

Pack Expo 2016

Optimizing End-to-End supply chain costs

7 November 2016

What do you think of when you think of CHEP?



CHEP is a supply chain solutions company



Manufacturing & Distribution Center Solutions

- Supply Chain Health Check
- Labor and Asset Efficiencies
 - Inbound processes
 - Manufacturing processes
 - Picking processes
 - Outbound processes
 - Yard processes
- Network Process Optimization
- Automated conveyance system
- Sustainability assessment and measurements
- Inventory and ordering optimization



Unsaleables Reduction

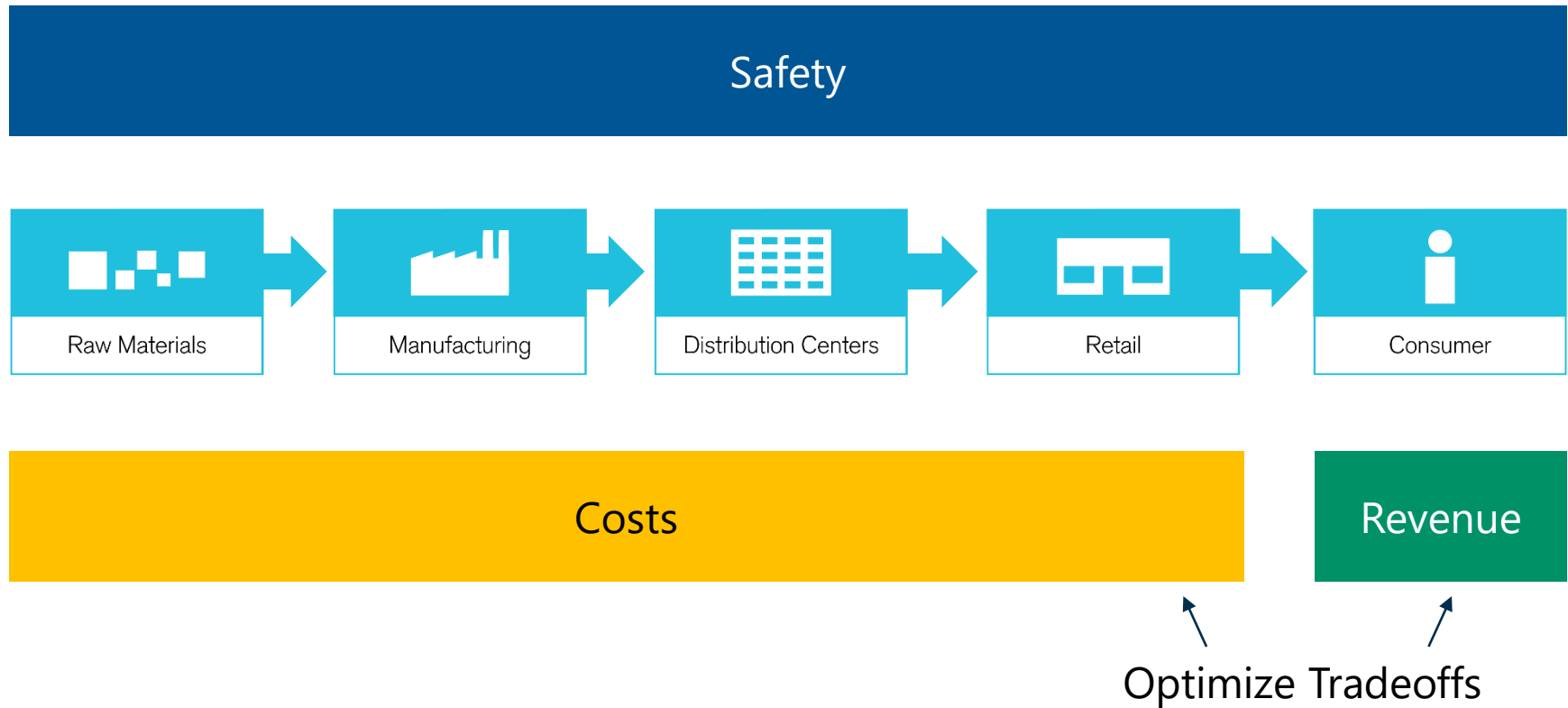
- Unsaleables Assessment
- Product Damage Reduction
 - Handling
 - Transportation
 - Collaboration
 - Measurement
- Packaging Performance Testing
- Unit Load Optimization
- Measurement of sustainability benefits
- Piloting and operational implementation



