

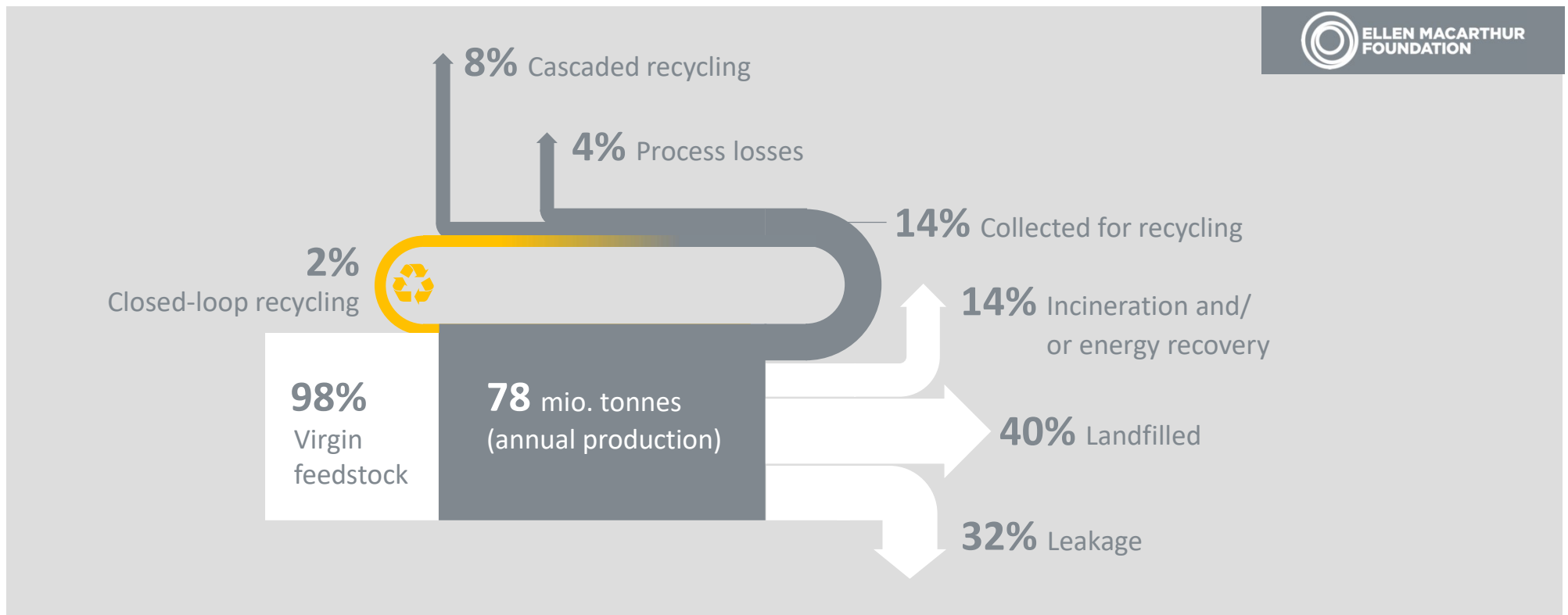
Die Verpackungsindustrie am Wendepunkt.

Thomas Reiner, B+P Group | FFI Jubiläum - Friedrichsruhe | 12. May, 2023

SUSTAINABILITY

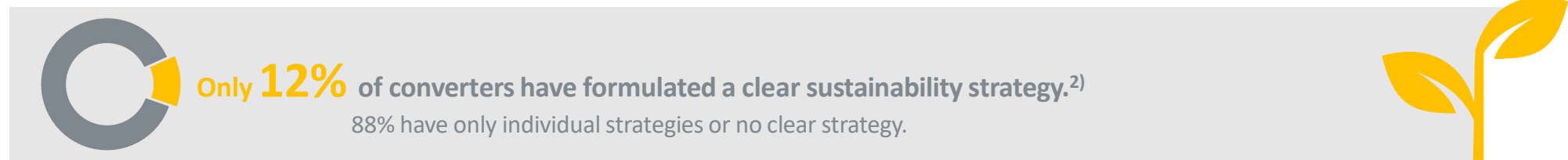
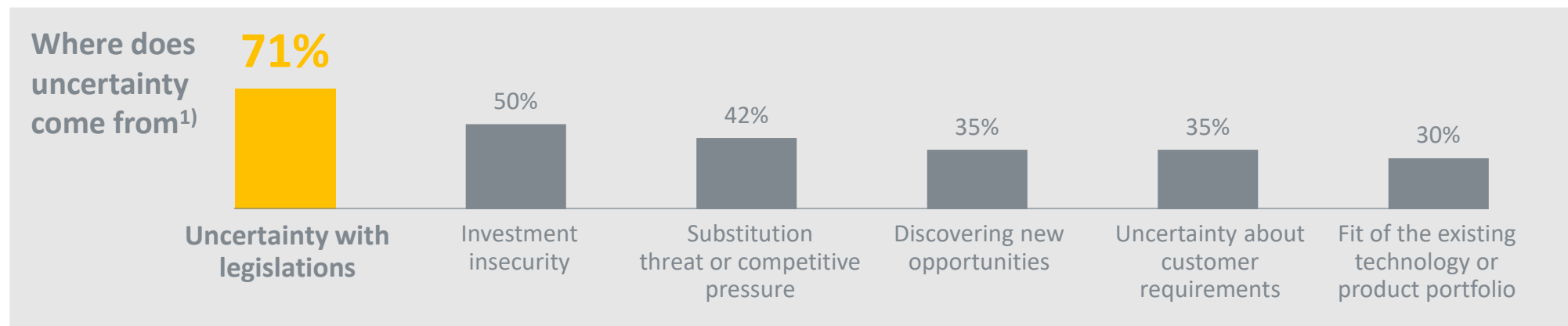


What we have faced in 2019.



