



Fleet & Environmental Initiatives

At Manhattan Beer Distributors, we know that in order to effect change, we all must contribute. For this reason, we have continuously invested in minimizing our environmental footprint across several areas of focus.

Our fleet strategy is focused on safety, the environment, and our aging equipment.

Key Recent Developments in Our Fleet Program

- 3 new CNG stations in Bronx, Wyandanch, and Suffern Facilities.
- 6 type-3 charging stations for electric trucks
- 8 type-2 charging station for electric cars
- 60 CNG tractors, and 5 Electric Tractors. These will replace 78 Diesel units.
- We continue to expand the role of CNG and Electric in our fleet
 - Sept 2021: 46% CNG & Electric vs. 54% Diesel
 - By YE 2021: 51% CNG & Electric vs. 49% Diesel

Fleet Evolution Over the Next Five Years

- We anticipate the size and average age of our fleet to reduce over time
- This is accomplished through a conscious shift to larger delivery vehicles powered by alternative fuel types – CNG/RNG and electric
- We are planning fleet purchases of approx. 35 trucks per year after 2021
- We intend to retire 5 more trucks than we purchase each year

#1 - Compressed Natural Gas:

We were the first company in the Northeast to convert a portion of our Diesel-powered fleet to Compressed Natural Gas, or CNG, trucks. Continuing over two decades since the onset of the program, Manhattan Beer Distributors has expanded this fleet, currently operating over 200 CNG delivery trucks as well as 3 private on-site CNG fueling stations. Our communities, customers, and employees can all breathe easier as a result of these low-emission vehicles.



Our route delivery trucks



MANHATTAN BEER DISTRIBUTORS
Clean Burning Natural Gas Fleet

Wyandanch CNG Station:

CNG Benefits:

Great for the environment

Incentives available to reduce the incremental cost of new vehicle purchases



CNG Barriers:

High Cost of CNG Station

Cost of new CNG TRUCKS

#2 - Electric Delivery Vehicles:

In 2021, Manhattan Beer Distributors became the first customer on the East Coast to purchase Volvo's VNRe heavy-duty electric trucks. We have also installed 14 electric chargers at our Bronx headquarters.



We continue to favor CNG, but we are open-minded to alternative fuels in the future.

Fuel type	Strategy	Pros	Cons
Electric	Five Class 8 Tractors ordered for test, (given limited range)	<ul style="list-style-type: none"> ▪ Lowest MPG cost ▪ Low maintenance ▪ No emissions – best environmental impact ▪ NYS incentives available for 2021-22 ▪ Class 3-8 available for 2021-2022 orders 	<ul style="list-style-type: none"> ▪ New technology ▪ Minimum cargo capacity: limited to <9.5K pounds of cargo in class 5-7 ▪ Requires charge for 5-8 hours after each trip ▪ Would need high-efficiency charging station on site
CNG: Compressed Natural Gas (also, RNG)	Long-term, established solution for Suffern, Wyandanch, and the Bronx.	<ul style="list-style-type: none"> ▪ Incentives available for NYS. ▪ Near zero-emissions - great for the environment ▪ Low cost of fuel and low \$'s per mile ▪ Very reliable for making deliveries (heavy duty) ▪ Infrastructure in place in 3 facilities 	<ul style="list-style-type: none"> ▪ No fueling station in Brooklyn or Queens ▪ Bronx station is due for replacement
LNG or LPG: Liquefied Natural or Propane Gas	Not a viable solution for our needs.	<ul style="list-style-type: none"> ▪ Can handle medium-duty work ▪ Easy and economical aftermarket kit allows retrofitting of existing (or new) medium-duty vehicles 	<ul style="list-style-type: none"> ▪ Relatively high price of fuel (high \$/gallon equiv.) ▪ Storage of liquefied gas prohibited in NYC
Diesel	Legacy fuel type that we will continue to de-emphasize.	<ul style="list-style-type: none"> ▪ High availability of fuel ▪ Lowest cost and shortest production times on new equipment ▪ We have existing infra. in 4 facilities 	<ul style="list-style-type: none"> ▪ Highest emissions, not environmentally friendly ▪ Highest cost of fuel to operate ▪ Highest maintenance costs and low reliability

#3 - Recycling:

As a deposit initiator under New York State's bottle bill, we manage a recycling operation that handles more than 750 million glass and aluminum containers each year. We pick up empty containers from customers and redemption centers, and we ensure that the glass, aluminum, and paper are processed for reuse.



#4 - Solar Panels:



We operate one of the largest, privately-owned Solar Panel Programs in the NYC-area with solar farms installed atop our warehouses in the Bronx, Suffern, and Queens. Altogether, these three facilities supply more than 3 MW of solar power.

#5 - Rail:



We receive nearly half of our product by rail, thus annually removing 10,000 tractor-trailer trucks from our communities' streets and highways. We've invested in expanding rail service at 3 of our 5 facilities.



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