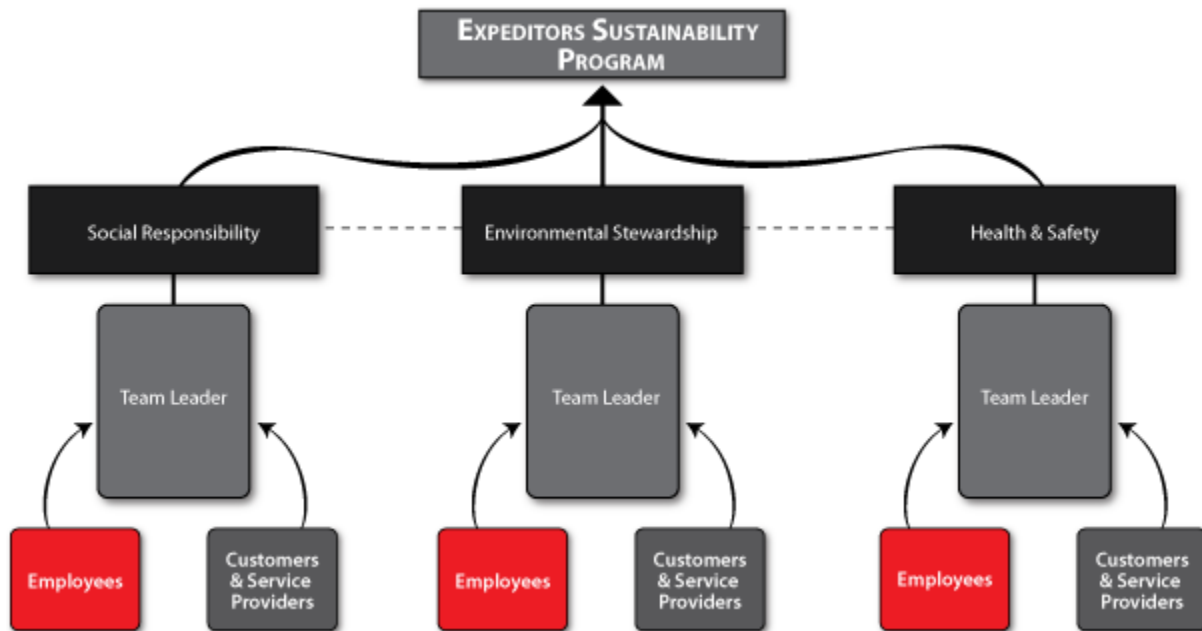


# Our Program

The "three pillars" of sustainability are commonly cited as "people, planet and profit." At Expeditors, our three pillars of sustainability closely mirror this original idea, with a focus on society as whole (social responsibility), the earth we live on (environmental stewardship) and the people who are the essence of our company (health & safety). The pursuit of sustainable business practices is essential to achieving our mission of excellence in global logistics.

We want to model the program in our organization and help our customers achieve their goals by offering recommendations for improving the sustainability of their businesses, whether by streamlining their supply chains, minimizing distribution costs or evaluating alternative sourcing profiles.

Every program has its inception, and our first steps were to start measuring our greenhouse gas emissions, to start gathering information on employee giving and volunteering and to establish a health and safety program for our global network. The momentum of these three global teams has inspired us to move forward with a broader program of sustainability.



## Environmental Stewardship

### Our Commitment

At Expeditors, we work with our customers, service providers and employees to demonstrate a measurable commitment to environmental sustainability. We go beyond compliance to create new opportunities to reduce pollution, while saving money. As a non-asset owning logistics provider, we are not tied to aging fleets. We have the freedom to partner with service providers who have newer, more fuel efficient fleets and strong environmental programs.

## Key Initiatives

In 2010, 2011 and 2012 we disclosed our environmental information through the Carbon Disclosure Project, including our greenhouse gas footprint for scopes 1 and 2.

We continually assess the state of our environmental impact and implement projects to reduce our carbon footprint. As part of our effort, we:

- Help customers consolidate and optimize shipment loads
- Measure and reduce customers' transportation carbon footprint
- Participate in the US EPA SmartWay Program to promote the use of cleaner trucks
- Partner with carriers on environmental guidelines as part of our Service Provider Strategy
- Provide paperless IT systems and visibility to freight
- Implement video conferencing in offices to improve collaboration and to reduce employee travel costs and carbon footprint
- Measure and reduce our office scope 1 and 2 greenhouse gas footprint
- Support over 150 employee green teams across the globe in reducing energy, fuel and paper usage while increasing recycling efforts

[Expeditors Environmental Stewardship](#) 



## Customers



As a non-asset owning logistics provider we don't own the ships, trucks and planes that move our customers' freight, which gives us flexibility in helping our customers manage their supply chain's environmental impact. We have partnered with several customers to measure and recommend ways to reduce their transportation carbon footprint. We meet with these customers on a quarterly basis to review their carbon footprint and spend and then take action on that data. Our customers have saved money due to these recommendations.

