

CORPORATE SOCIAL RESPONSIBILITY REPORT

People. Planet. Community.



2025



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2025 CORPORATE SOCIAL RESPONSIBILITY REPORT

Corporate Social Responsibility (CSR) refers to a company's commitment to acting ethically and creating positive societal impact. CSR practices encompass strategies for reducing environmental impact, ensuring fair treatment of employees, and actively supporting communities.

Originally coined in 1953 by American economist and academic Howard Bowen, it wasn't until 1970 that CSR was commonly understood and appreciated within the larger business community. Each year, many companies, including Covenant, publish CSR reports to share their related activities, progress, and future goals. Some critics suggest the idea of "doing business good and doing business well" are mutually exclusive goals, but at Covenant, we have found a balance.

Working closely with our board of directors and employees who possess a deep understanding of our operations, Covenant developed its initial CSR strategy in 2020. Over the past six years, our CSR initiatives have adapted to meet the evolving needs of our customers, government regulators, and investors. This annual CSR report outlines many of the actions we've taken over the last 12 months, and we are pleased to share our progress.

All information and data in this report are accurate as of December 31, 2025, unless otherwise specified.



We're proud to release our sixth-annual CSR report. On the following pages, discover what CSR means to us, learn about our 2025 achievements, and read our vision for a more sustainable future. We'll also give you an insider's perspective on how we collaborate with team members and our local communities to turn our commitments into meaningful action.



OUR BUSINESS

People. Planet. Community.

WHO WE ARE



When David and Jacqueline Parker founded Covenant in 1986, the company primarily offered expedited freight transportation using two-person driving teams in transcontinental lanes. Since that time, we have grown our fleet from 25 to approximately 2,300 tractors and significantly expanded Covenant's solutions to include a full suite of transportation and logistics services.

Our company-owned tractor fleet has an average age of approximately 2.0 years, compared to a 2025 average U.S. Class 8 tractor age of approximately 6.3 years, providing our professional drivers with one of the safest and most efficient fleets on our nation's highways.

We are proud to invest in the latest innovations in fuel economy, emissions reduction, warehouse automation, and alternative fuels. We evaluate and test emerging technologies and products so our assets utilize efficient and environmentally friendly solutions. We make these investments because we know that modern assets reduce maintenance costs, increase fuel efficiency, and support driver recruitment and retention.

We utilize a strategic combination of comprehensive training, proactive coaching, proven safety technologies, and cross-functional collaboration. By expanding our training program, we provide a unified message that reinforces our core culture of safety. This CSR report will detail these actions in greater depth.

WHAT WE DO

As a unified enterprise supported by a family of specialized companies, Covenant combines integrated core solutions with deep industry knowledge, strengthening our ability to serve customers across complex supply chains.

Our family of companies combines enterprise-scale resources with specialized expertise, so every shipment, facility, and partnership gets exactly what it needs.

Managed Freight & Brokerage

Covenant gives shippers one trusted partner for scalable brokerage and managed freight, with mode optimization, real-time visibility, and a carrier network built for complexity.

Dedicated Contract Carriage

Covenant and Landair design, build, and operate private fleet solutions that give shippers the benefits of ownership – without managing drivers, assets, compliance, or maintenance. Dedicated transportation improves service consistency, safety performance, and network efficiency.

Expedited

When speed, security, and precision are non-negotiable, Covenant delivers. Our team-driver model, advanced security protocols, and continuous shipment monitoring support customers across manufacturing, aerospace, defense, and retail replenishment – sectors where on-time is the only option.

Warehouse & Distribution

Our operated warehouse and distribution center solutions create a smarter flow of goods, from inbound receipt to final delivery. We help customers reduce handling costs, increase inventory visibility, and accelerate speed to market through flexible space, experienced teams, and proven processes.

A LETTER FROM OUR CEO



For more than four decades, my passion for the logistics industry has been the heartbeat of everything we do. From the earliest days when we were building routes

and relationships one truck at a time, to today's sophisticated network serving customers across the country, that passion has never wavered. I still wake up every morning excited by the privilege of moving goods that keep our economy running and connecting communities that rely on us. This past year has been one of purposeful growth and I am especially proud of the investments we have made in three key areas.

Sustainability

We accelerated a transition to cleaner equipment, expanded our use of alternative fuels, and implemented technologies that measurably reduce our carbon footprint. These are not just compliance measures; they are investments in a future where logistics

can thrive without compromising our shared environment. These actions are delivering both environmental stewardship and long-term cost advantages for our company, our shippers, and our investors.

Our People

We have deepened our commitment to training, career development, safety programs, and competitive compensation to ensure we employ the best talent in the industry. Our turnover is at historic lows and our employee engagement scores continue to rise because we treat our team as the true owners of our success. Their dedication and expertise are the reasons we can deliver the on-time performance that customers have come to rely on and expect.

Our Communities

Whether volunteering for local food banks, funding education initiatives, or championing employees who volunteer as first-responders, we believe business has a responsibility to give back. These efforts are core to our culture and create stronger, more resilient neighborhoods that, in turn, support a stronger Covenant.

None of this would have been possible without our employees' continued confidence and partnership, which have allowed Covenant to invest in what matters, boldly yet prudently.

Looking ahead, my passion remains undiminished. We remain committed to innovate in sustainable logistics, invest in the best talent in the industry, and strengthen the communities that have supported us for so long. I am more optimistic than ever about Covenant's future and the value we will create together for years to come.

Thank you for believing in our mission and for being part of this continuing journey.

Sincerely,

David Parker
Founder and CEO

COVENANT LOGISTICS GROUP COMPANIES

For 40 years, we have pursued strategic growth through both organic expansion and acquisitions, growing our service portfolio to better integrate into our customers' supply chains. Covenant is comprised of the following companies.



Covenant: A provider of expedited freight transportation, Covenant primarily uses two-person driver teams in transcontinental lanes



Star Logistics: Delivers flatbed, over-dimensional, box/small truck, and solo-OTR capacity.



Landair: Leading dedicated truckload carrier and supplier of transportation management, warehousing, and logistics inventory management systems



AAT Carriers: Deepens our high-security expertise with premium handling capabilities built specifically for the most sensitive and regulated freight in North America



Lew Thompson and Son Trucking (LTST): Extends our dedicated capabilities into agricultural and poultry transportation, including live haul, feed, tanker, hatchery, and rendering operations



Sims Transport Services: Specializes in inbound raw ingredient logistics, keeping critical materials flowing reliably into processing facilities



INNOVATION AND SUSTAINABILITY

Collaborating to Build a Cleaner Future



Each year when we gather information for this report, I have the privilege of stepping back from the operational pace of Covenant's day-to-day business to reflect on something larger - the journey our industry is taking toward reducing

impact on the environment. I want to share where Covenant stands today, where we are headed, and, most importantly, who we are traveling with. Because if there is one conviction that has only deepened over my years in this role, it is this: Covenant will not solve the environmental challenges facing our industry alone. No single company will. The path forward is one we must build together.

Industry competition makes us all better operators. It drives efficiency and innovation. But in the areas of research and investment in solutions that reduce our impact on the planet, competition is simply the wrong framing. When it comes to accelerating the adoption of renewable fuels, scaling the market for low-emission equipment, or building the charging and fueling infrastructure the next generation of freight will require, a win for a competitor is often a win for all of us. The market for sustainable solutions grows when more

logistics providers demand them, adopt them, and demonstrate they are viable at scale.

Throughout 2025, Covenant worked with our industry peers, because collective actions often produce better outcomes. That meant sharing what we learned about alternative fuel performance. It meant co-advocating for policies that improve the economics of cleaner technology. And it meant actively supporting the vendors, startups, and innovators doing meaningful work in this space.

Vendors that are building renewable fuel solutions, developing next-generation powertrains, or engineering smarter logistics software need a market large enough to sustain growth. They need everyone in the industry to pilot their technologies, provide feedback, and commit to long-term commercial relationships. This past year we collaborated with peer carriers, fuel providers, and private fleets to explore whether coordinated demand signals could help suppliers justify infrastructure investments in freight corridors that lack reliable access to lower-carbon alternative fuels. This kind of collective action is unglamorous and slow - but it works, and we intend to continue the effort.

To our customers: Covenant is committed to helping you meet your own sustainability goals, not just managing ours. We remain committed to investing in the research, reporting, and

solutions to provide the data you need to make informed decisions.

To our suppliers and vendors: We value the work you are doing, especially those of you building solutions that are still finding footing in the market. We seek to continue purchasing products that make sense, providing thoughtful feedback, and considering measured risks on promising technologies.

To our peers: We want to collaborate. The industry's credibility on sustainability depends on all of us making genuine progress, not just companies with the best marketing departments. We intend to keep showing up where the real work happens, and we hope you will, too.

To our investors and financial stakeholders: Covenant strongly believes sustainability and long-term value creation belong in the same conversation. We believe companies that lead this transition will be better positioned for the freight market of the next decade - one that will increasingly reward efficiency, resilience, and the ability to meet customer expectations while reducing our impact on the environment.

With appreciation and optimism,

Matt McLelland
Vice President of Sustainability and Innovation

2025 AT A GLANCE

<p>40 Years In Business</p>	<p>Chattanooga Headquarters</p>	<p> 2 Years Avg. Age of Tractor</p>	<p> 5,728 Dry Trailers</p>
<p> 2,315 Tractors</p>	<p> 788 Expedited Teams</p>	<p> 727 Refrigerated Trailers</p>	<p> 264M Miles Driven</p>
<p> 3 Trucks Running on 100% Biodiesel</p>	<p> 6M Warehouse SQFT Managed</p>	<p> 550 Electric Auxiliary Power Units</p>	<p> 1.8M Gallons of Renewable Diesel Consumed</p>
<p> 6 Electric Yard Tractors</p>	<p> 22K Gallons of 100% Biodiesel Consumed</p>	<p>NYse¹ CVLG</p>	

STRONG CORPORATE POLICY

Robust corporate policies provide clear guidelines on behavior and decision-making, ensuring consistency across our organization. We require everyone at Covenant to annually review and acknowledge the following critical matters.