Source: Ellen MacArthur Foundation

Converters are in deep waters.



Source: 1) B+P Consultants (2021); 2) <https://www.verpackungswirtschaft.de/news/maerkte/Stimmungsbarometer-unter-Fuehrungskraefte-Verpackungsbranche-Digitaler-Aufschwung-durch-die-Krise-21269> (Simon Kucher Befragung, 2020) www.bp-group.de

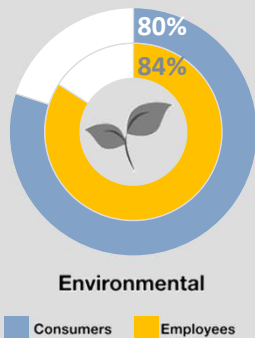
Sustainability presents the industry's biggest growth opportunity in decades – companies must seize it now.



Sustainability attracts talents

(Potential-) Employees demand high ESG standards.

I am more likely to buy from/work for a company that stands up for ...



Q: Please indicate how much you agree or disagree with the following statements.
Consumers (n=5,005) | Employees (n=2,510)
Source: PwC Consumer Intelligence Series June 2, 2021

Sustainability wins customers

Global brands make an EcoVadis and/or a Sedex rating a prerequisite for supplier relationships.

ecovadis

EcoVadis sustainability assessment methodology is at the heart of Ratings and Scorecards and is an evaluation of how well a company has integrated the principles of Sustainability/CSR into their business and management system.



Sustainability creates value

Companies that integrate social impact into their business increase their share price by up to