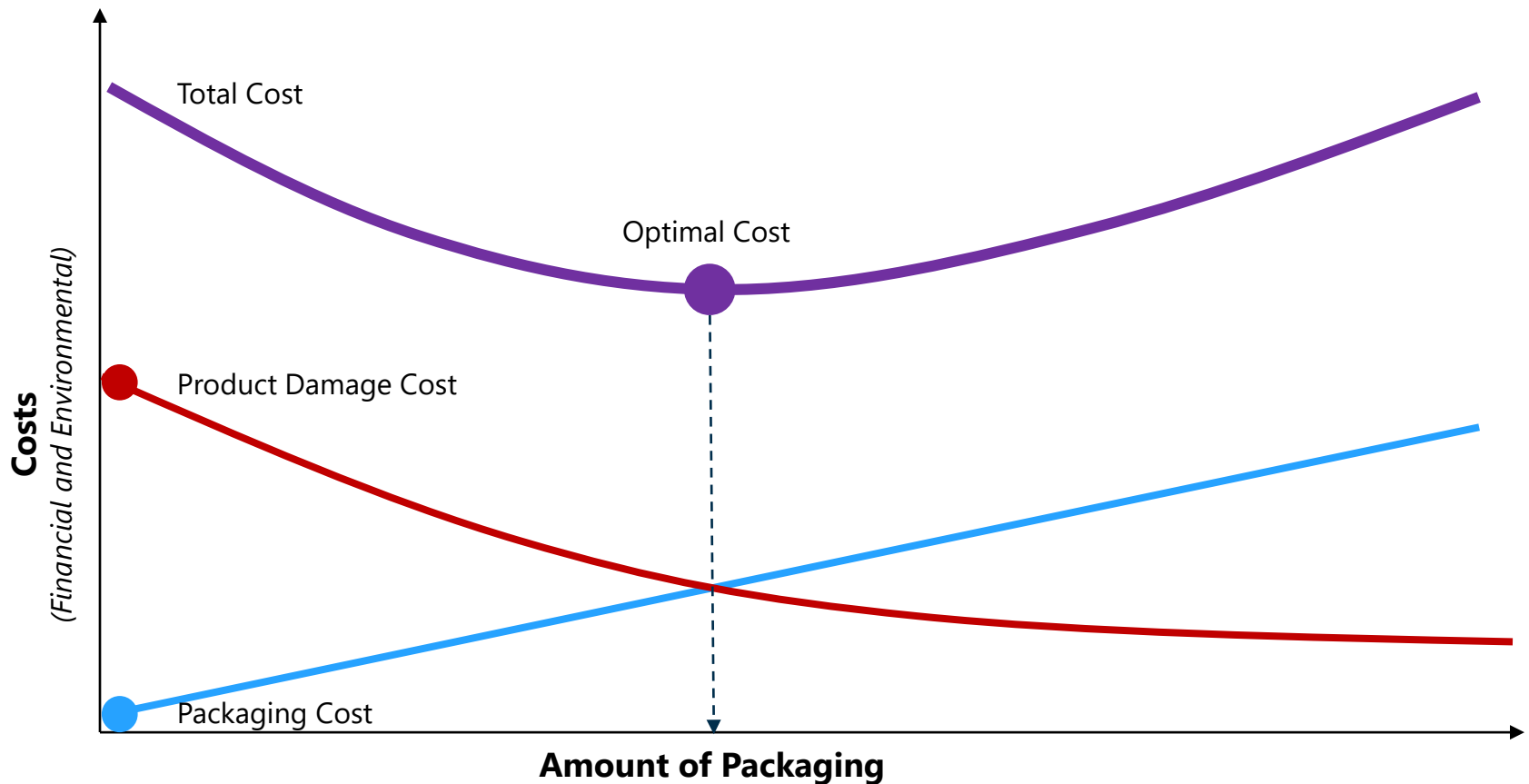
Transportation Solutions

- CHEP network collaboration
 - \$12M spend with customer fleets in 2016
 - 3.5M empty miles reduced
 - 13M # of CO2 reduced
 - CHEP network operates over 1million lanes
- 3rd party carrier synergies
- Network optimization
- Measurement of sustainability benefits

Our goal is to help our customers safely maximize revenue at the lowest end-to-end supply chain cost



As it relates to packaging, we help our customers optimize the tradeoff between packaging and product damage costs

