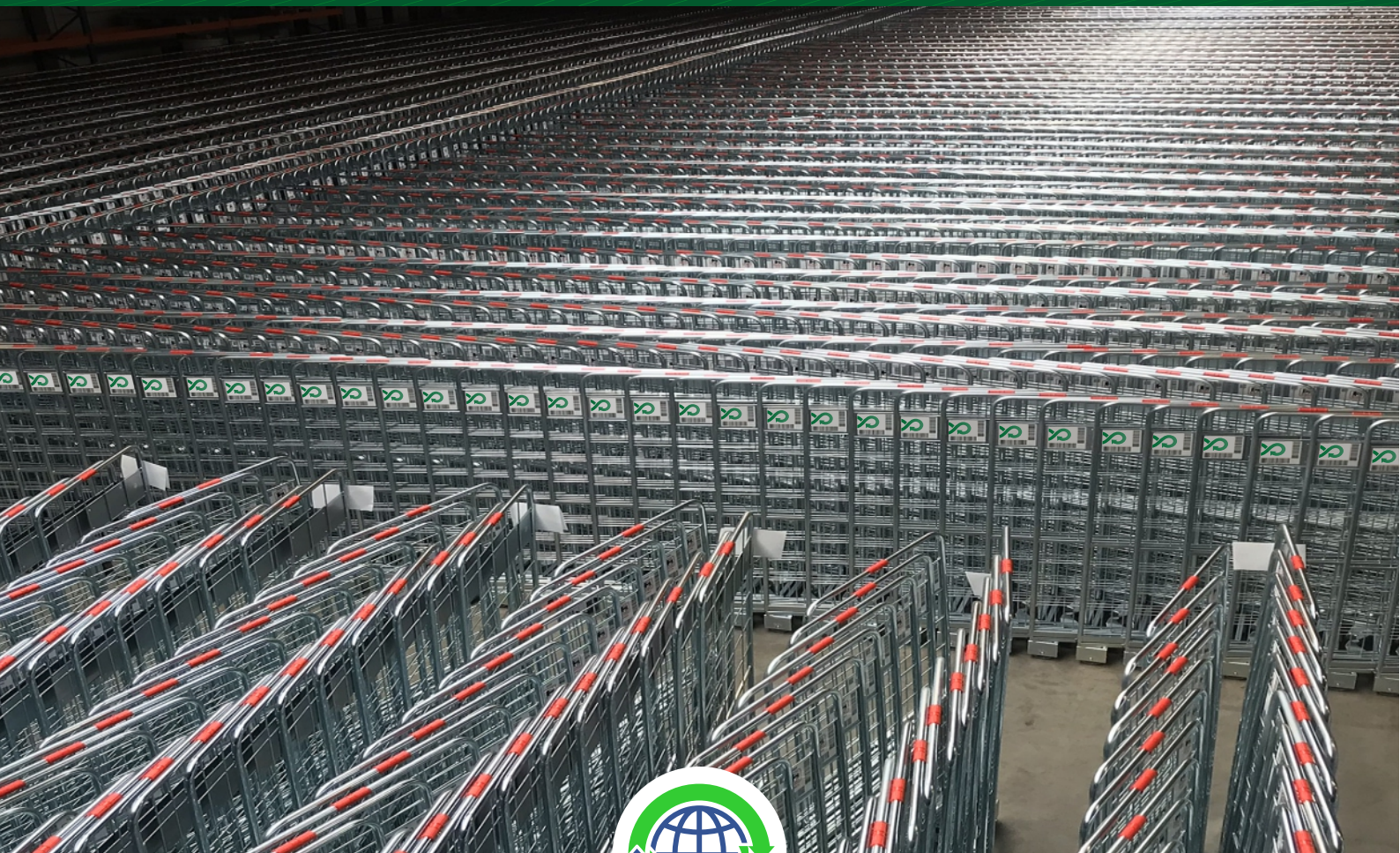


SUSTAINABLE AND CIRCULAR

Rental, shared usage of logistic means





Introduction

Skilfully managed logistics associated with the analysis of supply chains significantly impact the flexibility of operations and appropriate management of companies' financial and natural resources. It is a crucial issue in this time of logistical disruption, rising inflation, and rising commodity prices. According to Forbes¹ magazine, the ability of any organization to be flexible in the way it manages day-to-day operations is key to continued progress.

