

Erica Krauss

From: Jeanne Bell <Jeanne.Bell@expeditors.com>
Sent: Tuesday, March 17, 2020 11:14 AM
To: Erica Krauss
Subject: IEWC Expeditors Pandemic Preparedness & COVID-19 Business Continuity
Attachments: Expeditors Business Continuity - COVID-19 Pandemic Preparedness.pdf; Expeditors Business Continuity Plan.pdf; Expeditors COVID-19 Business Continuity Letter -17 March 2020.docx

Hello Erica,

I hope you are doing well despite the recent COVID situation. We wanted to give you an update on Expeditors' steps in continuing business globally, overall we want our customers to understand Expeditors has taken in response to the COVID-19 pandemic

As you know, new information specific to the US, Europe & Asia are ever changing so we will keep you updated as new information comes in.

Expeditors has activated our Business Continuity Plan in a number of locations around the global to support the very fluid situation, see above attachments and letter detailing our actions.

Expeditors Global Offices:

- Expeditors is actively monitoring and responding to country and local Health Authorities communications and evaluating the recommendations and their effect on employees, service providers and our customers' supply chains.
- Our CHQ leadership has implemented that Sales, Account Management, Regional & Corporate employees work remotely as a social distancing measure.
- At this time, all of our Expeditors branches are open, the only exception is our Wuhan office which remains closed at this time. Every office is implementing a minimum number of standard and others may implement more based on current local conditions.
- Our facilities have implemented additional social distancing or hygiene controls, as these controls could affect Expeditors or Service providers' ability to pick up or delivery cargo.

Please also utilize the information provided on the [Coronavirus Updates insite page](#) as well the customer-facing communications being posted through [Operational Impact](#) and the [Horizon blog](#).

If you have any questions please let me know.

Thank you and best regards,

Jeanne Bell

Manager, Customer Retention and Development

Direct 414-448-7214

Main 414-423-0280

Cell 414-510-7609

Email jeanne.bell@expeditors.com

Milwaukee 

9675 South 54th Street

Suite #1
Franklin, WI 53132
www.expeditors.com

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Expeditors Pandemic Preparedness & COVID-19 Response

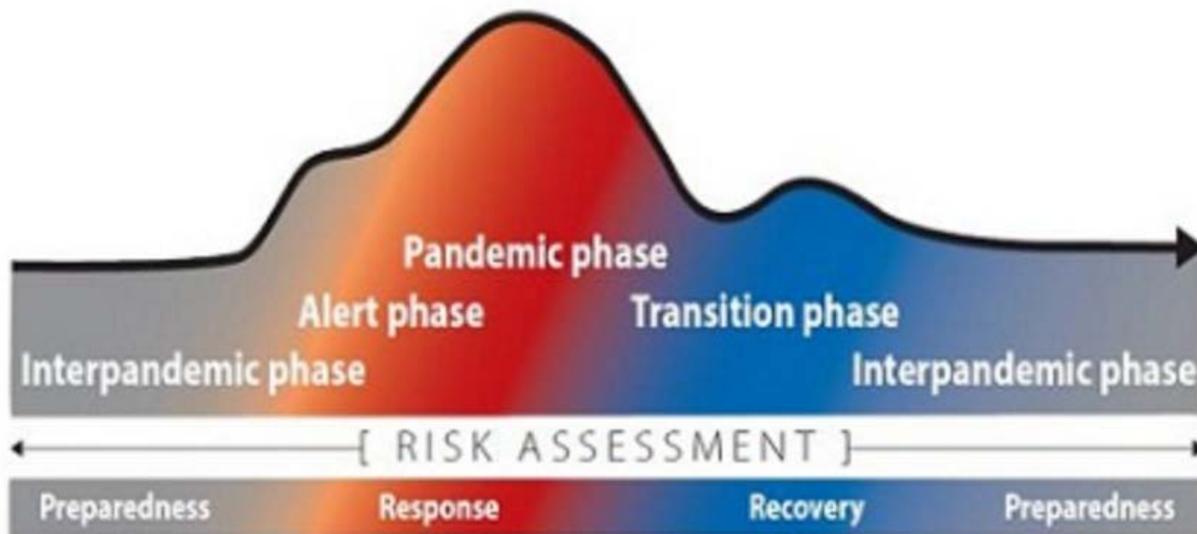
Expeditors has specific contingency plans to address infectious disease outbreaks and pandemic situations, such as COVID-19, H1N1, Avian Influenza (H5N1), Ebola Virus Disease (“EVD”), Severe Acute Respiratory Syndrome (“SARS”) and Middle East Respiratory Syndrome (“MERS”). These plans are part of our Business Continuity Plan (for general information regarding our plan, please refer to our separate document entitled “Expeditors Business Continuity Plan”). The two main objectives of our plan are: 1) to protect our people and 2) to minimize adverse impacts to our operations and our customers’ businesses due to major supply chain disruptions.