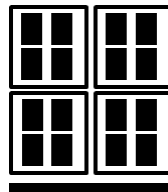


There are two common challenges when optimizing packaging related costs

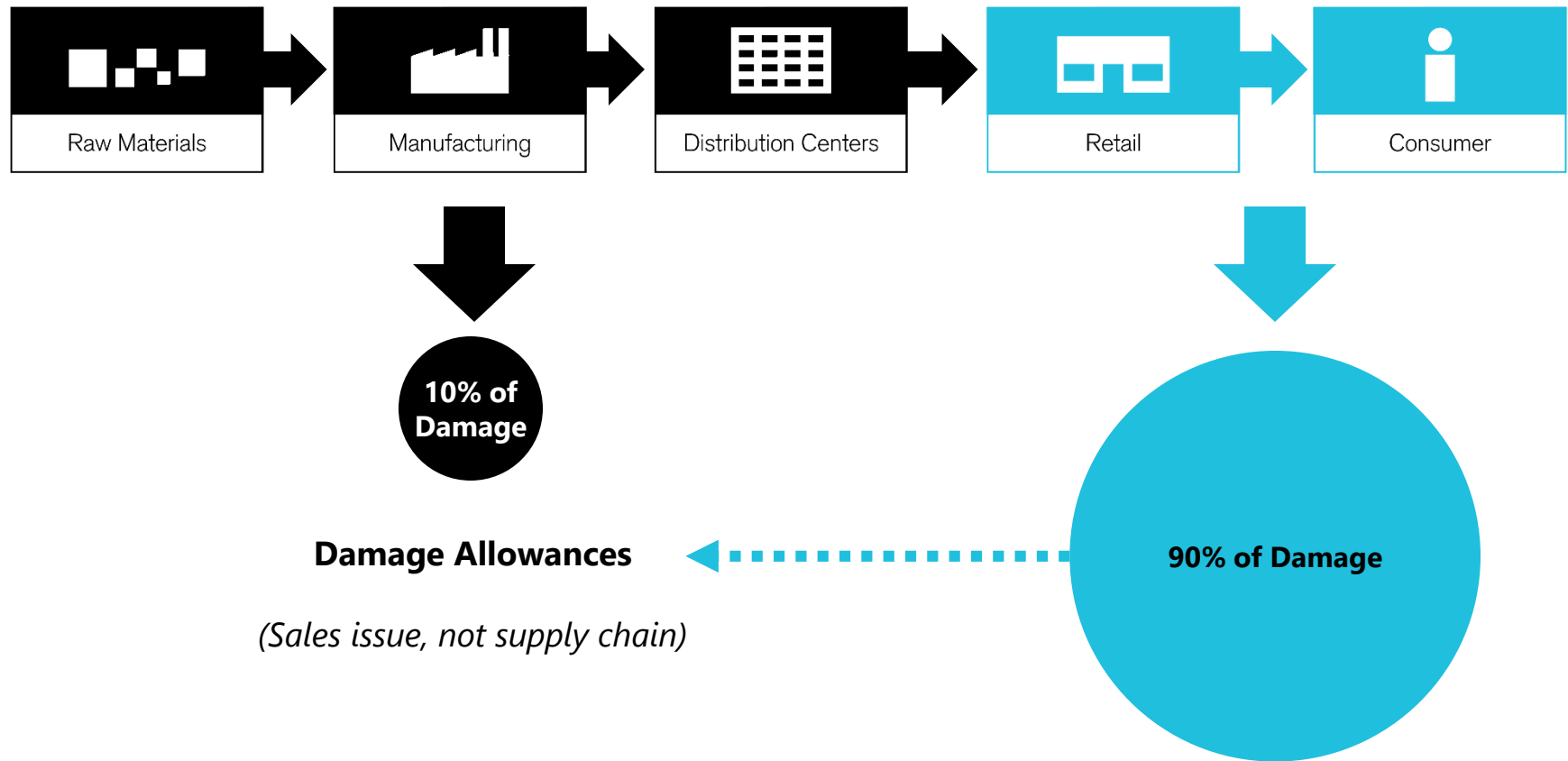
1. Lack of an End-to-End View



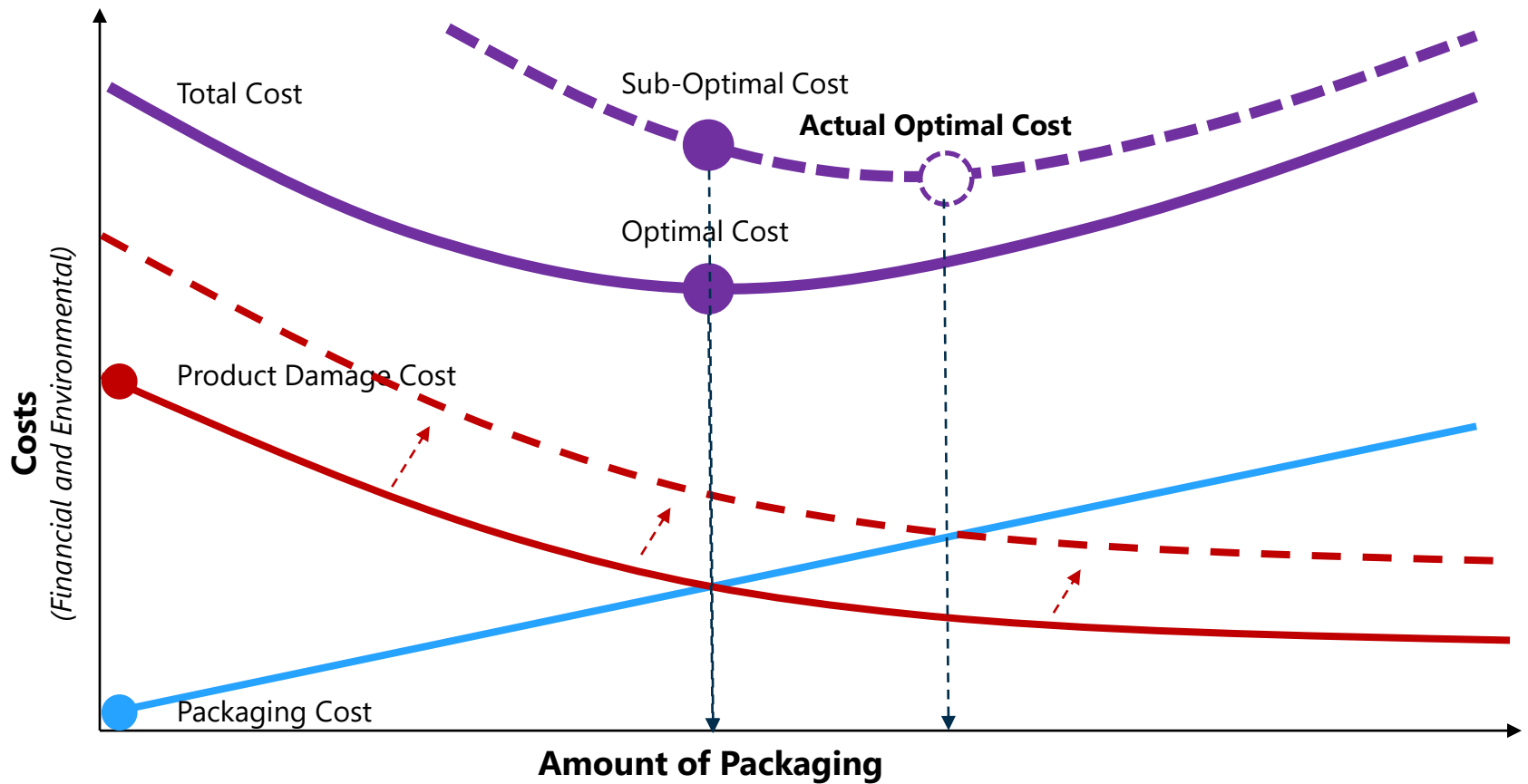
2. Isolated Packaging Design and Testing