Rental of load carriers fits closely into the sustainable development of companies

Rotom understands the massive role of tightly interconnected supply chains in the global economy. Therefore, we present **logistic means rental as a sustainable approach to the skilful use of logistic resources**. Rotom's goal is to move away from single-use solutions toward packaging that many entities can repeatedly use without the need for production.

When discussing sustainability in business, people often mention the environmental aspect, but it encompasses many more factors. It means meeting our own needs without compromising future generations' activities while increasing profits. Most definitions of sustainability also include the need for social responsibility and related economic development.

This edition of the white paper will focus on how the rental of packaging and logistics carriers promotes the three pillars of a sustainable solution: environmental, socially responsible, and economically efficient.

Pillar #1 - Sustainable use of raw materials

For many years, supply chains have generated large amounts of waste in landfills. Despite high awareness of the scale of the problem, European Union member countries produce more than 2.5 billion tons of waste each year.

Choosing to do things differently is a priority today. Using reusable packaging can conserve natural resources, prevent pollution and other waste-related damage, and significantly reduce carbon emissions.

EU sustainability requirements

Today, companies are striving to meet the requirements of sustainable business in accordance with European Union directives². From January 1, 2021, EU countries will have an input tax on plastics, especially non-recycled packaging³. It means that for every kilogram of plastic that is not recycled, a tax of €0.80 will be paid from the budgets of member states to the EU coffers. The aim is to change manufacturers to create recyclable plastic packaging.

In turn, on 23.02.2022. The European Commission has submitted a proposal for a directive on due diligence of corporate actions in sustainable development. It aims to promote sustainable and responsible business conduct in global supply chains⁴. The deeper the analysis, the greater the accountability. If the pressure from investors and regulators is on to analyse sustainability performance in supply chains, this will require companies to be more transparent about their operations.

¹ Forbes 2021/03/01

² europa.eu

³ reuters.com

⁴ ec.europa.eu



Load carriers rental means a responsible use of raw materials

Renting of logistics load carriers that you can use repeatedly offers many possibilities. Their main advantage is preventing pollution caused by new carriers production and saving natural resources. When a product reaches the end of its useful life, the original material is used as long as possible. In this way, you can productively use it again and again.

Load carriers for rent: pallets, plastic containers, metal boxes, rolling cages, and other carriers are designed for long life and repairability, and maintainability.

The packaging rental model is successfully used in many industries because it **quickly enables logistics requirements to be handled without significant capital investment** or the creation and financing of complex infrastructure. **It extends the life cycle of products and thus keeps waste to a minimum.**



Pillar #2 - Social responsibility

In practice, sustainability in every company must base on activities that benefit the company's employees, consumers, and the wider community. The specialists consider corporate social responsibility in areas such as safety in the workplace, management of human resources, raw materials consumed by the company, and the impact of the company's activities on the environment⁵.

Does rental of reusable packaging also impact this aspect of sustainability?

It has proven to reduce the workload of packaging handlers in warehouses. The workplace is cleaner and safer, and goods are not damaged as they are with disposable packaging. It also reduces disposal time at the shop level - by using reusable packaging, shops no longer need the labour and equipment associated with assembling and disposing of single-use packaging. This benefit alone is significant.

Reusable packaging significantly improves customer and retailer convenience, which affects the quality of tasks performed and satisfaction with ergonomic workplace conditions.

⁵ zn.mwse.edu.pl



Pillar #3 - The economic aspect of the rental

The economic pillar is about managing the business to generate tangible profits while being in line with the other aspects of sustainability. Efforts to be more environmentally sustainable also benefit business growth and the organization's operational liquidity and economic stability.

