



2024 Sustainability Report

Focusing Forward, Sustainably



VISION

Purpose-built technology for the road ahead.

MISSION

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

PRINCIPLES OF A LEAN CULTURE

To accomplish our mission, The Shyft Group believes that certain principles should be practiced by all team members.



Built-In Quality



People-Focused Culture



Health & Safety



Continuous Improvement



Environmental Awareness



Material Flow

HONESTY AND INTEGRITY

Shyft's road to success is paved with the honesty and integrity of our people. How we interact with team members, partners, customers, vendors, and others reflects directly on our Company and who we are as people. We owe it to our stakeholders, our brand, and ourselves to behave ethically, to be upfront with those we work with, and to be proud of what we're building together.

Do what's right every time.

TRUST

We must trust our team members to do what's right, alert others when something is wrong, and push to continuously improve our products, process, and our company. Being trustworthy earns us the right to speak our minds and do what's best for the business, our customers, and our stakeholders without questioning our integrity.

With trust comes empowerment.

ACCOUNTABILITY

The road to a better Shyft Group runs through OUR people. This means accepting responsibility for our actions, our performance and outcomes, and expecting the same from our fellow team members. Passing the buck, ignoring problems, or turning a blind eye to issues or inconsistencies doesn't help our co-workers or our Company.

Own it.

PERFORMANCE EXCELLENCE

The road to continuous improvement relies on individuals with specific roles that work together to make our end product, and our Company's path forward, the best it can be. Always asking how we can make the performance of our department, our lines, and ourselves more effective. Let's work every day to ensure that the Shyft Group delivers products that pave the way to better adventures and better efficiencies for those we serve.

Improving never ends.

2023 PERFORMANCE HIGHLIGHTS

Specialty Vehicles Business Success: We delivered exceptional performance in our specialty vehicles business, achieving a 20% adjusted EBITDA margin for the full year. This success was driven by strong demand for vocational trucks, highlighting our ability to meet market needs efficiently and profitably.

Utilimaster 50th Anniversary: Utilimaster proudly marked five decades of excellence in building and upfitting commercial vehicles, symbolizing a half-century commitment to innovation and reliability. As a major employer and integral community partner, Utilimaster's enduring legacy extends beyond vehicles, weaving seamlessly into the fabric of the locales it calls home.

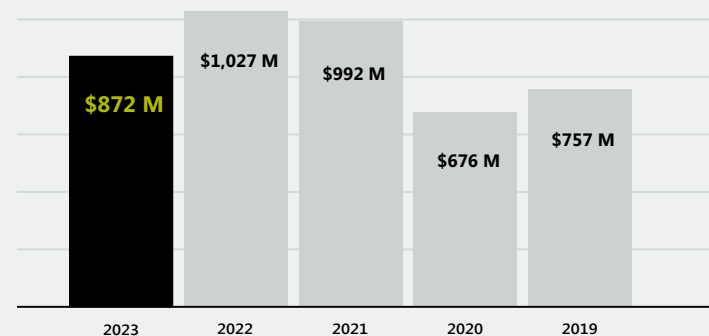
Advancements in the Blue Arc EV™ Program: We made significant progress with our Blue Arc EV Program, strengthening dealer relationships and successfully completing real-world testing of our Blue Arc EV commercial-grade trucks. Capable of exceeding 200 miles per charge, these vehicles exemplify our dedication to sustainable, commercial solutions.

Blue Arc EV Sales: In March 2024, we announced an order with FedEx for an initial order of 150 Blue Arc EV trucks to be integrated into the FedEx fleet in the United States.

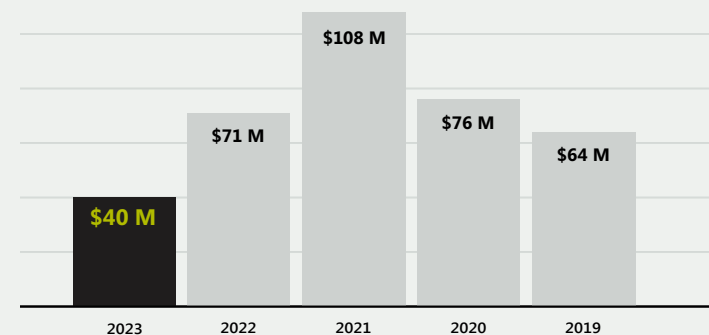
Nashville Facility Grand Opening: The grand opening of our Nashville facility highlighted our adaptability and collective strength, providing a comprehensive solution for work truck customers through effective crossbrand collaboration. This effort, in partnership with Royal Truck Body, Strobes-R-U's, Magnum, and DuraMag, illustrates our innovative approach to meeting customer needs.

100,000th Isuzu N-Series Gas-Powered Truck by Builtmore: A landmark moment for Builtmore was reached with the 100,000th Isuzu N-Series truck, symbolizing over a decade of excellence and strong customer ties. This achievement reflects our ongoing commitment to quality and customer satisfaction.

Total Revenue

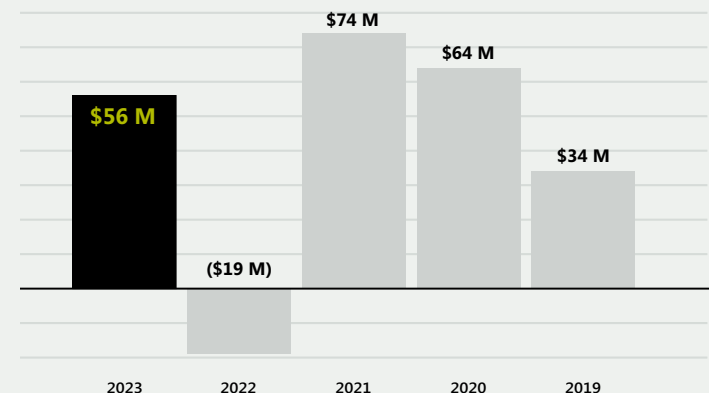


Adjusted EBITDA*



* See Report on Form 10-K filed on February 22, 2024, for reconciliation to Net Income.

Operating Cash Flow



2023 SUSTAINABILITY HIGHLIGHTS



DIVERSE AND INCLUSIVE LEADERSHIP

44% of Shyft's Board of Directors is comprised of women and individuals from underrepresented communities, reinforcing our commitment to belonging and inclusion at the highest levels of the company.



GLOBAL HUMAN RIGHTS COMMITMENT

As a signatory to the United Nations Global Compact on Human Rights, we align our operations with globally recognized principles on human rights, labor, environment, and anti-corruption.



CLIMATE RISK DISCLOSURE

For the first time, we disclosed our physical climate risk assessment, a critical step in understanding and addressing the potential future impacts of climate change on our business and operations.



GREENHOUSE GAS REPORTING

For the second consecutive year, we reported Scope 1 and Scope 2 greenhouse gas (GHG) emissions, calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, showcasing our transparency and commitment to reducing our carbon footprint.



SHYFT for good

Our commitment to community and social responsibility was further reinforced through the Shyft For Good initiative. This program reflects our dedication to being a responsible corporate citizen, involving a matching program for employees' charitable contributions and quarterly corporate donations to non-profits focusing on health, education, the environment, and communities in need.



ADVANCING OUR SAFETY CULTURE

Our dedication to health and safety led to a 40% reduction in our Total Recordable Incident Rate and a 75% decrease in our Lost Time Case Incident Rate, bringing us closer to our zero-injury workplace goal. This progress underscores our commitment to employee well-being and a safer work environment.



6	Who is the Shyft Group?
7	Introduction
8	Leadership Letter
9	Stakeholder Approach to Sustainability
10	Sustainability Development Goals
11	Environmental Stewardship
12	Protecting the Environment
14	Greenhouse Gas Management
16	Supply Chain Management
18	Social Responsibility
19	Belonging & Inclusion
21	Health & Safety
23	Philanthropy
24	Culture of Governance
25	Governance & Ethics
27	Risk Management
28	Data Security
29	Annex
30	SASB Table
34	TCFD Table
38	EEO-1 Data

WHO IS THE SHYFT GROUP?

The Shyft Group, North America's leader in specialty vehicles, is driven to deliver. Our innovative organization comprises ten well-known brands that span last-mile delivery vehicles, work trucks, luxury motorcoaches, and upfit services. We build chassis that propel our mission forward; van and truck bodies that create real advantages to get work done; upfit packages and accessories that make every route, every run, every ride safer, more satisfying, and more rewarding.

Our Work-Driven Design™ process is central to our innovation, incorporating direct feedback from daily vehicle users. This approach not only improves safety and efficiency but also significantly enhances driver and fleet operator satisfaction and productivity. Our consultative design process sets us apart, optimizing comfort and output. With coast-to-coast production capacity and ongoing investments in quality and innovation, we serve first-to-last-mile delivery, infrastructure, government, and utility and RV industries.

Shyft champions an environmentally sustainable future, committed to advancing clean, green commercial transportation. We are dedicated to a future where our purpose-built technology and cross-brand collaboration drive innovations that make transportation more eco-friendly and efficient.

