

# TRUCKING INDUSTRY DISRUPTORS

## Increased Demand

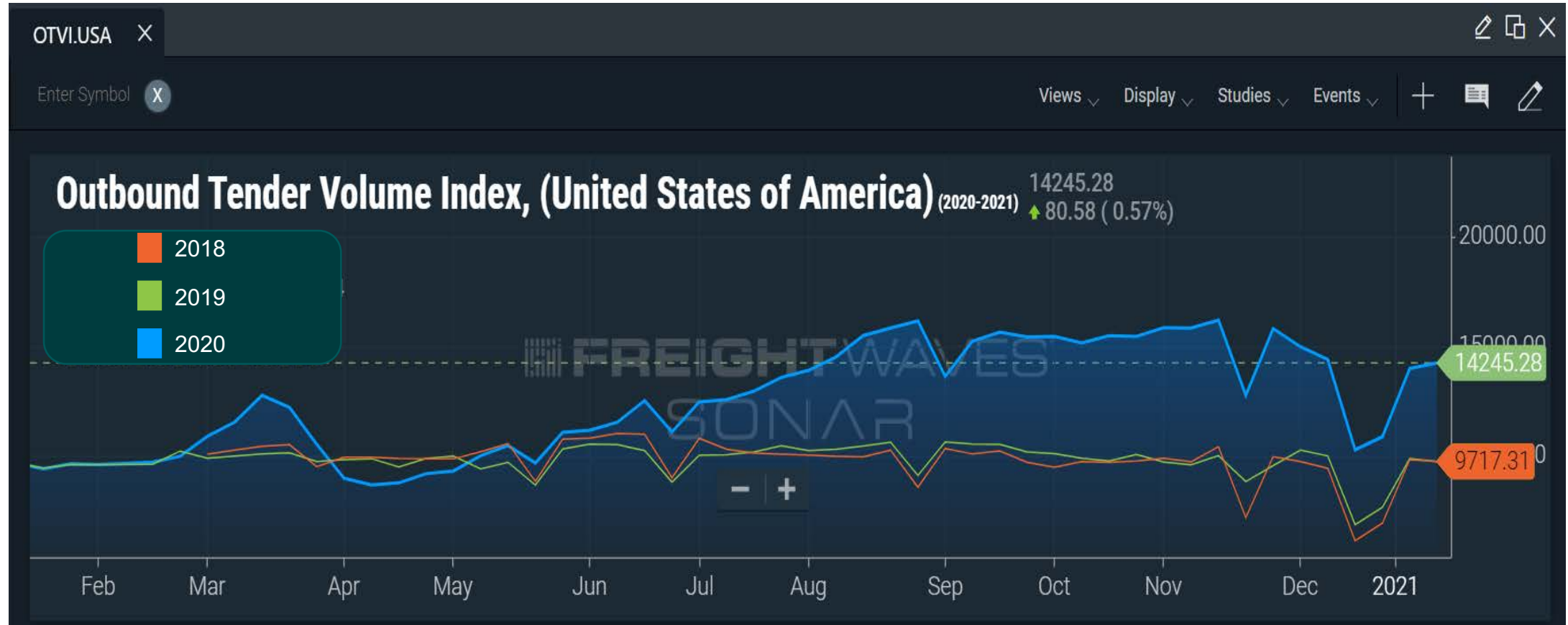
- Elevated consumer spending
  - Online sales continue to grow rapidly in 2021, expanding on 2020 trend\*
  - Unpredicted demand on manufacturers continues to drive need for urgent / rush shipments
- Record high imports and exports
  - Import filings are up 30% year-over-year\*\*
  - Greater volume in North American freight market
- Rail out of capacity
  - More pressure on trucks to transport goods

## Reduced Capacity

- Carrier bankruptcies, resulting in less capacity
  - Increased financial pressures on motor carriers, skyrocketing insurance rates\*\*\*
  - COVID-19 volatility
- Driver shortages
  - Increased drug testing; financial assistance from unemployment is favorable
  - Drivers moving to alternative industries for employment (i.e. Construction)
- Lower efficiency
  - COVID-19 protocols (i.e. paperwork, temperature checks)

