

# 2020 SmartWay Carrier Awardees Share Effective Strategies

Wednesday, December 9, 2020





**Joann Jackson Stephens**  
**Brand Manager, EPA SmartWay**

Joann Jackson Stephens has worked at the US EPA since 1992. She has worked on SmartWay Transport Partnership program since 2001, and currently acts as the program Brand Manager. Joann graduated with a bachelor's degree in Political Science from Spelman College and earned a masters degree in Public Policy from the University of Michigan.

 SmartWay Award Overview

 Introductions

- Hub Group
- KBX Logistics, LLC
- Werner

 Panel Discussion

# 2020 Award Goals



- Recognize top Partners
- Screen Partners based on environmental performance
  - Using the most recent, completed annual reporting cycle from all Partner categories
  - Use semi-finalist process to select awardees in some categories
- Aim for a mix of large/small partners
  - Using total annual miles traveled as indicator

<https://www.epa.gov/smartway/smartway-excellence-awardees#criteria>



## 2020 SmartWay Excellence Awards — EPA Criteria

### WHAT ARE THE SMARTWAY EXCELLENCE AWARDS?

The SmartWay Excellence Awards are EPA's means to recognize Partners that have optimized the environmental performance and efficiency of their freight management operations.

The SmartWay Excellence Award program recognizes approximately the top two percent of Partners with superior environmental performance.

To be eligible for consideration, qualified companies must have timely and accurate submittal of required data in the 2019 reporting cycle for all Partner categories i.e. be Partners in good standing! For carriers, EPA must also have received a timely submission of the 2020 Tool.

EPA makes a full review each year of every Partner's SmartWay Tool submission to assess qualifications for award consideration.

Semifinalists in selected Partner categories will be contacted to submit an application.

All Excellence Award finalists will be screened for any adverse environmental actions that may prohibit public recognition for their SmartWay achievements.

EPA will notify those Partners that are selected as Awardees.

### TIMELINE AND NOTIFICATION

**JANUARY:** The SmartWay Award process and data review commences. EPA identifies candidates using data submitted via the 2019 SmartWay Tool, from all Partner categories.

**MARCH:** Shipper, logistics and multimodal carrier semifinalists are identified and invited to submit supplemental information. Other carriers do not submit supplemental information.

**MAY 6, 2020:** Submission deadline for supplemental information from shipper, logistics and multimodal carrier semifinalists.

**JULY:** Final reviews and adverse environmental actions screening.

**AUGUST:** Awardees notification (no public announcement until fall).

**OCTOBER:** Announcement of Award recipients.



### CARRIER CRITERIA

For each truck and multimodal fleet category, EPA identifies candidates that demonstrate top environmental performance. Performance is based on an equal weighting of all environmental metrics results from the SmartWay Carrier Tool (i.e.  $\frac{1}{2}$  CO<sub>2</sub> g/ton-mi +  $\frac{1}{2}$  NO<sub>x</sub> g/ton-mi +  $\frac{1}{2}$  PM g/ton-mi +  $\frac{1}{2}$  CO<sub>2</sub> g/mi +  $\frac{1}{2}$  NO<sub>x</sub> g/mi +  $\frac{1}{2}$  PM g/mi). Eligible multimodal carrier Partners will be invited to submit an Award semifinalist application. Exceptions for barge and rail carriers are noted below.

### BARGE

Barge carriers are assessed based on a 50% CO<sub>2</sub> + 25% NO<sub>x</sub> + 25% PM g/ton-mile weighted result.

### RAIL

Rail carriers are assessed based on a 50% CO<sub>2</sub> + 25% NO<sub>x</sub> + 25% PM g/gross ton-mile weighted result.

Awards will be given in carrier categories for truck, multimodal, barge and rail. The truck fleet carrier sub-categories are: TL/Dry Van, Tanker, LTL/Dry Van, Specialized, Refrigerated, Package, Moving, Mixed, Heavy/Bulk, Flatbed, Dray, Expedited, and Auto Carrier.

## Congratulations to our Multiple Award Winners!

### ABOUT SMARTWAY EXCELLENCE AWARDS

EPA's SmartWay Excellence Award recognizes exceptional achievement in freight performance among EPA SmartWay Partners. Excellence Awardees lead their industries in improving freight efficiency and contributing to cleaner air within their supply chains. The Awardees are chosen from over 3,700 companies and organizations participating in SmartWay.

Between 2006 and 2020, EPA recognized SmartWay Excellence Award winners 13 times. EPA recognized 128 companies as SmartWay Excellence Awardees multiple times.