Electric, connected, and flexible transportation are vital to these goals, which led to the development of Blue Arc, our commercial EV platform. Blue Arc provides emissions-free trucks that meet customer needs while reducing the transportation industry's carbon footprint. Our customer-centric operations are built on long-standing commitments to quality, execution, innovation, and operational excellence, grounded in our core values of Honesty and Integrity, Accountability, Trust, and Performance Excellence.

Discover more at
<https://theshyftgroup.com>.



STROBES RUS



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 filing with the Securities and Exchange Commission. All forward-looking statements are based on management's current assumptions, estimates, and projections. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

This Sustainability Report covers Shyft's operations for fiscal 2023. All previous years' reports are available on our website. This report focuses on developments and actions for our key programs, progress toward our corporate goals during the 2023 fiscal year, and preparations for activities in 2024. Shyft has not obtained external assurance for this report, but its contents have been subject to an internal quality review. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided in this report. For questions regarding Shyft's sustainability efforts or the content of this report, please contact Shyftlegal@theshyftgroup.com.

SUSTAINABILITY PROGRAM



Protecting the Environment



Greenhouse Gas Management



Supply Chain Management



Belonging & Inclusion



Human Capital Management



Health & Safety



Philanthropy



Governance & Ethics



Risk Management



Data Security

INTRODUCTION

At Shyft, our commitment to Environmental, Social, and Governance (ESG) principles is more than just a business imperative—it is a collective responsibility. As a leading provider of purpose-built technology, we advance sustainability through three key pillars: environmental stewardship, social responsibility, and governance excellence. These are integral to our long-term growth strategy and value creation for our stakeholders, driving Financial Growth while maintaining our dedication to Operational Excellence.

Sustainability is a team effort, reflected in our governance structures. In 2022 and 2023, we enhanced our sustainability strategy to align with our business transformation. Our executive management team integrated environmental and social objectives into our operational framework, resulting in targeted initiatives that promote sustainability, belonging and inclusion, and corporate transparency—cornerstones of High-Performing Teams.

Our Sustainability Working Group—comprised of cross-functional executives from Environmental Health and Safety, Legal and Compliance, Operations, Human Resources, Finance, Investor Relations, and Communications and Marketing—shapes Shyft's sustainability strategy and monitors sustainability progress. The Governance and Sustainability Committee of our Board of Directors provides oversight and guidance, ensuring a robust focus on Operational Excellence.

We adopted rigorous data collection methodologies to ensure transparent and accountable reporting, compliant with the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). This year, we disclose our first scenario analysis, conducted across Shyft facilities, to evaluate the impact, exposure, and likelihood of physical climate hazards. These assessments guide our future environmental goals, aligning with our Customer-Centric Approach.

Our SASB and TCFD disclosures reflect industry best practices and our organizational values. While we recognize ongoing work remains, we are confident that our advancements in these critical areas will yield long-term benefits for all Shyft stakeholders, including investors, employees, customers, and communities, reinforcing our commitment to Financial Growth.

Our 2024 Sustainability Report builds on the foundation set by our 2023 and 2022 reports, adopting a priority-based approach. It encompasses data for fiscal year 2023 and is informed by comprehensive SASB and TCFD materiality assessments conducted over the past three years. These assessments involved stakeholder engagement and a review of pertinent topics, informing our goal-setting and strategic planning.



“OUR PROGRESS IS NOT JUST MEASURED BY MILESTONES REACHED, BUT BY THE BRIGHTER, MORE SUSTAINABLE FUTURE WE ARE COMMITTED TO BUILDING TOGETHER.”

DEAR STAKEHOLDERS,

We are honored to present the Shyft Group’s 2024 Sustainability Report, a testament to our unwavering commitment to corporate responsibility. This report reflects our shared purpose, innovation, and dedication to making a positive impact on the world around us.

In 2023, we navigated a dynamic market environment and faced many headwinds. Nevertheless, our commitment to sustainability and operational excellence remained steadfast. We made substantial progress in aligning our strategy with our broader vision, focusing on sustainability, belonging and inclusion, and transparency.

Our Blue Arc EV program represents more than just innovation—it’s a bold step into the future. In 2023, we strengthened our dealer relationships, completed real-world testing of our commercial-grade EV trucks, and secured essential certifications. These trucks, capable of exceeding 200 miles per charge, demonstrate our dedication to safety, sustainability, and performance in the commercial sector.

We celebrated significant milestones, including Utilimaster’s 50th anniversary—a half-century of excellence in commercial vehicle building and upfitting. Additionally, Builtmore reached a landmark with the production of the 100,000th Isuzu N-Series gas-powered truck, reinforcing our commitment to quality and strong customer relationships.

Our Specialty Vehicles business delivered exceptional performance, achieving a 20% adjusted EBITDA margin for the full year, driven by strong demand for vocational trucks. This success reflects our strategic focus on operational excellence, ensuring we meet market needs efficiently and profitably.

In 2024, we launched Mission Zero, an initiative aimed at enhancing our safety culture with the goal of achieving zero accidents, zero incidents, and zero

injuries—every job, every day. This organization-wide campaign underscores our commitment to employee well-being and safety, a crucial element of building High-Performing Teams.

As we continue to grow, our “ONE” Shyft mindset reminds us that our greatest strength lies in our people—their dedication, talent, and passion drive our success. ONE Shyft means working as one team, sharing best practices, aligning goals, and fostering cross-functional and cross-brand collaboration, while remaining flexible to meet local needs. By maintaining a relentless focus on quality and keeping our customers—and by extension, our communities—at the heart of everything we do, we ensure the Shyft Group not only meets but exceeds expectations.

Our sustainability disclosures provide stakeholders with a clear understanding of our approach and long-term strategy. By incorporating the SASB and TCFD frameworks, we’ve enhanced transparency and accountability, aligning our actions with industry best practices.

As we lead the commercial fleet’s evolution toward zero emissions, our investment in electrification and commitment to a better world resonate with our mission and belief in the power of collaboration. Our Board of Directors, cross-functional executive team, and every member of the Shyft Group are united in driving progress with a shared vision and relentless determination.

We are proud of what we’ve achieved and are motivated by the promise of what lies ahead—a future driven by innovation, excellence, and sustainability.

With gratitude,

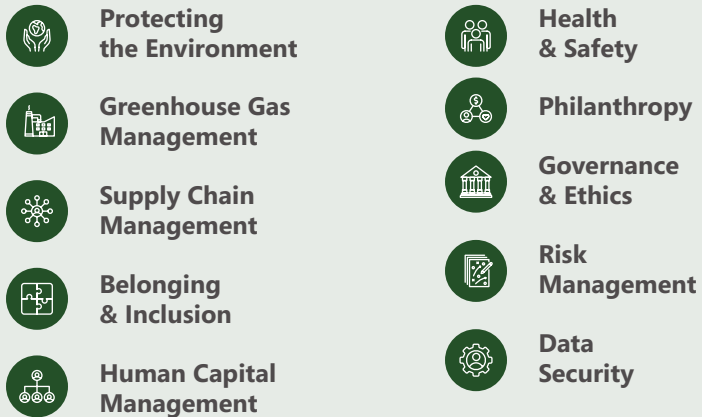
John Dunn,
President and CEO, the Shyft Group

STAKEHOLDER APPROACH TO SUSTAINABILITY

Overview of Priority Assessment Topics

In 2024, we formalized our strategic priorities to reflect our longstanding commitment to sustainability and the launch of our electric vehicle initiative, integrating them into our operations, promoting transparency and Operational Excellence.

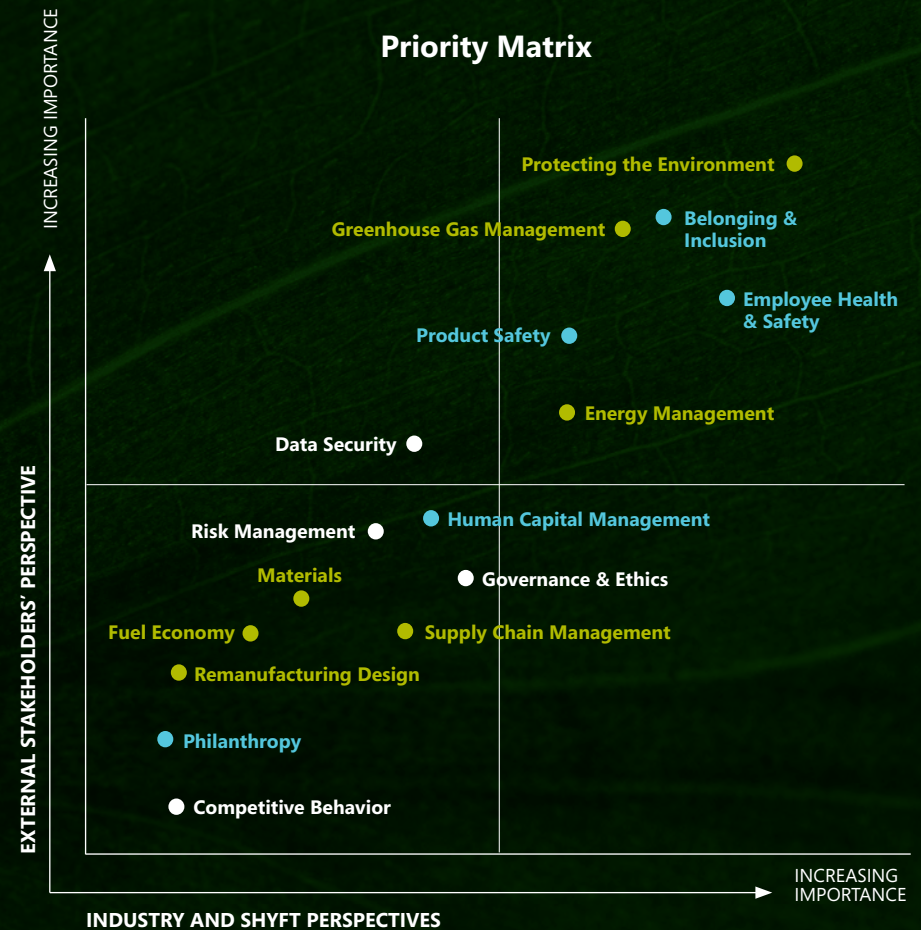
The ten tenets of our strategy include:



Additionally, we've identified six priority areas essential to our industry and stakeholders:



These areas of focus support our Customer-Centric Approach, ensuring we meet stakeholder expectations while driving Financial Growth through sustainable practices.



