



2020 SUSTAINABILITY REPORT

CEO LETTER

A MESSAGE FROM OUR CEO



At Expeditors, we take sustainability seriously, and we are happy to present our current sustainability report, which we update annually to highlight our continuous progress and latest achievements. This year, we are honored to have been named as the highest ranked logistics company (and 14th overall) in the 2020 Best ESG Companies Top 50 list published by Investor's Business Daily. We are proud of the fact that this achievement is a natural consequence of executing our core business strategy effectively and ethically.

Our core business, freight consolidation, involves the combining of multiple different shipments in an efficient manner in order to maximize space utilization and, consequently, minimize the consumption of resources. Our business saves money for our customers while being measurably better for the environment by reducing unnecessary waste. In performing this important supply chain optimization role, Expeditors uses a non-asset business model, meaning that we do not own or operate any airplanes, ships, or trucks. This model affords several important advantages when it comes to the effective management of Greenhouse Gas (GHG) emissions, not least of which being our ability to accelerate transitions to more modern, fuel-efficient fleets as they become available in the market. In this manner, we improve overall supply chain sustainability for Expeditors and our customers.

Above all, Expeditors focuses on sustaining its financial health while meeting our customers' primary need for pricing efficiencies. Given stakeholders' increased expectations for companies—including ours—to measure, manage, and report their ESG risks and opportunities, Expeditors can provide customers increased efficiencies and reduced costs while minimizing their environmental impacts.

Sustainability remains of utmost importance, not only because it is the right thing to do, but because it enables us to make good business decisions. It is efficiency-oriented, highlights potential risks and opportunities, and helps strengthen our employees, communities, and future workforce. Our holistic view of Sustainability closely aligns with the Business Roundtable's "[Statement on the Purpose of a Corporation](#)" released in August of 2019, which embraces the importance of five groups of stakeholders in a corporation as follows:

- **Delivering Value to Our Customers:** As indicated in our Mission Statement, we have always focused on delivering world-class customer service.
- **Investing in Our Employees:** One need only look as far as our Vision Statement: "We create unlimited opportunities for our people through sustainable growth and strategic focus, inspiring our premier customer-focused logistics organization."
- **Dealing Fairly and Ethically with Our Suppliers:** Through our Total Value Proposition, we emphasize a "win-win" philosophy with our Service Providers so that our success is also theirs.
- **Supporting the Communities in which We Work:** We have a strong tradition of giving back to the communities in which we work through our Corporate Social Responsibility activities, as highlighted in the "Social" section of this report.
- **Generating Long-term Value for Shareholders:** Our financial performance in terms of cumulative returns to our shareholders over 40 years speaks for itself.

We explain our approach and highlight key accomplishments in greater detail throughout this report. We invite you to explore what we are doing, ask questions, and provide valued feedback.

In particular, I want to thank our entire team for their tireless efforts around sustainability in 2020 as we endured the COVID-19 global pandemic. Indeed, as further highlighted beginning on page 27 below, in responding to this unprecedented crisis, we were able to draw upon the Business Continuity Plan that forms a key part of our ESG program. By investing in sustainability and continuing to safeguard our people, we invest in Expeditors' future and the future of our employees, customers, service providers, and communities.



Jeff Musser
President and Chief Executive Officer

ESG EXECUTIVE SPONSOR LETTER

As requests for information about our sustainability practices increase and our ESG initiatives continue to advance, we are proud of the fact that we have had a formal ESG Committee in place for more than four years now, and, more importantly, that Expeditors has remained firmly committed to the fundamental values of good environmental, social and governance practices since inception. This commitment is part of our business model and is reflected in multiple, long-standing mechanisms that we have put in place to promote the best interests of all Expeditors' stakeholders — including our customers, employees, service providers, communities, and shareholders.

WHAT IS THE PURPOSE OF OUR SUSTAINABILITY REPORT?



By publishing this report, Expeditors is pleased to be able to tell our story—how ESG fits into our company's culture, mission and goals, and how we are making consistent progress through our initiatives. We hope this report serves not only as a source of education and validation for our stakeholders, but also as a source of inspiration for sustainability efforts in supply chain and logistics as a whole.

We are also mindful of the rapidly evolving and varied landscape of ESG reporting. We continue to monitor competing proposals and standards, including the draft framework released in January 2020 by the International Business Council of the World Economic Forum entitled, "[Toward Common Metrics and Consistent Reporting of Sustainable Value Creation](#)", (with its four organizational pillars: 1) Principles of Governance; 2) Planet; 3) People; and 4) Prosperity); as amplified in September 2020 by the supplemental report entitled, "[Measuring Stakeholder Capitalism](#)". While we wait for the emergence of a standardized ESG disclosure framework, beginning with this year's report, we are mapping our disclosures on a range of ESG topics to selected metrics outlined by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) that are directly relevant to our non-asset, knowledge-based business model. You will find our TCFD disclosures in the "Environment" section beginning on page 12, and our SASB disclosures after the "Governance" section beginning on page 31.

HOW DO WE APPROACH SUSTAINABILITY AT EXPEDITORS?

We are proud of the fact that we have been steadfastly going about our work in these important areas for many years. In our report, you will see that:

- We have always said our people come first—no change there.
- We have always said that superior financial results are essential—no change there.
- We have always said that ours is a place of unlimited opportunity—no change there.

What is evident from our report is the power of our unique culture that has organically set in motion our efforts to:

- Build Green Teams in our districts motivated by passionate people seeking ways to save the planet while saving the bottom line;
- Create opportunities for youth and veterans through Opportunity Knocks;
- Expand our corporate charitable giving program and encourage districts to get involved locally through giving and volunteer activities; and
- Organize Safety Teams in every district to make sure our people are not injured.

THANK YOU & THE PATH FORWARD

We want to thank all of our employees for their tireless efforts—year in and year out—to reinforce our culture through their sustainability efforts worldwide. We also wish to thank our ESG team members for their work in leading our sustainability efforts at Expeditors. I am extremely proud of not only what we are doing, but also how we are doing it: authentically, tirelessly, methodically, and always in keeping with our culture, mission, and goals.

Finally, we join the world in mourning for those who have suffered directly during the tragic events of the global COVID-19 pandemic. While the pandemic caused untold loss of life, suffering, and disruption worldwide, its impacts have only caused us to reaffirm our commitment to building and nurturing our resilient, sustainable organization - one that is built to last.



Todd Brown
Vice President, Associate General Counsel
ESG Executive Sponsor

WHO WE ARE



WHO WE ARE

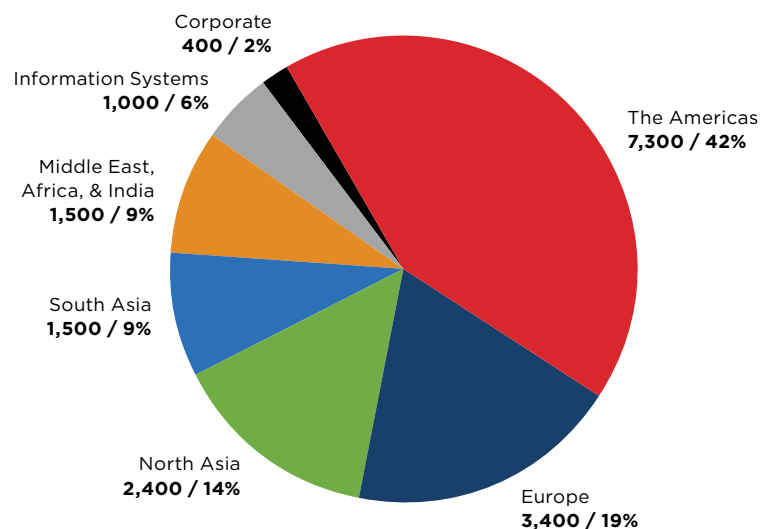
Products, Services & Markets

Founded in 1979, Expeditors International of Washington, Inc. is a global, service-based logistics company that specializes in transportation and supply chain management solutions. We work with customers from an array of industries, including retail, fashion, technology, oil and energy, manufacturing, healthcare, automotive, and aerospace. We offer our customers reliable, cost-effective transportation choices via air, ground, ocean, and multimodal. Through our technical solutions, we improve customers' supply chain performance. Beyond organizing modes of transportation, we provide customs and compliance management, warehousing, and distribution services. For more information on our services and performance, please visit our [2020 10-K](#).

Our Workforce

As of December 31, 2020, we employed approximately 17,500 people worldwide. Our employees are vital to our ability to serve our customers, manage our partnerships with service providers, and run our business.