There are many ways to reduce a transportation footprint, ranging from modal shifts like truck to rail, to slowing down the supply chain, to consolidation of freight in order to utilize containers effectively. In almost every case, where less fuel is burned, there is less carbon footprint and less cost. We have years of expertise in helping our customers find solutions that work for them, and sophisticated systems to provide data for making informed decisions.

Additionally, we recommend ways for our customers to utilize only the space they need in our warehouses and optimize energy and material usage in our warehouses.

[CO<sub>2</sub> Estimation Report](#) 

Please see our [Accomplishments](#) page for more information on our work with customers.

## Service Providers

We don't have control over how quickly our service providers modernize their fleets, but we do have influence. We partnered with the US EPA SmartWay program in 2008 and quickly earned "Outstanding Performer" status due to our ability to promote the program to existing and new trucking service providers. Currently 85% of our "freight spend" in the US is with SmartWay providers.

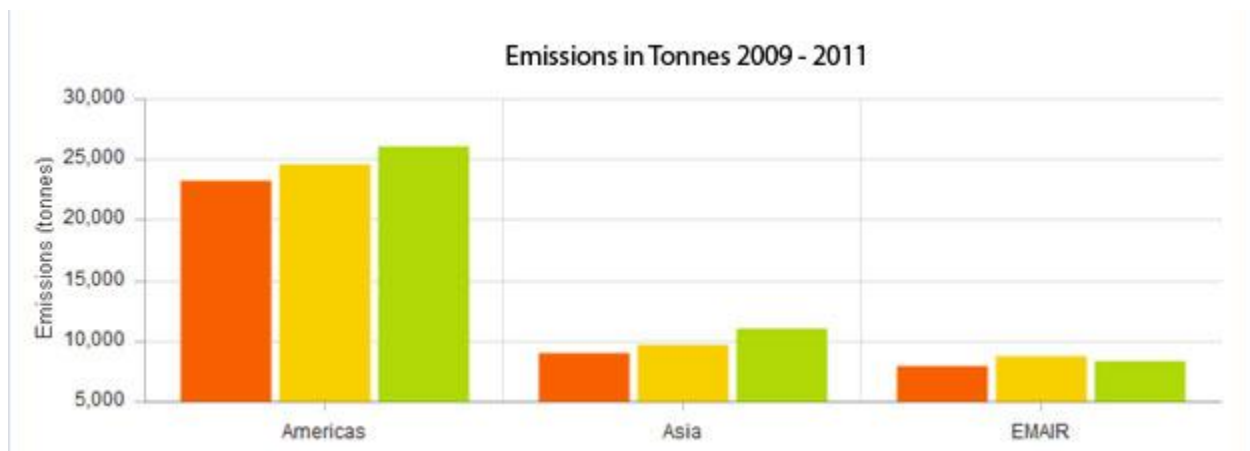
Expeditors' Global Green Team actively researches potential partnerships with service providers and other groups to help us make a bigger impact. We are also members of the Coalition for Responsible Transport.

As part of our Service Provider Strategy, we use environmental criteria to score all new service providers to understand where they are in their environmental efforts and to help us make decisions regarding which service providers to select.

## Accomplishments

### Measuring and Reducing Greenhouse Gases in 237 Offices and Warehouses Around the Globe

Since 2009, Expeditors' green teams have measured their energy and fuel use to calculate the greenhouse gases emitted by our offices and warehouses. We've shared this information with the Carbon Disclosure Project and have set a target of reducing our greenhouse gas emissions per square meter by 5% over our 2011 levels by 2014. Our scope one and scope two CO<sub>2</sub> footprint in 2011 was 45,353 metric tons.



[\(enlarge\)](#)

### Partnered With Local Software Start-Up Scope 5 to Measure Environmental Impact

At Expeditors, our employees share in the commitment to reduce environmental impacts while saving money. In 2012 we partnered with Scope 5, a Seattle software company, as their first customer. Scope 5 technology allows our employees to enter their electricity, fuel, paper, recycling, water and other data on a monthly basis. Our green team members analyze this information to see which environmental projects are yielding the best results and most cost savings. It also allows us to roll up our greenhouse gas information for reporting.