- **Environmental Stewardship Topic**
- **Social Impact Topic**
- **Culture of Governance Topic**

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 company, 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 industry peers and also examined the methodologies of leading investor raters and institutional investors. We reviewed their strategic selection of material sustainability topics for inclusion in their sustainability disclosure, rating methodologies, investment decision-making, goal-setting, and strategy. From this research, we calculated an overall score for each topic to help focus our strategy and disclosures in this report.



No Poverty

End poverty in all its forms everywhere.



Zero Hunger

End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.



Good Health and Well-Being

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



Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Gender Equality

Achieve gender equality and empower all women and girls.



Clean Water and Sanitation

Safe drinking water and sanitation are human rights and fundamental to human health and well-being.



Affordable and Clean Energy

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



Decent Work and Economic Growth

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



Industry, Innovation, and Infrastructure

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



Reduce Inequalities

Reduce all forms of inequality within and among countries.



Sustainable Cities and Communities

Make cities inclusive, safe, resilient, and sustainable.



Responsible Consumption and Production

Encourages more sustainable consumption and production patterns through various measures.



Climate Change

Take urgent action to combat climate change and its impacts.



Peace, Justice, and Strong Institutions

Dedicated to the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels.

SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) adopted by UN member states in 2015, are a series of interlinked goals aimed at creating a fairer, more just world through sustainable economic and environmental practices by 2030. These ambitious goals require collaboration across government, business, and civil society.

We support the SDGs and have linked our priority areas to them, focusing on the goals most aligned with our business where we can make the most positive impact globally.

12 Protecting the Environment

14 Greenhouse Gas Management

16 Supply Chain Management

ENVIRONMENTAL STEWARDSHIP

Protecting the Environment

The transportation industry bears a significant responsibility for creating a sustainable future, and environmental stewardship is a core mission of the Shyft Group. Our commitment extends beyond regulatory compliance; we actively drive industry transformation toward a greener future.

Key highlights of our environmental sustainability efforts include:

- Developing proprietary electric vehicle solutions to support our customers' carbon-neutral goals.
- Enhancing our facilities' operations through energy efficiency measures, demonstrating our commitment to reducing carbon emissions, waste, and water usage.
- Expanding green energy adoption and improving recycling efforts across our facilities.
- Promoting energy efficiency measures throughout our supply chain.

- Complying with all environmental laws regarding the use, storage, discharge, and disposal of hazardous materials.
- Bringing fuel-efficient solutions to market in our traditional fuel-powered products.

Our approach to environmental stewardship is comprehensive, considering the operational footprint of each location and the combined impact across our operations. We ensure that locations emitting volatile organic compounds (VOCs) from coating operations strictly adhere to local regulatory requirements.

We continuously innovate to boost efficiency across our operations. This includes installing high-efficiency laser fabrication machines, press brake and CNC machines, test bay water recirculation technology, paint curing ovens, and new cardboard recycling compactors. We also implement engineering changes to reduce part weight, hold kaizen events to eliminate waste, and upgrade practices at our facilities with technologies like LED lighting, speed doors for heat conservation, and improved paint preparation processes.

Our skilled teams regularly perform environmental inspections at our sites to verify compliance with environmental laws, regulations, and permits. These programs identify and communicate best practices, risks, and improvement opportunities across all sites, supporting Operational Excellence. We ensure ongoing compliance by conducting periodic audits of our facilities, confirming adherence to environmental requirements and Shyft's environmental policy.

“WE ACTIVELY WORK TO REDUCE OUR ENVIRONMENTAL IMPACT THROUGH INNOVATIVE PRACTICES AND CONTINUOUS IMPROVEMENT.”

From improving energy efficiency to adopting green energy, our efforts reflect our dedication to a sustainable future. I am inspired by our team's commitment to these values, ensuring we make a positive impact on our people, our community, and the environment. It's this collective dedication that drives us to not only meet but exceed our sustainability goals, creating a better future for everyone.”

Rob McCallum
Director of Environmental Health, Safety, and Security (EHSS)

74%

of Shyft's products sold in 2023 were recyclable

59%

of Shyft's products included input materials from recycled or remanufactured content in 2023

SUSTAINABLE
DEVELOPMENT
GOALS



Innovation is Key to Environmental Stewardship

In the specialty vehicle industry, innovation and electrification are inseparable. Launched in 2022, Blue Arc EV Solutions embodies nearly 50 years of experience in custom chassis production and last-mile delivery. Blue Arc offers a full ecosystem of end-to-end electric-powered solutions, created to meet both sustainability and performance goals.

The Blue Arc ecosystem includes:

- An industry-first, commercial-grade, purpose-built EV chassis, adaptable for last-mile delivery, work trucks, mass transit, recreational vehicles, and other emerging EV markets.
- A fully reimaged, all-electric, purpose-built Class 4 delivery walk-in-van.

Having achieved all critical milestones in Blue Arc's development timeline, we are well-positioned to lead in this space. Our leadership in innovation and environmental stewardship is further affirmed by recent industry accolades, including the Green Car Journal Product of Excellence™ Award demonstrating our commitment to Operational Excellence and Customer-Centricity.



Total Non-Hazardous Waste*

2,426 T

Total Non-Hazardous Waste was reduced by

181 T

or 2% year-over-year

Total Hazardous Waste

77 T

Total Hazardous-Waste was reduced by

46 T

or 37% year-over-year

Total Water-Use

10,567,082 G

Total Water Use was reduced by

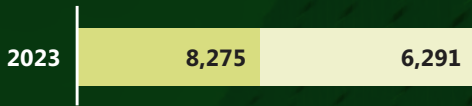
2,454,190 G

or 19% year-over-year

* 2023 figures include the Non-Hazardous Waste category within Disposed Waste only. In previous years, we included Recycled Waste categories; however, to align our environmental sustainability actions with our disclosure initiatives, we have enhanced our reporting capability to allow for more granular data.

GHG Emissions (Scope 1 & 2)*

14,566

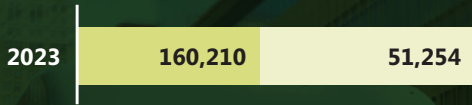


● Scope 1 ● Scope 2

* metric tons of carbon dioxide equivalent

Energy Consumption (Scope 1 & 2)**

211,464



● Scope 1 ● Scope 2

** gigajoules

Greenhouse Gas Management

The Shyft Group’s management team plays a crucial role in assessing and managing climate-related risks and opportunities, ensuring that our sustainability strategy is deeply integrated into every aspect of our operations. Oversight of Shyft’s sustainability program rests with the Chief Legal, Administrative, and Compliance Officer, who monitors evolving climate-related risks and opportunities, reporting regularly to the Governance and Sustainability Committee. This collaborative approach, led by our CEO and supported by the Sustainability Working Group, operationalizes initiatives that address climate-related issues throughout the Company, facilitating Operational Excellence and High-Performing Teams.

For the second consecutive year, we reported Scope 1 and Scope 2 greenhouse gas (GHG) emissions, calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Notably, our Scope 2 emissions declined by 15% (-1,091 MT CO₂ e) from the 2022 figure of 7,382 MT CO₂ e. This reduction stems mainly from an increased emphasis on the mitigation of unwarranted cooling and heating.

The Sustainability Working Group, composed of cross-functional leaders, engages closely with Shyft’s operations and finance teams. This collaboration ensures that our sustainability efforts are strategically aligned and effectively implemented. The Corporate Director of Environmental Health, Safety and Security (EHSS) plays a pivotal role in tracking and overseeing environmental data collection and analysis. Continuous improvement is a priority, with plant management providing regular updates on projects during monthly operational reviews. Additionally, the Sustainability Working Group is responsible for producing Shyft’s annual Sustainability Report, reflecting our commitment to transparency and accountability.