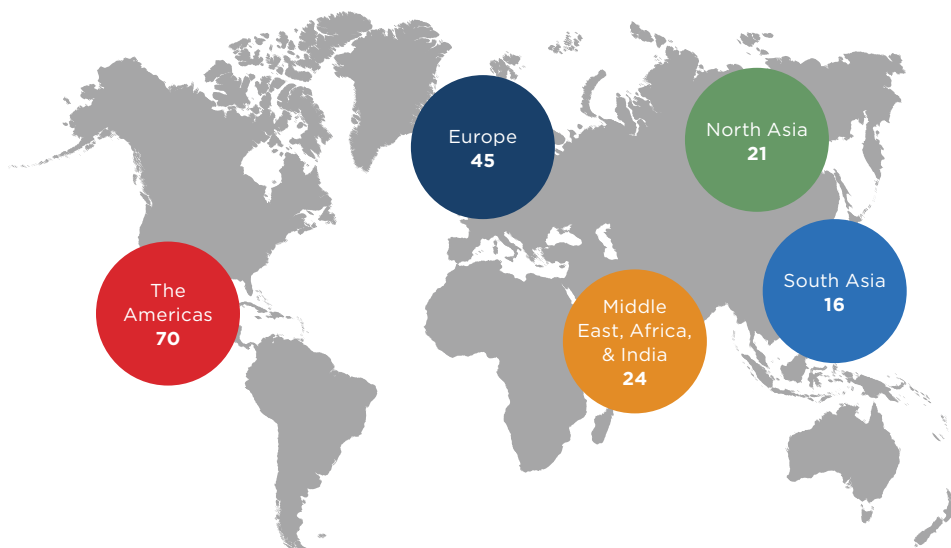
NUMBER OF EMPLOYEES BY REGION



Countries of Operation

Our corporate headquarters is located in Seattle, Washington, USA, and our regional headquarters are located in London, Dubai, Shanghai, and Singapore. As of January 31, 2021, Expeditors operates 176 district offices in the following geographic areas of responsibility. We also maintain branch offices in a number of locations that report into a given district office.

NUMBER OF DISTRICTS BY REGION





SUSTAINABILITY OVERVIEW

Conducting business with integrity is central to our mission of excellence and leadership in the global logistics industry. The safety and well-being of our employees is a top priority at Expeditors. We believe in the sustenance and proper management of the environments in which we operate and we strive to make the communities where we live and work better places to do both.

We hold ourselves to high standards across the four pillars of our sustainability program:

- Environment;
- Social, which consists of
 - Corporate Social Responsibility (CSR) and
 - Security, Health & Safety; and
- Governance.

Expeditors' ESG Executive Sponsor develops our company-wide sustainability strategy in conjunction with the Executive Sponsors for each of our four pillars. This cross-functional team includes the Vice President, Associate General Counsel; the Vice President of Global Service Providers; the President of Global Products; the Senior Vice President of Account Management; the Senior Manager of Environmental, Health, and Safety; and the Senior Vice President, General Counsel. Each pillar has a Program Manager in charge of facilitating sustainability programs, empowering employees, measuring and reporting progress, responding to customer and investor inquiries, ensuring employee compliance, and more.

Throughout this report, you will see how the pillars of our Environmental, Social, and Governance (ESG) program are woven into our business, and demonstrated through our management approach, key initiatives, performance, success stories, and future goals.

Key Affiliations & Memberships

- | | |
|--|---|
| ■ Clean Cargo | ■ Seattle 2030 District |
| ■ Customs Trade Partnership
Against Terrorism | ■ SmartWay |
| ■ Northwest Ethics Network | ■ Sustainable Air Freight Alliance |
| ■ NQC 4.0 Supplier Assurance | ■ Transporte Limpio |
| | ■ Washington Business for
Climate Action |

ENVIRONMENT



ENVIRONMENTAL MANAGEMENT

At Expeditors, we go beyond environmental compliance, maintaining a corporate consciousness sensitive to environmental matters. Our goal is to make a positive difference through our own operational footprint, as well as through our partnerships with customers and service providers. When possible, we encourage and help our business partners adopt practices leading to increased environmental sustainability.

Our President of Global Products sponsors our Environmental Steering Committee and attends bi-annual executive meetings. He is the conduit for passing strategic decisions between the Global Environment Team and our executives. The executives, in turn, work with their business units to fold our environmental strategy into our business strategy. We also have a dedicated Global Environmental Manager, who is committed to working on our environmental stewardship programs, including working with customers, industry engagement, service providers, and working with our Green Teams.

At a local level, our employees form Green Teams to address opportunities for increased efficiency regarding energy and waste. We currently have employee led Green Teams at most of our Districts. District Green Team Leaders oversee local environmental initiatives and communicate regularly with Regional Green Team Leaders. The Regional Leaders share best practices across our operations through quarterly calls with our Global Environmental Manager.

Managing Our Environmental Impacts

Expeditors' [Code of Business Conduct](#) outlines our environmental policy. Our Global Environment Team, headed by our President of Global Products, provides resources and guidance to our Green Teams worldwide for implementing environmental initiatives.

In 2012, we began using a third-party environmental management system (EMS) called Scope 5. This system allows our employees around the world to upload facility energy data online from utility bills and, regardless of language, calculates Expeditors' carbon emissions. Currently, 100 percent of the facilities under our operational control use our EMS.

Select locations also use Scope 5 to track water use, diesel/gasoline for forklifts, garbage/recycling volume, and paper purchases. Through Scope 5, we can validate data, find opportunities to reduce our impact, and implement targeted efficiency programs. In addition, two locations in the United States, one in France, and seven in Germany are ISO 14001-certified. We aim to increase the number of ISO 14001-certified facilities in a strategic manner.

We report to CDP, formerly the Carbon Disclosure Project, to track and measure our climate performance globally. We complete both location and market-based emissions reporting for Seattle and Spokane, Washington, and San Francisco, California. Through our voluntary participation in third-party assessments, we expand our transparency and identify opportunities to strengthen our management approach.



Working with Customers & Service Providers

We work closely with our customers and service providers to reduce their impact on the environment. By analyzing our customers' supply chains, we can provide suggestions on sustainability best practices. These include modal shifts, supply chain speed optimization, warehouse space optimization, freight consolidation, and data-based decision making. To enable our customers to understand the environmental impacts of their value chains, we offer carbon emissions data through our reporting. This information allows customers to analyze their supply chain impact on a mode and lane basis. We also participate in the EcoVadis supplier questionnaire. The information gathered through this questionnaire is available to our customers who are members of EcoVadis.

We seek out partnerships with service providers that operate fuel-efficient fleets and use equipment supported by strong environmental programs. Environmental criteria are part of our selection process for service providers, and our contracts require compliance with environmental regulations.

Expeditors is actively involved in both the Clean Cargo Working Group and the Sustainable Air Freight Alliance, two working groups from BSR. These groups work to bring together carriers, shippers and forwarders in a collaborative manner to reduce freight transportation's environmental impact. Our Global Environmental Manager currently serves on the Steering Committee of the Clean Cargo Working Group.

ENERGY & EMISSIONS

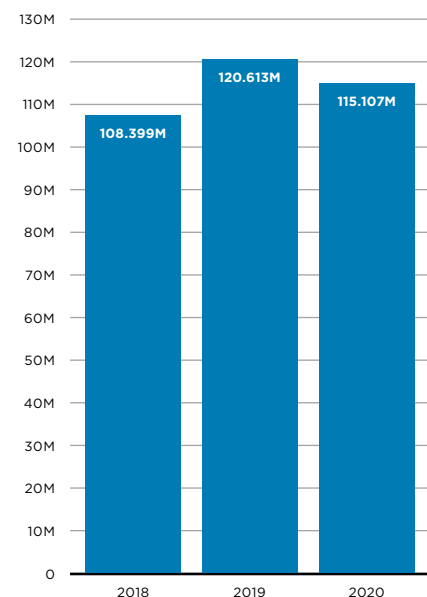
As a service-based logistics company working directly and indirectly in more than 100 countries, we recognize that we impact and influence climate health. Our direct opportunities to reduce energy consumption and emissions are in Expeditors' offices and warehouses. Indirect opportunities come from our relationships with customers. We enable them to make informed decisions about their service providers and logistics solutions by providing supply chain transparency.

Expeditors' Footprint

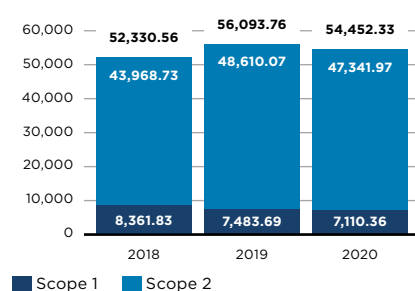
Company-wide efforts to reduce our carbon footprint began in 2009. As a non-asset owning logistics provider, our primary source of greenhouse gas emissions is electricity in our offices and warehouses. Our Green Teams track fuel and electricity usage across facilities through Scope 5. In 2018, we expanded our data collection by estimating energy use at facilities where our rent includes electricity and primary data is not available. We derive our Scope 1 emissions from fuel used in our operations, and our Scope 2 emissions from the electricity we consume in offices and warehouses*. This data allows us to pinpoint locations in need of enhanced energy-saving programs, and is central to completing our annual CDP response.

*These emissions numbers have been revised with additional data inputs since original publication in the 2019 Sustainability Report.

