

Energized to Make a Difference



SHYFTGROUP

2022 | Sustainability Report

Our Vision

Purpose-built technology for the road ahead.

Our Mission

To provide the tools and technologies to safely and efficiently deliver people, packages, and services where they're needed most.

Our Core Values

These are engrained in how we do our work every day on behalf of our stakeholders.

Honesty and Integrity:

Do what's right every time.

Accountability:

Own it.

Trust:

With trust comes empowerment.

Performance Excellence:

Improving never ends.

Recent Performance Highlights

- Announced in June 2021 the plan to build our EV chassis and last-mile electric delivery vehicle and unveiled prototypes in March of 2022
- Launched Blue Arc™ brand for industry leading commercial grade EV solutions
- Introduced the Velocity® F2 creating an entirely new category of Class 2 walk-in vans to meet growing delivery needs while furthering our commitment to products designed to increase fuel efficiency
- In 2021, invested more than \$8.5 million in capital in support of Shyft's commitment to environmental stewardship and creating a clean, energy-efficient future
- In 2021, delivered \$108M of adjusted EBITDA on 47% revenue growth totaling \$992M in sales
- Updated our Code of Conduct, which applies to our directors and all employees and reflects our commitment to doing the right thing, to make it more accessible
- Kicked off our partnership with the Center for Automotive Diversity Inclusion & Advancement to expand our strategic commitment to diversity, equity, and inclusion
- Initiated our standing as a signatory to the United Nations Global Compact on Human Rights
- Continued our commitment to supporting the communities where our employees live and work through direct contributions to local non-profit organizations
- Elevated employee engagement through virtual townhalls, employee surveys, and regular communication



Table of Contents

2	About Us
3	Introduction
4	Letter from the CEO
5	Stakeholder Approach to ESG
6	Environmental Stewardship
7	Protecting the Environment
8	Supply Chain Management
9	Social Responsibility
10	Diversity, Equity & Inclusion
11	Health & Safety
12	Philanthropy
14	Culture of Governance
15	Governance & Ethics
16	Annex
17	Sustainability Development Goals
18	SASB Table

About Us

The Shyft Group is the North American leader in specialty vehicles — vehicles that move people, products, and services where they're needed most.

Our innovative organization is comprised of nine distinct brands in last-mile delivery and other specialty vocations, which focus on building chassis, bodies, and providing upfit services that are purpose-built for every customers' specific needs. We do this through leveraging our Work



Driven Design™ consultative process — where we listen to the end user and deliver what is needed to get the job done.

Our customers include first-to-last mile delivery, infrastructure segment companies across vocations, government entities, and those in the utility and RV industries.

We have always believed in customer-centric operations built from long-standing commitments to quality, execution, innovation, and operational excellence. This proven recipe for success is born from our values and built from almost 50 years of industry expertise, yielding a unique business acumen that drives our organization's strategic vision.

At Shyft, we believe the transportation industry has a responsibility to create a more environmentally sustainable future for all. This belief is inherent in our values — Honesty & Integrity, Accountability, Trust, and Performance Excellence — and an integral element of how we operate our business.

This report contains forward-looking statements, including our commitments, targets, and other statements that are not historical facts. These statements are subject to risks and uncertainties and are not guarantees of future performance. Factors that could cause actual results to differ materially from those expressed or implied by such statements are set forth in our SEC filings. All forward-looking statements are based on management's current assumptions, estimates, and projections.



Introduction

To support clear communication surrounding our values, we have implemented robust data gathering and reporting, using the investor focused disclosure standards developed by the Sustainability Accounting Standards Board (SASB). Working with investor stakeholders, SASB has developed standardized disclosures on the industry-specific issues prioritized by investors.

Our disclosures within the SASB framework were prepared with the goal of developing future qualitative and quantitative reporting to align with industry best practices, and our values as an organization.

While there is still much work to be done, we believe that all Shyft stakeholders, including our investors, employees, customers, and the communities in which we do business, will benefit from our advancement in these material Environmental, Social & Governance (ESG) areas.

Our Board provides guidance, insight, and oversight as to the strategy, initiatives, and management's performance in achieving ESG goals. Against this backdrop, we have, with the assistance of outside ESG expertise, performed an assessment of key indicators and engaged with our internal and external stakeholders on ESG topics to inform the tenets of our ESG strategy.