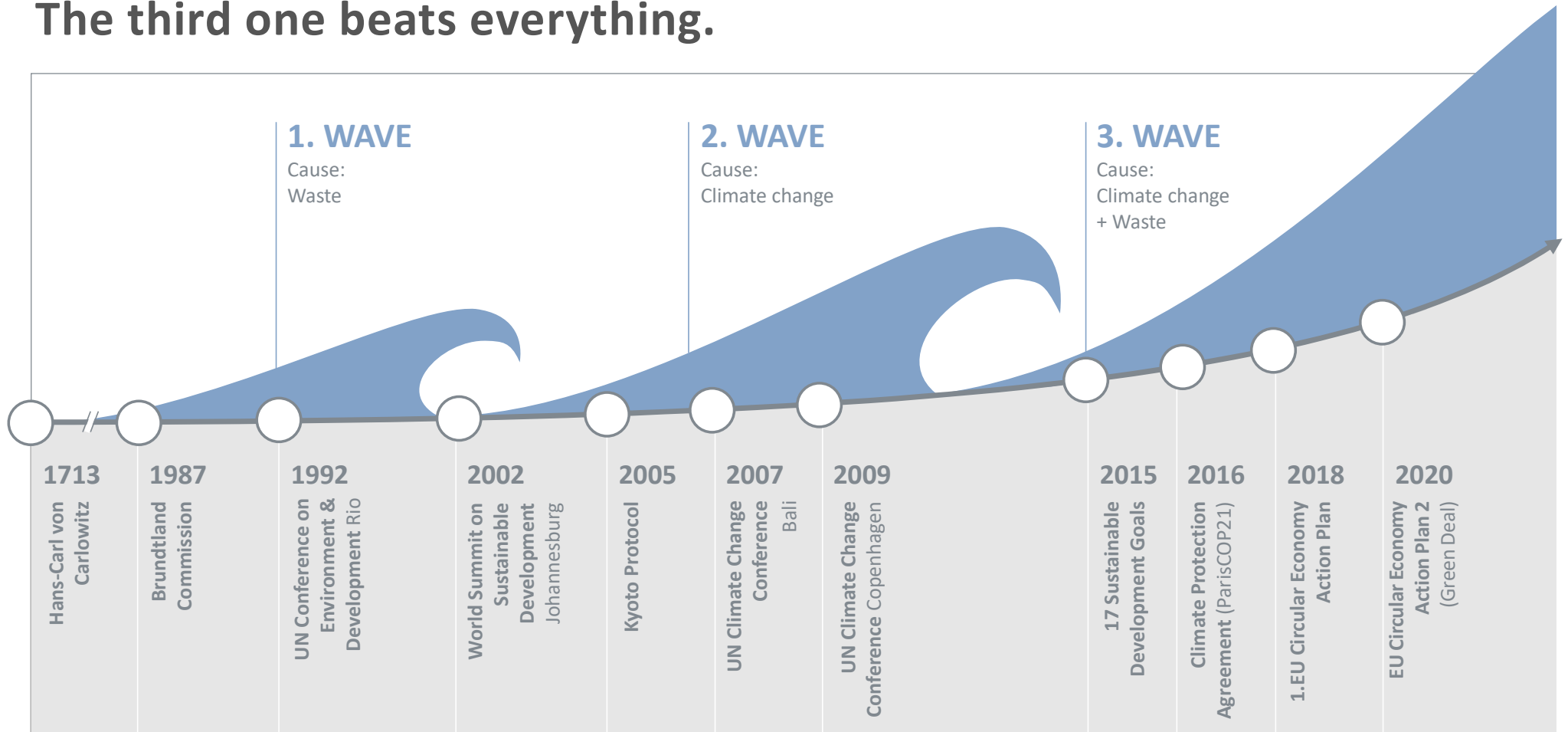


S&P 500 corporations that actively manage and plan for climate change secure an



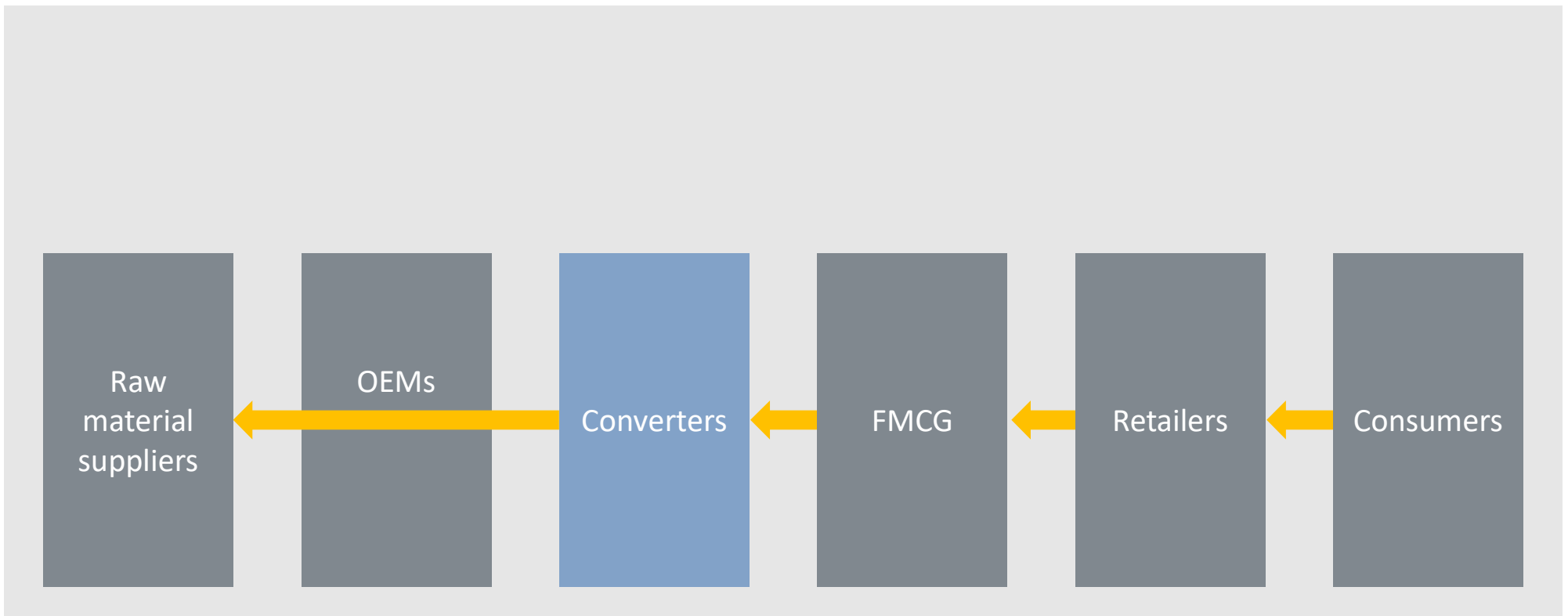
higher ROI than companies that don't.

Sustainability makes waves. The third one beats everything.



Source: B+P Consultants (2021)

Thinking backwards: The market dynamics at work in the packaging value chain.



The consumer no longer looks away.



Source: Google Trends (2021)

Picture: "Our house is on Fire' Greta Thunberg - Melbourne climate strike - IMG_4181" by John Englart (Takver) is licensed under CC BY-SA 2.0

Picture: <https://www.facebook.com/ferdifuchs.stockmeyer/photos/a.1337273799734741/3650952988366799/>

Innovation is not an individual battle, but intelligent team play.



Retailers also fight for their image and set the pace.

B⊕P

The advertisement features a large '100%' where the '0's are filled with a green forest texture. Three plastic bottles (Solvita, Saskia, and Bevaya) are placed in front of the '0's. Below the '100%' is the text 'AUS ALTEN FLASCHEN GEMACHT*' and 'SO GEHT RECYCLING' with a green arrow pointing right. The Lidl logo and 'Lidl lohnt sich' are in the top right. A 'RE set PLASTIC' logo and 'REDUZIEREN UND RECYCELN. Unsere Plastikstrategie. lidl.de/plastik' are in the bottom right.

