



EUROPEAN  
RENTAL  
ASSOCIATION

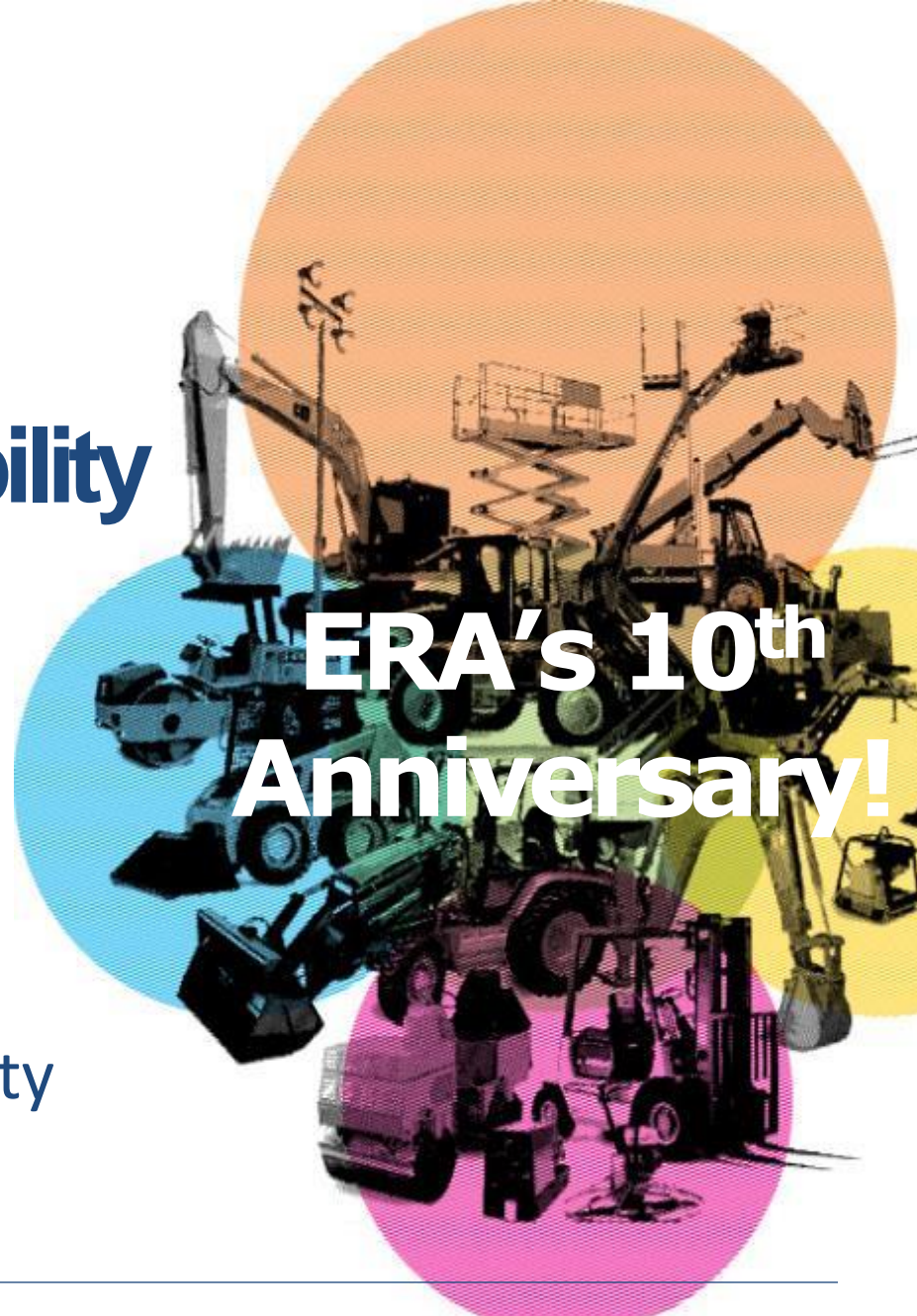
# Workshop Sustainability and Profitability

How to reach for sustainable  
success and growth for a rental  
company?

