

UPM



ABOUT UPM

UPM-Kymmene Corporation – commonly known as UPM – is one of the world's leading manufacturers of pulp, paper and timber products, and an emerging force in the production of advanced biofuels. Finnish-owned, UPM has production plants in 16 countries and employs over 24,000 people worldwide. The company is listed on the NASDAQ OMX Helsinki stock exchange, and has annual sales of over £10bn worldwide.

The largest of UPM's three production plants in the UK is in Shotton, North East Wales. UPM Shotton employs around 350 staff and annually produces approximately half a million tonnes of materials, from recycled paper to timber, pulp and plywood products. UPM also operates a biomass-fuelled renewable energy plant at Shotton and in 2011 opened a materials recycling facility (MRF) on the site, which sorts commingled waste products for recycling.

THE UPM CHALLENGE

Environmental sustainability is difficult to achieve for any major manufacturer. For a company whose business is forestry and the production of paper products, the challenge is all the more acute. Yet UPM has forged a reputation as one of the global forerunners of sustainability and green innovation, laying down a new template of best practice for businesses striving to reconcile resource-heavy manufacturing with green policies and practices.

At its paper mill in Shotton, UPM has invested heavily in the facilities and infrastructure needed to make the plant as efficient and 'green' as possible – from using state-of-the-art machinery that limits waste energy through to the building of its £59m biomass facility. But with well over one million tonnes of materials being transported to and from the site each year, it is the transport side of the business that poses one of UPM's biggest sustainability challenges.

Supplier Manager Jim Jack explains:

"The logistics operation for Shotton is far more than simply getting products to our customers' print sites. We need to collect sorted recyclates for return to the plant, bring biomass and woodchip fuel to the biomass plant from various suppliers, and now also collect commingled materials to be sorted at the materials recycling facility.

"This is a hugely complex operation and we need logistics partners who can fulfil our requirements, and those of our customers, with minimum miles wasted and as little empty running as possible."

"Our success with Downton at Shotton is proof of the benefits of developing a long-standing relationship with a partner that you trust."

Jim Jack
Supplier Manager, UPM

THE DOWNTON SOLUTION

Downton has been working with UPM for over a decade and in 2011 signed a contract with UPM to become the logistics partner for the Shotton paper mill for the next five years.

We deliver
the difference

"No miles are wasted, and vehicles are very rarely driven anywhere empty."

"If we have a suggestion for how they can improve their services to us, they will bend over backwards to make sure it happens. If they have an idea that we can improve certain parts of our logistics operations, they'll tell us. It's a mutually beneficial partnership where nothing is off limits."

"They are willing to do anything to help us to meet our own targets as a business."

Faced with the challenge posed by the Shotton site's complex and growing logistics needs, Downton found new ways to increase supply chain efficiency and eliminate waste across the business. Their solutions weren't complicated, says Jim Jack, but they have transformed the flow of raw materials and products to and from Shotton plant, which has yielded remarkable improvements in efficiency:

"Downton and UPM Logistics Sourcing collectively analysed every traffic flow in and out of the Shotton site, identifying where journeys could be combined to reduce 'wasted miles'. If a delivery of outgoing reels was made to a customer site in the North of England, for example, Downton would look to collect recyclates from a local council site, or purchase woodchip for the biomass plant from a nearby manufacturer."

This smart working and use of intelligent procurement, while simple in principle, has reduced empty running of UPM transport vehicles from 32% to 12% – an improvement that has obvious and significant benefits in minimising the expense and carbon impact of UPM's UK operations.

DOWNTON DRIVING INNOVATION

When Downton initially sought to implement this overhaul of transport flows, Health and Safety Executive (HSE) guidelines stated that walking floor trailers – trailers with moving conveyor belt-flooring, used for transporting loose recycled paper – could not be used to move restrained loads.

Recognising that changing these guidelines could unlock greater efficiencies for UPM Shotton, Downton worked closely with the HSE laboratory and the logistics team at UPM to prove that restrained loads could be safely transported in walking floor trailers. As a result, the HSE was able to change its guidelines to allow paper reels to be carried in the same trailers as loose recycled paper. This led to a dramatic improvement in load efficiency across UPM's Shotton operation.

Downton has also played a major role in bringing new products to market for UPM. When the Plywood division of UPM developed a new type of trailer flooring – which instead of steel crossbars uses plywood chemically bonded to the trailer chassis – Downton committed to building an early prototype of the trailer and introducing it into its fleet. Having

worked closely with UPM to assess the new trailer's performance and found significant benefits in weight reduction and improved manoeuvrability, Downton committed to rolling out 100 of these trailers into its fleet on a permanent basis.

WHY DOWNTON?

According to Jim Jack, this exemplifies the nature of UPM's relationship with Downton, where every decision is made with the mutual benefit of both parties in mind:

"Nothing is off limits with Downton. If we have a suggestion for how they can improve their services to us, they'll make sure it happens. If they have an idea to improve certain parts of our logistics operations, they'll tell us – and they will do whatever they can to help us implement it."

"When we made it clear, for example, that reducing vehicle emissions was one of our top priorities, Downton invested significant resource to purchase a number of new dual fuel vehicles, which immediately reduced the carbon impact of the fleet. Put simply, they are willing to do anything to help us to meet our own targets as a business."

It's not just in its fleet and equipment that Downton commits to supporting the customer. When UPM wanted to find the most efficient way to return recyclates from its customer, Prinovis, Downton stationed 15 members of staff at Prinovis' Liverpool site to sort viable recyclates from other waste material. As well as reducing pressure on the materials recycling facility at Shotton, this significantly reduced the volume of materials being transported back to Shotton from Liverpool, reducing mileage and limiting carbon impact for UPM.

Jim Jack concludes that it is this 'can do' attitude that sets Downton apart from the competition and delivers real value to UPM:

"They've worked tirelessly to service our needs, and to proactively seek out new ways in which we can make our businesses more profitable."

"When a service provider goes above and beyond to the extent that Downton have, you know you've got a long-term partner that you can trust. We hope the partnership continues for a long time into the future."



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