

# Supply Chain: *Lessons Learned From 2020*

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## Our Core Lift Truck Business



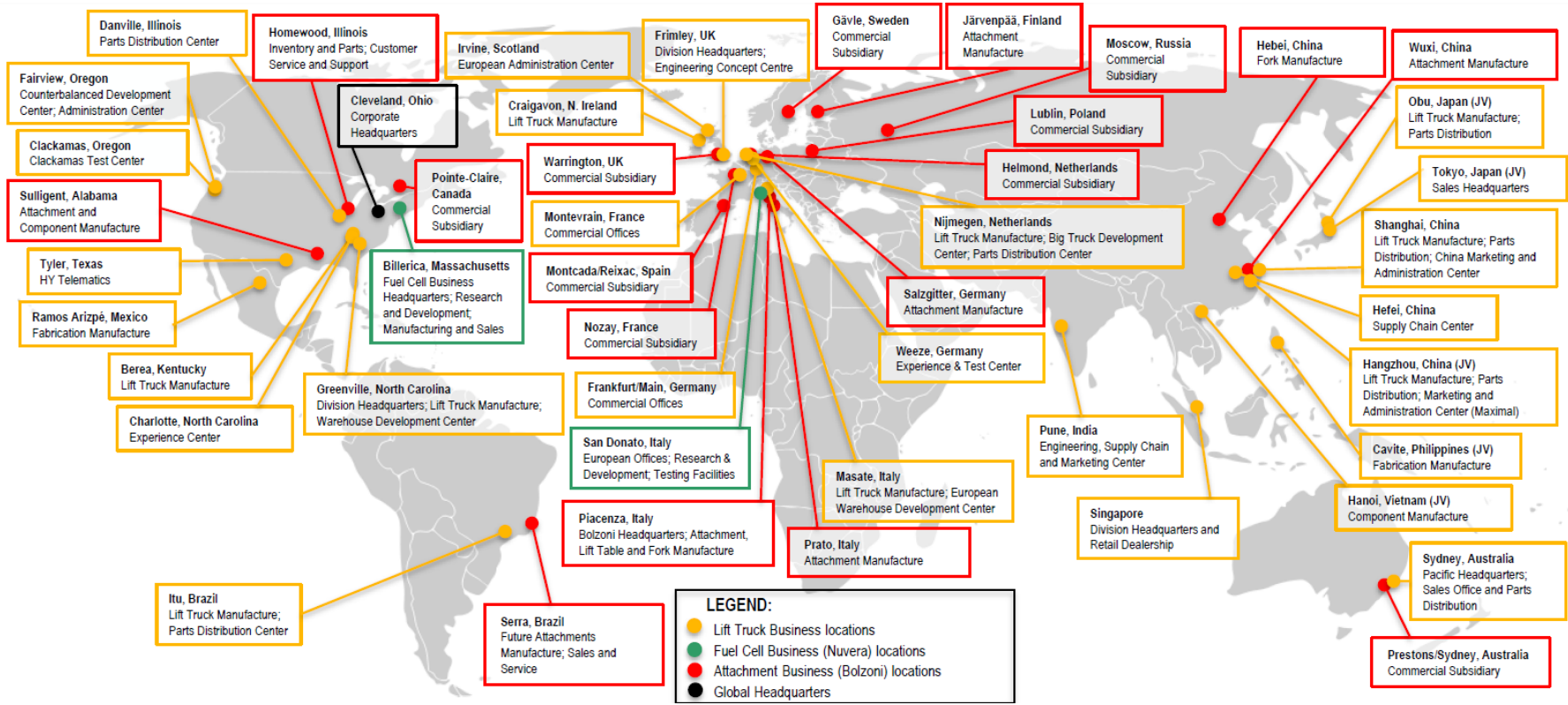
## Our Attachments Business



## Our Fuel Cell Business



# Hyster-Yale's Global Footprint



- Procedures Implemented To Limit Employee's Exposure To COVID-19
- Carefully Managing Shipments, Backlog And Lead Times To Match Market Conditions While Also Maintaining Adequate Production Levels And Minimal Open Production Slots
- Focused On Adapting Production Levels Quickly To Market Changes And Working Closely With Suppliers To Help Ensure Appropriate Component Supply Levels

- **Phase 1:** Initial Focus On Asian Suppliers
  - Communication And Timing
  - Benefit Of Chinese New Year
  
- **Phase 2:** Risk Assessments Quickly Shifted To European Supply Base
  - Country-Wide Shutdowns
  - Little Time To Respond And Very Limited Transportation Options
  
- **Phase 3:** Rapid Spread Throughout North America
  - Balance Impact To Supply Base Along With Impact To Our Own Operations
  - Difficult To Navigate The State-By-State And City-By-City Protocols

## ➤ Learn From Past Events

- Implemented Corrective Actions From 2011 Japan Earthquake And Tsunami
- Know Your Supply And Logistics Network, Quickly Identify Suppliers And Logistics Nodes In Impacted Regions
- Risk Mitigation: Safety Stock, VMI's, Alternative Sources, Premium Transportation

## ➤ Communication

- Internal Stakeholders Need Clear And Accurate Assessment Of Situation
- External Supply And Logistics Partners

## ➤ Solve The Problem, Then Move On To The Next Problem

- Not Everything Will Go According To Plan, Don't Dwell On It
- Partial Shipments, Spot Buys, New Suppliers, New Service Providers

- **There Is No Single Supply Chain Strategy That Mitigates All Risk, Research And Implement The Solutions That Work Best For Your Organization**
  - ✓ Low-Cost Country Sourcing
  - ✓ Near-Shore Sourcing
  - ✓ Domestic Sourcing
  - ✓ 3<sup>rd</sup> Party Contract vs In-House Logistics Management
  - ✓ Vendor Managed Inventory
  - ✓ Safety Stock Levels and Inventory Buffer
  
- **Figure Out How To Replace Inventory With Information**
  
- **Don't Waste 2020, Learn From The Impact And Be Prepared When The Next Event Occurs... Because There Will Be Another Event!**