Der Verpackungsmarkt im Wandel – mit Zuversicht in die Zukunft
The FUTURE Art of Packaging

Thomas Reiner | Melle | 06 June 2019
Game Change

Circular Economy

Digital Transformation

Culture
Circular Economy
1. People will no longer accept the environmental damages
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Circular Economy

1. People will no longer accept the environmental damages
2. NGOs will redefine the plastics economy
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- 8% Cascaded recycling
- 4% Process losses
- 2% Closed-loop recycling
- 14% Collected for recycling
- 14% Incineration and/or energy recovery
- 40% Landfilled
- 32% Leakage
- 98% Virgin feedstock
- 78 mio. tonnes (annual production)

Leakage: 78 mio. tonnes (annual production)

2. NGOs will redefine the plastics economy


1. Create an effective after-use plastics economy

- Reuse
- Recycling
- Radically improved economics & quality

2. Drastically reduce the leakage of plastics into natural systems and other negative externalities
- Design & production
- Use
- AD and/or composting
- Energy recovery
- Leakage

3. Decouple plastics from fossil feedstocks
- Other material streams
- Renewably sourced feedstock
- Radically improved economics & quality

Circular Economy

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2. NGOs will redefine the plastics economy
3. **Legal activities will increase**
3. Legal activities will increase

Estimated number of new regulations on single-use plastics entering into force at national level worldwide

3. Example: Maharashtra Plastic Ban
Tetra Pak & multi-level laminates under scanner, India

- State government focuses on tetra-pals and multi-level laminates (used to package liquids, chips and snacks)
- Mandatory for producers to collect and recycle this used packaging material
- Producers will get three months to set up a collection and recycling apparatus for these products that are more harmful to the environment than normal plastic

https://m-hindustantimes-cdn.cdn.ampproject.org/c/s/m.hindustantimes.com/mumbai-news/tetra-multi-layered-packaging-next-on-maharashtra-s-plastic-ban-list/story-Dd8gfSihovXRYyjutCQUXK_amp.html provided by Ralf Hildenbrand
3. Example: EU

EU Circular Economy Package: Objectives

2 objectives which go hand-in-hand

Use resources in a smarter, more sustainable way by keeping them in use for as long as possible, extracting their maximum value and recovering and regenerating materials at the end of life.

Boost global competitiveness, foster sustainable economic growth and generate new jobs.

Source: EUROPEN, The EU Circular Economy Package Opportunities and challenges for the packaging supply chain in Europe, Milano May 2018
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**European plastics demand 2015**

<table>
<thead>
<tr>
<th>Category</th>
<th>Mio. tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>49</td>
</tr>
<tr>
<td>Building &amp; construction</td>
<td>19.7%</td>
</tr>
<tr>
<td>Automotive</td>
<td>8.9%</td>
</tr>
<tr>
<td>Electronics</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

**EU plastic waste generation 2015**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>59%</td>
</tr>
<tr>
<td>Electrical/electronic equipment</td>
<td>8%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5%</td>
</tr>
<tr>
<td>Automotive</td>
<td>5%</td>
</tr>
<tr>
<td>Construction and demolition</td>
<td>5%</td>
</tr>
<tr>
<td>Non packaging household</td>
<td>4%</td>
</tr>
<tr>
<td>Others</td>
<td>14%</td>
</tr>
</tbody>
</table>

**500,000 tonnes of plastic in the oceans**

= 66,000 Rubbish trucks

Source: In the style of "A European Strategy for Plastics in a Circular Economy", European Commission, Brussels, 16.01.2018; Plastics Europe (2016) EU-28, Norway and Switzerland; Eunomia, 2017

www.bp-group.de
Circular Economy

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5. **Retailers will drive the change**
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**LIDL plans to reduce plastic waste by 2025**

- Reduction of plastic consumption in Germany by at least 20%  
- 50% recycled materials within own-brand packaging  
- 100% recyclability of its entire plastic packaging for its own brands

*Source: Lidl*
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6. **Brand owners will join the movement**
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**Nestlé**
- New packaging has an improved environmental profile
  
- Use of renewable raw materials
  
- 100% refillable, reusable, recyclable or compostable

**Procter & Gamble (P&G)**
- 20% reduction per consumer use
  
- Ensuring 90% is recyclable
  
- Doubling use of recycled resin

**PepsiCo**
- 2025: 100% recyclable, compostable or biodegradable
  
- Reduce carbon impact
  
- Increase recycling rates
  
- Increase recycled materials

**Coca-Cola**
- End of 2018: Every tea bag in the PG Tips range made of new plant-based material
  
- 2020: 75% recovery/recycling rate in developed markets
  
- Up to 30% plant-based material in all PET bottles
  
- 2025: 100% of other primary packaging materials (cartons & pouches) in Europe are recyclable and compatible with local recovery infrastructure
  
- Significant increase of smaller convenient packages of 250ml or less in Europe
  
- 50% recycled PET of purchased PET

**L’Oréal**
- New packaging has an improved environmental profile
  
- Use of renewable raw materials
  
- 100% refillable, reusable, recyclable or compostable

**Mondelēz International**
- Elimination of 65,000 tons of packaging material (vs 2013)
  
- Use of recycled paper or paper from verified non-deforested sources
  
- 20% increase of individually wrapped control options

**Colgate-Palmolive**
- 2020: Increase recyclability
  
- Increase sustainability (environmental impact, design for reuse, material reduction, minimize weight, supporting recycling systems)
  
