



USCS ENVIRONMENT, HEALTH AND SAFETY

ANNUAL REPORT 2019



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USCS IS COMMITTED TO THE SAFETY OF OUR EMPLOYEES AND THE SUSTAINABLE DEVELOPMENT OF OUR BUSINESS

FOREWORD FROM THE CHIEF EXECUTIVE OFFICER

United States Cold Storage, Inc. (referred to as USCS or, in some cases, the “Company” in this report) is committed to the safety of our employees and the sustainable development of our business. We also are committed to the transparent reporting of our record in these areas. This is the seventh report that USCS has prepared in accordance with the Global Reporting Initiative and I hope that all our stakeholders will find the information provided here to be helpful.

I’m pleased to report that from 2018 through 2019, USCS grew with one new facility and as many as six expansions. That led to a 10.5% increase in cubic feet (to 327,699,000) and 8% more employees (to 3,561). In contrast, we also take pride in achieving lower numbers. These related figures include fewer

Rate (TRIR) was 39% below industry average; USCS’ Days Away and Restricted Time Rate (DART) was 35% below industry average; and the company’s Lost Time Injury Rate (LTIR) was 55% below industry average.

In order to account for the changing quantity of overall cold storage space, USCS internally uses power consumption per cubic foot to measure the energy efficiency of the Company as a whole. In 2019, the Company’s average cubic capacity grew by 10.5% compared to 2018 and USCS consumed 8.4% more overall kWh. Meanwhile, USCS’ goal is to reduce overall power consumption by 1.5% per cubic foot and we’re pleased to say that USCS reduced its overall power use per cubic foot by 1.9% in 2019.

At the end of 2019, 30 of 42 USCS facilities also were certified according British Retail Consortium (BRC) global operating food safety standards.

injuries to our employees, less power and water consumption per cubic foot as well as fewer carbon dioxide and greenhouse gas emissions.

USCS Management continues to support a “Best in Safety” culture and 2019 saw company sites host as many as 501 safety committee meetings. Meanwhile, we launched a comprehensive Zero Degrees of Harm behavior-based safety program. In addition, USCS introduced micro safety videos, crisis management drills, pre-shift stretching programs and we piloted innovation in wearable technology to reduce ergonomic injuries. In 2019, these and other steps helped ensure that USCS’ Total Recordable Injury

USCS’ efforts here include utility control management practices and power conservation applications, including use of LED lighting and variable frequency drives, as well as other renewable energy sources such as photovoltaic panels. Interestingly, USCS had three solar arrays in operation and its first warehouse (Turlock, CA, North) using transcritical CO2 refrigeration, which utilizes zero ammonia, 30% less electricity and 70% less water.

The total gallons of water increased by 5.3% in 2019 but USCS’ water utilization per cubic foot decreased 4.4% from 0.66 per cube in 2018 to 0.63 in 2019. This was primarily the result of improved water USCS Water Utilization efficiencies companywide.

I am proud to lead a team of professionals dedicated to providing best in cold service to our customers—without compromising the safety of our workforce or the long-term sustainability of our resources. I am confident that in 2020 USCS will bring more improvements to the way we operate, for the benefit of all our stakeholders.



Larry Alderfer
President and Chief Executive Officer



COMMITMENT TO SUSTAINABILITY

United States Cold Storage Inc. is a subsidiary of UK-based John Swire & Sons Ltd, the parent company of the Swire Group. The Swire Group has interests in Swire Pacific Limited, Swire Properties Limited, and Cathay Pacific Airways Limited, which are all public companies listed in Hong Kong, as well as a number of significant privately owned companies.

The Swire Group has made a commitment to the development of sustainable businesses by providing quality products and services to customers, striving to minimize the environmental impact of our activities and carefully considering the needs of our community, making positive contributions wherever we can. USCS shares the sentiment of our parent company and is committed to increase food security, reduce our carbon footprint, and provide a safe and healthy environment for our Cold Crew and communities. USCS will accomplish these commitments by advancing, innovating and serving food companies seeking the best service, facilities, and logistics in the cold chain.

Our approach to sustainability stewardship is framed in three distinct areas of focus:



People - Our Cold Crew is our most valuable resource and USCS considers our Crew, our communities, and society in our business practices.



Planet - The viability of our world is crucial to the success of USCS operations. We consume natural resources, like energy and water, in our operations so we focus on protecting and preserving the planet through our environmental efforts.



Profit - USCS 'Best in Cold' success adds value to our Crew, our communities, and to society at large. Our financial success enables USCS to continue to invest in our People and our Planet to innovate and progress our operations and business practices.

The information contained in this report will serve as a benchmark for the progress made on these commitments.

PARAMETERS OF THIS REPORT

The 2019 Sustainable Development Report covers the activities of all facilities within United States Cold Storage during the 2019 calendar year. The previous report was issued for the 2018 calendar year in 2019. This report focuses on the USCS workforce and their protection both financially and on the job, the impact that our operations have on the environment, and how we are planning to improve in the future. This is the seventh iteration of this report to follow the Global Reporting Initiative Standard (GRI4) for sustainability reporting while previous annual reports had been issued to Swire without such a template. As a result, there are portions of some metrics that are not fully reported on due to limited data recording.

ORGANIZATION -
USCS NETWORK



| | | |
|----------------|-------------------------|--------------------|
| 43 | 3,500 | 13 |
| Facilities | Employees | US States |
| 3rd | 13 bil | 328 |
| Largest US PRW | Throughput lbs. of Food | Million Cubic Feet |

ORGANIZATIONAL STRUCTURE
AND MARKETS SERVED

This report covers the operational activities of USCS, together with those of its subsidiary companies, collectively "USCS". USCS operates exclusively in the United States and is managed by geographical region. As of December 31st, 2019, the Company operated 42 facilities located in 13 states: California, Delaware, Florida, Georgia, Illinois, Indiana, Nebraska, North Carolina, Pennsylvania, Tennessee, Texas, Utah and Virginia. USCS headquarters are in Camden, New Jersey.

The USCS network of facilities services a customer base with requirements ranging from primary storage to fully integrated third-party logistics solutions. Today, USCS offers more than 328 million cubic feet of temperature-controlled warehouse and distribution space and has over 3,500 employees nationwide. Due to its wide range of refrigerated storage and logistics services, USCS customers include many of the top American and International food companies.

For over 120 years, USCS has been providing temperature-controlled distribution services and protecting the brands of our customers and ultimately the food our families love to eat. The consistent growth of our company is a testament to our relentless commitment to be the 'Best in Cold'. For over a decade, USCS has been among the top three largest public refrigerated warehouse ("PRW") companies in the United States of America.

In 2019, completed a new facility construction in Turlock, CA. In addition, USCS completed construction on a conventional expansion in Lebanon, IN and an automated expansion in Lebanon, IN, as well as, completing a conventional expansion in Medley, FL. USCS commenced construction on an automated expansion in McDonough, GA, and Minooka, IL, as well as, a conventional expansion in Syracuse, UT.

