

# Sustainability Report

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

Kirby Corporation  
2023



# Message from CEO David Grzebinski

Kirby has a strong and long-standing commitment to environmental, social, and governance (“ESG”) ideals, which serve as the foundation for its culture and core values. Kirby’s core values are embedded in its “No Harm” objectives: “No Harm to People, No Harm to Equipment, and No Harm to the Environment.” Treating our employees well, supporting the communities in which we operate, and respecting the environment are not just good for business, but they are the right thing to do. Despite the disruptive challenges caused by COVID-19 variants early in the year and abnormal operating conditions due to historic low water conditions on the Mississippi River, the Company continued its focus on ESG initiatives in 2022.

Part of Kirby’s strategy toward sustainability includes engagement and participation with key stakeholders including investors, trade associations, and customers. Listening to the concerns of key stakeholders has given management the opportunity to make sure we understand the needs of the communities in which we operate. In 2022, Kirby was able to participate and serve in leadership roles in impactful organizations, including the Blue-Sky Maritime Coalition, which brings together waterborne transportation companies to focus on decarbonization initiatives. This past year, Kirby also saw increased engagement with customers, which helped Kirby strategize opportunities and initiatives to help further sustainability progress with the companies we serve. Additionally, our Lead Independent Director and members of the management team took a proactive approach in meeting with investors to discuss and review their priorities into our ESG initiatives. This increased participation gave us a better understanding and new insights to help us progress our sustainability journey.

In 2022, the Company continued to advance its own environmental goals and objectives as well. With executive management and board-level oversight, Kirby developed its first short-term carbon emissions reduction goal in 2020 and met the goal early. In 2022, the Company raised the bar by aiming to achieve a 40% reduction of carbon emissions per barrel of capacity by 2040. Currently, the Company is developing many approaches to achieve this new objective. Testing out alternative fuels, finding operational efficiencies, and investing in new technologies are a few initiatives the Company is exploring to accomplish its targets. Additionally, I’m pleased to share that Kirby’s emissions dashboard has been rolled out for internal use, allowing us to better understand our emissions performance at a more granular level.



# Message from CEO David Grzebinski (continued)

Kirby will be one of the first, if not the first, inland marine transportation companies to own and operate a diesel-electric hybrid towboat in the United States moving bulk liquid crude oil or refined petroleum products. This design was created in-house through a partnership between two of the Company's wholly owned subsidiaries, Stewart & Stevenson and San Jac Marine, Kirby's own shipyard. The Company anticipates that the vessel will be ready for service in mid 2023. It will operate in the Houston Ship Channel using shoreside recharging stations at the Company's marine facilities. Kirby is proud of this project and is encouraged by the customer feedback and support. In addition, all of Kirby's marine transportation facilities in Texas are powered by renewable energy. Thus, when the hybrid electric towboat is recharging, the ultimate source will be green energy. The anticipated emissions savings could be up to 80% when compared to comparable towboats with conventional engines.

Kirby has made significant strides in our ESG goals and initiatives due to good governance and leadership. While I have touched on many environmental achievements and initiatives, it is important to stress our accomplishments elsewhere and in what lies ahead. As stated in the beginning, the Company has always stressed the importance of "No Harm to People." This value not only impacts our employees but also plays a key role in how we operate our business on a day-to-day basis. Our employees are at the heart of everything we do, and we celebrate the many successes the company has achieved with our talented and diverse workforce. We believe that training our employees is crucial to upholding this value, whether through our business ethics guidelines, diversity, or safety. I'm also happy to share that we have recently implemented human rights training for all of our employees.

In 2022, we also welcomed two new members to our Board of Directors, reflecting engagement with our stockholders and other stakeholders. Each of them brings extensive experience and leadership to both our business segments, further supporting our ESG initiatives. From our Board of Directors' guidance down to the focus and determination of our employees, our accomplishments have been a team effort as a result of continued focus at all levels of the organization. As we reflect on our sustainability journey, I'm proud of how far we have come. Moving forward in 2023, I'm excited about continuing our achievements and making further progress.



**Disclosure Note:** Kirby Corporation's Sustainability Report provides an overview of long-term company goals and efforts in support of those goals. Some material is derived from other company documents. Portions of the report contain aspirational or otherwise forward-looking statements. Actual results may differ, possibly materially, from the company's expectations or predictions expressed in the document. See the Appendix for additional important information about these forward looking statements.





# ESG HIGHLIGHTS

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



*ESG Disclosures Update:*

**TCFD**

(Taskforce on Climate-related Financial Disclosures)

**Marine Transportation  
Scenario Analysis  
Adoption**

**472.1M**

barrels of cargo  
transported  
**with less than 1  
barrel spilled**

**7,500+**

Marine Training  
Certificates

**ISSUED**

In the last 5 years




**Kirby Inland Marine**

**14%**

Y-o-Y Decrease



**In Total Recordable  
Injury Rates**

**40%**   
**Reduction**  
**TARGET OF**  
**CO2e Emissions**  
per Barrel of Capacity  
By 2040

**Emissions Data  
Dashboard Project  
Adoption**



One of the **1<sup>st</sup>** inland marine  
transportation companies to  
own and operate a

**Diesel-electric  
hybrid towboat**

in the United States



**Kirby Disaster Relief Fund  
Raised:**

**~\$870,000**

**~300 employees  
received assistance  
during the last 2 years**

## DIVERSITY



**36%**



**Diverse Directors  
ON THE BOARD**

**EMPLOYEES:**

White – 67%  
African American – 12%  
Hispanic – 16%  
Other – 5%

**COMPANY PRIDE / ENGAGEMENT**

**85%**



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

**Company Culture  
Survey Results**

# Guiding ESG Frameworks and Standards

Kirby relies on the following frameworks and standards to guide our ESG journey.



# “The Kirby Way”

## Safety

Our guiding principle is **No Harm** to people, the environment, or equipment. Safety is at the core of everything we do and always drives our decision-making.

## People

**Our people make the difference.** We invest in the tools and resources to empower our employees, and we promote a workplace that values mutual respect, knowledge, and teamwork.

## Integrity

**Do the right thing** by having the highest ethical standards while always being transparent and accountable for our actions.

## Excellence

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

## Community

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



# Kirby Contributes to a Better Quality of Life Every Day

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



United Holdings



# Stakeholder Engagement and Participation

- Blue-Sky Maritime Coalition (BSMC)
  - Kirby is a founding member and serves in leadership positions (Board Member & Treasurer)
  - BSMC members recognize the need to address global climate change and are committed to accelerating the transition of waterborne transportation in the United States and Canada toward net zero GHG emissions through development of infrastructure, encouraging innovation, and promoting policies
- Getting to Zero Coalition –
  - The coalition acknowledges that an urgent and equitable decarbonization of the maritime supply chain by 2050 is possible and necessary, with urgent action to be taken immediately and over the coming decade
- Business Network for Offshore Wind (BNOW)
  - Kirby is a leadership member and also serves in the network’s Gulf of Mexico working group
  - BNOW is a nonprofit, educational organization with a mission to develop the offshore wind renewable energy industry and its supply chain
- Increased engagement with customers regarding sustainability matters including:



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





# Climate-Related Risks and Opportunities

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

## Governance

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



## Risk Management

- As a part of our enterprise risk management process, Kirby is performing a scenario analysis of risks and opportunities associated with changing weather patterns that could have significant impact on our operations.
  - Hurricane scenario
  - High water scenario
  - Energy technology transition

## Strategies with Examples

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

## Target and Metrics

- Kirby Corporation is committed to reducing the negative effects of climate-related risks and developing strategies to capture opportunities
- To address its marine fleet's CO<sub>2</sub>e emissions, the Company has established a 40% emissions reduction target per barrel of capacity through 2040
- See slides 17-18 for more information

To learn more about Kirby's Task Force on Climate-Related Financial Disclosures, please visit our website at [kirbycorp.com/tcfd](http://kirbycorp.com/tcfd)