Our key ESG tenets include:



Protecting the Environment



Supply Chain Management



Diversity, Equity & Inclusion



Health & Safety



Philanthropy



Governance & Ethics

This is our inaugural Sustainability Report ("Report"), which presents a materiality-based approach to disclosure based on fiscal 2021 data, unless otherwise noted. This report was prepared in accordance with the SASB standard. In compiling this Report, in 2021 and 2022, we completed a SASB materiality assessment. The assessment began by examining a range of key stakeholders — including investors, customers, employees, and ESG rating organizations. We then reviewed the recommended ESG topics for inclusion in the sustainability disclosure, rating methodologies, investment decision-making, goal setting, and strategy.



Letter from the CEO

Dear Shareholders,

Within the past two years, our world has changed substantially. Reeling from a global pandemic, supply chain constraints, and labor shortages — multiple challenges existed for almost every industry, and the Shyft Group was not immune. Yet through resiliency, dedication, and a strong commitment to our values, our organization enjoyed great success in 2021, laying the groundwork for exceptional opportunity in 2022 and beyond. Underlying the success we've enjoyed is a strong commitment to creating a better, more sustainable and inclusive future — a key priority for our organization.

As such, I am pleased to share our first Sustainability Report, which marks another step forward in our Environmental, Social & Governance (ESG) progression, focusing on the core activities that drive our ESG commitment.

We know innovation — and electrification — are essential for ushering in the future our employees, customers, shareholders, and communities expect. Indeed, announcing our newest go-to-market brand, Blue Arc™ EV Solutions in March of 2022, is proof positive that we are investing in sustainable innovation to not only support our customers and their sustainability goals, but to better serve our communities, and our planet.

Following the launch of Blue Arc™, we debuted our Power Cube™ and EV delivery vehicle, in Washington, D.C., to members of Congress and

governmental agencies, highlighting our efforts to reduce greenhouse gas emissions and assist fleet operators in a range of industries to achieve their long-term environmental goals. This, coupled with pre-orders of our all-electric delivery van and a mid-year 2023 start of production date, provides us with confidence that this innovation will indeed prove itself as our flagship of sustainable innovation.

The Shyft Group is energized for the future — not only for the business opportunities that lie ahead with new customers, acquisitions, and innovations, but to continue focusing on our people, who are the bedrock of our success. Fostering an inclusive, diverse culture that harnesses employees' individual and unique talents, experience, spirit, and passion is essential to not just the future success of this organization, but a fundamental value of the Shyft group leadership team.

Building on the strong governance foundation detailed on our website and in our regulatory filings, we incorporated and utilized the SASB framework as part of this disclosure to further enhance transparency. This Report begins our commitment to regularly communicating our ESG actions and performance. While we are pleased to share our sustainability story in this Report, our work is far from over.

“

Underlying the success we've enjoyed is a strong commitment to creating a better, more sustainable, and inclusive future — a key priority for our organization.”

As we continue building on this solid foundation, we remain focused on fostering long-term value for our shareholders, strengthening relationships with our customers and communities, and supporting our employees. In doing so, we can deliver a more sustainable, purpose-driven future for all.

We appreciate your confidence and support.



Daryl M. Adams

Daryl M. Adams

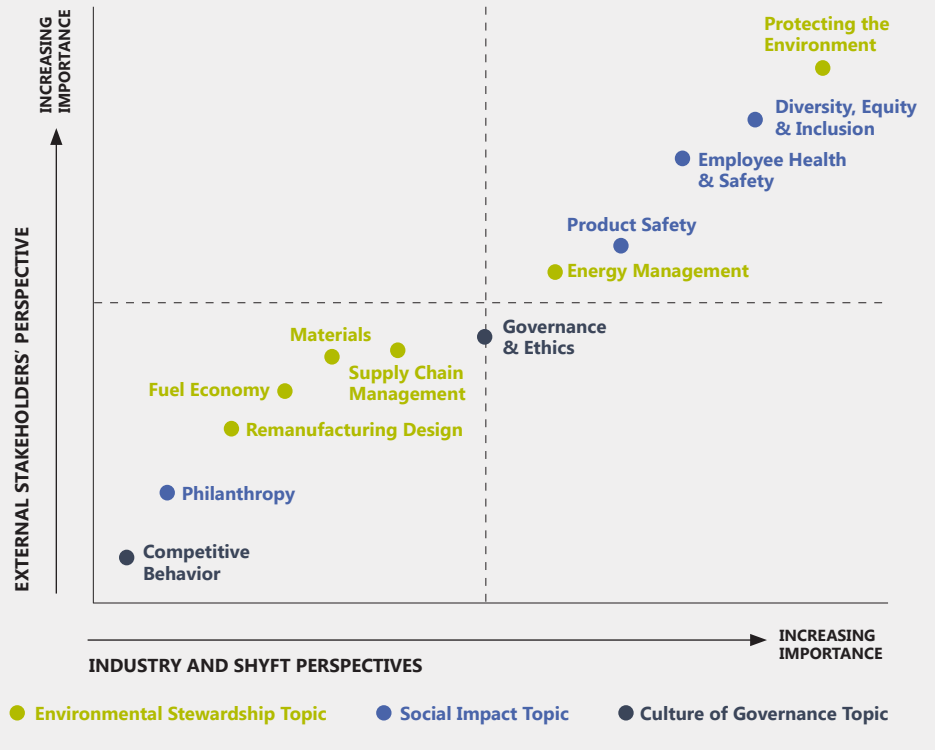
President and Chief Executive Officer
The Shyft Group