MISSION AND COMMITMENTS

" WE'RE A PASSIONATE,

purpose driven enterprise. Our purpose is very clear...to serve as a protective steward in the cold chain. We know that food is not a luxury, it is a necessity. Our sole purpose is to protect the food in the cold chain. It's why our logo is a Shield...we are quite literally protecting food."



Larry Alderfer
President & CEO



MISSION



" United States Cold Storage's mission is driven to advance, innovate and serve companies seeking the best service, facilities, and logistics in the cold chain."

COMMITMENTS

CONNECT

- We connect the links throughout the entire cold chain industry.
- We cultivate interpersonal, diverse connections among our customers, employees, partners, stakeholders, and community.
- We sustain our connections for long-term growth and success.

PROTECT

- We protect our people and focus on safety. We protect our customers and their products.
- We protect food for those who grow it, make it, and eat it.
- We protect the environment by reducing our footprint and focusing on sustainability.

RESPECT

- We respect each and every member of our crew and care for each other.
- We respect each role, responsibility, and contribution of every member of our crew.
- We respect our customers and the food they entrust to us.

AFFECT

- We positively affect the cold chain industry by being our best and doing our best.
- We affect growth by driving innovation instead of chasing it.
- We affect our company's success by building a future for generations to come.

PROGRESS

- With dedication and determination, we strive on perfecting all aspects of the cold chain.
- We continually learn, with a focus on improving every day.
- We train and train again in everything that can make us a better business and better people.



LEGAL FORM AND GOVERNANCE - BOARD

The Board, which is tasked with organizational oversight and setting strategy, comprises two Executive Directors responsible for various aspects of the business, Non-Executive Directors representing the shareholder, John Swire & Sons Limited, and three Independent Non-Executive Directors.

Furthermore, the President and Chief Executive Officer and the Chief Financial Officer attend the Audit Committee meetings together with members of the Internal Audit function and a representative of our external auditors.

J. B. Rae-Smith

Non-Executive Chairman

J. Larry Alderfer

Executive Director – President & CEO

Charles de Zoete

Executive Director – Vice President, Finance & CFO

David M. Harlan

Non-Executive Director

Jack Pelo

Non-Executive Director

Paul Henson

Non-Executive Director

Craig Owens

Independent Non-executive Director

William R. Dalton

Independent Non- executive Director

Martin Cubbon

Non-executive Director

Dorlisa K. Flur

Independent Non-executive Director

LEGAL FORM AND GOVERNANCE - INTERNAL AUDIT AND COMMITTEES

Internal audit

USCS has an in-house Internal Audit function that is monitored by the Audit Committee and is overseen by the John Swire & Sons Limited internal audit department. The Internal Audit function carries out audits at all the Company's facilities across the United States and at Head Office

Audit Committee

The Audit Committee is chaired by an Independent Non-Executive director. The other member of the Audit Committee is a representative of John Swire & Sons Limited. Furthermore, the President and Chief Executive Officer and the Chief Financial Officer attend the Audit Committee meetings together with members of the Internal Audit function and a representative of our external auditors.

The Audit Committee's remit, as set out in its Terms of Reference, involves:

- Evaluating the adequacy of the mechanisms for the assessment and management of risk.
- Reviewing risk management processes including policies around health and safety, the code of conduct and competition compliance.
- Reviewing the external auditors' proposed audit scope as well as the cooperation between internal and external audit.
- Monitoring the timeliness of management's response to recommendations made by the internal and external auditors.
- Reviewing planned internal audit activities and considering their adequacy as a basis for an independent and objective opinion on risk management, control and governance.
- Reviewing the effectiveness of the USCS systems for monitoring, addressing and reporting on compliance with laws and regulations.
- Reviewing the financial statements and judgmental areas contained therein.

Other Committees

Several committees are in place at the Head Office which cover a range of issues including, but not limited to, Risk Management, Pensions and IT. Each facility has a Health & Safety Committee, which oversees the safety performance and initiatives in each location.

Policies and Procedures

A Corporate Code of Conduct has been developed with the aim of making all employees fully aware of their responsibility for ensuring that USCS conducts its business in accordance with applicable laws and regulations. All new employees are given a copy of the Code of Conduct as part of their induction process.

Employee Communication

USCS encourages dialogue between employees and Head Office management. This is achieved through regular visits by Head Office management to the local facilities, in-house training programs, employee surveys, an internal communication platform, magazines and newsletters.



HUMAN RESOURCES

USCS investment in our Cold Crew reflects our commitment to provide a positive and rewarding employee value proposition founded in the belief that our employees are our greatest asset and are an integral part of the success of USCS.

We are committed to provide our employees a great work environment with equal opportunity for learning and personal growth. USCS offers a wide range of employment opportunities across the country. USCS is committed to the safety and well-being of its entire workforce, providing extensive benefit plans for full-time employees.

The majority of USCS Cold Crew are employed in our facilities as warehouse forklift operators. Creativity and innovation are encouraged to help improve the effectiveness and quality of service we provide our customers. Above all, employees are provided the same concern, respect and caring attitude within the organization that they are expected to share externally with our customers, partners, stakeholders, community. We will continue to facilitate the bond shared among all our facilities, to be sure we are always one company, one family, one Crew.

BEST IN PEOPLE



"My long-term vision most definitely is to maintain our family culture. Our Cold Crew family is so unique for our industry. We are a 120-year-old company with an incredibly strong family. We must also continue to develop our Cold Crew members as we move into the future to make sure that everyone is equipped and prepared for automation and the technology that is rapidly changing the way we do business."

Michelle Grimes
SVP HUMAN RESOURCES

8%

The Cold Crew grew from 2018 to 2019

17%

Female participation in our Cold Crew for 2019

142

of Corporate Employees

3,561

of Employees at USCS

3,419

of Regional Employees

WORKFORCE INFORMATION

Table 1. The year end total workforce broken down by employees, supervised workers, and gender

| Total Workforce | | | |
|--------------------|-------|--------|-------|
| Type | Male | Female | Total |
| Supervised Workers | 2,948 | 595 | 3,542 |
| Executives | 16 | 3 | 19 |
| Total Employees | 2,964 | 597 | 3,561 |

USCS continues to encourage more women to join our Company by creating a culture where women can feel safe and supported. In addition to our policies we are embedding positive diversity, equality, and employee experience into all of our operations to ensure that our Crew works daily in

Table 2. The year end total number of employees broken down by type of employment contract and gender

| Contract Type | | | |
|-----------------|-------|--------|-------|
| Type | Male | Female | Total |
| Full - Time | 2,949 | 595 | 3,544 |
| Part - Time | 15 | 2 | 17 |
| Total Employees | 2,964 | 597 | 3,561 |

Table 3. The year end total workforce broken down by region and gender

| Regional Location | | | |
|-------------------|-------|--------|-------|
| Type | Male | Female | Total |
| Corporate | 86 | 56 | 142 |
| Western | 521 | 134 | 655 |
| Central | 902 | 160 | 1,062 |
| Northeast | 618 | 111 | 729 |
| Southern | 837 | 136 | 973 |
| Total | 2,964 | 597 | 3,561 |

