

Case study

Beyond “business as usual” – facilitating net zero emissions for customers

Sector: Logistics / **Location:** EU with global expansion plans

Demonstrates: Building a sustainable solution and adding value for customers.

With a successful and established customer value proposition, CHEP's CarbonNeutral® service goes one step further, responding to customers' increasing focus on reducing the environmental footprint of their products; a particular priority within the Fast Moving Consumer Goods (FMCG) sector.

Delivering an environmental solution

As the leader in pallet and container pooling solutions, CHEP has over 50 years' experience in reducing, reusing and recycling resources, making its business model inherently sustainable.

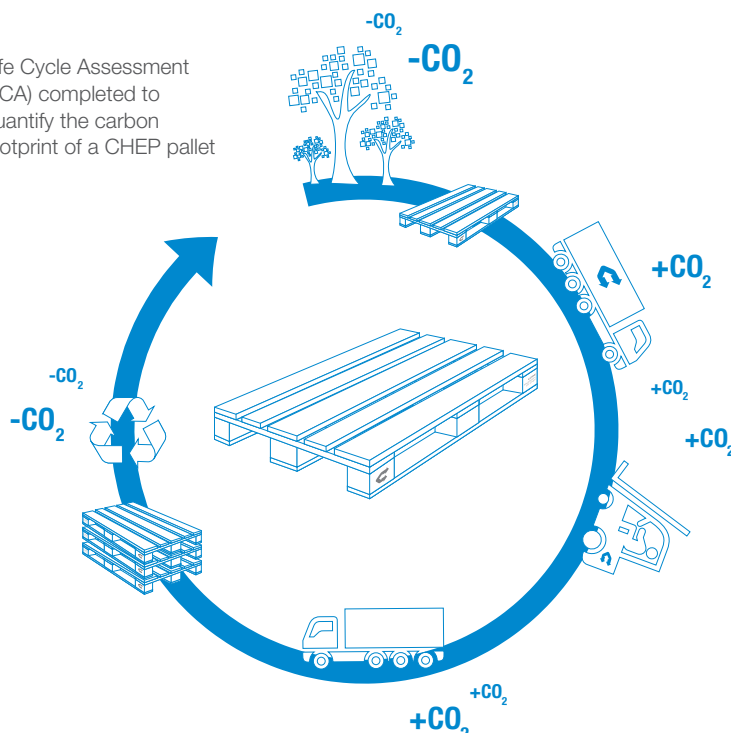
To calculate the specific pallet footprint of a CHEP customer and quantify the environmental benefits of using CHEP pallets, CHEP completed an independent lifecycle analysis (LCA) of pallets in Europe¹. The LCA demonstrated that through the use of the CHEP pooling model, on average CHEP pallets reduce customer CO₂ emissions by 50% and waste generation by 75%.

In addition, due to CHEP's unique position in the supply chain, it is able to collaborate with stakeholders and customers to make even greater reductions to the environmental impact of their shipping. Initiatives such as sharing transport to reduce empty truck miles, and promoting the use of multimodal (train, sea and road) solutions, eliminated more than 3.46 million km and 2,930 tonnes of CO₂ equivalent, involving more than 100 customers in 2014.

CarbonNeutral® certification enables CHEP to reduce the residual emissions associated with its customer pallet movements to net zero, delivering an immediate and cost-effective way for CHEP customers to compensate entirely for the carbon footprint of the pallets used across their supply chain. To achieve its aspiration of carbon neutrality, CHEP partnered with CarbonNeutral from Natural Capital Partners to develop its unique carbon neutral service.

As part of the programme, customers are able to select from a range of carbon offset projects supplied by CarbonNeutral. These range from fuel-efficient cookstoves in Guatemala, to rainforest protection initiatives in the Amazon, and community reforestation projects in Kenya. This variety allows customers to select projects (based on location or activity) that will align with their own corporate responsibility programmes, other supply chain initiatives or business goals.