Stakeholder Approach to ESG

In 2021 and 2022, we developed an ambitious ESG strategy to align with the broader transformation of our organization, following the divestiture of the emergency response business and rebranding of our company from Spartan Motors to the Shyft Group.

Our executive team recognized the importance of embedding environmental and social priorities within our business operations and approved an enhanced and modernized ESG strategy, intended to promote further advancement in sustainability, diversity, equity and inclusion, and increased transparency. Our senior management team develops our ESG strategic direction in partnership with the ESG working group, led by a cross-functional team of executives representing Communications, Environmental, Health and Safety, Finance, Human Resources, Investor Relations, Operations, and Legal. Against this backdrop, the six tenets of our strategy include: (1) Protecting the Environment, (2) Supply Chain Management, (3) Diversity, Equity & Inclusion, (4) Health & Safety, (5) Philanthropy, and (6) Governance & Ethics.

Overview of Material ESG Topics



The materiality matrix in this report shows the relative weight of different topics from two perspectives. The X axis shows how important we believe an issue is considered by the industry, while the Y axis, informed by our assessment, shows the topic's importance to external stakeholders. We then conducted a deeper analysis to prioritize these issues starting with an assessment of a selection of highly rated ESG industry peers and also examined the methodologies of leading ESG investor raters and institutional investors. We reviewed their strategic selection of material ESG topics for inclusion in their sustainability disclosure, rating methodologies, investment decision-making, goal setting and strategy. From this research, we calculated an overall materiality score for each ESG topic to help focus our strategy and disclosures in this report. Using this quantitative model, Shyft identified the 12 highest scoring topics as most material to the business.





Environmental Stewardship

Environmental Stewardship



Protecting the Environment

We believe the transportation industry has a responsibility to create a more environmentally sustainable future for all, making environmental stewardship an integral focus for our organization. Beyond simply complying with increased regulations and stricter environmental standards, it is our duty to play an active role in this transformation.

Highlights of our environmental sustainability efforts and accomplishments include:

- Improving the operation of our facilities through the efficient use of energy including a commitment to a reduction in carbon emissions, waste, and water.
- Increasing the amount of green energy and recycling in our facilities, and the continued implementation of waste disposal practices.

78%

of waste recycled in 2021

- Promoting electricity, natural gas, and water efficiency measures across our supply chain.
- Compliance with all applicable environmental laws governing the use, storage, discharge, and disposal of hazardous material.
- Development of products and solutions in the electric vehicle space to support our customers' carbon neutral goals and a more environmentally sustainable future.

When considering the impact of our Environmental Stewardship, we take a global approach to our operational footprint and the impact of our practices at each operating location and the combined impact across our operations. Locations that emit volatile organic compounds (VOCs) from coating operations are permitted in accordance with local regulatory requirements. We are also continuously evaluating and designing innovative ways to boost efficiency, such as installing high-efficiency laser fabrication machines, press break and CNC machines, test bay water recirculation technology, paint curing ovens, and new cardboard recycling compactors; implementing engineering changes to reduce part weight; holding kaizen events to eliminate waste; and upgrading practices at our facilities, such as through the use of LED lighting, speed doors for heat conservation, and paint preparation processes.