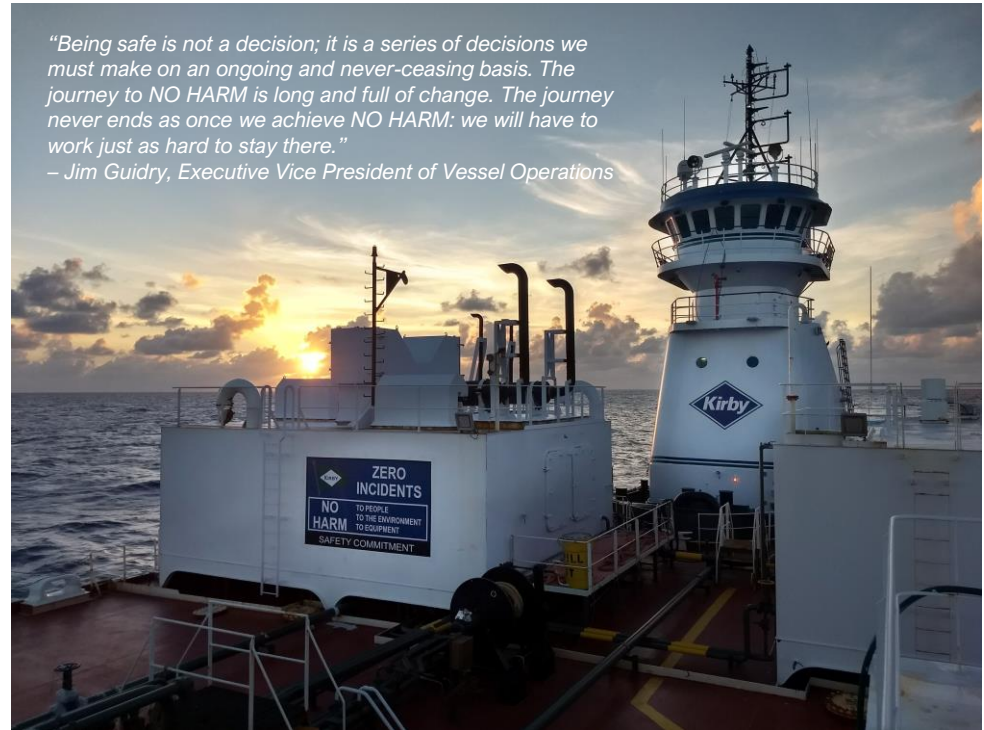
# Safety

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# Strong Emphasis on Safety

- Safety is the first and foremost concern in everything we do
  - All levels of supervision have safe work responsibility
  - The Board of Directors review safety performance of the organization
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- Investing in safe operations is good for morale and benefits financial performance
  - NO HARM award banquets held annually to reward and recognize deserving employees
  - NO HARM flags awarded to all towboats, tugboats and facilities with zero incidents
  - Kirby has the only inland marine U.S. Coast Guard approved training center
    - Company-owned and operated
    - In-house towboat wheelhouse simulator
  - Employers are expected to adhere to safety rules as a condition of employment.
  - All employees, contractors, and consultants are required to follow our safety policy



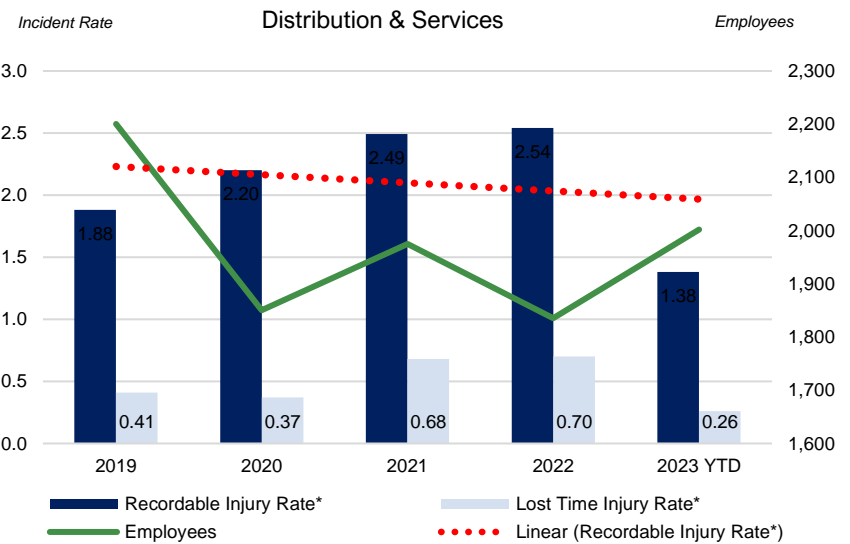
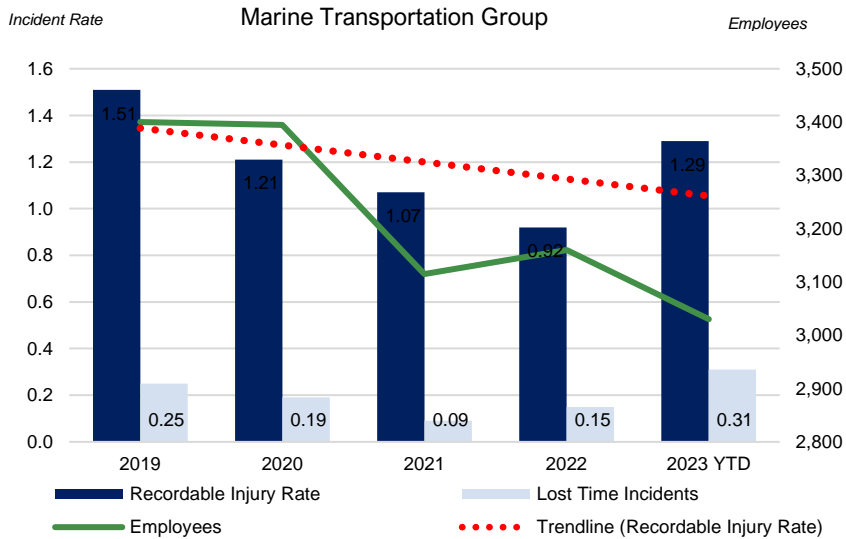
**ZERO INCIDENTS**

**NO  
HARM**

**to people  
to the environment  
to equipment**



# Kirby Corporation Employee Safety



## ■ Kirby Marine Transportation

- Downward trend since pre- COVID 2019 for employee injury rates
- Reduced lost time incidents in 2022 by 40% vs. pre-COVID levels (2019)
- Reduced total recordable injuries in 2022 by 14% vs. 2021, and 39% vs. pre-COVID levels (2019)
- Driving continuous improvement and awareness through employee engagement, setting expectations, implementing best practices, conducting safety meetings, and regular safety seminars and programs

## ■ Kirby Distribution and Services

- Recordable rates deterioration 2021 compared to 2020
- 2023 focus on key initiatives to improve safety performance:
  - Site specific safety improvement plans
  - Establishment of Safety Steering Committees for each location
  - Increased Employee engagement in reporting hazards and near misses



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



# Blue “No Harm” Flag Program

- All boats and operations groups that achieve “No Harm” to People, the Environment and Equipment during the year are recognized with a blue “No Harm” flag
- Flying a “No Harm” flag reinforces that the employees are steadfast in their commitment to operating SAFELY every day

## Distribution & Services 2022

**80%** of 82 flags issued still successfully flying at year-end



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



The UE Manufacturing facility in Oklahoma City displays the “No Harm” flags for all operations teams with No Harm to People, the Environment and Equipment.