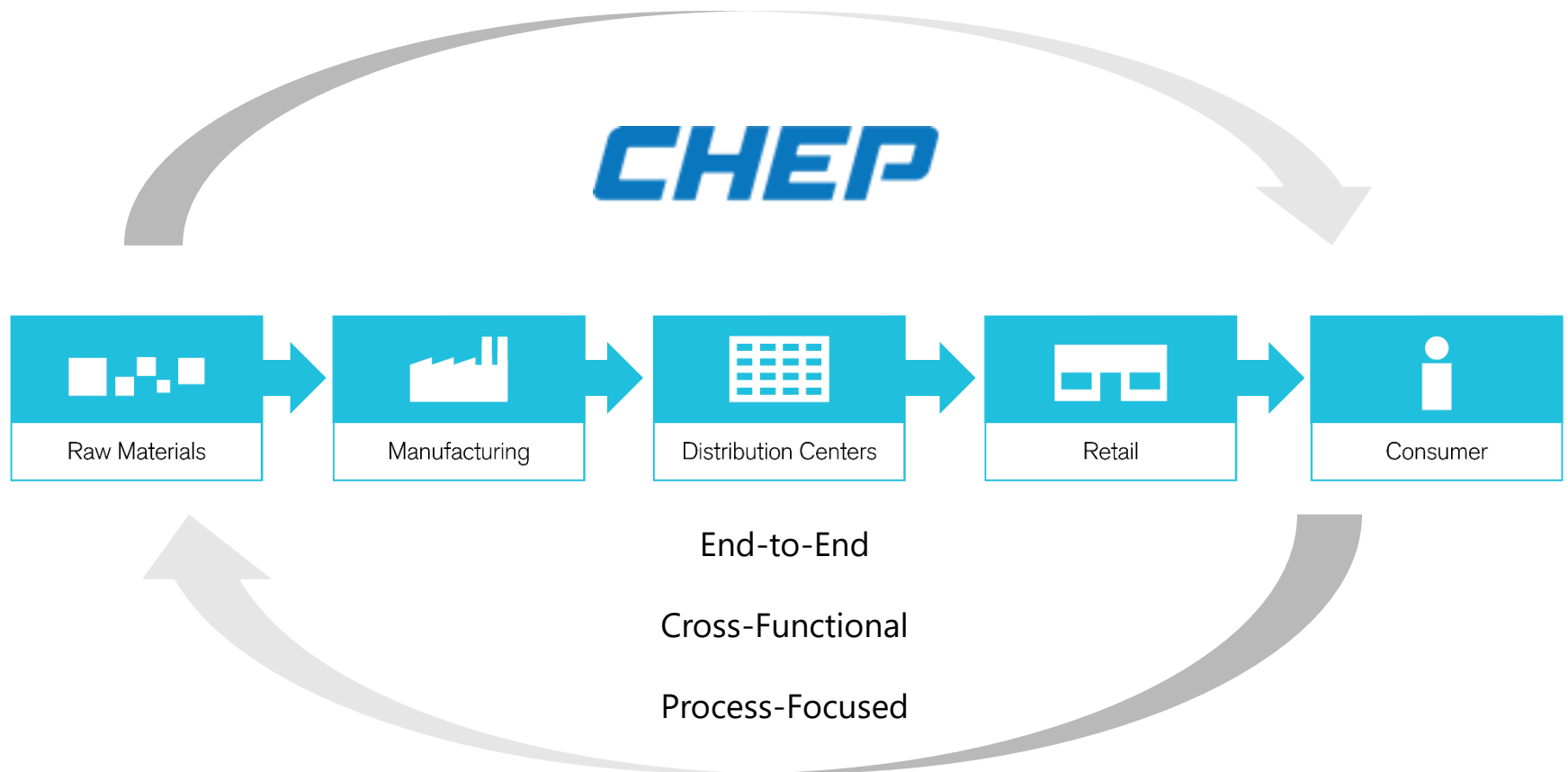
The first challenge is the lack of an end-to-end view of product damage related costs



End-to-End product damage cost may be understated, resulting in a sub-optimized amount of packaging



CHEP connects parties in the supply chain, providing a collaborative, end-to-end approach to optimizing packaging



The second challenge is the practice of isolated packaging design and testing

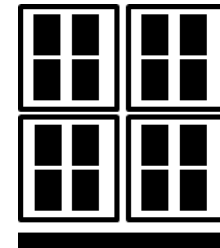
Primary
Packaging



Secondary
Packaging



Unit Load
(Platform)