When reviewing our operations, we consider activities based on their actual or potential impact on the environment, specifically land, air, water, or a combination thereof:

- **Land:** Many of our operations and processes create scrap material, including steel, aluminum, wood, and cardboard which is diverted from landfills through recycling programs. Some of our processes, such as paint, may create hazardous waste which is disposed of in compliance with all applicable regulations.
- **Air:** We view the impact of our operations on air quality based on a broad view both upstream and downstream, in addition to the direct impact from our operating activities.

\$305M

revenue generated in 2021 from products designed to increase fuel efficiency and reduce emissions

- **Water:** The primary use of water is within our paint operations as well as in water test operations for vehicle bodies we produce.

Innovation is key to Environmental Stewardship. In the specialty vehicle industry, innovation and electrification run in tandem. Unable to find a viable EV chassis option in the market, we decided to build our own leveraging nearly 50 years of experience in custom chassis production and last-mile delivery. We announced our newest go-to-market brand, Blue Arc™ EV Solutions, featuring a full ecosystem of end-to-end electric-powered solutions, created to meet sustainability and performance goals. The ecosystem includes:

- An industry-first commercial grade purpose-built EV chassis, adaptable to last-mile delivery, work truck, mass transit, recreational vehicle, and other emerging EV markets;
- A fully reimaged from the ground up commercial grade, all-electric, purpose-built, Class 3 delivery walk-in van;
- A fully portable, remote-controlled charging station.

We are well positioned to lead in this space and expect to be in production with our all-electric, Class 3 delivery walk-in van mid-year 2023.



Supply Chain Management

The Shyft Group is committed to customer satisfaction and delivering the highest level of personal service. We work closely with our suppliers to reach these goals. We strive to procure high-quality products and services that are delivered on time to support daily operations, but are also innovative and add value to the Shyft Group product lines. Selected criteria for suppliers that are important to us include:

- Consistent Quality
- Cost Competitiveness
- Customer Service Support
- Environmental Protection
- Excellent Communication
- Innovation & Technical Competence
- Integrity
- On-Time Delivery
- Process Control & Capacity
- Warranty

We continually seek to partner with suppliers that share our four core values. Therefore, a proactive approach to supplier onboarding, combined with ongoing assessments of potential supply chain risks is extremely important to managing a responsible supply chain.

Additionally, we consider the upstream and downstream impacts of our operations. Upstream, we use electricity which may be generated by a variety of providers using various fuel sources. Certain locations conduct regulatory permitted coating operations, which generate VOCs and hazardous air pollutants (HAPs) below permitted limits.

Downstream, we produce vehicles that are used in the transportation and delivery space, which generally use fuel for combustion engines while our electric vehicles (EV) use electricity generated by local providers. Internally, our production facilities use natural gas for heating, and LP gas and electric for powering forklifts. In addition, the operation of paint booths or welding cells may create VOCs or other emissions that are mitigated through a variety of methods required by regulations.

We are also constantly improving our operations to proactively identify more efficient and effective ways to ensure both the long-term success and the continued vitality of the communities in which we do business. We currently maintain, and require our suppliers to comply with, robust supplier policies including a formal robust supplier policies including a formal [Supplier Code of Conduct](#), a [Conflict Minerals Policy](#), and a [Global Supplier Standards Manual](#).



The Quality Management System at the Shyft Group drives consistent

results and reliability in the products that we build. We operate a Quality Management System which aligns with the requirements of ISO 9001. The Shyft Group has one location certified to ISO 9001:2015. The implementation ensures we meet the needs of our internal and external customers through training our employees to understand the requirements of our Quality Management System. Through our modernization efforts, Shyft is helping to do its part in offsetting the

negative impacts of climate change.

We believe that our focus on environmental sustainability, with the objective of reducing costs and improving sustainability of our operations provides strategic benefit. Going forward, we will continue engaging with suppliers in our global value chain, measuring and managing these impacts to conserve resources, reduce costs, and promote ethical practices.





International Women's Day
We will forge
positive visibility
of women
#BreakTheBias

International Women's Day
I will celebrate
women's
achievements
#BreakTheBias

Social Responsibility

Social Responsibility



Diversity, Equity & Inclusion

Investing in our teams has never been more important. Exceptional people working together are the foundation for our success, and we are dedicated to growing our people through professional and personal development opportunities, which includes a focused approach to diversity, equity, and inclusion (DEI) initiatives. We also believe that investing in local communities to create social and economic outcomes is at the heart of generating social impact. We believe in giving back to the communities in which we live and work.