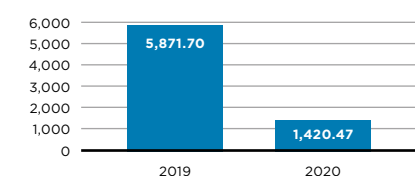
KWH ENERGY USE*



SCOPE 1 & 2 EMISSIONS**



SCOPE 3 EMISSIONS***



**In metric tonnes

***Scope 3 business travel emissions only (excluding Asia, which is not currently measured). Non-essential business travel was suspended for most of 2020 due to COVID-19.



HIGHLIGHT

New Energy-Efficient Buildings

Expeditors' Amsterdam facility, located in Schiphol Logistics Park, received a "BREEAM" certificate—Building Research Establishment Environmental Assessment Method—rating of 'Very Good' from the Dutch Green Building Council for this new facility. The office space is based on a highly compact arrangement. The facility exclusively uses LEDs, which are powered by on-site solar panels. The building leverages features such as motion sensor lighting, maximum use of natural light, heat capture ceilings, and energy efficient elevators. All timber for the building is from Forest Stewardship Council (FSC)-certified sources.

The intentional design of the facility went beyond the walls of the building and considered the ecological impact. Prior to construction, an ecologist recommended strategies for conserving, preserving, and stimulating the natural biosphere. Based on recommendations, the design team created a natural habitat to help various local birds, kestrels, and bats thrive. This habitat includes nesting boxes and specific plants to encourage habitat building.

HIGHLIGHT

Environmental Stewardship Seminars Go Online

Like many, we had big plans in 2020 for in-person seminars and workshops, specifically around Sustainability. Proving our resilience, we quickly adapted the format of these events to a virtual format, allowing increased participation from our customers, service providers and knowledge partners. We hosted a number of Sustainability Webinars in 2020, focusing on Retail Trends in Sustainability, with attendees learning from both our in-house experts, as well as guest presenters from our partners.

Working with Customers

We collaborate with many of our customers to analyze their supply chains and recommend ways to reduce costs and carbon emissions. Our recommendations include options such as modal shifts, reducing distances traveled, and consolidating freight to utilize transportation assets more effectively.

Through our tools and services, we help our customers make informed decisions regarding their transportation footprints. Many of these tools focus on maximizing transportation efficiency to drive the best possible pricing, which is often our customers' primary need. For example, Expeditors' Freight Efficiency Score (FES) synthesizes three cost drivers down to a single comprehensive metric measuring the cost efficiency of the ocean import program. The three cost drivers considered in the FES include the mix of container sizes used, the cost ratio between the container sizes, and the container fill rate. Expeditors analyzes these KPIs on a lane-by-lane basis, highlighting opportunities for improvement.

Expeditors' Green Logistics Solutions offer our customers multiple levels of insight. We can provide a Carbon Footprint Summary Report that illustrates emissions across a customer's network, by mode, geography, and business entity. Our Supply Chain Carbon Diagnostic service delivers a more detailed assessment of supply chain flows and carbon emissions, identifying opportunities and recommendations for emissions reductions. The most comprehensive approach we offer is the Network Carbon Reduction Project, a tool that guides customers in reducing carbon emissions through overall performance optimization of the supply chain.

In 2020, we revised our customer carbon emissions methodology to incorporate the industry leading Greenhouse Logistics Emissions Council (GLEC) Framework. Using the GLEC Framework and a newly purchased software tool, EcoTransIT, allows us to more accurately report to customers their transportation-related emissions. We also reformatted the customer facing report into an interactive dashboard.

Working with Service Providers

We select, utilize, evaluate, and reward service providers based on a total value approach. While competitive pricing is a high priority, we look at the entire long-term value a service provider brings to both our customers and Expeditors. The seven elements that make up Expeditors Total Value Proposition are: Relationship & Communication; Operational Excellence; Compliance, Security & Risk; Technology & Capabilities; Innovation, Improvement & Investment; Environment & Sustainability; and Pricing & Terms.

In 2008, we entered the EPA's SmartWay Transport Partnership program to measure and benchmark fuel use and freight emissions, with the goal of reducing carbon emissions across our customers' supply chains. Each year we work to increase the percentage of our service providers who are SmartWay truckers. In 2018, we expanded our partnership with SmartWay to cover our operations in Canada, and we reaffirmed our partnership with the Mexico-based Transporte Limpio.

HIGHLIGHT

Public Transportation Passes

Expeditors provides paid public transportation passes to our employees working in our Seattle, Washington, headquarters offices. This is a longstanding program that we expanded to our offices in Tokyo and Osaka, Japan; Paris, France; and Tianjin, Xiamen, Shanghai, and Shenzhen, China. Providing employees with public transportation passes reduces our transportation-related emissions.

Many of our offices are located in places where commuting via public transportation is not an option. The following are examples of our efforts to reduce the impact of our employee commutes:

- In Singapore, we provide shuttle transportation to our employees. This helps reduce single-vehicle commuting in one of the world's most densely populated countries.
- In Ankara, we provide shuttle transportation for employees and encourage carpooling among coworkers.

To watch a video and learn more about this program and the Vision Award we received, visit the [2030 Districts Network](#).



WASTE

We are in a paper-intensive business, and strive to reduce and recycle our paper and other waste streams, including computer equipment, food, and everyday waste. Our Global Business Operations team is responsible for sending out frequent communication on waste stream reduction best practices to our district management. By monitoring the number of printed pages from our online server, we can identify opportunities for improvement and track reduction through a Print Ratio dashboard. Other waste data, including recycling, waste to landfill, and compost, is becoming available as more Green Teams across our business start uploading that information into our EMS platform.

Paper Reduction

In 2015, Expeditors initiated a global Paperless Deployment project, focused on becoming a paperless office environment. We utilize various strategies to reduce our paper consumption, including:

- Dual monitors at workstations;
- Web-based workflows for every product;
- Digital copies of documents; and
- Digital customer invoices.

These efforts have led to a significant reduction in our global paper use. On average, we are using 18 percent less paper than when the project launched, with our most current data reporting 10.27 million pages saved in 2020.

Recycling

Various employee-led Green Teams across the world have implemented programs to collect and recycle items that can be difficult to find recycling stations for, including batteries, cooking oil, prescription medicines, and more. We dispose of all computers and electronic equipment in an environmentally responsible manner across our operations, in compliance with the Waste Electrical and Electronic Equipment (WEEE) Directive and the Restriction of Hazardous Substances (RoHS) Directive in the European Union.

Expeditors is also turning its attention to recycling in our digital solutions offerings, including within Cargo Signal Solutions, our wholly-owned sensor-based logistics business. As the market introduces “disposable” devices, new plastic and electronics are introduced into the waste stream. Cargo Signal Solutions has implemented a recycling program for lithium metal batteries to reduce the waste. In our first batch, over 300 batteries were recycled.

WATER

We have a significant number of operations in water-sensitive areas, and our Green Teams help determine facility-specific methods for conserving water. We are currently tracking water consumption at 156 facilities (up from 115 in 2019)—representing more than 33 percent of our facilities—with plans to expand the number of facilities that report this information. In 2020, our water consumption at the 156 reporting facilities was 56,598,692.6 gallons. Expeditors does not manufacture any products, so water consumption at our facilities is non-industrial (i.e., for drinking and sanitation purposes only). We experienced a significant reduction in our water consumption in 2020 because the majority of our office staff worked from home for much of the year due to our COVID-19 safety protocols. Additionally, many of our offices have implemented water savings and reduction measures, including automatic controls on sinks and toilets and reducing water usage on landscapes. We have also encouraged use of natural landscapes.



MAPPING TO TCFD AND SASB

Voluntary Disclosure Frameworks: Mapping to TCFD and SASB

TCFD (Task Force for Climate-Related Financial Disclosures)

Starting with this year's sustainability report, we are beginning to map and link certain of our disclosures on a range of environmental, social, and governance topics to the applicable corresponding metrics outlined in the voluntary disclosure frameworks of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). In applying these voluntary frameworks to our non-asset business

model, we are focusing on what we can control. For example, we include our Scope 1 and 2 emissions from our office locations and freight consolidation warehouses, and exclude metrics that do not apply to our business model (for example, those tied to emissions from airplanes, ships or trucks, which we do not own or operate).

Set forth below are the TCFD disclosures based on our business model and assessment of materiality, which we have chosen to include in this section for convenience of reference since they focus on the environment. We are responding to each of the 11 core disclosures recommended by TCFD.

Please note that the relevant metrics of the SASB disclosure framework are included at the end of this report, beginning on Page 31, and include both climate-related disclosures and health and safety related disclosures.