- 50% increased recycled content
  
- Exiting PVC

**Beiersdorf**
- 2020: Switch to global sustainable paper and board packaging

**Ferrero**
- 2020: 10% increase of packaging from renewable instead of fossil sources (vs 2009)

**Mars, Incorporated**
- Recycling programs for all Mars drinks technologies
  
- 100% of pulp and paper-based packaging from certified, verified or recycled sources
  
- 25% reduction of carbon footprint of Freshpacks and KLIX cups (vs 2015)
  
- Introducing a more environmentally-friendly Freshpack across the portfolio
  
- 100% recyclability

XX = plastic packaging

Sources: presentation, interviews and websites of brandowners
6. Brand owner Reality 2018

Importance of packaging trends today

Source: Berndt+Partner Consultants Brand owner survey 2018; Region Europe, FMCG-Markets, participants: more than 120 Packaging buyer and Packaging decision maker from FMCG-companies all over Europe
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<th>Source: Siegwerk</th>
</tr>
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<tbody>
<tr>
<td><strong>IK Germany</strong></td>
</tr>
<tr>
<td>− Round Table Eco Design of Plastic Packaging</td>
</tr>
<tr>
<td>− Guideline in test phase</td>
</tr>
<tr>
<td><strong>ZSVR</strong></td>
</tr>
<tr>
<td>− Foundation &quot;Zentrale Stelle Verpackungsregister&quot;/UBA</td>
</tr>
<tr>
<td>− Guideline on the assessment of the recyclability of packaging</td>
</tr>
<tr>
<td>− Draft status</td>
</tr>
<tr>
<td><strong>Cyclos-HTP</strong></td>
</tr>
<tr>
<td>− Institute cyclos-HTP</td>
</tr>
<tr>
<td>− Verification and examination of recyclability</td>
</tr>
<tr>
<td>− Guideline available</td>
</tr>
<tr>
<td><strong>EMF</strong></td>
</tr>
<tr>
<td>− Ellen MacArthur Foundation</td>
</tr>
<tr>
<td>− Design for Recyclability Guidelines for Plastic-Based Flexible Barrier Packaging</td>
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<tr>
<td>− Guideline not yet published</td>
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Packaging platforms

Recycling platforms

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Source: http://drinkfact.com/#lemon-lime
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10. The whole value chain will have to contribute
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In October 2018 more than 275 brands, retailers, recyclers, governments and NGOs are announcing a shared vision to close the loop on plastic pollution.

Targets:

- Eliminate problematic or unnecessary plastic packaging and move from single-use to reuse packaging models
- Innovate to ensure 100% of plastic packaging can be easily and safely reused, recycled, or composted by 2025
- Circulate the plastic produced, by significantly increasing the amounts of plastics reused or recycled and made into new packaging or products

Source: https://www.greenerpackage.com/waste_reduction/new_plastics_economy_global_commitment_draws_line_sand
Digitalization

- (Digital) Platform economy + E-Commerce
- Digital packaging supply chain
- Smart packaging
- E-Commerce Packaging
1. The market will switch from supply to demand driven
2. Consumers will no longer suffer from shopping torture
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Source: https://born2invest.com/articles/important-sun-art-retail-alibaba/how-important-is-sun-art-retail-to-alibaba-1/
Video: https://www.youtube.com/watch?v=BVqtLgr3Ojo
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6. **Packaging design will dramatically lose relevance**
7. **Less packaging because of less food loss (waste)**
8. **Workflows / Manufacturing sites will be fully automated**
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Source: ESKO at AIPIA CONFERENCE 2017 – digital penetration by industry; packaging relaunch time-to-market reality and expectations

- **CPG is lagging behind**
  - Consumer packaged goods: 31%
  - Automotive and assembly: 32%
  - Financial services: 39%
  - Professional services: 42%
  - Telecom: 44%
  - Travel, transport and logistics: 44%
  - Healthcare systems and services: 51%
  - High tech: 54%
  - Retail: 55%
  - Media & entertainment: 62%

- **Poor agility is the price we have to pay**
  - Reality: 198 days
  - CMO perception: 90 days
  - CMO aspiration: 30 days
  - Consumer expectation: 1 day

Source: ESKO at AIPIA CONFERENCE 2017 – digital penetration by industry; packaging relaunch time-to-market reality and expectations
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9. Platforms will dominate the whole value chain
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1. High fragmentation/fragmentation on supply and demand side

2. High capital commitment in production plants (machinery) with low capacity utilization

3. High lack of transparency

Source: https://www.amazon.de/dp/1472480244/ref=asc_df_147248024458062981
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12 Film structures cover almost every food application!

5 Mono-Material Systems will cover almost every food application!

Thinking circular, Borealis launches EverMinds™: a new communication platform dedicated to circular economy solutions

Quelle: https://epacflexibles.com/services/
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The question is not if, but when and how
Culture
Agility

"The purest form of madness is to leave everything as it is and hope that something will change at the same time."
Culture – Time to take the next step

From operations and sales | ... to strategic marketing

1. From product development | ... to service and process innovation

2. From design for recycling | ... to sustainability management

3. From social media and e-commerce | ... to digitally transformed business

4. From mechanistic organization | ... to organic organization

5. From Human Resource | ... to talent management
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