EXPEDITORS BUSINESS CONTINUITY PLAN



In developing our disease outbreak and pandemic response plans, Expeditors drew upon widely-accepted health and safety checklists and guidelines developed by key governmental and health organizations, including the United States Centers for Disease Control and Prevention (“CDC”) and the World Health Organization (“WHO”), and adapted them for our organization and business model. Our plan includes a **phased preparation approach**, monitoring key triggers such as the extent of local human-to-human transmission of a disease, the CDC and WHO situational updates about the disease, and health alerts such as those provided by the Global Outbreak and Alert Response Network (GOARN). We monitor WHO declarations of any Public Health Event of International Concern (“PHEIC”) and declarations of pandemics. See the diagram below for a depiction of the WHO’s phased approach.

World Health Organization – Diagram Depicting Pandemic Alert Phased Methodology



Source: <https://www.who.int/influenza/preparedness/pandemic/h5n1phase/en/>

Structure of Our Plan

Though a pandemic or outbreak and its effects are inherently unpredictable, we have identified several steps in an effort to minimize the potential impact of an outbreak to our people and our customers. Our plan draws from public sources as well as our own internal experiences in responding to similar supply chain disruptions, such as the spread of SARS in 2003-2004, A(H1N1) in 2009 and COVID-19 in 2020. Our plan has continued to evolve as new relevant risk and control mechanisms are developed. The purpose of this plan is to guide our Districts on how an infectious disease outbreak might affect the workplace, how to respond, and how local districts should plan for and respond to such an event. In the event of an infectious disease discovery, Expeditors will focus on:

1. Protecting our people
2. Working to maintain continuity of critical functions
3. Minimizing supply chain disruptions for our customers where possible
4. Collaborating with our strategic carriers and service providers during market disruptions

A key part of Expeditors' plan is derived from our focus on our people, and our understanding of the critical role they play in our customers' supply chains. We identify which areas of the supply chain process can be supported remotely and through automation, and which areas require physical operations and handling. Listed below are several key aspects of our pandemic preparedness program, to be implemented as appropriate based on each situation and perceived risk:

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Hygiene

Various measures as implemented during the COVID-19 outbreak and pandemic to improve hygiene and slow the spread of disease, including:

- Hand washing with soap and warm water for at least 20 seconds
- The use of hand sanitizer
- Following WHO/CDC good hygiene practices (for example, covering one's cough or sneeze; using a tissue, throwing the tissue in the trash, and then washing one's hands; or if a tissue is not within easy reach, coughing or sneezing into one's elbow)
- Rigorous cleaning of facilities with disinfectants such as bleach
- The use of selected personal protective equipment (PPE) such as face shields, eye protection and/or single use disposable gloves.

Detection

Follow official guidance, such as handling suspicion of illness confidentially with the potentially infected individual. Next steps may include:

1. Directing the potentially infected individual to appropriate medical personnel
2. Sending the potentially infected employee home or to a healthcare facility
3. Identifying the number and scope of potential and probable exposures
4. Preventing potentially infected personnel from returning to work before a medical "all clear" is received or the relevant quarantine period has expired

Travel Restrictions

Our planning assumes global travel patterns may become disrupted due to changes in demand and/or government directives. In addition, we may restrict the travel of our own employees for their safety. Under these circumstances, our branches will focus on continuing to deliver critical services while reducing or eliminating all non-essential travel to affected areas. During the current COVID-19 pandemic, Expeditors has implemented several broad-based travel restrictions, particularly in respect to high risk countries.

Remote Employee Deployment

We anticipate the need to leverage our information systems to permit those unaffected by an outbreak to work from home or from geographically separated locations. Our flexible information systems and decentralized server architecture support telecommuting. Additionally, our network of district offices all operate using **globally consistent systems and processes**; therefore, many functions can be shifted from highly affected locations to locations that may not be as heavily impacted by the outbreak or pandemic.

Service Provider Coordination

Port facilities and transport assets may become backlogged, or may be closed or redirected by authorities in order to distribute vaccines or other health supplies. Expeditors has multiple service provider relationships that we rely upon to identify open transportation channels and reroute cargo as quickly and effectively as possible. Additionally, Expeditors is deploying safety measures to reduce the risk of contact that include:

- Reviewing hygiene and social distancing best practices with service providers
- Reducing interactions between drivers and staff (for example, refraining from shaking hands)
- Asking drivers to wait in their truck instead of in facilities
- Following any government-mandated, site-specific requirements

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Social Distancing Measures

Facilitate social distancing measures during the peak of an outbreak. This would include telecommuting, heavy use of teleconferencing/webconferencing, establishing short-term flexible work hours, splitting shifts, and maintaining spatial separation between employees within shared office areas. Additional measures may be necessary that include:

- **Quarantine:** The physical separation and restriction of movement of individuals, who, though not ill, have been exposed to a contagious disease. Quarantine may be required to prevent the spread of infectious disease that may be transmitted to other individuals before illness develops or is recognized. Quarantines may be done at home or in a restricted area, depending on the specific nature of the infectious agent and the timeframe will be at the direction of the local health authority.
- **Isolation:** Applies to persons who are ill with a contagious disease. Isolation is the physical separation and restriction of movement of an individual who is ill or is suspected of having an infectious illness from those who are not ill and have not been exposed to the contagion. Isolation may be required if medically necessary and reasonable to treat, prevent, or reduce the spread disease. Individuals may be isolated in a health care facility, the individual's home or a non-health facility until such time as their health care provider deems it safe for them to return to work.