## Marine Transportation 2022

<u>Boats</u>	 <u>Gold Stars</u>	<u>Years of No Harm</u>
21	1	2
28	2	3
54	3	4
43	4	5
53	5	6
31	6	7
11	7	8

**97%**  
of boats had gold stars  
at year-end

# Environmental Stewardship

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# Environmental Commitment

**Kirby is committed to continuously improving the compatibility of our operations with the environment**

Management and the employees of Kirby pledge to:

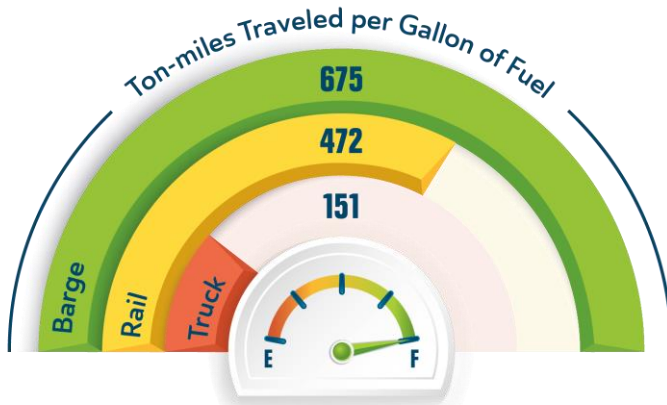
- Conduct our business and operate our vessels in a manner that protects the environment and the health and safety of our employees and the public
- Recognize and be responsive to public concerns about waterborne transportation and its effects on the environment
- Make safety, health and the environment a priority in our business planning and risk management
- Commit to reduce overall emissions and waste generation, and comply with all laws and regulations concerning emissions and waste
- Participate with government, regulatory bodies and the public in creating responsible laws, regulations, and standards to safeguard the workplace, community, and environment
- Establish and maintain, in cooperation with public authorities and others, emergency preparedness procedures and plans to mitigate the effects of accidents

**Our Goal is ZERO Spills and Releases**



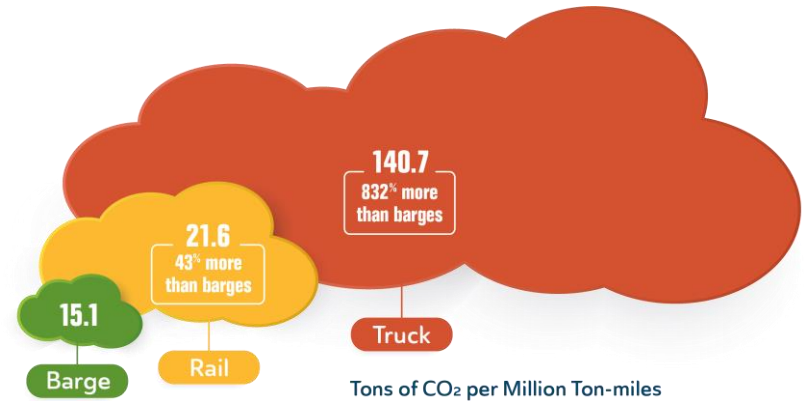
# Marine Transportation: A Good News Story For Safety and the Environment

## Barges: Most Fuel Efficient



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

## Barges: Lower CO<sub>2</sub> Emissions

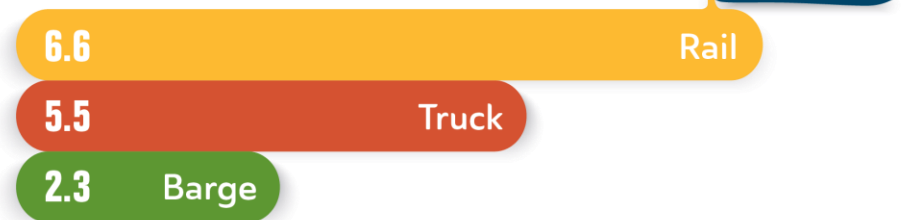


- To move an identical amount of cargo **by rail generates 43% more carbon dioxide** than by barge, and **trucks generate over 800% more emissions.**

## Barges: Fewer Spills

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

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



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



# Kirby Corporation – GHG Emissions Summary

Kirby Corporation Emissions						
Year	Scope 1		Scope 2		Scope 3	Total KEX Emissions CO2e MT (thousands)
	CO2e MT (thousands)	Fuel Gallons Consumed (millions)*	MWh (thousands)	CO2e MT (thousands)	CO2e MT (thousands)	
2020	804.9	77.9	23.1	10.2	N/A	815.1
2021	796.5	77.1	19.9	7.4	N/A	804.0
2022	812.2	78.5	15.6	2.8	444.2	1259.1

## Marine Transportation Fleet Scope 1 – CO2e Direct Emissions

Year	CO2e MT (thousands)	Diesel Gallons Consumed (millions)	Barrel Capacity* (millions)	Relative CO2e Emissions (Per Barrel of Capacity)
2015	903.9	87.4	23.9	100%
2016	858.5	83.0	24.0	94%
2017	809.7	78.3	22.6	95%
2018	887.6	85.8	26.9	87%
2019	878.9	85.0	28.1	83%
2020	795.1	76.9	28.2	74%
2021	787.9	76.2	27.0	77%
2022	802.2	77.5	26.1	81%

### Scope 1 Emissions Performance

- ~99% of Kirby Corporation Scope 1 GHG emissions come from marine transportation operations, primarily towboats and tugboats
- Ultra low sulfur diesel fuel consumption and CO2e emissions have declined 11% since 2015 despite significant growth in the number of vessels in the fleet
- Emissions data reporting project completed in 2022 – helps Kirby to better understand its emissions footprint on a micro level and assist customers in achieving their emissions reductions goals

### Scope 2 Emissions Performance

- Significant decline in Scope 2 emissions due to providers utilizing more renewable energy sources for electricity such as wind and solar
- 100% of Scope 2 energy is consumed from the grid
- Signed a 36-month agreement for 100% green e-certified energy in April 2020 for all Kirby marine transportation facilities in Texas
  - ECO Solutions Champion issued ~6,000 renewable energy certificates in 2022; 100% renewable representation
  - ~30% of Scope 2 energy is renewable
  - 2022 Scope 2 excludes 6,000 MWh of electricity consumed from renewable sources



\*Barrel capacities reflect Kirby Inland Marine and Kirby Offshore Marine operating tank barge  
[Note: Kirby uses EPA emission factors to calculate Scope 1, 2 & 3 emissions]



# Marine Transportation – GHG Emissions

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

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

### Emissions Performance (2015 to 2022)

- Since 2015, total CO2e emissions have declined 11% despite significant growth in the fleet
  - Total barrel capacity up ~9%
  - Result of inland fleet acquisitions offset by offshore fleet retirements
  - Diesel consumption declined 10% '19Y/'20Y primarily due to reduced activity associated with the COVID-19 pandemic
- Since 2015, average age of inland boats is down ~16 years and offshore boats is down ~19 years

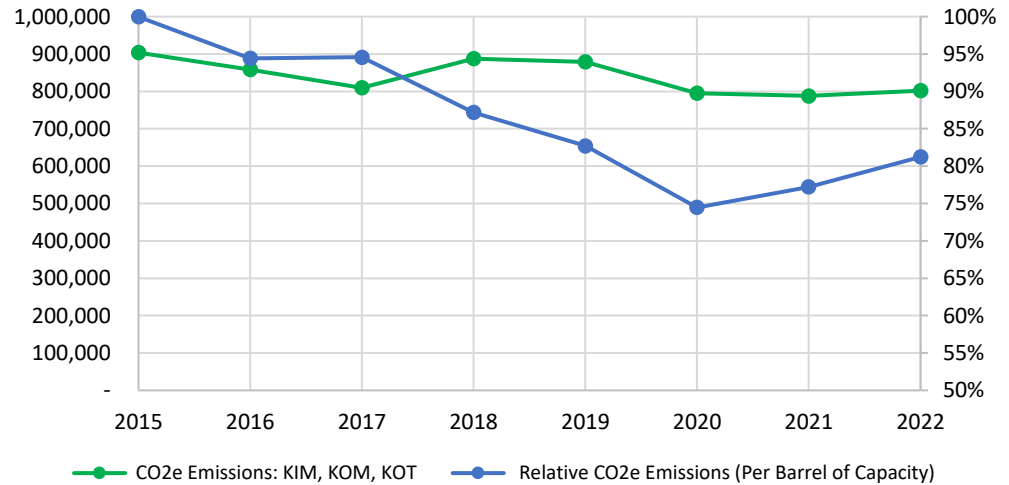
### Emissions Reduction Targets:


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


CO2e (MT)

Relative CO2e (MT) per Barrel of Capacity

Marine Transportation CO2e (MT) & Relative CO2e Emissions per Barrel of Capacity




**Target Reduction by 2024**  
 (vs. 2015 base year) **↓ 25%**


**Target Reduction by 2040**  
 (vs. 2015 base year) **↓ 40%**

# Kirby's Emissions Dashboard

- Kirby's emissions dashboard was completed to assist in understanding the environmental impact of our operations. Below is a sample screenshot.