Code of Conduct and Ethics

Establishes basic standards of business practice and standards for personal conduct that are expected of all Covenant team members. [Learn More.](#)

Whistleblower Policy

Serves as a way for team members to report unethical behavior or violations of law without fear of retaliation. It also supports the early detection of potential issues regarding our reputation or financial standing, and can deter misconduct. [Learn More.](#)

Supplier Code of Conduct

Ensures that our supply chain operates according to ethical and sustainable principles. It outlines expectations and requirements for suppliers, emphasizing legal compliance and a commitment to labor rights, environmental protection, and anti-corruption. [Learn More.](#)

Human Rights

Aims to prevent child labor and secures freedom of association, safe working conditions, non-discrimination, fair wages, equal opportunity, and privacy rights. [Learn More.](#)

Data Protection and Cybersecurity

As they relate to our business, technical operations, privacy, and compliance programs, risks are managed through third-party assessments, internal IT audits, digital hardware and software investments, governance, and risk and compliance reviews. [Learn more in our 10-K filing.](#)

CORPORATE GOVERNANCE

Covenant’s board of directors oversees our company’s strategy, governance, executive compensation, and financial reporting. It also provides principled actions, effective decision-making, and appropriate monitoring of both our compliance and performance.

Committees with Board Oversight	
	<h3>Nominating & Corporate Governance</h3> <p>Manage board nominations and oversee implementation of principles.</p>
	<h3>Compensation</h3> <p>Develop and manage compensation strategies.</p>
	<h3>Audit</h3> <p>Oversee the accounting reporting processes and assess corporate financial risk.</p>

SUPPLIER EXPECTATIONS

Covenant prioritizes partnerships with suppliers who demonstrate a commitment to quality, exceptional service, responsible business practices, environmental sustainability, ethical conduct, and adherence to fair labor and human rights principles. By working with suppliers who align with our values, we can enhance our positive contributions to our employees, the environment, and the communities we serve.

Each year, we review and update our sustainable procurement guidelines, developed to help us think more critically about managing these important relationships. In 2022, we implemented a supplier code of conduct, which set our expectations for suppliers in the areas of business integrity, anti-corruption, labor practices, health, safety, and environmental management. Primary criteria for both our supplier expectations and supplier code of conduct are detailed here. The full documents may be requested from Covenant’s accounting team or [viewed online.](#)

Environmental Awareness		
<ul style="list-style-type: none"> ✓ Comply with all applicable environmental laws. ✓ Minimize production of solid waste, wastewater, and hazardous air emissions by implementing appropriate conservation measures. 	<ul style="list-style-type: none"> ✓ Demonstrate responsible waste management and disposal. ✓ Exercise conservation of non-renewable natural resources. ✓ Reduce emissions harmful to the environment. 	<ul style="list-style-type: none"> ✓ Use, maintain, and dispose of both hazardous and non-hazardous waste, as required by applicable laws and regulations.
Business Ethics		
<ul style="list-style-type: none"> ✓ Policies and procedures in place relating to bribes, kickbacks, money laundering, or other corrupt payments to or from any person or organization, including government and private organizations, their officials, agents, and team members. 	<ul style="list-style-type: none"> ✓ Policies in place to monitor and review conflicts of interest. ✓ Respect intellectual property rights and safeguard customer information. 	<ul style="list-style-type: none"> ✓ Accurately record and disclose information on intellectual property rights and safeguard customer data.
Labor and Human Rights		
<ul style="list-style-type: none"> ✓ Comply with all applicable laws concerning minimum employment age, working conditions, compensation, and benefits. ✓ Prohibit unlawful discrimination and harassment to provide a safe and inclusive work environment. 	<ul style="list-style-type: none"> ✓ Enhance team member safety and health through proper workplace design, operational controls, preventative maintenance, and safe work procedures. 	<ul style="list-style-type: none"> ✓ Treat team members with dignity and respect by not discriminating on the basis of race, color, gender identity or expression, sexual orientation, nationality, religion, age, disability and genetic information, or marital status.



OPERATE SUSTAINABLY

OUR APPROACH TO SUSTAINABILITY

The foundation of our business has always been built upon trust. For decades, customers have relied on Covenant to deliver the fundamentals: On-time performance, operational efficiency, safety, and service that keeps partnerships intact through market cycles, disruptions, and global supply chain complexity. In fact, many of our customer relationships have lasted for decades. This longevity reflects a shared commitment to showing up for one another, solving problems together, and evolving as needs change.

Beginning in 2020, a new fundamental was added to their list: How can you help us meet our carbon reduction goals? What started as a handful of conversations became a clear signal from almost every customer - they needed partners who understood the emerging decarbonization landscape. They needed to understand options for alternative fuels, regulatory developments that might dictate asset choices, and the practical tradeoffs involved in building a cleaner supply chain without compromising service or cost-effectiveness. We took that signal seriously, and it became one of the primary catalysts for formalizing our sustainability initiatives.

Throughout 2025, regulatory development continued to be an important driver. Covenant has

always worked constructively with federal and state agencies – including OSHA, DOT, the EPA, and FMCSA – because we recognize their oversight makes our industry safer, more professional, and more accountable. That same constructive posture applies to the evolving landscape of emissions regulation. In 2024, significant new frameworks from the Securities and Exchange Commission (SEC) and the California Air Resources Board (CARB) brought carbon disclosure and reporting requirements into sharp focus for carriers like us. But as 2025 began, several of those frameworks were modified or paused, a reminder that the regulatory environment in this space remains dynamic.

What we are not doing is waiting. The work of improving our environmental performance does not pause for regulatory certainty. We are proud of the progress underway – and equally proud of the collaborative approach we are taking to get there, alongside our customers, our suppliers, our OEM partners, and yes, our competitors. The best ideas in this industry do not belong to any one company, and we are committed to finding them, testing them, and scaling what works.

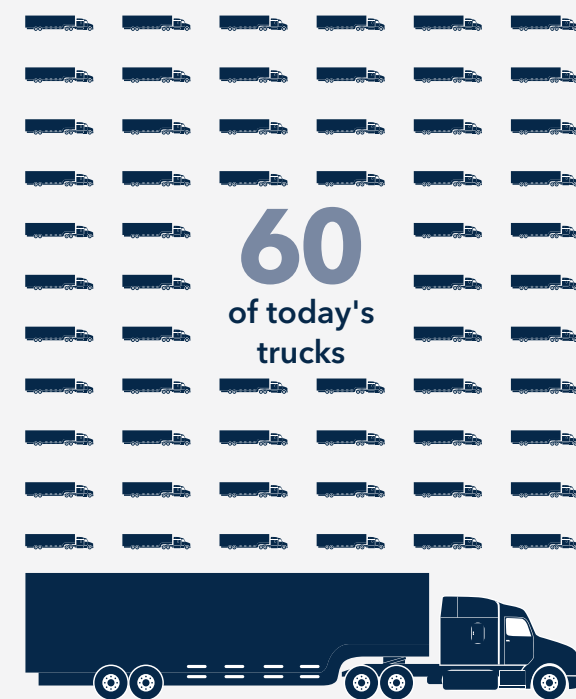


We expect that 2026 will be a defining year for regulations and Covenant will be well-positioned when they are finalized.



THE DECARBONIZATION OF FREIGHT

Progress on the road



Engine OEMs have been making slow progress over the years. A 2025 model truck has 98-percent fewer emissions than the same truck in 1988.

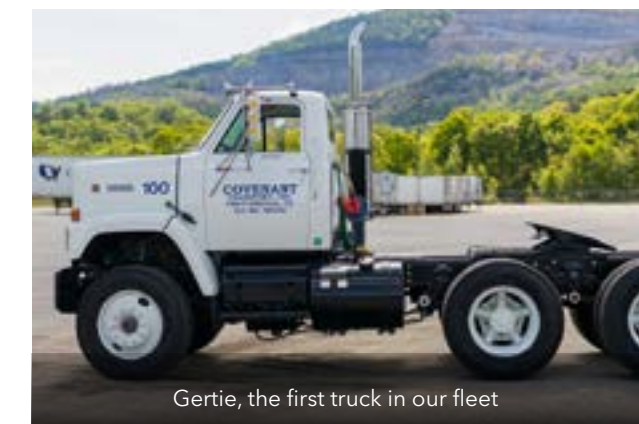
Gertie is a 1985 GMC Brigadier and was the first truck in Covenant's fleet. Gertie burned a lot of diesel, averaged about four miles per gallon, and had very few emission controls. While Gertie remains a member of the Covenant family, its days of pulling a trailer and generating revenue are over. Today, Gertie is parked on our campus as a tribute to our founders and to remind us how far our industry has progressed.

The early 1990s marked a significant turning point for our industry with respect to environmental responsibility. A collaborative effort emerged, spearheaded by original equipment manufacturers (OEMs) and national trade associations, with support from government regulators. This collective focus on engine technology advancements resulted in a dramatic reduction in emissions. For example, a diesel truck made in 2025 boasts a remarkable 98-percent decrease in nitrous oxide and particulate matter compared to its 1988 counterpart.

Today, one of the most important conversations taking place in our industry centers on the decarbonization of freight - where the future transportation of goods is provided almost exclusively by zero-emission vehicles (ZEVs). But upfront costs, limited fueling infrastructure, and significantly decreased range make long-haul operations particularly challenging. Addressing these issues requires coordinated efforts between

regulators, fleets, manufacturers, and industry stakeholders to create supportive policies and develop more advanced technologies.

Although transformative alternatives to diesel for long-haul trucking remain challenging, we do have practical solutions ready to implement now. Many are explained within the [Taking Action](#) section of this report.



Gertie, the first truck in our fleet



An example of Covenant's decarbonization investments, electric yard tractors

THE CIRCULAR ECONOMY

In a traditional linear economy, society follows a take-make-dispose model, discarding products after use. A circular economy, however, extends the life of materials and products through reuse, refurbishment, and recycling. Covenant acknowledges our role in both systems and has made significant progress in reducing waste and using safe, recycled materials wherever possible.



