

Fully Automated Warehouse Debut for Fruits and Vegetables: Finnish Retailer SOK Relies on IFCO Reusable Plastic Crates

Pullach, 07. June 2018 – A unique logistics center belonging to SOK Corporation near Helsinki showcases as one of the world's first fully automated warehouse for fresh produce. In this system, SOK counts on reusable plastic containers (RPCs) by IFCO, the leading global provider of RPCs for fresh foods. In the fully automated system, IFCO RPCs show their true strengths.

Getting fresh fruit and vegetables from grower to grocer is a race against time. Often, only hours may pass between produce arriving at the distribution center and leaving again on its way to consumers. To make delivery fast, efficient, and cost-effective, Finland's largest retailer, SOK, opened a fully automated warehouse near Helsinki in mid-2017. Half of all of the groceries sold in the country go through this warehouse. To carry produce, SOK relies on reusable plastic containers (RPCs) from IFCO since they perfectly meet the requirements of automated systems.

The capacity of the automated warehouse now exceeds 1.2 million units per day and some 21,000 different articles shuttle through the system. Each month, more than a million IFCO RPCs carry 70 percent of all fresh produce and bread products through the warehouse. By mid-2019, Inex Oy, SOK's logistics subsidiary, plans to ship most of the fruit and vegetables with RPCs, reaching a volume of 15to 16 million IFCO RPCs per year.

RPC strengths: moisture-resistant, stackable, sturdy

"The customer wanted to avoid the tilting of crates in particular," explains IFCO CEO Wolfgang Orgeldinger. "It was clear to them from the start that they need a high percentage of plastic crates." Inside an automated warehouse, a complex system of conveyors, elevators, and layer pickers sort the produce, and efficiently allocate fruits and vegetables into shipments. This requires standardized, absolutely stable and stackable crates. The range of IFCO RPCs guarantee the same footprint and sturdy construction and provide secure stacking of various produce types – even under extreme conditions.

Inside a warehouse, the humidity can reach 80 percent, which does not affect the strength of IFCO RPCs. They are resistant to moisture, yet provide excellent ventilation. "Shape and stability of the crates are critical in automated system," says Mikko Kymäläinen, Logistics Manager at Inex Partners Oy – for his company, a primary reason for choosing IFCO RPCs. "If crates absorb moisture and get soft, they are impossible to handle via automation."

Humans handle the produce only once

When SOK began running out of warehouse space a decade ago and needed to expand capacity, they decided to turn to automation as a solution. In this way, retailers not only reduce costs. Their employees are better protected from accidents or strains. Automated warehouses offer a 'one touch' advantage. This means that humans only handle the produce during the initial quality control check. As the crates move through the system,



scanners read barcodes, noting the type of RPC and its contents. Automatic conveyor lines and elevators transport the fresh produce to pallets or roll cages. The sales units – individually selected – are then moved to the outfeed for loading to trucks.

Space-saving and hygienic - 60,000 crates a day returned

The warehouse also benefits from other advantages of IFCO RPCs: Reducing solid waste by more than 85 percent compared to disposable packaging. When empty, their low folded profile saves space in the warehouse and on transport pallets. This is how, with a minimum number of trucks, some 60,000 RPCs per day are sent from the warehouse to the IFCO service center. There, the RPCs are inspected and cleaned according to the applicable hygiene regulations to make them ready for the next cycle. This pooling principle is a win-win-situation for all parties involved: They save money and reduce their environmental footprint.

Close cooperation with IFCO from the start

One factor that contributed to the successful launch was the close cooperation between SOK and IFCO during the design of the warehouse conveyors. Design engineers of Inex tested extensively how to transport the crates as efficiently as possible. "Our customer chose a specific material because it moved most smoothly along the conveyors," points out IFCO CEO Orgeldinger. "In a project of this size, cooperation, dialogue, and trust are essential. Logistics manager at Inex Oy Mikko Kymäläinen praises the collaboration with the RPC global market leader: "IFCO is always there for us."

About IFCO

IFCO is the leading global provider of reusable packaging solutions for fresh foods, serving customers in 50+ countries. IFCO operates a pool of over 290 million Reusable Plastic Containers (RPCs) globally, which are used for over 1.4 billion shipments of fresh fruits and vegetables, meat, poultry, seafood, eggs, bread, and other items from suppliers to grocery retailers every year. IFCO RPCs ensure a better fresh food supply chain by protecting freshness and quality and lowering costs, food waste and environmental impact compared to single-use packaging. IFCO is a Brambles Company. More: <u>www.ifco.com</u>.

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