



# Sustainability Accounting Standards Board (SASB) Index





# About This Report

— This report marks the first time that J.B. Hunt Transport Services, Inc. has reported under the Sustainability Accounting Standards Board (SASB) standards and metrics. We have included the sustainability disclosures related to the industry sector “Road Transportation,” which we believe are most closely aligned with our business.

Disclosure: Based on our internal review of the information in this report and internal audit of the figures presented, we believe this report to be accurate at the time of reporting. We did not submit this report for external review or audit. All data relates to J.B. Hunt Transport, Inc. and is as of or for the year ended December 31, 2019 unless otherwise noted. This report references commitments and goals that serve as a roadmap to facilitate long-term achievements. Such statements are not intended as guarantees or promises, and we acknowledge that many factors could influence our success.

Forward-Looking Statements: This report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expects,” “anticipates,” “intends,” “estimates,” or similar expressions are intended to identify these forward-looking statements. These statements are based on J.B. Hunt’s current plans and expectations and involve risks and uncertainties that could cause future activities and results to be materially different from those set forth in the forward-looking statements. For more information regarding risk factors, please refer to J.B. Hunt’s Annual Report on Form 10-K and other reports and filings with the Securities and Exchange Commission.



## Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Activity Metric	Category	Unit of Measure	Response/Comment
Greenhouse Gas Emissions	TR-RO-110a.1	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO <sub>2</sub> -e	1,881,543 metric tons of CO <sub>2</sub> -e <sup>(1)</sup> Methodology - engineering calculations
	TR-RO-110a.2	Discussion of long-term and short-term strategies and plans to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	See Long & Short-Term Strategies on page 6
	TR-RO-110a.3	(1) Total fuel consumed (2) Percentage natural gas (3) Percentage renewable	Quantitative	Gigajoules (GJ) Percentage (%)	(1) 27,256,032 GJ (2) 1.3% natural gas (3) 8% renewable
Air Quality	TR-RO-120a.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O) (2) SO <sub>x</sub> (3) Particulate matter (PM <sub>10</sub> )	Quantitative	Metric tons (t)	(1) NO <sub>x</sub> (excluding N <sub>2</sub> O) = 827 metric tons (2) SO <sub>x</sub> = 16 metric tons (3) PM <sub>10</sub> = 40 metric tons

(1) Represents CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O gasses that are most relevant to diesel burning emissions, our entity's primary source of CO<sub>2</sub>-e emissions.

## Sustainability Disclosure Topics & Accounting Metrics Cont'd

Topic	Code	Activity Metric	Category	Unit of Measure	Response/Comment
Driver Working Conditions	TR-RO-320a.1	(1) Total recordable incident rate (TRIR) and (2) Fatality rate for: (a) Direct employees (b) Contract workers	Quantitative	Rate	(1) See Page 8 (2) Fatality rate (a) Employees - 0.009 (b) Contract workers - 0.000
	TR-RO-320a.2	(1) Voluntary and (2) Involuntary turnover rate for all employees	Quantitative	Rate	Employee turnover rate: (1) Voluntary = 38.2% (2) Involuntary = 13.7%
	TR-RO-320a.3	Description of approach to managing short-term and long-term driver health risks	Discussion and Analysis	N/A	See page 8 for Discussion and Analysis

## Sustainability Disclosure Topics & Accounting Metrics Cont'd

Topic	Code	Activity Metric	Category	Unit of Measure	Response/Comment
Accident and Safety Management	TR-RO-540a.1	Number of road accidents and incidents	Quantitative	Number	The number of road accidents and incidents: 1,124 0.874 DOT accidents per million miles 0.29 DOT preventable accidents per million miles
	TR-RO-540a.2	Safety Measurement System BASIC percentiles for: (1) Unsafe Driving (2) Hours-of-Service Compliance (3) Driver Fitness (4) Controlled Substances/Alcohol (5) Vehicle Maintenance (6) Hazardous Materials Compliance	Quantitative	Percentile	(1) Unsafe Driving = 55% (2) Hours-of-Service Compliance = 54% (3) Driver Fitness = 44% (4) Controlled Substances/Alcohol = 6% (5) Vehicle Maintenance = 61% (6) Hazardous Materials Compliance = 55%
	TR-RO-540a.3	(1) Number (2) Aggregate volume of spills and releases to the environment	Quantitative	Number, Cubic meters (m <sup>3</sup> )	(1) Number of spills = 6 (2) Aggregate volume of spills = 0.1 cubic meter

## Activity Metrics

Code	Activity Metric	Category	Unit of Measure	Response/Comment
TR-RO-000.A	Revenue ton-miles (RTM)	Quantitative	RTM	Revenue ton-miles = 49,418,098,082
TR-RO-000.B	Load factor	Quantitative	Number	Load factor = 87.36%
TR-RO-000.C	Number of employees Number of truck drivers	Quantitative	Number <sup>2</sup>	Total employees = 29,056 Truck drivers = 19,425