Second-Life Tires

In 2025, 68 percent of Covenant's 37,444 tires were purchased through Bridgestone's retread program, re-directing over 756,765 pounds of tire waste away from landfills (equivalent to 382,950 gallons of oil), helping to meet Covenant's sustainable procurement guidelines from our largest suppliers.



Metal Recycling

Maintaining our fleet involves constant replacement of engine parts, brake drums, and other metal products that ordinarily end up in landfills. Covenant recycles scrap metal from discarded parts, enabling up to 97 percent of the materials to be repurposed.



Extending End-of-Life for Truck Parts

Diesel particulate filters, essential for reducing emissions in every truck, capture soot and other particles from engine exhaust. While these filters typically require periodic replacement, we utilize a process that removes most of the trapped particulate matter, extending filter lifespan and, in some cases, allowing us to monetize waste materials.



Battery Recycling

Covenant safely recycles all depleted batteries from our fleet. Working closely with the original manufacturer, we help the recyclers claim up to 97 percent of the lead acid found in spent batteries.



In-Office Recycling Programs

Office recycling initiatives are vital for promoting corporate environmental responsibility. Over the past six years, Covenant implemented multiple initiatives resulting in waste materials such as paper, plastics, and electronics shifting from landfills to recycling centers. We have also discouraged the use of one-time-use plastic water bottles and invested in refilling stations on every floor throughout Covenant's locations.



Remanufactured Detroit Genuine Parts

We participate in Daimler Truck North America's (DTNA) Remanufactured Detroit® Genuine Parts program, which provides a cost-effective and sustainable alternative to new parts. DTNA's reclaimed core products undergo a thorough process and quality testing to ensure they meet original factory standards. These remanufactured products match the quality of new ones and are used across Covenant's fleet whenever possible.



Paper / Printer Reduction Initiative

In 2019, we implemented several strategies for reducing office supplies, including internal competitions to eliminate unnecessary printing, incentivizing paper reduction, and installing document scanning/management software in every building. These efforts resulted in a 70-percent reduction in printer use and associated consumables. We continued this practice through 2025.



THE MESSY MIDDLE

For over-the-road fleets navigating one of the most consequential energy transitions in the history of trucking, partnering with the North American Council for Freight Efficiency (NACFE) is an essential investment on our path to a future that includes zero emission vehicles. NACFE is an industry not-for-profit that provides independent, unbiased research – free from manufacturer influence and vendor marketing – that gives carriers the real-world data they need to make smarter decisions about equipment, technology, and operational practices. This is especially valuable right now, during what NACFE aptly calls the "messy middle," the period between today and a future that includes the zero-emission movement of freight.



Bringing Clarity to Long Haul

In 2025, NACFE completed its fifth Run on Less - Messy Middle project, which has a mission of educating fleet owners on data-based alternatives to traditional diesel based assets.* This most recent study tracked the real-time performance of 13 fleets of heavy-duty trucks operating along U.S. freight lanes. The vehicles operated currently available options, including battery electric, hydrogen fuel cells, renewable natural gas, renewable diesel, biodiesel, and even drivers committed to maximizing MPG using better driving habits. The results of the demo confirmed what many carriers already knew: No single technology is capable of addressing every freight application with optimal economics, environmental impact, and operational simplicity.

Partnering with NACFE and contributing our own experiences to the industry's knowledge base are some of the clearest expressions of Covenant's belief that the path forward is built together, through transparency, collaboration, and a shared commitment to continuous improvement.

Download NACFE's report, The Messy Middle: A Time For Action, to learn the importance of bridge technologies.

Covenant is a proud member of NACFE's board of directors and technical advisory board.

**According to NREL's report, Decarbonizing Medium- & Heavy-Duty On-Road Vehicles: Zero-Emission Vehicles Cost Analysis*

TAKING ACTION

Renewable Diesel

In 2021, Covenant explored the benefits of Renewable Diesel (RD), a drop-in fuel for Class 8 trucks that reduces lifecycle CO₂ emissions 50 to 80 percent, when compared to petroleum diesel. After testing millions of gallons, Covenant views RD as one of the most important emission-reduction strategies available today. Working closely with our primary fuel provider to ensure a consistent supply, we continued RD use throughout 2025, confident about its widespread availability as a bridge technology.

In 2025, Covenant consumed almost 2M gallons of RD. We encourage our drivers to prioritize its use along routes.



Primary Benefits of RD:

- ✓ Meets ASTM D975 (the same specification as petroleum diesel), making it a true drop-in fuel. Unlike biodiesel blends, it requires no engine modifications and works with existing dispensing equipment and system components.
- ✓ Produces less particulate-matters, nitrogen oxide (NO_x), and sulfur emissions than petroleum diesel.
- ✓ Provides similar energy content to conventional diesel, offering comparable fuel economy.
- ✓ Can be blended with regular conventional diesel at any ratio, without limitation.
- ✓ Has a higher cetane number (typically 70 to 90 versus 40 to 55 for petroleum diesel), which improves combustion efficiency and leads to better engine performance and smoother operations.
- ✓ Performs better in cold climates because it doesn't gel or clog fuel lines.
- ✓ Causes fewer issues in aftertreatment systems, fuel injectors, and oil breakdowns, contributing to lower maintenance costs.
- ✓ Components of RD include repurposed waste products, such as used cooking oils, animal fats, and agricultural residues, giving new life to used materials that would otherwise be discarded.

Ongoing Aerodynamic Testing

Covenant's partnership with TRANSTEX – a leading provider of aerodynamic transportation products – continued to grow in 2025. We have invested heavily in their truck and trailer solutions for the fuel efficiency gains they deliver across our fleet. A key part of that investment is the EEAS-2330T trailer skirt, which holds the EPA's BIN V classification, the agency's highest tier for rating aerodynamic products by verified fuel savings performance. No other commercially available aerodynamic trailer technology has achieved BIN V, and Covenant deployed it first. The EEAS-2330T delivers 10.49-percent fuel savings, equating to 8.93 gallons saved per 1,000 miles and 9.09 metric tons of CO₂ avoided per truck for every 100,000 miles driven.

Since adopting TRANSTEX trailer skirts in 2010, Covenant has saved approximately 20 million gallons of diesel and reduced cumulative CO₂ emissions by roughly 206,000 metric tons across its total fleet.

In 2025, Covenant saved approximately 2,256,588 gallons of diesel, eliminating the production of nearly 23,040 metric tons of CO₂.

eAPUs to Reduce Idle Times

Drivers require climate control, lighting, and other cab amenities during rest periods. Historically, this has necessitated idling its internal combustion engine, resulting in continuous fuel burn and emissions. Electric auxiliary power units (eAPUs) eliminate this need by powering the cab through a dedicated battery system. By the end of 2025, Covenant equipped more than 50 percent of its fleet with eAPUs, making it one of our most widely deployed idle-reduction strategies and a key driver of lower fuel costs and reduced emissions.

Key Benefits of eAPU Adoption:

- ✓ **Dramatic reduction in idle emissions:** Eliminating diesel engine idling during rest periods significantly cuts CO₂, NO_x, and particulate matter emissions, directly lowering a fleet's Scope 1 GHG footprint.
- ✓ **Meaningful fuel savings:** A diesel engine consumes roughly one gallon of fuel per hour while idling. Multiplied across hundreds of trucks and thousands of stops annually, eAPUs can substantially reduce fuel costs.
- ✓ **Compliance with no-idle regulations:** Many states and municipalities, particularly in California, enforce strict anti-idling laws. eAPUs allow drivers to remain comfortable and compliant without the risk of fines or penalties.
- ✓ **Improved driver comfort and retention:** Reliable, quiet climate control, and power during rest periods enhances the in-cab experience, supporting driver well-being and contributing to retention in an industry where driver turnover remains a persistent challenge.

TAKING ACTION

Electric Yard Tractors

The yard environment is where electrification makes sense right now – and where diesel actually performs worst. Replacing a single diesel yard truck with an EV terminal tractor can eliminate emissions equivalent to 2,500 tons of CO₂, 26 tons of nitrogen oxides (NO_x), 13 tons of carbon monoxide (CO), and 2.7 tons of particulate matter over the life of the vehicle.

Other benefits include:

- ✓ **Lower fuel expenses:** EV yard trucks offer up to 90-percent fuel savings over the diesel equivalent, as they have no engine or transmission to service nor diesel regeneration cycle to maintain, and regenerative braking helps recharge the battery while reducing wear and tear. Moderate use is expected to save fleets up to \$40,000 annually, while 24/7 operations can save up to \$90,000 annually, per truck.
- ✓ **No emissions:** Electric yard tractors eliminate diesel exhaust, improving air quality and helping operators meet environmental regulations and sustainability goals.
- ✓ **Silent operations:** Compared to diesel yard tractors, electric models dramatically reduce noise pollution.
- ✓ **Financial practicality:** Grants, tax credits, and subsidies for electric yard tractors exist, offsetting higher upfront costs. These assets also comply with zero-emission mandates, helping to meet regulatory standards in ports and urban zones.
- ✓ **Uptime and reliability:** Electric drivetrains have fewer moving parts – they lack engine oil, transmission fluid, and exhaust systems – which reduces maintenance costs by up to 50 percent when compared to diesel counterparts. It is not uncommon for diesel yard trucks to be down 20 percent of the time, while EV electric yard trucks average just one to two percent downtime. For a terminal operation running multiple shifts, this offers direct productivity gains.

Better Engines = Better Planet

Covenant maintains one of the youngest and cleanest fleets in the trucking industry, with an average fleet age of two years. By continuously investing in the latest truck models, we ensure our drivers operate equipment built with some of the most advanced engine technologies and emissions-reducing innovations available. Every vehicle in our fleet meets or exceeds all applicable EPA emissions requirements – not for external compliance, but because of our commitment to responsible operations. A newer fleet means cleaner combustion, better fuel efficiency, and a smaller environmental footprint along every mile.