100%

AUS ALTEN FLASCHEN GEMACHT*

SO GEHT RECYCLING

*100% Rezyklat, außer Deckel und Etikett

LIDL
Lidl lohnt sich

RE set PLASTIC
REDUZIEREN UND RECYCELN.
Unsere Plastikstrategie.
lidl.de/plastik

Source: Video: <https://www.youtube.com/watch?v=Ehha8wXMDqY>

Picture: Lidl

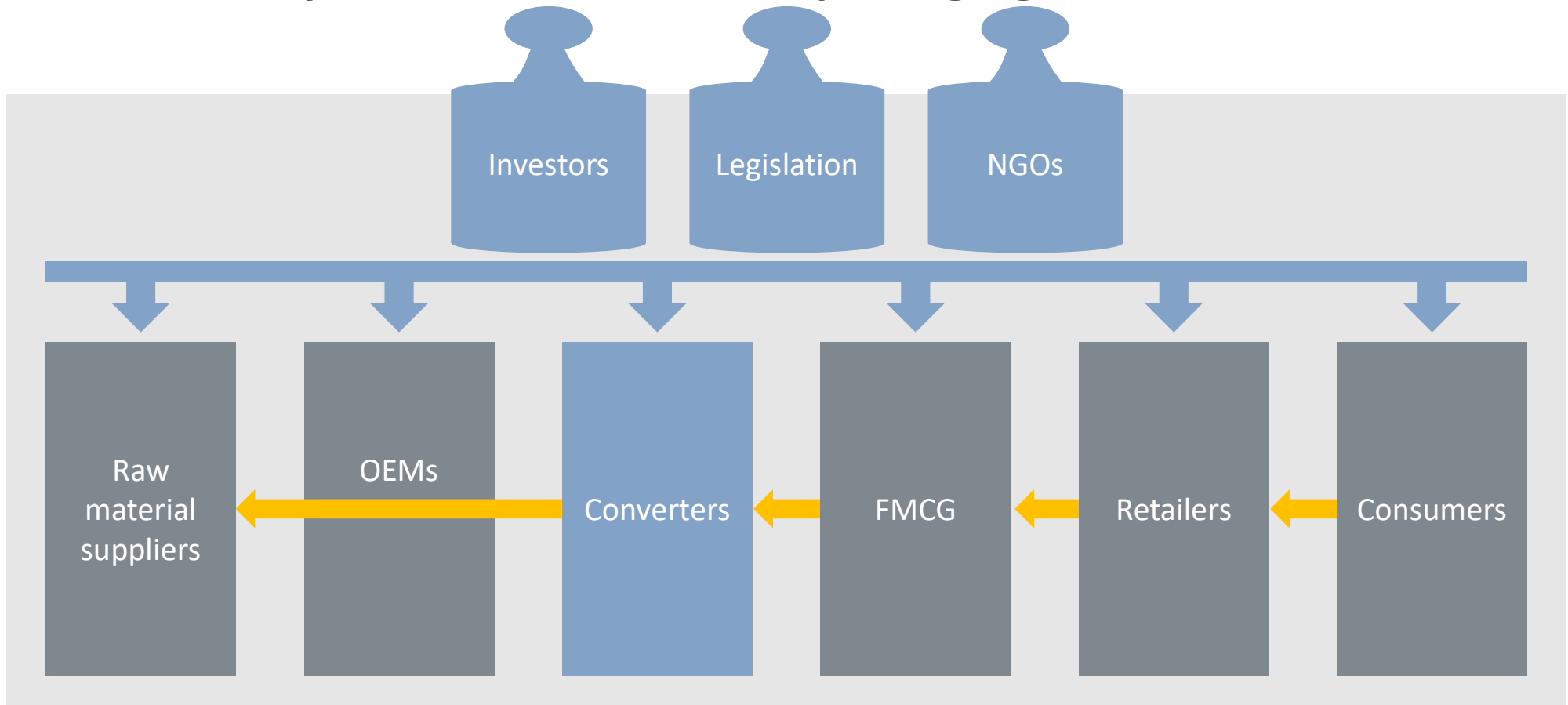
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Brand owners must deliver brand promises.



Source: BMW: <https://www.press.bmwgroup.com/deutschland/photo/compilation/T0320230DE/nextgen-2020>

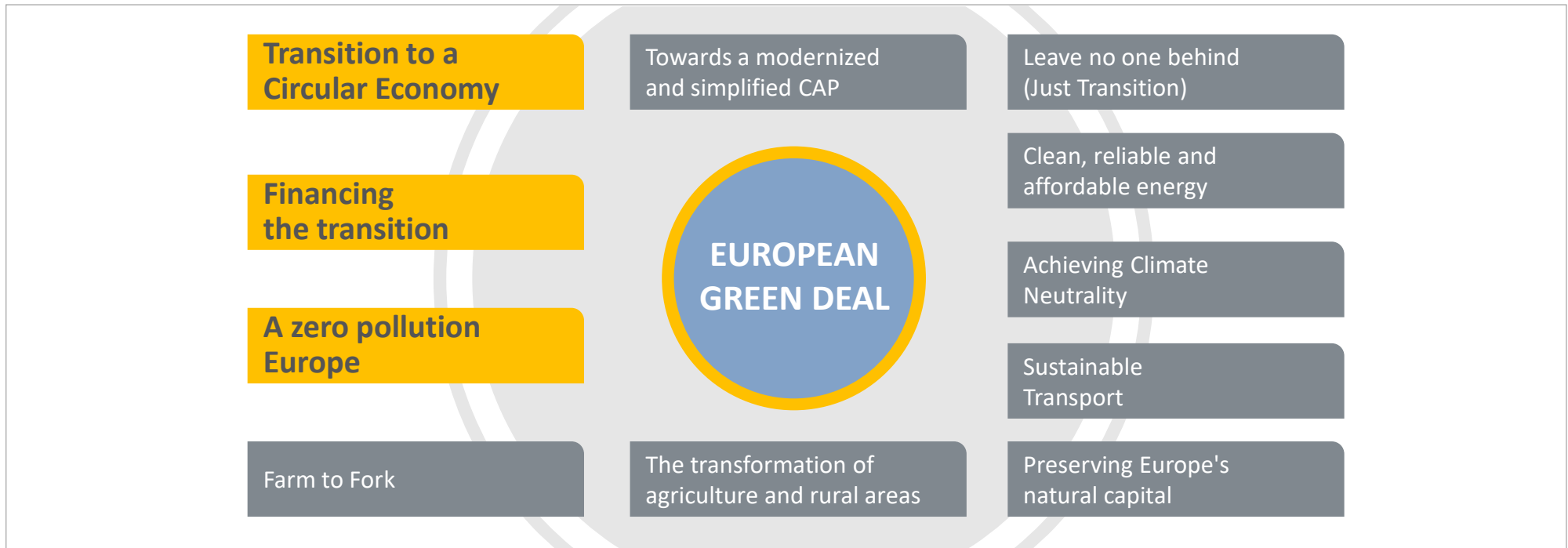
Thinking backwards: The market dynamics at work in the packaging value chain.



The Green Deal is a revolution for Europe and makes sustainability an institution.



LEGISLATION IS RUNNING NON-STOP AND EVEN SPEEDING UP.