Respect for human rights is a fundamental value of the Shyft Group. We strive to respect and promote human rights in accordance with the UN Guiding Principles on Business and Human Rights in our relationships with our employees, suppliers, customers, and other stakeholders. We are also a member of the United Nations Global Compact, which seeks to encourage businesses worldwide to align strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, and take actions that advance societal goals. Our aim is to help increase the enjoyment of human rights in the communities where we operate. Our actions to protect human rights and promote social responsibility are aimed to protect our most important asset — our people.

DEI is vital to Shyft. Our commitment starts with our goal of attracting, retaining, and developing a workforce that is diverse in background, knowledge, skill, and experience. Shyft is committed to providing equal employment opportunities, and makes all recruiting, payment, performance, and promotion decisions based on merit, without discrimination on the basis of gender, sexual orientation, age, family status, ethnic origin, nationality, disability, or religious belief. We believe people are the most critical component in our continued success, and we strive to attract high-performing talent.

Inclusion is the way we treat and perceive all differences. We are focused on creating an inclusive and high-performance culture where all forms of diversity are seen as real value for Shyft. Throughout the year, we reach out to our workforce to reinforce and celebrate the importance of diversity and inclusion, including by directly expressing our support for International Women's Day, Martin Luther King Jr. Day, Juneteenth, Veterans Day, Pride Month, Hispanic Heritage Month, and International Day for Persons with Disabilities.



As a certified MVAA Veteran-Friendly Employer, the Shyft Group is committed to helping veterans

gain and retain employment in a company where they can be proud to work. We work hard to understand our service men and women, then help to bridge the gap between military and civilian careers.

Our DEI activities are shaped and directed by our DEI Leadership Council that we formed in 2021. Notably, we established our 5-year DEI roadmap with a goal to foster an even more inclusive culture and diverse environment within all areas of Shyft.

As of December 31, 2021, we employed approximately 3,800 employees and contractors. Approximately 13% of our total workforce consists of contractors, including all personnel at our Saltillo, Mexico, operation. Compared to 2020, we decreased the percentage of contractors in our workforce by approximately 50%. This decrease reflected a strategic change in our talent acquisition strategy of direct hiring instead of contract relationships. Of our total workforce, 92% reside in the United States, with the remaining 8% in Mexico. Our production processes leverage a combination of skilled tradespeople and high-touch assemblers working in body, electrical, mechanical, paint, and assembly operations.

13%

**of total workforce are contractors
(down 50% from 2020)**

As a team, our employees and contractors put Shyft's core values into action, while executing on key growth initiatives to maintain long-term sustainable growth. We strive to create a workplace of choice to attract, retain, and develop top talent to achieve our vision and deliver shareholder results.



Health & Safety

We adhere to a philosophy that includes, among other things, commitments to create ongoing job opportunities, pay fair wages, and protect worker health and safety. Fundamental to these commitments are Shyft's core values of honesty and integrity, accountability, trust, and performance excellence.

We are strongly committed to the health and safety of our employees and strive to continuously reduce the incidence and severity of job-related injuries in a variety of ways:

- Integrating safe technologies, training programs, and risk management practices.
- Positioning environmental, health, and safety ("EHS") leadership at the segment and corporate levels to drive EHS best practices.
- Applying a robust Escalation Policy to provide a written procedure that guides team members on how to escalate the incident management process.

We encourage our team members to build relationships with co-workers based on mutual respect, dignity, and understanding. Through our [Code of Conduct](#) and employee handbooks, we communicate our workplace non-discrimination and anti-harassment policies that embrace the highest ethical and moral standards. We maintain strong and confidential reporting processes and procedures that support an open and honest environment in an effort to ensure that the highest principles of integrity and inclusion are maintained.

Our goal is to be the preferred place to work in our industry, and to attract

the best people by creating a culture that is respectful, inclusive, rewarding, and innovative. Shyft is committed to providing all employees with the opportunity to grow, connect, and thrive as a team member. To ensure the health and well-being of our employees, we aim to provide a robust health and wellness package. Some of the various benefits we offer include:

- Competitive medical, dental, and vision benefits.
- Flexible spending and health savings accounts for both healthcare and dependent care.
- Short- and long-term disability insurance.
- 401(k) retirement savings program, including matching contributions.
- Employee Assistance Program providing up to five free counseling services.