Proper management and skillful assessment of business risks are also critical. Due to the volatility of today's markets, every manufacturer has to deal with fluctuations in incoming and outgoing goods. By renting the necessary packaging for a specific time, the demand for logistics carriers is secured, and no space is wasted on storing empty load carriers. The immediate availability of rented packaging is often the only way to achieve the desired objectives, such as increasing the number of shipments or expanding storage capacity.

Flexible management of logistics resources, including load carriers rental, is becoming necessary when business is facing challenges - both predictable and those that are often beyond our control.



➔ Sudden disruptions in supply chains

One of the basic tenets of creating business plans is predictability. When planning a project, not just a business, we assume the immutability of specific factors that will directly impact our actions. However, the year 2020, due to the COVID-19 pandemic, has shown that predictability is a scarce good, which translates into high market uncertainty across virtually all sectors.

Consequently, logistics managers, operating in a reality where each successive quarter is a great unknown, tend to favour flexible services that do not generate long-term commitments or capital freezes.

” **One such effective service is load carriers rental, as it meets the expectations of today's uncertain reality. It is a solution that allows you to quickly take care of your load carriers needs when you need it most. After the period of need, it does not generate additional maintenance and storage costs.**



Load carriers rental in practice

As Rotom specialists, we will now discuss with a few examples how rental of load carriers is becoming the ideal solution for times of disruption, change and uncertainty.

SITUATION #1 INCREASE IN E-COMMERCE ORDERS

One of our 3PL clients in electric bike manufacturing and e-commerce encountered an unforeseen situation. Due to an extremely increased demand for designer electric bikes, this manufacturer has increased production for 2019 - 2020. The production capacity is much higher than the company's storage capacity. The company rented external locations and used mobile pallet racking to remain flexible. It is ideal for storing bicycles.

THE CUSTOMER'S CHALLENGE

Flexibility is essential for this client, as the company needed additional bike storage space in 2021 due to an unexpected rapid increase in e-commerce sales. The company decided to rent extra storage space immediately and equip it with a Mobilrack racking system. Due to the fast pace of change, purchasing fixed racks was not an option.

RENTAL AS A FAST AND EFFICIENT SOLUTION



The organization is now looking to expand distribution and production, making the ability to scale logistics quickly according to need paramount, and **rental has become the ideal solution.**

The company rents mobile racks on a continuous basis of 100-400 units, with peak periods of about 1-2 months and higher numbers of carriers. At the end of this period, the client reduces its demand and returns the racks. Rented mobile storage racks are a very flexible storage system. It proves itself in many exceptional situations, even where, as in the case of our client, the goods have unusual shapes and irregular dimensions. In this case, **the functionality of this storage system is much greater than in the case of stationary racks.**



SITUATION #2 FLUIDITY OF SUPPLY DURING A DISRUPTION

The unforeseen situation related to the Covid-19 pandemic also proved to be a test for another retail customer. It is one of the fastest-growing retail chains globally, with over 260 new shops opening each year in Europe alone, and now with 2000 shops in 9 countries and growing. Due to this enormous growth, the Client needs roll containers as essential logistics carriers in shops and warehouses.

THE CUSTOMER'S CHALLENGE

The disruption caused by the Covid-19 pandemic halted production and delivery of the rolling cages ordered by the Customer. However, this did not affect the decline in incoming orders and the scheduled openings of new shops that had to be stocked.

To keep up with the growth and to be able to continue the growth by opening more branches, the logistics managers needed to quickly supply a huge number of roll containers to the warehouses, where all shipments were almost halted. In this situation, a quick purchase of carriers was not possible, and the rental of roll containers turned out to be a hit.

ROLL CONTAINER RENTAL SUPPORT SMOOTH SUPPLY CHAIN



Because Rotom has a large pool of high-quality roll cages, and made **12,000 carriers available within a few days, the supply could go on.** The customer took delivery of 40 trucks, holding 300 roll cages each, from Rotom in a matter of days.

The rental of the carriers lasted 3-4 months, and after a period of demand, the Client returned the rolling cages to Rotom's warehouses.