#### ELEVEN-TIME AWARDEES

J.B. Hunt Transport, Inc.  
Kimberly-Clark Corporation  
Schneider  
Swift Transportation Co. of Arizona, LLC

#### TEN-TIME AWARDEES

Lowe's Companies, Inc.

#### NINE-TIME AWARDEES

HP Inc.  
Roehl Transport, Inc.

#### EIGHT-TIME AWARDEES

Doug Andrus Distributing LLC  
Hub Group  
Knight Transportation, Inc.  
Mesilla Valley Transportation

#### SEVEN-TIME AWARDEES

CRST Expedited, Inc.  
Johnson & Johnson  
Werner Enterprises

#### SIX-TIME AWARDEES

Arlo G Lott Trucking Inc  
C.R. England, Inc.  
DHL Express  
Old Dominion Freight Line, Inc.  
The Home Depot U.S.A., Inc.  
UPS Small Package  
Whirlpool Corporation

#### FIVE-TIME AWARDEES

Bison Transport Inc.  
Duncan and Son Lines, Inc.  
Halvor Lines, Inc.  
Heartland Express, Inc. of Iowa

Kohl's Department Stores  
Logistics Trans West Inc. - Logistiqs  
Trans West Inc.  
LTI, Inc.  
May Trucking Company  
Penske Logistics LLC  
Prime, Inc.  
Sharp Electronics Corporation  
White Arrow LLC

#### FOUR-TIME AWARDEES

ABF Freight System, Inc.  
Armada  
Bacardi USA Inc.  
C.A.T. Inc.  
Cascade Sierra Solutions  
Celadon Group, Inc.  
Contract Freighters, Inc. d/b/a CFI  
Covenant Transport  
Hirschbach Motor Lines  
Lone Star Transportation, LLC  
Meijer Logistics LLC

New World Van Lines  
NFI Industries  
Nordstrom, Inc.  
Quad Graphics / Duplaineville Transport  
RPM Harbor Services, Inc.  
Ruan Transportation Management  
Systems, Inc.  
Transplace  
Walmart Transportation, LLC  
XPO Logistics Managed Transportation, LLC

#### THREE-TIME AWARDEES

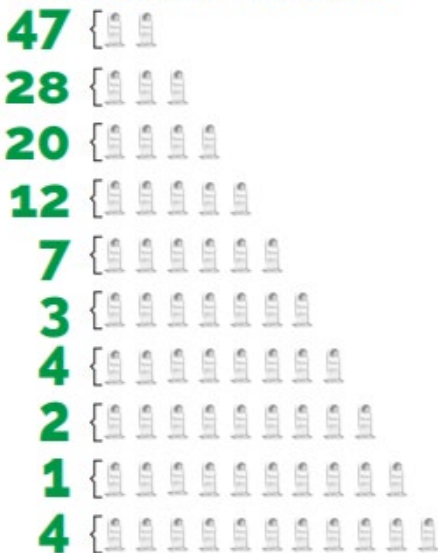
Alliance Shippers, Inc.  
Best Buy Co., Inc.  
Canon USA, Inc.



Challenger Motor Freight Inc.  
Contract Transportation Systems, Co. (Sherwin Williams)  
CRST Dedicated Services, Inc.  
D. P. Curtis Trucking, Inc.  
Dedicated Transport LLC  
Eagle Transport Corporation  
Frito-Lay  
Gordon Trucking, Inc.  
H-E-B  
JC Penney  
LEDVANCE LLC  
McDonald's  
McElroy Truck Lines, Inc.  
Meijer  
Modern Transportation Services, LLC  
Mustang Express LTD  
Navajo Express, Inc.  
OutWest Express, LLC  
Owens & Minor Distributing, Inc.  
Palmer Moving Services

(continued)

### MULTIPLE AWARD WINNERS (128 TOTAL)



# 279

Partners recognized as  
Excellence Awardees  
over 13 years

# 128

Partners recognized as  
Excellence Awardees  
more than once



[https://www.youtube.com/watch?v=Q7BjP\\_zMX5w&feature=youtu.be](https://www.youtube.com/watch?v=Q7BjP_zMX5w&feature=youtu.be)



## Brian Meents

### Executive Vice President; Account Management, Sales and Marketing Hub Group

Brian Meents is Hub Group's Executive Vice President of Account Management, Sales and Marketing. Brian joined full time in 2009 following an internship on Hub Group's Marketing team. Brian started working in a newly formed Business Development group, where he focused on the growth of the company's top accounts through strategy and analytical support.