In 2025, Covenant deployed a total of eight new electric yard tractors, with more coming in 2026.



Travel Emissions

In 2020, Covenant initiated a virtual meeting program to curb business travel. Our customers and partners report their appreciation of these emissions-savings initiatives, and some have even used our policies as inspiration for their own.

Cloud Computing

The shift from on-premise computing resources to cloud fundamentally changes the economics of technology. Company-owned infrastructure requires large upfront capital expenditures – including servers, networking hardware, and licensing – plus ongoing costs for maintenance, upgrades, cybersecurity investments, and an IT staff. Cloud computing converts most of that to operational expenditure, spreading costs over time and aligning spending with actual usage. There's also no hardware obsolescence as the cloud provider continuously upgrades the underlying infrastructure as part of the service.

Covenant embraces a cloud-based IT infrastructure, leveraging renewable energy, utilizing energy-efficient hardware, and sharing resource-intensive operations (like cooling and security systems) with other customers who use the vendor's data center. As of the end of 2025, nearly 92 percent of Covenant's systems reside in the cloud, significantly reducing the complexity, cost, and resources required to manage our technology.

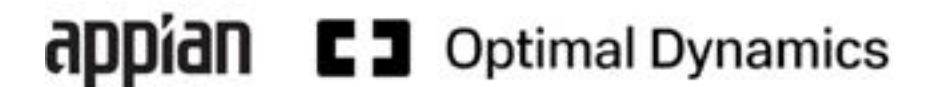
Software Optimization

In Covenant's fleet operations center, a banner boldly states:

“The mile you don't run is zero emission, too.”

Efficient routes minimize unnecessary travel, reduce fuel consumption, minimize wear on our assets, and lower emissions. Prior to 2025, we utilized advanced load planning solutions from Trimble's TMW Suite and advanced route optimization from Appian, allowing load planners to quickly model and execute all route planning for our dedicated customers. This sophisticated route optimization reduces fuel consumption, emissions, and empty miles, which are in direct alignment with our decarbonization initiatives.

In late 2025, we partnered with Optimal Dynamics to augment existing optimization investments with even more sophisticated decision intelligence in our load planning and dispatch operations. The Optimal Dynamics platform evaluates the full downstream impact of every load decision – including how each assignment affects driver positioning, network balance, and profitability. The result is smarter, faster planning that reduces empty miles, improves asset utilization, and allows us to focus on the high-value decisions.



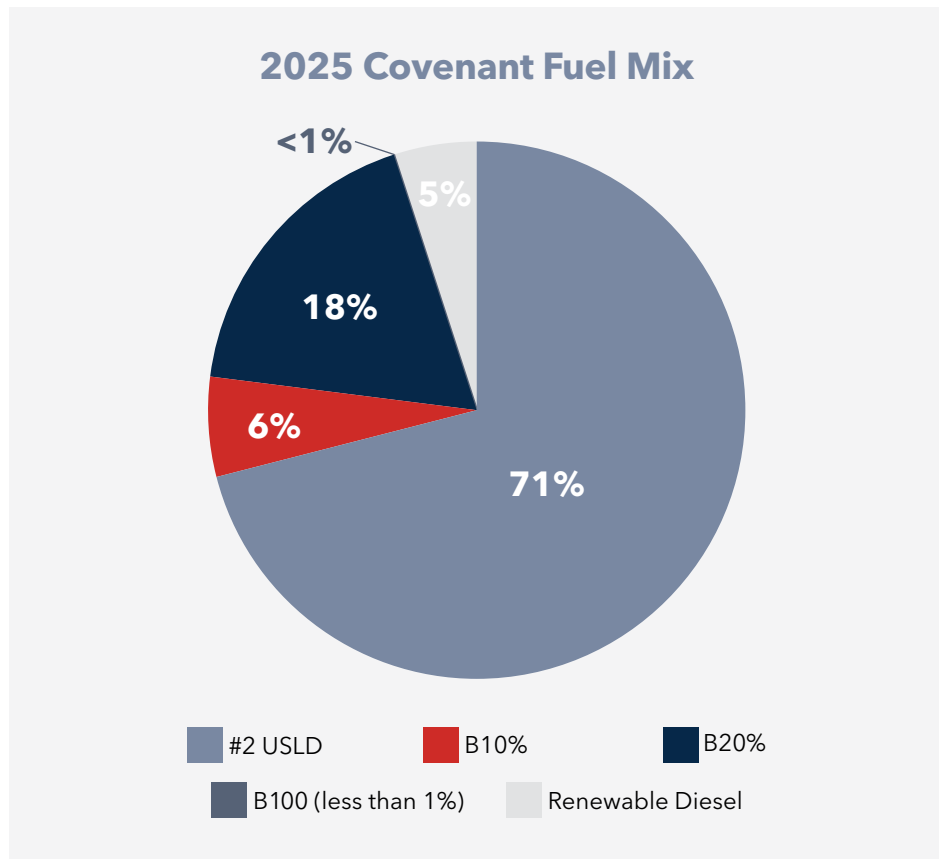
TAKING ACTION

Biogenic Fuel (B5-B20)

Biogenic fuels offer a practical, cost-effective option to reduce emissions and improve sustainability while leveraging existing infrastructure. This drop-in fuel cuts lifecycle CO₂ emissions by 15 to 20 percent when compared to petroleum diesel. It also lowers particulate matter (PM) by 10 to 20 percent, carbon monoxide (CO) by 10 to 15 percent, and unburned hydrocarbons (HC) by 20 percent.

Key highlights include:

- ✓ **Drop-in fuel:** Biogenic fuel (up to 20 percent) is fully compatible with most existing diesel engines, fuel systems, and storage infrastructure without modifications.
- ✓ **No range loss:** Unlike some alternatives, biogenic fuel maintains similar energy content to petroleum diesel (up to two percent lower BTU/gallon), ensuring no significant impact on mileage or payload capacity.
- ✓ **Enhanced lubricity:** Biodiesel has superior lubricating properties, reducing wear on fuel pumps and injectors compared to ULSD, which loses lubricity when sulfur is removed. Biogenic fuels can also extend component life, potentially cutting maintenance costs by five to 10 percent.
- ✓ **Emissions rules:** Biogenic fuels help fleets meet state and federal emissions targets, reducing fines and supporting operations in restricted zones, like ports or urban areas.
- ✓ **Domestic production:** Biodiesel is often made from U.S.-sourced feedstocks (e.g., soybeans and waste oils), supporting local economies and reducing reliance on imported petroleum.



For trucking companies, this fuel offers a balanced mix of environmental gains, engine benefits, and regulatory compliance with minimal disruption. Biogenic fuel is an accessible stepping stone to sustainability, especially for fleets in regions with biodiesel incentives or high emissions scrutiny, delivering both immediate and long-term value.

In 2025, 29% of Covenant’s total fuel use was comprised of biogenic fuels.

Biogenic Fuel - 100-Percent Biodiesel (B100)

Beginning in early 2025, Covenant was the first for-hire fleet to utilize trucks running 100-percent biodiesel. Per the GHG Protocol, the world's most widely used corporate carbon reporting standard, B100 combustion emissions are excluded from Scope 1 accounting, making it effectively a full offset to operating a conventional diesel truck.

In collaboration with one of our largest customers to support their Scope 3 reduction goals, we launched a three-truck pilot using a B100 solution from Optimus Technologies. At the time of this report, those trucks have operated for more than 18 months without significant issue. Additional details on this program can be found on page 32.

Renewable Energy

The Tennessee Valley Authority (TVA) is an electric utility serving Tennessee, Kentucky, and Alabama. Through TVA's Green Power Provider Program, Covenant installed 150 kW of solar panels at our headquarters, offsetting our electricity consumption with 100-percent renewable generation. We also replaced our roofing materials with a white reflective surface (shown below) that reduces heat buildup and eases the load on HVAC systems.



Smarter Asset Utilization through Technology

Empty moves carry no revenue-generating cargo. They typically occur when carriers reposition equipment for an upcoming load, balance assets across a region, move trailers to temporary storage, or return equipment to a depot after unloading. These moves carry a significant financial and environmental cost. Optimizing them remains a persistent challenge industrywide.

In 2022, Covenant began working with REPOWR, a Chattanooga-based logistics platform that connects trucking companies, brokers, and shippers to coordinate equipment more efficiently. Through REPOWR, Covenant enters short-term agreements with other carriers to put idle trailers to work – generating revenue from underutilized assets while ensuring equipment is strategically repositioned. The result is fewer empty miles and less wasted movements.

In 2025, Covenant eliminated over 175,845 empty miles using the REPOWR platform.

Carbon Accounting

Platform Science is our telematics provider and one of the industry's leading in-cab software providers. In early 2022, Covenant partnered with Platform Science to build CO₂ emissions tracking across our fleet. Together, we developed and tested what we believe to be the industry's first telematics-based sustainability dashboard – a tool that tracks CO₂ emissions at the individual vehicle level. That granularity provides reliable Scope 1 data for our own reporting and gives customers needed emissions data to account for transportation in their Scope 3 reviews.

EARTH DAY

Earth Day, held every April 22 since 1970, is a global event to raise environmental awareness and highlight the importance of protecting our planet. It is also a day to reflect upon our own impacts and to take personal steps in reducing our environmental footprint.

Today, Covenant's hometown city of Chattanooga is recognized as an outdoor destination featuring dense forests, clean water features, and limitless outdoor activities. But it hasn't always been this way. During a 1969 national newscast, CBS Anchor Walter Cronkite famously started the evening news with the story, "Chattanooga, The Dirtiest City in America." At that time, Chattanooga had a heavy industrial base and unregulated emissions from local businesses. The Federal Department of Health, Education and Welfare identified the city as the worst in America for particulate air pollution. These factors, along with deteriorating scenic views and rising claims of pollution-related sickness, served as a catalyst for Chattanooga's citizens, government, and industrial leaders to make drastic improvements.

