### Closed pallet pools:

# **Environmentally and economically sustainable**





## What is closed pallet pooling?

Closed pooling is a collaborative and sustainable supply chain solution that saves users money, reduces risk, maximises use of supply chain resources, and minimises environmental impact.

It involves the shared use and reuse of a group (pool) of standard packaging items, unit load devices or handling assets; most commonly pallets.

The system for re-use is facilitated by a third party - a pooler - who owns the pallets or other reuseable assets and rents them to users. The pooler manages, tracks, and recovers the pallets or other reusable assets, and keeps the pool working, without the change of ownership of the packaging (as per Definition in Annex VI of the PPWR).

The closed pool system works particularly well where there are economies of scale, high user densities, and common standards (or at least fewer standards).

#### Closed pallet pooling in Europe

Closed wooden pallet pooling sits at the centre of European supply chains, particularly for fmcg/grocery, pharmaceutical, other retail, and industrial businesses.

Between them, closed pallet poolers are working with the world's top brand owners, and many local producers. They help deliver an incredible range of products to almost every European consumer.

#### A sustainable force for good

- Circular by design. Closed pooling is a circular economic model, based on reduced consumption, and increased reuse. It focuses on promote reusable, standardised packaging, while reducing single-use packaging and reducing waste.
- **Using sustainable sources.** Poolers aim to source 100% of their wood from Timber Chain of Custody (COC) certificated origins.
- Reducing emissions. Poolers constantly strive to reduce emissions of GHG, reducing and optimising transport, and utilising underused transport – collaborating across the supply chain.
- Reducing waste. Poolers operate to principles of recover, re-use, reduce and recycle.
  Compared with single use and other limited-use pallets, pallet pooling significantly reduces the use of materials by both pooler and customers in their supply chains.
  - Meanwhile, other types of wooden pallets (lower spec pallets or those without clear ownership and accountability) quickly end up as recyclable material rather than being reused.
- **Championing collaboration.** Poolers work with customers, suppliers, and other supply chain partners to deliver mutually beneficial, sustainable solutions. The emphasis is on developing smart solutions and working together to deliver cost reductions and lower emissions.





### Europe's largest poolers

The three largest European closed wooden pallet poolers are CHEP, IPP Pooling, and LPR (La Palette Rouge).

Between them, these business account for:

- More than 500 million assets worldwide
- · More than 15,000 staff worldwide
- · More than 1.5 billion euros rental revenue a year









### Benefits of closed pooling to users

Users of pool pallets or closed pooling systems can benefit from:

- · Lower capital expenditure compared to purchasing
- Reduced and predictable costs
- Specified quality
- Reduced loss of assets
- Flexibility: they only hire what they need, when they need it
- Lower use of natural resources and greenhouse gas emissions.

#### **Contact FEFPEB**

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