# Decarbonizing Initiatives – 40% Reduction By 2040

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

- Continuing Kirby's commitment to decarbonization with a 40% intensity reduction by 2040 of Scope 1 Emissions – roughly 160,000 metric tons of CO2.
- Proactive implementation of existing tools and technologies:
  - Biofuels with emission reductions of 20-30% per towboat or tugboat\*
  - Hybrid power technologies with reductions up to 80% per towboat or tugboat
  - Engine re-powers with reductions of 15-20%
- Dedicated development of future carbon reduction techniques, alternative fuels, and power sources and their respective supply chains.
- Thorough establishment of procedures and best practices to drive emission reducing operations.
  - Fuel management procedure
  - Extensive fleet network and fleet boat capacity enables delivery of barge equipment to customer docks with smaller horsepower vessels
  - Company policy to require shutdown of main engines during cargo transfer (when safe to do so as determined by the captain)
  - Repowering of fleet to use cleaner more efficient engines
- Through the appropriate combination of these initiatives, the potential exists to meet emission targets without the application of carbon offsets.



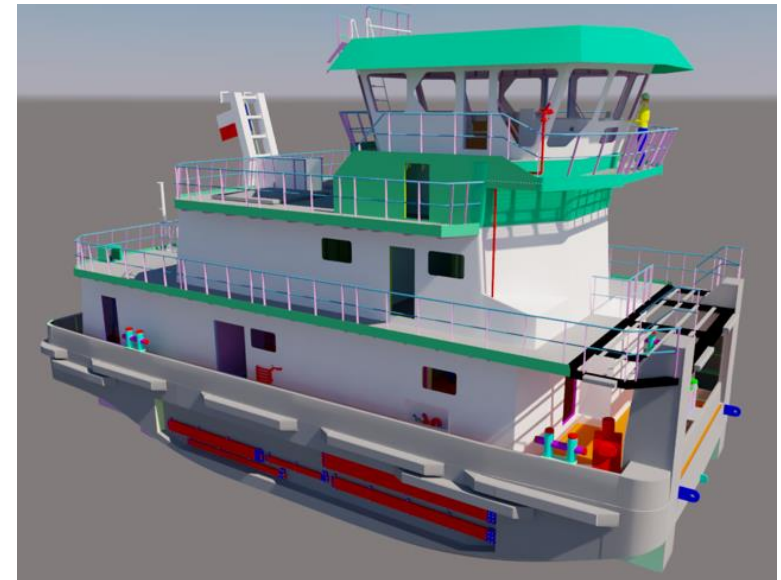
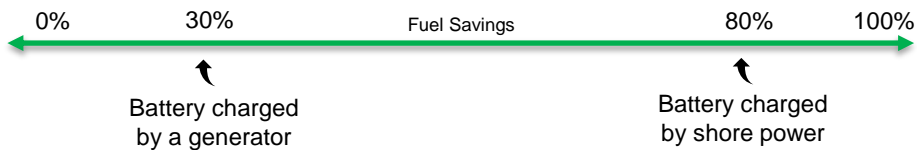
\*Based on internal calculation via external emission factors for lifecycle analysis



# Inland Marine – Hybrid Electric Towboat

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

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



## KIRBY PARTNERSHIP



## SPECS:

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

# Kirby Offshore Marine

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

**~25% of fleet  
TIER FOUR**

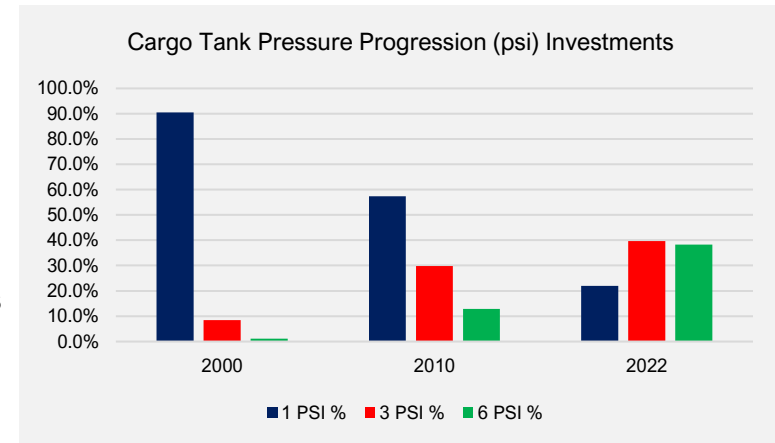
- RONNIE MURPH
- RANDY McCRANEY
- CAPE ANN
- CAPE HENRY
- CAPE HATTERAS
- CAPE CANAVERAL
- CAPE LOOKOUT



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

# Going Above and Beyond – Marine Transportation

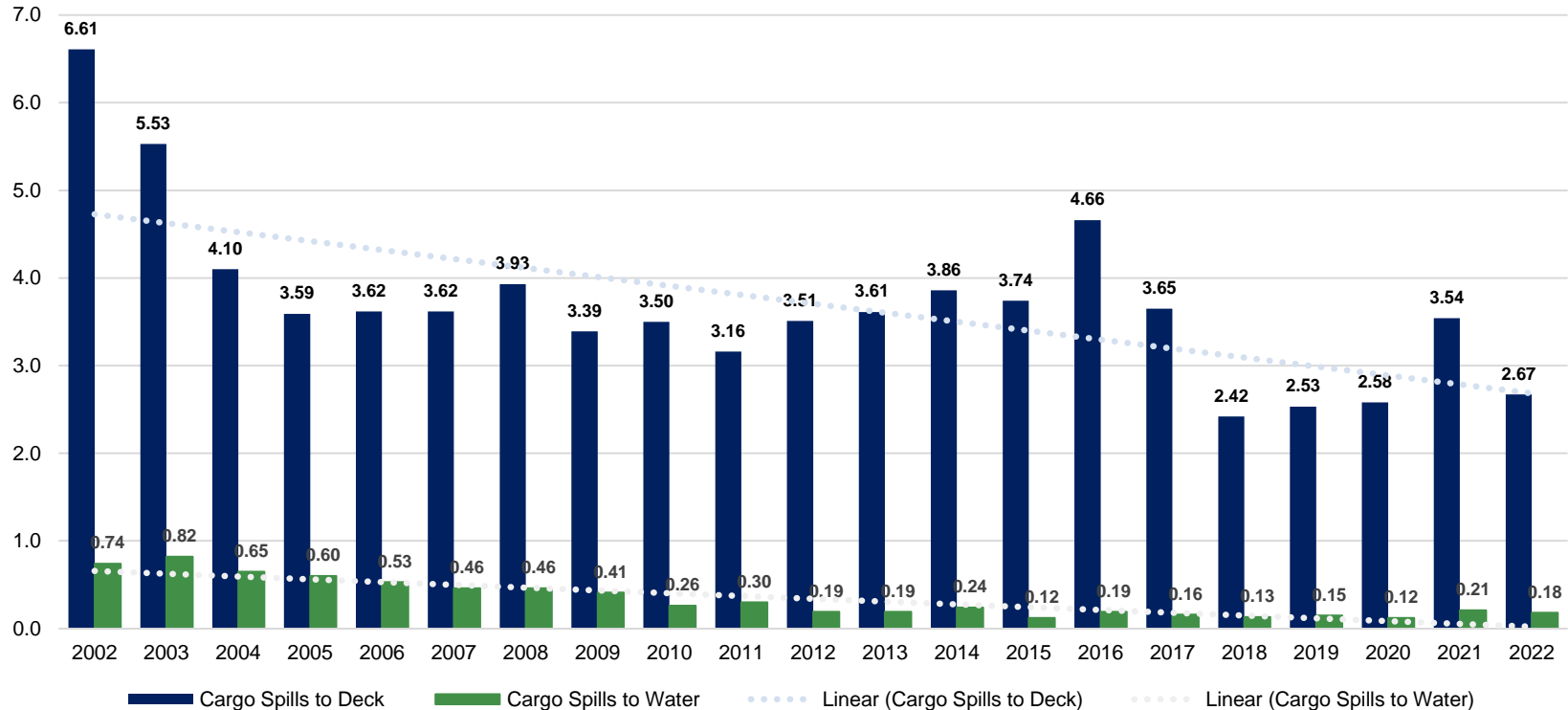
- Kirby implemented usage of ultra low-sulfur diesel on all vessels in 2012
- All tank barges are double hulled to better prevent environmental spills
- Voluntary usage of 6 psi vs. 3 psi vapor relief value settings on inland tank barges (the industry standard) significantly reduce cargo vapor emissions\*
  - ~40% of Kirby's fleet is fitted with 6 psi vapor relief values
  - Kirby has the largest 6 psi barge fleet in the U.S.
- Company policy does not allow for the discharge of bilge overboard, even if the vessel is equipped with an oil-water separator
- Large tank barge fleet reduces unnecessary emissions and waste
  - Dedicated product tows reduce barge cleaning between cargos
  - Smaller fleeting boats reduce fuel consumption and emissions
  - Linehaul service improves overall barge to boat ratio (Kirby 3:1, Industry 2:1)
- Ongoing boat and engine replacement program improves efficiencies and reduces emissions
- Barge cleaning facility operations goes beyond regulatory standards
  - Residual cargo recovery mitigates waste and efficiency of cleaning process reduces emissions by 98%
- Kirby serves as a leader in numerous industry organizations that help define industry regulations and improve air and water quality