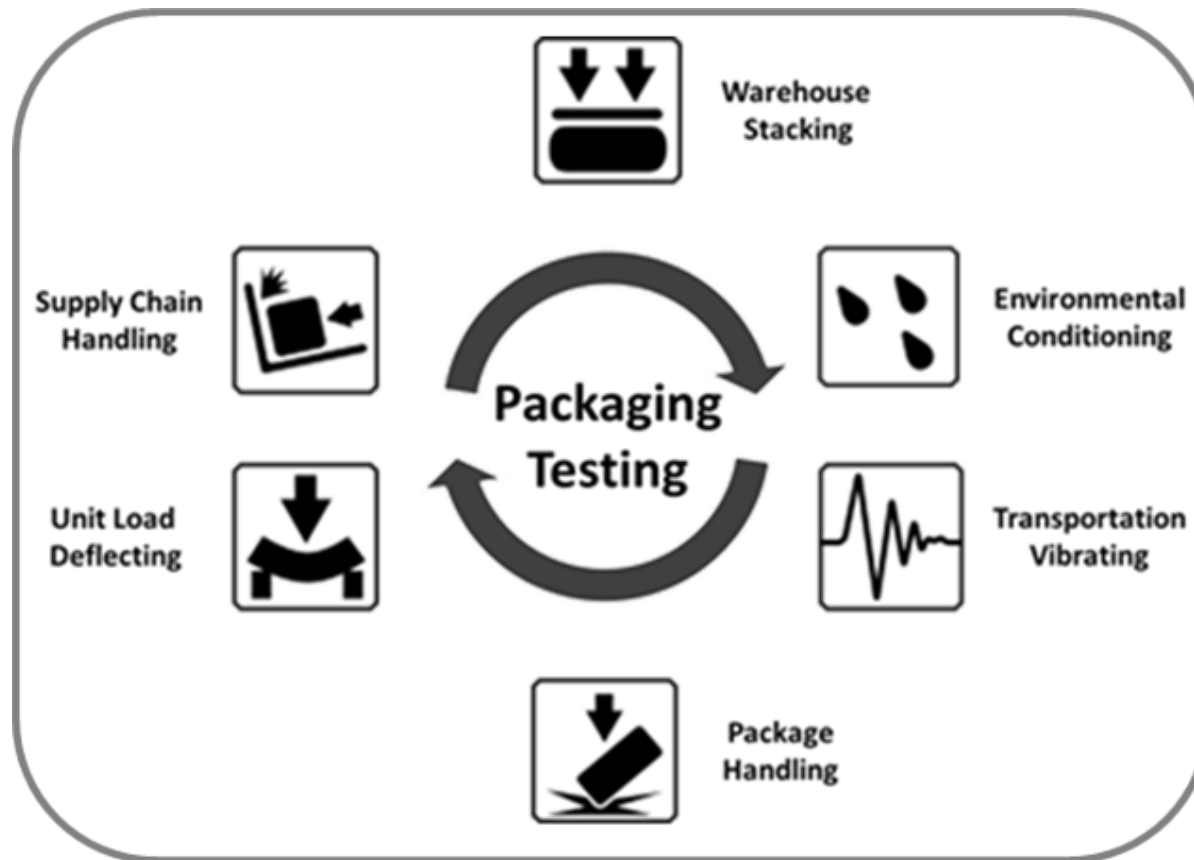
Primary Focus

10% of life

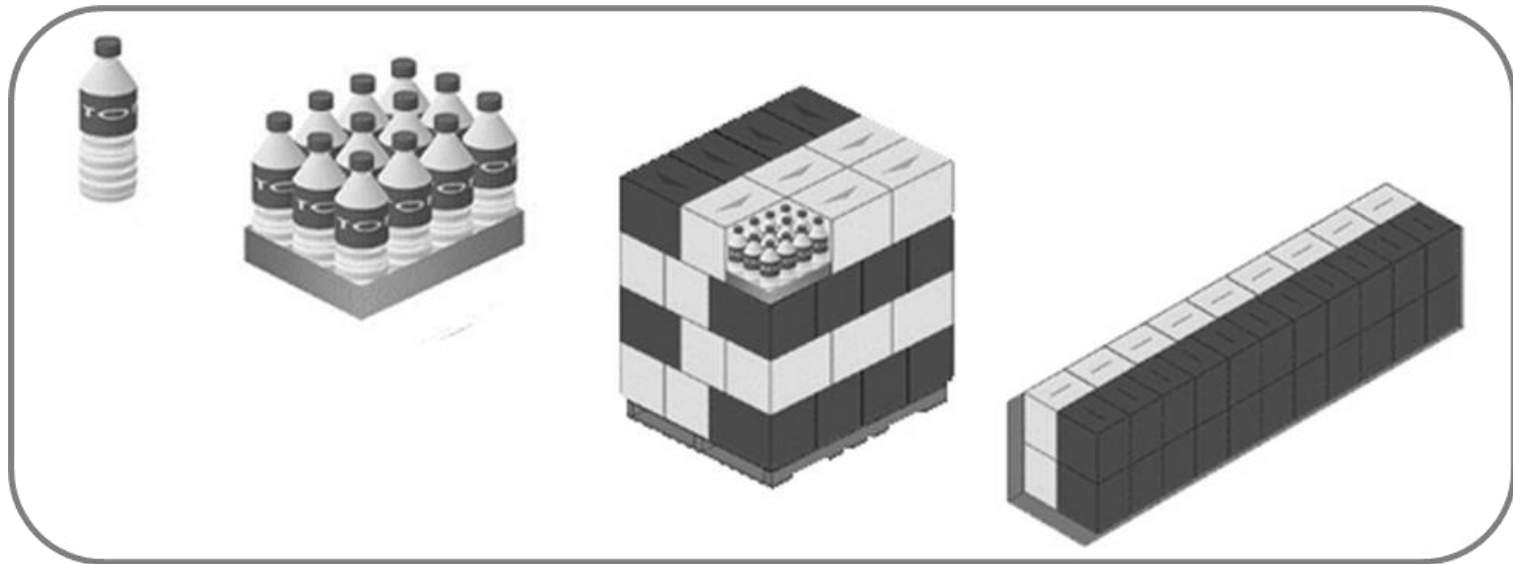
Low Focus

90% of life

