



# SUSTAINABILITY TRENDS IN THE SUPPLY-CHAIN

*GENOA,  
1<sup>ST</sup> DECEMBER 2010*

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# CHEP

- Global leader in pallet and container pooling services
- 3 million equipment movements per day
- 45 countries worldwide and 500+ service centres
- 345,000 customers

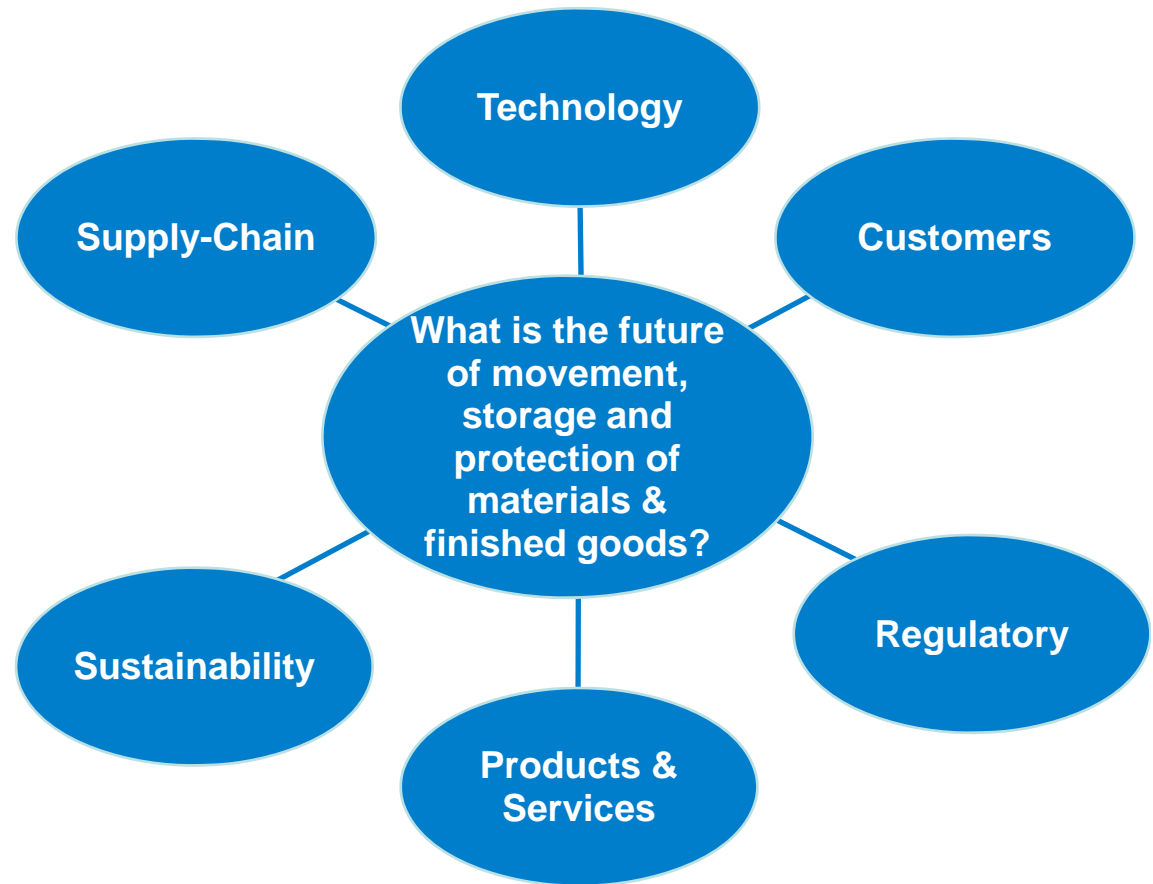


# STRATEGIC REVIEW

## *ONE question, SIX perspectives*

- 8 week strategic review
- Understand what we believe our business should look like in the future
- CHEP has collaborated with Deloitte to identify key themes
- Focus on customers' views regarding the future of our business

- ➔ *400 experts contacted*
- ➔ *132 interviews conducted*
- ➔ *17 countries*
- ➔ *18 industries*



