



SHYFT GROUP

**Charging Towards
A Sustainable Future**

2023 Sustainability Report

VISION

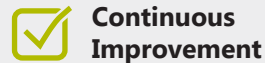
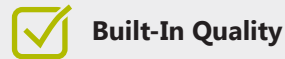
Purpose-built technology
for the road ahead

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.



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.

2022 Performance Highlights

Made significant progress on **cybersecurity initiatives**, including implementation of multi-factor authentication and launch of a mobile device management policy

Continued **investment in manufacturing automation** across the company – robotic paint and weld cells now active in Bristol walk-in-van facility

Enhanced **employee engagement** through virtual townhalls, employee surveys, and regular communication

Executed a well-received EV-focused Analyst Day in October, announcing **2025 EV revenue target of \$550M**, a significant increase vs prior communication given the strength of our offering

Launched Blue Arc™ EV Solutions **from the ground up** with one goal in mind: delivering the purpose-built, truly sustainable EV solutions that the commercial industry needs to charge ahead.

Completed **more than 50 IT implementations** including TeamCenter for Blue Arc (CAD data management, Engineering change management, and Capital asset management) and Cornerstone (Training, Policy Adherence)

Provided **numerous charitable donations** in our communities across Shyft, including \$25K to The Heat and Warmth Fund (THAW) in Detroit

Increased **R&D investment to \$27M** for Blue Arc EV Solutions, delivering key program milestones and positioning vehicle for production in late 2023

3rd most profitable year in Shyft Group history

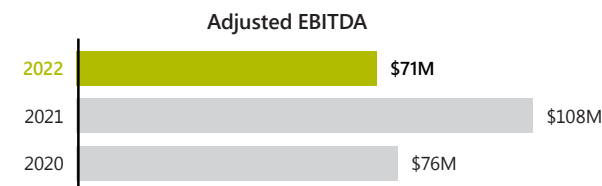
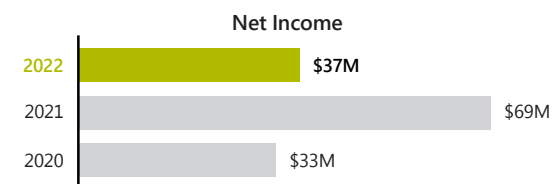
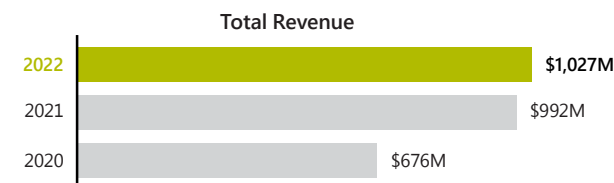
Achieved significant **Blue Arc EV Solutions milestones**, including two thousand units on pre-order and completion of testing, including CARB, which delivered results favorable to our initial performance specifications.

< 1x Net Leverage, which helps **accelerate our growth strategy**

Achieved record sales and exceeded

\$1B

in revenue for the first time with strong service body revenue growth



2022 Sustainability Highlights



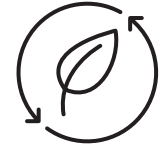
73%

of waste recycled



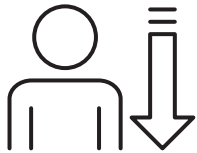
> \$350M

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



59%

of products include input materials from recycled or remanufactured content



28%

Reduction in the Total Recordable Incident Rate comparing YTD 2021 to YTD 2022



\$100K

Shyft for Good launched combining corporate gifts, a matching program for employee giving, and encouragement of volunteerism



40%

of the Board of Directors is comprised of women and underrepresented communities

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About Us

The Shyft Group, North America’s leader in specialty vehicles, is driven to deliver. Our innovative organization is comprised of nine 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™ consultative approach sets us apart, optimizing driver comfort and productivity. With coast-to-coast production capacity and nonstop investments in quality and innovation, we serve first-to-last-mile delivery, infrastructure companies, government entities, and the utility and RV industries.

At Shyft, we champion an environmentally sustainable future and are committed to advancing

clean and green commercial transportation. This is a defining aspect of our business, and we strive for a future where our purpose-built technology and cross-brand collaboration fuel innovations that make transportation more eco-friendly and efficient on the road.

We see electric, connected, and flexible transportation as critical to achieving these objectives, which is why we developed Blue Arc, our commercial EV platform, to provide emissions-free trucks that meet customer needs and reduce the carbon footprint of the transportation industry. Our customer-centric operations are built from long-standing commitments to quality, execution, innovation, and operational excellence and are backed by our values of Honesty & Integrity, Accountability, Trust, and Performance Excellence. Discover more at <https://theshyftgroup.com>.



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.



Introduction

At Shyft, our commitment to Environmental, Social, and Governance (ESG) principles is not merely a business imperative but a collective responsibility. As a leading provider of purpose-built technology, we are advancing sustainability through three key ESG dimensions: environmental stewardship, social responsibility, and governance excellence. These pillars are integral to our long-term sustainable growth strategy and value creation for our stakeholders.