# Discussion of Long and Short-term Strategies to Manage Scope 1 Emissions & Targets

## Long & Short-Term Strategies to Manage Scope 1 Emissions

J.B. Hunt recognizes that reducing GHG emissions in our business is important to our stockholders, our customers, the communities we serve, the global environment, and ultimately the future success of our Company. Increasingly, our customers are making environmental responsibility a priority in their business decision-making, and the same is true for the Company. We strive to offer transportation solutions that help the Company and our customers reduce both costs and carbon emissions while meeting or exceeding our customers' operational needs. Challenges to further reducing our carbon emissions include, but are not limited to, the availability of commercially and economically viable alternatives to diesel-powered equipment and our ability to convert over-the-road shipments to rail through our intermodal service offering. Management is committed to monetizing the efficient use of fossil fuels, such as adopting the most advanced technologies provided from original equipment manufacturers (OEM), utilizing aftermarket products to reduce fuel burn, adopting policies to incentivize reduced fuel burn and assisting manufacturers in developing commercially-viable alternative fuel trucks.

**Short-Term Goal:** Reduce metric tons of CO<sub>2</sub>-e per million Company-operated ton-miles by 3% by 2025<sup>3</sup>

**Strategy to Achieve Short-Term Goal:** In 2020, J.B. Hunt will introduce a new idle reduction effort using our proprietary DRIVE app to give drivers immediate visibility into their engine idling in comparison to their peer group, using gamification as a reduction catalyst. We are also committed to converting our entire fleet to Automatic Manual Transmissions (AMTs) by 2022, which are approximately 1% more fuel efficient than traditional manual transmissions. Further actions that will help us achieve our 2025 goal include rapidly modernizing our fleet with tractors certified under the EPA's US GHG Phase II regulations. Additionally, we continue to research and analyze opportunities for an economically-viable alternative to diesel powered tractor equipment, including electric, hydrogen and natural gas options.

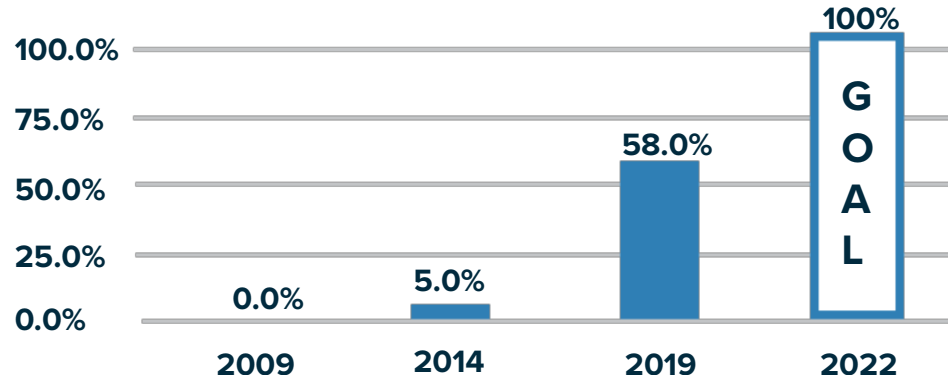
**Long-Term Goal:** To convert at least 25% of our day cab and straight truck fleet to an alternative power fuel source by 2035.

**Discussion around Achieving Long-Term Goal:** J.B. Hunt is committed to providing best-in-class transportation service for our customers. We are also committed to our mission statement "to create the most efficient transportation network in North America." In a highly fragmented and competitive industry, we must remain committed to providing cost-competitive service offerings for our customers, while investing both time and capital into future transportation technologies. While the timing around a viable alternative to diesel-powered equipment is not clear, J.B. Hunt is optimistic that a business case will exist for a diesel alternative truck, particularly in some of our operations that utilize day cabs in a local and/or regional network. Challenges that we face in achieving this goal will be dependent on the following:

- Multiple suppliers of alternative powered equipment with a robust service network to support the product
- Readily available network of refueling and/or recharging locations
- At least an equivalent Total Cost of Ownership (TCO) versus a diesel truck that considers the purchase price, maintenance cost, cost to power/charge and residual values of the equipment
- Ability to haul/transport similar goods, while remaining compliant with all Federal and State regulations, including weight restrictions
- The equipment must have a range capable of providing drivers an opportunity to maximize available hours in a workday, as regulated by the FMCSA Hours of Service regulations
- The equipment must be reliable and provide sufficient uptime to allow J.B. Hunt to provide a high-quality service for customers

(3) Goal is based on 2019 metric tons of CO<sub>2</sub>-e per million Company-operated ton-miles of 1171.

## Automatic Manual Transmission (AMT) Adoption Rate



## Other Carbon Reducing Efforts

**J.B. Hunt 360** – J.B. Hunt has and will continue to invest in building out its proprietary digital freight matching platform to help third party carriers and shippers operate more efficiently in order to eliminate waste in the North American supply chain.