NEW EMPLOYEE HIRES & EMPLOYEE TURNOVER

Table 4. Turnover of employment during this reporting period

| Entering Employment | | | | Leaving Employment | | | |
|---------------------|------|--------|-------|--------------------|-------|--------|-------|
| Type | Male | Female | Total | Age Group | Male | Female | Total |
| Full - Time | 816 | 155 | 971 | Full - Time | 1,244 | 145 | 1,389 |
| Part - Time | 8 | 1 | 9 | Part - Time | 4 | 3 | 7 |
| Total | 824 | 156 | 980 | Total | 1,248 | 148 | 1,396 |

Table 5. Total number of employees entering and leaving employment during the reporting period broken down by age group

| Entering Employment | | | | Leaving Employment | | | |
|---------------------|------|--------|-------|--------------------|-------|--------|-------|
| Age Group | Male | Female | Total | Age Group | Male | Female | Total |
| Under 20 | 44 | 4 | 48 | Under 20 | 30 | 3 | 33 |
| 20 - 24 | 191 | 28 | 219 | 20 - 24 | 276 | 30 | 306 |
| 25 - 29 | 175 | 44 | 219 | 25 - 29 | 292 | 29 | 321 |
| 30 - 34 | 122 | 30 | 152 | 30 - 34 | 215 | 20 | 235 |
| 35 - 39 | 111 | 13 | 124 | 35 - 39 | 139 | 19 | 158 |
| 40 - 44 | 61 | 10 | 71 | 40 - 44 | 98 | 11 | 109 |
| 45 - 49 | 53 | 10 | 63 | 45 - 49 | 89 | 11 | 100 |
| 50 - 54 | 34 | 6 | 40 | 50 - 54 | 49 | 13 | 62 |
| 55 - 59 | 19 | 7 | 26 | 55 - 59 | 31 | 5 | 36 |
| 60 - 64 | 11 | 3 | 14 | 60 - 64 | 16 | 2 | 18 |
| 65 + | 3 | 1 | 4 | 65 + | 13 | 5 | 18 |
| Total | 824 | 156 | 980 | Total | 1,248 | 148 | 1,396 |

Table 6. Total number of employees entering and leaving employment during the reporting period by region

| Entering Employment | | | | Entering Employment | | | |
|---------------------|------|--------|-------|---------------------|-------|--------|-------|
| Type | Male | Female | Total | Type | Male | Female | Total |
| Corporate | 30 | 14 | 44 | Corporate | 13 | 9 | 22 |
| Western | 114 | 30 | 144 | Western | 94 | 17 | 111 |
| Central | 296 | 48 | 344 | Central | 602 | 54 | 656 |
| Northeast | 157 | 25 | 182 | Northeast | 223 | 24 | 247 |
| Southern | 227 | 39 | 266 | Southern | 316 | 44 | 360 |
| Total | 824 | 156 | 980 | Total | 1,248 | 148 | 1,396 |

ECONOMIC PERFORMANCE COVERAGE OF USCS DEFINED BENEFIT PENSION PLAN

USCS operates both a defined benefit and a 401(k) pension plan. Employees are eligible to join the USCS defined benefit pension plan at age 21 and after one year of service. Employees fully vest into the defined benefit plan after five years of vesting service. As of December 31, 2019, 73% of USCS employees were members of the defined benefit plan.

Table 7. Breakdown of Pension Plan memberships

Benefit Plan

| Members of USCS Defined Benefit Plan as of: | | |
|---|-------|--------|
| 12/31/19 | 2,598 | 73.00% |
| Ineligible (employed less than 1 year) | 931 | 26.10% |
| Ineligible (not yet 21 years of age) | 25 | 0.70% |
| Ineligible (Part-time / Casual) | 7 | 0.20% |
| Total USCS employees | 3,561 | |

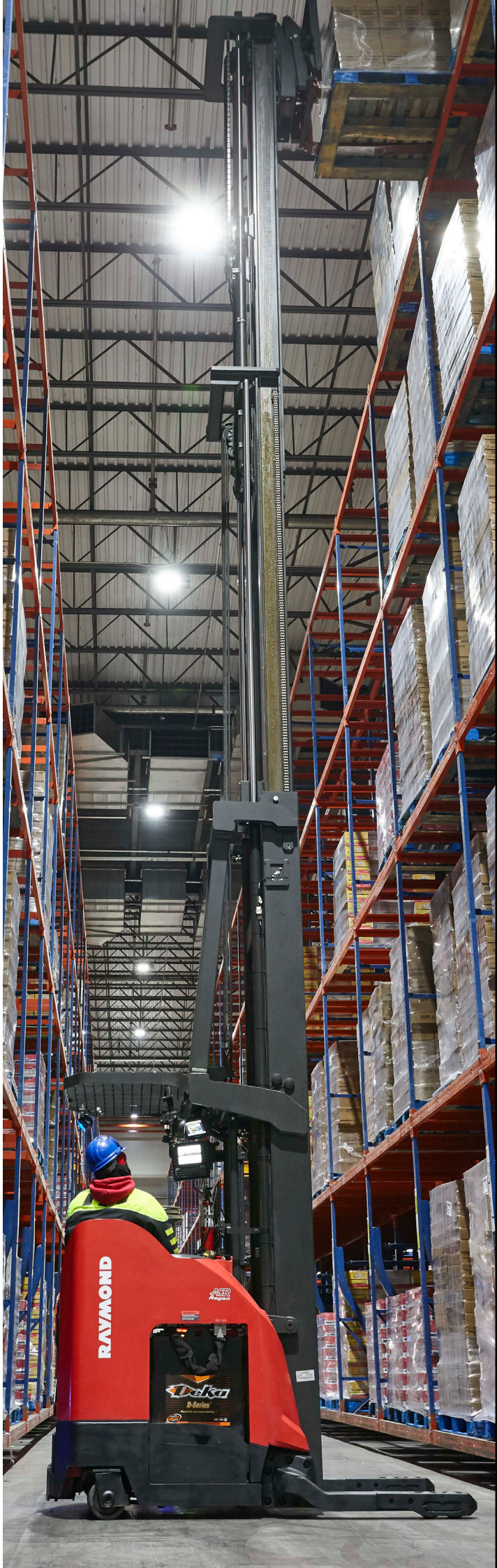
USCS funds the defined benefit pension plan and no contributions are made by employees. As at December 31, 2019, the pension plan indicated a net funding deficit of \$6.1 million, based on certain assumptions made by the Company's independent actuaries.

EMPLOYEE SAFETY

Safety is at the core of everything we do. USCS's culture and safety valued environment empowers our Cold Crew members to be proactive in the elimination and management of hazards to protect themselves, those around them, customers, and communities. At United States Cold Storage, our most important measure of success has always been and always will be the safety of our employees, contractors and partners. Success in safety is a team effort.

The success of United States Cold Storage is largely the result of the consistent hard work and professionalism of our Cold Crew. The quality of our service and our fervent safety focus is recognized by our customers and partners; it is this reputation for safety, quality and service that makes us the 'Best in Cold'.