*Franciska Janzon,*

Chairwoman, ERA Sustainability  
Committee

 Please react on Twitter, [@era\\_rental](https://twitter.com/era_rental)



# ERA's 10<sup>th</sup> Anniversary!



ERA Convention 2016, "The next 10 years", Stockholm, 08-09 June

## Content

- Introduction to the agenda and workshop
- Overview of the committee works and set up of the specific challenges faced as a rental company in terms of sustainability
- Presentation by Hans Odink, Dynamics Software
- Group work:
  - Assistant moderators: Kevin Haycock (A-Plant), Paul Lewis (HSS)
  - Presentation of the Sustainability matrix, Kevin Haycock, A-Plant
  - Roundtables of max 10 people,
  - Each table has one topic to discuss, during 45 minutes,
  - 10.00 – 10.30: feedback of each table and summary by the moderator



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# Sustainability Committee report

*Franciska Janzon,*  
Committee Chairwoman



*Please react on Twitter, @era\_rental*



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# MEMBERS OF THE ERA SUSTAINABILITY COMMITTEE

<b>Chairman Association</b>	RAMIRENT	Franciska Janzon
	ASEAMAC	Jose Blanco
	IPAF	Chris Wraith
<b>Associate members</b>	HAE	Mark Bradshaw
	BBI	Jürgen Küspert
	Atlas Copco	Mark Taylor
	Firefly	Kerry Osmond
	Hilti	Peter Cavada
	JCB	Paul Williams
	JCB Sales	Max Lytle , Mark Telleck
	Generac	Serge Bazin
	JLG	Richard Puglia
	<b>Rental</b>	A-Plant
Boels		Kees Kouwenhoven
Bredenoord		Margien Storm van Leeuwen
Cramo		Anders Collman , Martin Freland
Loxam		tbd
Kiloutou		Yann Bonnet

## LIST OF CONTENT

- Why sustainability?
- ERA's works on sustainability
- What's next?

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# WHY SUSTAINABILITY?

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## WHAT IS SUSTAINABILITY?

- The idea of sustainability stems from the concept of sustainable development, which became common language at the World's first Earth Summit in Rio in 1992.
- The original definition of sustainable development is usually considered to be:

*"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*

*Bruntland Report for the World Commission on Environment and Development (1992)*

## Trends overview

- **Political:** Strong political will to commit to the European Commission's Circular Economy Package as well as other sustainable initiatives. Construction sector and logistics are in focus.
- **Economic:** Urbanisation drives construction sector and the trend is constantly moving towards concepts of sustainable living
- **Social:** Employees increasingly seek meaningful jobs. Consumers are turning towards sharing economy and mobile solutions
- **Technological:** IoT and eco-design are enabling smart building, more flexible cost-efficient solutions and environmental efficiency throughout projects
- **Legal:** Regulatory pressure on transparency and enhanced supply chain
- **Environmental:** Resource scarcity and climate change management are key elements affecting the global value chains

## THREE KEY AREAS OF SUSTAINABILITY FOR THE RENTAL INDUSTRY

- **Environmental**
  - Environmental loading is reduced when more people use the same machines
- **Social**
  - Safety consultation and regulation compliance
- **Financial**
  - Minimizing assets and better cost control

## TRANSITION TO A CIRCULAR ECONOMY

Scarcity of raw materials and other  
resources



Need to “close the cycle”