Over the next 20 years, thanks to targeted, aggressive initiatives from every level of private industry and government, the city worked to reverse these effects.

Today, Chattanooga is one of Tennessee's fastest growing cities and shows what can happen when citizens, corporations, and government work together to reverse the impact caused by mankind.

If the "dirtiest city in America" can reverse decades of pollution, we believe a company, or an entire industry, can do the same.

Every year, Covenant observes Earth Day at each of our locations by installing plants and bringing awareness to team members about our collective responsibility to reduce human impact on the environment.



New York Times article (October 15, 1972)



NOT JUST US: WORKING WITH OTHERS

For decades, our industry has partnered with trade groups, membership organizations, and original equipment manufacturers (OEMs) to advance environmental goals. We recognize that collaborating with organizations outside of our own is often the most effective way to drive meaningful progress and solve industry challenges.

Industry Leadership

Covenant's engagement with NACFE is one example that reflects the depth of commitment we believe this work demands. Covenant is proud to serve on their board of directors, giving our company a seat at the table where research priorities are set and industry guidance is shaped. NACFE also facilitates programs like Run on Less, which allow us to contribute real-world operational insights that help the broader industry understand how clean technologies perform on the road. Covenant is a member of the American Trucking Association (ATA). This involvement allows us to participate in policy and advocacy conversations that are shaping the supply chain's transition to clean technology.

Strong Partnerships

Some of our most productive collaboration happens directly with our partners who build and fuel the next generation of freight. Each year, Covenant participates in Daimler Truck North America's customer workshops, which provide the forum for operators to articulate our realities, share decarbonization goals, and influence the product roadmap for ZEVs.

Through our strategic participation in the TravelCenters of America (TA) Customer Council, we provide insights that directly influence the evolution of our nation's fueling infrastructure. When industry leaders like Covenant demand sustainable fueling stations in specific geographic areas, it provides the necessary market confidence for TA to expand fueling networks and OEMs to scale clean technologies.

Working Across the Aisle

Each year, we are more intentional about working alongside our peers. When any one carrier successfully pilots a battery-electric truck, validates a new fueling corridor, or advocates effectively for greener technology incentives, the whole industry benefits. The market for sustainable freight grows when more carriers demand, adopt, and prove it works at scale.

Covenant intends to keep showing up to the places where the real work of decarbonization is happening.



ECOVADIS



EcoVadis is a global platform providing sustainability ratings and assessments for companies, helping them evaluate and improve their environmental, social, and ethical performance. Used by organizations to assess their own practices or those of their suppliers, EcoVadis combines technology and expertise to analyze businesses across 21 criteria, grouped as follows:

- ✔ Environment
- ✔ Labor & Human Rights
- ✔ Ethics
- ✔ Sustainable Procurement

While EcoVadis allows Covenant to share a clear, structured evaluation of our progress with our customers, it also serves as a tool to help measure advancements and pinpoint areas for improvement. This process aligns with our core values of transparency and accountability, ensuring that we not only meet industry standards but also exceed the expectations of our clients, partners, and team members.



In 2025, Covenant achieved **EcoVadis Committed** certification, for:

- 1. Reducing** the company's environmental footprint through efficient resource use.
- 2. Fostering** fair and inclusive labor practices.
- 3. Upholding** the highest ethical standards in our supply chain and business dealings.

A strong score not only demonstrates our commitment to corporate social responsibility but also reassures customers and partners that they are working with a company that prioritizes long-term value over short-term gains. It has opened doors to new opportunities with organizations that demand high sustainability credentials, reinforcing our role as a trusted and forward-thinking partner.

SMARTWAY



In 2004, the Environmental Protection Agency (EPA) launched the SmartWay program to advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency. To achieve SmartWay certification, transportation companies must:

- ✔ **Track and report** spent fuel, carbon emissions, and other environmental metrics using EPA-approved tools and methodologies.
- ✔ **Implement strategies and technologies** to demonstrably reduce fuel consumption and emissions.

Many of the largest shippers in the country – major retailers, consumer goods companies, food and beverage manufacturers, automotive OEMs, and others – have established Scope 3 emissions reduction commitments and sustainability reporting obligations, which influence their carrier selection criteria. An increasing number of large shippers require logistics partners to be

SmartWay certified as a baseline procurement requirement. For carriers without certification, this can be a disqualifying factor in RFPs and contract renewals. Thus, maintaining SmartWay certification is as much a commercial imperative as it is an environmental one.

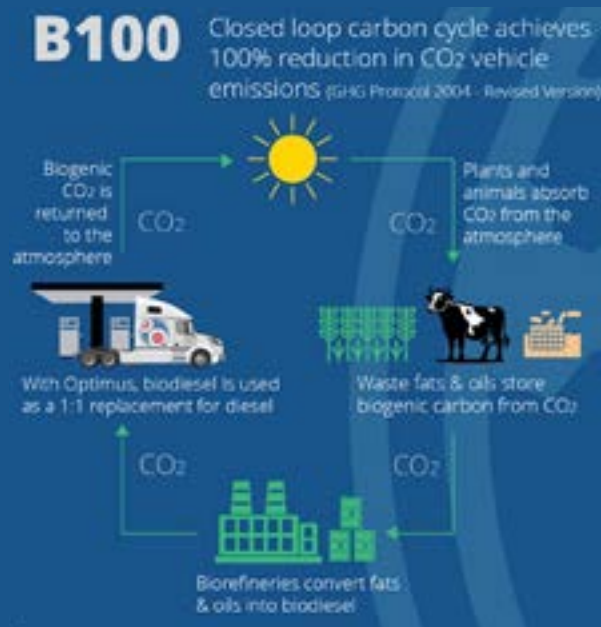
Covenant has participated in SmartWay since 2006 and has continually met the requirements for certification.

- **2020 to 2023**
SmartWay named Covenant to its High Performer list, an honor given to fewer than 10 percent of SmartWay's 4,000 registered carriers.
- **2024**
Covenant achieved the EPA's highest designation: the Excellence Award.
- **2025**
Covenant once again achieved SmartWay High Performer status.

Those periods of performance also earned Covenant Solutions, the company's freight brokerage division, a SmartWay certification.

According to the EPA, SmartWay carriers are optimizing the environmental performance and efficiency of their freight operations, while simultaneously acting as freight sustainability leaders.

SUPPLIER SPOTLIGHT



Covenant thanks Optimus Technologies for delivering practical, near-zero carbon solutions and for their work in expanding the B100 fueling infrastructure nationwide.

In late 2024, Covenant partnered with Optimus Technologies to help a major customer meet the ambitious sustainability target of reducing their Scope 3 emissions by 30 percent by 2030. The challenge required a practical, affordable decarbonization solution that could work reliably across diverse geographic locations, even where alternative fuel supplies might be limited.



The Optimus Vector System provides that solution by upgrading existing diesel trucks to run on 100-percent biodiesel (B100) across all temperature conditions. B100 is a biogenic fuel, meaning its organic feedstock base absorbs enough CO₂ during growth to offset the CO₂ released when the fuel is combusted. This makes B100 effectively carbon-neutral and fully recognized under the GHG Protocol. Using this renewable, near-zero emission fuel, fleet operators can deliver immediate, scalable, and cost-effective emissions reduction without disrupting current operations. Optimus has proven the technology's reliability and scalability, with more than 1,300 heavy-duty diesel trucks equipped and operating across North America.

Optimus Vector Systems Benefits:

Fuel economy

comparable to traditional petroleum diesel.

Ability to flex

between B100, petroleum diesel, and renewable diesel for redundancy.

Support

of existing routes, lanes, and supply chain commitments.

Throughout 2025, our trucks outfitted with Optimus Vector Systems performed as expected, helping our customers make measurable progress toward their 2030 reduction targets.

SUSTAINABILITY RECOGNITION

DHL's Managed Transportation Sustainability Carrier of the Year Award

In April 2025, DHL honored Covenant with its Managed Transportation Sustainability Carrier of the Year award, recognizing our leadership in delivering high-performance, environmentally responsible freight solutions during the prior year. As one of only nine SmartWay carriers in DHL's Presidential Circle, which recognizes the highest performing partners within its network, DHL cited Covenant's exceptional service performance and top-tier EcoVadis sustainability rankings.

[Learn more.](#)

Inbound Logistics' G75 Green Supply Chain Partner

Inbound Logistics magazine named Covenant a 2025 G75 green supply chain partner, a recognition given to 75 organizations demonstrating leadership in environmentally responsible logistics practices during the prior year.

[Learn more.](#)



TRANSTEX Sustainability Award

Covenant received the TRANSTEX Sustainability Award, recognizing our achievements in reducing carbon emissions across fleet operations. The award is based on data-driven evaluations using TRANSTEX's proprietary sustainability impact model, which calculates cumulative CO₂ reductions, fuel savings, and cost savings attributable to TRANSTEX equipment - including EDGE trailer skirts, top kits, and aerodynamic systems - deployed across a carrier's fleet.

[Learn more.](#)



"Since adopting TRANSTEX products in 2010, we have reduced CO₂ emissions by 203,977 metric tons, conserved 20,037,078 gallons of fuel, and generated cost savings totaling \$67,957,750. This award demonstrates how strategic investments and trusted partnerships can produce real, quantifiable results for both the environment and our business."

Matt McLelland, Vice President of Sustainability and Innovation

SUSTAINABLE PROCUREMENT

Covenant prioritizes environmental sustainability across operations. Our commitment extends beyond investing in our facilities and fleet to include thoughtful purchasing decisions across every level of the organization. We believe that working with suppliers who share our vision for sustainability is critical and serves as a powerful opportunity to create meaningful social and environmental impacts.

Covenant proudly partners with suppliers that share our environmental sustainability values, cooperating with our largest to ensure their goals are in alignment with ours. Each year we review these values with our 10 largest suppliers and review shared initiatives, future plans, and inspect their facilities, as needed.