Following his four years in Business Development, Brian worked on the implementation of the company's corporate strategy initiatives before moving into the role of Assistant Vice President of Account Management, where he managed the company's retail account vertical. In 2016, Brian became Vice President of Account Management, where he focused on the development of client relationships, account strategy and innovation. In 2018, Brian spent the first six months helping to consolidate some of the organization's decentralized shared services groups including Marketing, Analytics, Continuous Improvement and Procurement before moving into his role as Senior Vice President of Account Management and Solutions.





Brian received his Bachelor's degree from North Central College and an Executive Master's Degree in Transportation from the University of Denver.



# Hub Group's Capabilities

Our broad range of innovative offerings empowers us to create and provide our customers with the right support and the right end-to-end supply chain solutions at the right time.

## Transportation Solutions

-  Intermodal
-  Truck Brokerage
-  Asset Trucking
-  Dedicated Trucking

## Logistics Management Solutions

-  Managed Solutions
-  Consolidation & Warehousing
-  International Logistics



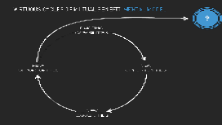




**Kenneth D. Weber**  
**Director of Dedicated Fleets**  
**KBX Logistics**

Ken Weber is Director Dedicated Fleets at KBX Logistics responsible for sustainability programs as well as fleet truckload transportation for Koch Companies including Georgia-Pacific, Molex, INVISTA, and Guardian Glass as well as others. Ken has worked in logistics for over 35 years and lives in Chicagoland.

# Koch Brands supported by KBX



**BRAWNY**<sup>®</sup>

**Disole**<sup>®</sup>

**GP** Georgia-Pacific  
Building Products

**AngelSoft**

**enMotion**



**CORDURA**  
BRAND  
F A B R I C

**LYCRA**

**COOLMAX**<sup>®</sup>

**STAINMASTER**  
carpet<sup>®</sup>

**molex**<sup>®</sup>

Smartphones. Electric cars. Robotic surgery. The Mars Rover. If it's leading-edge technology, chances are our innovations in electronic solutions are leading the way to help make it even better. And our future, even brighter.

**GUARDIAN**<sup>®</sup>  
INDUSTRIES

You've seen our product. And looked right through it. From high-performance, energy-efficient glass in homes and buildings, to innovative parts that improve fuel efficiency in cars and trucks, we make products that improve quality of life all around the world.

Learn more @ <http://kbxlogistics.com/>



## Derek Leathers

### Vice Chairman, President and Chief Executive Officer Werner Enterprises

Derek Leathers is the vice chairman, president and chief executive officer of Werner Enterprises. Leathers has over 29 years of experience in the transportation and logistics industry and more than 20 years of leadership experience with Werner.

Throughout his tenure at Werner, he has held integral executive management roles leading multiple organizational service offerings, including the establishment and development of Werner's Mexico cross-border operations, oversight for the asset operating groups and leading the launch of Werner Global Logistics, which encompasses transportation management and freight movement within intermodal, ocean, air and brokerage. In May of 2020, the board of directors appointed Leathers to vice chairman, along with his current titles of president and CEO.

Prior to joining Werner in 1999, Leathers was one of the first foreign members of Mexico's trucking association and was based out of Mexico City for several years. Leathers holds an economics degree from Princeton University.