## **Expeditors' Partnership with US EPA SmartWay Saves Estimated 379,227 Metric Tons of CO<sub>2</sub>**

Expeditors understands that a big part of our environmental impact is based on the transportation services brokered for our customers. Since we don't own the planes, boats, or trucks, participating in programs like SmartWay in the United States, which promotes the use of cleaner trucks, allows us to ensure our customers can leverage eco-friendly conveyances. The US Environmental Protection Agency awarded Expeditors Outstanding Performer status in 2008 based on our extensive participation in SmartWay. In 2010 our participation in the program saved an estimated 239,056 metric tons of CO<sub>2</sub> and in 2011 saved 140,171 metric tons of CO<sub>2</sub>.

## **CY to CFS Conversion Cuts Costs and Emissions**

Many shippers allow their vendors to fill their own containers leaving lots of "dead space" unused. This space is paid for and overinflates the need for spaces as well as number of ships required on the world's busiest trade lanes. Through Expeditors' Order Management services, customers have been able to reduce their total spend through multiple vendor consolidation in their key origins by purchasing fewer containers. Fewer containers means less cost and a smaller carbon footprint.

## **Reducing Cost and Carbon Footprint**

By implementing an enhanced consolidation program for a valued retail customer, we were able to cut cost by consolidating their shipments together in larger containers. This resulted in a reduced carbon footprint, as fewer containers have to move through the supply chain to ship the same volume of cargo.

## **Riding the Rails**

Offered by our railroad partners, a secured service named "bottom well" allows us to book containers on the lower position of a rail car. Benefits include a more secure mode of shipping, a decrease in transit time, significant cost savings to the customer and a reduction of trucks on the road.

## **Bike Commute Challenge**

Teams from Expeditors' Corporate Headquarters participate in the annual Bike Commute Challenge during May's National Bike Month in the United States. The goal is to reduce carbon by encouraging commute alternatives (e.g., automobile, bus or train). Expeditors ranks high on a per rider basis showing a true commitment to CO<sub>2</sub> reduction.

## **Opening of New Green Offices in Germany and China**

Natural resources are limited! This has been causing businesses to look at their facilities to act in a more socially responsible manner towards the environment all over the world. Expeditors is no exception. Expeditors Shanghai and Frankfurt have set the standard and are leading by example on sustainability through the use of new intelligent energy management systems. These systems support environmentally friendly buildings with effective energy management. Both facilities are located in an area optimized for logistics, which can reduce pollution and save money for our customers.

[2010 Accomplishments](#)

## **Health & Safety**

### **Synonymous with Our Culture and Mission**

At Expeditors, the idea of operating safely comes naturally to our teams of dedicated employees and managers. We all learn from our very first day on the job that Expeditors is a place that cares for its people, pays attention to the details, places a premium on process improvement and does not cut corners. The entrepreneurial spirit of our organization rests on a foundation of trust, namely, that each employee can rest assured that the total commitment to our people includes a commitment to their well being.

### **Part of Everything We Do**

Employee health and safety is a part of who we are and what we do. Expeditors encourages all employees to share in the Company's commitment to health and safety. For more information, please see section 1.7 of our [Code of Conduct](#).

### **Dedicated Health and Safety Teams**

Our approach includes Health and Safety Managers assigned to our geographic regions. This structure ensures global coordination of Health and Safety at Expeditors while also providing a resource that supports health and safety matters in each region. In addition, each District Office has an appointed Branch Health and Safety Representative and a local Safety Team to take ownership of Expeditors Health and Safety initiatives.

### **Expeditors Health and Safety Standards**

At the heart of our Health and Safety program is a set of Health and Safety Standards that applies throughout our global network of offices. Expeditors Health and Safety Standards, consisting of 10 core elements, formally integrate our long-standing commitment to health and safety into our operational processes. For more information, please contact your local Expeditors representative.

# Social Responsibility

"Our employees are making a difference in the communities where they live and work. Caring for others and the world around us is a key element of our company culture. One way we demonstrate this value is through charitable giving and volunteering." - Tim C. Barber, President, Expeditors Global Sales and Marketing

## Our Commitment

Expeditors has always been involved in the communities where we live and work. Our global branches give back to their communities by supporting local charities, children's programs and volunteering time on outreach projects. Through these local or "grass-roots" efforts, a tremendous amount of time, commitment and money has been put towards bettering the communities where Expeditors does business.

We know that with over 13,000 employees worldwide, we have the potential to make a big impact.

## Opportunity Knocks



In 2008, a program at Expeditors' Corporate Headquarters was implemented to hire high school students not intending to go to college. The idea was based on experience from Dan Wall, a current Senior Vice President of Expeditors, who was hired directly out of high school. There are many reasons why some high school students do not go on to college. Some simply cannot afford it while others are just not motivated to obtain a college degree. At Expeditors, we understand this and know there are students who would jump at the opportunity to work in a professional environment - they just need to be given the chance. The program is called Opportunity Knocks.