In 2022 and 2023, we have enhanced our ESG strategy to align with the dynamic transformation of our business operations. Our executive management team has prioritized the incorporation of environmental and social objectives into our operational framework. This has resulted in the initiation of targeted initiatives that advance sustainability; promote diversity, equity, and inclusion; and enhance corporate transparency.

Our Sustainability Working Group—comprised of cross-functional executives from departments such as Environmental Health and Safety, Legal and Compliance, Operations, Human Resources, Finance, Investor Relations, and Communications and Marketing—is responsible for shaping Shyft’s ESG strategic direction and monitoring progress on ESG initiatives. Oversight and guidance are provided by the Governance and Sustainability Committee of our Board of Directors.

To ensure transparent and accountable reporting, we have adopted robust data collection methodologies in compliance with the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). This year marks a significant milestone as we disclose, for the first time, our Scope 1 and Scope 2 greenhouse gas (GHG) emissions, calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This will serve as a baseline for future emissions assessments

and potential reduction strategies.

Our disclosures within the SASB and TCFD frameworks are aligned with industry best practices and reflect our organizational values. While we recognize that there is ongoing work to be accomplished, we are confident that our advancements in these critical ESG areas will yield long-term benefits for all Shyft stakeholders, including investors, employees, customers, and communities.

Our 2023 Sustainability Report, following the precedent set by our inaugural 2022 report, adopts a materiality-based approach. The report encompasses data up to fiscal year 2022 and is informed by comprehensive SASB and TCFD materiality assessments conducted in both 2022 and 2023. These assessments involved engagement with key stakeholders and a review of pertinent ESG topics for inclusion in our sustainability disclosures, thereby informing our goal-setting and strategic planning.

THE TENETS OF OUR ESG



Protecting the Environment



Greenhouse Gas Management



Supply Chain Management



Diversity, Equity & Inclusion



Human Capital Management



Health & Safety



Philanthropy



Governance & Ethics



Risk Management



Data Security

Leadership Letter

Dear Stakeholders,

We are honored to present the Shyft Group's 2023 Sustainability Report, a testament to our ongoing commitment to Environmental, Social, and Governance (ESG) principles. This report embodies our shared purpose, innovation, and dedication to making a positive impact.

In the transformative years of 2022 and 2023, we embarked on a journey to align our ESG strategy with our broader vision, focusing on sustainability, diversity, equity, inclusion, and transparency. Our Blue Arc EV program is more than a symbol—it's a bold step into the future, positioning us to meet tomorrow's demands with integrity, quality, and a pioneering spirit.

Our success, marked by the historic milestone of surpassing \$1B in sales, is a vivid illustration of our strategic focus on Environmental Stewardship, Social Responsibility, and a Culture of Governance. As we charge forward, our people remain the cornerstone of our success, and our intertwined sustainability and business strategies guide our path.

This report, again, formalizes our commitment to regularly communicate our ESG actions and performance. Building on the strong governance foundation detailed on our website and in our regulatory filings, we incorporated and utilized the SASB and TCFD frameworks as part of this disclosure to further enhance transparency. The report also highlights the key initiatives we have underway and provides baseline data for important ESG measures such as greenhouse gas emissions.

With industry-standard frameworks, we've embraced transparency and accountability, aligning with best practices that reflect our core values. Our commitment to leading the commercial fleets' evolution toward zero-emissions, our investment in electrification, and our unwavering dedication to a better world resonate with our mission and our belief in the power of collaboration.

Our Board of Directors, cross-functional executive team leading our sustainability initiatives, and every member of the Shyft family are driving progress with a shared vision and relentless determination. We are not just proud of our achievements; we are inspired by what they represent—a promise of a brighter, more sustainable future.

We invite you to join us in our excitement for Shyft's future, a future filled with possibilities, innovation, and a commitment to excellence.

With gratitude,



James Sharman

Chairman of the Board of Directors



Daryl Adams

President and Chief Executive Officer



"We are not just proud of our achievements; we are inspired by what they represent—a promise of a brighter, more sustainable future."

Stakeholder Approach to ESG

In 2022 and 2023, we formalized our ESG strategy to reflect our decades of business practices that have embraced the value of ESG and the initiation of our electric vehicle strategy. We embedded environmental and social priorities within our business operations to promote sustainability and increased transparency.

