


*As level of engine tier increases, engines produce less emissions and become more efficient and environmentally friendly.*

## Ballast Water Management

- In the less than a decade, Kirby has installed **ballast water treatment systems** on **62%** of its fleet
- By the end of 2024, 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.*





# Inland Marine – Solar Panels

Since 2017, Kirby Inland Marine has spent over \$9 million dollars investing in solar panels for over 600 barges that power the high-level alarm systems



- Allows the barges to load and discharge at facilities that do not have high level alarm hook ups on shore
- Ensures tankerman can use the alarm system on loads and discharges which gives them a safety system to help prevent spills to the environment

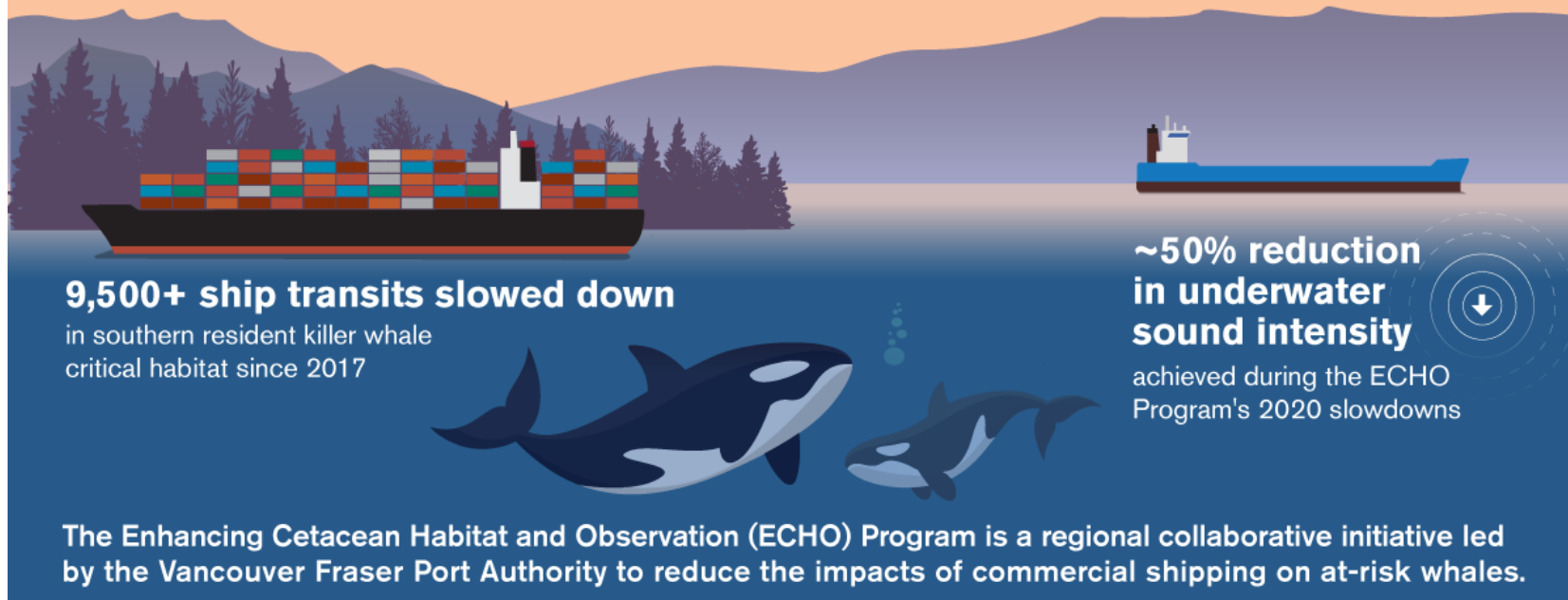


# Offshore Marine – Responsible Practices

Program Participant → Enhancing Cetacean Habitat and Observation (ECHO)

## Proud participant in the ECHO Program

We slowed down while transiting through key southern resident killer whale foraging areas to help create quieter oceans, for healthier whales.