USCS Management continues to support our 'Best in Safety' culture through behavior-based safety programs, Crisis management drills, pre-shift stretching programs, and piloting innovation in wearable technology to reduce ergonomic injuries. As a result of our Safety culture, the USCS Total Recordable Injury Rate (TRIR), Days Away and Restricted Time Rate (DART), and Lost Time Injury Rate (LTIR) were well below industry average.



BEST IN SAFETY



"Together, we create the safest possible environment for our employees at United States Cold Storage. We offer extensive, in depth training programs for each new team member and our existing employees are empowered with rigorous courses that refresh and remind them of how critical it is to consider safety in every task. We encourage engagement in our safety programs to reinforce our safety culture across all locations."

Lisa Battino
VP OF COMPLIANCE & SAFETY



2019 SAFETY HIGHLIGHTS

- 501** — Number of Safety Committee Meetings held
- 30** — Number of BRC certified facilities
- 39%** — TRIR below industry average
- 35%** — DART below industry average
- 55%** — LTIR below industry average

ZERO°
OF HARM

PRINCIPLES OF A SAFE
WORK ENVIRONMENT

- Roll out of a new safety program : Zero Degree of Harm
- Creation of USCS specific micro safety videos that include such topics as Pedestrian safety and Personal Protective Equipment (PPE)
- Established an AED program in which all locations installed an AED
- Participated in OSHA "Safe and Sound week"
- Created a pre-shift stretching program
- Implemented use of wearable technology to reduce ergonomic risk factors

2019 SAFETY OVERVIEW

Chart 1. USCS Total Recordable Injury Rate

USCS Total Recordable Injury Rate (TRIR)

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------|------|------|------|------|------|------|------|------|------|------|
| 4.77 | 5.09 | 7.49 | 6 | 5.48 | 4.2 | 3.74 | 4.39 | 3.39 | 3.11 | 3.37 |

Chart 2. USCS lost time injury rate

USCS Lost time Injury Rate (LTIR)

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------|------|------|------|------|------|------|------|------|------|------|
| 1.19 | 1.69 | 1.21 | 1.13 | 1.27 | 0.94 | 1.01 | 0.86 | 0.85 | 0.63 | 0.77 |

Table 8. Five-year collection of USCS and BLS safety statistics

Safety Statistics

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------|------|------|------|------|------|
| BLS* TRIR | 5.8 | 5.6 | 4.6 | 4.9 | 5.5 |
| BLS* DART | 4.4 | 4 | 3.5 | 3.7 | 4.5 |
| BLS* LTIR | 2.2 | 2.1 | 1.5 | 2 | 1.7 |
| TRIR | 3.74 | 4.39 | 3.39 | 3.11 | 3.37 |
| DART | 3.23 | 3.75 | 3.00 | 2.76 | 2.91 |
| LTIR | 1.01 | 0.86 | 0.85 | 0.63 | 0.77 |

BLS = Bureau of Labor Statistics
TRIR = Total Recordable Injury Rate
DART = Days Away, Restricted, or Transferred
LTIR = Lost Time Injury Rate

* Represents industry rates for the refrigerated warehouse & storage sector (493120) provided by the US Bureau of Labor and Statistics.

ENVIRONMENT

“ Our goal is to design and build facilities to be sustainable, state of the art, masterpieces. We focus on sustainable design and best practices in each of our facilities which include solar arrays, warehouse automation, microgrid technology, transcritical CO2 refrigeration systems, water conservation, electronic spotting vehicles and preemptive recycling...just to name a few. ”



Mike Lynch
VP OF ENGINEERING

United States Cold Storage acknowledges the importance of sustainable business practices to protect the prospects and nourishment of future generations. USCS strives to reduce the impact of our operations on the environment and our communities by optimizing our cold supply operations and developing innovative solutions for our energy needs now and in the future.

We help the world grow more prosperous by providing transportation and distribution solutions that facilitate trade and support food security. This activity requires the use of substantial amounts of energy, primarily in the form of electricity to support our cold storage facilities, and water and lubricating oil for facility refrigeration systems.

USCS is committed to sustainable practices and we continuously explore ways to increase efficiencies in our energy and water consumption while eliminating waste across our organization.



ENVIRONMENT

Our optimized national distribution network, combined with our Sustainable Development Strategy, helps improve our efficiency and reduce our environmental impacts.

This strategy includes:

- Integrating sustainability in the USCS corporate strategy and setting the standard for Swire operating companies.
- Designating a Sustainability leader in the organization to steward the process and progress of green efforts across our national network of facilities.
- Implementing energy efficient solutions including micro-grid, fuel cells, and solar panels.
- Increasing the use of power generated through renewable sources.
- Reducing electricity consumption within our facilities.
- Reducing water consumption at our facilities.
- Converting facilities and corporate offices to identify zero landfill opportunity sites

We measure our Sustainable Development Strategy performance relative to the indicators below:

- Energy Consumption
- Green House Gas Emissions
- Water Consumption
- Sewage Generation
- Waste Oil Generation
- Renewable Energy Generation (Solar)

The environmental performance indicators utilized were based on yearly statistics compiled from all USCS warehouses. A full breakdown of these statistics is provided in the Appendix.

We engage our entire organization to practice sustainability stewardship from the origination of green initiatives to the implementation and management of sustainable operations.

1.9%

Reduction in power consumption per cubic foot from 2018-2019

Transcritical CO2 Refrigeration

Turlock North is the first warehouse to utilize a Transcritical CO2 refrigeration system utilizing zero ammonia, 30% less electricity and 70% less water.

3 Solar Arrays

Number of solar arrays in operation in USCS facilities (Tulare, CA (2) and Lumberton, NC (1))

1.6%

Reduction in GHG per cubic foot from 2018-2019

ENERGY CONSUMPTION

Refrigeration and warehouse operations use approximately 90% of the electricity consumed within our warehouses. In 2019, USCS consumed 321,954,000 kWh (1,159,035 GJ) of power across all facilities, representing an 8.4% increase over last year’s total of 297,084,000 kWh (1,094,603 GJ). The average cubic capacity of the Company increased by 10.5% from 296,632,000 cubic feet (8,400,618 cubic meters) in 2018 to 327,699,000 cubic feet (9,279,402 cubic meters) in 2019. Power consumption per cubic foot is a KPI that USCS reports internally to measure warehouse energy efficiency and utilization. USCS targets to reduce power consumption 1.5% per cubic foot year-on-year. In 2019, USCS reduced power consumption by 1.9% per cubic foot.

USCS continues to employ energy management technology to reduce power consumption including utility control management practices, power conservation applications including LED lighting and variable frequency drives. Sustainability stewardship includes our commitment to renewable energy sources including photovoltaic solar panels and multi-grid solar technology.