Our Suppliers, Our Environment

Work with suppliers

that have successfully implemented zero-waste landfill procedures.



Influence suppliers when specifying material

to encourage higher recycled content or materials that can be easily recycled at end-of-life.



Prefer use of local suppliers & sub contractors

to minimize the environmental impact associated with transportation.



Mandate suppliers be compliant

with relevant legal requirements, per industry guidelines and standards.



Make periodic visits to our largest suppliers

and personally review their manufacturing, recycling, and labor practices.



Use due diligence

to avoid the possibility of the inclusion of conflict minerals in any product.



Request details from sub-contractors

regarding environmental policies, and assess this information as part of our approval process.



Avoid using materials and substances with hazardous properties

and/or processes that might damage the environment and public health.



Collaborate on sustainable procurement opportunities

throughout the supply chain and via trade association memberships.



Promote awareness

of this policy among all Covenant team members.



Covenant drives environmental impact by investing in sustainable operations and partnering closely with top suppliers to ensure shared values, rigorous facility reviews, and goal alignment.



THE FUTURE OF SUSTAINABILITY AT COVENANT

Since our first CSR report in 2020, Covenant has tracked developments in decarbonization technology and regulation to shape our sustainability strategy. We revisit our goals annually to reflect changes in both areas. However, our initiatives are also directly informed by our major customers – their environmental commitments and financial priorities are meaningful inputs for how we set our own objectives.

Reduce average idle percentage 35% by 2030

Via targeted driver training, eAPU adoption, and investment in trailer aerodynamics, Covenant has reduced its fleet-wide idle percentage by 20 percent – a goal we reached by the end of 2025 after four years of sustained effort. **We are on track to achieve our 2030 goal.**

Improve fuel economy 20% by 2030

We improved our fleet's overall fuel economy by three percent in 2025. **We are on track to achieve our 2030 goal.**

20% of fleet purchases are targeted to be carbon-neutral by 2035

Over the next decade, we expect evolving technologies and regulations will accelerate our transition to near-zero and zero-emission assets. Coming innovation includes alternative fuels, electrification, vehicle autonomy, biogenic fuels, direct carbon capture, and AI-optimized operations. **As a result, we believe 20 percent of Covenant's new assets will be near-zero emission and/or zero emission by 2035.**

60% of our assets are targeted to be carbon-neutral by 2045

We anticipate our industry to look fundamentally different 20 years from now – and we're encouraged by what we're already seeing. Through our research and industry relationships, we believe that innovation and disruption will play a defining role in that transformation, spanning **alternative fuels, electrification, vehicle autonomy, hydrogen, biogenic fuels, carbon capture, and AI-optimized operations.**



2026 GOALS

1 Continued Implementation of electric yard trucks.

2 Researching and Testing alternative fuels, and ensuring their availability.

3 Piloting Programs to utilize battery-electric Class-8 day cabs as requested by customers.

4 Aligning with Startups to explore radical new technologies.

Covenant has made significant progress towards meeting the sustainability goals outlined in previous CSR reports. Over the past year, we've continued to learn about the latest innovations in alternative fuels, worked closely with our OEMs on their long-term decarbonization plans, collaborated with startups developing creative bridge technologies, and invested in fleet upgrades that have proven successful. Our future goals are tied closely to regulatory waves in our industry and much has changed as we enter the new year.

As Covenant plans for a decarbonized future, our long-term strategy must rely in part on technologies and solutions that have yet to be invented.

The Future

The net-zero initiatives of 2030, 2040, and 2050 may seem a long way off, but planning for decarbonization begins now. Six years ago, we initiated a long-term roadmap partially built upon tomorrow's technologies - those that are expected to go beyond the capabilities of today's available bridge solutions. Recognizing the premium associated with decarbonized alternatives compared to existing diesel assets, our ability to commit to these cleaner solutions relies upon our customers' decisions to partner in their adoption. While we wait for new technologies to come online, our job is to learn as much as we can, leverage our relationships with the solution developers, and work closely with our customers to determine a balance among efficiency goals, transportation budgets, industry requirements, and market demands.

We are investing for the long-term, in part by developing relationships and expertise with the most promising companies that are paving the way. Our suppliers and partners are making incredible progress in developing alternative fuels, autonomous vehicles, battery-electric breakthroughs, zero-waste manufacturing, artificial intelligence-powered tools for optimization, and so much more.



FOCUS ON OUR PEOPLE

OUR PEOPLE



Our people are not just a supporting element of our business - they are the foundation of it. While customers are essential to everything we do, it is our team members who make exceptional service possible. Their creativity, expertise, institutional knowledge, and individual talents are what drive our progress, fuel our innovation, and sustain our growth year after year. Without the people behind the trucks, the technology, and the relationships, there is no Covenant.

That conviction shapes how we invest in our workforce. We don't treat employee development as a line item; it is a strategic priority. We continuously re-evaluate our organizational policies, benefits, training investments, and internal growth opportunities because we recognize that our team members' needs evolve, and our commitment to them must evolve as well.

In 2025, that commitment translated into meaningful action. We invested heavily in training and professional development, expanded and improved employee-benefit programs, deepened career support through greater engagement with managers, mentors, and sponsors, and created more opportunities for community engagement. These weren't incremental adjustments - they reflect a deliberate effort to ensure that working at Covenant means having real opportunities to grow, be heard, and be valued.

Listening is just as important as acting. Our bi-annual satisfaction and culture survey remains one of the most effective channels for team members to communicate directly and anonymously with senior leadership and to drive real change within the organization. When combined with regular town halls, one-on-one meetings,

and executive roundtables, these efforts ensure every team member has a voice.

Our programs and benefits continue to evolve as our people's needs do. But the principles that define how we treat our team members - with respect, transparency, and genuine investment in their success - have been constant since Covenant's founding, and they always will be.

Covenant's three guiding principles have remained constant since our founding:

Empathy

Treating others the same way that you want to be treated.

Servanthood

Putting others before yourself.

Virtue

Practicing integrity, honesty, and fairness in all situations.

MENTORING AT COVENANT

The collaborative integration of Baby Boomers, Generation X, Millennials, and Generation Z is becoming increasingly critical for organizational success. Cross-generational teams facilitate knowledge swaps, mentorships, skill sharing, and the development of a robust learning culture. Covenant believes that mentoring and collaboration across generations makes our workforce stronger, specifically in the following areas.

Broader Range of Skills and Perspectives

Unique generations bring varied skills, experiences, and perspectives. Older generations are likely to offer wisdom and strategic thinking developed over years of work, while younger generations may bring fresh ideas, proficiency with new technologies, and innovative approaches to problem-solving.

Enhanced Innovation and Adaptation

By fostering an environment where traditional ways of thinking are challenged by new approaches, generational diversity encourages innovation. Younger employees often are early adopters of technology and can introduce new tools and processes that improve productivity. Conversely, more experienced team members can provide context and a historical perspective that safeguards all against repeating past mistakes.

Improved Customer Relations

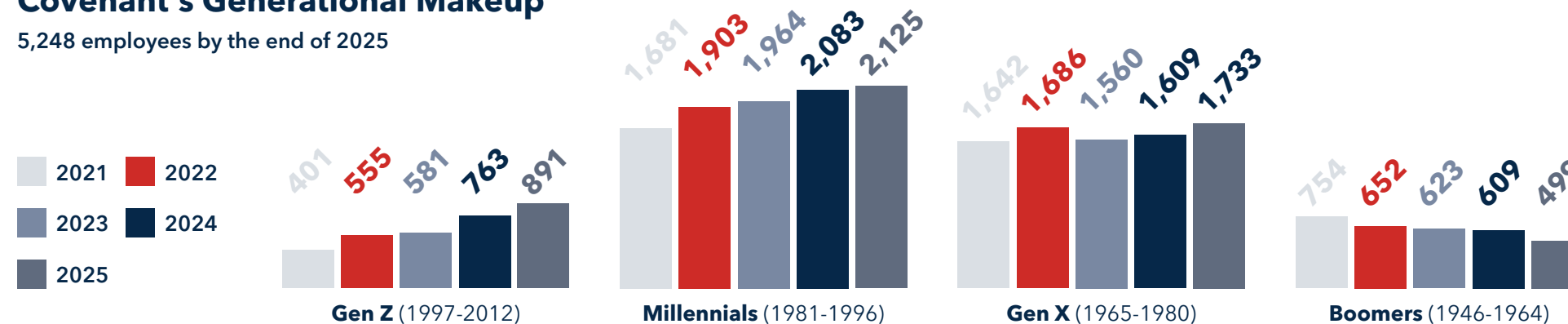
A multigenerational workforce can relate to a broader customer base, understanding and meeting the needs of unique age groups more effectively. This has been especially true in our fleet-management group, in which generational diversity is a key asset in communicating effectively to our professional drivers.

Mentoring Opportunities

Opportunities for mentorship work in both directions. Younger employees can challenge more experienced colleagues to explore emerging trends, while more senior workers can mentor newer colleagues in professional development, industry knowledge, and organizational dynamics.

Covenant's Generational Makeup

5,248 employees by the end of 2025



SUPPORTING OUR PEOPLE

Covenant's success is built on the people behind it. We recognize that our workforce is diverse – in background, in role, and in what it needs to thrive – so we don't take a one-size-fits-all approach to supporting it. Our programs are designed to address specific personal and professional needs, and we refine them continuously based on direct feedback from our team. The result is a support system that stays relevant, responsive, and genuinely useful to the people it's meant to serve. **Here are just a few of Covenant's most meaningful programs:**

Adoption Assistance Program



Full-time employees with at least one year of service are eligible for our adoption assistance program, designed to help offset associated costs.

Expectant Mother Parking



Covenant established expectant mother parking in response to team-member feedback and in acknowledgment of the unique physical demands of pregnancy.

Mental Health Awareness Month



Every May, we recognize this special awareness month by educating team members about the importance of mental health, while also providing resources and a supportive community.