It is impossible to assess the losses that would have resulted from stopping such rapid growth of the organization. The very fact that the rolling cages Rotom rented in record time **proved to be a real lifesaver for the Client's business.**





➔ Predictable challenge due to seasonality or planning

Another challenge that retailers and manufacturers regularly face is seasonal and cyclical fluctuations in product mix and load carriers. It is due to exceptional periods such as holidays, festivals, intensive harvest periods, or cyclical machine maintenance. Load carriers rental helps to compensate for these fluctuations without paying for long-term storage or the purchase of additional load carriers.

SITUATION #3 SEASONAL PEAK PERIODS

Such seasonal actions occur at various Clients, but especially the retail and food industry is sensitive to the so-called seasonality. One of our clients is a pizza manufacturer in the food industry. The marketing department of this shop chain often plans promotional campaigns.

THE CUSTOMER'S CHALLENGE

Marketing departments prepare promotional campaigns quickly, considering the prices of the raw materials needed to make the pizzas and the seasonality of the ingredients. The Client organizes promotions that result in more deliveries to take advantage of these moments.

Such actions last only a few days, and many roll containers are needed to work in the warehouse during this intensive period. If these marketing activities are successful, the customer requests an average of 500 additional roll containers for 2-3 weeks to cope with the higher volume of deliveries.

RENTAL ENABLES QUICK RESPONSE



Rental works very well in this situation because Rotom can react quickly to the customer's needs. In this case, the customer's company is located close to one of Rotom's warehouses, and the **transport with roll containers arrives at the same day.**

In this way, no matter how many shifts are involved or how urgent the activities are, the logistics operations are carried out on time and positively affect the brand image. Indeed, **without such a quick way of obtaining additional roll containers, marketing campaigns could not take place.**





➔ The need to raise funds for other business expenses

Rental of reusable load carriers releases the money you would have spent buying them or spending on storage and service. It's beneficial because your business saves on costs, time, and unnecessary nerves - whether you're a small local business or a large manufacturer supplying products across Europe.

SITUATION #4 RENTAL HAS ENABLED PRODUCTION TO GROW

A frequent situation faced by companies is the continuous expansion of their activities without the need to increase costs. This was the experience of one of Rotom's customers, who manufactures fastening technology for the construction industry.

THE CUSTOMER'S CHALLENGE

The company is constantly expanding and investing in its manufacturing. It now has four production facilities, with a total area of over 80,000 square meters. The growing demand for building fixings influenced the decision to invest further in modern machinery.

In this way, production capacity was tripled. However, due to the 2020 pandemic, which disrupted the supply chain, the Client emphasized optimal management of the company's finances without losing the opportunity to expand production.

METAL LOAD CARRIERS RENTAL HAS FACILITATED THE DEVELOPMENT OF PRODUCTION



The rental of metal containers necessary for inter-plant operations worked very well in this challenging situation. The customer rented 1500 containers for five years. The long-term rental of containers proved to be an **extremely beneficial option** for the customer, especially in the current situation caused by the pandemic.

As a result our customer could **invest the released funds in machinery**, which was the customer's primary investment.





Standard rental and associated returnable packaging management (pooling)

While virtually everyone knows the long-term economic value of reusable packaging, many companies do not have the resources necessary to make such an expensive investment.

For this reason, Rotom offers rental as an opportunity to scale your business according to your current needs. Rotom offers solutions to the specific characteristics of each supply chain. It can be a short-term rental that allows you to use packaging at a fraction of your own cost, or a long-term rental tailored to your investment. Rotom offers various standard sizes of pallets, containers, etc., for a daily rental rate for short or long periods (from one week to even several years). Below are examples of our rental options:

STANDARD RENTAL

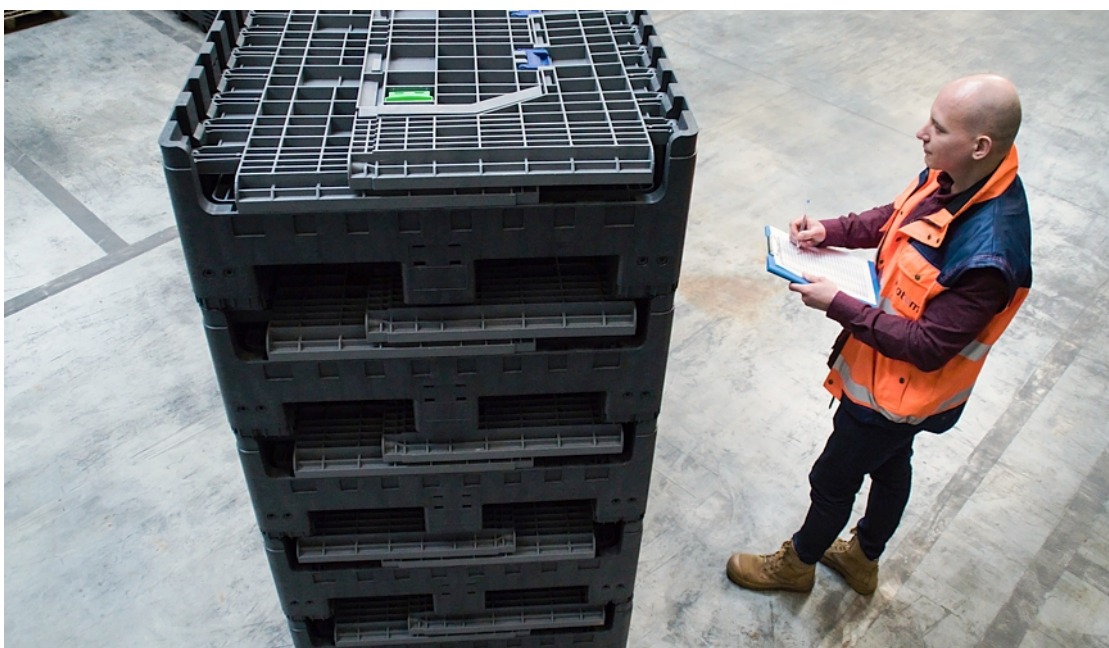
It can be a one-off rental when you need the specified carriers for a strictly defined period but are not planning a long-term investment.

- ➔ On-demand access to standard industry containers and pallets
- ➔ Rental payments and interest are tax-deductible
- ➔ The customer is responsible for packaging and its management
- ➔ You can extend the rental period
- ➔ At the end of the rental period, you return the packaging

RENTAL WITH PACKAGING MANAGEMENT

When you need load carriers to work in your supply chain, you want us to manage it as returnable transport items.

- ➔ On-demand access to standard industry containers and pallets
- ➔ Complete management of packaging flow and maintenance
- ➔ Continuous control over the process
- ➔ No additional costs for packaging management
- ➔ Packaging is at your disposal at all times - in agreed quantities and locations.





You only pay for the actual rental period

Rental fees are clear and transparent from the very beginning of your contract. At the outset, Rotom determines your minimum rental period and then set a rental payment rate per day. Once we have placed your order, send the load carriers to the destination of your choice.

RENTAL STAGES



Why decide to rent load carriers?

➔ More flexibility for your core business

During many business challenges, it is crucial to be flexible, i.e., to react quickly with specific actions. It is how returnable packaging rental works. Then, when you need the suitable media the most, you send a request and receive the products you need at an express pace to continue your logistics operations unhindered.

➔ No unnecessary investment in purchase of load carriers

Companies choosing to rent load carriers from Rotom do not need to make a large one-off capital commitment. Buying a large fleet of modern, reusable packaging can be a risky investment, even for prominent players in the market. On the other hand, the rental option does not require significant funds when the contract is signed. Any funds remaining in the budget can be directed towards maintaining invaluable liquidity or other business needs.

➔ No storage costs for unused carriers

Rental of reusable packaging instead of buying each year saves manufacturers huge storage costs. Storing unused load carriers increases costs and can cause risks and exposure to loss at the same time. Added to this is the need for likely maintenance and the loss of value of unused carriers.

➔ Fast delivery throughout Europe

Rotom provides immediate packaging delivery from 26 warehouses located in 10 European countries. Loading and unloading stations at many points allow you to select the special packaging and quantity needed. Thanks to a huge stock of load carriers, items can be rented at any time. If high demand for a particular product exceeds our supplies, Rotom immediately replenishes its load carriers pool.