To help drive our culture of continuous improvement, we conduct surveys, ask me anything sessions with executive and senior leadership, which are open to all employees, as well as quarterly all-team meetings, which feature open Q&A to promote a culture of transparency. Following these meetings, individuals are encouraged to share their feedback regarding content, communication, speakers, and overall meeting success. We review all feedback thoroughly and frequently implement suggestions to enhance the employee experience at future events, and to reinforce our focus on continuous improvement.

In response to the COVID-19 pandemic, we implemented measures to help ensure the health, safety, and security of our employees while constantly monitoring the rapidly evolving situation and adapting our efforts and responses. We have diligently followed guidance from authorities and health officials. This has included allowing remote work in certain circumstances, imposing travel restrictions, implementing safety measures for onsite employees, including, but not limited to, the use of personal protective equipment as appropriate and in accordance with local laws and regulations.



Philanthropy

We believe that investing in local communities to create social and economic outcomes is at the heart of generating social impact. We believe in giving back to the communities in which we live and work. We support and empower our employees' volunteer efforts in their communities.

Through strategic nonprofit partnerships, volunteerism, and philanthropy, our corporate responsibility is focused on contributing to the creation of a better world. Notably, direct donations to local charitable organizations in the communities where our business operates and our employees live.

In 2021, Shyft donated \$125,000 to the Eaton Community Health Collaborative in support of the greater Charlotte, Michigan, community, where the company got its start and continues

to operate. The donation, made on behalf of The Shyft Group Foundation, completes a \$1 million declaration of support that spans a decade.

Beneficiaries for the full pledge have included Sparrow Eaton Hospital's ALIVE wellness center, under previous ownership, and now the Eaton Community Health Collaborative.

Shyft strives to use our capabilities, reach, and resources to make a lasting difference in the world. We believe it is our responsibility to respect human rights in our operations, including, among other things, by opposing human trafficking and the exploitation of children. Going forward, we will look to partner with nonprofit organizations that work to decrease the number of individuals facing economic barriers and make our communities reflections of our commitments and values.



Charitable Contributions



Donated \$25,000 to the Heat and Warmth Fund. The Heat and Warmth Fund (THAW) is stabilizing and empowering Michigan families, keeping them healthy, safe, and warm. Recipients of THAW assistance include elderly, children, unemployed, underemployed, and disabled individuals who find themselves in an energy crisis.



The Bristol Utilimaster team members donate time and dollars to the Make-a-Wish foundation, assisting with building and fulfilling wishes throughout the year to multiple children.



Donations to the Alfond Youth & Community Center of Greater Waterville, which serves over 5,000 members and 191 communities.



Shyft team members donated eyeglasses to Lions Club International for those in need.



Cass Community Social Services

Donated gifts and delivered to Cass Community to support families in need.



The Bristol Utilimaster team members have raised over \$106,000 to date in support of the United Way non-profit. Donations were collected through employee payroll donations and competitions.



Charlotte Facility adopted 17 foster children for the 2021 Holiday season through Guardian Angels Suitcases 4 Kids, donating gifts and necessities.



Donations of items and monies for the Waterville Humane Society. Since 1970 HSWA has been a safe haven for animals in need.



Donated branded merchandise to Greater Goods Charities for their Give A Good Pack, which provides essential supplies to homeless individuals across the country today.





Culture of Governance

Culture of Governance



Governance & Ethics

We are committed to achieving excellence in our corporate governance practices. We emphasize a culture of accountability and conduct in our business in a manner that is fair, ethical, and responsible to earn the trust of our stakeholders. Our comprehensive corporate governance policies and structures foster accountability and transparency for our management team. These policies reflect our underlying commitment to maintain the highest standards of ethics and integrity, and to operate in compliance with all applicable anti-corruption, antibribery, and anti-trust laws and regulations. We feature an employee ethics and compliance hotline on our website, which is operated by an independent third-party, where stakeholders can voice their ethics concerns. We continue to explore opportunities to increase accessibility to reporting options, and improve the effectiveness of our responses to reported ethical concerns.

Shyft's Board of Directors is comprised of a majority of independent directors (eight of nine) as defined by our listing standards and the Board's Corporate Governance Principles. For more information on our Board of Directors or formal policies please visit the website: <https://theshyftgroup.com/about-us/policies-charters/>

The Governance and Sustainability Committee oversees structural governance and composition matters including recommending to the Board the allocation of oversight responsibilities to the

Board committees. We recently changed the name of the Corporate Governance & Nominating Committee to the Governance and Sustainability Committee and expanded its responsibilities to reflect the committee's broader oversight regarding our ESG initiatives.