Our dedication to developing high-quality, low-emission products is a cornerstone of our response to changing consumer needs. This commitment is exemplified by our Blue Arc EV product line, offering the commercial industry cutting-edge, commercial-grade EV solutions. The financial investments required to develop and operationalize our sustainability program, including the Blue Arc product line, are integrated into our broader financial planning activities, ensuring economic viability and alignment with our long-term growth objectives.

Blue Arc’s innovative electric vehicle solutions not only provide our customers with high-performance options but also present significant growth opportunities for the Shyft Group and its stakeholders. Beyond our EV offerings, we are committed to reducing the environmental impact of our non-EV products. This includes ongoing efforts to reduce vehicle weight and incorporate sustainability-enhancing innovations from our supply base, all aimed at improving the overall sustainability performance of our products.



Climate-Related Physical Risk Assessment

In 2023, the Shyft Group initiated a comprehensive climate risk assessment process to better understand and address the potential impacts of climate change on our operations. To ensure a thorough evaluation, we engaged subject matter experts across multiple business lines within Shyft, gathering diverse perspectives to prioritize the most significant climate-related risks and opportunities.

Our physical climate-related risk assessment analyzed how climate change may affect Shyft’s sites and operations over the next century. This assessment considered both acute and chronic physical climate-related risks across 24 of our sites. Acute risks, typically event-driven, include extreme heat, wildfires, dry days, flooding, and hurricanes. Chronic risks, reflecting longer-term shifts in

climate patterns, include sea level rise, changes in mean temperature, temperature variability, and mean precipitation.

For this analysis, we utilized the latest climate models from the United Nations Intergovernmental Panel on Climate Change (IPCC). The IPCC provides scenarios forecasting the future state of the world based on demographic and socioeconomic activities, predicting associated greenhouse gas emissions. We focused on the Representative Concentration Pathway (RCP) 8.5 scenario for our physical risk assessment, representing a high emissions trajectory. RCP 8.5 corresponds to a projected temperature increase of approximately 4.3°C by 2100, relative to pre-industrial levels, often considered the “worst-case

scenario” due to its assumption of minimal societal decarbonization efforts.

The results of this analysis are critical to understanding the potential future impacts of climate change on our business and operations. Moving forward, we plan to integrate assessment of these climate-related risks within our Governance and Sustainability Committee and Sustainability Working Group, ensuring climate-related actions are prioritized in alignment with our business objectives, contributing to Operational Excellence. This approach is reflected in our TCFD report beginning on page 34, where we elaborate on how this assessment informs our strategic planning and risk management processes.

TEMPERATURE-RELATED	WIND-RELATED	WATER-RELATED	SOLID MASS-RELATED
Heat wave	Cyclones, hurricanes, typhoons	Drought	Avalanche
Cold wave/frost	Hurricanes (including blizzards and dust)	Heavy precipitation (rain, hail, snow/ice)	Landslide
Wildfire	Tornado	Flood (coastal, fluvial, pluvial, ground water)	Subsidence
Changing temperature (air, freshwater, marine water)	Changing wind patterns	Glacial lake outburst	Coastal erosion
Heat stress		Changing precipitation patterns and types (rain, hail, snow/ice)	Soil degradation (aridity)
Temperature variability		Precipitation or hydrological variability	Soil erosion
Permafrost thawing		Ocean acidification	Solifluction
		Saline intrusion	
	Sea level rise		
	Water stress		

- Risk Assessed
- Risk Unevaluated, Applicable
- Risk Unevaluated, Not Applicable

The map below shows Shyft’s locations shaded by the level of physical risk the sites are projected to experience in 2100 under RCP 8.5. Across our locations, Shyft’s projected physical risk is low, with only 2 sites expected to face high levels of physical risk in 2100.



- Low-Risk
- Medium-Risk
- High-Risk

Supply Chain Management

As we work to reduce our own emissions, the Shyft Group is also capitalizing on sustainability opportunities within our supply chain. Our commitment to providing high-quality, durable products that meet our customers' needs extends to our relationships with suppliers. We collaborate closely with our suppliers, ensuring that they meet the following critical criteria:

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

Our supply chain is integral to our role in environmental stewardship. We actively pursue opportunities to recycle and recover materials that might otherwise end up in landfills, aligning with our sustainability goals. We partner with suppliers who share our core values, implementing a proactive approach to supplier onboarding and ongoing assessments to manage potential risks. This includes the ability to audit our supply chain partners for compliance with our standards, particularly regarding sustainability objectives.

In addition to these direct measures, we consider the upstream and downstream impacts of our operations. Upstream, we rely on electricity generated by various providers using different fuel sources, while certain locations conduct regulated coating operations that generate VOCs and hazardous air pollutants (HAPs) below permitted limits.

Downstream, our products—whether traditional fuel-powered vehicles or electric vehicles—have environmental impacts depending on their use and the energy sources available in their operating regions. Internally, our manufacturing processes utilize natural gas for heating and LP gas and electricity for powering forklifts, while paint booths and welding cells operate under stringent emissions mitigation processes.





We are committed to continuously improving our operations, proactively identifying more efficient and effective ways to contribute to the success and vitality of the communities in which we operate. This commitment extends to maintaining robust supplier policies, including a [Supplier Code of Conduct](#), a [Conflict Minerals Policy](#), and a [Global Supplier Standards Manual](#).

Our [Conflict Minerals Policy](#) is a critical component of our risk management strategy, ensuring that we do not knowingly source any products containing conflict minerals. We work closely with our supply chain partners to comply with the requirements of Section 1502 of the Dodd-Frank Act, conducting due diligence to verify that the components we source are free from conflict minerals. We expect our suppliers to have rigorous policies and due diligence measures in place to reasonably ensure that their products are conflict-free.

Through our modernization efforts, Shyft is actively contributing to mitigating the negative impacts of climate change. Our focus on environmental sustainability—aimed at improving the sustainability of our operations and reducing costs—provides a clear strategic benefit. Moving forward, we will continue to engage with suppliers across our global value chain, measuring and managing these impacts to conserve resources, reduce costs, and promote ethical practices.

19 **Belonging & Inclusion**

21 **Health & Safety**

23 **Philanthropy**

SOCIAL RESPONSIBILITY

Belonging & Inclusion

As the market leader in specialty vehicle manufacturing, the Shyft Group attracts diverse talent from around the world. Our inclusion strategy fosters a diverse team that drives a culture rooted in honesty, integrity, accountability, trust, and performance excellence. By attracting and retaining a highly skilled, multi-generational workforce, we ensure we meet our commitments and lead industry transformation.

At Shyft, our success is built on the collaborative efforts of High-Performing Teams. We continuously leverage this diversity of knowledge and skills, fostering an inclusive environment that catalyzes innovation, sustained growth, and Operational Excellence.

Innovation Through Inclusion

Diversity and inclusion are more than concepts at Shyft; they drive creativity, efficiency, and continuous improvement across our operations. The unique blend of skills, experiences, and perspectives that each team member brings enhances our problem-solving capabilities, strengthens our competitiveness, and supports our Customer-Centric Approach.

Our goal is to create a workspace where everyone feels safe, welcomed, and valued. This approach increases job satisfaction, reduces turnover, and leads to a more engaged and productive workforce. Embracing inclusivity is not just a business strategy; it's a mission-critical element of our success and growth, directly contributing to Financial Growth.

Respect for Human Rights

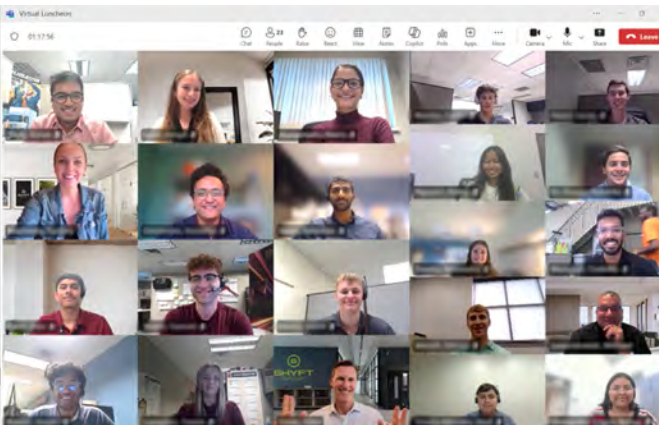
In 2020, Shyft's Board adopted a human rights policy that governs how we treat all stakeholders, including our customers, employees, business partners, and participants in our supply chain. Consistent with this policy, we became a signatory in 2021 to the United Nations Global Compact, supporting principles related to human rights, labor, environment, and anti-corruption. The Board oversees and periodically reviews our human rights policy, while our Chief Legal, Administrative, and Compliance Officer is responsible for its ongoing implementation, reporting to the Board and its committees on any significant issues.

Shyft's respect for human rights aligns with the UN Guiding Principles on Business and Human Rights. As a member of the United Nations Global Compact, we uphold universal principles of human rights, labor, environment, and anti-corruption. Our actions protect and promote human rights within the communities where we operate, reflecting our deep commitment to our most important asset—our people. This commitment is enshrined in our [Code of Conduct](#) and our [Human Rights Policy](#).