→ Wide range of return transport items

The advantage of rental is testing your packaging under specific business conditions. If the load carriers passes the practical test and earns money, you can think about equipping your warehouses with larger quantities.

Rotom replenishes missing products or supply new ones at any time to keep your supply chain running smoothly. Our wide selection of returnable transport items for hire includes roll cages, mobile racks, pallets, crates and material handling equipment. Our wood, metal, and plastic logistics products are suitable for many applications in various industries.

→ Guaranteed quality thanks to regular maintenance

By using our rental service, you can ensure that the load carriers you receive is the right quality. Rotom's specialists ensure that your logistical carriers are perfectly maintained to meet safety standards and are ready for use at all times. Every hired product undergoes a maintenance process to reach your destination in perfect condition.

Let's watch the short movie below to see the rental benefits.



Sustainable actions for the environment and investment

Today, concern for sustainability is not a slogan. Rotom regards the environment as a common good, and sustainability is the basis of our actions. When developing logistics services for our customers, Rotom is primarily concerned with optimizing resources, such as wood, and eliminating activities that cause unnecessary waste.

What's more, load carriers rental promotes a flexible response to changing and unexpected situations.

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It's a fast service that has a real impact on supporting your business because you get the load carriers precisely. It relieves you of a large financial outlay and is easy to use. And most importantly, smoothly supports organizations to carry out their logistical tasks.



Summary

As it was already mentioned, packaging rental is often a lifeline when your business needs to operate quickly and smoothly in changing circumstances.

Rotom facilitates more than 1,300 customers with rental solutions across Europe and, as logistic specialists, we are convinced of the positive impact a rental service can have on the often unexpected challenges businesses face. Customers value the availability of packaging because they get it exactly when they need it. As a result, they can continue working, fulfil a random order or achieve planned growth.

Managers are aware that business liquidity is often of the utmost importance. Packaging rental fits precisely into this way of working. It enables interrupted processes to continue and facilitates business growth regardless of changing circumstances.

Packaging rental is an excellent way to achieve sustainability in packaging logistics. By renting packaging, you significantly reduce your environmental footprint because you use an already existing packaging pool without having to produce it. You generate no waste, reduce your carbon footprint, and cut CO2 emissions. You gain so many benefits while increasing your profits.

Rotom - trusted sustainable supply chain improver

For over 40 years, Rotom has been committed to a strategy of sustainable development. Through innovative technology solutions and a range of logistical services, our projects reduce negative environmental impacts and optimize the use of natural resources.

The range of services offered is in line with the trend towards sustainability—these range from packaging design to production and repair and maintenance. Rotom also provides the possibility of managing returnable packaging that is in circulation. As a result, the packaging is used more effectively as it has operated in a cycle for many years. Packaging rental, in turn, is a flexible way to manage the packaging in your business optimally. It reduces the production of new media and has a positive impact on the environment while reducing the logistics costs of our customers.

Rotom operates in 10 countries across Europe and continues to grow. In Rotom we work with experienced professionals who have been in the industry for many years, providing support, advice, and the best logistics solutions to suit the needs of each business. Each logistic specialist in Rotom cares about our products and services' high quality, reliability, and flexibility in supply chains. All of this improves the efficiency of logistics processes and business development.

We hope you find the information on logistics carrier rental as practical support for your business. We are happy you have spent a while with us, gaining knowledge about one aspect of sustainability. Let the mindful use of your existing logistics carriers become a way to grow your business with responsibility.



Do not miss other editions of our White Papers:



Reuse of bespoke load carriers is the sustainable solution

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Repurchase inspect & repair and re-sell load carriers

March 2023



Product life time extension is sustainable

June 2022



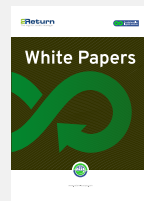
Pooling

June 2023



Returnable transport items instead of one way packaging

September 2022



Sustainable & ergonomic product design

September 2023



Recycling and re-usage of materials

December 2022



Track & Trace

December 2023



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