In addition to the leadership of senior management on these topics, the charters of our Board committees detail the importance of these issues. The Human Resource and Compensation Committee Charter details the committee's role in the oversight of our DEI initiatives and commitment to human capital management.

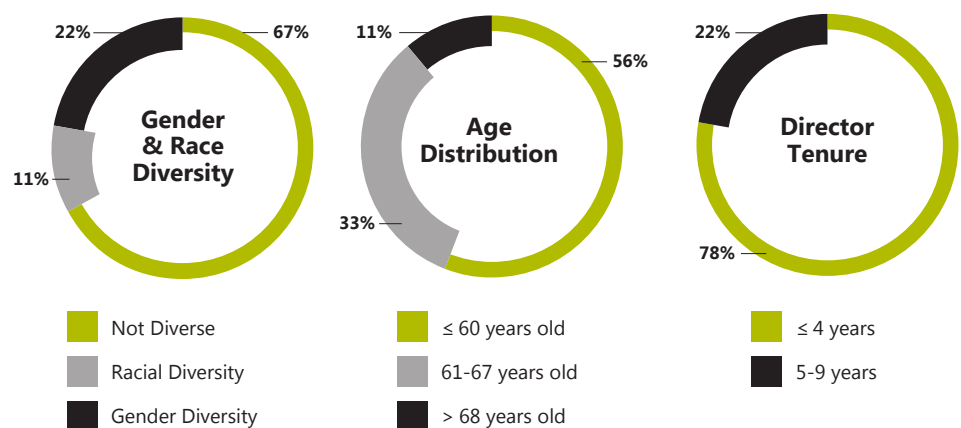
We recognize that effectively managing enterprise risks is critically important to the long-term success of our business. Management is responsible for our company's day-to-day risk management activities. Shyft relies on a comprehensive risk management process to aggregate, monitor, measure, and manage risks. While we exercise oversight, we do not have full control over our supply chain nor the suppliers we do business with;

however, we continually seek to partner with suppliers that share common values and a shared commitment to our ESG objectives.

The Audit Committee oversees risks relating to financial reporting related to internal controls and cybersecurity. Our IT team works 24/7, partners with leading security and technology providers, and uses a combination of industry tools and in-house innovative technologies to help protect our stakeholders against cybercriminals. We leverage the latest encryption configurations and cyber technologies on our systems, devices, and third-party connections and further review vendor encryption to ensure proper information security safeguards are maintained.

Our Shyft team members are responsible for complying with our cybersecurity standards and complete training to understand the behaviors and technical requirements necessary to keep information secure. We also require ongoing practice and education for team members to recognize and report suspicious activity.

Board of Directors Diversity*



*as of May 18, 2022



Annex

This annex expands transparency through key quantitative data compiled in accordance with the Sustainability Accounting Standards Board (SASB) Standards, along with additional details on our workforce, revenues, sales, stakeholders, locations, and certification. Report data covers all global operations unless otherwise noted. In developing our Report, we have compiled metrics organized by key ESG themes incorporated within our tables and throughout our organization. Shyft best classifies into the SASB classifications for Industrial Machinery & Goods and Auto Parts. Our reporting reflects that classification.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a series of interlinked goals adopted by UN member states in 2015. These goals focus on creating a fairer, more just world with more sustainable economic and environmental practices by 2030. The goals are ambitious and will only succeed through the combined efforts of government, business, and civil society.



SUSTAINABLE DEVELOPMENT GOALS

We support the SDGs, and recognizing the importance of the goals we have linked our priority areas to them. We have prioritized several goals that most align with our business and where we can make a positive impact around the world.



Good Health and Well-Being

Provide equitable access of health services for all and end preventable deaths.



Industry, Innovation, and Infrastructure

Aims to build resilient infrastructure, promote sustainable industrialization, and foster innovation.



Affordable and Clean Energy

Affordable, reliable, sustainable, and modern energy for all by 2030.



Responsible Consumption and Production

Encourages more sustainable consumption and production patterns through various measures.



Decent Work and Economic Growth

Promote sustained, inclusive, and sustainable economic growth—full and productive employment and decent work for all.












Climate Change


Take urgent action to combat climate change and its impacts.

