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OUR APPROACH TO ESG

Letter from our President
TuSimple at a Glance
Environmental and Social Risk Management
Since our founding in 2015, the TuSimple team has shared a singular vision to make the world a better place. This starts with our technology that makes the trucking industry safer and more efficient, but we recognize that our responsibilities to our community extend well beyond our technology and its operational design domain. We’re mindful of the role TuSimple serves as leaders within our industry and as members of the community.

As we work to bring about transformational change to the logistics industry, we do so with a commitment to support our communities through responsible corporate governance. In building a new autonomous freight ecosystem, we’re making significant gains in the areas of safety, fuel efficiency, and environmental impact while expanding operations and creating new jobs along the way. I’m excited about what the future holds and confident that the strong foundation we’re building will see our business, our communities and our industry prosper for the next decade and beyond. Moving forward we will continue to make decisions for the greater good and embrace opportunities to invest in the future and make impactful change where we can. I invite you to follow our progress as we break new ground and do our part to make a positive impact on the world in which we live.

Cheng Lu
President, TuSimple
TUSIMPLE AT A GLANCE

A Better Way Forward

At TuSimple, our focus is on making long haul freight transportation safer, more efficient and more environmentally friendly. A system that sees more, processes more, reacts faster, and never gets tired.

Ecosystem Approach

With an ecosystem made up of self-driving trucks, digital maps, strategic terminals, our autonomous fleet operations system, TuSimple Connect, we’re making it possible for autonomous trucks to operate safely and efficiently in nearly any weather condition, 24 hours a day, 365 days a year.

Long Haul Redefined

TuSimple’s expanding network of mapped routes allows long-haul autonomous trucks to transport freight to facilities across the country. By working closely with industry partners, we will scale autonomous service nationwide by 2024. And this is only the beginning.

Rapidly Scaling with Partners

The TuSimple Automated Freight Network (AFN) provides access to reliable autonomous capacity and with it powerful advantages, such as greater efficiency, enhanced safety, and lower operating costs.

Who We Work With

We focus on what we do best and partner with leading shipping and technology companies to develop the safest and most reliable autonomous system possible.
ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

What You Can Expect from Us and What We Expect from Ourselves

Our core activities are developing self-driving trucks, digital mapping systems, creating strategic terminals, and the TuSimple Connect system. We were founded in 2015 on the premise that the long-haul trucking industry could be made safer and less expensive through the creation of an autonomous driving system, and we believe that our work will bring benefits that extend to the communities that we serve.

TuSimple's expanding network of autonomous trucks and services have potential environmental and social impacts across America's highways and communities. Through consideration of these impacts on the environment and society, TuSimple strives to better serve the long-term interests of our customers and the communities where we operate.
IMPACTFUL SOLUTIONS

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CREATING A POSITIVE IMPACT

We believe our technology is making a difference, and others agree. TuSimple was recently named a Top 50 AI company in Forbes 2020 list. This means our technology and business model are creating meaningful and real-life impacts for our customers.

Forbes

Jul 3, 2020, 07:00am EDT

AI 50: AMERICA’S MOST PROMISING ARTIFICIAL INTELLIGENCE COMPANIES

Alan Ohnsman | Transportation
Kenrick CaiForbes Staff | Innovation

Artificial intelligence is beginning to be usefully deployed in almost every industry from customer call centers and finance to drug research. Yet the field is also plagued by relentless hype, opaque jargon and esoteric technology making it difficult for outsiders identify the most interesting companies.

Read the full article on Forbes
TuSimple strives to have a positive impact on the workforce. To help prepare today’s workforce for new jobs in the autonomous trucking industry, we have partnered with the Pima Community College to create the nation’s first accredited program for existing Commercial Driver’s License (CDL) holders to learn how to become autonomous truck operators.

The Autonomous Vehicle Driver & Operations Specialist certificate program teaches students how to interact with autonomous vehicles, the basics of computer hardware components, electrical systems, safety, health and environmental regulations, and domestic freight transportation.