Chart 3. Five-Year Average USCS kWh per Cubic Foot

USCS kWh per Cubic Feet

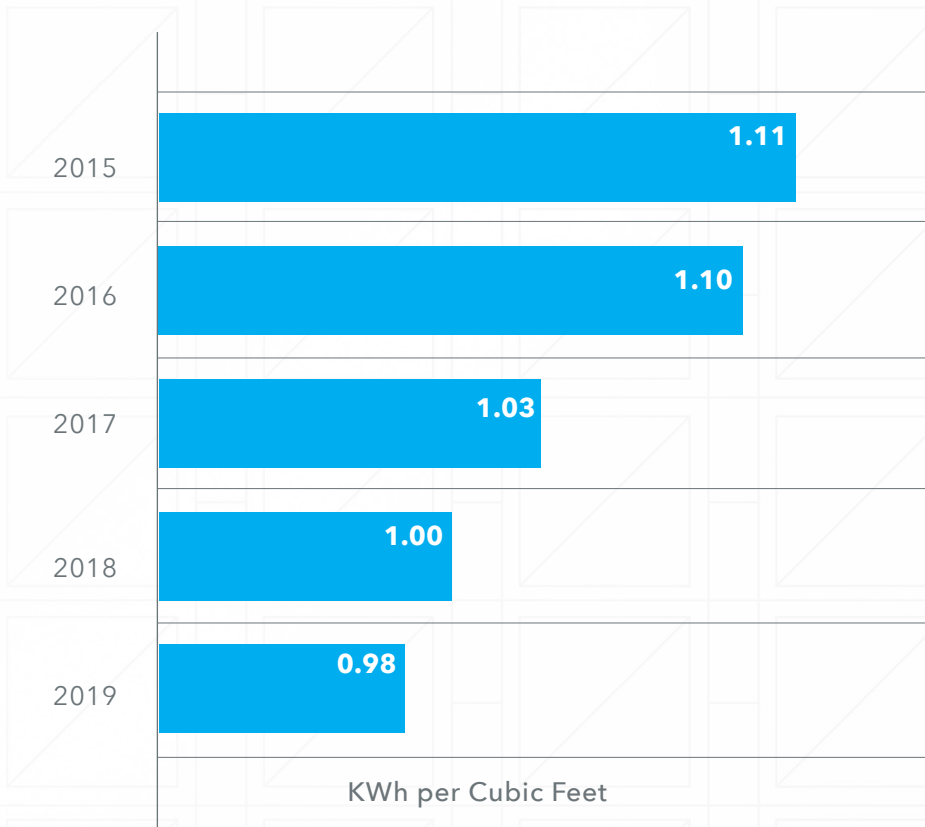


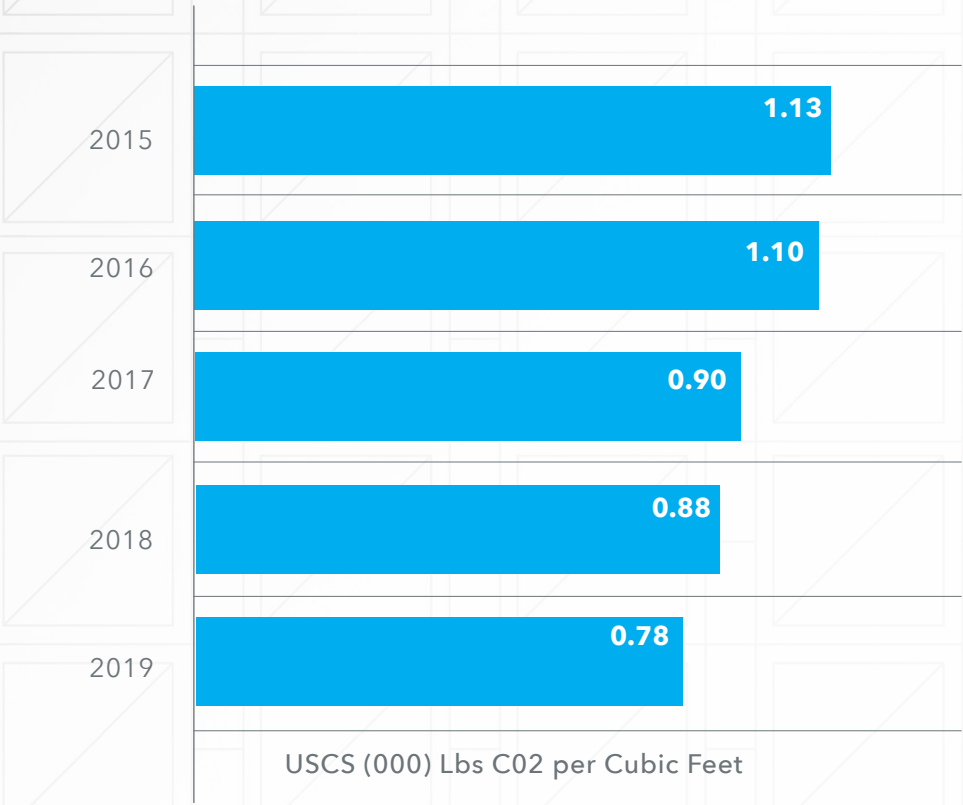
Table 9. Five-Year USCS Energy Usage

5-Year Energy Usage

| Total Electricity Utilization | | | Total Cubic Capacity (000) | | GHG Emissions | | | |
|-------------------------------|------|--------------|----------------------------|-------|---------------|---------------|--------------------|-------|
| | Chg | kWh/ Cu. Ft. | MWh | Chg | Cu. Ft. (000) | CO2 lbs (000) | CO2 Lb/ cubic feet | Chg |
| 2015 | 1.7% | 1.11 | 271,539 | 13.7% | 243,835 | 275,880 | 1 | 6.8% |
| 2016 | 1.4% | 1.10 | 280,668 | 4.9% | 255,736 | 280,302 | 1 | 1.6% |
| 2017 | 6.1% | 1.03 | 282,203 | 7.0% | 273,738 | 247,697 | 1 | 11.6% |
| 2018 | 2.9% | 1.00 | 297,084 | 8.4% | 296,632 | 260,923 | 1 | 5.3% |
| 2019 | 1.9% | 0.98 | 321,954 | 10.5% | 327,699 | 256,498 | 1 | -1.7% |

GREENHOUSE GAS EMISSIONS

Chart 4. . Five-Year Greenhouse Gas Emissions
USCS (000) Lbs CO2 per Cubic Feet



USCS’ business success and our sustainability stewardship both depend on the efficiency of our national distribution network. Our USCS Sustainable Development Strategy is to optimize the processes that consume non-renewable resources within this network. Our goal is to reduce power consumption with a focus on decarbonization. We also recognize that as partners in the cold chain we play an important role in helping our customers and retailers operate in more environmentally sustainable ways. Our decarbonization strategy contributes to the reduction of greenhouse gas emissions through facility design, optimizing maintenance and operational practices, investing in renewable energy sources, and retrofitting facilities to minimize our environmental footprint.

Through our focused effort on reducing our negative impact on the environment, USCS has attained reductions in both electricity and GHG emissions per cubic foot from 2018 to 2019, despite a 10.5% increase in our physical footprint in the United States.