Question		Response
Governance: Disclose the organization's governance around climate-related risks and opportunities.		
1	Describe the board's oversight of climate-related risks and opportunities.	Expeditors' Board of Directors meets quarterly, with climate-related issues discussed at least annually through the work of the Nominating and Corporate Governance Committee. One of our independent board members is Director and Chairperson of this Committee, which, by its charter, has the responsibility and authority to oversee the Company's sustainability/ESG efforts. The Committee regularly engages with the Company's management on climate-related issues.
2	Describe management's role in assessing and managing climate-related risks and opportunities.	<p>In addition to board-level oversight, Expeditors has an active Environment, Social and Governance ("ESG") Committee. This committee is headed by our Vice President, Associate General Counsel, who serves as Executive Sponsor for ESG and provides updates to the CEO and the Nominating and Corporate Governance Committee of the Board of Directors on all ESG-related activities. Climate-related risks and opportunities are assessed and managed by the ESG Committee working in concert with the Global Environment Committee, as further described below.</p> <p>Within the ESG Committee, the Company's President of Global Products is sponsor of the Global Environment Team, which has been led by a Global Environmental Manager since its inception in 2007. The President of Global Products reports directly to the Chief Executive Officer, and takes recommendations and other information from the Global Environment Team to all senior levels of the Company. The Global Environmental Manager helps lead the Global Environment Team that consists of representatives from diverse geographies, departments, and leadership levels. The Global Environmental Manager has direct responsibility for all of the Company's internal, external, and industry engagement for environmental sustainability, working in conjunction with the Executive Sponsor for ESG.</p> <p>In addition to the Global Environment Team, Expeditors has branch Green Teams in all regions and most of our District offices around the globe. These local teams execute the initiatives of the Global Environment Team as well as provide new ideas that emerge from field operations. The Global Environment Team collects data from the District offices via online tools and monthly check-ins to track progress toward the team's goals within set deadlines.</p>

Question	Response
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	
3 Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>As market changes arise in the short, medium and long-term related to climate change, we anticipate making assessments of their potential impact on our operations and responding accordingly, leveraging our non-asset model, which provides flexibility to work with a range of air, ocean, and road carrier partners, as we do not own airplanes, ships, or trucks. We monitor climate-related risks and opportunities by engaging with our customers and service providers, and by staying abreast of key governmental and industry developments related to sustainability. Expeditors' operational model and success is based on our ability to meet our customers' logistics needs, wherever in the world they may arise, using a flexible, non-asset approach. To meet customers' needs, our offices are spread throughout the globe, including all continents except Antarctica, and we maintain relationships with a wide variety of service providers to improve flexibility. In addition, we seek out partnerships with service providers that operate fuel-efficient fleets and use equipment supported by strong environmental programs, as described on Page 10 above. We believe these solutions will improve over time as carriers replace their assets with more fuel-efficient aircraft, ships, and trucks. Our global operations allow our network and operating systems to continue operating as a whole even when a local operation may be impacted by acute events, including flooding or other weather issues. Relying on the strength of our global network and business continuity plan to continue operations has proven to be successful throughout a number of regional, national, and global disruptions. As a case in point, during the global COVID-19 pandemic, Expeditors continued to operate and perform for its customers as highlighted under the "Business Continuity" section of this report on Page 26 below.</p>
4 Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	<p>At this time, we do not perceive any material risks or opportunities related to climate change beyond risks and opportunities inherent in our business. A primary driver of this is our geographically diversified, non-asset business model. While some operations and offices (such as, for example, a warehouse facility located in an area expected to experience gradual changes in sea-level) could be impacted in the long-run by climate change, it is unlikely that this type of change would have a substantive financial or strategic impact on our overall business. We anticipate that major port operators and governments would adapt their facilities and infrastructure in response to such climate-related changes, and adjacent warehouse and office space may shift accordingly. It is also possible that certain ports may become more or less advantageous than other ports over time. Similarly, it is possible that customers will seek out more fuel-efficient routings or options, such as those provided by our consolidation services and multi-modal options, which could create opportunities. Our flexible footprint and our ability to change locations, modes, and carriers based on evolving operating conditions and customer preferences translate into a model that may be less potentially prone to acute climate-related risks than more asset-heavy models. Leveraging our business model, we analyze customer supply chains and provide suggestions on sustainability best practices, including modal shifts, supply chain speed optimization, warehouse space optimization, freight consolidation, and data-based decision making. To enable our customers to understand the environmental impacts of their value chains, we offer carbon emissions data through our reporting. This information allows customers to analyze their supply chain impact on a mode and lane basis.</p>

Question	Response
Strategy (cont.): Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	
5 Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>We are confident that our Business Continuity Plan and Enterprise Risk Management Framework around Catastrophic Risks are sufficient for identifying, assessing, and responding to potential disruptions, including climate-related risks and opportunities. We have a business model that is flexible since we are non-asset based, and we have a geographically diverse network. As indicated above, for example, while some operations and offices (such as, for example, a warehouse facility located in an area expected to experience gradual changes in sea-level) could be impacted in the long-run by climate change, it is unlikely that this change would have a substantive financial or strategic impact on our overall business. Similarly, it is possible that customers will seek out more fuel-efficient routings or options, such as those provided by our consolidation services and multi-modal options, which could create opportunities.</p>
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.	
6 Describe the organization's processes for identifying and assessing climate-related risks.	<p>We identify and assess climate-related risks through our ESG Committee in conjunction with certain of our enterprise risks, which are reviewed as part of our Enterprise Risk Management framework that is overseen by our Nominating and Corporate Governance Committee. We utilize our Business Continuity Plan and Enterprise Risk Management Framework around Catastrophic Risks to identify and assess potential disruptions, including climate-related risks.</p>
7 Describe the organization's processes for managing climate-related risks.	<p>We manage climate-related risks through our ESG Committee in conjunction with certain of our enterprise risks, which are reviewed as part of our Enterprise Risk Management framework that is overseen by our Nominating and Corporate Governance Committee. We utilize our Business Continuity Plan and Enterprise Risk Management Framework around Catastrophic Risks to manage potential disruptions, including climate-related risks.</p>
8 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>Our processes with respect to the above items are considered in conjunction with certain of our enterprise risks, which we review and evaluate quarterly within our Global Environment Team meetings and our ESG Committee meetings, and as part of our Enterprise Risk Management framework that is overseen by our Nominating and Corporate Governance Committee. We utilize our Business Continuity Plan and Enterprise Risk Management Framework around Catastrophic Risks to identify, assess, and manage potential disruptions, including climate-related risks.</p>

Question	Response
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
<p>9 Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>We operate under a non-asset model and do not own airplanes, ships, or trucks. We do own and lease office facilities for our employees and warehouse facilities for consolidation and distribution of freight. As such any climate-related metrics would be established based on office and warehouse operations. For several years we have taken steps to reduce our environmental impact by significantly reducing paper usage, increasing the use of electric forklifts, and implementing recycling programs, among other initiatives. Based on our current assessment of climate-related risks and opportunities, Expeditors does not have climate-related metrics that are material from a financial perspective. That said, we remain committed to continued GHG reduction and environmental efficiency efforts, in keeping with our culture of efficiency and our reputation as a good corporate citizen. As part of our overall Sustainability Program, Expeditors tracks a number of goals, initiatives, and data points in order for Management to continuously assess our progress in the area of sustainability. At present, the specific data points we disclose in connection with our Greenhouse Gas emissions are outlined on Page 8 above under the section(s) entitled “ENERGY & EMISSIONS - Expeditors’ Footprint.”</p>
<p>10 Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>Scope 1 (2020): 7,110.36 tonnes CO₂e Scope 2 (2020): 47,341.97 tonnes CO₂e</p>
<p>11 Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>As of 2020 we are actively evaluating whether targets might be appropriate for our Company, focusing on all aspects of our GHG footprint that we control and can change. To help facilitate this evaluation process, we recently completed a full facility inventory. We have not established formal targets, though we are working to establish our current emissions baseline for all facilities worldwide. We are evaluating quantitative, intensity-based CO₂ emissions targets as well as water usage reduction targets, solid waste reduction targets, and softer targets such as percentage of employees who have completed climate-related training. We are also evaluating the extent to which a science-based target may or may not be appropriate for an organization with our non-asset model, and given the that fact that our ability, as a small consumer, to alter the mix of energy sources that utilities select in order to feed power into the municipal grids that serve the cities where we operate is virtually non-existent.</p>

SOCIAL



At Expeditors, our commitment to our employees, service providers, customers, and communities is integrated into our daily practices and procedures. Our efforts vary from providing extensive training and support on health, safety, and security, to engaging with at-risk young adults and veterans who deserve a promising career, to giving back to the communities in which we live and work. Building skills and trust with these valuable groups contributes to strong and effective operations and a better world for all.

CORPORATE SOCIAL RESPONSIBILITY

Expeditors' unwavering commitment to make our communities a better place to live and work is ingrained in our culture and apparent through the success of our business. For more information on our social responsibility, visit our [Community webpage](#).

Corporate Initiatives & Donations

As a successful global company, we embrace both the opportunity and the responsibility to make a positive impact in our communities. Our Charitable Giving Committee meets twice a year to review the organizations with which we partner and to which we donate funds. Since 2015, we have focused our corporate donations on organizations involved with research to cure insufferable diseases and those that help individuals and families meet their basic human needs. In 2018 we expanded our nomination process for employees to propose organizations they would like to see the company support, which added several new non-profits making significant impact.

At a corporate level, we donate to various charities such as American Cancer Society, Fred Hutch Cancer Center, Leukemia and Lymphoma Society, Juvenile Diabetes Research Foundation, Virginia Mason Foundation, Make-A-Wish Foundation, St. Jude's Children's Research Hospital, Alzheimer's Association, American Heart Association, MS Society, and more.