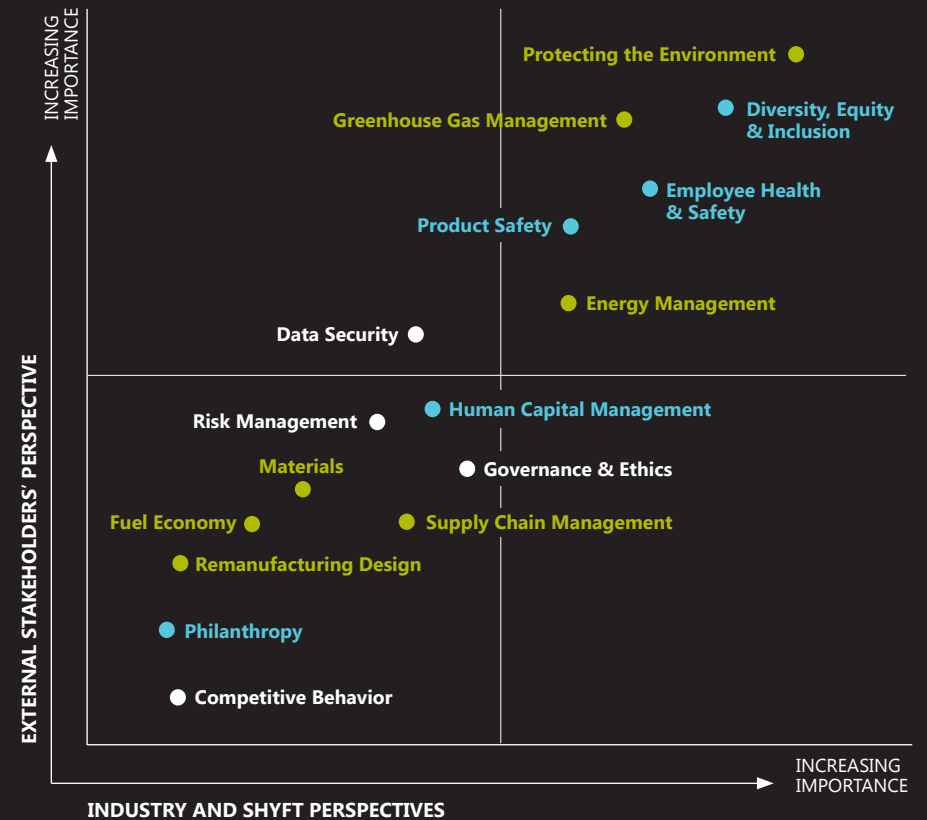
Against this backdrop, the 10 tenets of our strategy include:

- | | |
|--|---|
|  Protecting the Environment |  Health & Safety |
|  Greenhouse Gas Management |  Philanthropy |
|  Supply Chain Management |  Governance & Ethics |
|  Diversity, Equity & Inclusion |  Risk Management |
|  Human Capital Management |  Data Security |

In addition to our 10 tenets, we have six additional topics that we deem material to our industry and our stakeholders. These priority areas of focus include: Competitive Behavior, Remanufacturing and Design, Fuel Economy, Materials, Supply Chain Management, and Energy Management, for a total of 16 topics.



Overview of Material ESG Topics



- 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 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 16 highest scoring topics as most material to the business.

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.



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.



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.



Environmental Stewardship

- 11 Protecting the Environment
- 13 Greenhouse Gas Management
- 14 Supply Chain Management

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 the Shyft Group. Beyond simply complying with increased regulations and stricter environmental standards, we are committed to playing an active role in this industry 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.
- Promoting electricity, natural gas, and water efficiency measures across our supply chain.
- Complying with all applicable environmental laws governing the use, storage, discharge, and disposal of hazardous material.
- Bringing products to market in our traditional fuel powered products that enable end-users to be more fuel efficient.
- Developing proprietary 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 brake and CNC machines, test bay water recirculation technology, paint curing ovens, and new cardboard recycling compactors; implementing engineering changes to reduce

6%

decrease year-over-year in the percentage of Grid Electricity as it relates to Total Energy Consumed



73%

of Shyft's products sold in 2022 were recyclable



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.

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 reimagined from the ground up commercial grade, all-electric, purpose-built, Class 3 and Class 4 delivery walk-in-van.
- A complete, road-ready Class 5 EV work truck featuring a lightweight aluminum truck body and a game-changing crew cab design—purpose-built for construction, trades, municipalities, snow removal, landscaping, and other hard-working vocations.
- A fully portable, remote controlled charging station.

After hitting all of our critical milestones in the development timeline for Blue Arc, we are positioned to lead in this space. Recent industry accolades for Blue Arc include receipt of the Green Car Journal Product of Excellence™ Award.

Environmental Stewardship Metrics*

9,607 T

total non-hazardous waste

123 T

total hazardous waste

13,021,272 G

total water-use

* Environmental statistics reflect firm-wide metrics from 2022



59%

of Shyft's products included input materials from recycled or remanufactured content in 2022



 **Greenhouse Gas Management**

Shyft’s management team plays a crucial role in assessing and managing climate-related risks and opportunities. The company’s Chief Legal 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 company’s CEO, the Sustainability Working Group is responsible for operationalizing sustainability initiatives that address climate-related issues throughout the company.

The Sustainability Working Group also engages the company’s operations and finance teams in activities that support Shyft’s sustainability program and efforts. The Corporate Director of EHS tracks and oversees environmental data collection and analysis, regularly receiving reports on continuous improvement projects from plant management through operational

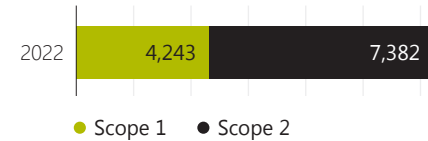
reviews on a monthly basis. The Sustainability Working Group is also responsible for producing Shyft’s sustainability reporting on an annual basis.