# SUSTAINABILITY

## WHO DID WE SPEAK TO ?

24 INTERVIEWS

### INDUSTRIES

- ENVIRONMENT AGENCIES
- UNIVERSITIES
- WOOD PROCESSING
- CONSULTANCIES
- ASSOCIATIONS/FEDERATIONS
- RETAIL

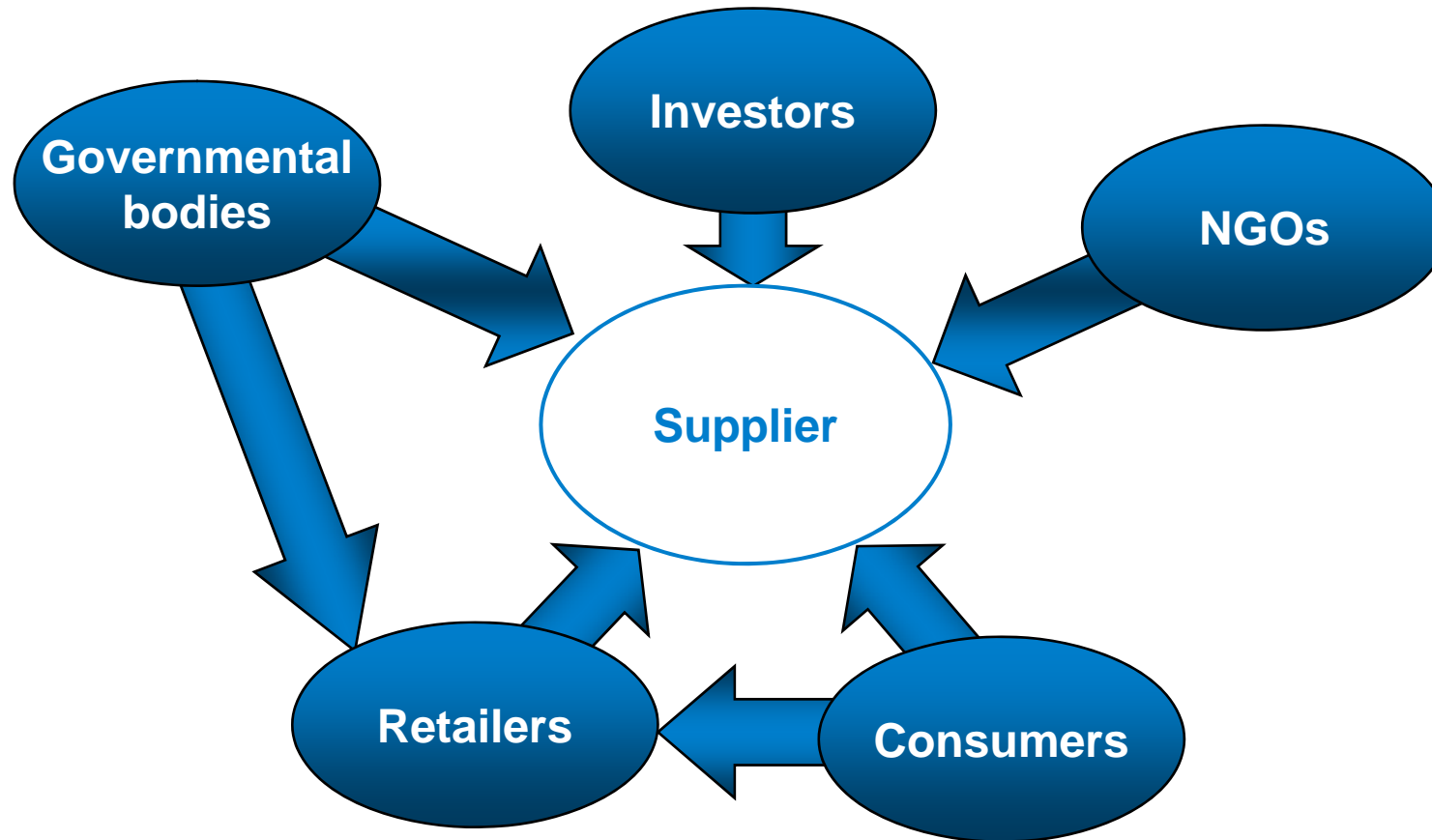
### GEOGRAPHIES

FRANCE, UK, ITALY

### ROLES

- 6 PROFESSORS
- 4 CEOs
- 3 PRESIDENTS
- 2 DIRECTORS
- 2 CONSULTANTS/EXPERTS
- 1 OWNER
- 1 MANAGER
- 1 HEAD OF DEPARTMENT