In 2020 Expeditors invested in implementing a new platform for our Corporate Matching Gift Campaign. This new platform provided an enhanced user experience and we were pleased to see employee

involvement increase by 85% over the previous year. Total employee contributions were more than 50% higher in the 2020 campaign than in the 2019 campaign and approximately 220 more charitable organizations were supported than the year prior.

District Initiatives

Districts wanting to provide company-sponsored contributions to an organization first seek approval from their Regional Vice President and then obtain confirmation from the Committee, CEO, and CFO. Beyond district giving, many of our employees generously give their money and time at a local level. Employees regularly partake in school supply drives, food drives, blood drives, Adopt-A-Family, and various runs, walks, and biking events to raise funds for various causes. Since 2012, we have offered a program allocating eligible U.S. employees—those employed by Expeditors for five years or more—one paid day off to volunteer at a local non-profit of their choice. In 2018, we expanded that program to include all U.S. employees, regardless of tenure. As expected, 2020's community involvement activities were somewhat subdued by the pandemic, but many districts organized impressive fundraising for their local emergency workers, children and families in need.



JOB TRAINING PROGRAMS

We proudly offer opportunity to youth and veterans through our Opportunity Knocks programs. The experiences of multiple Expeditors executives who began their careers in entry-level positions inspired the creation of Opportunity Knocks for Youth in 2008. The program offers skill development, work experience and paid internships to youth and young adults to support a pathway toward a better future. We have gained candidates through collaboration with non-profit organizations such as The Cristo Rey Network of Schools in 16 cities, Year Up, and more than 20 youth organizations over the years.

Opportunity Knocks is a shared value program offering workplace readiness, mentorship, skill training and viable career pathways. Expeditors benefits through an expanded talent pipeline, broader employee diversity, and increased employee development, plus engagement and positive relationships within our communities. Our Senior Vice President of Digital Solutions oversees the program and it is managed by our Program Director. Forty three districts have hired interns through the program in seven countries. Since 2008, we have offered 534 targeted internships resulting in more than 90 young adults gaining long term positions. Program alumni have been hired in five countries with tenure up to 11 years.

Considered “Best in Class” by Grads of Life and the Cristo Rey Network of Schools, we promote the program model through our website and by request. “Opportunity Knocks in a Box” is a downloadable toolkit, released in 2017, so that other companies can replicate the Opportunity Knocks program in their organizations. Further information about Opportunity Knocks is available on our [external website](#).

Though student work-studies were unable to continue in 2020 due to the pandemic, 15 offices maintained financial support. Five of those offices reached their tenth year of partnership with the broadest US high school network for low income students, serving 95% people of color. During the 2020 program shift to expand remote outreach we impacted more than 700 students in the USA and India through 16 schools and five education or workforce development organizations.

700+ youth and students were impacted in 2020 through remote outreach:

- Career Exploration series
- Excel skills training
- Interview skills with mock interviews
- Career preparation & personal care
- Guest speaking & student mentoring



HIGHLIGHT

Career Exploration Series

During 2020 we continued outreach to youth through our work skills training program called “Opportunity Knocks,” despite the interference of the pandemic with onsite internships. Aware of the need to add context to learning goals amidst a challenging year for schools, we focused on career pathways and supply chain and logistics awareness with one of our program partners. Expeditors supplemented remote classroom instruction for 400 students across 15 cities through hosting a guest interview series featuring executive leadership and other subject matter experts from across the company. Guest speakers shared their unique experiences and perspectives, as well as expanded on topics familiar to the students, to help strengthen the connection between classroom instruction and practical application.

“Expeditors’ Career Exploration Series opened our students’ eyes to an industry, departments and jobs they previously hadn’t even known existed, helping keep our Corporate Work Study Program critically connected to careers and industries during a year of remote operations.”

- James Wilson, Associate Director, CWSP Cristo Rey Network National Team

Opportunity Knocks for Veterans

Opportunity Knocks for Veterans, a recruiting program that honors veterans while hiring extremely talented and highly motivated individuals that embody Expeditors' cultural attributes, was launched in 2015. More than 200,000 U.S. service members return to civilian life each year. Our program has three pillars: recruit and hire; recognize service; provide career guidance and mentorship. Currently, 35 districts are active in the program and more are hiring veterans as a direct result. Our three regional and 48 local program volunteers coordinate and support hiring and recruitment events across the United States. We partner with various veteran service organizations at the state and national level. Through organizations such as Hiring Our Heroes, Corporate Fellowship Program, Microsoft Software and Systems Academy and veteran-owned service providers, Expeditors is honored to support our veterans and service members transitioning back to civilian life and benefits from adding these talented and motivated individuals to our organization.

Despite the challenges associated with 2020, the Expeditors Opportunity Knocks Veterans program was able to add a veteran-owned service provider for veteran talent and continue volunteer efforts within local communities supporting Flags for the Fallen and Wreaths Across America. Our employees, both veteran and non-veteran, have developed lasting connections with various veterans' organizations in order to support the three pillars of our program.

The Avasar Foundation: Helping Underprivileged Youth with Education and Employment

In 2012, several colleagues in our Bangalore district established "The Avasar Foundation," a non-profit providing resources for girls and boys to receive education and find employment. Avasar has since expanded under Expeditors India Corporate Social Responsibility Program through the contributions of individual employees and other organizations. The growing impact through Expeditors includes:

Digital Literacy - 42 schools are now equipped with state-of-the-art computer labs, 12 of which also offer staff support. (Due to the pandemic, the labs were closed for most of 2020.)

Training Center - 600 college graduates have completed a three-month Job Readiness Training program since 2018, which includes computer skills, "soft skills" and English conversation training.

Pre-Primary Schools - 3 schools providing 100% free early childhood care and education are running successfully with 120 students. Since March 2020, learning has moved to online.



HIGHLIGHTS

Opportunity Knocks for Youth: Success Story

Rukmini is the first graduate from Avasar's Foundation Academy, an employability enhancement program funded under the Expeditors India Corporate Social Responsibility Program since 2015. In every training session, her attention, dedication, discipline, and curiosity reflected attributes that Expeditors looks for in an employee. When the Opportunity Knocks program opened up in Expeditors' Bangalore office, she was one of the first individuals considered. After completing six months as an intern, her ability to learn and positive attitude made her an ideal candidate for a full time job. Within a year of starting at Expeditors, Rukmini received her first promotion and is now working as a Customer Service Agent in Ocean Import. We are excited for her future with her hunger for growth and her dedication to achieve goals. "Ability is nothing without opportunity' is an adage behind the formation of the Avasar Foundation. In Rukmini's case, it is a live example," said Anand Chaturvedi, who established The Avasar Foundation with the support of colleagues at Expeditors India. The Foundation regularly identifies candidates for the Opportunity Knocks program in India.

"Ability is nothing without opportunity' is an adage behind the formation of the Avasar Foundation."

Enhancing Skills in Vietnam's Youth

In 2019 our office in Ho Chi Minh, Vietnam, launched our Expeditors' Opportunity Knocks Youth program through their first program internship and volunteerism. Beyond the paid, developmental internship that addresses the skills gap and highlights Expeditors' motto "Hire for Attitude, Train for Skill," our program volunteers organized on-site visits, logistics awareness presentations and tours of our facilities. Our team also spent weeks preparing to provide presentation skills training thorough an interactive workshop. The results were inspiring growth opportunities with confidence building activities for everyone involved. All of this was in partnership with an organization focused on integrating and including youth that are victims of extreme poverty.



Proactive Outreach to Diverse Talent

Of 3,500 corporate partners, Expeditors was highlighted in the Cristo Rey Network's 2020 Annual Report. With 37 schools serving 98% students of color with low income in 24 states, the organization shared the following: "Expeditors, one of our largest Corporate Partners employing students across 15 Cristo Rey schools, launched a jobs portal exclusively for Cristo Rey alumni at their offices nationwide." The portal congratulates alumni success, provides an overview of Expeditors and invites candidates to access real time job postings for positions available across the U.S. Though Covid-19 hindered hiring in 2020, we're proud to have added this portal to recognize hard work and to increase ways for placing opportunity in front of diverse talent.

SECURITY, HEALTH & SAFETY

SECURITY

At Expeditors, we prioritize the safety and security of our people and the security of our customers' supply chains. Our Security Program is built on a set of global standards integrated into our daily practices and procedures so they become second nature to every employee. These standards, known as Expeditors' Security Standards, also apply to our service providers, with the expectation of strict adherence. We demonstrate our leadership in supply chain security through our involvement in leading industry organizations and key government initiatives. Company security efforts aim to protect our people, information, systems, customers' assets, and our competitiveness and brand reputation.