# Environmentally Friendly Oilfield Solutions

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

# Environmentally Friendly Power Generation Solutions

Kirby manufactures power generation equipment that is creating opportunities in new commercial and industrial markets

## Natural Gas Reciprocating Generators

- High Power Output: 2.5 MW
- High Mobility: 53' x 8.5' x 13.5'
- Wide Operating Range: Up to 122°F operation
- Sound attenuated environmental enclosure
- Scalable operation with multiple generators
- Integrates with existing S&S power distribution products
- 27.5% more fuel efficient than turbines assuming zero grid power supply at net zero consumption
- Reduces CO<sub>2</sub>e by 32% resulting in the cleanest power platform available for e-frac



## Mobile Energy Storage Systems

- High Power Density: Up to 3 MWh storage capacity
- High Power Output: Up to 3 MW
- High Mobility: 53' x 8.5' x 13.5'
- Self Contained: Drive-up and plug-in (no additional rig-up)
- Output Voltage Flexibility: 13,800 volt shown
- Wide Operating Range: Up to 122°F operation
- Intelligent Operation: Advanced Battery Management System (BMS) and Power Management System (PMS)
- Highly Scalable: Platform Based Design (allows for smaller systems or use of multiple systems to meet different power demands)
- Integrated Turnkey Packages: ESS compliments existing S&S power generation and power distribution products





# 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

**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 decade, Kirby has donated over \$700,000 to the foundation

- **Charitable matching donation program**

- Kirby matches qualifying employee charitable contributions
- More than 60 nonprofit organizations benefited from this program in 2021

- **Other organizations sponsored include:**

- United Way
- Susan G. Komen Foundation
- Keep America Beautiful
- Texas Liver Foundation
- 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 2021, Kirby and its employees raised

**~\$750,000**

for employees impacted by Winter Storm Uri & Hurricane Ida

## Hurricane Ida Response Efforts:

- Initiated contact with 1,000+ employees via text message
- 200+ families impacted by storm
- 143 of those impacted requested Kirby assistance
- 80+ portable generators provided
- 8,000 gallons of gasoline provided to employees in need



# Employee Benefits & 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.

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

- 2021 Total Employee Compensation & Benefits:

~\$600 million

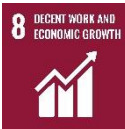
- Average Tenure of Employees:  
10 years

## 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:

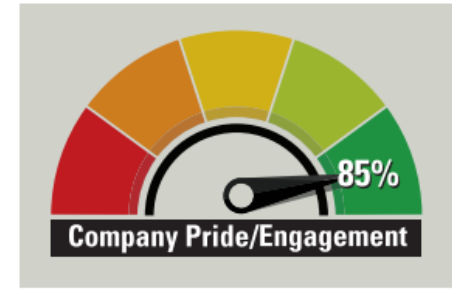
Employees are unified in our commitment to **safety**



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



Employees are **proud** to work for Kirby and have a personal sense of accomplishment



# Training & Education

At Kirby, our employees are our most important assets. We believe personal & professional development is necessary for a work environment to thrive and achieve its best results. Kirby takes pride in training and educating its employees so that they are equipped to accomplish tasks and grow in vocational & leadership pursuits.

## **Safety: All employees must complete training on the programs below:**

- Environmental
- Health
- Safety classes
- Environmental, health, and safety topics include the following:
  - Global Safety Principles,
  - 'Slips, Trips & Falls'
  - Universal Waste Rule
  - Defensive and distracted driving
  - First aid basic and medical emergencies

**Leadership & Development Skills:** The Company's leadership and managerial training includes in-person and an on-line training curriculum that is available to both supervisory employees and those employees that aspire to move into such roles in the future. It includes a series of classes focused on management essentials which provide in-depth education in specific subjects such as leadership, strategic thinking, coaching and people development, decision making, problem solving, and communication.

- Business Writing
- Risk-Based Thinking
- Initiating & Planning a Project
- Transitioning into a Project Management Role

## **Compliance – Additional training for employees on the programs below:**

- Business Ethics Guidelines
- Anti-corruption training
- Cybersecurity Awareness
- Diversity and Inclusion



# Training & Education

The Company strives to provide its employees with a rewarding work environment, including the opportunity for success and for personal and professional development. The development of its people is a key factor in the Company's employee retention and satisfaction. Its technical and skill training has always been a differentiator and has facilitated the recruitment of new trainees.

