

COVID-19

Impact and Lessons Learned



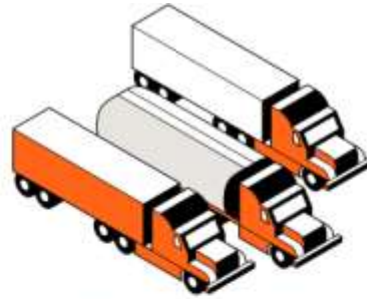
SCHNEIDER

SCHNEIDER OVERVIEW



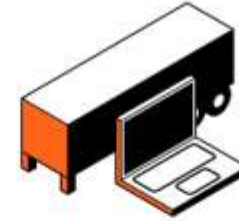
Intermodal

- Bulk
- Express Services
- North America Cross-Border
- Regional
- Transcontinental
- Rail Dray



Truckload

- Bulk
- Dedicated
- Long-Haul
- North America Cross-Border
- Regional
- Team Expedited



Logistics

- Cross-Dock Logistics
- Port Dray
- Supply Chain Management
- Transloading and Distribution
- Brokerage
- Warehousing

Approximately
9,000
company tractors

Approximately
59,200
company trailers and containers

Approximately
2,800
owner-operator business relationships


Over
36,000
qualified carrier relationships

Approximately
15,225
associates worldwide


1935
operations in United States


1989
operations in Canada


1992
operations in Mexico


2005
operations in China

BUSINESS IMPACT

- Increased demand in second half of March 2020 due to moving essential goods.
- Redeployed dedicated drivers whose accounts were shut down as non-essential and leveraged them against areas where we saw increased demand for essential products.
- Intermodal was the most negatively impacted in the second quarter of 2020 by reduced Asia import activity and extended non-essential retail shutdowns.
- By third quarter freight volumes accelerated and demand in nearly all geographic markets exceeded capacity.
- Freight continued to be strong through fourth quarter and we continued to see capacity be the constraint.



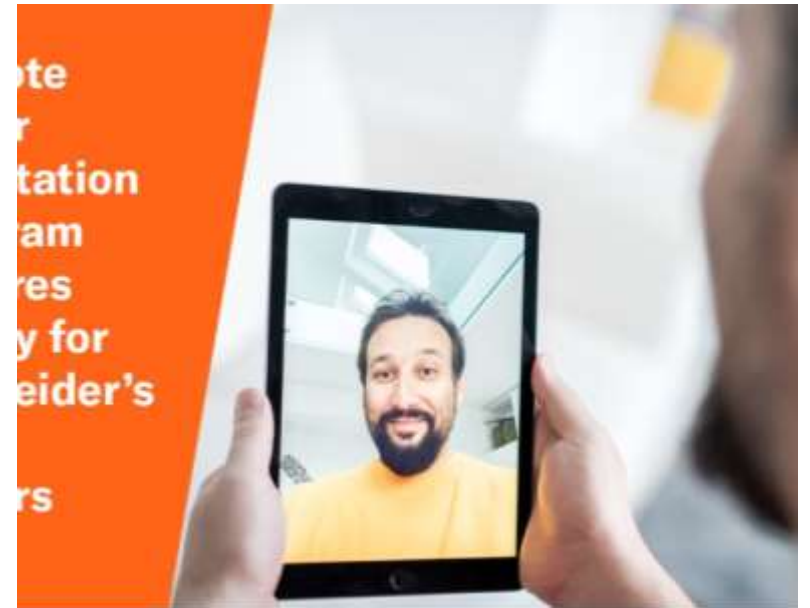
LESSONS LEARNED

- **Remote work transition**
 - Previously most associates did not work remote
- **New technology deployed: Microsoft Teams**
 - Found we were able to have an even better experience with our field locations as now compared to a phone call was a virtual face to face.
 - Our culture is not based on our buildings
 - Allowed those in quarantine to continue to work.
- **Flexible scheduling** allowed parents with school age children to be home for virtual school and work off-hour.
 - In some areas the work was better done outside of first shift.
 - For example: a few driver recruiting associates work early evening which is one of the best times to connect with applicants.
- **Investment in paperless** processes prior to the pandemic had additional value.