Source: Illustration based on <https://s3.eu-central-1.amazonaws.com/euobs-media/f59cee8cc40a6681861979f55c9a96a0.jpg>

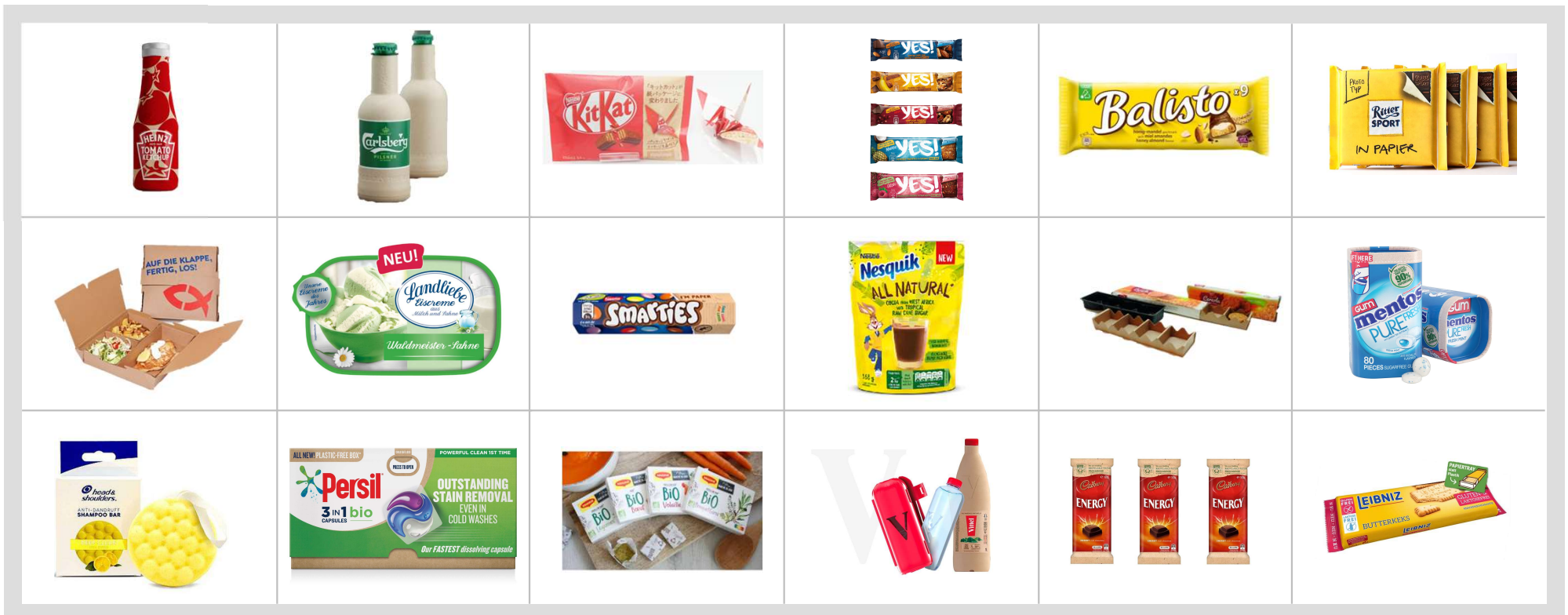
NGOs amplify visibility and set frameworks.



NGOs both amplify visibility and set stringent frameworks.



Paperisation



Upfield – Paper-based Packaging



OUR COMMITMENTS

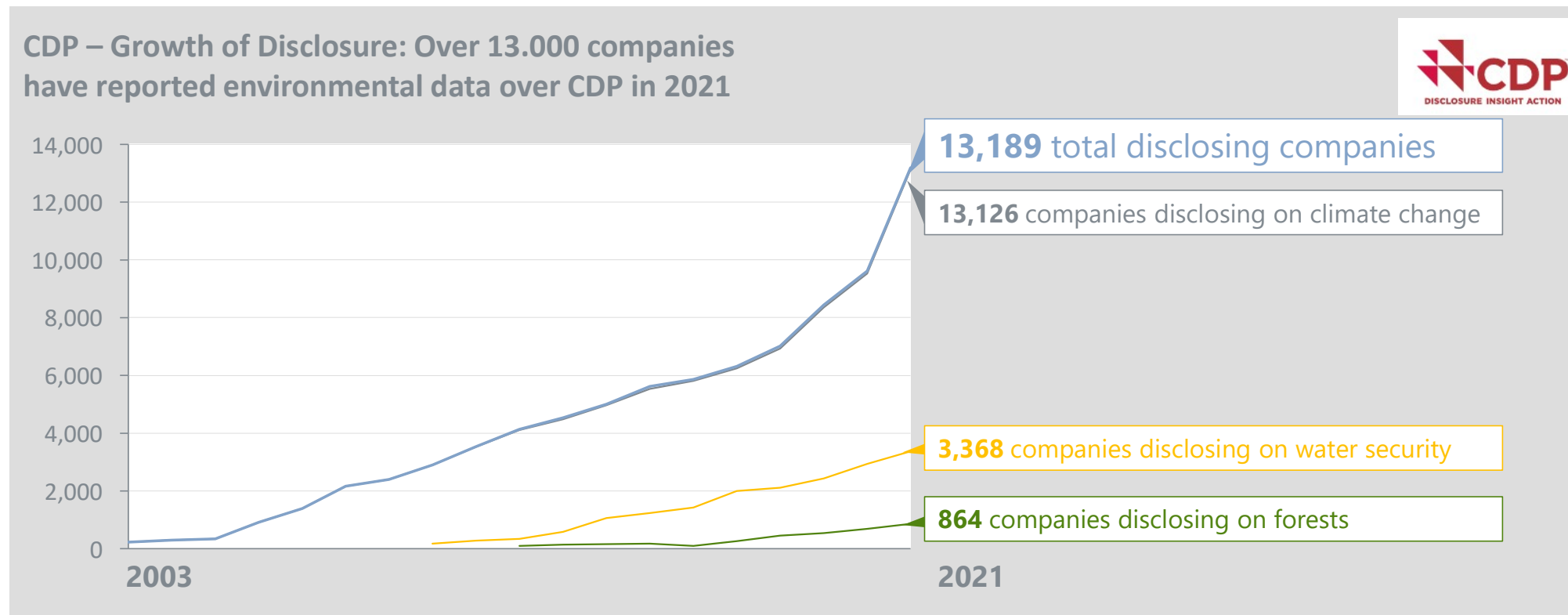
Our Plastic Free & Better Packaging Policy outlines our Commitment to meet consumer, stakeholders', and our Associates' expectations in relation to packaging, which includes:

1. Upfield will innovate to **eliminate** plastic packaging with an ambition for all our packaging formats to be **plastic free** by the end of 2025.
2. We will choose alternative solutions that **reduce the climate impact** of our packaging footprint, **increase** our use of **renewable materials (non-food source)**, and **maximise recycled content**.
3. Upfield will **design** packaging to enable **recycling, reuse or composting** and clearly **label** packaging to encourage responsible treatment after use.
4. We will continue to source our packaging from suppliers who meet our responsible sourcing policies with 100% of our virgin paper coming from suppliers who have **FSC or PEFC** certification.
5. We will collaborate with industry and government partners, and advocate for effective **recycling, material recovery** and **composting** solutions for our packaging formats.

Our Plastic Free & Better Packaging Policy (hereafter the Policy) articulates how our company will achieve these goals.



Climate will take the lead.



Source: <https://www.cdp.net/en/companies/companies-scores>

Consumers will focus on climate.



An advertisement for Climate neutral products. On the left, the Climate neutral logo is shown with the text 'Climate neutral Product' and the URL 'ClimatePartner.com/14843-2012-1001'. A QR code is positioned to the right of the text. On the right side, two bags of Katjes are displayed. The top bag is green and yellow, labeled 'Katjes TAPPS' and features a panda illustration. The bottom bag is pink and purple, labeled 'Katjes GRÜN-OHR HASE' and features a rabbit illustration. Both bags have a 'Climate neutral Product' label at the top and a 'VEGETARISCH' label at the bottom. The background is a solid pink color.

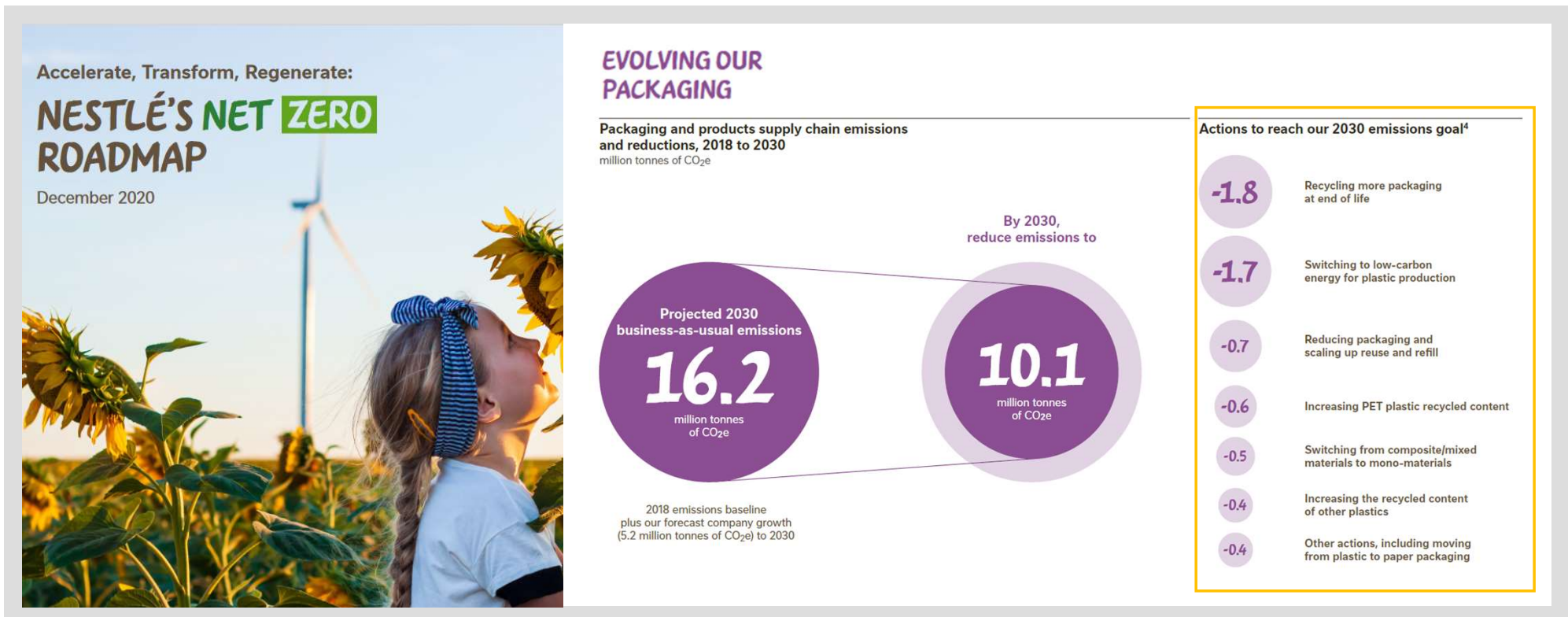
Quelle: <https://www.katjes.com/mission-en/resources>

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Multinational B2C Companies are committed to NET ZERO.



No matter, in which industry the packaging ends up ... the Scope 1&2 emissions of your company are somewhere in the supply chain of a BtC company under Scope 3 emissions.



Source: Nestle's Net Zero Roadmap

How long will waste and climate stand alone?