Helping Our People Every Day: H.O.P.E. Fund

The Helping Our People Every Day (HOPE) Fund is a 100-percent team member-funded program that provides monetary assistance to team members in times of urgent hardship. In recent years the fund has provided temporary shelters due to weather-related forced evacuations, maintenance of critical utilities during times of unforeseen circumstances, and benefits continuation during approved leaves of absence. Since the fund's inception in 2001, Covenant has distributed more than \$2.4 million dollars in short-term financial support to our team members in need.



Parental Leave Enhancement



Beginning in 2023, regular full-time team members who have completed at least one full year of employment are eligible for an additional week of paid leave as they become new parents.

Covenant ConcernLINE



The ConcernLINE is a hotline available 24/7 to all team members who wish to anonymously report concerns in alignment with our values of empathy, servanthood, and virtue. This resource empowers leadership to prevent or terminate any unethical, illegal, and/or unsafe activity.

CORPORATE CHAPLAINS OF AMERICA

Corporate Chaplains of America (CCA) is a 501(c)(3) nonprofit organization dedicated to providing comprehensive workplace chaplaincy services across the United States. CCA fosters meaningful professional relationships, offering objective, confidential, and 24/7 support, ranging from spiritual encouragement to critical crisis intervention.

CCA chaplains are located within each Covenant office for in-person counsel, but are also available virtually to support our drivers on the road and any team members who travel. All engagements are entirely voluntary and permission based. This confidential framework empowers employees to direct the depth and progression of the relationship according to their personal comfort and needs, while filling the gaps of a traditional Employee Assistance Program.

For a company like Covenant, CCA represents a tangible, values-aligned investment in the human dimension of its business. Throughout 2025, the CCA program remained a consistent and compassionate presence in our workspace, reinforcing Covenant's commitment to caring for the whole person and creating a culture where no one has to walk through difficult moments alone.



2,200+
one-on-one care sessions provided



525+
on-site visits to Covenant locations



CCA chaplains specialize in the following areas:

Premarital counseling

Marriage and family support

Divorce care and support

Long-term grief support

Depression, anxiety and mental health

Addiction

Serious illness

Spousal and child abuse

Hospital services

Suicide prevention

Death and dying

TALENT ACQUISITION & INTERNAL GROWTH

Covenant invests in the careers of our people – not just their jobs. Through structured training, mentorship, and clear pathways for advancement, we give team members the tools and opportunities to grow within the organization. In 2025 alone, 179 employees were promoted internally, a reflection of our commitment to recognizing talent and rewarding it from within.

The freight and logistics industry is growing, and so is Covenant. As we continue to promote from within and advance our people into leadership roles, building a strong pipeline of future talent becomes not just a priority – it becomes a business imperative. In 2025, we made significant investments in two initiatives designed to identify, attract, and develop the next generation of Covenant leaders. We do this because we believe sustainable growth isn't just about moving freight; it's about cultivating the people who will drive this company forward for years to come.



Early Career Program

Covenant's early career program is an 11-week internship designed to expose emerging talent to various areas of the business while making a real-world impact on operations. In 2025, 14 interns worked across the enterprise contributing to high-impact projects - including driver training programs, equipment depreciation evaluations, enterprise technology assessments, and more - that left a lasting mark on the company. More than a recruitment pipeline, this career development program is an investment in the next generation of leaders and allows us to demonstrate the kind of company we are.

University Partnerships

Covenant's talent acquisition team took a deliberate and expansive approach to campus recruiting in 2025 by attending 31 career-focused events hosted at 20 universities across the country. During the visits, the team built rapport with students, introduced them to the breadth of career opportunities available within our industry, and positioned Covenant as an employer of choice for high-caliber graduates. These activities strengthened our early talent pipeline and attracted exceptional candidates who will grow with us and perhaps one day shape Covenant's future.



179
employees were promoted internally in 2025

MILITARY PROGRAMS

Covenant heavily invests in six military programs to support the training, career advancement, and support of our active service members, veterans, and their families. Our programs include:



Operation Victory

Covenant Logistics' Operation Victory program helps veterans gain careers in the trucking industry. The program credits military experience towards the requirements of all new Covenant drivers.



Troops Into Transportation

Troops Into Transportation is a national program that works in close partnership with 10 military bases nationwide. Each year, it supports more than 2,500 veterans in earning their Commercial Driver's License (CDL) using the GI Bill through a partnership with The CDL School.



Military Placement at Covenant (MPACT)

This company career placement program helps recently separated or retired military veterans transition into truck driving careers, utilizing their GI Bill benefits for training.



The Partnership for Your Success (Army PaYS)

PaYS is a strategic partnership between the U.S. Army and a cross section of corporations, companies, and public sector agencies providing America's soldiers with employment opportunities after serving.



Military Friendly Employer

The national Military Friendly® program is an advocacy vehicle to encourage civilian organizations to invest in programs to recruit, retain, and advance veterans as employees. Over 1,500 organizations compete annually for Military Friendly® designation. In 2025, Covenant earned the bronze designation as a Military Friendly Employer.



Military Spouse Friendly Employer

A Military Spouse Friendly Employer is an organization recognized for its commitment to supporting the employment needs of military spouses. These employers implement policies and practices designed to attract, hire, develop, and retain military spouses, acknowledging the unique challenges they face, such as frequent relocations, deployments, and the need for flexible work arrangements. Covenant is proud to support the spouses of active military members as their work schedule and environments often require special attention.



CELEBRATING OUR LEADERS



Women continue to play a critical role in shaping the future of transportation, driving innovation, leadership, and lasting impact. Covenant is proud to recognize Astin Robertson, senior director of enterprise talent acquisition, who was named a 2025 "Top Woman to Watch in Transportation" by *Redefining the Road* – the official magazine of the Women in Trucking Association.

Robertson has been instrumental in advancing Covenant's workforce strategy, contributing to industry-leading team driver counts, historically low driver and non-driver turnover, and significant fleet growth across the enterprise. Her focus on the new-hire experience ensures team members feel supported from day one. Robertson also launched Covenant's first Women of Covenant Conference, an internal program focused on career development and work-life balance.

Outside of work, Robertson invests her time in two Chattanooga-based nonprofits close to her heart. These include Chattanooga YoungLives, which supports local teen mothers through mentorship, community, and spiritual guidance, and the MaryEllen Locher Foundation, which provides scholarships to students who have either lost a parent to breast cancer or have a parent who is a survivor or undergoing treatment. Robertson's commitment to lifting others, both in Covenant and the community, is a reflection of Covenant's values.

Joey Ballard, executive vice president and chief people and safety officer, said: "Her leadership continues to drive meaningful impact across our organization and the transportation industry."

"Astin brings passion, innovation, and a heart for people to everything she does."

Matt Duncan

Vice President of Enterprise Driver Recruiting and Talent Acquisition

CELEBRATING OUR DEDICATED DRIVERS



Established in 1993, the 40-, 80-, and 120-Mile Clubs recognize drivers based on cumulative safe miles traveled, measured by how many times those miles could circle the Earth. At three million miles, Nick Barboza and Rick McFarland have each done so 120 times.

Covenant is proud to recognize two outstanding professional drivers, Barboza and McFarland, for achieving the remarkable safety milestone of three million

accident-free miles each. This accomplishment inaugurated them in Covenant's 120 Mile Club, honoring their years of dedication, consistency, and unwavering commitment to safety on the road.

That kind of record is built one trip at a time, through decades of disciplined driving, sharp situational awareness, and an unshakable commitment to doing things the right way – even when no one is watching. It reflects not just skill behind the wheel, but character. Barboza and McFarland represent the best of what professional driving looks like.



Rick McFarland



Nick Barboza

EVENTS TO CELEBRATE OUR PEOPLE



Driver Appreciation Week | September 14-20: Our professional drivers often work long hours in isolation, facing challenges like traffic, harsh weather, and tight delivery schedules. Covenant takes a full week each year to celebrate these hard-working men and women, listen to their needs, and reward their many contributions to our organization. This companywide event brings together drivers, dispatchers, and our non-driving employees to acknowledge their efforts and foster teamwork and better communication.



Non-Driver Appreciation Day | October 22: Covenant's fourth-annual, non-driver appreciation day honored and celebrated the incredible contributions these team members make across the organization. Dispatchers, maintenance crews, administrative staff, and warehouse staff all play essential roles ensuring seamless operations throughout the business.



Driver Ride-Along Program: The famous idiom, "Never judge a man until you've walked a mile in his shoes," is one we take literally. Covenant provides the opportunity for office-based team members to join our professional drivers for multi-day trips where they can experience every aspect of a driver's life firsthand. As corporate employees get to know the driver and learn about their days on the road, we use these experiences to listen to their feedback, honor their service, and make more informed decisions that improve their time behind the wheel.



Drivers of the Month: Every month, five professional drivers are chosen by a committee of dispatchers, trainers, and senior leadership of our operations group to recognize outstanding performance, safe driving, timely deliveries, and exceptional customer service. The award not only boosts morale and encourages healthy competition, but allows our leadership to listen, learn, and make changes to our driving program based on their valuable feedback.



Chattanooga Corporate Challenge: Each year, the Chattanooga Corporate Challenge, an "adult field day" designed to build company culture and foster local networking, brings the city's organizations together for a day of friendly competition. In 2025, Covenant fielded more than 50 team members across events ranging from a 5K and one-mile walk to cornhole, cycling, and puzzle pursuit. We had a strong showing throughout, including first-place finishes in dodgeball and tug-of-war, and a second-place tie in the home run derby.



Honoring Our Veterans | November 11: Each year, we take the time to honor Covenant's military veterans. Across all campuses and terminals, we celebrate on Veterans Day by placing American flags on our lawns and recognizing brave servicemembers during internal ceremonies.

COMPANY HONORS & AWARDS

Covenant's people provide our greatest competitive advantage. The external recognition we received in 2025 is validation that the culture we've built, and the people who bring it to life every day, are worth recognizing.