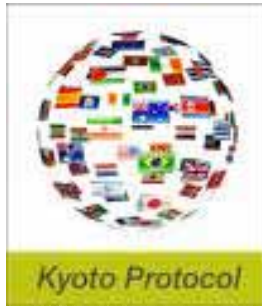
# SUPPLIERS FACE INCREASING DEMAND FOR SUSTAINABLE SOLUTIONS



**DRIVEN BY CONSUMERS AND RETAILERS**

# FOCUS ON PACKAGING FORMATS

*Regulations*



+

*Reusing/recycling*



+

*Energy efficiency*



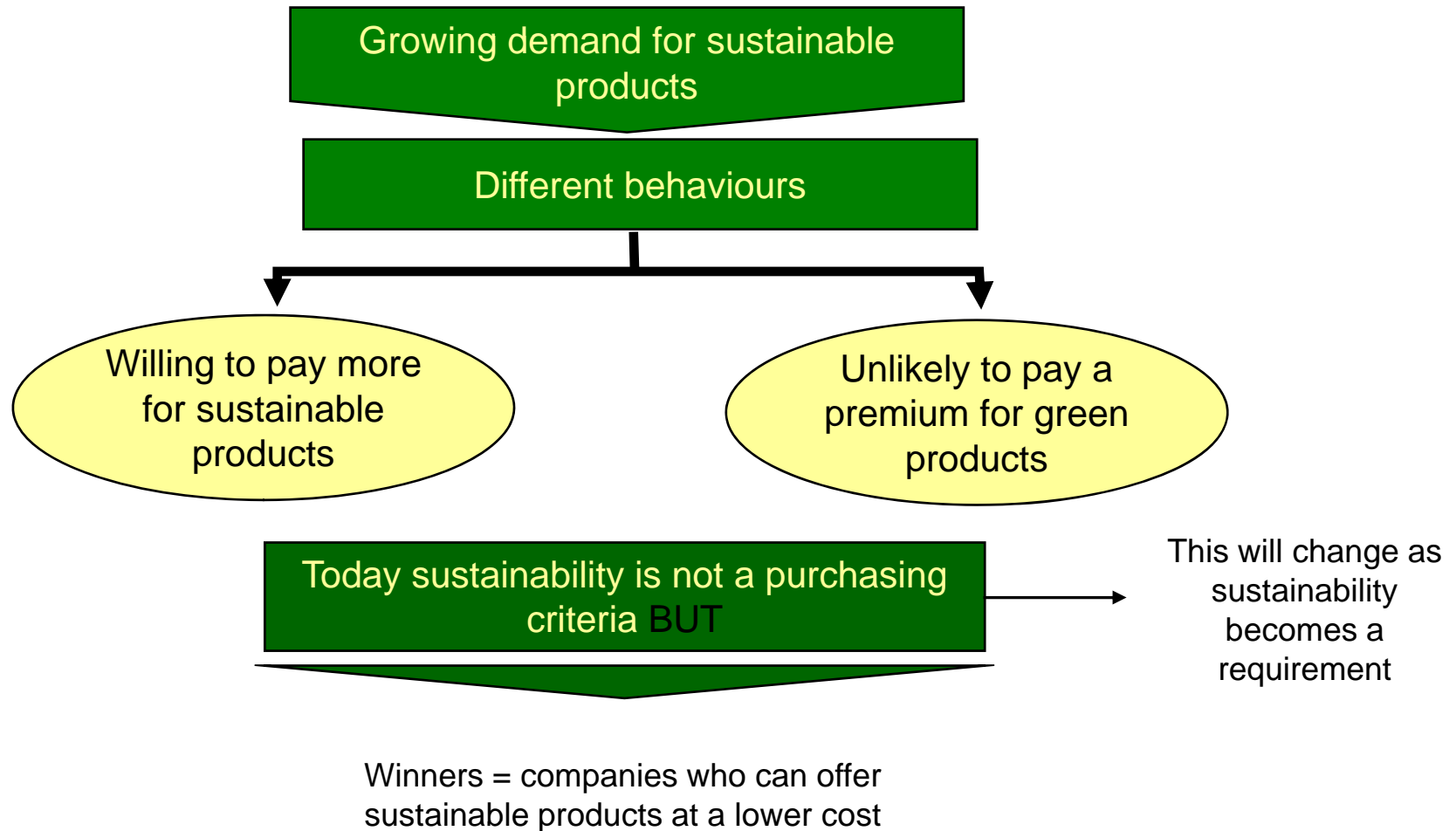
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***Changes in packaging formats***