# 2020 FREIGHT VOLUME

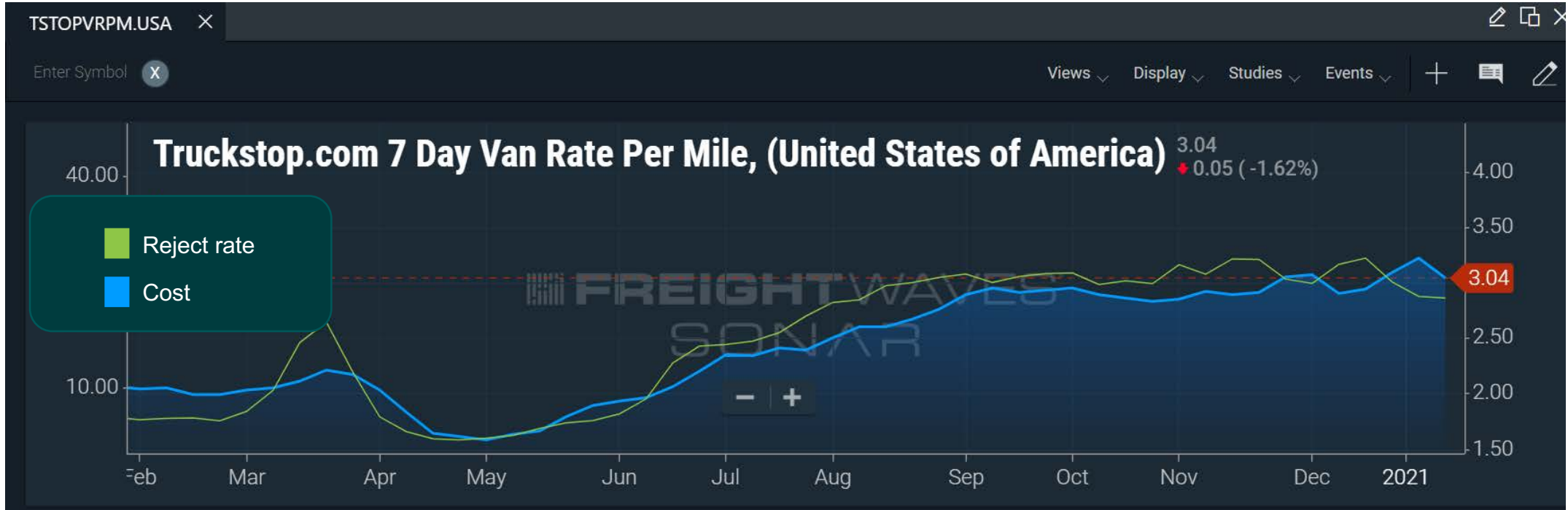
RECORD LEVEL DEMAND OVER PRIOR YEARS



The FreightWaves Outbound Tender Volume Index measures North American demand on its carrier base. The above chart indicates a staggering increase in demand in 2020, compared to previous years.

# 2020 FREIGHT RATE/MILES

SURGING DEMAND TRANSLATED TO HIGHER RATES



The 2021 forecast is a gain of about 10% with rate increases in a similar range in all segments.

# INTERNATIONAL IMPACTS

- The cost of shipping a container of goods has risen 80 percent since early November and nearly tripled over the past year\*
- Difficulties managing inbound and outbound freight in West and East Coast ports
  - Shortage of warehouse space
  - Shortage of containers, chassis, drayage drivers, and dock workers
  - Inbound cargo volumes significantly higher



# WAYS AVIENT IS MITIGATING IMPACT

## We have:

- Secured carriers earlier to optimize service and cost
- Adjusted warehousing protocols to protect employees and drivers, while also maintaining efficiency

## We continue to:

- Review warehousing network to improve logistics
- Search for more efficiencies as part of our process improvement culture
- Maintain long-standing relationships with reliable carriers to provide steady service
- Actively evaluate options for carrier networks through regular transportation bid events
- Proactively partner with our customers to reduce risk and volatility in the current environment as we work to continuously build a more durable and robust supply chain

# HOW OUR CUSTOMERS CAN HELP

- Consider extended or flexible pick-up and delivery times
- Clearly communicate check-in and check-out processes
- Provide extra lead time for orders (especially for Bulk + TL), minimize last-minute changes
- Revisit and update 2021 projected requirements

Contact your Avient sales or customer service representative at any time with questions or concerns, or call our service center at 630-972-0505.