# WERNER SNAPSHOT (NASDAQ: WERN)

## PREMIUM TRUCKLOAD TRANSPORTATION & LOGISTICS SERVICES PROVIDER

**Omaha, NE**

Headquarters

**\$2.7B**

Market Cap<sup>1</sup>

**0.9%**

Dividend Yield<sup>1</sup>

**WE KEEP  
AMERICA  
MOVING™**

**4,715**

Dedicated Fleet Size<sup>1</sup>

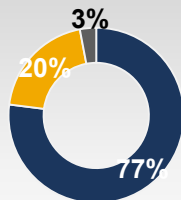
**2,995**

One Way Fleet Size<sup>1</sup>

**12,714**

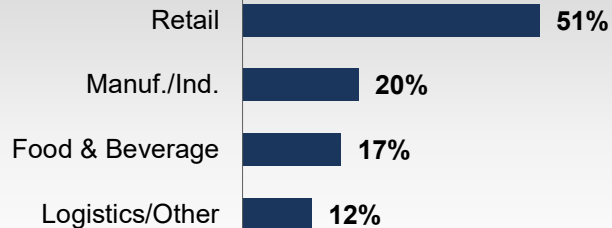
Associates<sup>2</sup>

### Segment

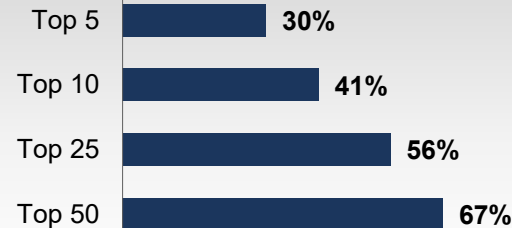


- Truckload Transportation Services (TTS)
- Werner Logistics
- Driver Training Schools and Other

### Vertical (Top 50 Customers)



### Customer Rank



# Question 2

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 What does freight sustainability leadership mean to you?

# Hub Group's Commitment to Sustainability

As an early pioneer of greenhouse gas-friendly transportation alternatives, we push the boundaries of environmental consciousness in our operations, investments and employees.

## Operational Practices

- Intermodal conversion
- Freight consolidation
- Network optimization
- Reduction of empty miles and idling time

## Investments

- GPS technology in fleet
- Fuel-efficient trucks
- Driver and carrier applications
- Paperless cab
- Platooning and electric trucks

## Office Engagement

- LEED Gold certified headquarters: rainwater harvesting, full floor-to-ceiling windows to maximize natural light, high-efficiency HVAC system and electric vehicle charging stations
- Promote sustainability practices with employees: replace disposable cups/straws with reusable mugs/straws, encourage recycling and train on operational best practices





# KBX Innovative Technology - Loadshop™



Quick Filter

Search Criteria

4597690 Close

Shippensburg, PA 10/21/20 5:28 PM → Cranbury, NJ 10/22/20 8:00 AM

Van - 53 FT Swing Door \$64.37 Delete

4597670 View

Shippensburg, PA 10/22/20 3:57 AM → Breinigsville, PA 10/22/20 5:00 PM

Van - 53 FT Swing Door \$40.34 Delete

4595657 View

Shippensburg, PA 10/20/20 2:47 PM → Twinsburg, OH 10/21/20 7:30 AM

Van - 53 FT Swing Door \$98.95 Delete

50183770 View

4597690 Close X Cap Rate (Line Haul) \$724.34 SmartSpot Loading Smart Spot...

Shippensburg, PA 10/21/20 5:28 PM → Cranbury, NJ 10/22/20 8:00 AM

Line Haul + FSC = Total Rate

\$64.37 + \$64.37 = \$64.37 0 Carrier Miles

5 Lane /liner

Commodity: Paper

Carrier Groups(s): Shippensburg Preload Carriers - Include

Equipment: Van - 53 FT Swing Door

Mileage: 182

Weight: 15 of 15 Carrier(s) Selected

Required Services: Choose

Origin: Search by City/State/Province

Destination: Search by City/State/Province

Equipment Type: Select Equipment Type(s)

Max Origin Radius Miles: 50

Pickup Date: Select a Date

Max Destination Radius Miles: 50

Deliver Date: Select a Date

Required Services: Choose

Clear Filters Add To Favorites

**SHIPPER VIEW**

Equipment	Equipment Detail	Required Services	Origin	Destination	Origin Radius	Pickup	Delivery	Shipper's Order Number	Distance (MI)	Total Rate
☆ Van	53 FT Swing Door		Brewton, AL	Waxahachie, TX	N/A	7/5/20, 9:55 PM	7/7/20, 12:00 PM	782818	651	\$1,525.47
☆ Van	53 FT Swing Door		Meridian, MS	Bethel, PA	1 mi	7/6/20, 5:00 PM	7/9/20, 6:00 PM	4585819	971	\$2,474.12
Van	53 FT Swing Door		Mobile, AL	Mobile, AL	122 mi	6/22/20, 10:00 AM	6/22/20, 2:00 PM	MF01572464	0	\$555.66
Van	53 FT Swing Door		Marion, IA	Muskogee, OK	686 mi	7/2/20, 2:30 PM	7/4/20, 8:11 AM	49865452	571	\$1,105.05
Van	53 FT Swing Door		Albuquerque, NM	Muskogee, OK	1045 mi	7/2/20, 6:00 PM	7/4/20, 9:05 AM	49870306	679	\$1,531.76
Van	53 FT Swing Door		Blue Diamond, NV	Mcfarland, CA	1541 mi	7/2/20, 5:00 AM	7/3/20, 5:00 AM	10010	316	\$550.00
Van	53 FT Swing Door		Blue Diamond, NV	Mcfarland, CA	1541 mi	7/2/20, 5:00 AM	7/3/20, 5:00 AM	10005	316	\$550.00
Van	53 FT Rock and Roll		Richburg, SC	Mount Airy, NC	472 mi	7/5/20, 11:00 AM	7/6/20, 10:00 AM	SR400992	147	\$2,244.55
Van	53 FT Swing Door		Monticello, MS	Circleville, OH	99 mi	7/4/20, 4:59 AM	7/6/20, 9:00 PM	40075242	810	