\* 6 psi barges are more environmentally friendly and have a lower probability of releasing vapors into the air than 1 psi and 3 psi barges.

# Limiting our Impact on the Environment

In 2022, Kirby transported 472.1 million barrels of cargo transported with only 12 gallons spilled to water



- At Kirby, no spill is too small - all cargo spills, even if only 1 drop, are recorded and reported
- Cargo spills to water have declined since 2002 representing a 76% decrease
- Kirby is committed to continuous improvement through cargo transfer audits, regular tankerman proficiency evaluations, advanced training courses, review and implementation of best practices, review of near-miss events, and quarterly tankerman meetings
- In 2022 more than 4,300 cargo transfer audits were completed



\* Incident rates of cargo spills per 1,000 transfers

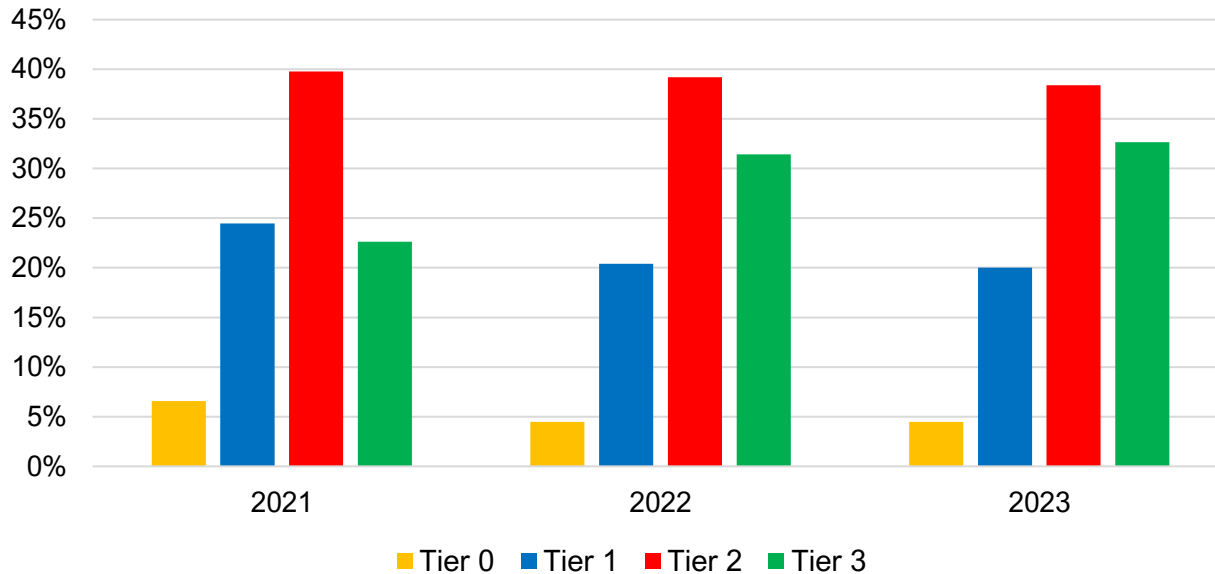




# Inland Marine – Investments by the Numbers

- By the end of 2023, Kirby will have spent ~\$12 million dollars in the last 3 years on upgrading and repowering vessels from lower tiered engines to more environmentally friendly tiered engines
- In the last three years, Kirby's Tier 3 equipment has increased by ~30%

Kirby Inland Marine Boat Active Fleet- Engine Tier Level Analysis

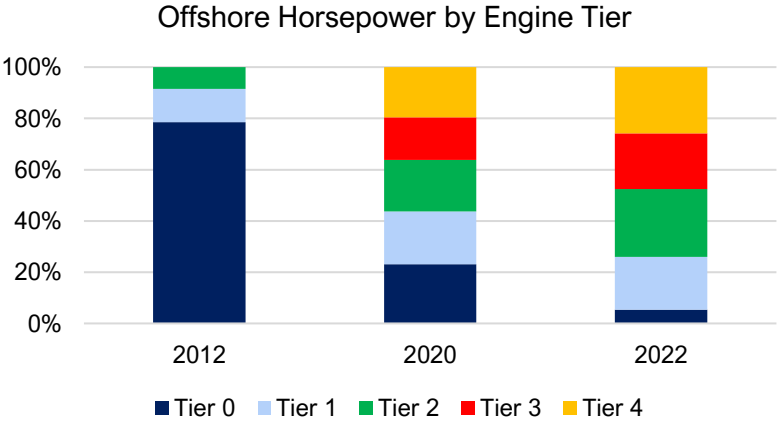


*As engine tier level increases, engines produce less emissions and become more efficient and environmentally friendly*

# Offshore Marine – Investments by the Numbers

## Engine Tier Strategy

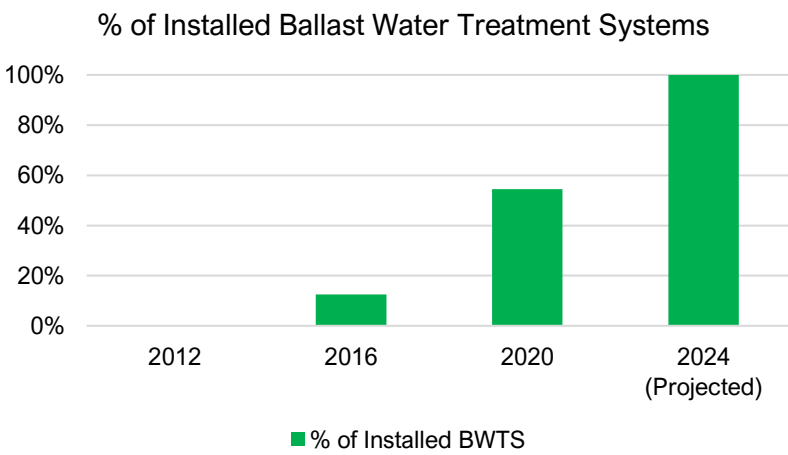
- Since entering the offshore market Kirby's investment strategy has **reduced Tier 0 engines by 95%**
- Since 2015, Kirby's investment strategy has **spent \$200M+ on Tier 3 and 4 engines and boats**



