

Closed Pallet Pools

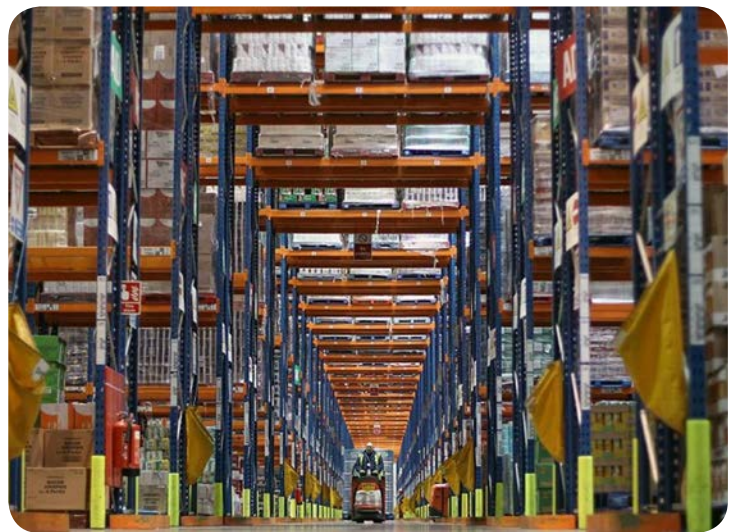


Closed pallet pools: A sustainable environmental and economic benefit

What is closed pooling?

Pooling is the sharing of use of a group (pool) of standard items of packaging, unit load devices or handling assets. It is a form of working together to minimise investment and risk and maximise utilisation in a supply chain. The sharing is facilitated by a third party (the pooler) who owns, manages, tracks, recovers, and maintains the pool of assets.

Pooling typically works well where there is economy of scale, high density of users and common standards or at least a limited number of standards. "Closed Pooling" is used to refer to a pooling arrangement whereby an independent lessor (the pooler) acquires, funds and maintains a pool of re-usable assets (which are identified as, and always remain, the property of the pooler) and rents them to users.



Closed wooden pallet pooling in today's world.

Closed pooling operates at the heart of Europe's supply chains. It is uniquely positioned as a critical element of Europe's grocery supply chains. Closed wooden pallet poolers, between them, work with all of the world's top brand owners and many local producers delivering to almost all of Europe's consumers.

As a sustainable, re-usable pallet system, underpinning many supply chains, pool pallets carry products that reach every EU citizen. Closed pool pallets and boxes carry almost every kind of product into the grocery, wider retail and other industrial sectors every day.

Supporting reusable packaging – reducing environmental impact

Closed poolers operate circular economic models – consume less, re-use more. They focus on promoting reusable, standardised packaging – to reduce single use packaging and to remove waste, whilst providing employment.

The three largest wooden pallet poolers in Europe (LPR La Palette Rouge, Chep and Pooling Partners) account for:

- More than 500m assets globally
- More than 15,000 staff globally
- More than 1.5bn euros of rental revenue a year

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Benefits of pooling for users

Users of pool pallets or closed pooling systems also typically benefit from:

- Avoidance of capital expenditure
- Reduction and certainty of costs through sharing
- Defined quality
- Reduced loss of assets
- Flexibility: users need only hire what they need; when they need it
- Reduction of waste. Sustainable, environmentally friendly solutions



Pooling - a sustainable force for good

- Responsible use of timber - Poolers aim to source 100% of their wood from Timber Chain of Custody (COC) certificated origins.
- Reduction of greenhouse gas (GHG) emission levels - Poolers constantly strive to reduce emissions of GHG, reducing and optimising transport, and utilising underused transport – often by working together across the supply chain.
- Waste reduction - Poolers operate on the principles of recover, re-use, reduce and recycle. Compared with disposable and limited-use pallets, pallet pooling significantly reduces the use of wood and waste by both pooler and customers in their supply chains. Other types of wooden pallet usage (of lower quality and without a clear system of ownership and accountability) end up simply as a source of recyclable material or worse.
- Supply chain collaboration - Poolers work with customers, suppliers and other supply chain participants to deliver mutually beneficial, sustainable solutions with an emphasis on smart solutions and working together across supply chains to deliver cost reductions and lower GHG emissions.