Opportunity Knocks is based on the idea of hiring high school students part time, with the opportunity to gain full time employment. The young person receives mentoring and has the opportunity to develop basic job skills. If the student graduates high school and completes the

part time job at or above expectations, then either a continuing part time position that allows the pursuit of further education or a full time position with benefits is pursued. Several of the Opportunity Knocks employees are now pursuing higher education and are the 1st generation to do so in their family.

Due to the initial success of the program, additional Expeditors offices have begun to implement Opportunity Knocks. Our Seattle, Dallas and Los Angeles branches are currently involved, with our branch offices in San Diego, Atlanta and Miami starting soon.

Corporate Voices for Working Families published a business case that highlights Expeditors' Opportunity Knocks program.

[!\[\]\(3d8c13c92b853674f749aac6fa869926\_img.jpg\) Expeditors' Opportunity Knocks business case](#)

## **Branch Events**

With over 13,000 employees throughout our global network, many are active members in their local communities. Here are some of their stories.

### **Branch Spotlight - San Francisco**

Expeditors San Francisco has been involved in community outreach programs for many years. Their District Manager is very passionate about empowering his employees to give back in the best way they see fit and established a Social Responsibility Team to lead their branch charity events.

Their mission is: To promote activities within the branch around philanthropy, community development, and giving back to society.

The team selects recipient organizations that support various causes. In the past, they have held donation drives to support Goodwill - donating over 12 full bins of clothing and goods, Toys for Tots - donating over 1,000 lbs. of toys, and local food banks - donating over 4,200 lbs. of food.







By providing a wide variety of charitable opportunities, their goal is to increase employee participation, therefore, creating an even greater impact. They choose to focus on four key areas: health & happiness, the environment, their local community and then an international fundraiser.

"Giving back to our community locally and globally creates great morale within the branch. I love to see how our actions can impact so many people. It is exciting to watch everyone in the branch work together to help those in need!" - Michelle Woodland - Expeditors San Francisco, Social Responsibility Team

## Corporate Initiatives

Located in Seattle, Washington, our corporate headquarters is home to more than eight hundred Expeditors employees. Similar to our global network of branch offices, our corporate employees look for opportunities to give back to the local community. We strive to partner with local organizations with the potential to make a big impact.

On an annual basis, we partner with the below non-profit agencies.



United Way of King County is one of the largest United Way affiliates in the world. They focus on meeting the basic needs of citizens, ending homelessness, and giving children tools to be prepared for a lifetime of education. From 2004 to 2008, Expeditors grew from a Top 300 Supporter to a Top 25 Supporter, and has remained in the Top 25 since. Also in 2008, Expeditors was a recipient of the Campaign Coordinator of the Year Award (Anni Erickson and Derek Eisel) at United Way's annual Spirit of Caring celebration.

Our partnership began in 1994 and continues to grow. In 2010, in conjunction with our Seattle branch office, we raised over \$284,000.00 in the annual giving campaign, earning us the award for Most Significant Increase. The giving campaign is a convenient way for employees to make donations to their selected charitable organizations via elective payroll deduction. Throughout the campaign employees are invited to attend "Lunch & Learn" sessions hosted by United Way that provide education on issues such as homelessness, domestic violence and volunteering opportunities. This year we plan to extend the opportunity to participate in the annual giving campaign to employees across the United States. We are proud to support United Way and to be involved and investing in our communities.



Each year since 1998 we have supported Nordstrom's Beat the Bridge event to raise money for the Juvenile Diabetes Research Foundation. Expeditors employees hit the streets on a 8k run to cross the University Bridge before it is raised. Expeditors takes care of the registration fees for this event; many of the more than 100 employees who participate each year raise significant funds to support the Juvenile Diabetes Research Foundation. Raising money to help find a cure for diabetes, along with participating in a healthy, fun, family event keeps us committed to this event year after year.



More than 2,600 children are mentored each year by the wonderful people at Big Brothers Big Sisters of Puget Sound. An organization that is committed to helping children succeed in life, Big Brothers Big Sisters of Puget Sound's mission is "to provide a caring adult mentor for every child who needs or wants one." Expeditors supports BBBS each year by raising money to participate in their "Bowl for Kid's Sake" event. While not many of us excel at bowling, we enjoy the time and the opportunity to support an important non-profit agency in our community. Our President of Global Sales and Marketing, Tim Barber, serves on the Board of Directors for Big Brothers Big Sisters of Puget Sound. Expeditors has been partnering with this organization since 2004, and plans to continue in the future.