



PLASTPACK NORDIC

Payoff on the road to ultralight

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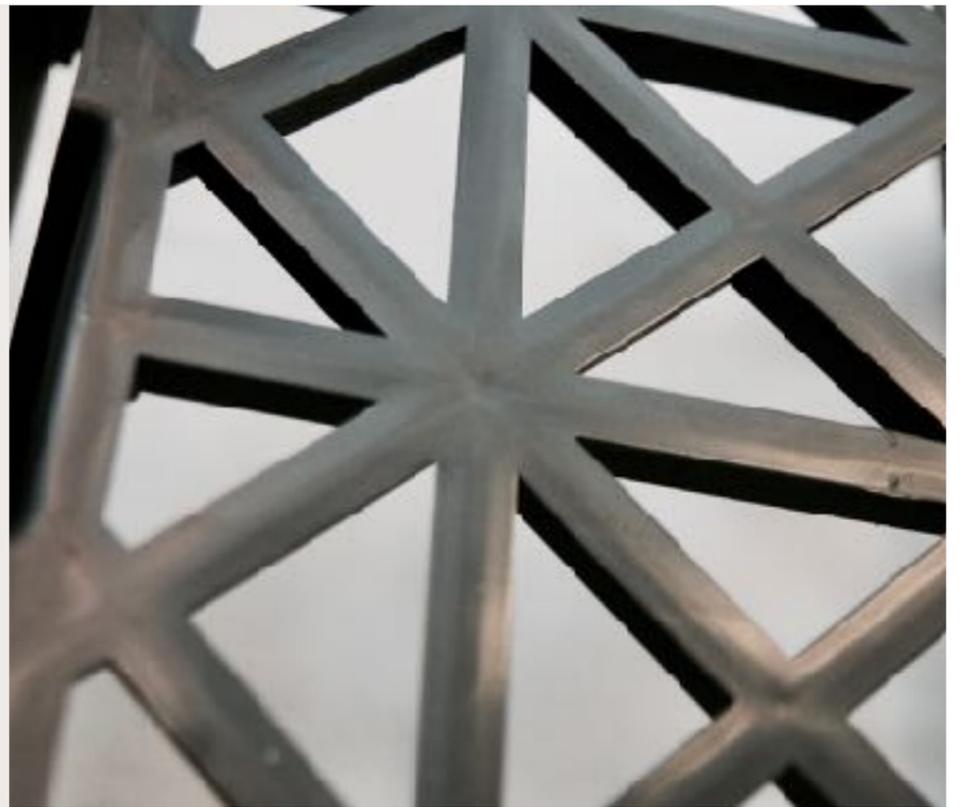
"In reality, when PlastPack Nordic (PPN) started back in 2003, there was no more room in the market for suppliers of pallets and logistics solutions. There was only room for companies able to provide significant financial benefits for their customers.

The key question was; "How to do that?"

The answer was to enable customers to save money on their operating costs and expenses through effective internal supply chain management and excellent logistics. What we have done at

PPD is challenge the existing market by providing cost effective logistic solutions that our competitors cannot provide . We listened to our customers and designed logistic solutions that save more money than they cost."
Jan Engmann, CEO

PLASTPACK NORDIC ULTRA LIGHT



Since 2003 PlastPack Nordic (PPN) has been working closely with some of the largest Danish export companies. This has enabled PPN to gain a thorough understanding of how these companies operate so they can promote small but important optimisations that minimise their costs and thereby maximise their profits.

It is a 2-way process. PPN will work with your company to understand your key cost drivers, quality system, supply chain requirements and future customer demand, and in return PPN will provide you with professional feedback regarding how and where we believe tangible savings could be made.

We work on a **principle of "wholeness"**, a concept which involves close scrutiny of all activities connected with the use of a PPN pallet, from delivery, to product production, storage, warehouse management and shipping. To make sure we don't miss any opportunities to benefit our customers we also take a close look at how your staff interface with the pallets we supply, looking at handling, ergonomics, safety and the costs associated with delivering your products to your customers. For example, PPN pallets nest together to minimise the storage area customers require to hold them before use.

"As further evidence of everything we have learnt in the past from our customers and staff, we have not had a single late delivery in the last 13 years."

One of our customer's orders more than 150.000 pallets from PPN each year, which we deliver daily and in odd numbers to match demand from their production schedule. We regard this as a major business success". Jan Engmann PPN CEO

Over the last 20 years PPN has seen increasing customer focus on CO2 emissions, the rising cost of fuel, environmental impact of packaging and many other factors related to transportation which increase direct product costs. The addition of the European CO2 register, where many production companies register their spill, inspires companies to look for more cost effective and cleaner solutions, especially for one-way goods.

Through development and experience, PPN has successfully reduced the weight of our one-way pallets, once again leading the industry in the battle for weight reduction. Our concept of an **"ultra light" pallet** is presented to the right, where the most obvious numbers are the weight of the pallet, which has been **reduced by 35%** due to a combination of composite materials and innovative structural design.

Notice the cost savings..

PlastPack Nordic present an actual example from one of our long lasting clients.

The introduction of PPN Ultra Light series pallets, reduce the weight by 1 Kg per shipped pallet. Our clients ship most of their products by air freight, which in recent years has topped at 25.000 pallets yearly. A large percent of their freight is sent to the US, where this example is taken from. Note: The cost of transportation is derived from UPS, whom handles the freight, and the values are in 2016 prices.

Example

- Pallet volume 800x600x465
- Current weight on pallet: 47kg
- New weight on pallet: 46kg
- Current cost of transportation to US: 1.370 DKK pr unit
- New cost of transportation to US: 1.340 DKK pr unit
- Cost reduction: 30,- DKK - total 750.000 yearly

CSR/CO2

Converting the above numbers into savings in CO2 emissions, means that air transportation, which on average contributes 560g of CO2 per tonne of cargo per km, will save up to +35% CO2 per pallet and 2,1% CO2 in total. CO2 emissions cost 8,4€ per tonne, and this number is important, as the EU aims to increase this cost to 30€ per ton, and as of today, this is equivalent to 0,28DKK per pallet, or in total numbers 7.000DKK could be saved on total transport costs using PPN pallets.

Total savings

In total, PlastPack Nordic saves the company +757.000DKK per year in direct costs, not including the benefits earned internally throughout the production and warehouse facilities from lighter packaged weight, and this will be achieved just by changing to PPN "Ultra Light" pallets.