Scope 2 emissions (electricity purchases) made up approximately 99.1% of greenhouse gas emissions for USCS in 2019. The remaining portion was generated from Scope 1 emissions (Company operated vehicles and employee business travel).

RENEWABLE ENERGY

USCS is continually evaluating sources of renewable and clean energy to reduce GHG emissions, reduce pollution, and lower operating costs. Our success with solar arrays in Lumberton, NC and Tulare, CA compel USCS to continue to advance our endeavor into renewable energy sources. USCS owned and operated solar arrays generated 2,905,658 kWh of renewable energy in 2019, representing 0.9% of USCS’s total annual electricity requirement. NEED explanation on why we didn’t produce as much solar power in 2019. USCS echoes Swire's Sustainability commitment by by increasing the use of renewable energy. To that effect, USCS hired a Manager of Sustainability, will continue investing in solar array and microgrid technologies, and commit to the construction of LEED certified facilities.

RENEWABLE ENERGY

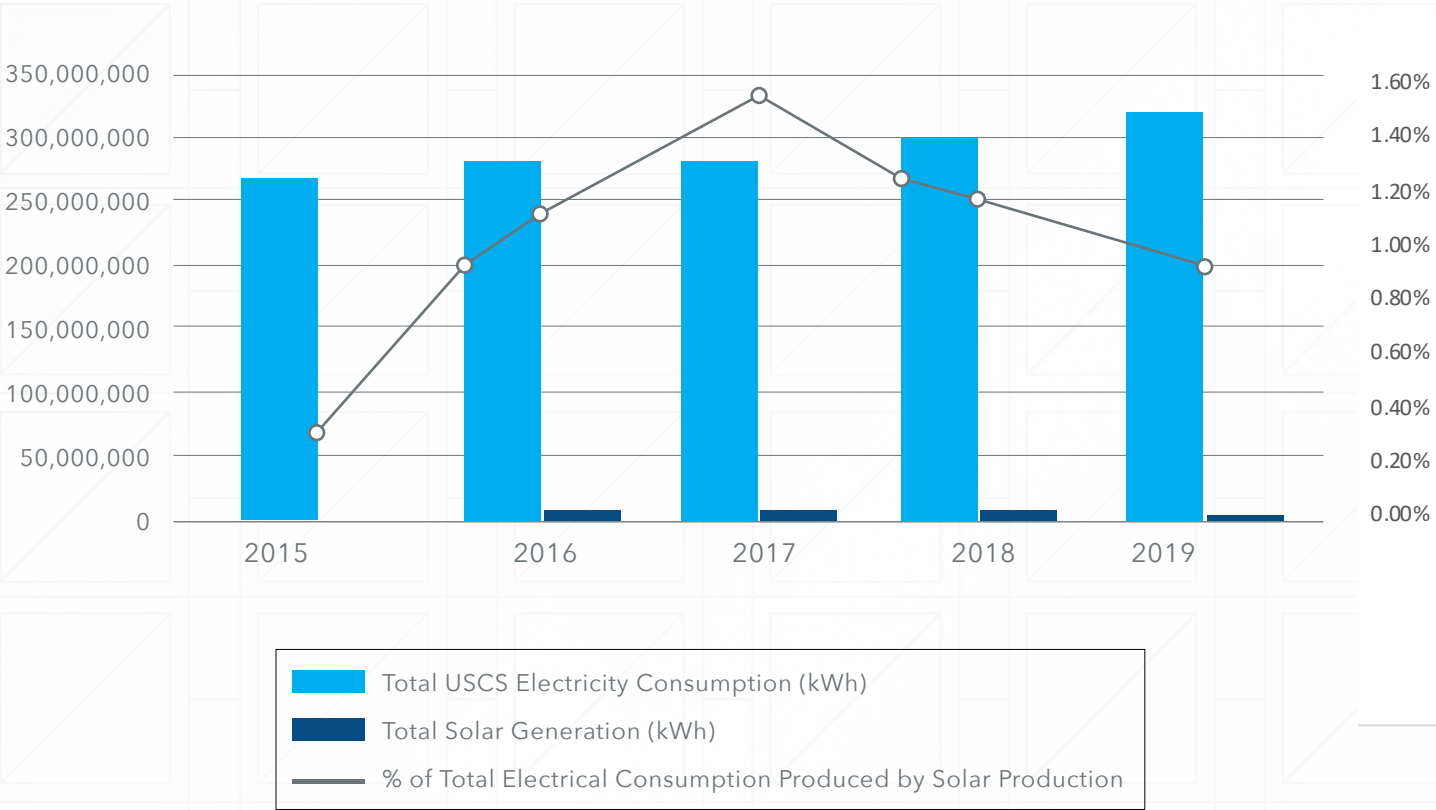
Chart 5. Six--Year USCS Solar Generation

Solar Generation

| | Total USCS Electricity Consumption (kWh) | Total Solar Generation (kWh) | % of Total Electrical Consumption Produced by Solar Production |
|------|--|------------------------------|--|
| 2015 | 272,460,078 | 921,078 | 0.34% |
| 2016 | 283,747,831 | 3,079,831 | 1.09% |
| 2017 | 286,549,512 | 4,346,512 | 1.52% |
| 2018 | 300,570,161 | 3,486,161 | 1.16% |
| 2019 | 324,859,658 | 2,905,658 | 0.89% |

Chart 6. Solar kWh Production Comparison Cubic Foot

USCS Solar generation



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WATER CONSUMPTION / DISCHARGE

Water is an essential natural resource used in all warehouse location for refrigeration, personnel hygiene, sanitation, and landscape irrigation. USCS promotes sustainable water practices to protect our natural resources and waterways.

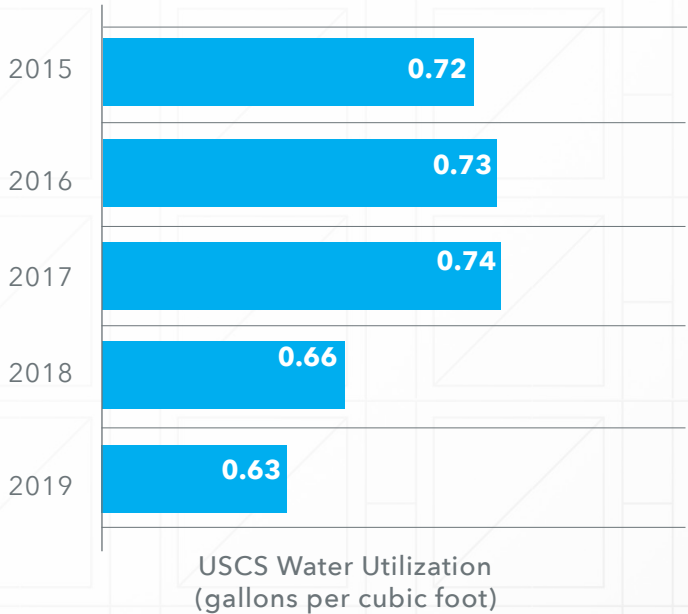
Table 10. Five-Year USCS Water Utilization
Water Utilization

| | Avg Cubic Feet | Gallons of Water | Gallons Water Per Cubic Foot | Gallons % Change |
|------|----------------|------------------|------------------------------|------------------|
| 2015 | 243,835,000 | 174,510,518 | 0.72 | -11.3% |
| 2016 | 255,736,000 | 187,462,389 | 0.73 | 6.9% |
| 2017 | 273,738,000 | 201,360,767 | 0.74 | 6.9% |
| 2018 | 296,632,000 | 194,355,463 | 0.66 | -3.6% |
| 2019 | 327,699,000 | 205,240,655 | 0.63 | 5.3% |

USCS is continuing to reduce water consumption through innovation and conservation which resulted in a 4.4% decrease in water consumption per ft³ from 2018 to 2019.