## Kirby Marine Transportation

- The Kirby Training Center utilizes state-of-the-art equipment, instructional aids and has a full mission bridge simulator to provide US Coast Guard ("USCG") approved certifications and training
- The marine segment provides a clear career progression for vessel personnel from entry level deckhand to captain and regularly reviews promotions from one level to another

### **2021 Highlights:**

- ~950 certificates were issued for the completion of courses at the training facility, of which approximately 550 were USCG approved classes
- 91% of the fleet has received first-hand training on Sterile Wheelhouse and Assist Boat Use
- 168 Wheelmen attended Advanced Pilothouse Management in 2021
- 156 Wheelmen received direct training from the Wheelhouse Assessment Program (WAP) Team
- Created and Implemented the Shiphandling Theory and Advanced RADAR Training (START) program
- Graduated 34 Steersmen exceeding goal of 30; Graduated 88 Tankerman exceeding goal of 75

## Distribution & Services

- In distribution and services, the Company facilitates training courses via online courses and instructor-led classes that cover a range of skill related topics including the following:
  - generator knowledge, introduction to hydraulic systems, introduction to electrical diagrams, introduction to transformers, and Electrical Generation Systems Association journeyman study, as well as numerous courses led by its OEM partners
- The distribution and services segment has multiple career progressions within its numerous job group



Technicians participating in an electrical troubleshooting class at the Houston Training Center





# Marine Transportation – Career Advancement



**INLAND**

## ADVANCEMENT OPPORTUNITIES

**DECKHAND**

Deckhand is an entry level position on the vessels. No work experience is required, only a good work ethic and the willingness to learn. Kirby's in-house training center provides you the knowledge and skills needed while paying your salary. From Deckhand, you advance to:

**TANKERMAN**

Within six months, you can advance to Tankerman. This is a U.S. Coast Guard licensed position that qualifies and authorizes you to load and unload barges. Kirby pays you to attend this in-house USCG certified training program and covers all training costs. After sufficient experience as a Tankerman, you can advance to:

**STEERSMAN**

Steersman will participate in an apprentice-mate training program designed to train Kirby's premier pilots. Although the training is challenging, Kirby provides the resources required to accomplish your goals. Classroom and hands-on training prepare you for your next step:

**PILOT**

As a Mate (Pilot) of a Towing Vessel, you are certified to navigate a towing vessel throughout inland and western river routes. As a Pilot, you also become eligible for Kirby's annual incentive bonus, further adding to your benefits and daily pay rate. With sufficient experience as a Pilot and increasing skill level, you can advance to:

**RELIEF CAPTAIN**

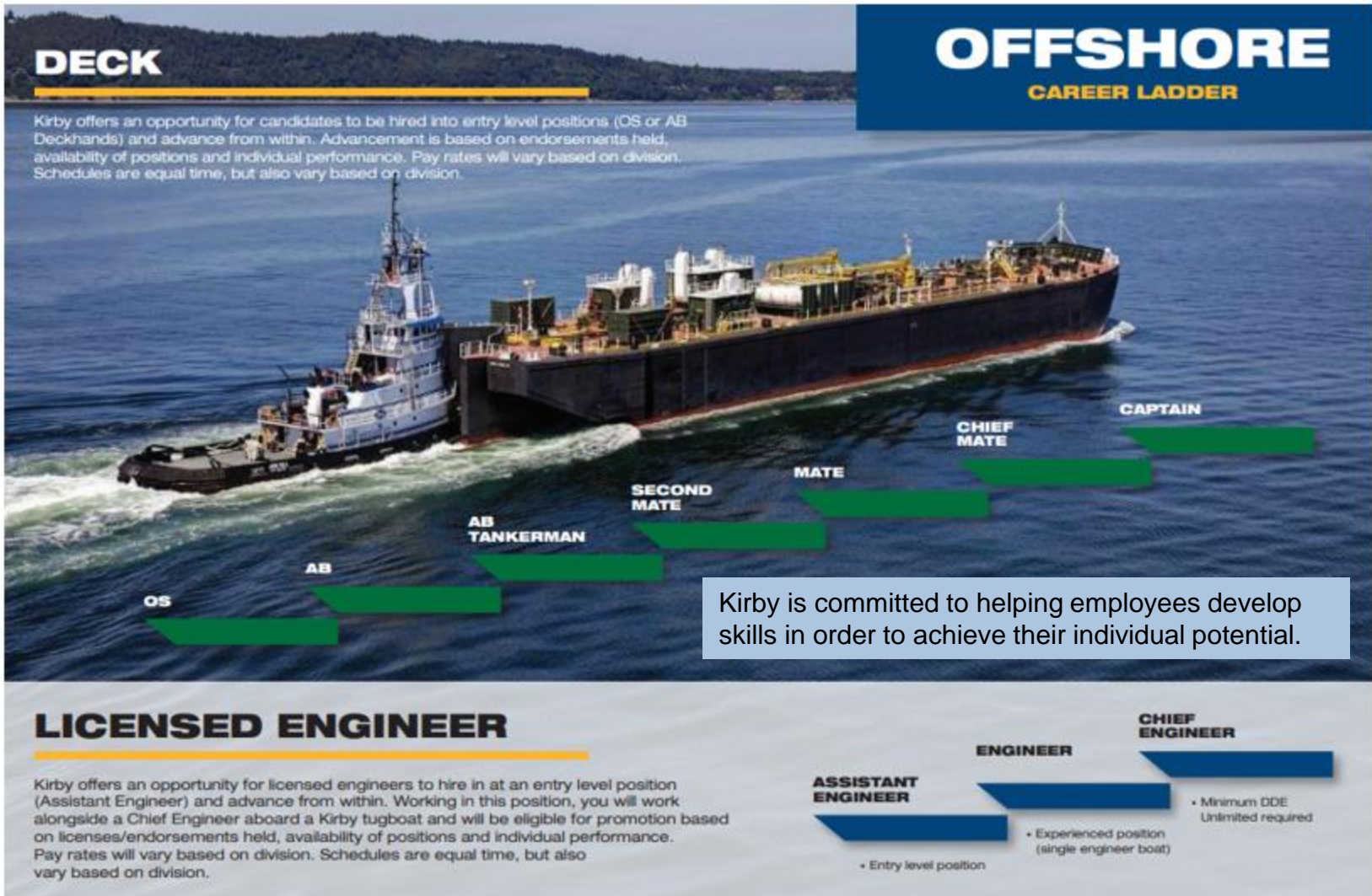
As a Relief Captain, your pay and responsibilities increase even further. You are now in charge of the tow and its crew when the captain is not aboard (rotating schedule). A larger bonus percentage is paid and more "managerial" responsibilities are expected. This prepares you for another step on the Kirby advancement ladder:

**CAPTAIN**

As a Captain, you are the crew leader aboard one of Kirby's 200+ towing vessels. High expectations for safe performance, sound management and customer satisfaction are rewarded with even higher pay and bonuses.

Kirby is committed to helping employees develop skills in order to achieve their individual potential.

# Marine Transportation – Career Advancement





# 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 racially/ethnically diverse board member to the Board in 2021
- Females represent 22% of the Executive Leadership including:
  - VP, General Counsel & Corporate Secretary
  - VP and Chief Human Resources Officer
- Females represent ~20% of the managerial and professional staff
  - Directors and Vice Presidents in Finance/Accounting, Marketing, Legal, Human Resources, and E-Commerce
- Almost all employees completed diversity and inclusion training in 2021

## Diversity Statistics\*

All Employees	
Gender	
Male	89%
Female	11%

Excluding Vessel & Maintenance Employees	
Gender	
Male	81%
Female	19%

All Employees	
Gender	
Asian	2%
African American	11%
Hispanic or Latino	14%
White	69%
Other	3%

# Governance & Ethics

---

# Governance Highlights – Board of Directors

TOPIC	PRACTICE
INDEPENDENCE	<ul style="list-style-type: none"> <li>• 7 out of 9 directors are independent</li> <li>• Board committees are composed entirely of independent directors</li> </ul>
LEAD INDEPENDENT DIRECTOR	<ul style="list-style-type: none"> <li>• Richard J. Alario serves as the Lead Independent Director</li> </ul>
DIVERSITY	<ul style="list-style-type: none"> <li>• 2 out of 9 directors are female</li> <li>• 1 out of 9 directors is racially/ethnically diverse</li> </ul>
EXECUTIVE SESSIONS	<ul style="list-style-type: none"> <li>• Non-management directors meet regularly without management</li> </ul>
MAJORITY VOTING	<ul style="list-style-type: none"> <li>• Majority of votes cast is required for the election of directors</li> </ul>
DIRECTOR EVALUATIONS	<ul style="list-style-type: none"> <li>• Evaluations of the full board and each committee are conducted annually</li> </ul>
STOCK OWNERSHIP	<ul style="list-style-type: none"> <li>• Stock ownership guidelines established for directors and executives</li> </ul>
SINGLE VOTING CLASS	<ul style="list-style-type: none"> <li>• Kirby has a single class of voting stock</li> </ul>
HEDGING & PLEDGING OF STOCK	<ul style="list-style-type: none"> <li>• Hedging and pledging of company stock are prohibited by directors, officers, and employees</li> </ul>
BUSINESS ETHICS GUIDELINES	<ul style="list-style-type: none"> <li>• Ethics guidelines apply to all our directors, officers, and employees</li> </ul>