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 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 bring to our customers a high-performance EV option and offer a profitable growth opportunity for Shyft and its stakeholders. As well, we are committed to deploying innovation to reduce the environmental impact of our non-EV products through weight reduction and incorporating enhancements from our supply base that improve sustainability performance.

GHG Emissions (Scope 1 & 2)

11,625

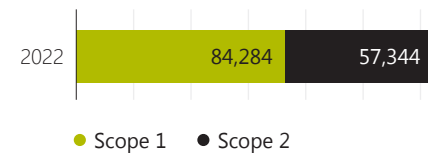
MT CO₂e* in 2022



Energy Consumption (Scope 1 & 2)

141,627

gigajoules in 2022



* metric tons of carbon dioxide equivalent



CARB & EPA
CERTIFIED

⚡

225
MILE RANGE
CITY DRIVING

⚡

45
MPGe
CITY/HIGHWAY
COMBINED

⚡

ALL ELECTRIC Blue Arc Class 3 Walk-in Van





Supply Chain Management

As we work to reduce our own emissions, we are also realizing sustainability opportunities in our supply chain. Shyft is committed to providing high-quality, durable products that meet the needs of our customers. We work closely with our suppliers to achieve these goals and focus on the following criteria in selecting suppliers:

- 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 also supports our role in Environmental Stewardship. We work to recycle and recover the value of materials that otherwise might end up in landfills.

We partner with suppliers that share our core values. Through a proactive approach to supplier onboarding, combined with ongoing assessments of potential supply chain risks, we actively manage our supply chain, and have the ability to audit our supply chain partners for compliance with our requirements, including with respect to achievement of sustainability objectives. 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 last-mile delivery and infrastructure space, which generally use fuel for combustion engines, while our electric vehicles (EV) use electricity generated by local providers.

Internally, our manufacturing plants 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.



In 2022, we promoted electricity, natural gas, and water efficiency measures across our supply chain.



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

We have a written policy on Conflict Materials to manage risk associated with the use of certain materials. As stated in our Conflict Minerals policy, we work closely with our supply chain to drive compliance with the requirements in Section 1502 of the Dodd-Frank Act.

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 expect our suppliers to have policies and due diligence measures in place to reasonably ensure products with any covered minerals are free from conflict.



The Quality Management System at Shyft 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](#).

Through ongoing training, we ensure that our employees 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 improving sustainability of our operations and reducing costs, 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.



In 2022, we worked tirelessly to ensure that the parts and components used in our products were responsibly sourced.





Social Responsibility

17	Diversity, Equity & Inclusion
19	Human Capital Management
20	Health & Safety
22	Philanthropy

Diversity, Equity & Inclusion (DEI)

At Shyft, we believe our success is built on the collaborative efforts of exceptional talent. Our ongoing focus is to leverage this diverse array of knowledge and skills, fostering an inclusive environment that is a driving force for both innovation and sustained growth.

INNOVATION THROUGH INCLUSION

Diversity and inclusion are more than concepts at Shyft; they are catalysts for creativity, efficiency, and continuous improvement in our manufacturing environment. The unique blend of skills, experiences, and perspectives each team member brings enhances our problem-solving efforts and competitiveness.

Our goal is to foster a workspace where everyone feels safe, welcomed, and valued. This leads to increased job satisfaction, reduced turnover, and an engaged, productive workforce. Embracing inclusivity is not merely a business strategy; it's a mission-critical element for achieving success and fostering growth.

RESPECT FOR HUMAN RIGHTS

Shyft's respect for human rights aligns with the UN Guiding Principles on Business and Human Rights. We are also a member of the United Nations Global Compact, committed to universal principles on human rights, labor, environment, and anti-corruption. Our actions aim to protect and promote human rights in the communities where we operate, reflecting our dedication to our most important asset—our

people. This commitment is reflected both in our [Code of Conduct](#) and our [Human Rights Policy](#).

COMMITMENT TO DEI

DEI is vital to Shyft. 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.

Throughout the year, we actively celebrate diversity and inclusion by recognizing a variety of cultural observances. Our initiatives aim to 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.

As a certified MVA Veteran-Friendly Employer, our dedication to underrepresented communities is not just symbolic but is embedded in our company 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 that 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 various other services designed to foster an inclusive environment.



SUSTAINABLE DEVELOPMENT GOALS



Our DEI activities are guided by our DEI Leadership Council. With 40% of our Board comprised of women and underrepresented communities, we emphasize the importance of diversity to all stakeholders. Our strategies to implement our DEI commitment include:

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

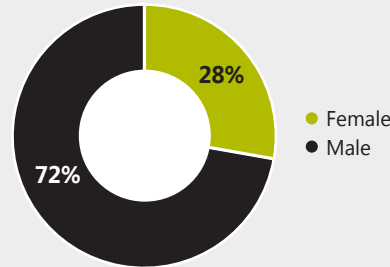
We actively monitor diversity metrics and employ targeted recruitment tactics, training programs, and diverse candidate pools to ensure our team embodies Shyft’s core values. These efforts are integral to executing growth strategies that sustain long-term success.