**CARRIER VIEW**

Learn more @ [Loadshop.com/](https://Loadshop.com/)

# INTRODUCING SUSTAINABILITY AS A CORE COMPONENT OF OUR STRATEGY

COMMITTED TO REMAINING AT THE FOREFRONT OF OUR INDUSTRY

## KEY FOCUS AREAS

1. Trucks



2. Trailers



3. Talent



4. Terminals



5. Technology



+ Sustainability



NEW

- Maintain our industry-leading modern truck fleet age, which includes state-of-the-art safety technology
- Remain at forefront of industry with young trailer fleet age
- Rigorous hiring and retention processes to attract and retain industry-leading talent
- Expansive network of terminals, dedicated fleet locations, and driving schools
- Continuously upgraded and modernized IT infrastructure and data security (e.g., Werner EDGE)
- Further develop our sustainability practices through a multi-phased strategy

## 2020 YTD RESULTS<sup>1</sup>

- Delivered customer satisfaction with new and reliable fleet: **100% equipped with collision mitigation and automated manual transmissions**
- Improved fleet safety and performance: **DOT Reportable Accidents per MM declined by 22% YoY<sup>2</sup>**
- Enabled our high-performing team: **Recognized in August by *Logistics Management* for 2020 awards in truckload dry freight and 3PL categories**
- **Covered 90% of U.S. population** within 150 miles of our facilities
- Advanced performance and safety of our drivers, customers and trucks, while controlling costs: **operating margins improved by 90 bps YoY**
- **Launched a codified approach to Sustainability organization-wide** and unveiled key milestones across **ESG**, Environmental, Social, Governance
- **Carbon Emissions Goal** – 55% reduction by 2035

# BEHAVIOR

## FREIGHT LOGISTICS

- Intelligent routing
- Cargo space utilization
- LTL to FTL conversion
- Intermodal options
- Truck/rail solutions



## TRAINING





- Sustainability training
- Areas where driver behavior can have an impact on fuel consumption include:
  - Equipment education
  - Equipment maintenance
  - Engine idle reduction
  - Minimizing out-of-route miles
  - Implementing proper driving habits

# Question 3

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-  How does your company operationalize freight transportation efficiency throughout your business?
-  What are the challenges of integrating sustainability practices?

# Audience Poll #1

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 What are the energy-efficient technologies with which your company's fleet is equipped?

- Idle reduction controls (APUs, etc.)
- Low rolling resistance tires
- Hybrid powertrain technology
- Other


# Question 4

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-  What new or innovative fleet technologies is your company employing to improve freight efficiency?
  
-  What is your company doing to:
  - transform freight sustainability practices?
  - promote innovative technologies that will transform your industry or sector?





HUB GROUP'S TECHNOLOGY

# Focused on Efficiency & Sustainability

At Hub Group, we innovate with intent in technology that drives meaningful impact to our customers' business.

## Network of IoT Devices and Sensors

- Heightened visibility with GPS-embedded, Hub Group-owned capacity
- Real-time location, loaded and do or status and ETA updates
- Improved capacity utilization and efficiency

## HubPro

- Mobile app for carriers provides real-time updates
- Instant insight into load location and key-passing events
- Scanning capabilities for paperwork and BOL

## Hub Connect

- Online platform for multi-modal freight management and tracking
- Push notifications and live load alerts
- Quote and schedule freight from any device

## Paperless Cab

- Streamlined processes to automatically retrieve shipment documents
- Total visibility, accuracy and timeliness of reporting
- Environmental sustainability with significant reduction in paper