Monitor Official Guidance from Health Authorities

We are encouraging our districts, service providers and customers to coordinate plans with local and national health authorities. The following websites have helpful information:

World Health Organization (<http://www.who.int/en/>)

United States Centers for Disease Control (www.cdc.gov)

U.K. Department of Health (www.dh.gov.uk)

U.S. Department of Homeland Security (www.flu.gov)

For **COVID-19 Situational Updates:**

WHO <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports/>

CDC <https://www.cdc.gov/coronavirus/2019-ncov/summary.html>

What Can Supply Chain Professionals Do to Prepare Their Organizations?

We encourage our customers to look internally at their organizations' respective business continuity plans to prepare for a potential pandemic and to respond to the current COVID-19 crisis. Aiming for resiliency, ideas may include introducing flexible sourcing models to add redundancy, adjusting inventory cushions to avoid shortfalls, and altering forecasts and managing orders in light of potential shifts in consumption and spending patterns.

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EXPEDITORS BUSINESS CONTINUITY PLAN

*Planning for a
seamless response to
supply chain disruptions*

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Expeditors prides itself on being able to rise to the toughest supply chain challenges. In the realm of business continuity, Expeditors has demonstrated success with our responses to a wide range of disruptions, such as Hurricane Katrina in New Orleans in 2006, the San Diego Wildfires in 2007 and Typhoon Wipha which struck Taipei, Hong Kong and Shanghai in 2007. In 2008 in response to political unrest in Bangkok, Thailand, contingency plans were developed to reroute cargo to neighboring air terminals in order to limit the impact of this disruption on our customers' supply chains.

In response to each of these crises, our offices were able to regularly resume operations and process shipments, communicate status updates to our global network, and in certain cases, reroute shipments and/or data to back-up locations.

EXPEDITORS BUSINESS CONTINUITY PLAN



Expeditors' demonstrated ability to respond well to disasters is integrated into our Business Continuity Plan. The plan has been developed and rolled out globally. The two main objectives of our plan are the safety of our people and minimizing adverse impacts to our operations and our customers' businesses as a result of major supply chain disruptions.

We have developed a plan that is uniquely rooted in our business model. As a non-asset based logistics provider, we have the flexibility to reroute shipments based on the contingencies and allocations we maintain with multiple, strategic carrier partners. We have been able to develop our plan by drawing strength from our experiences in responding to a wide variety of supply chain disruptions. These crises have included strikes, riots, terrorist acts, hurricanes, earthquakes, fires, floods, power outages, pandemics, tsunamis and acts of war and civil unrest.

As shown on the Expeditors Business Continuity Plan diagram above, we conceive of business continuity in terms of a cycle that has four distinct phases, or "continuity modes":

- **Prepare** - Infrastructure, processes and strategic teams in place to respond.
- **Respond** - Acting in concert to protect people and mitigate adverse impacts.
- **Recover** - All facets of operations returned to normal levels.
- **Re-assess** - Analyzing responses and making continuous improvements.

EXPEDITORS BUSINESS CONTINUITY PLAN

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Fundamentally, we believe that effective business continuity planning requires that our plan grow and evolve over time. Only in this way can we maintain a constant state of readiness. As a consequence, our “plan” is not merely a document, but consists of a wide range of interconnected systems, processes and standard operating procedures.

Our plan is always in at least one continuity mode, and may be in various modes in different locations at any time. The plan is flexible enough to respond to multiple disasters of varying types and levels of severity occurring at the same time. Expeditors has developed detailed plan components aimed at four critical areas of our business:

- **Our People** – Our number one asset, our employees.
- **Our Customers** – Our customers’ assets in the supply chain, together with client documents and information.
- **Our Systems** – The computer systems that link our people and facilities.
- **Our Facilities** – The offices, agents and service providers forming our global network.

The specific plan items and components vary depending upon the nature and magnitude of the disruption, and depending upon the extant continuity mode. Key components include:

- Multi-functional crisis management teams in each geographic region.
- Web-interface and multi-mode communications systems to support information flow during a crisis.
- Communication protocols to enable efficient and accurate situation updates to our people and our clients.
- Flexible information systems based on a decentralized server architecture, routine data back-up procedures with off-site storage, and pre-defined and pre-tested recovery time objectives.
- Remote employee deployment plans where appropriate for sustained regional disasters.

Overall, our plan empowers Expeditors to address any disaster that may pose a threat to our people, our operations or our customers’ supply chains. Our goal is to respond to each disaster systematically, that is, by flexibly redeploying and supporting the people and systems that embody our global network. In this way, we add value to our customers’ supply chains by reducing the risk of potential adverse impacts to their products moving through our network.