Waste



Climate



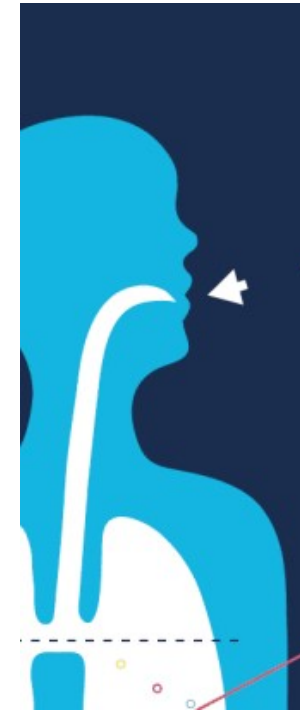
Exploitation



LCA



Health



Resources



Key questions



How will legislation develop?

- Acceptance of chemical recycling
- Increase of plastic tax
- Specification for composite

How long will investments take to upscale technology (money + realization)?

- Paper capacities and barrier properties for "plain" paper
- Sorting, collecting and recycling technologies for plastics
- Filling equipment

Is "Paper" the next to blame?

- Overflowing paper garbage cans
- Deforestation
- Energy and water impacts

Is growth of population and wealth feasible without flexibles?





DIGITALIZATION

E-Commerce, social media, automation – and much more!



70%

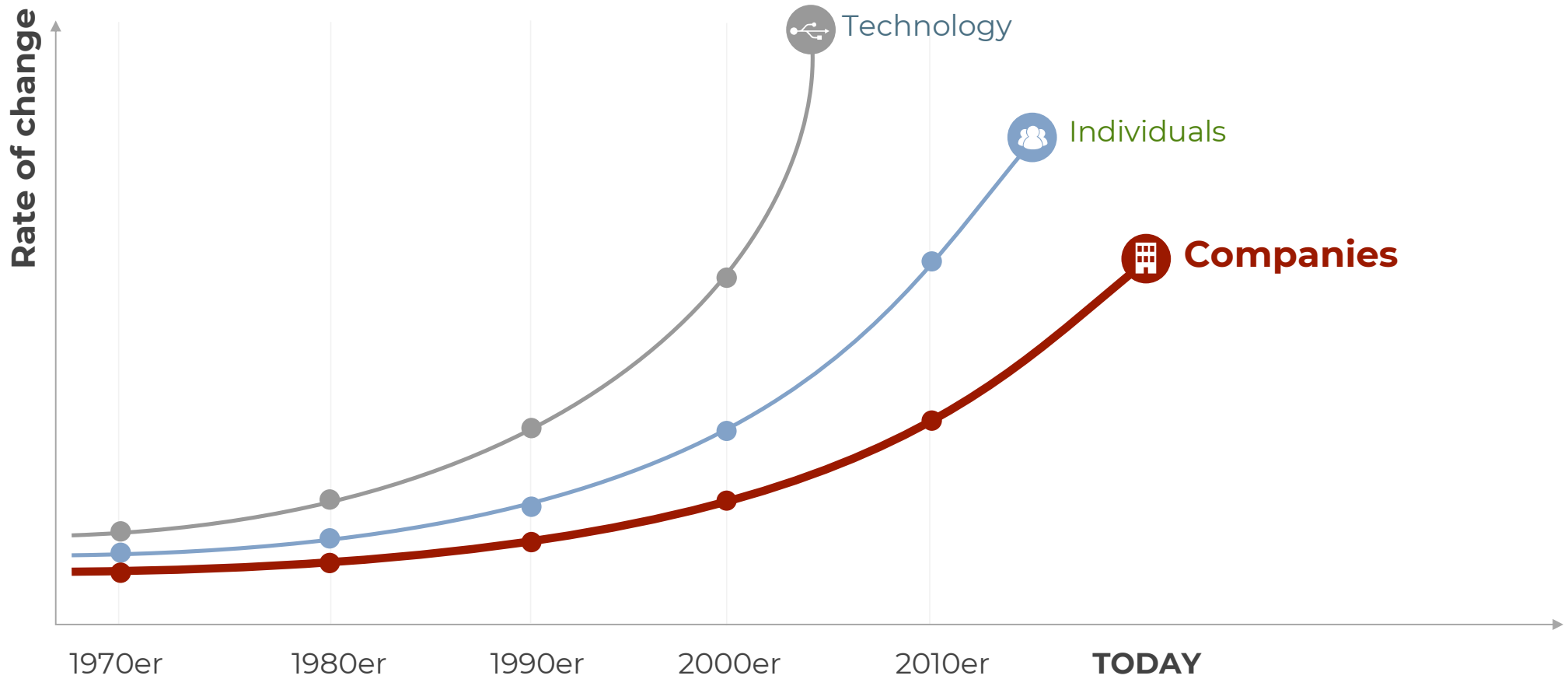
of US branded companies
already design their packaging
to be suitable for e-commerce



Source: <https://www.amcor.com/about/media-centre/blogs/ecommerce-ready-packaging-challenges-and-opportunities>

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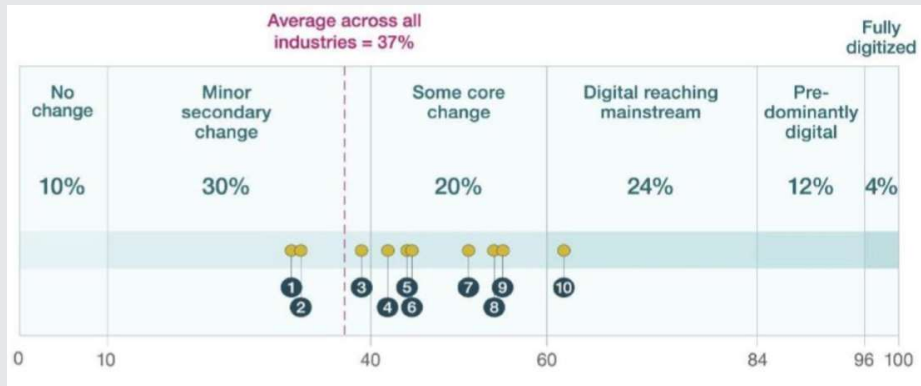
We need to close the gap.