2025 Top Company for Women to Work in Transportation

Redefining the Road, the official magazine of the Women In Trucking Association (WIT), named Covenant a 2025 Top Company for Women to Work in Transportation. This prestigious honor recognizes Covenant's excellence in corporate culture, competitive compensation, and professional development.



Best of the Best Awards

Each year, the *Chattanooga Times Free Press* hosts the Best of the Best Awards, a reader-driven "people's choice" program that recognizes top local businesses, services, and individuals across numerous categories. This third-consecutive Best of the Best award reaffirms Covenant's team member support and strong culture.



2x Transport Topics' Top 100 Lists

Transport Topics recognized Covenant in 2025 as both a Top 100 For-Hire Carrier and a Top 100 Logistics Company, based on the previous year's revenue. Among for-hire carriers, Covenant ranked No. 35 overall, No. 2 in the air/express category, and No. 22 in truckload/dedicated category. The continued expansion of our third-party logistics (3PL) capabilities alongside our core trucking operations earned Covenant's rank of No. 76 on the logistics company list.



NDTA Corporate Distinguished Service Award

The National Defense Transportation Association (NDTA) recognized Covenant's AAT Carriers with its 2025 Corporate Distinguished Service award. This honor is given annually to member companies that make meaningful contributions to the association's mission of advancing global transportation, logistics, and defense readiness. AAT is proud of its consistent performance across complex transportation requirements, as well as its long-standing relationship with the defense logistics community.



STRENGTHEN OUR COMMUNITIES

SERVANTHOOD: A PILLAR OF OUR CULTURE

Community involvement at Covenant isn't a checkbox – it's an expression of who we are. Our culture is built on three core principles: empathy, servanthood, and virtue. Servanthood, in particular, shapes how we show up beyond our own walls – through volunteerism, charitable giving, and partnerships with organizations doing meaningful work in the communities we call home.

The impact runs in both directions. When our people serve, they build deeper connections to the communities our trucks pass through and our warehouses call home. They return to work with a renewed sense of purpose, a stronger connection to their colleagues, and a clearer picture of why what they do matters. Community investment, done right, strengthens culture from the inside out – and at Covenant, we've seen that firsthand.

Covenant is proud to offer two unique programs that help us put action behind this principal, **Covenant in the Community** and **Covenant Cares**. Each is managed by our human resources (HR) team and driven by our team members who want to make a difference.

ser.vant.hood
The act of putting others before yourself.



External Outreach



Covenant in the Community connects our team members with volunteer opportunities within our local communities. The program also organizes philanthropic events throughout the year and allows employees to use paid volunteer hours toward causes that matter to them. Read more about this on the next page.

Covenant's Mandy Glass serves as a volunteer firefighter and emergency first responder in her community.



Internal Support



Covenant Cares is an internal program that provides opportunities for team members to help one another during times of need. Many of these opportunities are described in greater depth within the Supporting Our People section.

Honoring our greatest asset, our people, during driver appreciation week.

COVENANT IN THE COMMUNITY



Building Trust and Goodwill Through Community Engagement

We believe that by investing in our communities, Covenant strengthens the social fabric, which benefits our employees, the environment, and our operational regions. This is one reason why our team members volunteer locally and Covenant financially supports organizations that align with our values.

Volunteer Time Off

Covenant's Volunteer Time Off (VTO) program allows team members paid leave for volunteer activities. Our team members are given wide latitude for the organization they choose to partner with and are granted a fixed number of volunteer hours each year as a part of their full-time employment packages.

This past year, they lent time to:

- The Lula Lake Land Trust
- Chattanooga Area Food Bank
- Wreaths Across America
- The Tennessee Aquarium
- Chattanooga Zoo
- Ronald McDonald House
- Career days at local elementary schools, including Touch a Truck programs
- Bethel Bible Village, a foster home providing education and support to disadvantaged children

Corporate Philanthropy

Covenant is committed to making financial contributions to local, national, and international non-profits and charities that our people are passionate about.

More than
\$20.8M
has been donated
to worthy causes since 2005.

Covenant HOPE Fund

Covenant Cares provides opportunities for team members to help one another during times of need through the HOPE Fund. Though primarily designed to help team members, this support extends to spouses, partners, children, and extended family. We believe when we help our people, we also help the broader community.

\$2.4M has been contributed to H.O.P.E. since its inception in 2001.



WREATHS ACROSS AMERICA

Covenant annually supports Wreaths Across America (WAA), a non-profit honoring our troops and veterans. For 14 years, our company has delivered truckloads of wreaths to select national cemeteries on WAA's behalf to decorate the headstones of American heroes. On December 13, 2025, Covenant employees and their families volunteered at Chattanooga National Cemetery to place wreaths, pray for our troops, and pay tribute to those who made the ultimate sacrifice for our nation.

This national organization is dedicated to remembering our fallen U.S. servicemembers, paying tribute to those who currently serve, and teaching our children the value of freedom. Our work with WAA reminds us of the sacrifices of our own active, retired, and veteran servicemembers who preserve America's freedoms.



RAISING AWARENESS ON THE ROAD

Human trafficking is a modern form of slavery in which individuals are exploited through force, fraud, or coercion for forced labor, commercialized sexual exploitation, or involuntary servitude. It involves recruiting, transporting, harboring, or controlling victims, often across borders or state lines. The trucking industry – with its extensive U.S. highway network and drivers who can serve as front-line observers – is well-positioned to help prevent this serious crime.

Taking Action to Combat Human Trafficking

To help combat this type of crime, the U.S. Department of Transportation created Transportation Leaders Against Human Trafficking (TLAHT), a voluntary coalition of industry leaders from various transportation modes, including airlines, trucking companies, railroads, and maritime organizations. Together, these leaders have pledged to combat human trafficking by educating their team members, raising awareness about this type of crime, and working with law enforcement to identify and report potential trafficking situations.



Covenant is a proud member of TLAHT and is playing a critical role in detection, reporting, and prevention of human trafficking incidents.

465 Hours were spent on human trafficking prevention training in 2025.

Training and Awareness Programs

Every year since 2015, Covenant has renewed the TLAHT pledge and provided mandatory training programs to educate drivers and other front-line team members about human trafficking.

Partnerships with Law Enforcement

The trucking industry collaborates with local, state, and federal law enforcement agencies to share information and resources. These partnerships enhance the abilities of drivers to report potential incidents and help in the swift action against traffickers.

Fostering a Reporting Culture

Covenant has developed a culture in which drivers and team members feel safe and responsible for reporting suspicious activities.

Community Engagement

Since 2015, Covenant has financially supported Truckers Against Trafficking (TAT), a non-profit organization dedicated to fighting modern-day slavery. TAT engages the broader community through public awareness campaigns and community outreach programs that spread awareness beyond the industry.

Spreading Awareness About the Dangers of Fentanyl



Covenant has also joined the fight against fentanyl abuse. This highly potent opioid is driving a surge in overdose deaths, claiming countless lives across communities. Its widespread availability increases the risk of accidental overdoses, making education, prevention, and enforcement urgent. Covenant has partnered with several organizations to bring awareness to this challenge and wrapped a trailer with information outlining the dangers of the drug and how to seek help.

VOLUNTEER SPOTLIGHT: CAROLINE THURMAN



Every dedicated volunteer has a story of inspiration, and Caroline Thurman's traces directly back to her mother. Watching her mom pour energy and leadership into the Chattanooga community – ultimately rising to serve as the area president of Junior Achievement (JA) – left a lasting impression on Thurman and ignited a passion for service that she has carried ever since. As a JA alumna, Thurman experienced the program's impact firsthand. Today, that personal connection drives her to ensure the next generation enjoys those same opportunities. While working as a Covenant customer success representative over the past four years, Thurman has also served as a devoted JA volunteer since 2014, supporting everything from fundraising to leading the hands-on classroom experiences that bring the mission to life.

As a highly impactful youth-serving nonprofit, JA reaches millions of students across more than



Caroline Thurman (shown right) at JA's recent Viva Las Vegas event, supporting the financial education of Chattanooga children.

100 countries with programs focused on financial literacy, work readiness, and entrepreneurship. By bringing working professionals directly into K-12 classrooms, the organization connects education to real-world opportunity in an immediate, personal way. In Chattanooga, that mission is carried forward by leaders like Thurman's mother and sustained by a new generation of volunteers like Thurman herself.

Thurman's story is a reminder that the character of Covenant is reflected not just in the work we do, but in the lives our people choose to lead outside of the office. Her decade of service, passion for supporting younger generations, and the legacy of leadership she carries from her family exemplify the values we strive to build our culture around. Covenant is proud to recognize Thurman as this year's volunteer spotlight honoree.



This is our sixth CSR report, covering the 2025 calendar year, which is also our fiscal year. More information about our company can be found at [covenantlogistics.com](https://www.covenantlogistics.com).

All photographs in this report feature Covenant team members, active trucks, facilities, and activities from the 2025 calendar year. The one exception is Gertie, our original truck, which is now retired and on permanent display at our corporate headquarters.

We are eager to hear any feedback and answer any questions you may have via email at CSRfeedback@covenantlogistics.com.


Corporate Governance: <https://www.covenantlogistics.com/governance>

Annual Reports: <https://www.covenantlogistics.com/annual-reports>

SEC Filings: <https://www.covenantlogistics.com/sec-filings>

Earnings Information: <https://www.covenantlogistics.com/earnings-info>

This CSR Report contains "forward-looking statements," as that term is defined in the Private Securities Litigation Reform Act of 1995, as amended. These statements are based on management's current expectations and involve substantial risks and uncertainties, which may cause results to differ materially from those outlined in the statements. The Company undertakes no obligation to update any forward-looking statement publicly, whether as a result of new information, future events, or otherwise. Forward-looking statements should be evaluated together with the many uncertainties that affect our business. Please review the risk factors set forth in our latest Annual Report on Form 10-K, current year Form 10-Qs, our press releases, stockholder reports, and filings with the Securities Exchange Commission for factors that could cause actual results to differ materially from those in the forward-looking statements.


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