We believe this is an important step in getting America’s truck drivers equipped to work with tomorrow’s technology, today.
TuSimple has a history dating back to 2018 delivering product for the Association of Arizona Food Banks as well as El Pasoans to End Hunger. In 2020 alone, we delivered pro bono freight deliveries to the Arizona Food Banks. In total, we ran 53 loads for a total of 15,139 miles, delivering 1.6 million pounds of food, equaling 1.27 million meals for our community in need during the COVID-19 pandemic.
Design Day with the College of Engineering

TuSimple participates in the Engineering Interdisciplinary Capstone at the University of Arizona. The Engineering Interdisciplinary Capstone is a university–industry partnership that allows companies and motivated engineering students to work together to tackle pressing projects. Working with the Capstone Program provides participating companies like TuSimple with a fresh perspective from a team of senior engineering students while helping prepare students for their future jobs with impactful, real-world experience.

Sun Corridor Inc. and TuSimple

With our major operations center located in Tucson, TuSimple works with other community leaders through Sun Corridor, Inc. to promote economic growth in Southern Arizona, helping to bring additional jobs and investment to the community. Sun Corridor, Inc. brings together key leaders from the private sector, governments, nonprofits, and academia to market the region as a business center and influence economic and public policy. Sun Corridor Inc.’s role is to coordinate all economic development activities and programs within the Southern Arizona mega-region under one umbrella. The primary goal of Sun Corridor Inc. is to facilitate primary (non-retail) job and investment growth in the region, creating a competitive environment that allows primary employers to flourish and succeed. Robert Brown, TuSimple’s Senior Director of Public Affairs, serves on the Sun Corridor, Inc. Board of Directors.
The impact of climate change on communities is an important consideration for TuSimple. Here are the ways TuSimple is working towards making trucking more sustainable.

UCSD Fuel Savings Study

One of the many advantages of TuSimple’s virtual driver technology is the powerful fuel savings the vehicle achieves when operating autonomously. Our virtual driver has proven 10% more fuel efficient than a manually operated truck in a study conducted by the University of California San Diego (UCSD).

This savings in fuel consumption can significantly reduce the greenhouse gas emissions that contribute to climate change.

UC San Diego

TuSimple - UCSD Fuel Study Summary

Motivation

In 2100, the National Highway Traffic Administration (NHTSA) and Environmental Protection Agency (EPA) have set a goal to double the efficiency of new heavy-duty and passenger vehicles (GHG) standards through the year 2020 based on several factors, including improved fuel efficiency and reduced greenhouse gas emissions. To achieve these goals, TuSimple is working towards making trucking more sustainable through its autonomous driving technology.

Research

In a study conducted by the University of California San Diego (UCSD), TuSimple’s virtual driver technology was found to be 10% more fuel efficient than a manually operated truck. This savings in fuel consumption can significantly reduce the greenhouse gas emissions that contribute to climate change.
California Air Resources Board

The mission of the California Air Resources Board (CARB) is to promote and protect public health, welfare, and ecological resources through effective reduction of air pollutants while recognizing and considering effects on the economy. In July 2020, Dr. Arda Kurt, TuSimple’s Director of Motion Planning and Control, was invited to give a presentation to CARB on how autonomous heavy trucks will make long haul freight transportation safer and more efficient. Today, as demonstrated in the UCSD study, the TuSimple virtual driver can reduce the carbon footprint of traditional diesel-powered trucks. In the future, the efficiency of the virtual driver can be expected to extend the range of trucks powered by electricity or alternative fuels.

SmartWay Certified

SmartWay is a voluntary public-private program run by EPA that helps the freight transportation sector improve supply chain efficiency and reduce transportation-related emissions. As a SmartWay Certified Carrier, TuSimple demonstrates our commitment to reducing harmful emissions and to be among the global leaders in freight sustainability.
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TuSimple is proud to be developing one of the most advanced autonomous driving systems in the world with safety as its foundation. TuSimple has a robust development process that requires simulations and closed-course testing before moving to road-level testing. Our strict safety protocols ensure the safety of our team members and those around us.

During on the road development, our self-driving Class 8 trucks are operated by a two-person team consisting of a trained Safety Operator and a Test Engineer. Our Safety Operators are all CDL Class A licensed drivers who are responsible for maintaining control of the vehicle at all times. They disengage the self-driving system when necessary and manually operate the vehicle in the case of a self-driving system disengagement. Safety Operators and Test Engineers are expected to follow all company safety policies. The cabin’s audio and video recordings are constantly reviewed to ensure both Safety Operators and Test Engineers policy adherence. Violations of company safety policies or changes to driving records may result in disciplinary actions, ranging from training and testing to termination.