- 1. Less and lighter packaging*
- 2. Standardized packaging*
- 3. Reusable and biodegradable packaging*

**WASTE REDUCTION FOR CUSTOMERS  
COST REDUCTION FOR SUPPLIERS**

# THERE IS A GROWING DEMAND FOR SUSTAINABLE PRODUCTS



# SUMMARY

- There is a growing demand for sustainable products
- This demand is primarily driven by consumer and retailer pressure
- Energy and natural resources are becoming scarce and driving an increase in prices
- Increased legislation will follow
- The focus on reusing and recycling waste will intensify
- Changes in packaging formats are becoming apparent
- There is a need for CO2 measurement standards



# CHEP SUSTAINABILITY VISION

Be recognised as a leading **green** brand,  
providing the best environmental supply-chain  
solutions.



# PALLET POOLING IS GREEN

**We continuously repair and reuse our pallets**



**Our network allows us to reduce the transportation required and CO<sub>2</sub> emissions**



**Our pallets are 100% recyclable. Wood is a renewable and biodegradable resource**





# PALLET POOLING IS GREEN - MARKETING

**MADE TO LAST**

BY ITS VERY NATURE. PALLET POOLING IS A SUSTAINABLE PRACTICE. WE'RE COMMITTED TO REDUCING WASTE AND PROTECTING NATURAL RESOURCES WITHOUT COMPROMISING ON THE VALUE WE DELIVER, EVERYDAY.

Whether it's our sustainably sourced timber, our commitment to 'reduce, reuse, recycle' or our pioneering work to increase collaboration, CHEP has sustainability at its heart. Unlike disposable and one way pallets, ours are made to last so we can repair them for reuse time and time again.



# OUR TIMBER SOURCING POLICY

**USE 100% CERTIFIED SUSTAINABLE TIMBER**



CHEP pine plantations in South-Africa

# HOW WE REDUCE OUR ENVIRONMENTAL IMPACT

## Energy Efficiency



- Biomass boilers
- Bio fuel
- CO<sub>2</sub> reductions

## Network Flexibility



- 2M km/year saved
- 1,800t CO<sub>2</sub>/year

## Timber Sourcing



- Wood traceability



**We measure our CO<sub>2</sub> footprint...and work hard to reduce it**

# HOW WE HELP OUR CUSTOMERS REDUCE THEIR ENVIRONMENTAL IMPACT

## Multimodal Transport



- 5.7M km/year saved
- 3,800t CO<sub>2</sub>/year

## Collaborative Transportation



- 1.6M km/year saved
- 1,600t CO<sub>2</sub>/year

## Environmental Calculator and CO<sub>2</sub> studies



- Quantify environmental benefits for customers



Partnerships with customers reduce CO<sub>2</sub> in the Supply Chain

# OUR SUSTAINABILITY CHARTER

## CUSTOMER FOCUS

### CUSTOMER FOCUS

#### ENVIRONMENTAL SERVICE OFFER

1

- **Develop our environmental service offer**
  - Transport optimisation
  - Customer collaboration
- **Strengthen sustainability sales effectiveness**
  - Deliver specific Environmental customer packs

#### REINVIGORATE OUR BRAND & SALES TOOLS

2

- **Develop recognisable “Green” brand**
  - Marketing & website
  - Customer Forums
  - Awards/ endorsements
- **Develop sustainability tools**
  - Enhanced Environmental calculator
  - Complete pallet carbon footprint analysis

# OUR SUSTAINABILITY CHARTER

## CHEP FOCUS

### INTERNAL

#### CO<sub>2</sub> REDUCTION PROGRAM

3

- Finalise CO<sub>2</sub> measurement system
- Implement reduction program
- Plant Operations/ Logistics
  - Cost reduction & energy efficiency

#### SOURCING & PEOPLE ENGAGEMENT

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- Timber sourcing certification
  - Develop traceability system
  - 100% certification target
- People engagement
  - Corporate Social Responsibility
  - Develop Sustainability culture
  - Attract new people talent



# PROTECTING THE ENVIRONMENT, EVERYDAY