SUSTAINABLE
DEVELOPMENT
GOALS





Commitment to Belonging and Inclusion

Belonging and Inclusion are vital to Shyft’s success. We focus on attracting, retaining, and developing a workforce diverse in background, knowledge, skill, and experience. Our commitment to equal employment opportunities extends to all aspects of employment without discrimination.

At Shyft, we embrace the strength found in diversity and the importance of allyship. Throughout the year, we celebrate diversity and inclusion by recognizing various cultural observances. Our initiatives elevate both employee and community awareness on significant days such as Martin Luther King Jr. Day, International Women’s Day, Juneteenth, Pride Month, Hispanic Heritage Month, Veterans Day, and the International Day for Persons with Disabilities. During these celebrations, employees are encouraged to show their commitment to inclusion and allyship by sharing their stories and signing our dedicated Allyship wall.

As a certified Michigan Veterans Affairs Agency (MVAA) Veteran-Friendly Employer, our dedication to underrepresented communities is embedded in our policies, training modules, and inclusive services. Our commitment to the LGBTQ+ community is similarly robust, demonstrated through policies that include same-sex marriage benefits and a stringent anti-discrimination stance.

We also recognize the valuable contributions people with disabilities bring to our organization. To this end, we offer specialized training courses on workplace inclusion that align with Shyft’s inclusive values. Our reasonable accommodations range from adaptive equipment and flexible work schedules to designated parking and other services designed to foster an inclusive environment.

Our Belonging and Inclusion efforts are guided by our Belonging and Inclusion Leadership Council. With 44% of our Board composed of women and

individuals from underrepresented communities, we emphasize the importance of diversity to all our stakeholders. Our strategies for implementing our Belonging and Inclusion commitment include:

- Ensuring a diverse talent pipeline
- Building an inclusive workplace and culture
- Facilitating community and supplier diversity engagement

In 2024, we launched our Women’s Employee Resource Group (ERG), Women Inspiring Success & Empowerment (WISE), which hosts quarterly events around its mission to build mentorship, develop careers, and foster support for women employees. We also partnered with Inforum, a Michigan-based organization, to support women’s professional development through formal mentoring and networking.

We actively monitor diversity metrics and employ targeted recruitment tactics, training programs, and diverse candidate pools to ensure our team embodies Shyft’s core values. These efforts are integral to executing growth strategies that sustain long-term success. By strategically prioritizing inclusion, we align with universal principles and contribute positively to human rights within the communities we serve. Our unwavering commitment to Belonging and Inclusion aims to make Shyft a preferred workplace, where we attract, retain, and develop top-tier talent, fulfilling our vision and delivering meaningful results to our stakeholders.

Shyft reports EEO-1 data about U.S. team members to the federal government as required by law. Our supplementary EEO-1 data table on page 38 shares the breakdown of racial and gender data across all levels of our organization to internally measure and raise awareness of diversity within Shyft.

Health & Safety

There is nothing more important than the safety of our employees. Safety is a hallmark of our culture and a reflection of our focus on Operational Excellence. To ensure we maintain a safe working environment, we leverage safety committees, as well as an executive group that reviews and addresses our work-related injury risks. Our group-wide dedication to a safe workplace for all helps us attract, retain, and protect the best people, thereby contributing to High-Performing Teams. We strive to achieve a zero-injury workplace and build a culture where safety comes first.

Our proactive safety culture is fundamental to every operation, ensuring that all employees, contractors, visitors, and partners experience high standards of safety. In 2024, we proudly launched Mission Zero across the Shyft Group during National Safety Month. This initiative marked a major step toward enriching our safety culture with an ambitious goal: zero accidents, zero incidents, zero injuries—every job, every day.

Safety is our priority, not an afterthought. Mission Zero aims to weave safety into the very fabric of our operations, making it a natural aspect of our workflow. Mission Zero empowers every employee, including contractors, to become a leader in promoting a safe workplace, embracing personal responsibility for safety and working together to prevent accidents. It's about integrating safety into every facet of our daily operations—both at work and at home.

This approach promotes personal responsibility and collective vigilance. Each of our locations performs regular safety reviews to ensure that proper safety policies are in place and appropriate safety training is provided. We are committed to continuously

training our team on best safety practices. Our comprehensive approach ensures that everyone is prepared to help achieve our zero-incident goal.

Safety is a collective responsibility. We foster open communication and collaboration, ensuring that safety is always a priority. All employees and contractors are required to acknowledge and adhere to our Health & Safety policies, expressing our commitment to eliminating workplace hazards. In addition to training and development, we measure and report on monthly safety metrics and review our safety performance with our Board of Directors on a quarterly basis.

Shyft employees strive to reduce job-related injuries in a variety of ways, including:

- Integrating safe technologies, training programs, and risk management practices.
- Positioning EHSS leadership at the segment and corporate levels to drive best practices.
- Applying a robust Escalation Policy to provide a written procedure that guides team members on how to escalate the incident management process.
- Providing management, resources, infrastructure, reporting, controls, and a working environment to ensure employee safety.
- Ensuring organizational participation in decision-making as part of our health and safety management system.
- Complying with all applicable legal and regulatory requirements related to occupational health and safety and other requirements.



40%

reduction in our
Total Recordable Incident Rate

75%

reduction in our
Lost Time Case Incident Rate

100%

participation rate YTD June 30 (2024)
in safety compliance training



environmental incidences
through YTD June 30 (2024)

Our safety program is specifically designed to reduce accidents and illnesses, including reportable accidents and illnesses, lost work time, and costs associated with accidents and illnesses. In 2023, we set our safety goal to reduce our incident rate by 10% to continue toward our ultimate goal of zero injuries at our facilities. After evaluating our metrics, we exceeded our initial goal. In 2023, Shyft's Total Recordable Incident Rate (TRIR) decreased by 40%, underscoring our commitment to employee well-being.*

Every Shyft site is required to have written Health & Safety policies that are consistent with Shyft's procedures and address any local regulations, site-specific safe work rules, and training. Over the past year, Shyft has continued to centralize its incident reporting system. This interconnected system applies to all sites. Each of our sites is also required to undergo emergency response planning. Our emergency planning procedures are developed based on site risk assessments. Our Shyft-wide safety policies are accessible to employees, as well as contractors, and cover a wide range of safety issues, including:

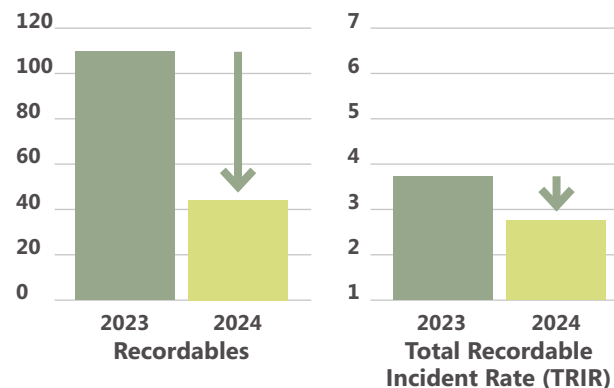
- 5S – Sort, Set in Order, Shine, Standardize, Sustain
- Daily Operations / Safety Walk
- Safety Steering Teams (SST) with monthly meetings involving Operations Leadership
- Pre-Stage Backup Equipment, such as Diesel Generators
- EHSS Incident Alert Process
- EHSS Incident Review Process / All Hands EHSS Incident Review Process
- Safety Theme Months (e.g., June 2023 was Hand Safety Month)
- Hazard Assessment Activities
- Monthly Operations KPIs (including EHSS) for all operations sites with all site functions and corporate leadership

Throughout the entire life cycle of our products, we assess their health and safety implications, including the choice of materials that are safe for their designated purposes. Our commitment to health and safety extends through the manufacturing phase for quality assurance and persists until the product's end-of-life to guarantee safe disposal.

We require that our products meet mandatory safety standards, and we frequently require our employees and suppliers to exceed regulatory requirements. We expect our products to comply with good manufacturing and quality processes. Regular checks on supplier compliance are conducted to guarantee the right safety and quality measures.

The products we sell are subject to motor vehicle safety standards. In the United States, vehicles that meet or exceed all federally mandated safety standards are self-certified by the manufacturer under federal regulations. Rigorous testing and the use of approved materials and equipment are among the requirements for achieving federal certification.

EHSS Year-Over-Year Comparison
YTD June 30



The percentage of safety-related incidents has been steadily decreasing. This is a result of our efforts to learn from every event and put in place effective controls across our organization to prevent recurrence.

**If a contractor is injured at any one of our locations, the incident is included in Shyft's incident reports and rates (e.g., TRIR) as required by OSHA. However, Shyft had zero incidents involving contractors in 2023 and YTD June 30 (2024).*

Philanthropy

We believe that investing in the communities where we operate—both nationally and locally—is central to generating social impact. In 2023, we launched Shyft For Good, our initiative aligning corporate actions with our core values. This program combines significant corporate donations with a matching program for employee charitable contributions and encourages volunteerism. Through this initiative, we extend our Customer-Centric Approach beyond our business operations to support the communities we serve

Every quarter, Shyft donates \$25,000 to a selected non-profit, rotating the focus across vital areas such as health, education, the environment, and communities in need. To further align our corporate giving with stakeholder interests, Shyft matches employee donations to a diverse range of non-profits up to a capped amount. Shyft For Good is more than a donation program; it's an embodiment of our shared purpose.