Off the road, we’ve formed a safety committee to review and discuss safety policy. Our new committee is composed of companywide experts and stakeholders in this process: DOT and Compliance Safety Manager, Fleet Operations leadership, Driver representatives, Maintenance professionals.

More information on TuSimple’s approach to Safety can be found in the TuSimple Self-Driving Safety Report.
HUMAN RIGHTS AND COMBATTING HUMAN TRAFFICKING

Our Commitment to Respect Human Rights

TuSimple is committed to respecting human rights wherever we do business and with whomever we do business with, regardless of the degree to which governments are upholding their duties to safeguard and foster human rights. We believe we are the future of trucking, and we believe the future should be inclusive, dignified, and equal.
With vehicles traveling throughout the country 24 hours a day, 7 days a week, the trucking industry is in a unique position to help combat the tragedy of human trafficking. My involvement with this issue started when I was a Sergeant with the Arizona Department of Transportation Enforcement and Compliance Division. I was appointed to the Arizona Human Trafficking Council in January of 2015. When I attended my first meeting and heard a survivor of Human Trafficking tell her story, it impacted me so greatly that I had to get involved and help in any way I could, and I contributed to many initiatives of the Arizona Human Trafficking Council throughout my tenure with Arizona DOT.

Once I started my employment with TuSimple, I contacted Kylia Lanier, the Deputy Director of Truckers Against Trafficking. I let her know what my role was and that I wanted to maintain my involvement in combating human trafficking. We have had several discussions on partnerships, sponsoring opportunities and training opportunities in the future. I have also reached out to the Gil Orrantia, Director of Arizona Homeland Security, Claire Markel, Executive Director for Arizona Programs for the McCain Institute, and Jim Walters of Amber Alert to discuss ways that we can work together.

This is a very important initiative for me, and I look forward to taking the lead on this for TuSimple. It hits close to home because I have had friends and law enforcement co-workers who have had family members who have been affected by these horrific predators.

Gary McCarthy
Law Enforcement and Fleet Safety Manager

All of TuSimple’s drivers complete the Truckers Against Trafficking training on how to detect the signs of human trafficking and how they can help combat it.
TuSimple’s global headquarters are located in San Diego, California. The facility is a Certified LEED Silver building by the U.S. Green Building Council and has also been recognized as an ENERGY STAR partner by the U.S. Environmental Protection Agency.

TuSimple’s 50,000 square foot operations center in Tucson, Arizona is designed and operated with sustainable cooling practices in mind. This strategy utilizes 16 roll-up doors to help heat and cool the workspace as well as floor cooling swamp coolers to help conserve nearly 65% of energy for the office and lab spaces.

As TuSimple continues to expand, we have made the commitment to utilize ENERGY STAR appliances and renewable resources where possible. Additionally, we have implemented a new sustainability vetting process for new real estate vendors to ensure our partners are held to the same standards we practice.
WORKING WITH LOCAL PARTNERS

Along with committing to building environmentally friendly buildings, TuSimple has built strong partnerships with its communities to reduce our overall footprint. TuSimple’s growth within its local communities provides the unique opportunity to lift as we rise. Being intentional about each local partnership is key in supporting a sustainable future and growing roots, supporting the community that supports us.

Food brings everyone together, and TuSimple has found this is one of the best ways to support small and local businesses in all of our locations. Local food trucks come in weekly to feed the Tucson office staff. Celebration lunches, events, and catering are all sourced from small businesses near the facility. During Tucson technology demonstrations, guests are served “Tucsonian” treats sourced from local vendors.

San Diego also utilizes local and small businesses when it comes to meals, events, and celebrations. Through careful vetting via employee feedback and voting, we have identified our favorite sources of local BBQ, authentic dishes, and locally roasted coffee as a daily staple in the office. These local vendors are used when celebrating holidays, achievements, or as a general end of the week wrap up.

Our daily necessities, supplies and services are held equally accountable to our sustainability goals. From design companies, architects, suppliers, to vendors, TuSimple seeks out local and small businesses as well as women and minority-owned companies to support our facilities and operations.
TuSimple aims to reduce our company impact through promoting employee sustainability practices. We offer mass transit passes and provide electric vehicle charging stations to reduce employee commute emissions. We promote reuse of daily office supplies in our reuse program. Our recycling program is extensively used in our San Diego office. We believe that teaching and promoting these behaviors at work will lead to adoption of these behaviors at home, enlarging the overall impact of our efforts.