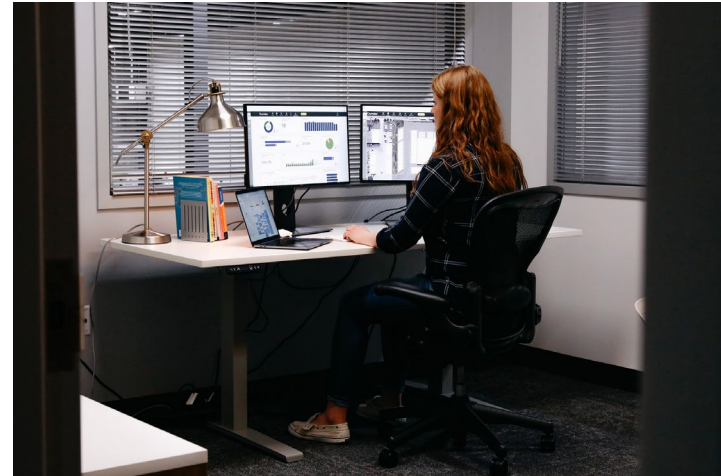
## Fleet & Equipment

- Fuel-efficient trucks (lightweight sleepers and daycabs)
- Intermodal container enhancements
- Actively evaluating electric trucks and platooning

# KBX Industry Changing Experiment



Source: [news.crunchbase.com](https://news.crunchbase.com)



# Outrider

Learn more @ [Outrider.ai](https://Outrider.ai)

# ENVIRONMENTAL CONSERVATION AT WERNER

## Fuel Efficiency

### Initiatives to Control Fuel Consumption and Pollution

- ✓ Automated manual transmissions
- ✓ Aerodynamic trucks and trailers / trailer skirts; speed management with adaptive cruise control
- ✓ Automated tire inflation systems; low rolling resistance tires
- ✓ Newest diesel engine technology with continual in-depth testing
- ✓ Monitoring strategies (e.g., computerized truck idling program, equipment weight reduction)

## Conservation Initiatives

### Programs Implemented to Reduce Overall Environmental Impact

- ✓ 100% recycling or repurposing of batteries, liquids and tires
- ✓ 100% conversion to LED lighting in all our facilities; electrical usage for lighting is controlled by timers during off hours
- ✓ Continually introducing tech to reduce paper use/waste, moving paper-intensive processes to digital (e.g., EBOL, SharePoint)

## SmartWay Transportation Partner

### Our Impact 2007 – 2020

#### SmartWay Excellence Awards

*Highest Level of Recognition by the EPA*

**+300 Million Gallons**

*Fuel Reduction*

**+29%**

*Improved Fuel Efficiency*

#### Fuel Efficiency + Recycling Initiatives

*Company-wide Programs Initiated*

**+3.3 Million Tons**

*CO<sub>2</sub> Reduction*



# EXECUTION OF OUR ESG STRATEGY WILL BE SUPPORTED BY OUR INHERENT CORE STRENGTHS AND SUSTAINABLE COMPETITIVE ADVANTAGES

## Core Strengths

- **Breadth:** Diversified truckload transportation portfolio (Dedicated TL, One Way TL, Logistics)
- **Scale:** Top 5 TL carrier, Top 5 Dedicated carrier and growing logistics provider
- **One Way TL:** Industry leading Mexico cross-border and Team Expedited carrier
- **High service Fleet:** New and modern equipped trucks and trailers
- **Talent:** Access to top talent through large, vertically integrated network; highly qualified drivers with extensive safety training

## Sustainable Competitive Advantages

**Deep, long term customer relationships** delivering superior, award-winning **on time service**

Enhanced value-added technology platform, **Werner EDGE**, further improves customer, driver, non-driver and supplier experience

Performance-driven, accountable culture led by **seasoned leadership**; transparent, **one voice communications**

Durable financial position sustained with **strong free cash flow** and **industry leading revenue per truck per week**

Industry leader committed to **continuously reducing our environmental impact** (e.g., alternative fuels and electric truck exploration and integration)

# Audience Poll #2





 What freight sustainability best practices that today's panelists discussed are you most interested in?

- Establishment of emissions reduction goals
- Computerized truck idling program
- Software that digitally matches freight such as Loadshop
- Operational practice: freight consolidation
- Operational practice: network optimization

# Question 5

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-  How does your company access and store quality freight transportation data?
-  How does your company use that freight transportation data to make decisions?



# Question 6



-  We know that some fleets come to the partnership because they are asked to join SmartWay by their shipper clients. Is this an opportunity for a fleet to build and strengthen on its relationship with a shipper/s?
-  If so, how has your company gone about doing this?

# Questions?

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**SmartWay Hotline**  
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**734-214-4767**

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**2020 Award Coordinator**  
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