Ownership of goods



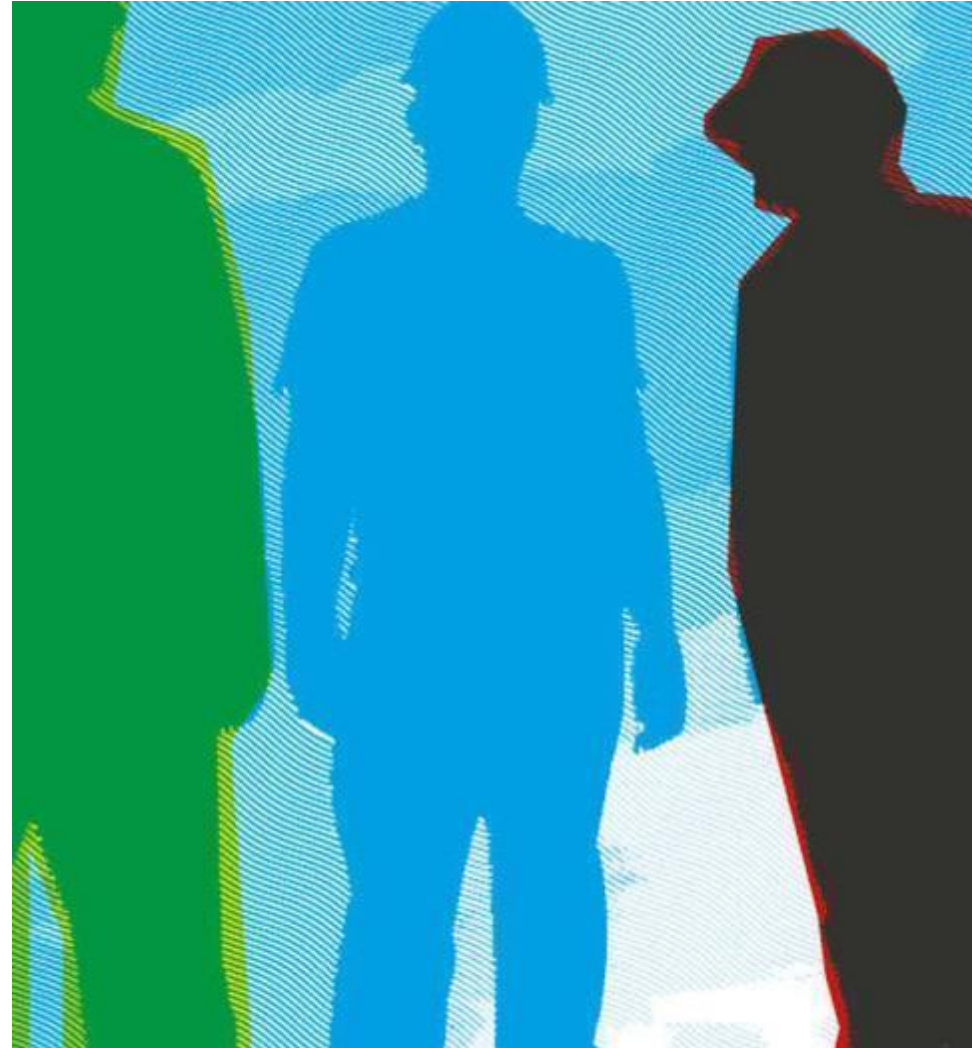
Access to goods

**Central role for the rental industry!**



## SUSTAINABILITY BENEFITS OF RENTAL

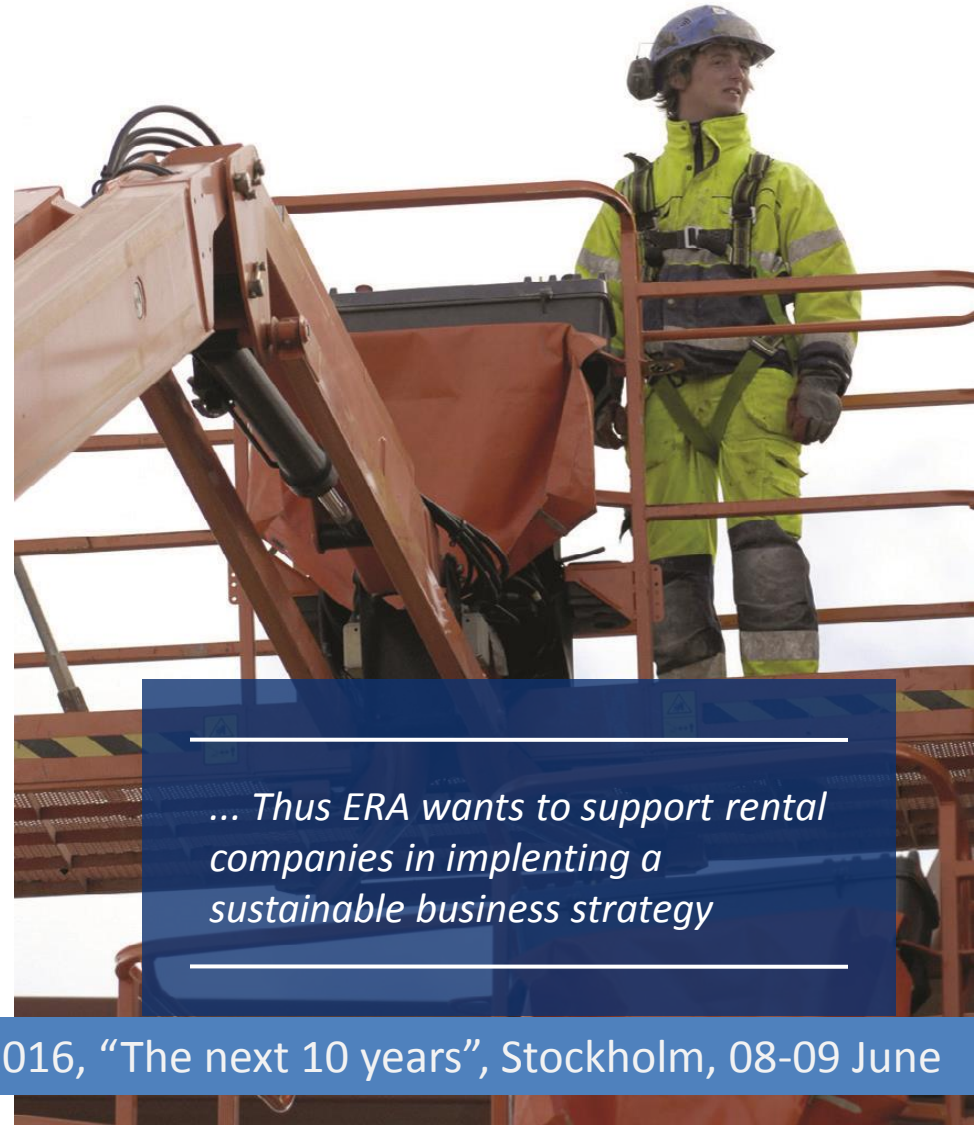
- Shared usage
- Reparability
- Resource use
- Reusability
- Recyclability



# OUR SUSTAINABILITY STORY

The rental industry wants to profile itself on sustainability to:

- Promote the benefits of rental
- Influence political processes
- Making the supply chain more sustainable



*... Thus ERA wants to support rental companies in implenting a sustainable business strategy*

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# ERA'S WORK ON SUSTAINABILITY

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# BROCHURE SUSTAINABILITY IN THE RENTAL INDUSTRY (2010)

- Framework
- 18 Factsheets



# SUSTAINABILITY FRAMEWORK (2014)

Research, leading to:

- Insights for the rental industry since 2010
- Tools for rental companies
- A strategy for ERA

Based on interviews with:

- European rental companies
- National associations
- European trade associations
- Equipment manufacturers