Reusable containers are a big part of our green program. When possible, the company stocks kitchens with reusable silverware, dishes, and Tupperware. TuSimple also ensures that supplies that can not be shared or reusable are sourced as green as possible. When meals or extras do come in, we have places to put these to hold for future events or needs such as plastic bag and utensil packs.

As fully stocked kitchens are a TuSimple standard, the staff works hard to reduce and source as green as possible. The team always attempts to change and utilize companies with glass, compostable, or recycled plastics in their packaging. We ask the same of vendors in their meal packaging and refuse extra plates, utensils, and napkins to reduce waste. TuSimple has made an effort to reduce styrofoam and plastic use throughout the office. To reduce the amount of plastic consumed, the San Diego office offers community mugs and dishes for meals and snacks. Our Tucson facility offers a variety of healthy beverage fountains for employees to fill their reusable containers.

Recycling is a key component of any sustainability program. Blue recycling bins can be found next to any open area trash can across both offices. Signs are posted near these bins showing the importance of recycling and how-tos for materials such as paper, plastic, glass, and other easily recyclable materials. Our San Diego office provides additional recycling practices of trash sorting to help reduce the number of items sent to the landfill.
A diverse range of backgrounds and perspectives makes us stronger and better able to strategically respond to changes in the marketplace. We continuously strive to build stronger relationships with our communities, be an active member of diverse networks, and ensure all employees feel a strong sense of belonging.

Historically underrepresented minorities make up nearly 70% of the company. We are working towards increased representation year-over-year in most EEOC classifications. Additionally, active outreach to veteran, women, and minority groups is an integral part of our recruiting strategy. Our internal programs also reflect our commitment to fostering and supporting diversity. We have internal programs such as a women’s committee to advocate for a female-positive experience and the elevation of female employees. We celebrate a wide range of cultural events from Pride to Chinese New Year, where we invite employees to help plan and execute an authentic and meaningful experience. Lastly, our internship program aimed at fostering the young minds who will go on to be industry leaders and innovators.
CONTINUOUS LEARNING

Here at TuSimple we believe our employees are our biggest asset. We provide resources, structure, and an environment where they can maximize their potential. We provide:

- A yearly stipend for educational resources such as courses, books, and seminars.
- In-house training for targeted soft-skills like conflict management and effective feedback.
- Comprehensive manager and leadership training for all levels of management.

- Job levels for all positions along with tools and training for career progression.
- Advanced practicum experience that goes beyond normal internship programs and provides intensive mentorship and experience on meaningful work.

CORPORATE GOVERNANCE

Running our organization in a way that meets and exceeds all regulatory requirements is extremely important to us. It’s also important that we go beyond a “checklist” approach to compliance by fostering a culture of accountability, security, and the utmost level of ethical behavior. Our governance philosophy includes:

- Proactive and engaged governance committee run by Legal, Finance, Information Security, and Human Resources to develop, train on, and implement stronger internal controls.
- Strong internal investigations and procedures for ethical complaints.
- Multiple layers of regular training for key topics such as data security and anti-harassment.
- Partnerships with key external experts in a wide range of compliance and audit areas.
COMPANY CULTURE

TuSimple prides itself on creating a culture that attracts top talent and gives them a rewarding experience so that they want to stay and grow with us. TuSimple conducts many activities to create a positive, inclusive culture such as:

• Regular in-house and consultant collection of engagement data that informs internal strategies
• Frequent events to celebrate employee achievements, company milestones, and build community
• Cultural events to promote an environment of inclusion and celebrations of our diversity
• Monthly team-building budgets for managers to create a bonding experience within and across teams
• Breakfast, lunch, and dinner provided for all employees with a focus on healthy eating and inclusive menu options (vegan, traditional ethnic cuisine, gluten-free, etc.)
• Very involved and active committees to help ensure employees are being heard and that we are continuously improving their experience (e.g., Recognition Committee, Communication Committee)
• Ambassador program where employees help collect feedback, disseminate company information, discuss key topics, and gain key communication and leadership skills

About This Report

This report illustrates how we bring TuSimple’s mission to life through our business; it covers our environmental, social and governance (ESG) approach for the calendar year 2020, focusing on the issues we have determined to be of greatest importance. All reporting is limited to information for the owned and operated facilities of TuSimple Inc. unless stated otherwise. Additional information about TuSimple can be found on our website, www.tusimple.com.