Life Cycle Assessment (LCA) completed to quantify the carbon footprint of a CHEP pallet





A Brambles Company

Case study

Iñigo Canalejo, Senior Sustainability Manager at CHEP outlines the growing importance of sustainability in logistics, “CHEP customers value sustainability, and in turn, value CHEP for their sustainability credentials and for developing initiatives that enable customers to go beyond the many benefits of pallet pooling, such as the CarbonNeutral® pallet.”

Building customer value

By integrating carbon reduction projects with their own corporate responsibility initiatives, CHEP customers can align their business and sustainability goals and mitigate the entire lifecycle of their pallet activities with a cost-effective approach.

In 2012, the CarbonNeutral® pallet scheme was launched with Unilever in Spain, in support of its Sustainable Living Plan which includes a target to halve the environmental impact of Unilever products by 2020. Unilever Spain's Distribution Manager, Josu Lesaka, said, “We have a strong commitment to sustainability and this project is an excellent opportunity to reach our objectives. Through this programme with CHEP, Unilever has been able to offset the annual carbon footprint of CHEP pallet movements in Spain, which amount to more than 370,000 movements on average per year. We had the opportunity to choose where we would invest our carbon credits.



Seedlings being planted at the Uchindile-Mapanda Reforestation project in Tanzania

Our choice was Africa, where we have been investing in social programmes in Kenya and Tanzania. In Tanzania we found a reforestation project and acquired the certified carbon credits. Offsetting is considered as the last step after optimising and improving efficiency.”

International food manufacturer Heinz, has also reduced emissions to zero: having worked closely with CHEP to implement transport collaboration initiatives and increase the use of multi-modal transport routes, offsetting residual emissions through the Guatemala cookstove project means the service is now CarbonNeutral®.

Heinz Head of S&OP and Logistics Benelux, Tom Tilleman, said, “CHEP's broad coverage and reputation as a supply chain sustainability leader set them apart from the competition. Heinz is also committed to engaging our stakeholders and operating with the highest degree of integrity and transparency. We have a shared passion to collaborate and reduce our environmental impact while eliminating unnecessary costs.”

“Pooling, by its nature, shares resources and is an inherently sustainable business model. The CarbonNeutral® pallet solution takes our customers' commitment to sustainability one step further.”
CHEP, 2015



CHEP pallets in warehouse



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By 2015, several companies from a range of industries including FMCG, manufacturing, logistics and retail, all with a strong commitment to sustainability, had chosen the CHEP CarbonNeutral® pallet for their operations across Europe. In total, CHEP has facilitated the offset of 12,025 tonnes of CO₂, equivalent to 9,857 acres of forest sequestering carbon each year.

The programme has delivered benefits for both CHEP and its customers: *“By offering the CarbonNeutral® pallet, we are enabling our customers to gain access to carbon projects which deliver not only carbon reductions, but wider social and community sustainable impacts. We have discovered that what’s good for the environment is also good for business,”* said Iñigo Canalejo.

Continual growth

CHEP has recently introduced a new quarter pallet in Germany, developed in conjunction with customers and partners, and now used by more than 1,400 customers across the country. Increased recycled content, stackability and reduced weight have cut its carbon footprint by 10%, and it is certified as a CarbonNeutral® product.

“We are pleased to see the CarbonNeutral® pallet providing customers with an effective solution and building the transition to a low carbon future throughout the world.”
Jonathan Shopley, MD,
Natural Capital Partners

CarbonNeutral® quarter pallet – increased recycled content, stackability and reduced weight have cut its carbon footprint by 10%



The quarter pallet further demonstrates CHEP’s innovative leadership in its endeavours to reduce global CO₂ emissions and tackle climate change.

With the growing success in Europe, CHEP is looking to expand its CarbonNeutral® pallet offering across the globe, commencing with an LCA in North America, Latin America, Australia and South Africa.

Jonathan Shopley, Managing Director of Natural Capital Partners said: *“Helping its customers embed sustainability throughout their supply chain is key to CHEP’s business plan. We are pleased to see the CarbonNeutral® pallet providing customers with an effective solution to that challenge and building the transition to a low carbon future throughout the world.”*

¹ The study was performed by Brussels-based Intertek-RDC Environment, a leading environmental consultancy, in accordance with ISO 14044 methodology

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