# 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 4000 training courses completed on Business Ethics and Foreign Corrupt Practices Act in 2021



## VENDOR CODE OF CONDUCT

- 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/](https://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 four years
- Sophisticated backup and recovery solutions
- Geofencing
- A robust and practiced incident response plan

## EMPLOYEE EDUCATION & TRAINING

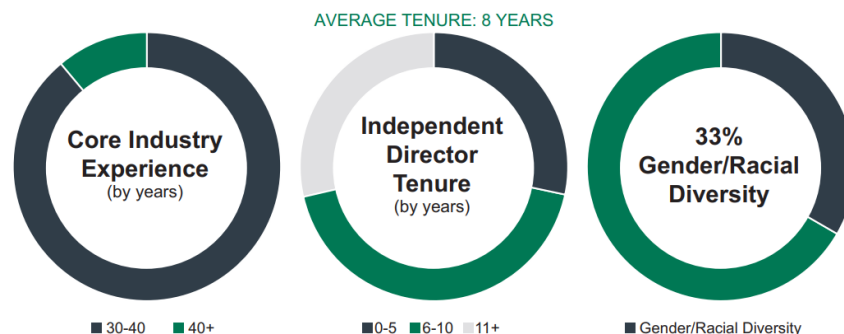
- **Training:** Security awareness program utilizing weekly tips and training
  - All employees are required to complete annual cybersecurity training
  - Director hosts targeted training with high-risk users and executives
- **Testing:** Perform monthly phishing scam tests with associated real-time training
  - Employees who fail a phishing test are required to take remedial training
- **Education:** Cybersecurity Director speaks at operations meetings to raise awareness and educate on current topics



# Board Composition and Experience

DIRECTOR	Age	Gender	Race/Ethnicity	Independent Director	Current or Former CEO	Board Chairman	Non-Kirby Board Experience	Marine Transportation	Petrochemicals & Refining	Oilfield Services	Hydrocarbon Transportation	Academia	Risk Management	Cybersecurity	Environmental, Safety Policies & Programs	Public Policy	Finance	Science, Engineering & Technology
DIRECTOR				POSITIONS HELD			INDUSTRY EXPERIENCE				ADDITIONAL SKILLS & EXPERIENCE							
Anne-Marie Ainsworth	65	F	C	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Richard Alario	67	M	C	✓	✓	✓	✓		✓				✓	✓	✓		✓	
Tanya Beder	66	F	C	✓	✓	✓	✓					✓	✓	✓	✓	✓	✓	✓
Barry Davis	60	M	C	✓	✓	✓	✓	✓	✓	✓			✓		✓		✓	
David Grzebinski	60	M	C		✓			✓	✓	✓	✓		✓		✓	✓	✓	✓
Joseph Pyne	74	M	C		✓	✓	✓	✓			✓		✓		✓	✓	✓	
Richard Stewart	72	M	C	✓	✓		✓		✓				✓		✓		✓	
William Waterman	68	M	C	✓	✓			✓			✓				✓	✓	✓	
Shawn Williams	58	M	A	✓	✓	✓	✓		✓	✓			✓	✓	✓		✓	✓

(M) – Male      (F) – Female      (C) – Caucasian      (A) – African American



# Appendix

---

# SASB Supplemental Data



SASB Materiality Map	Additional Marine Transportation Standards	
	Accounting Metric	2021 Results
Environment	<b>Environmental Footprint</b>	
GHG Emissions	Air emissions for the following pollutants: SOX and particulate matter (PM)	In Progress
Air Quality		
Energy Management	Energy Efficiency Design Index (EEDI) for new ships	4.46 grams of CO2 per ton-mile
Water & Wastewater Management		
Waste & Haz. Materials Management		
Ecological Impacts	<b>Ecological Impacts</b>	
	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	62% 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	20 releases totaling ~60 gallons
Selling Practices & Product Labeling		
Human Capital	<b>Business Ethics</b>	
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		
Supply Chain Management	<b>Accidents &amp; Safety Management</b>	
Materials Sourcing & Efficiency		
Physical Impacts of Climate Change	Number of serious marine incidents	One
	Fatality rates	Zero
Leadership & Governance		
Business Ethics	Number of Conditions of Class or Recommendations	56 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.