By strategically prioritizing inclusion, we not only align with universal principles but also contribute positively to human rights within the communities we serve. Our unwavering commitment to DEI aims to make Shyft a preferred workplace. We strive to attract, retain, and develop top-tier talent, thereby fulfilling our vision and delivering meaningful results to our stakeholders.

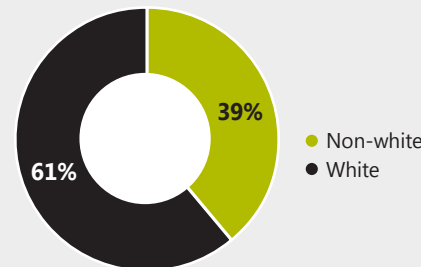
Shyft reports EEO-1 data about U.S. team members to the federal government as required by law, and we disclose it here. Our supplementary EEO-1 data table on page 34 shares the breakdown of racial and gender data across all levels of our organization to internally measure and raise awareness of the importance of diversity within Shyft.

2022 Workforce Demographics

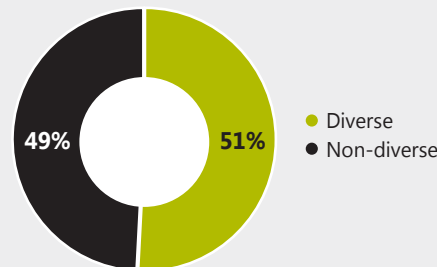
GENDER DIVERSITY*



ETHNIC DIVERSITY*

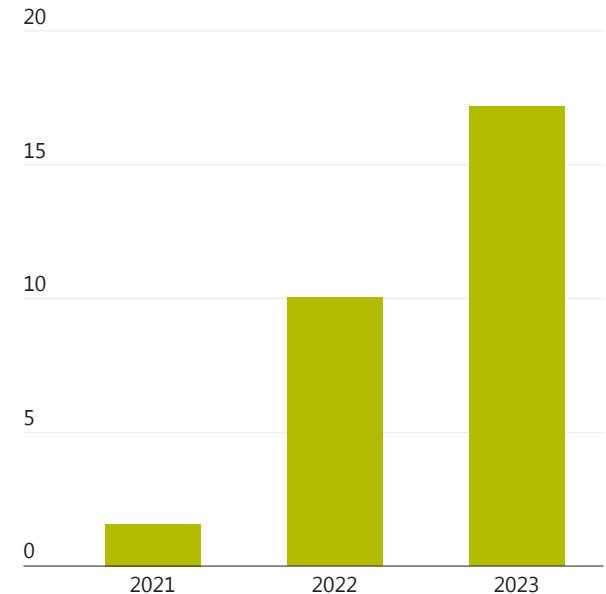


TOTAL WORKFORCE DIVERSITY*



* Underrepresented communities/employees include Black/ African American, Hispanic/Latinx, American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander, or two or more races, as well as women. These figures are based on our EEO-1 data chart found on page 34.

Inclusive Celebration Events



2022 Workforce Age Diversity

	Hourly	Salary	Total	% of Total
Under 26	583	15	598	18%
26–35	776	108	884	27%
36–55	1,004	305	1,309	40%
Above 56	395	111	506	15%
TOTAL			3,297	



Human Capital Management

We strive 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 team members.

In our locations, we compete with many local companies for talent. We have implemented talent strategies and market competitive wages and benefits to support talent acquisition and retention. 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

Our executive compensation program is designed to align incentives with achievement of our strategic plan and both short- and long-term operating objectives. We use market data to ensure our compensation practices

remain fair and competitive. Benefit trends are reviewed regularly, and plans are adjusted accordingly to remain competitive. The Human Resources and Compensation Committee of our Board is firmly committed to aligning executive compensation with shareholder interests, encouraging executives to drive sustainable shareholder value creation, mitigating risk, and attracting and retaining top talent.

At Shyft, our commitment to growth and transparency is unwavering. This is evident in our “Ask Me Anything” sessions, where our executive and senior leadership engage directly with the workforce. These sessions, complemented by our quarterly team-wide meetings, serve as vibrant forums for open conversations and insightful Q&A. After each gathering, we don’t just gather feedback—we act on it. From refining content to optimizing speaker engagements, we improve based on real insights, ensuring every subsequent event resonates even more with our team.

The power of feedback extends to our Employee Engagement surveys, which help us better understand our strengths and areas of growth. In 2022, survey results were largely positive, revealing marked improvements from 2021. Overall, scores for 31 questions rose, with the sense of purpose in work increasing by +31 points and a +28 point rise in employee appreciation for leadership’s dedication to DEI. Moving forward, we remain steadfast in our commitment of listening, learning, and evolving in tandem with our team’s aspirations and feedback.

10%

of total workforce are contractors
(down 55% from 2020)



 **Health & Safety**

Health & Safety is a Shyft core principle and foundational to everything we do. Our group-wide dedication to a safe workplace for all helps us attract, retain, and protect the best people. We strive to achieve a zero-injury workplace and build a culture where safety comes first.

Each of our locations performs regular safety reviews to ensure that proper safety policies are in place and appropriate safety training is provided. All employees and contractors are required to acknowledge and adhere to our Health & Safety policies that express 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 EHS 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.