Shyft For Good also empowers local giving, encouraging our employees to actively engage with their communities. Examples include donating food and volunteer hours to the South Bend Food Bank, building beds with Sleep in Heavenly Peace, and supporting young entrepreneurs through Junior Achievement's Lemonade Day. We've also partnered with organizations like ADEC to promote mobility initiatives for individuals with disabilities and the Elkhart Area Career Center to support career development. Further contributions include donations to shelters and youth centers across our operating footprint.

Through strategic nonprofit partnerships, inspiring volunteer experiences, and philanthropy, our corporate responsibility efforts are focused on creating a better world. Building on decades of goodwill, Shyft For Good offers unique opportunities for collective action, enhancing existing giving and volunteer initiatives within the Shyft community. Together, we are committed to making a positive impact, reflecting our dedication to social responsibility, High-Performing Teams, and our belief in the power of collaboration.



	<p>Health Q1: Jan-Mar</p> <p>\$25,000 Donation</p> <p>Recipient: St Jude Children's Research Hospital</p>		<p>Education Q2: Apr-Jun</p> <p>\$25,000 Donation</p> <p>Recipient: The Manufacturing Institute</p>
	<p>Environment Q3: Jul-Sep</p> <p>\$25,000 Donation</p> <p>Recipient: National Wildlife Federation</p>		<p>Communities In Need Q4: Oct-Dec</p> <p>\$25,000 Donation</p>

\$100,000 EACH YEAR

to major causes essential to well-being and the work we do

25 Governance & Ethics

27 Risk Management

28 Data Security

CULTURE OF GOVERNANCE

Governance & Ethics

Shyft is committed to achieving excellence in our corporate governance practices, underscoring our culture of accountability and integrity. We conduct our business with fairness, ethical responsibility, and a steadfast commitment to earning the trust of our stakeholders.

Our Ethics and Compliance Commitment

Our [Code of Conduct](#), together with our comprehensive [Corporate Governance Principles](#), fosters accountability and transparency across the Shyft team. These guidelines embody our commitment to maintaining the highest standards of ethics and integrity while ensuring our operations comply with all applicable laws. This commitment supports our focus on Operational Excellence by ensuring all team members operate with integrity and purpose.

Through our [Code of Conduct](#) and employee handbooks, we communicate workplace policies that uphold the highest ethical and moral standards. Our strong, confidential reporting processes and procedures support an open and honest environment, focusing the Shyft team on the highest principles of integrity and inclusion, further driving High-Performing Teams.

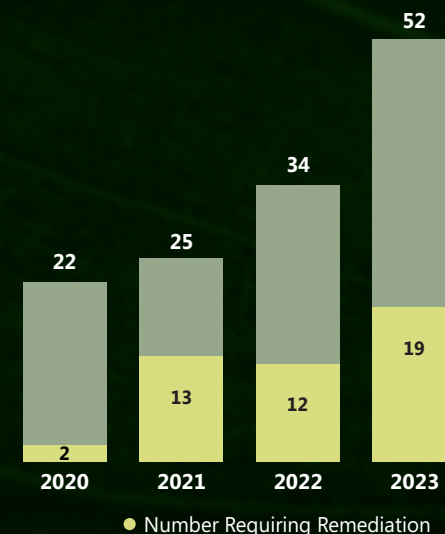
Similarly, our [Supplier Code of Conduct](#) and Terms and Conditions ensure that our business relationships are grounded in lawful, ethical, and fair practices. We conduct business every day with honesty and integrity, expecting our partners to do the same. These principles are central to maintaining a Customer-Centric Approach in all our business dealings.

Delivering on Our Ethics and Compliance Commitment

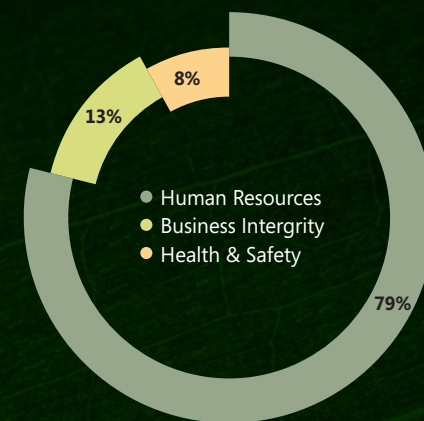
Core to our ethics and compliance program are ongoing communications and training initiatives that ensure our employees understand Shyft's expectations and policies. These training sessions, which are both web-based and in-person, cover the regulations and expected business practices relevant to Shyft. Salaried employees are required to complete ethics and compliance training annually on rotating topics, while hourly employees receive training through local human resources teams. This commitment to continuous learning and adherence to ethical standards reinforces our pursuit of Operational Excellence.

We encourage all Shyft employees, suppliers, and stakeholders to "Speak Up" about potential legal or ethical issues. Concerns may be raised through various channels, including managers, human resources, Shyft's legal department, or our [Ethics Hotline](#). Reports to the Ethics Hotline can be anonymous, and all matters reported are escalated to the Governance and Sustainability or Audit Committee for resolution. This robust system ensures that all issues are promptly and thoroughly investigated, fostering an environment of continuous improvement and integrity.

Total Alleged Incident Reports Received, Investigated and Resolved



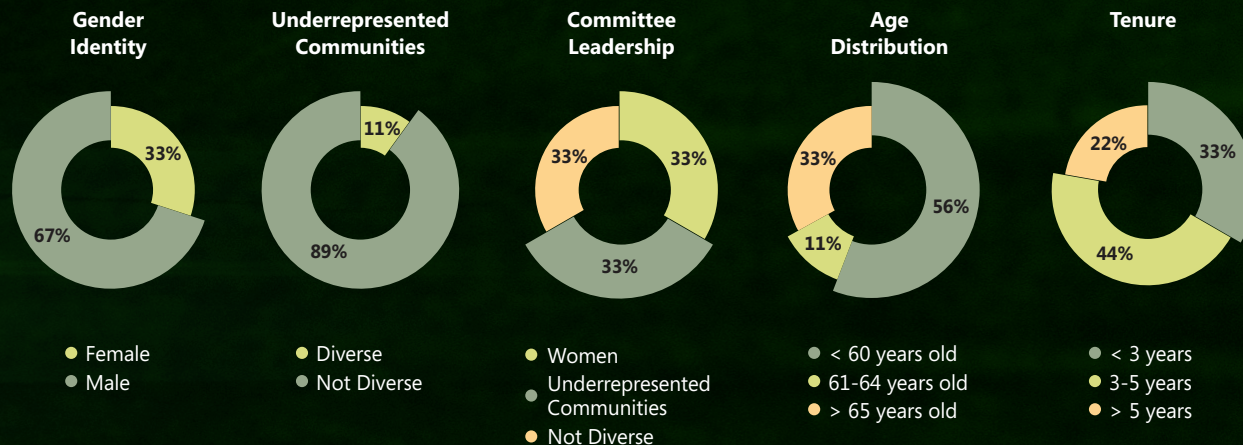
2023 Alleged Incident Categories



Our Board of Directors

The Shyft Board of Directors is composed of a majority of independent directors, as defined by Nasdaq listing standards and our Corporate Governance Principles. The diversity of our Board members—44% of whom identify as female or from an underrepresented community—reflects our critical focus on diverse inputs in decision-making and building inclusive, High-Performing Teams. Our average Board tenure of 3.5 years reflects the Board’s commitment to refreshment as a vehicle to help drive Operational Excellence.

Composition and Diversity of Directors*



* as of May 15, 2024

Sell-Side Conference Participation

- Attended 6 sell side conferences across various markets in 2023 including Anaheim, Chicago, Las Vegas, Minneapolis, Orlando, and Nashville.
- Met with 60+ investment firms and hosted 1x1s, fireside chats, and small investor breakout sessions with sell-side analysts to explain the Shyft Group story and drive increased investor interest.



Facility Tours Hosted Banking Partners and Investors at:

- Utilimaster Walk in Van and Truck Body Production Facility in Bristol, IN, and Shyft Innovations Center in Plymouth, MI.
- In-depth discussions held with management, investor relations, and business sales leaders to explain our products’ value-add to customers.

Industry Tradeshows

- Engaged with investors and analyst community at industry trade shows including: NTEA Work Truck Week (Indianapolis, IN) and Advanced Clean Transportation Expo (Anaheim, CA).

We proactively engage with shareholders throughout the year to better understand their priorities and perspectives on significant issues, including Company performance and strategy, executive compensation, corporate governance, and environmental and social matters. Senior management leads this shareholder engagement, considering feedback and insights from shareholders and other stakeholders as we review our practices and disclosures. This approach strengthens our governance practices and supports Financial Growth by aligning our strategies with stakeholder expectations.