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

## Ballast Water Management

- Kirby has installed **ballast water treatment systems** on **84%** of its fleet
- By the end of 2024, Kirby will have all required vessels outfitted with **ballast water treatment systems**
- Since 2015, Kirby's has **spent \$110M+ on ballast water treatment systems**



**Kirby is committed to a sustainable and more efficient offshore fleet**



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



# Inland Marine – Solar Panels

Since 2017, Kirby Inland Marine has spent over \$10 million investing in solar panels for over 700 barges that power high-level alarm systems



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

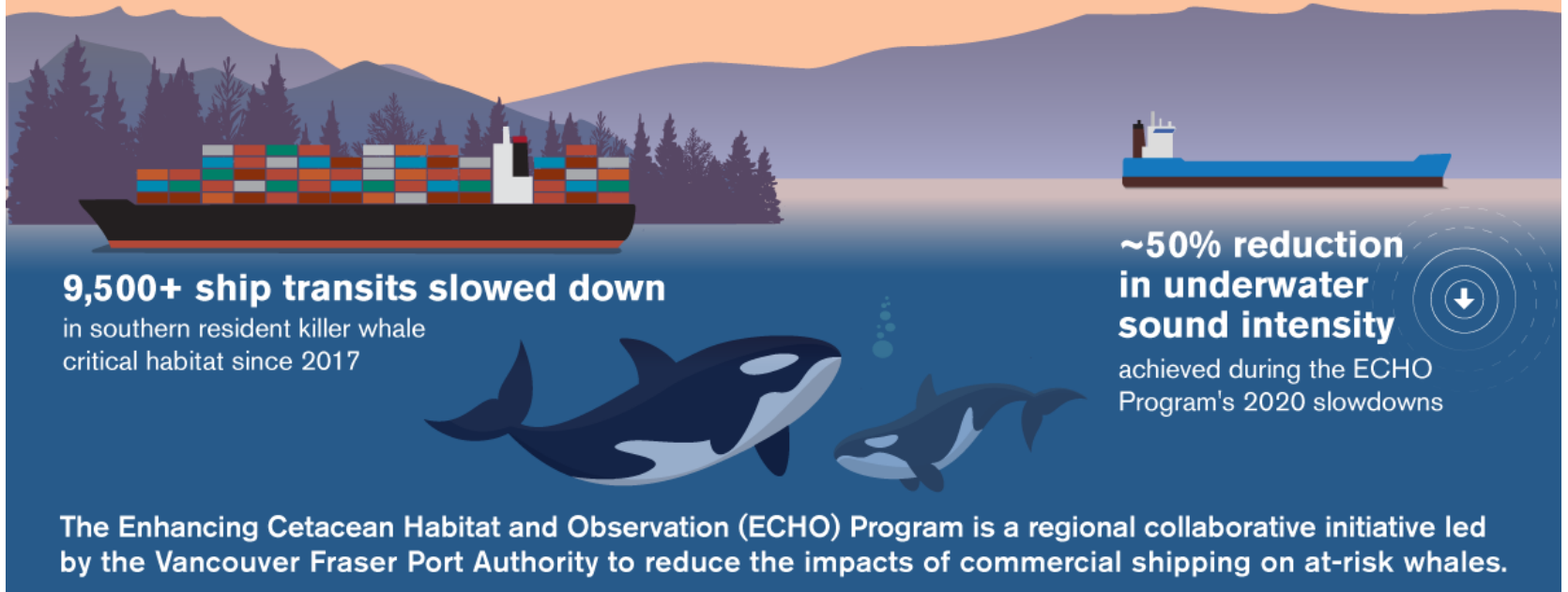


# Offshore Marine – Responsible Operational Practices

Program Participant → Enhancing Cetacean Habitat and Observation (ECHO)

## Proud participant in the ECHO Program

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



**9,500+ ship transits slowed down**  
in southern resident killer whale  
critical habitat since 2017

**~50% reduction  
in underwater  
sound intensity**  
achieved during the ECHO  
Program's 2020 slowdowns

The Enhancing Cetacean Habitat and Observation (ECHO) Program is a regional collaborative initiative led by the Vancouver Fraser Port Authority to reduce the impacts of commercial shipping on at-risk whales.

# Environmentally Friendly Oilfield Solutions

Kirby manufactures technologies that significantly reduce the environmental impact of hydraulic fracturing

## Electric Fracturing Units

- E-frac units operate using natural gas turbines or highly efficient natural gas reciprocating engines together with electric motors, reducing their environmental footprint
- E-frac units provide enhanced levels of automation, removing workers from potentially dangerous areas and reducing wellsite headcount
- Compared to conventional fracturing units, e-frac units:
  - Provide over 2.5x the output per trailer
  - Reduce emissions, including NOX reduction of 72%
  - Reduce average sound pressure by up to 69%
  - Reduce road traffic associated with diesel transport



Stewart & Stevenson built electric frac unit

## Dual Fuel and Quiet Fracturing Units

- Dual-fuel (DGB) fracturing units have up to an 85% diesel displacement rate when using natural gas
- Units can operate on CNG, LNG, pipeline gas, and field gas that would otherwise be flared
- Reduces trucking and road traffic associated with diesel fuel transportation to the wellsite
- Noise reduction units reduce decibel levels by more than 3x (10+ dB noise reduction) compared to conventional frac units



UE Manufacturing built DGB and quiet frac unit



Source: Liberty



# Environmentally Friendly Power Generation Solutions

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

## Natural Gas Reciprocating Generators

- High Power Output: 2.5 MW
- High Mobility: 53' x 8.5' x 13.5'
- Wide Operating Range: Up to 122°F operation
- Sound attenuated environmental enclosure
- Scalable operation with multiple generators
- Integrates with existing S&S power distribution products
- 27.5% more fuel efficient than turbines assuming zero grid power supply at net zero consumption



## Mobile Power Distribution Systems

- Enables highly scalable power plants and microgrids
- Multiple local generator inputs
- Utility infeed connection and synchronization
- Energy storage system connection
- Proprietary power control and management system enables synchronization and remote control of all local inputs (ESS and generators)
- Self Contained: Drive-up and plug-in (no additional rig-up)
- Highly Scalable: Platform based design (allows for smaller systems or use of multiple systems to meet different power demands)



# Going Above and Beyond – Distribution and Services

- Largest manufacturer of frac units with Tier 4 engines, achieving lower emissions
- Development of dry gel hydration units eliminates usage of mineral oil and/or diesel in slurries pumped into wells
- Company policies focused on paint and solvent re-use and recycling reduces waste by-products by 95% and recovers 99% of solvents for re-use
- LED lighting installed in key facilities to reduce energy consumption
- Thermo King sells environmentally friendly products including:

**ThermoLite® Solar Panels** which deliver clean, reliable performance in a wide variety of applications, resulting in longer battery life, decreased waste, lower fuel consumption and reduced emissions

**Precedent® S-Series** refrigeration units which achieve Evergreen CARB and EPA emissions compliance while adding performance

**TriPac® Auxiliary Power Units (APUs)** which meet Tier 4 EPA regulations and drive unit efficiency and productivity

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

ThermoLite® Solar Panels



Precedent® S-Series



TriPac® Auxiliary Power Unit



Coldtainer®



# Social Responsibility

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# Giving Back to our Industry

Kirby has a long history of supporting foundations, associations and institutions whose charitable work is related to Kirby's core values