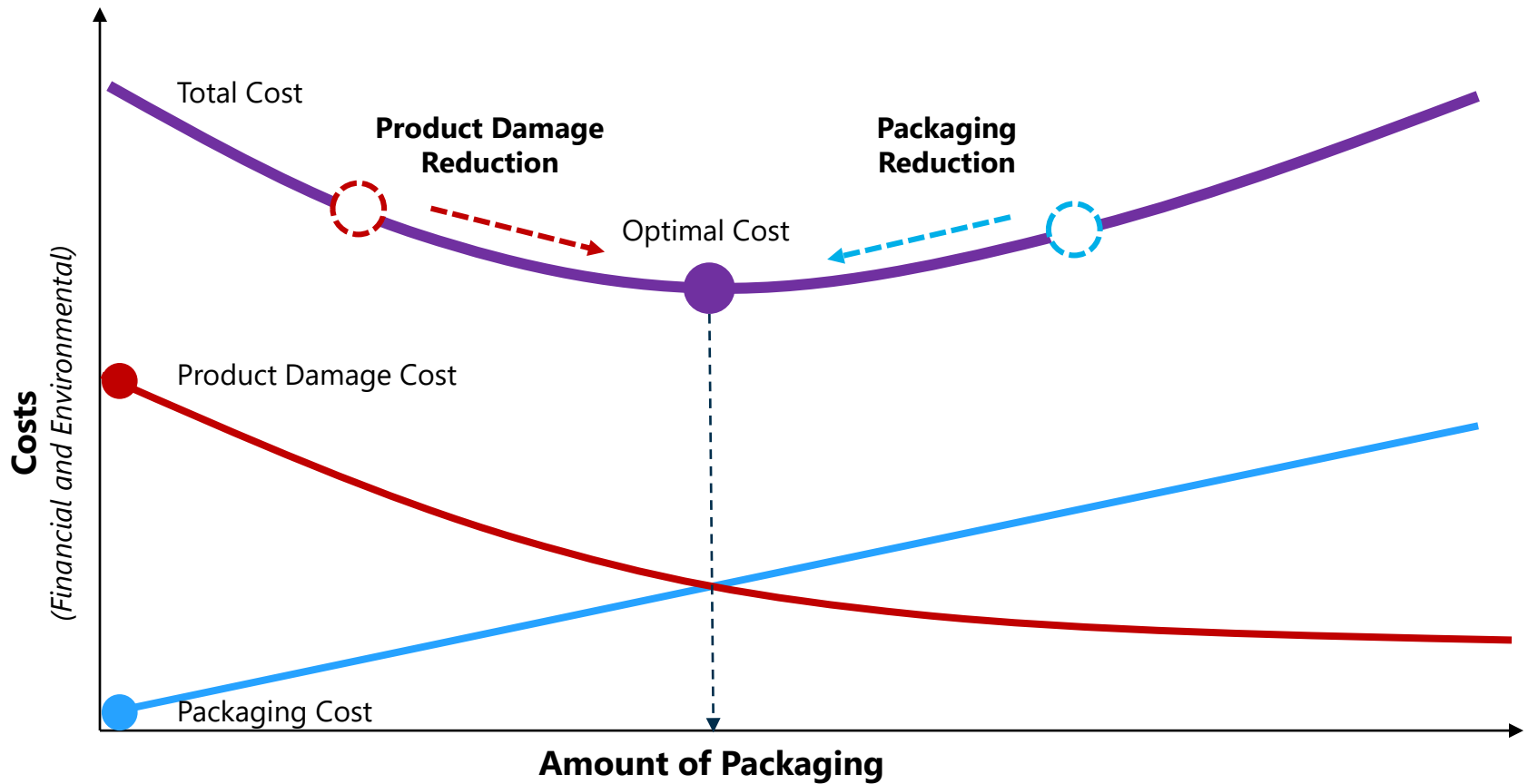
CHEP's Innovation Center provides Packaging Performance Testing solutions to simulate the life of a unit load