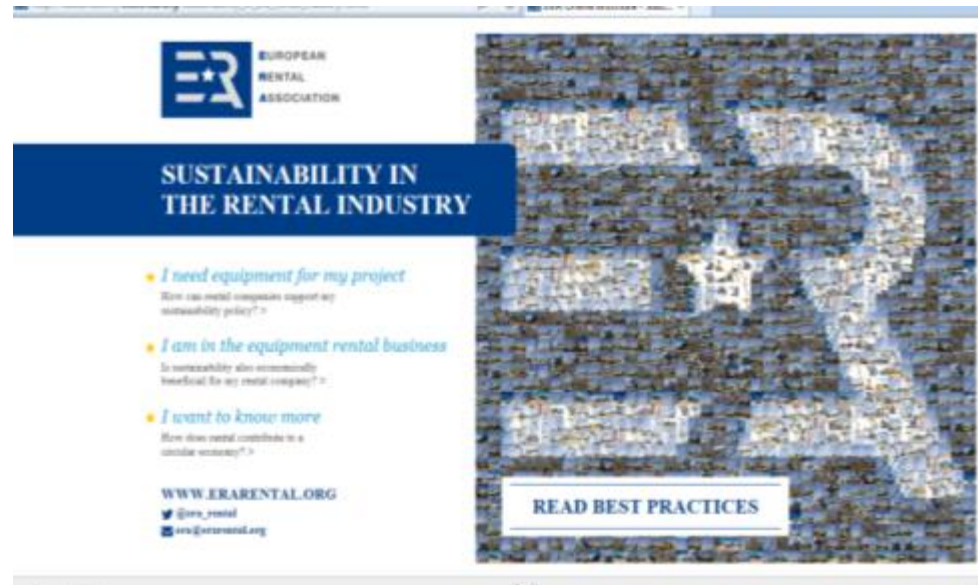
# MAIN FINDINGS OF THE SUSTAINABILITY FRAMEWORK

- Driven by the supply chain:
  - *Sustainability is considered as:*
    - **A burden by SMEs**
    - **... an opportunity by big players**
  
- **Europe at two speeds:**
  - *Northern companies increasingly invest to reduce environmental impact,*
  - *Companies in Southern Europe are lagging behind*
  
- **Spearhead focus of ERA's sustainability agenda: Safety and Environment.** Both aspects constitute a significant commercial benefit for the customer at the end.



## BROCHURES

- Paper version, for the rental companies and for the public authorities
- Online, for the rental companies, the public authorities and the customers,
- Best practices from rental companies,
- Regularly updated, so please submit your own best practices,
- <http://sustainability.erarental.org/sustainability-in-the-rental-industry/>



## ACTION TOWARDS SMEs

- Meeting with UEAPME in October 2015, the European Association of craft, small and medium-sized enterprises
- Workshop with the National Associations in February 2016:
  - *Definition of key areas,*
  - *Identification of issues.*
- Online brochure



## REGULATORY AUDIT (2014)

Identification of EU legislations that rental sector can affect from sustainability point of view:

1. **Waste framework Directive**
2. Directive related to engine emissions of non-road mobile machinery
3. The Machinery Directive



# ADVOCACY TOWARDS EUROPEAN AUTHORITIES: FOCUS ON THE CIRCULAR ECONOMY PACKAGE (2015/2016)

- Position papers:
  - *On the revision of the Waste Framework Directive, April 2015,*
  - *On the contribution of the equipment rental industry to a European Circular Economy, in August 2015,*
  - *On the Commission's communication on the circular economy.*
- Manifesto
- Meetings, with:
  - *DG ENV: the Directorate-General of the EC for Environment,*
  - *DG GROW: the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs,*
  - *The member of Parliament rapporteur on the Circular Economy Package,*
  - *Permanent Representations to the EU*



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# WHAT'S NEXT?

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## BUSINESS CASES FOR SMES

### Our challenge

- SMEs experience a price-driven market
- Sustainability arguments are not convincing
  - ➔ Encourage implementation of practical and affordable practices

### Our plan

- New brochure with best practices
- Working on energy efficiency involving national associations
- Sustainability Graph (to be commented after Hans' presentation)

## EUROPEAN LEGISLATION

### Our challenge

- European legislation can affect the sustainability policies to benefit the rental sector

### Our plan

- Monitoring legislations and policies
- Continue an advocacy strategy, focusing still this year on the Circular Economy Package, but also on a more general promotion of the rental business.



TOGETHER WE CAN CREATE  
OPPORTUNITIES OUT OF  
SUSTAINABILITY

Companies are pursuing sustainability in a way that creates value.



*This graph outlines the various ways that companies can use sustainability initiatives to manage risk, drive growth, or improve returns on capital*

Source: Sheila Bonini and Stephan Görner, "The business of sustainability: McKinsey Global Survey results," Oct 2011, mckinsey.com