Chart 7. Five-Year USCS Water Utilization

USCS Water Utilization (gallons per cubic foot)



In 2019, UCSC utilized 205,240,655 gallons (735,715,113 liters) of water from municipal sources. The total gallons of water increased by 5.3% but USCS' water utilization per cubic foot decreased from \$0.66 per cube in 2018 to \$0.63 in 2019. This was primarily the result of improved water efficiencies company wide.

WASTE OIL REDUCTION

USCS continues the practice of converting mineral-based refrigeration oil with synthetic refrigeration oil when new stocks of oil are purchased. Synthetic oil provides a longer cycle between oil changes due to its higher thermal viscosity. USCS has undertaken the journey to track and measure other forms of waste arising from our facilities, such as stretch wrap, corrugate, and damaged pallets.

Taking care of our Planet means USCS will pursue initiatives for Zero Landfill with all waste either recycled or reused

The Company recycled approximately 4,657 gallons (17,629 liters) of waste oil in 2019. Oil consumption per cubic foot had been decreasing since 2014 due to the use of synthetic refrigeration oil and continued construction of sub critical CO2 cascade refrigeration systems. 2019 represents a decrease of 0.3% in the gallons of waste oil.

Chart 7. Five-year Waste Oil

USCS Waste Oil
(gallons per 1000 cubic foot)

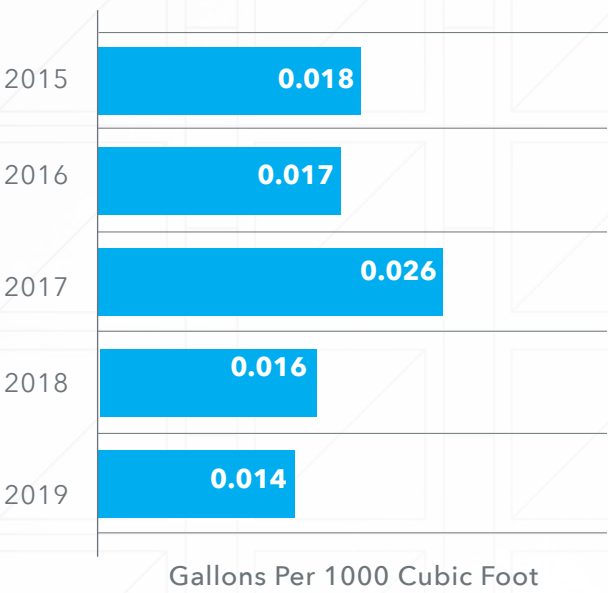


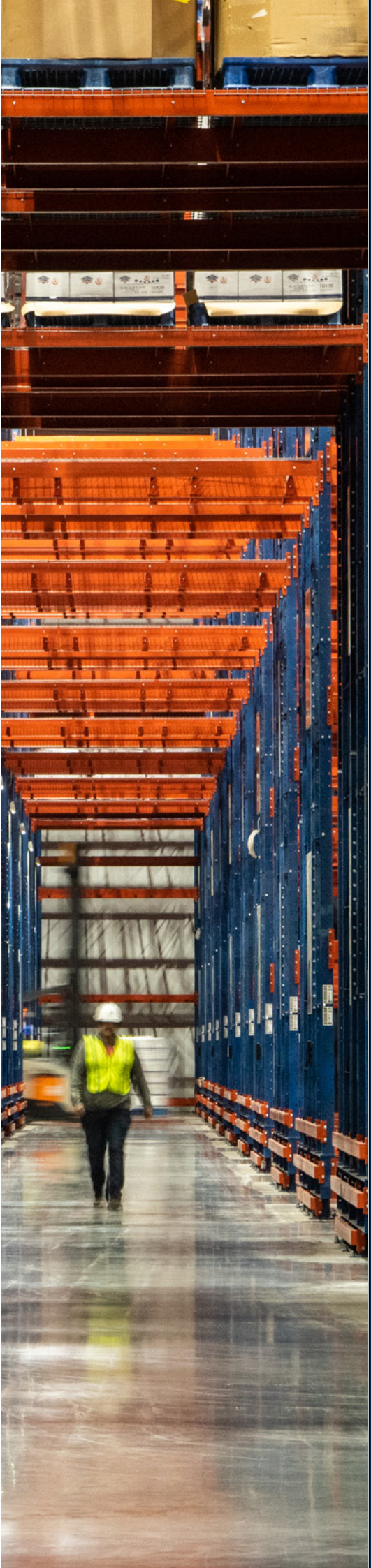
Table 11. Recycled Oil

Recycled Oil

| | Gallons of Oil | Oil Gallons Per 000 Cubic ft. | Gallons % Change |
|------|----------------|-------------------------------|------------------|
| 2015 | 4,393 | 0.02 | -1.2% |
| 2016 | 4,369 | 0.02 | -0.5% |
| 2017 | 7,095 | 0.03 | 38.4% |
| 2018 | 4,671 | 0.02 | -51.9% |
| 2019 | 4,657 | 0.01 | -0.3% |

APPENDIX

USCS continues the practice of replacing mineral-based refrigeration oil with synthetic refrigeration oil when new stocks of oil is purchased. Synthetic oil provides a longer cycle between oil changes due to its higher thermal viscosity. The Company intends to measure other forms of waste arising from our facilities, such as stretch wrap, corrugate, and wood pallets.