Security Standards Management

Our Vice President of Security, Health and Safety oversees Expeditors' Global Security Team. Regional Security Managers align efforts with strategies developed by the Global Security Team. These managers support our Local Security Managers, who oversee all aspects of district security, including new initiatives, systems, awareness, and training. Expeditors' Security Standards apply to all districts, and incorporate industry standards, government initiatives, and best practices. Our standards draw upon guidance from the Business Alliance for Secure Commerce (BASC), the Transported Asset Protection Association (TAPA), the Customs Trade Partnership Against Terrorism (CTPAT), the World Customs Organization SAFE Framework, and the EU's aviation security program, including the tenets of Regulation (EC) No. 300.

Expeditors Security Standards include:

- Security Managers
- Personnel Security
- Service Provider Selection and Management
- Access Control
- Physical Security and Security Systems
- Information Security
- Communication Protocols
- Container Security and Seals
- Security Awareness Training
- Incident Reporting and Analysis
- Measurements, Audits, and Follow-up



Service Provider Security

Careful selection of service providers is necessary for supply chain security. A potential supplier must go through our pre-qualification process and participate in an audit to confirm they are willing and able to meet our rigorous security standards. Supplier requirements correlate to the services provided and include contractual obligations, in-person reviews of the candidate's security and safety protocols, proof of insurance, including required coverage amounts, and compliance with laws. Contractual agreements bind trucking and warehousing service providers to Expeditors Security Standards. We review our expectations with our service providers and measure their performance on a regular basis. Key district service providers undergo an annual on-site risk review against agreed-upon standards.

In addition, Expeditors follows a risk-based service provider due diligence program. The program is part of our efforts to ensure that service providers engaged to support our customers' logistics needs are conducting business in a compliant manner, and in accordance with applicable laws, rules, and regulations.

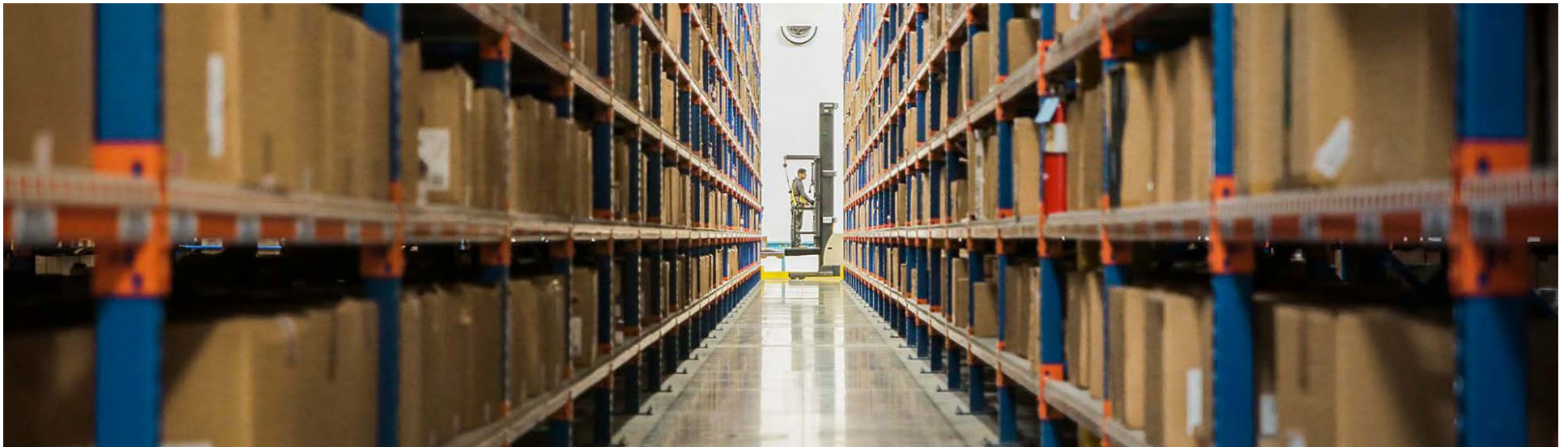
Government-Industry Partnerships to Bolster Supply Chain Security

The Customs Trade Partnership Against Terrorism (CTPAT) is a voluntary public-private sector partnership with U.S. Customs and Border Protection (CBP) to protect supply chains from terrorism. The program requires participating companies to identify security gaps and implement specific security measures and best practices.

Expeditors became one of the first CTPAT certified and validated brokers/forwarders in 2003, most recently revalidated in 2019. We are tier 2 certified and validated, the highest level of certification open to Expeditors. We continue to focus on meeting and exceeding the global AEO/CTPAT security requirements during the pandemic. We have made adjustments to keep our employees safe but security and the security of supply chains continues to remain a focus for Expeditors. Expeditors participates in other supply chain security programs around the world including Partners in Protection in Canada since 2003, the Secure Trade Partnership/TradeFirst in Singapore since 2009, and the Authorized Economic Operator (AEO) programs in China, Taiwan, and a number of Member States of the European Union (EU) since 2010, among others. Most recently, we received certification in Australia's Trusted Trader Program. In all Expeditors participates in over 20 AEO programs globally. We continue to evaluate other AEO programs for participation and certification.

Leadership & Involvement in Security Initiatives

Beyond CTPAT, we are involved in key security innovation projects such as the Air Cargo Advance Screening program with CBP and the U.S. Transportation Security Administration, and the Certified Cargo Screening Program with the U.S. Transportation Security Administration. Expeditors' representatives participate in key security associations such as the American Society for Industrial Security (ASIS) and the Transported Asset Protection Association (TAPA).



ENVIRONMENTAL, HEALTH & SAFETY

The health and safety of our employees is central to our company culture and mission, as noted in our [Code of Business Conduct](#). Our employees are our most valuable asset—they set us apart in the industry through operational excellence and customer service. It is critical that we offer a safe working environment that attracts the best and brightest in the logistics industry.

Our Environmental, Health & Safety Program

In 2010, we launched our global Health and Safety program, focused on reducing risk across our operations. The program elements include:

- Designated local leadership who set the tone and manage health and safety;
- Periodic hazard assessments;
- Internally developed and tailored safety trainings for all employees;
- Local emergency response plans;
- Fire prevention procedures and training;
- Manual and mechanical handling job-specific training;
- Working environments that are clean, professional, and in compliance with our culture and global standards;
- Regular safety monitoring, review, and audits;
- Incident reporting and review; and
- Periodic safety reviews of our strategic service providers.

Our Vice President of Security, Health and Safety and our Senior Manager - Global EHS oversee our Health and Safety program. Regional Health and Safety Managers align with direction from Corporate Headquarters while ensuring Health and Safety compliance through regular communications with Safety Managers. The Safety Manager administers safety training, conducts annual self-audits, and ensures employees comply with all program elements. Additionally, our Global Business Operations team completes operational performance assessments annually on all facilities globally to monitor compliance.

To ensure we identify and manage health and safety risks, we require that each district perform an annual risk assessment based on the specific hazards associated with their business activities. The Safety Manager oversees completion of the risk assessment as well as the coordination of any additional risk mitigation items that we may discover during the assessment. Our program also requires updated risk assessments when the working environment changes, such as a facility expansion, engineering restructure, or new facility acquisition.



To manage Environmental Health and Safety, we use a roadmap that we implemented in 2017, which includes:

- Working environment enhancements, such as air quality, noise control, and radiation protection;
- Chemical/hazmat safety and compliance awareness;
- Spill containment and environmental response protocols;
- HazComm and Right to Know focus; and
- High Hazard Work Activities safety.

In 2018, as part of our commitment to employee safety, we enhanced the hazardous waste aspects of our risk controls. An expanded hazardous waste standard aims to ensure employees know how to identify, respond to, and correctly manage instances involving hazardous waste that may arise from our business. Job-specific training was developed in 2019 and deployed in 2020 to our EHS managers globally.



Health & Safety Training

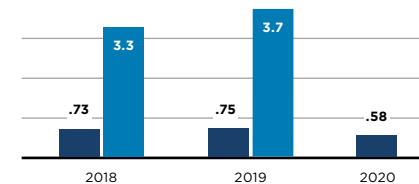
We require all new hires to take a one-hour, computer-based Health and Safety training course. In addition, a Security, Health and Safety refresher course was released in 2017 and is now required annually for all employees globally. In 2020 over 14,900 employees successfully completed the Security, Health and Safety refresher course. We offer a Manual Materials Handling class for specific positions, a Safety Hazard and Incident Reporting class for all supervisors and managers, and an extensive Forklift Training course for forklift operators. We track Health and Safety training completion in our Professional Development Center for data analysis and accountability.

Safety Metrics

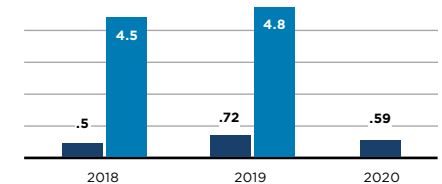
Our safety metrics—DART, Incident, and Lost Time Rates—continue to reflect that Expeditors performs better than the industry average. We set a target of 0.75 or less for each of our safety metrics, which we met for the past four years.