For more information on our Board of Directors and our governance and compliance policies, please visit the website: <https://theshyftgroup.com/corporate-responsibility/policies-resources/> and our [2023 Proxy Statement](#).



Risk Management

Shyft understands that effective risk management is vital for long-term success. The Board oversees risk assessments and reviews mitigation strategies in areas like finance, cybersecurity, and compliance during regular meetings. Specialized committees assist the Board by focusing on specific risks, ensuring a comprehensive approach to Operational Excellence.

Board meetings include updates on committee activities and risk oversight. Risk management is integrated into our annual strategic planning process. Management plays a crucial role in implementing risk mitigation strategies and supports the Board's oversight role. We use an enterprise risk management approach to prioritize and assess key risks, assigning executive ownership for accountability. This approach ensures that risk management is deeply integrated into our business strategy, supporting Financial Growth and Operational Excellence. Companion to our risk mitigation strategy is an insurance program tailored to the Company's risk profile.

Our comprehensive risk program covers all Shyft locations and involves evaluations to identify critical risks. These risks and their management plans are communicated to the Board and committees. In 2023, our annual risk assessment identified priority risk categories and their potential impact.

We recognize that environmental factors can act as multipliers to existing risks and opportunities. Preparing for physical risks, such as more frequent and severe storms, fire, and flooding, is an integral part of our corporate risk management process. The Shyft Group's extensive manufacturing network, which reaches over 80% of the nation's population within a 300-mile radius of our facilities, mitigates these risks and enhances our ability to meet customer demands with greater efficiency, lower distribution costs, and improved customer service, reinforcing our Customer-Centric Approach.

The oversight of our cybersecurity risk management process is integrated into our overall risk management strategy. Our enterprise risk management process involves a broad cross-functional group across many areas of expertise, structurally independent of our business lines. This group identifies and assesses risks, including cybersecurity threats, and implements risk-mitigation actions. Continuing oversight of our cybersecurity risk is addressed by a group of stakeholders, including IT and cybersecurity leadership, with input provided regularly to our senior leadership team. This structured approach ensures our ability to maintain Operational Excellence in the face of evolving threats.

Data Security

The primary goal of our data security program is to maintain cybersecurity defenses that are best-in-class within our industry. We use examination guidelines, frameworks, and privacy laws to guide us in consistently meeting legal and regulatory requirements. We are committed to safeguarding data, raising security awareness related to cybersecurity risks, adhering to applicable state and federal privacy regulations, and applying sound data management practices.

This commitment to data security starts at the top with oversight by the Board and the Audit Committee, which formally assumed responsibility for cybersecurity oversight in 2022. Both the Board and Audit Committee receive at least quarterly reports from our Chief Information Officer, supported by our Data Security Manager. These reports focus on information security, data quality, data privacy, and industry and regulatory updates. Management's actions to comply with evolving privacy and data management regulations and the ever-changing threat landscape are key to maintaining Operational Excellence.

Our IT team operates 24/7 and deploys a combination of industry-leading tools and in-house innovative technologies to help protect our stakeholders against cybercriminals and fraudsters. Shyft employees are responsible for complying with our cybersecurity standards and complete mandatory training throughout the year to understand the behaviors and technical requirements necessary to keep information secure. This ongoing education supports High-Performing Teams by ensuring our workforce is knowledgeable and vigilant in safeguarding our information systems.

We also rely on third-party service providers to execute certain business processes, maintain information systems and infrastructure, and evaluate our defenses. We periodically conduct external information security assessments to stay informed of emerging information security risks. Additionally, we maintain a supplier validation process that involves approval by our cybersecurity group for significant suppliers that will have access to our databases or technology.

Our penetration testing continues to evolve to address potential new threats and has bolstered our ability to protect against vulnerabilities. Our data security and privacy practices are designed to support privacy rights and are based on industry standards. Everyone at Shyft who works with personal information has a responsibility to understand and honor our privacy obligations. These obligations align with our commitment to Operational Excellence and High-Performing Teams.

In 2023, as in previous years, we did not experience a material compromise to any of our data systems and did not incur any expenses resulting from information security breaches, related penalties, or settlements. Shyft is committed to disclosing any such data breach in compliance with relevant laws and regulations, ensuring transparency and maintaining stakeholder trust.

“AT THE SHYFT GROUP, WE’VE BUILT A DYNAMIC CULTURE OF CYBERSECURITY THAT WE’RE INCREDIBLY PROUD OF.

Through our comprehensive cybersecurity awareness training for all employees, we’ve seen remarkable improvements across every department. Our team is proactive and vigilant, quickly spotting any suspicious activity and notifying our IT staff immediately. Our employees are our first line of defense, and their unwavering commitment to keeping our Company secure is outstanding.”

Jason Brown, CISSP, CDPSE
Security Manager

**2024
SECURITY
SCORECARD
RATING**

A*

Security Scorecard is a global leader in independent cybersecurity ratings.

**YTD June 30 (2024)*

30 SASB Table




34 TCFD Table

38 EEO-1 Data



This annex expands transparency through key quantitative data compiled in accordance with the SASB and TCFD frameworks, 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 member companies best classify into the Sustainability Accounting Standards Board classifications for Industrial Machinery & Goods and Auto Parts. Our reporting reflects that classification. All data included in the following SASB and TCFD tables reflects calendar year 2023.

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) 211,464 GJ (2) 25% (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) 3.79 (2) 0 (3) 5.96 The Shyft Group is committed to implementing a robust employee health and safety (EHS) program and this has continued to be a key area of focus in 2023. We maintain Corporate EHS policies and track our performance via our EHS Incident Management System. This year we added EHS leadership personnel to our Corporate and manufacturing teams, and we added further EHS professionals to our existing EHS team. In addition, we formulated and implemented site-specific Safety Steering Teams. Importantly, to further support our commitment to strong EHS management and performance, we formed an EHS Strategy team that consists of both Operations leadership and EHS. Together, these actions have resulted in improved KPI tracking and a reduction of approximately 40% in TRIR during 2023.
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.



Industrial Machinery & Goods, cont.

SASB TOPIC	SASB CODE	SASB METRIC	NARRATIVE RESPONSE & COMMENTS
Materials Sourcing 	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	<p>The Shyft Group has a written policy on Conflict Materials to manage risk associated with the use of critical materials. As stated in our Conflict Minerals Policy, we are committed to working closely with our supply chain to ensure we fully comply with the requirements set forth in Section 1502 of the Dodd-Frank Act. We have implemented the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and are utilizing the conflict minerals reporting template (CMRT) owned by the Responsible Minerals Initiative (RMI), for exercising due diligence within their supply chain.</p> <p>We do not knowingly source any product containing Conflict Minerals and we continue to work on our due diligence process in order to verify that the components we source do not contain Conflict Minerals. We request that our suppliers commit to responsible sourcing of 3TG used in the production of components supplied to us. We expect our suppliers to have in place policies and due diligence measures that will enable them to reasonably assure that products and components supplied to us containing 3TG are DRC conflict free. Our suppliers will be requested to perform due diligence to determine the source of any 3TG that are contained in the components that they supply to us. Our supplier's due diligence must include, where applicable, completion of the RMI Conflict Minerals reporting CMRT.</p>
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	Given the nature of our business and Shyft's products, this disclosure is not available.
	RT-IG-000.B	Number of employees	As of December 31, 2023, we employed approximately 3,000 employees and contractors. Approximately 11% of our total workforce consists of contractors, including all personnel at our Saltillo, Mexico, operation.

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	See RT-IG-130a.1 above.
Waste Management 	TR-AP-150a.1	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	(1) 10,649.49 t (2) 0.72% (3) 76.45%
Product Safety 	TR-AP-250a.1	Number of recalls issued, total units recalled	In 2023, Shyft had 2 voluntary recalls, affecting 2,896 units. All 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 2023, the Shyft group generated \$199 million in revenue from products designed to increase fuel efficiency and/or reduce emissions. These include our Velocity, Duramag, and Utilimaster aluminum truck bodies, which are lighter and more fuel efficient than steel truck bodies, 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.

Auto Parts, cont.

