

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.

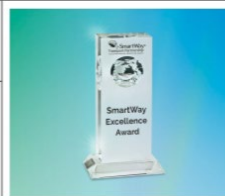
MARCH: Shipper, logistics and multimodal carrier semifinalists are identified and invited to submit supplemental information. Other carriers do not submit supplemental information.

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. $\frac{1}{2}$ CO₂ g/ton-mi • $\frac{1}{2}$ NO_x g/ton-mi • $\frac{1}{2}$ PM g/ton-mi • $\frac{1}{2}$ CO₂ g/mi • $\frac{1}{2}$ NO_x 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% CO₂ • 25% NO_x • 25% PM g/ton-mile weighted result.

RAIL

Rail carriers are assessed based on a 50% CO₂ • 25% NO_x • 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. - Logistiques
Trans West Inc.
LTL 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

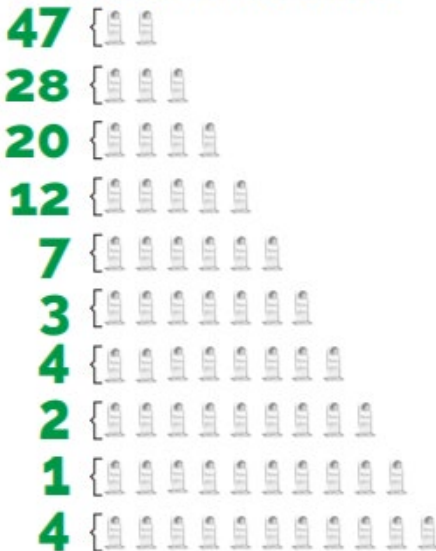
Alliance Shippers, Inc.
Best Buy Co., Inc.
Canon USA, Inc.



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



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

Disole

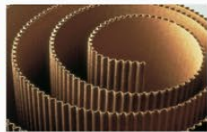
GP Georgia-Pacific
Building Products

AngelSoft

enMotion



BLEACHED BOARD



CONTAINERBOARD



CORRUGATED



KRAFT PAPER



CHEMICAL CELLULOSE &



GOLDEN ISLES® FLUFF PULP



CELLUFLEX™



PAPER PULP

CORDURA
FABRIC

LYCRA

COOLMAX

STAINMASTER
carpet®

molex

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
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 Cap¹

0.9%

Dividend Yield¹

**WE KEEP
AMERICA
MOVING™**

4,715

Dedicated Fleet Size¹

2,995

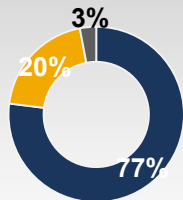
One-Way Fleet Size¹

12,714

Associates²

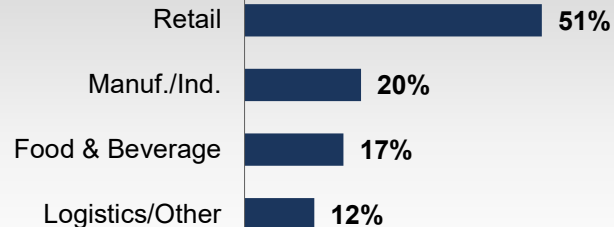
2019 Revenue Breakdown

Segment

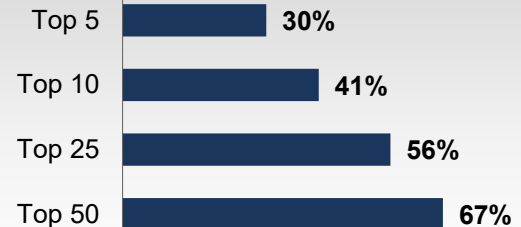


- Truckload Transportation Services (TTS)
- Werner Logistics
- Driver Training Schools and Other

Vertical (Top 50 Customers)



Customer Rank



Question 2



 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 → Cranbury, NJ

10/21/20 5:28 PM → 10/22/20 8:00 AM

Van - 53 FT Swing Door \$64.37 Delete

4597670 View

Shippensburg, PA → Breinigsville, PA

10/22/20 3:57 AM → 10/22/20 5:00 PM

Van - 53 FT Swing Door \$40.34 Delete

4595657 View

Shippensburg, PA → Twinsburg, OH

10/20/20 2:47 PM → 10/21/20 7:30 AM

Van - 53 FT Swing Door \$98.95 Delete

5018370 View

4597690 Close

X-Cap Rate (Line Haul) \$724.36

SmartSpot Loading SmartSpot...