■ Expeditors' Performance ■ Industry Average*

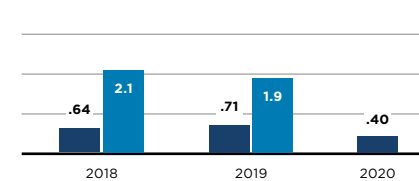
DART RATE



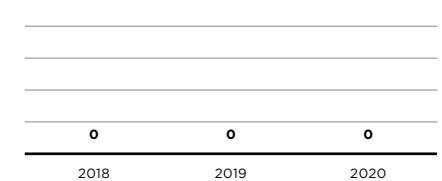
TOTAL CASE INCIDENT RATE



LOST TIME INCIDENT RATE



EMPLOYEE FATALITIES



DART Rate: Number of incidents that had one or more lost days, one or more restricted days, or that resulted in an employee transferring x 200,000/work hours.

Total Case Incident Rate (TCIR): Number of Occupational Safety and Health Administration (OSHA) recordable cases x 200,000/work hours.

Lost Time Incident Rate (LTIR): An occupational injury or illness which results in an employee being unable to work a full assigned work shift x 200,000/work hours.

*Industry averages are based on published U.S. Occupational Safety and Health Administration/Bureau of Labor Statistics data. They are reported mid-calendar year; therefore, 2020 industry averages are not available for this report.

Current Initiatives & Goals

In 2019 we fully deployed a Governance, Risk, and Compliance software platform, allowing us to enhance safety data collection. The platform enables us to easily track and manage our safety data globally, including near miss incidents. As a part of our current process, our corporate team reviews each incident to ensure data quality and sustainable corrective actions.

EMPLOYEE RELATIONS

Expeditors' [Code of Business Conduct](#) outlines our expectations regarding labor standards. Our policies are designed to promote fairness and equitable treatment. Unacceptable behaviors include harassment, intimidation, or discrimination of any kind based on race, sex, sexual orientation, gender identity, gender expression, marital status, age, color, religion, creed, national origin, disability, veteran status, or any other characteristic protected under applicable law. Included in our Code of Business Conduct is language stating that we will not tolerate abuses of applicable labor standards including any forced, bonded, or compulsory labor or employment of workers below the minimum legal age of

employment. In addition, Expeditors is a party to collective bargaining agreements with a limited number of employees outside the U.S. Our Code of Business Conduct applies to and is provided directly to all service providers and published on our global website.

Employee Training & Development

Expeditors is a leader in the global logistics industry. Our culture of organic growth and promotion from within attracts high caliber candidates. We are committed to developing our employees' capabilities so that as they grow in knowledge and experience, their opportunities to service our customers and further their careers grow as well. To that end, we ask our employees to complete at least 52 hours of training each year, and we encourage them to take advantage of a host of training opportunities housed within our Professional Development Center—an online global learning management system deployed across our network. Thanks to the efforts of our employees, the average hours of training per employee was 58 hours in 2020. In addition, we are committed to each employee receiving a review on an annual basis, as part of tracking their ongoing career development. We recently deployed an upgraded Professional Development Center that focuses not only on learning management but also on other ways of fostering career development.



BUSINESS CONTINUITY AND COVID-19 RESPONSE

Business Continuity – Our Flexible Framework Adapts to All Types of Events

Our worldwide Business Continuity Plan (BCP) provides a framework for protecting the safety of our people and minimizing adverse impacts on our operations and our customers' businesses. The BCP bolsters our ability to regularly resume operations, process shipments, communicate status updates to our global network, and reroute shipments as needed during times of crisis. The BCP is flexible, enabling us to respond to multiple disasters, of various types and levels of severity, occurring at the same time, in different locations. The plan consists of a wide range of interconnected systems, processes, and standard operating procedures. Our plan also includes guidance on how to practice exercising our plan so we are better prepared in every district, cybersecurity incident protocols on how to escalate in response to an attack on our systems, and information on key communications systems and tools.



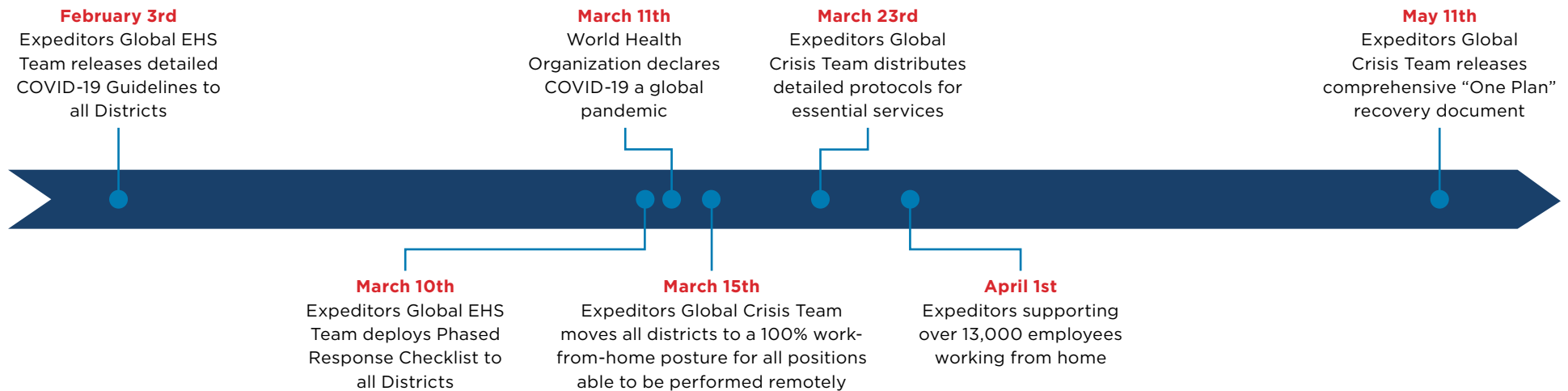
At Expeditors, we pride ourselves on our ability to rise to meet the toughest supply chain challenges. Historically, we demonstrated successful responses to a wide range of disruptions, such as Hurricane Katrina in New Orleans in 2005, the San Diego Wildfires in 2007, Typhoon Wipha striking Taipei and Shanghai in 2007, political unrest in Bangkok in 2008, Hurricane Harvey in Houston and Hurricane Irma in Miami and Puerto Rico in 2017, and the cyberattack that impacted COSCO Shipping Lines' internet connection within its offices in America in 2018.



The Network Responds to an Unprecedented Challenge

In 2020, our Business Continuity Plan was tested again. What began as a localized outbreak of Novel Coronavirus in Wuhan, China in early 2020 rapidly expanded into the single largest business continuity event Expeditors has experienced. For the first time in Expeditors history, all of our offices globally were operating concurrently in response to the same crisis under

our BCP. In orchestrating our global COVID-19 response, we drew upon learnings from smaller regionalized events such as the SARS outbreak in 2003 and the Ebola epidemic in 2014-2016. Case in point: we developed a section in our plan that focused on localized viral outbreaks after the Ebola epidemic. Our team in China was the first to put that updated section of our plan into practice when it responded to the COVID-19 outbreak in Wuhan.



Office Workers Rapidly Shift to a Work-from-Home Posture

With the announcement of a global pandemic by the World Health Organization, Expeditors responded by moving employees to a work-from-home environment where possible. We quickly implemented recommended social distancing, hygiene, and mask protocols for employees who needed to remain on-site supporting essential processes that could not otherwise be supported remotely. We were thankful for prior investments in IT resiliency, including a decentralized server architecture and secure mobile communications systems, all of which made it possible for a relatively seamless transition for our employees who were now asked to support our customers by connecting from their homes. Our IS teams further rose to the occasion with additional tools to reduce risk from cyber events and new tools to help us stay connected with our customers and service providers without physical interaction.



Essential Staff Operate with Re-engineered Warehouse Safety Protocols

Throughout the world, governments designated key elements of the global supply chain as essential in order to keep critical supplies moving and economies functioning. In the United States, for example, the Cybersecurity & Infrastructure Security Agency of the Department of Homeland Security published detailed guidelines designating job functions within the Transportation and Logistics Sector as essential, including freight forwarding and logistics roles such as those performed by Expeditors warehouse personnel. We explored new ways to re-engineer our processes with social distancing in mind, implementing increased on-site controls to protect our service providers and our frontline warehouse employees supporting the physical movement of critical freight through the global supply chain.

Key changes included the following:

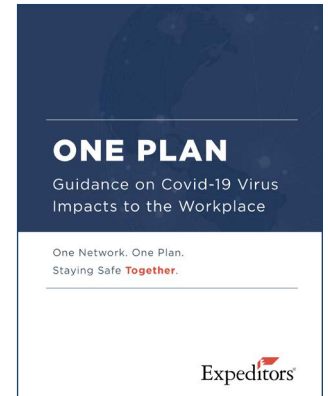
- We updated our warehouse operational standards to incorporate new COVID-19 safety protocols that included updated driver validation procedures, new health and/or temperature screening procedures (where permitted), and management tools designed to provide visibility to the newly implemented standards.
- Our Customs product worked globally with Customs authorities to implement paperless processes where possible to reduce in-person interactions.
- Our Service Provider team worked closely with our essential service providers to implement contactless delivery solutions and expand the use of electronic document exchanges.