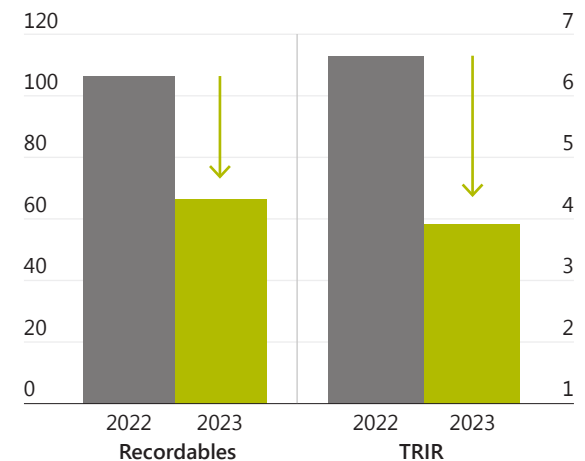
Our safety program was specifically designed to reduce accidents and illnesses, including reportable accidents and illnesses, lost work time, and costs associated with accidents and illnesses. In 2022, we set our safety goal to reduce our incident rate by 10% to continue toward our ultimate goal of zero injuries at our facilities. After evaluating our metrics, we out-performed our initial goal. In 2022, Shyft’s Total Recordable Incident Rate (TRIR) decreased 28% and 13 out of 21 sites did not experience a Lost Time Incident in 2022.

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. Our Shyft-wide safety policies are accessible to employees and cover a wide range of safety issues, including:

We strive to maintain a safe, healthy, and secure working environment where our ongoing commitment to continuous improvement advances our sustainability and safety initiatives.

Colin Hindman
Chief Human Resources Officer

EHS Year-Over-Year Comparison
YTD June 30



- 5S – sort, set in order, shine, standardize, sustain
- Daily operations / safety walk
- Safety Steering Teams (SST) with monthly meetings. Operations leadership is involved with this process
- EHS Incident Alert process
- EHS Incident Review process / All Hands EHS Incident Review Process
- Safety Theme Months (for example, June 2023 was hand safety month)
- Hazard assessment activities

- Monthly operations KPI (including EHS) 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 the federal regulations. Rigorous testing and the use of approved materials and equipment are among the requirements for achieving federal certification.

13 of 21

sites did not experience a Lost Time incident in 2022



28%

decrease in Shyft's 2022 TRIR

 **Philanthropy**

We believe that investing in communities where we do business nationally and locally to create social and economic outcomes is at the heart of generating social impact. We recently announced Shyft For Good, our commitment to aligning our corporate actions with our core values. This initiative combines significant corporate gifts with a matching program for employee charitable donations and a strong encouragement for volunteerism.

Every quarter, Shyft contributes \$25,000 to a selected non-profit recipient, rotating the focus across vital areas such as health, education, the environment, and communities in need. To further align our corporate giving with our stakeholders' interests and values, 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. We support and empower our employees' volunteer efforts in their communities, fostering connection and inspiration.

Through strategic nonprofit partnerships, volunteer experiences that inspire, and philanthropy, our corporate responsibility is focused on contributing to the creation of a better world.

Building on decades of goodwill, Shyft For Good offers unique opportunities for collective action, enhancing existing giving and volunteering initiatives within the Shyft community. Together, we are committed to making a positive impact, reflecting our dedication to social responsibility and our belief in the power of collaboration.



\$100,000 each year
to major causes essential to well-being and the work we do



Culture of Governance

24

Governance & Ethics

25

Risk Management

25

Data Security

 **Governance & Ethics**

Shyft is committed to achieving excellence in our corporate governance practices. We emphasize a culture of accountability and conduct our business in a manner that is fair, ethical, and responsible to earn the trust of our stakeholders.

OUR ETHICS AND COMPLIANCE COMMITMENT

Our [Code of Conduct](#), together with our comprehensive [corporate governance principles](#) and structures, foster accountability and transparency across the Shyft team. The Code and these principles reflect our underlying commitment to maintain the highest standards of ethics and integrity and to operate our business in compliance with all applicable laws.

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 and focus the Shyft team on the highest principles of integrity and inclusion.

Through our [Supplier Code of Conduct](#) and Terms and Conditions, we insist that our business relationships are based on lawful, ethical, and fair practices. We do business every day with honesty and integrity and expect our partners to do the same. Our

[Supplier Code of Conduct](#) highlights the ethical business practices and regulations that we expect to see demonstrated and complied with.

DELIVERING ON OUR ETHICS AND COMPLIANCE COMMITMENT

Core to our ethics and compliance program are ongoing communications and training to support our employees’ understanding of Shyft’s expectations and policies. Employee training is web-based and in-person and addresses the regulations relevant to our business. Salaried employees are required annually to complete ethics and compliance training on rotating topics and hourly employees receive training in person, through the local human resource teams.