Shippensburg, PA → Cranbury, NJ

10/21/20 5:28 PM → 10/22/20 8:00 AM

Line Haul + FSC = Total Rate

\$64.37 0 Carrier Views

\$64.37 5 Line / Items

Commodity Paper Carrier Group(s) Shippensburg Preload Carriers - Include Connected Rate (LH by SCAC) Unavailable

Equipment Van - 53 FT Swing Door Carrier Included by Selected Group(s) Unavailable

Mileage 182 15 of 15 Carrier(s) Selected Special Instructions

Weight Origin Destination Equipment Type Select Equipment Type(s)

Required Services Choose Search by City/State/Province Search by City/State/Province Required Services Choose

Max Origin Radius Miles 50 Pickup Date Select a Date Max Destination Radius Miles 50 Deliver Date Select a Date

Clear Filters Add To Favorites

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, 3:11 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	1341 mi	7/2/20, 5:00 AM	7/3/20, 3:00 PM	10010	316	\$550.00
Van	53 FT Swing Door		Blue Diamond, NV	Mcfarland, CA	1341 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	7/3/20, 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, 4:39 AM	7/6/20, 9:00 PM	40075242	810	

CARRIER VIEW

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



- Maintain our industry-leading modern truck fleet age, which includes state-of-the-art safety technology

2. Trailers



- Remain at forefront of industry with young trailer fleet age

3. Talent



- Rigorous hiring and retention processes to attract and retain industry-leading talent

4. Terminals



- Expansive network of terminals, dedicated fleet locations, and driving schools

5. Technology



- Continuously upgraded and modernized IT infrastructure and data security (e.g., Werner EDGE)

+ Sustainability



- Further develop our sustainability practices through a multi-phased strategy

NEW

2020 YTD RESULTS¹

- 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% YoY²**
- 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



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

Audience Poll #1





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

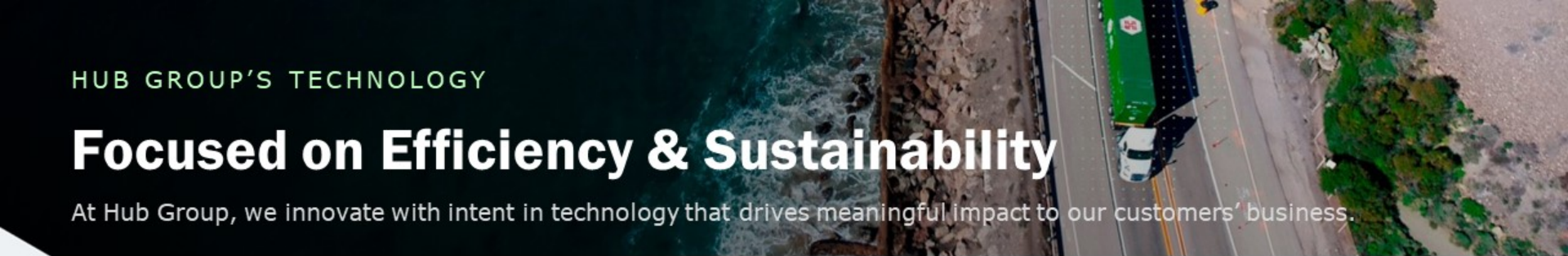
- Idle reduction controls (APUs, etc.)
- Low rolling resistance tires
- Hybrid powertrain technology
- Other

Question 4



-  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



Outrider

Learn more @ 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

CO₂ 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



-  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?



SmartWay Hotline
smartway_transport@epa.gov
734-214-4767

Joann Jackson Stephens
2020 Award Coordinator
jackson-stephens.joann@epa.gov