All of these changes allowed our air, ocean, and road freight product teams to continue working to support the movement of critical goods around the globe in the face of unprecedented capacity constraints resulting from the pandemic.

A Global Recovery Plan Is Deployed

While no one could predict when the pandemic would come to an end, we knew that the unprecedented magnitude and complexity of the crisis demanded a detailed and globally consistent recovery plan. Accordingly, in May, as some parts of the world were beginning to experience a slowdown in virus transmission levels, Expeditors assembled a cross-functional team of employees to develop a recovery plan that would guide our districts in

continuing to protect our essential workers operating in our warehouses, and gradually returning all other staff to the office once conditions improved in each location. Our mantra in developing this plan was simple: **“One Network. One Plan. Staying Safe Together.”** The idea was first to define a single global plan for the Company built around consistent precautions required for distinct phases of pandemic severity, and then to empower each district to take a cautious approach to begin transitioning individuals back into our offices as countries began lifting restrictions based on stabilization of local healthcare infrastructure and reduction in case counts and local transmission rates. Throughout the balance of the year, this approach allowed Expeditors to service its customers through the efforts of its essential personnel working on-site and those supporting our customers from a work-from-home environment. By the end of 2020, our recovery plan had already allowed us to have employees return to the offices in a number of districts in countries that were starting to emerge from the pandemic.



Looking Toward the Future

As the world turns its attention toward vaccine deployments in 2021, Expeditors recovery plan positions us to return to normalized operations as governments relax controls and the COVID-19 risk gradually subsides. We are grateful for the dedication and perseverance shown by our employees and service providers, who have remained steadfastly focused on their health and safety as well as that of their families, their colleagues, and their communities. We deeply appreciate the work that continues to be done by our warehouse employees and service providers who are on-site or operating vehicles to support the movement of essential goods for our customers.

Finally, we join the world in mourning for those who have suffered directly during the tragic events of the global pandemic. Expeditors remains committed to prioritizing the health and safety of our workforce with increased safety protocols until the day comes when public health officials communicate that these protocols can be relaxed and the pandemic has finally come to an end.

GOVERNANCE



GOVERNANCE, ETHICS & COMPLIANCE STRUCTURE

Sustainability Oversight

Our Board of Directors is actively involved in the company's sustainability efforts. The Nominating and Corporate Governance Committee (NCGC) is responsible for overseeing our Sustainability program. They meet quarterly to identify industry trends and opportunities to advance the company's sustainability initiatives and reporting. The Vice President, Associate General Counsel, who serves as our ESG Executive Sponsor, reports annually to the NCGC on company progress.

Code of Business Conduct

Over the past few years, Expeditors has updated and streamlined our [Code of Business Conduct](#), making it more user-friendly. Our Code is an important reference for how to do business the right way. It covers a range of compliance and ethics topics including anti-corruption, conflicts of interest, community activities and political contributions, privacy and data protection, labor standards, security, health and safety, and the environment. The Code is currently available on our website in nine languages, and we plan to continue to increase the number of translations.

Our Code of Business Conduct also links the reader directly to the Expeditors Helpline, providing multiple ways for individuals to anonymously report violations of the Code. We take any reports of Code violations seriously. Our Chief Ethics and Compliance Officer reviews all submissions, and periodically communicates findings to our Audit Committee.

In addition to the Code of Business Conduct, Expeditors streamlined our policies into an internal Policy Handbook distributed at the start of 2019. The Handbook created an enterprise-wide framework to harmonize existing Expeditors policies, categorize them into relevant themes, link the themes to more detailed operational standards, and provide overall policy guidance. The Handbook provides a coherent structure under which all of Expeditors' policies are created, enforced, and reviewed in order to meet the company's goals, all while referencing the Code of Business Conduct, which outlines our primary company business principles.

In 2018, Expeditors clarified its long-held position that the company does not allow political spending to either individual candidates or political parties in its name. This formalizes a position that was already part of the company's Code of Business Conduct.

Compliance & Training

We are comprehensive in our approach to compliance and we strictly adhere to all applicable regulations. We require periodic training for our employees to ensure that we remain compliant with the most up-to-date standards. Every employee goes through a one-hour Code of Business Conduct training course annually. In general, we ask employees to complete a total of 52 hours of training per year, with more than 10 hours of that being mandatory training, based on role. In 2020, 100 percent of our employees completed the required trainings, globally, which include:

- Anti-Corruption
- Code of Business Conduct
- Competition and Antitrust
- Confidential Information and Computer Security
- Cybersecurity Level II
- Data Privacy and Protection
- Internal Control
- International Traffic in Arms Regulations (ITAR)
- U.S. Sanctions and Export Controls Awareness

We also provide a voluntary Sustainability course to educate employees on company efforts. Updated in 2019, the course shares messages from senior leadership with renewed focus on our sustainability programs.



VOLUNTARY REPORTING FRAMEWORKS

We continually work to provide meaningful disclosure on our wide range of sustainability efforts taking place throughout our facilities around the world. We published our first public sustainability report in 2017, highlighting our many commitments and progress across the ESG spectrum. We continue to enhance our disclosure on ESG matters while monitoring developments in ESG reporting. Starting with this year's sustainability report, we are beginning to map and link certain of our disclosures on a range of environmental, social, and governance topics to the applicable corresponding metrics outlined in the voluntary disclosure frameworks of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD).

In applying these voluntary frameworks to our non-asset business model, we are focusing on what we can control. For example, we include our Scope 1 and 2 GHG emissions from our office locations and freight consolidation warehouses, but exclude metrics that do not apply to our business model (for example, those tied to emissions from airplanes, ships or trucks, which we do not own or operate).

Set forth below are the relevant sections of the SASB voluntary disclosure framework applicable to us based on our non-asset business model and assessment of materiality. [Please refer to the "Environment" on Page 12 above for our responses to each of the 11 elements of TCFD.](#)

SASB (Sustainability Accounting Standards Board)

Marine Transportation Sustainability Accounting Standard (2018)		
SASB Code	Accounting Metric (abbreviated)	Response
Greenhouse Gas Emissions		
TR-MT-110a.1	Gross global Scope 1	2020: 7,110.36 tonnes CO2e
TR-MT-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Our plan is to continue efforts to reduce our Scope 1 GHG emissions through efficiency initiatives that we control, as outlined above on Pages 6-11. For several years we have taken steps to reduce our environmental impact by significantly reducing paper usage, increasing the use of electric forklifts, and implementing recycling programs, among other initiatives. As of 2020 we are actively evaluating whether targets might be appropriate for our Company, focusing on all aspects of our GHG footprint that we can control and change. To help facilitate this evaluation process, we recently completed a full facility inventory. We have not established formal targets, though we are working to establish our current emissions baseline for all facilities worldwide. We are evaluating quantitative, intensity-based CO2 emissions targets as well as water usage reduction targets, solid waste reduction targets, and softer targets such as percentage of employees who have completed climate-related training. We are also evaluating the extent to which a science-based target may or may not be appropriate for an organization with our non-asset model, and given the fact that our ability, as a small consumer, to alter the mix of energy sources that utilities select in order to feed power into the municipal grids that serve the cities where we operate is virtually non-existent.
TR-MT-110a.3	(1) Total energy consumed, (2) % fuel oil, (3) % renewable	(1) 115,106.72 MWh (2) Not applicable (3) Not determined
Employee Health & Safety		
TR-MT-320a.1	Lost time incident rate (LTIR)	2020: 0.40. Target: 0.75; Met target.

Air Freight & Logistics Sustainability Accounting Standard (2018)

SASB Code	Accounting Metric (abbreviated)	Response
Greenhouse Gas Emissions		
TR-AF-110a.1	Gross global Scope 1 emissions (metric tons CO2e)	2020: 7,110.36 tonnes CO2e
TR-AF-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Our plan is to continue efforts to reduce our Scope 1 GHG emissions through efficiency initiatives that we control, as outlined above on Pages 6-11. For several years we have taken steps to reduce our environmental impact by significantly reducing paper usage, increasing the use of electric forklifts, and implementing recycling programs, among other initiatives. As of 2020 we are actively evaluating whether targets might be appropriate for our Company, focusing on all aspects of our GHG footprint that we can control and change. To help facilitate this evaluation process, we recently completed a full facility inventory. We have not established formal targets, though we are working to establish our current emissions baseline for all facilities worldwide. We are evaluating quantitative, intensity-based CO2 emissions targets as well as water usage reduction targets, solid waste reduction targets, and softer targets such as percentage of employees who have completed climate-related training. We are also evaluating the extent to which a science-based target may or may not be appropriate for an organization with our non-asset model, and given the that fact that our ability, as a small consumer, to alter the mix of energy sources that utilities select in order to feed power into the municipal grids that serve the cities where we operate is virtually non-existent.
Employee Health & Safety		
TR-AF-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	(1) TRIR: 2020: 0.59 (direct employees: 0.32; contract employees: 1.77). Target: 0.75; Met target overall. (2) Fatality Rate: 0.0



For more information, visit our website at expeditors.com. For questions regarding this report, contact our Director of Investor Relations at investor@expeditors.com.