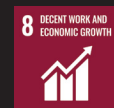
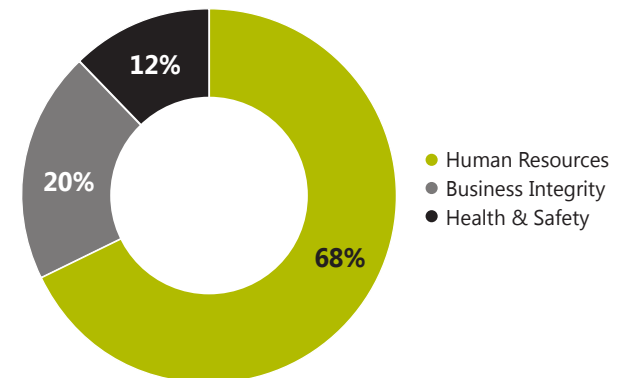
We encourage all Shyft employees, suppliers, and stakeholders to “Speak Up” about possible legal or ethical issues. Concerns may be raised through numerous channels, including managers, human resources, Shyft’s legal department, or our [Ethics Hotline](#). Any outreach to the Ethics Hotline can be anonymous and all matters reported via the confidential hotline are escalated to the Governance and Sustainability or Audit Committee, along with the resolution. All Ethics Hotline matters are promptly and thoroughly investigated with a focus on issue resolution and the opportunity for continuous improvement.

SPEAK UP!



	2020	2021	2022
Total Reports Received, Investigated, and Resolved	22	25	34
Number Requiring Remediation	2	13	12

2022 Alleged Incident Categories



OUR BOARD OF DIRECTORS

The Shyft Board of Directors is comprised of a majority of independent directors, as defined by the Nasdaq listing standards and our Corporate Governance Principles. The diversity of our Board members, 40% of whom identify as female or a member of an underrepresented community, reflects our critical focus on diverse inputs in decision making and building inclusive and diverse teams. This focus on diversity is also reflected in the range of skill sets and areas of expertise among our Board members. For more information on our Board of Directors and our governance and compliance policies, please visit the website: <https://theshyftgroup.com/about-us/policies-charters/> 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. Committees assist the Board by focusing on specialized risks.

Board meetings include updates on committee activities and risk oversight. Risk management is also part of our annual strategic planning, which the Board reviews, along with insurance policies.

Management is instrumental in implementing risk mitigation 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.

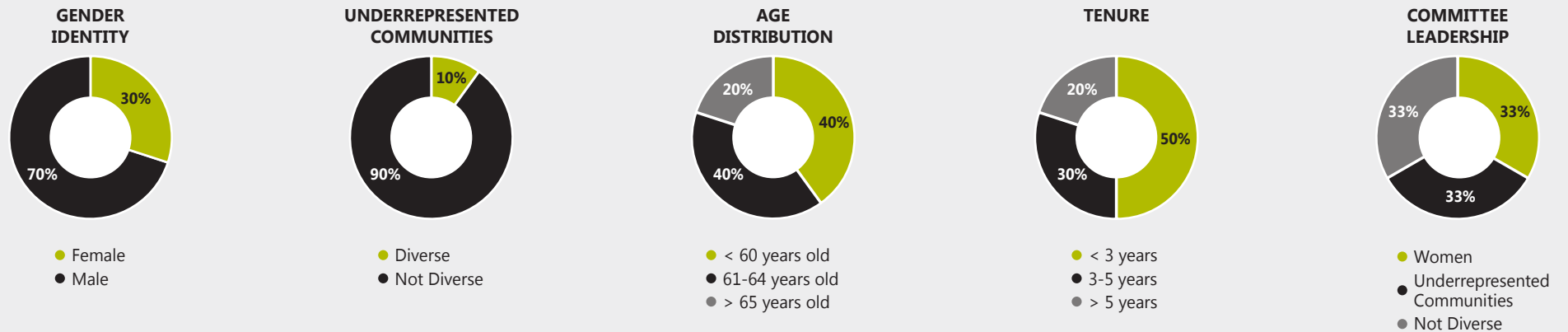
Our comprehensive risk program covers all Shyft locations and involves evaluations to identify critical risks. These risks and their management plans are communicated to the Board and committees. In 2022, our annual risk assessment identified priority risk categories and their impact.



Data Security

The primary goal of our data security program is to maintain cybersecurity defenses with capabilities 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 and raising security awareness related to cybersecurity risks, adhering to applicable

Composition and Diversity of Directors*



* as of May 18, 2022

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, with the support of our Data Security Manager, related to information security, data quality and data privacy, as well as industry and regulatory updates. These reports focus on management's actions to comply with evolving privacy and data management regulations as well as the ever-changing threat landscape. This cross-functional, multilevel approach promotes Board and leadership engagement on strategic data initiatives and associated risk management.

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. We also offer ongoing practice and education for team members to recognize and report suspicious activity. On an ongoing basis, our IT security team, together with cybersecurity service market leaders, performs annual penetration testing, vulnerability scanning, and monitoring of any potentially suspicious activity across our enterprise. Our penetration testing continues to evolve to address potential new threats and has bolstered our ability to protect against possible 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 individuals must read and comply with our internal privacy policies and our [Code of Conduct](#).