- **Seaman's Church Institute**

- North America's largest mariner's service agency providing spiritual support, maritime education and legal advocacy to thousands of mariners and port workers
- In the last decade, Kirby has donated more than \$1 million to the institute
- Kirby donated a wheelhouse training simulator to the institute which is used to provide navigational training to 1,600 mariners each year
- Many of Kirby's officers give their time and expertise to help the institute



- **U.S. Coast Guard Foundation**

- Focuses on the well-being, education, and morale of the men and women of the U.S. Coast Guard and their families
- Kirby has proudly supported this organization for more than 30 years



- **Many other industry associations and foundations including:**

- National Coast Guard Museum
- Waterways Council, Inc.
- National Association of Manufacturers
- American Bureau of Shipping
- Regional Associations
  - The Gulf Intracoastal Canal Association
  - Texas Waterways Operators Association
  - Louisiana Association of Waterway Operators
- National Waterways Foundation

# Supporting our Local Communities

Kirby shares its success with the communities we live and work in by helping to protect the environment, giving charitably, and encouraging volunteerism

- **Galveston Bay Foundation**

- Promotes advocacy, conservation, education, and research related to Galveston Bay
  - In the last decade, Kirby has donated ~\$800,000 to the foundation

- **Charitable matching donation program**

- Kirby matches qualifying employee charitable contributions
- More than 60 nonprofit organizations benefited from this program in 2022

- **Other organizations sponsored include:**

- United Way
- Muscular Dystrophy Association
- Hermann Park Conservancy
- Numerous customer charitable events



# Promoting Women in the Workplace

In addition to supporting local communities and national industries, Kirby is also involved in supporting women's organizations that help further women's success in the maritime industry.

- **WIMOs: Women in Maritime Operations**

- WIMOs is dedicated to retaining, advancing and promoting women in the maritime industry through knowledge sharing and continuing education.
- ~20% of eligible employees in the Marine Transportation Group are members
  - Kirby serves in leadership roles at the national (President) and local levels (Treasurer & Secretary)



*“Educate. Engage. Elevate.”*

- **Women Offshore**

- The Women Offshore Foundation propels women into meaningful careers through access to a worldwide community and professional development resources, while raising awareness amongst industry leaders and decision makers about issues affecting women on the water.



*“Connect. Share. Inspire”*

# Supporting our Employees and Communities when Disaster Strikes

Our people make the difference, and our motto “Do the Right Thing” is a fundamental value. We strive to provide our employees and their families support and resources when they need it most.

- The Kirby Disaster Relief Fund
  - Nonprofit charitable organization that provides support to Kirby employees, families, and communities affected by natural disasters or qualified family hardship
  - Kirby matches all employee contributions to the fund at 100%
- Teams and emergency supplies are ready to deploy to affected areas to protect and aid employees and their families when natural disasters occur including hurricanes, tornadoes and flooding
- Kirby has a long history of assisting distressed people and vessels on the water



In the last two years Kirby and its employees raised

**~\$870,000**

Over 300 employees received assistance

# Employee Benefits & Engagement

At Kirby, our employees are our most important assets. Wellness, education and training, and employee engagement create positive morale and a family friendly atmosphere.

- Employee town hall meetings with executive leadership across the country

▪ 2022 Total Employee Compensation & Benefits:  
**\$600+ million**

▪ Average Tenure of Employees:  
**~10 years**

## Generous medical, health and wellness, retirement and assistance programs offered to all employees:

- Fitness centers or discounted gym memberships
- MDLIVE provides virtual visits for physical & mental health
- Improved ergonomics and standing desks
- Extended maternity leave
- Financial planning seminars
- Employee assistance programs
- Comprehensive retirement plans

## Significant investment in our employees through training and education

- Extensive managerial skills training via our “Management Essentials Program”
- Tuition reimbursement for certification, undergraduate and graduate degrees
- Scholarships for all non-executive employee children – Robert G. Stone Jr. Memorial Scholarship

## Corporate Culture Survey Insights:

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



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



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



# Training & Education

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

## **Safety Skills Training:**

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

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

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

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

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



# Training & Education

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

## Kirby Marine Transportation

- The Kirby Training Center utilizes state-of-the-art equipment, instructional aids and has a full mission bridge simulator to provide US Coast Guard ("USCG") approved certifications and training
- The marine segment provides a clear career progression for vessel personnel from entry level deckhand to captain
- The training at Kirby has continued to evolve since its inception. The pandemic followed by the labor challenges most industries now face has increased the need and opportunity to further enhance our educational offerings. Kirby consistently undergoes stringent review of syllabuses and modifies courses based off student and existing mariner performance
- Kirby proudly employs individuals from all educational backgrounds. Its training center provides a career path to jobs paying well above the median without requiring a college degree or the associated cost

### 2022 Highlights:

- ~1900 certificates were issued for the completion of courses at the training facility, of which approximately 1100 were USCG approved classes
- Graduated 110 Tankerman, exceeding the goal of 84
- Graduated 31 Steersman, exceeding goal of 30

## Distribution & Services

- In Distribution and Service, the Company facilitates training courses via online and Instructor-Led classes that cover a broad range of skills and products.
- Operate 7 Training Centers with internal Instructors.
- Offer multiple career progressions within its numerous job groups.
- Utilizes the latest technology in the Industry



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

# Marine Transportation – Career Advancement

**INLAND**



## ADVANCEMENT OPPORTUNITIES

### DECKHAND

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

### TANKERMAN

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

### STEERSMAN

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

### PILOT

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

### RELIEF CAPTAIN

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

### CAPTAIN

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

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





# Marine Transportation – Career Advancement

## DECK

Kirby offers an opportunity for candidates to be hired into entry level positions (OS or AB Deckhands) and advance from within. Advancement is based on endorsements held, availability of positions and individual performance. Pay rates will vary based on division. Schedules are equal time, but also vary based on division.

# OFFSHORE

## CAREER LADDER

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

## LICENSED ENGINEER

Kirby offers an opportunity for licensed engineers to hire in at an entry level position (Assistant Engineer) and advance from within. Working in this position, you will work alongside a Chief Engineer aboard a Kirby tugboat and will be eligible for promotion based on licenses/endorsements held, availability of positions and individual performance. Pay rates will vary based on division. Schedules are equal time, but also vary based on division.

**ASSISTANT ENGINEER**

• Entry level position

**ENGINEER**

• Experienced position (single engineer boat)

**CHIEF ENGINEER**

• Minimum DDE Unlimited required



# Pathways to Diversity

Kirby is making inroads in diversity...

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



- Elected first female board member in 2015, second in 2019, and third in 2023
- Elected a racially/ethnically diverse board member to the Board in 2021
- Females represent 22% of the Executive Leadership including:
  - VP, General Counsel & Corporate Secretary
  - VP of Human Resources
- Females represent ~29% of the managerial and professional staff
  - Directors and Vice Presidents in Finance/Accounting, Marketing, Legal, Human Resources, and E-Commerce
- Diversity and inclusion training completion:
  - 100% managers & supervisors
  - 98% of employees

## Diversity Statistics\*

All Employees	
Gender	
Male	89%
Female	11%

Excluding Vessel & Maintenance Employees	
Gender	
Male	79%
Female	21%

All Employees	
Race	
Asian	2%
African American	16%
Hispanic or Latino	12%
White	67%
Other	3%