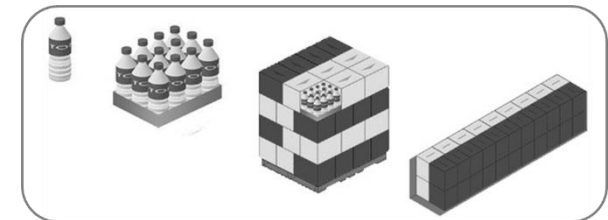
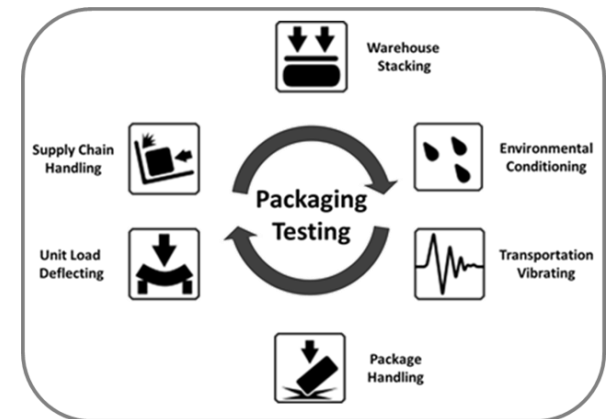
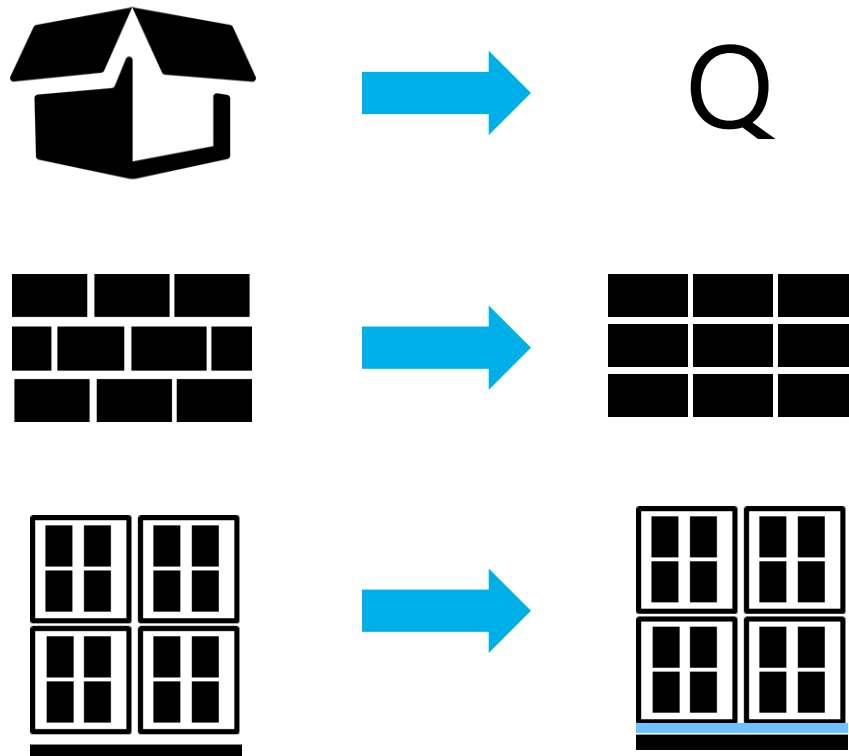
CHEP also provides Unit Load Optimization services to ensure the most efficient and stable loads possible



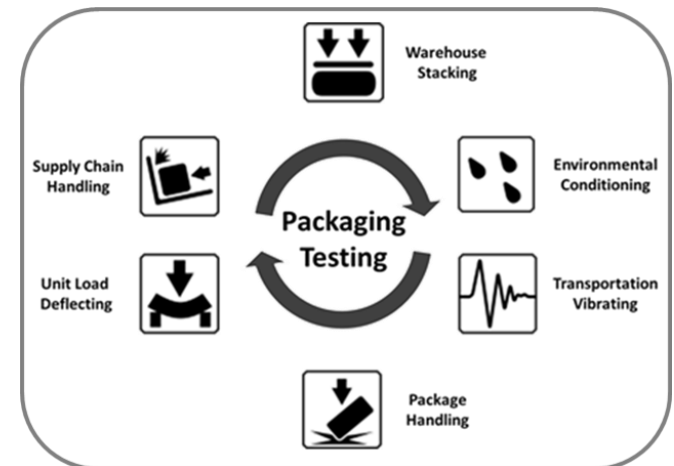
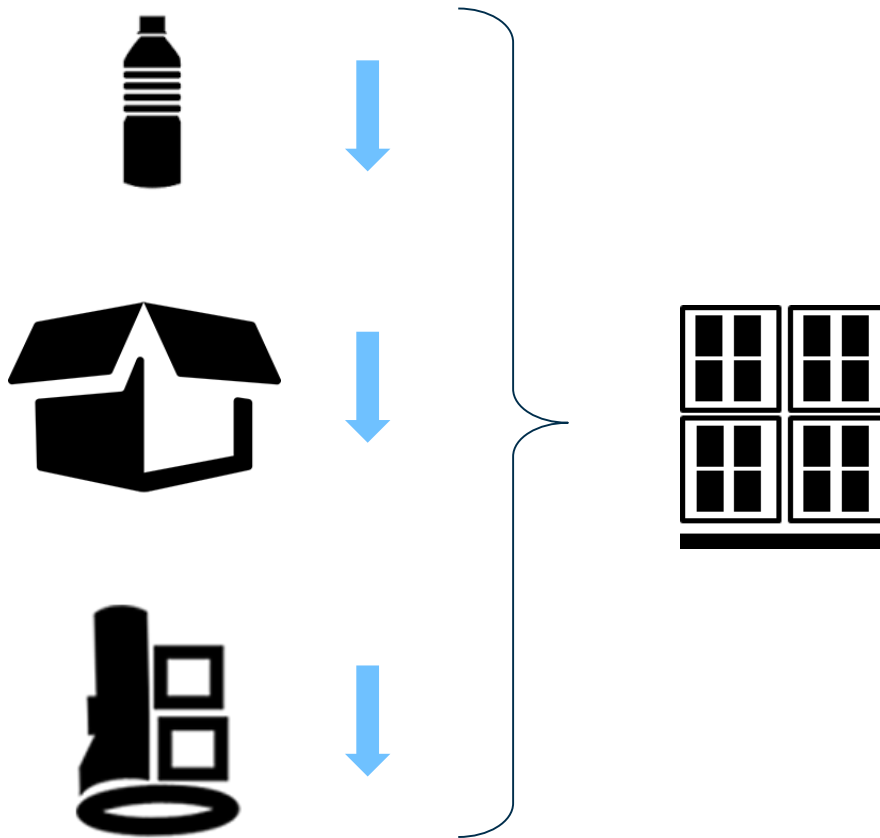
CHEP has extensive experience helping clients optimize packaging costs in both directions of the total cost curve