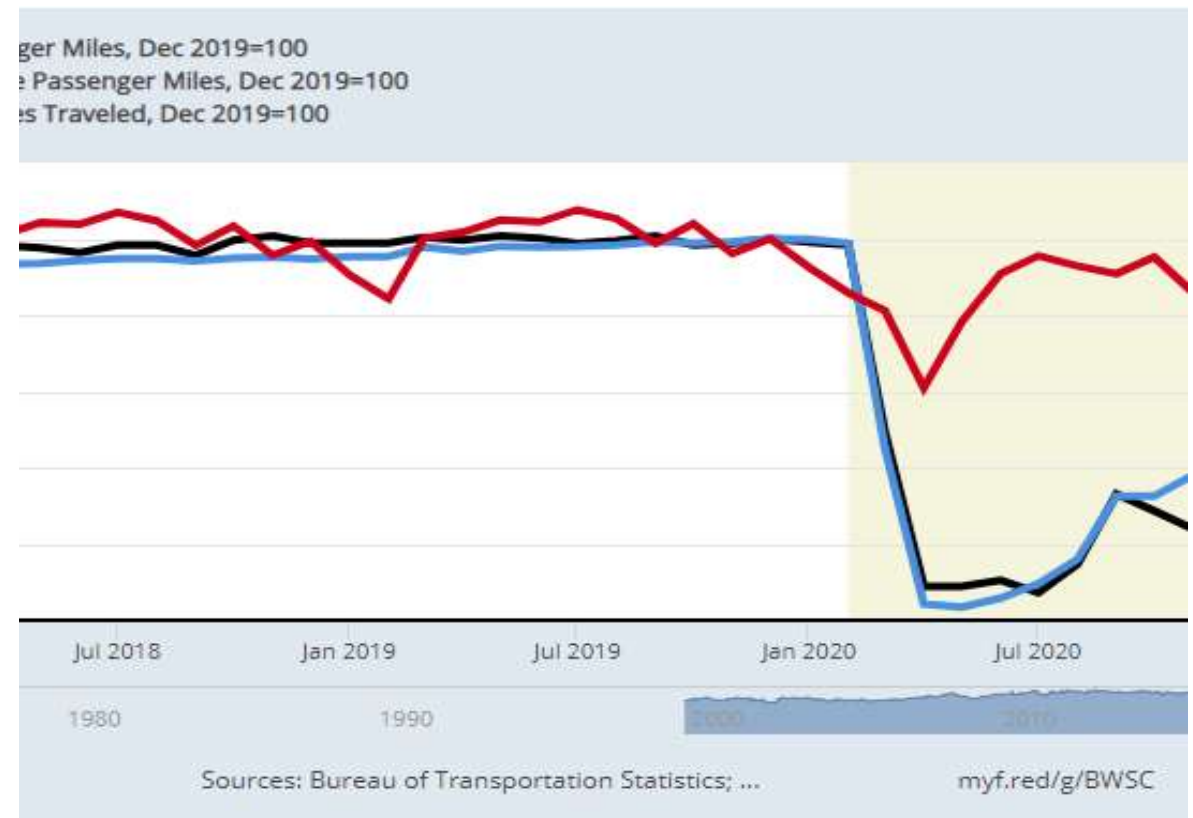
SAFETY / TRAINING / COMPLIANCE

- **Training**
 - **Changes to orientation**
 - providing masks, hand sanitizer and disinfecting wipes.
 - pre-screening drivers before entering the building.
 - implementing social distancing in the classrooms.
 - disinfecting training trucks between students.
 - moving to grab-and-go individual meal options.
 - **Virtual Training** – to allow for more social distancing an instructor virtually taught a group of students in their classroom and another group a local hotel conference room for additional space.
 - **Added Remote Training** – Experienced hires had the option to complete coursework from home through computer-based training with final training at a facility.



SAFETY / TRAINING / COMPLIANCE

- **Safety**
 - Improved frequency and severity in crashes – less traffic on roadways
- **Compliance**
 - FMCSA waivers and management of those drivers who were unable to renew a medical card or CDL
 - Random drug and alcohol testing – some additional external (ie. clinic) challenges but were able to still meet the requirements



SCHNEIDER