SASB TOPIC	SASB CODE	SASB METRIC	NARRATIVE RESPONSE & COMMENTS
Materials Efficiency 	TR-AP-440b.1	Percentage of products sold that are recyclable	In 2023, 74% of the Shyft Group's products sold were recyclable.
	TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	In 2023, 59% of the Shyft Group's products included input materials from recycled or remanufactured content.
Competitive Behavior 	TR-AP-520a.1	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 2023.
Activity Metric	TR-AP-000.A	Number of parts produced	See RT-IG-000.A above.
	TR-AP-000.B	Weight of parts produced	Given the nature of our business and Shyft's products, this disclosure is not available.
	TR-AP-000.C	Area of manufacturing plants	2,305,550 m ²

TCFD TABLE

TCFD ELEMENT	DISCLOSURE	NARRATIVE RESPONSE AND COMMENTS
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	The Board of Directors has delegated responsibility for overseeing climate-related issues to the Governance and Sustainability Committee. The Governance and Sustainability Committee has oversight over the development and progress of Shyft's sustainability program, along with the publication of its annual Sustainability Report. The Committee monitors ESG-related initiatives and data, and reports on sustainability matters to the full Board on a quarterly basis. Climate-related issues are integrated into the Board's review and recommendations on broader strategic business matters, particularly in relation to evolving market demands and greener product considerations. This has resulted in a significant corporate commitment to positioning the Company to meet the expectations and product needs of a greener future.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Shyft's management team plays a crucial role in assessing and managing climate-related risks and opportunities. The company's Chief Legal, Administrative and Compliance Officer has oversight of and is responsible for Shyft's sustainability program, monitoring evolving climate-related risks and opportunities, and reporting to the Governance and Sustainability Committee on a quarterly basis. Together with the CEO, the Chief Legal, Administrative and Compliance Officer and Corporate Director of EHSS are responsible for operationalizing sustainability initiatives that address climate-related issues throughout the Company. They oversee the communication of corporate expectations and mandates related to climate-related issues across the enterprise and ensure that there is meaningful understanding among employees. The management team also engages the company's operations and finance teams in activities that support Shyft's sustainability program and efforts. The Corporate Director of EHSS tracks and oversees environmental data collection and analysis, regularly receiving reports on continuous improvement projects from plant management through operational reviews on a monthly basis. The management team is also responsible for producing Shyft's Sustainability Reporting on an annual basis.

TCFD ELEMENT	DISCLOSURE	NARRATIVE RESPONSE AND COMMENTS
<p>Strategy</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>The Shyft Group considers climate-related transition risks and opportunities in the short (0–2 years) and medium (2–5 years) terms. We have identified the following transition risks: We anticipate enhanced emissions-reporting obligations and mandates on our existing manufacturing activities and products. We see the potential for impactful technological shifts, where the development of lower emission and more energy efficient manufacturing processes could replace our current offerings and processes, respectively, and where the need to adopt more efficient processes and lower emissions technology may require meaningful investment. We monitor changing customer behavior, which can impact the demand for our products, and the associated potential reputational risks that may arise from shifts in consumer preferences. We have identified the following climate-related opportunities: There is the potential for differentiation and growth through the development and expansion of high-quality, low emission manufacturing processes and goods.</p> <p>The Shyft Group considers climate-related physical risks in the short (0–20 years), medium (20–40), and long (40–75) term. Shyft conducted a site level analysis of our exposure to acute (extreme heat, dry days, flooding, hurricanes) and chronic (sea level rise, mean temperature, temperature variability, mean precipitation) climate-related physical risks under RCP 8.5, a high emissions scenario. Shyft also explored how the projected physical risks would impact areas that already face high baseline levels of certain risks, such as water and heat stress in the Southwest, and how these areas may need special adaptation measures to prepare for extreme conditions.</p> <p>Analysis of the physical climate-related risks faced by the 24 Shyft sites included in this assessment reveals that risks vary by site and by region, with the most severe risks concentrated in the Southwest, Southeast, and Pacific.</p> <p>In the Southwest, Southeast, and Pacific, long-term increases in mean temperature and related risks such as extreme heat, dry days, drought, and wildfire, could significantly impact Shyft's operations. Shyft will likely incur adaptation costs, such as upgrades to infrastructure to increase cooling capacity, at these sites. Increases in temperature variability will also require Shyft to prepare for a broader range of climate and weather conditions.</p> <p>In the Midwest, which is home to several Shyft facilities and our headquarters, long term wildfire risks are expected to double. Maximum precipitation levels over a five-day period, which is an indicator of flood risk, are also projected to increase by nearly 50% by the end of the century. This could cause productivity losses and supply chain disruptions due to flooding.</p> <p>In the Northeast, Shyft will face increased threats from flooding from increases in mean precipitation and max 5-day precipitation towards the end of the century. We will evaluate our facilities vulnerability to flooding and implement upgrades where necessary.</p> <p>Climate-related opportunities: Compared to other regions, the Midwest and Northeast have lower levels of physical risk. Shyft has an opportunity to expand its existing significant presence in the Midwest and Northeast to insulate our operations from worsening climate conditions. Across the regions, our sites are primarily located inland, lowering our exposure to risks that affect coastal areas, such as hurricanes and sea level rise.</p>

TCFD ELEMENT	DISCLOSURE	NARRATIVE RESPONSE AND COMMENTS
Strategy, cont.	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>The climate-related transition risks and opportunities that have been identified have informed our business strategy and financial planning. We have established our corporate sustainability program and are committed to annual sustainability reporting, to ensure preparedness for evolving reporting obligations. We are committed to developing high-quality, low emission products to meet changing consumer needs and preferences. This includes our Blue Arc EV product line, launching in 2022, that has been built to provide the commercial industry with commercial-grade EV solutions. The costs required to develop and operationalize our sustainability program have been integrated into our financial planning activities, as has our investment into research and development for the creation of our Blue Arc EV product line. This new product line will have an impact on our future revenues.</p> <p>The physical climate-related risks and opportunities identified above influence Shyft's short- and long-term business and financial planning. Sites that are projected to have high-risk levels for any physical risk will be prioritized for implementation of mitigation and resilience initiatives, specific to the risk and the site's operations. Coordination between on-site personnel and the corporate strategy team will be crucial to managing these risks.</p>
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	To better understand our transition risks, Shyft plans to conduct a transition risk assessment using a climate-related scenario aligned with limiting warming well below 2°C.
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	Together with a third party, Shyft has designed, implemented, and operationalized its Enterprise Risk Management (ERM) program. Risks, including climate related risks, are reviewed and identified on an annual basis following expansive discussion with appropriate management across the Company. These risks are assessed based on severity and likelihood, and prioritized accordingly.
	b) Describe the organization's processes for managing climate-related risks.	The Audit Committee of the Board is responsible for overseeing the management and mitigation of priority enterprise risks. Shyft's CFO reports to the Board on the Company's annual ERM process and provides updates to the Board quarterly. Company leadership determines individuals within Shyft's management team who are equipped to take responsibility for addressing and managing these risks.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate-related risks are identified, assessed, and managed as part of Shyft's company-wide ERM process. Enterprise risks are assessed on an annual basis.

TCFD ELEMENT	DISCLOSURE	NARRATIVE RESPONSE AND COMMENTS
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Shyft uses several metrics to assess climate-related risks and opportunities. We monitor our electricity, gas, and water usage on a monthly basis, and track our waste generation (hazardous and non-hazardous) and disposal (recycling and landfill). In addition, we calculate our Scope 1 and 2 greenhouse gas (GHG) emissions, and the amount of volatile organic compounds (VOCs) emitted from our paint-coating operations. These metrics inform the continued development and implementation of our corporate sustainability program and our annual sustainability reporting.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Scope 1: 8,275 MT CO₂e Scope 2: 6,291 MT CO₂</p> <p>Shyft is tracking and calculating our annual Scope 1 and Scope 2 GHG emissions using the EPA's Center for Corporate Climate Leadership GHG Inventory Guidance and GHG Emissions Calculator. Throughout the past year, Scope 2 emissions declined by 15% (-1,091 MT CO₂e) from 2022. The reduction stems mainly from an increased emphasis on renewable electricity and mitigating unneeded cooling and heating.</p>
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Shyft is in the process of measuring and assessing our energy and water use, our waste generation, and our Scope 1 and 2 GHG emissions. This measurement and assessment of our current activities and performance will inform our development of meaningful and achievable targets that will be used to manage our climate-related risks and opportunities.

2023 EMPLOYER INFORMATION REPORT U.S. EEO-1 CONSOLIDATED REPORT

The Shyft Group, Inc.,
41280 Bridge St
Novi, MI 48375

JOB CATEGORIES	Hispanic/Latino		Not Hispanic/Latino												TOTALS	
			MALE						FEMALE							
			White	Black/ African American	Asian	Native Hawaiian/ Pacific Islander	American Indian/ Alaskan Native	Two + Races	White	Black/ African American	Asian	Native Hawaiian/ Pacific Islander	American Indian/ Alaskan Native	Two + Races		
Executive/Sr. Officials/ Managers	0	0	17	0	1	0	0	0	0	0	0	0	0	0	0	18
First/Mid-Level Officials/ Managers	19	6	153	2	11	0	0	5	40	2	1	0	0	2	241	
Professionals	8	4	165	5	14	0	0	2	50	3	5	0	0	0	256	
Technicians	5	8	44	2	2	0	0	1	23	4	1	0	1	1	92	
Sales Workers	1	3	23	0	0	0	0	0	7	1	0	0	0	0	35	
Administrative Support Workers	1	9	28	2	0	0	0	1	63	3	0	1	1	3	112	
Craft Workers	17	5	107	27	4	0	1	5	36	7	0	0	0	0	209	
Operatives	289	112	785	156	24	5	7	25	284	50	6	2	2	13	1,760	
Laborers & Helpers	10	0	6	0	0	1	0	1	2	0	0	0	0	0	20	
Service Workers	1	1	1	2	0	0	0	0	4	2	0	0	0	0	11	
TOTAL	351	148	1,329	196	56	6	8	40	509	72	13	3	4	19	2,754	



SHYFT
GROUP