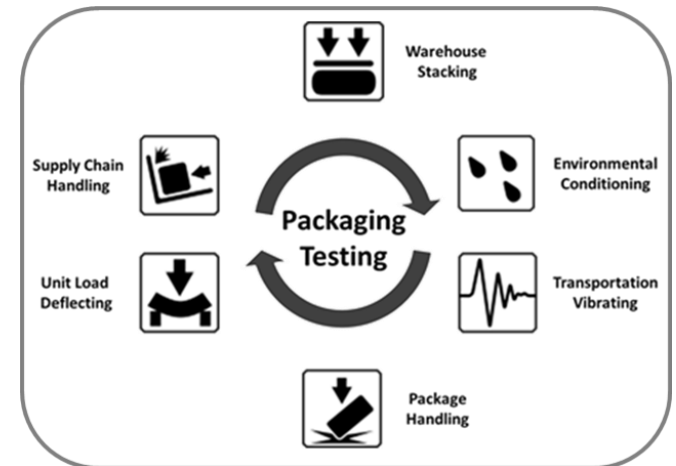
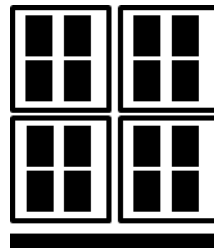
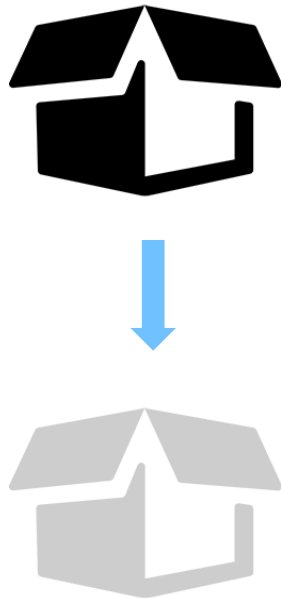
We are working with a large Canadian frozen food customer to reduce carton damage



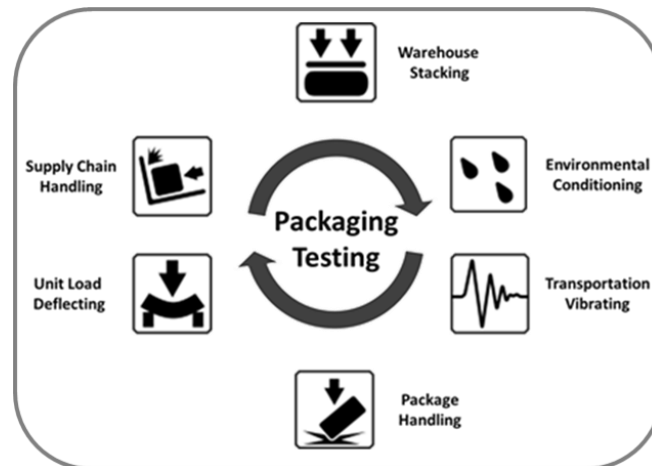
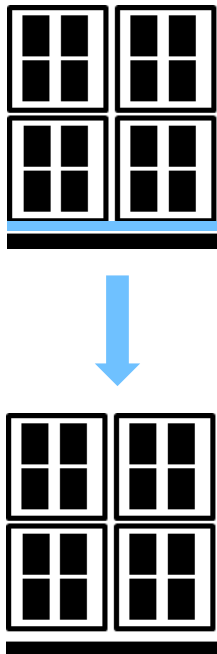
We saved a beverage company \$500,000 by helping them reduce packaging without increasing product damage



We saved a tissue manufacturer \$320,000 by helping them switch to recycled corrugated cardboard



We helped a private label manufacturer save \$200,000 by eliminating slip sheets



Our Packaging Performance Solutions have saved over \$1,000,000 for our customers for with return on investment of over 400%

CHEP
A Brambles Company

We helped a private label manufacturer save \$200,000 by eliminating slip sheets

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CHEP
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We saved a beverage company \$500,000 by helping them reduce packaging without increasing product damage

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**This is the
Supply Change.**

Learn more at booth E6808

Or at www.solutions.chep.com