Companies around the globe are experiencing supply chain disruptions, higher input costs and some issues sourcing labor.

Source: CBNC
Kickstarted by the COVID pandemic, supply chain woes are driven by increased demand, supply volatility, reduced freight capacity and overall network congestion.
THE SPECIFICS

Increased Demand
• Elevated consumer spending
• Record high imports and exports
• Rail out of capacity
  • More pressure on trucks to transport goods

Reduced Capacity
• Carrier bankruptcies, resulting in less capacity
• 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
The major backlog of container ships at the ports of Los Angeles and Long Beach is the worst its ever been, with 100 ships waiting to enter and unload as of mid-October 2021.

That number breaks September 2021’s record of 97 vessels. To put it into context, there would typically be about 17 ships at anchor in pre-pandemic times.

The two Southern California ports account for 40% of all shipping containers entering the U.S.

Source: ABC
The FreightWaves Outbound Tender Volume Index measures North American demand on its carrier base. Following a staggering increase in demand in 2020, compared to previous years, demand remains exceedingly high.
2021 FREIGHT RATE/MILES
SURGING DEMAND TRANSLATED TO HIGHER RATES

FreightWaves shows freight rates remain elevated, facing more inflationary pressures
INTERNATIONAL IMPACTS

• The cost of shipping a container of goods has quadrupled in a 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

Source: *Freightos Baltic Index
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 2022 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.