**Route Optimization** – J.B. Hunt engineers in our Intermodal, Truckload and Dedicated Contract Services business units will continue to utilize proprietary optimization software to eliminate empty movement of assets, which reduces costs and needless fuel burn.

**Natural Gas Operation** – J.B. Hunt continues to test natural gas-powered equipment with select customers as an alternative to diesel-powered trucks.

**Exploration of Electric Vehicles** – J.B. Hunt was one of the first transportation companies to place an order for Class 8 electric trucks and remains optimistic about the future of electric vehicles.

**Governed Speed** – J.B. Hunt governs the speed of our trucks not only to help with fuel economy, but to support our safety programs and initiatives.

**Aerodynamics** – The Company continues to invest in aerodynamic features on both our tractors and trailers to reduce drag and maximize fuel efficiency.

**Truck Idle Reduction Program** – We introduced a new truck idle reduction program in 2020 to reduce non-productive fuel burn.

**Remedial Truck MPG Program** – With detailed truck and driver MPG data, our maintenance personnel and driver trainers intervene to ensure our fleet is performing in line with our specifications.

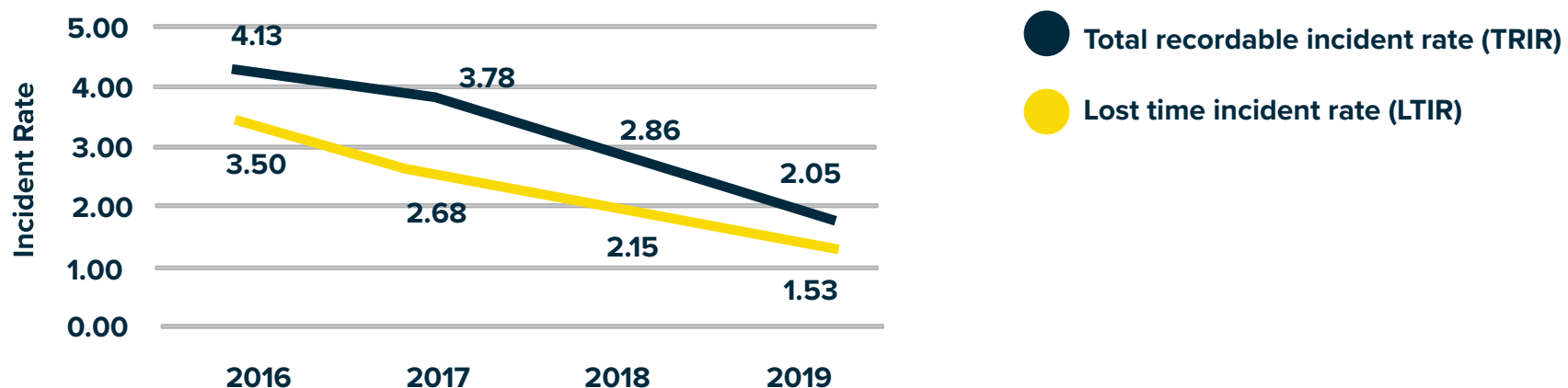


# Discussion & Analysis – Managing Short-term and Long-term Driver Health Risk

## General Description of Approach to Managing Driver Health

J.B. Hunt's general approach to managing short-term and long-term driver health risks is centered around three key areas: safety, preventative and traditional care, and work/life balance. Employee drivers go through extensive safety training once hired, in addition to being trained on a healthy lifestyle while on the road. As provided under the "Driver Training / Benefits" section below, J.B. Hunt offers a broad spectrum of preventative healthcare options for its driving workforce, in addition to traditional benefits provided to all employees. The company has also designed its driving jobs to maximize home time; 90% of our driver jobs are either local or regional, which ensures that the driver is home on a weekly basis, if not more frequently.

### TRIR / LTIR Trends<sup>4</sup>



### Driver Training / Benefits

- Customized safety training platform
- Fatigue management program, which includes the use of ELDs (Electronic Logging Devices)
- Physical exams, including sleep apnea testing
- Telemedicine services and tools to help locate the best in-network providers in a driver's current location
- Expert medical case managers available to help employees manage complicated health concerns
- A health information tool with wellness perks that promotes healthy lifestyle choices
- Diabetes and chronic disease management programs
- Tobacco cessation program
- 24/7 behavioral health counseling services
- Free, expert medical opinion service with access to top physicians and facilities
- Adoption assistance program

In addition to traditional medical, dental, and prescription benefits offered by J.B. Hunt, employees can purchase voluntary benefits such as critical illness and accident insurance, auto and home insurance, optional life insurance, pet insurance, identity protection and more.

(4) Method applied is consistent with Occupational Safety and Health Administration (OSHA); U.S. 29 CFR Section 1904.