SASB Table

Industrial Machinery & Goods

SASB Topic	SASB Code	SASB Metric	Narrative Response & Comments
Energy Management  	RT-IG-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	(1) 118,246 GJ (2) 46% (3) 0%
Employee Health & Safety  	RT-IG-320a.1	(1) Total recordable incident rate (TRIR) (2) fatality rate (3) near miss frequency rate (NMFR)	(1) 8.7 (2) 0 (3) 4.76 Employee health and safety (EHS) is a priority at the Shyft Group and it has been a key area of focus in 2022. This year we added EHS leadership personnel to our Corporate and Divisional teams, and we added further EHS professionals to our existing EHS team. In addition, we drafted Corporate EHS policies and introduced increased EHS communication and collaboration with Division Presidents, Senior Operations Leaders, and EHS professionals within the corporation. Together, these actions have resulted in a reduction of approximately 26% in our TRIR, comparing YTD August 2021 to YTD August 2022.
Fuel Economy & Emissions in Use-phase  	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Given the nature of our business and Shyft's products, this disclosure is not available.
	RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: on-road medium- and heavy-duty engines	Given the nature of our business and Shyft's products, this disclosure is not available.
Materials Sourcing   	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	The single largest commodity directly utilized in our production is aluminum, which we purchase under purchase agreements based on forecasted production requirements. To a lesser extent, we are dependent upon suppliers of lumber, fiberglass, and steel for our manufacturing. We have initiated long-term supplier agreements and are consolidating suppliers which are beneficial to gain quality, delivery, and price advantages. Our experienced purchasing departments execute inventory and backlog management and coordinate between multiple suppliers for backup and volume spikes. There are several readily available sources for the majority of these raw materials.
Remanufacturing Design & Services 	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	The Shyft Group is not engaged in remanufacturing products and services.
Activity Metric	RT-IG-000.A	Number of units produced by product category	Fleet Vehicles and Services (manufacturing, upfit, and aftermarket) 25,365 Specialty Vehicles (manufacturing, upfit, and aftermarket) 3,974 The above information excludes product associated with Blue Arc as the product line is launching.
	RT-IG-000.B	Number of employees	The Shyft Group has 3,800 employees (direct and indirect) as of 12/31/2021.

Auto Parts

SASB Topic	SASB Code	SASB Metric	Narrative Response & Comments
Energy Management  	TR-AP-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	(1) 118,246 GJ (2) 46% (3) 0%
Waste Management 	TR-AP-150a.1	(1) Total amount of waste from manufacturing (2) percentage hazardous (3) percentage recycled	(1) 8,251.8 t (2) < 1% (3) 78.4%
Product Safety 	TR-AP-250a.1	Number of recalls issued, total units recalled	In 2021, the Shyft Group had 13 voluntary recalls affecting a total of 12,350 units. Eight of these recalls were mentioned in the NHTSA's monthly recall reports. For more information, please visit NHTSA.gov.
Design for Fuel Efficiency  	TR-AP-410a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	In 2021, the Shyft Group generated \$305,000,000 in revenue from products designed to increase fuel efficiency and/or reduce emissions. These include our Velocity bodies, which are more fuel efficient than traditional walk-in vans, and our diesel-pusher motorhome chassis, which is more fuel efficient than its gasoline alternative.
Materials Sourcing   	TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	See RT-IG-440a.1 above.
Materials Efficiency  	TR-AP-440b.1	Percentage of products sold that are recyclable	In 2021, 75% of the Shyft Group's products sold were recyclable.
	TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	In 2021, 60% of the Shyft Group's products included input materials from recycled or remanufactured content.
Competitive Behavior 	TR-AP-440b.2	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	The Shyft Group had \$0 in losses as a result of legal proceedings associated with anticompetitive behavior regulations in 2021.
Activity Metric	TR-AP-000.A	Number of parts produced	Fleet Vehicles and Services (manufacturing, upfit, and aftermarket) 1,221,151 Specialty Vehicles (manufacturing, upfit, and aftermarket) 250,380 The above information excludes product associated with Blue Arc as the product line is launching.
	TR-AP-000.B	Weight of parts produced	Fleet Vehicles and Services (manufacturing, upfit, and aftermarket) 40,926 MT Specialty Vehicles (manufacturing, upfit, and aftermarket) 57,472 MT The above information excludes product associated with Blue Arc as the product line is launching.
	TR-AP-000.C	Area of manufacturing plants	211,214 m ²



SHYFT
GROUP

2022 | Sustainability Report