# Governance & Ethics

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# Governance Highlights

TOPIC	PRACTICE
<b>INDEPENDENCE</b>	<ul style="list-style-type: none"> <li>• 9 out of 11 directors are independent</li> <li>• Board committees are composed entirely of independent directors</li> </ul>
<b>LEAD INDEPENDENT DIRECTOR</b>	<ul style="list-style-type: none"> <li>• Richard J. Alario serves as the Lead Independent Director</li> </ul>
<b>DIVERSITY</b>	<ul style="list-style-type: none"> <li>• 3 out of 11 directors are female</li> <li>• 1 out of 11 directors is racially/ethnically diverse</li> </ul>
<b>EXECUTIVE SESSIONS</b>	<ul style="list-style-type: none"> <li>• Non-management directors meet regularly without management</li> </ul>
<b>MAJORITY VOTING</b>	<ul style="list-style-type: none"> <li>• Majority of votes cast is required for the election of directors</li> </ul>
<b>DIRECTOR EVALUATIONS</b>	<ul style="list-style-type: none"> <li>• Evaluations of the full board and each committee are conducted annually</li> </ul>
<b>STOCK OWNERSHIP</b>	<ul style="list-style-type: none"> <li>• Stock ownership guidelines established for directors and executives</li> </ul>
<b>SINGLE VOTING CLASS</b>	<ul style="list-style-type: none"> <li>• Kirby has a single class of voting stock</li> </ul>
<b>HEDGING &amp; PLEDGING OF STOCK</b>	<ul style="list-style-type: none"> <li>• Hedging and pledging of company stock are prohibited by directors, officers, and employees</li> </ul>
<b>BUSINESS ETHICS GUIDELINES</b>	<ul style="list-style-type: none"> <li>• Ethics guidelines apply to all our directors, officers, and employees</li> </ul>
<b>CLAWBACK POLICY</b>	<ul style="list-style-type: none"> <li>• A clawback policy is in place for executive officers</li> </ul>
<b>INSIDER TRADING POLICY</b>	<ul style="list-style-type: none"> <li>• Our insider trading policy applies to all our directors, officers, and employees, with a supplemental policy applicable to directors, executive officers and certain key employees</li> </ul>
<b>BOARD OVERSIGHT</b>	<ul style="list-style-type: none"> <li>• The ESG and Nominating Committee oversees climate-related risks and the Environmental, Social, and Governance program on a quarterly basis. Additionally, it keeps the Board informed about the latest developments in ESG and Sustainability subjects. The Committee assists the Board in fulfilling its risk oversight duties concerning the Company’s governance practices and processes. The Committee also discusses risk management in the context of general governance matters, including topics such as Board succession planning.</li> </ul>
	<ul style="list-style-type: none"> <li>• The Audit Committee oversees risk management, employee hotline/whistleblower, and cybersecurity programs and processes on a quarterly basis to assess and monitor the Company’s risk exposure and tolerance.</li> </ul>
	<ul style="list-style-type: none"> <li>• The Compensation Committee assists the Board in fulfilling its oversight of the Company’s compensation programs and practices. The Committee Reviews executive compensation which is structured to align with shareholder interests and maximize shareholder value.</li> </ul>



# Ethics Policies and Practices

Kirby is committed to the highest ethical standards across the Company and its supply chain



## BUSINESS ETHICS

- Kirby is committed to doing business the right way or “The Kirby Way”
- All Kirby directors, executives and employees are required to sign and uphold the Business Ethics Guidelines
- Guideline topics include Equal Opportunity, Discrimination and Sexual Harassment, Respecting Human Rights, Anti-Corruption, Financial Accountability, Political Activities, Social Media, etc.
- Kirby does not tolerate any retaliation against employees for reporting a violation of law, rule, regulation, or the Guidelines
- More than 5000 training courses completed on Business Ethics and Foreign Corrupt Practices Act in 2022



## VENDOR CODE OF CONDUCT

- Kirby implemented stronger guidelines for our suppliers which were designed to help ensure responsible product sourcing and the safety and well-being of workers across the global supply chain
- Establishes the minimum standards that must be met by any supplier that sells goods to or does business with Kirby regarding:
  - Treatment of workers
  - Workplace safety
  - Impact on the environment
  - Ethical business practices

To learn more, please visit the Governance section of our website at [kirbycorp.com/governance/](https://kirbycorp.com/governance/)



# Respecting Human Rights

Our Guidelines, along with other Kirby policies, establish practices and standards that address a broad range of human rights and workplace issues. Kirby is committed to making a positive contribution to human rights and society.

- Kirby is committed to ensuring a work environment that is free from:
  - Human Trafficking
  - Forced Labor
  - Harmful Child Labor
  - Discrimination and Harassment
- Employees are expected to consistently demonstrate respect and uphold the dignity of others
- Employees are to encourage partners, suppliers, and other third parties to adopt similar standards with respect to human rights



Kirby's position on Human Rights is outlined in its Business Ethics Guidelines, Vendor Code of Conduct, and Human Trafficking Policy. In addition to other training Kirby provides to its employees, Kirby has recently implemented targeted human rights training for its employees. The company targets to have all employees trained by 2024. Violations or concerns may be communicated via the Company Hotline and may result in termination of employment or the relationship with the supplier.

97% completion of human rights training\*

Target: 100% Company-wide training complete by 2024

To learn more, please visit the Governance section of our website at [kirbycorp.com/governance/](https://kirbycorp.com/governance/)



\*Training is being implemented by business unit



# Cybersecurity and Data Privacy

## GOVERNANCE

- Kirby senior management briefs the board quarterly on information security matters.
  - Steering Committee: Meets at a minimum quarterly to discuss overall approach, manage priorities and ensure progress
  - Audit Committee: Receives a cybersecurity update quarterly

## PROACTIVE DEFENSE

- Managed Detection and Response: Professional service to monitor the network and respond to intrusions on 24/7 basis
- MultiFactor Authentication
- Monthly vulnerability management program for critical and high security patching
- Anti-phishing solution for emails
- The Company has not experienced an information security breach in the last four years
- Sophisticated backup and recovery solutions
- Geofencing
- A robust and practiced incident response plan

## EMPLOYEE EDUCATION & TRAINING

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



# Appendix

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# SASB Supplemental Data



## Marine Transportation Standards

Accounting Metric	2022 Results
<b><u>Environmental Footprint</u></b>	
Air emissions for the following pollutants: SOX and particulate matter (PM)	In Progress
Energy Efficiency Design Index (EEDI) for new ships	35.91 grams of CO2 per ton-mile
<b><u>Ecological Impacts</u></b>	
Shipping duration in marine protected areas and areas of protected conservation status	Kirby vessels maintain awareness of Marine Protected Areas and abide by all navigational and environmental restrictions in our areas of operation
Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment	84% of all offshore marine vessels have a ballast water treatment system
Number and aggregate volume of spills and releases to the environment	28 releases totaling ~1000 gallons
<b><u>Business Ethics</u></b>	
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Not applicable
Amount of legal and regulatory fines and settlements associated with bribery or corruption	None
<b><u>Accidents &amp; Safety Management</u></b>	
Number of serious marine incidents	One
Fatality rates	Zero
Number of Conditions of Class or Recommendations	53 classed offshore vessels: Zero past due conditions or recommendations
Number of port state control (1) deficiencies and (2) detentions	Zero



# Disclosures

## **Forward Looking Statements**

Statements contained in this presentation that are not historical facts, including, but not limited to, any projections contained herein, are forward-looking statements and involve a number of risks and uncertainties. Such statements involve risks and uncertainties. Such statements can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “estimate,” or “continue,” or the negative thereof or other variations thereon or comparable terminology. The actual results of the future events described in such forward-looking statements in this presentation could differ materially from those stated in such forward-looking statements. Among the factors that could cause actual results to differ materially are: adverse economic conditions, industry competition and other competitive factors, adverse weather conditions such as high water, low water, tropical storms, hurricanes, tsunamis, fog and ice, tornados, COVID-19 or other pandemics, marine accidents, lock delays, fuel costs, interest rates, construction of new equipment by competitors, government and environmental laws and regulations, and the timing, magnitude and number of acquisitions made by the Company. For a more detailed discussion of factors that could cause actual results to differ from those presented in forward-looking statements, see Item 1A-Risk Factors found in Kirby's Annual Report on Form 10-K for the year ended December 31, 2022, and any updates thereto in a subsequently filed Quarterly Report on Form 10-Q. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements.