APPENDIX

| United States Cold Storage | Report | Quantity for the year | | | | | | Quantity per unit of output | | | | | |
|--|------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-----------------------------|-------|-------|-------|-------|-------|
| Environmental statistics | reference | Unit | 2019 | 2018 | 2017 | 2016 | 2015 | Unit | 2019 | 2018 | 2017 | 2016 | 2015 |
| Business Volume Indicators | | | | | | | | | | | | | |
| Revenue | page 5, 8 | US\$'m | | - | - | - | - | - | - | - | - | - | - |
| Average amount of cold storage space for the year | | m³ | 9279402 | 8,400,618 | 7,743,993 | 7,115,060 | 6,785,045 | - | - | - | - | - | |
| Average headcount | | No. | 3,561 | 3,307 | 2,935 | 2,761 | 2,551 | - | - | - | - | - | |
| Energy and Fuel Use | | | | | | | | | | | | | |
| Electricity consumed | page 14-16 | GJ | 1,169,495 | 1,082,053 | 1,031,578 | 1,021,491 | 980,185 | GJ/m³ | 0.13 | 0.13 | 0.13 | 0.14 | 0.14 |
| Less electricity generated | | GJ | 10,460 | 12,550 | 15,647 | 11,087 | 2,645 | - | - | - | - | - | |
| Electricity purchased | | GJ | 1,159,035 | 1,094,603 | 1,015,931 | 1,010,404 | 977,540 | GJ/m³ | 0.12 | 0.13 | 0.13 | 0.14 | 0.14 |
| Greenhouse Gas (GHG) | | | | | | | | | | | | | |
| CO2 equivalent emissions by type | | | | | | | | | | | | | |
| SCOPE 1 CO2 from industrial diesel + town gas | page 14-16 | tonne | 476 | 665 | 678 | 665 | 328 | 1000 m³ | 0.05 | 0.08 | 0.09 | 0.09 | 0.05 |
| SCOPE 1 from HFC | | | 0 | 0 | 0 | 0 | 0 | | - | - | - | - | |
| SCOPE 2: Electricity | | | 115,870 | 117,749 | 111,738 | 126,539 | 124,660 | | 12.49 | 14.02 | 14.43 | 17.78 | 18.37 |
| Total | | | 116,346 | 118,414 | 112,416 | 127,204 | 124,988 | | 12.54 | 14.10 | 14.52 | 17.88 | 18.42 |
| Water and Waste | | | | | | | | | | | | | |
| Water consumed | | | | | | | | | | | | | |
| Potable | page 16 | litres | 776,917,975 | 735,715,113 | 762,150,503 | 709,622,336 | 660,592,113 | l/m³ | 83.73 | 87.58 | 98.42 | 99.74 | 97.36 |
| | | | | | | | | | | | | | |
| Process Wastewater Disposed | NA | litres | 392,033,543 | 345,455,725 | 345,418,309 | 379,647,949 | 353,508,051 | l/m³ | 42.25 | 41.12 | 44.60 | 53.36 | 52.10 |
| Waste Produced | | | | | | | | | | | | | |
| Waste oil | page 17 | litres | 17,629 | 17,682 | 26,855 | 16,538 | 16,629 | l/ 1000 m³ | 1.90 | 2.10 | 3.47 | 2.32 | 2.45 |
| Health and Safety statistics | | | | | | | | | | | | | |
| Number of incidents resulting in days away from work | page 12 | #/200000 hrs | 0.77 | 0.63 | 0.85 | 0.86 | 1.01 | - | - | - | - | - | - |
| Total Recordable Injury Rate (TRIR) | page 12 | #/200000 hrs | 3.37 | 3.11 | 3.39 | 4.39 | 3.74 | - | - | - | - | - | - |

Environmental Statistics (US)



APPENDIX

| United States Cold Storage | | | Report | Quantity for the year | | | | | Quantity per unit of output | | | | | | |
|---|------------|--------------|-------------|-----------------------|-------------|-------------|-------------|---------------|-----------------------------|-------|-------|-------|-------|------|------|
| Environmental statistics | | | reference | Unit | 2019 | 2018 | 2017 | 2016 | 2015 | Unit | 2019 | 2018 | 2017 | 2016 | 2015 |
| Business Volume Indicators | | | | | | | | | | | | | | | |
| Revenue | page 5, 8 | US\$m | | - | - | - | - | - | - | - | - | - | - | - | - |
| Average amount of cold storage space for the year | | cu ft | 327,699,000 | 296,632,000 | 273,738,000 | 255,736,000 | 243,835,000 | - | - | - | - | - | - | - | |
| Average headcount | | No. | 3,561 | 3,307 | 2,935 | 2,761 | 2,551 | - | - | - | - | - | - | - | |
| | | | | | | | | | | | | | | | |
| Electricity consumed (Actual) | page 14-16 | kWh | 324,859,658 | 300,570,161 | 286,549,512 | 283,747,831 | 272,460,078 | kWh/Cu ft | 0.98 | 1.00 | 1.03 | 1.10 | 1.11 | | |
| Less electricity generated | | kWh | 2,905,658 | 3,486,161 | 4,346,512 | 3,079,831 | 921,078 | - | - | - | - | - | - | - | |
| Electricity purchased | | kWh | 321,954,000 | 297,084,000 | 282,203,000 | 280,668,000 | 271,539,000 | kWh/Cu ft | 0.98 | 1.00 | 1.03 | 1.10 | 1.11 | | |
| Greenhouse Gas (GHG) | | | | | | | | | | | | | | | |
| CO2 equivalent emissions by type | | | | | | | | | | | | | | | |
| SCOPE 1 CO2 from industrial diesel + town gas | page 14-16 | lb | 1,048,493 | 1,330,056 | 1,356,311 | 1,330,800 | 1,051,826 | Lb/Cu ft | 0.003 | 0.004 | 0.005 | 0.005 | 0.004 | | |
| SCOPE 1 from HFC | | | 0 | 0 | 0 | 0 | 0 | | - | - | - | - | - | - | |
| SCOPE 2: Electricity | | | 255,449,373 | 259,593,017 | 246,340,349 | 278,970,790 | 274,828,713 | | 0.78 | 0.88 | 0.90 | 1.09 | 1.13 | | |
| Total | | | 256,497,866 | 260,923,073 | 247,696,660 | 280,301,590 | 275,880,539 | | 0.78 | 0.88 | 0.90 | 1.10 | 1.13 | | |
| Water and Waste | | | | | | | | | | | | | | | |
| Water consumed | | | | | | | | | | | | | | | |
| Potable | page 16 | gal | 205,240,655 | 194,355,463 | 201,360,767 | 187,462,389 | 174,510,518 | gal/Cu ft | 0.63 | 0.66 | 0.74 | 0.73 | 0.72 | | |
| | | | | | | | | | | | | | | | |
| Process Wastewater Disposed | NA | gal | 103,564,628 | 96,959,457 | 91,259,791 | 100,292,378 | 93,387,238 | gal/Cu ft | 0.32 | 0.33 | 0.33 | 0.39 | 0.38 | | |
| Waste Produced | | | | | | | | | | | | | | | |
| Waste oil | page 17 | gal | 4,657 | 4,671 | 7,095 | 4,369 | 4,393 | gal/000 Cu ft | 0.014 | 0.016 | 0.026 | 0.017 | 0.018 | | |
| | | | | | | | | | | | | | | | |
| Health and Safety statistics | | | | | | | | | | | | | | | |
| Lost Time Injury Rate (LTIR) | page 12 | #/200000 hrs | 0.77 | 0.63 | 0.85 | 0.86 | 1.01 | - | | - | - | - | - | - | - |
| Total Recordable Injury Rate (TRIR) | page 12 | #/200000 hrs | 3.37 | 3.11 | 3.39 | 4.39 | 3.74 | - | | - | - | - | - | - | - |

Environmental Statistics (SI)

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**SUSTAINABLE DEVELOPMENT
REPORT**

2019