In 2022, and for each of 2020 and 2021, 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.

We have built a strong culture of cybersecurity at the Shyft Group. Shyft requires cybersecurity awareness training for all employees and we have seen positive improvements across all departments of the company. Shyft employees are vigilant when it comes to spotting suspicious activity and notifying our IT staff immediately. Our employees are our first line of defense and they do an amazing job.

Jason Brown, CISSP, CDPSE
Security Manager



2023 Security Scorecard rating: 91/100

Security Scorecard is a global leader in independent cybersecurity ratings.



Annex

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SASB Table



TCFD Table

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 2022.

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) 141,627 GJ 2) 40% 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) 6.17 2) 0 3) 7.54 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 2022. 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 28% in our TRIR, comparing YTD 2021 to YTD 2022.



Industrial Machinery & Goods (cont.)

SASB Topic	SASB Code	SASB Metric	Narrative Response & Comments
Fuel Economy & Emissions in Use-phase 	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium-and heavy-duty vehicles	The sales-weighted fleet fuel efficiency of our RV Chassis Fleet is 22 gallons per 1,000 ton-miles.
	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	The sales-weighted emissions of our RV Chassis Fleet is not currently available.
Materials Sourcing 	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	<p>Shyft 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 suppliers' 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	Shyft is not engaged in remanufacturing products and services.
Activity Metrics	RT-IG-000.A	Number of units produced by product category	<p>Total Units: 18,371</p> <p>The above information excludes product associated with Blue Arc, as the product line is launching.</p>
	RT-IG-000.B	Number of employees	As of December 31, 2022, we employed approximately 4,200 employees and contractors. Approximately 8% of our total workforce consists of contractors.

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) 141,627 GJ 2) 40% 3) 0%
Waste Management 	TR-AP-150a.1	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	1) 9,730 t 2) 1.26% 3) 73.3%
Product Safety 	TR-AP-250a.1	Number of recalls issued, total units recalled	In 2022, Shyft had 13 recalls, all voluntary, affecting a total of 11,600 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 2022, Shyft generated \$364.2 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	<p>Shyft 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 suppliers' due diligence must include, where applicable, completion of the RMI Conflict Minerals reporting CMRT.</p>

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 2022, 73% of Shyft’s products sold were recyclable.
	TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	In 2022, 59% of Shyft’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	Shyft had \$0 in losses as a result of legal proceedings associated with anticompetitive behavior regulations in 2022.
Activity Metrics	TR-AP-000.A	Number of parts produced	Total number of parts produced: 4,076,189 The above information excludes product associated with Blue Arc, as the product line is launching.
	TR-AP-000.B	Weight of parts produced	Total weight of parts produced: 124,545 t The above information excludes product associated with Blue Arc, as the product line is launching.
	TR-AP-000.C	Area of manufacturing plants	218,870 m ²

TCFD Table

TCFD Element	Disclosure	Narrative Response & Comments
<p>Governance</p>	<p>a) Describe the Board’s oversight of climate-related risks and opportunities.</p>	<p>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.</p>
	<p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>Shyft’s management team plays a crucial role in assessing and managing climate-related risks and opportunities. The company’s Chief Legal 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 company’s CEO and CHRO, Shyft’s CLO and Corporate Director of EHS 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 EHS 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.</p>
<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 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 process of goods.</p>
	<p>b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.</p>	<p>The climate 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 2023, 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 impact on our future revenues.</p>

TCFD Element	Disclosure	Narrative Response & Comments
Strategy (cont.)	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Company does not currently incorporate scenario analysis into its sustainability program; however, we actively seek to incorporate environmental topics into our priority assessment. Please see pages 10–15 of this report for more information.
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.
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.	Scope 1: 4,243 MT CO ₂ e Scope 2: 7,382 MT CO ₂ e 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.
	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.

2021 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	Native Hawaiian/ Pacific Islander	Asian	American Indian/ Alaskan Native	Two + Races	White	Black/ African American	Native Hawaiian/ Pacific Islander	Asian	American Indian/ Alaskan Native	Two + Races	
Executive/Sr. Officials/Managers	0	0	16	0	0	0	0	0	2	0	0	1	0	0	19
First/Mid-Level Officials & Managers	19	5	176	4	0	7	0	5	44	1	0	1	0	0	262
Professionals	7	5	150	5	0	9	0	4	39	3	0	3	0	2	227
Technicians	1	4	32	1	0	0	0	0	12	5	0	0	1	1	57
Sales Workers	4	3	23	0	0	0	0	0	8	0	0	0	0	0	38
Administrative Support	2	8	51	2	0	1	0	0	62	8	0	0	0	1	135
Craft Workers	13	4	163	26	0	4	1	2	31	8	0	0	0	0	252
Operatives	288	81	993	265	4	25	11	42	436	88	1	10	6	19	2,269
Laborers & Helpers	11	0	0	1	0	0	0	0	2	0	0	0	0	0	14
Service Workers	0	0	1	3	0	0	0	0	4	2	0	0	0	0	10
TOTAL	345	110	1,605	307	4	46	12	53	640	115	1	15	7	23	3,283