Time to Market is key.

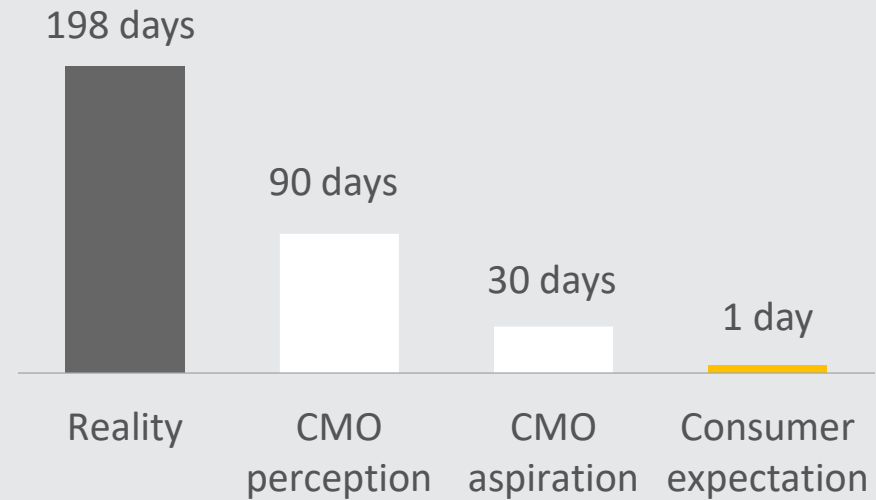


CPG is lagging behind



- | | |
|-------------------------------|---------------------------------------|
| ① Consumer packaged goods 31% | ⑥ Travel, transport and logistics 44% |
| ② Automotive and assembly 32% | ⑦ Healthcare systems and services 51% |
| ③ Financial services 39% | ⑧ High tech 54% |
| ④ Professional services 42% | ⑨ Retail 55% |
| ⑤ Telecom 44% | ⑩ Media & entertainment 62% |

Poor agility is the price we have to pay



Source: ESKO at AIPIA CONFERENCE 2017 – digital penetration by industry; packaging relaunch time-to-market reality and expectations

We need to rethink business models.

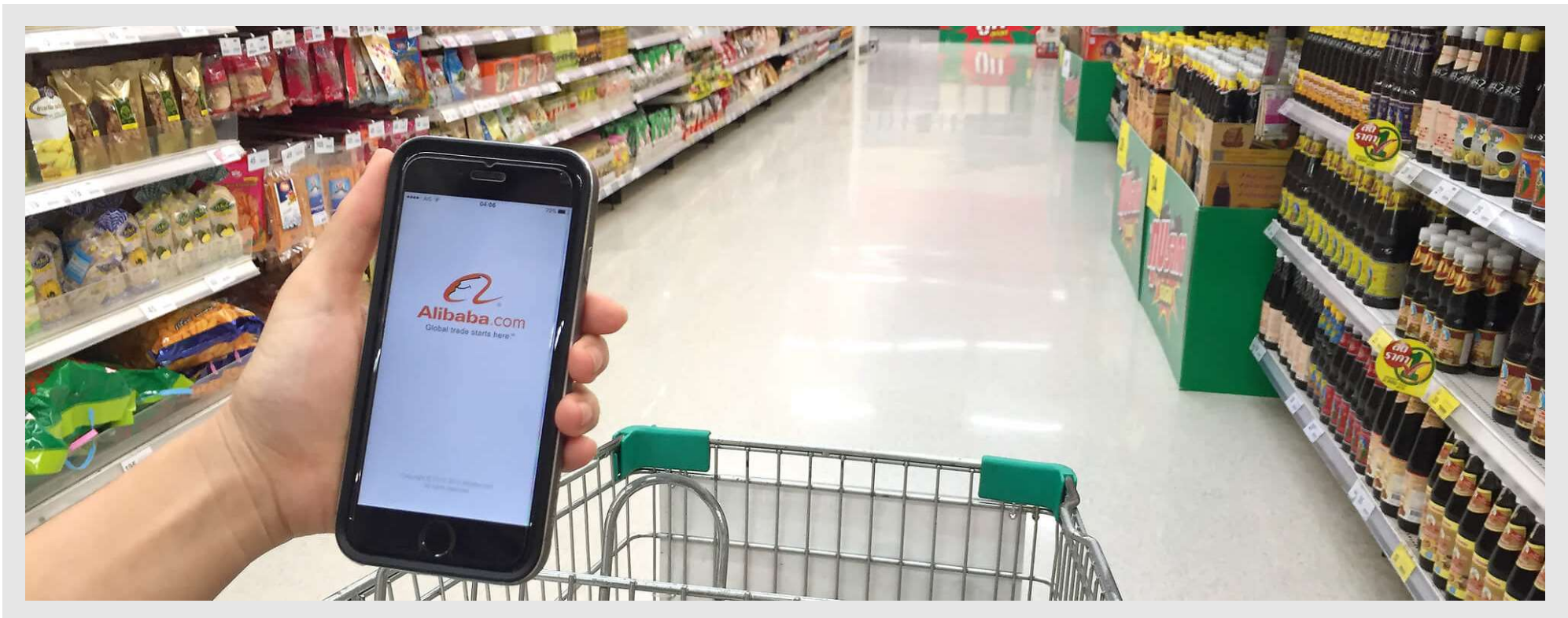


The image shows a screenshot of the epac flexible packaging website. At the top left is the epac logo, with 'epac' in a colorful font and 'flexible packaging' in a smaller, black font below it. To the right of the logo is a navigation menu with the following items: HOME, ABOUT, OUR CUSTOMERS, MARKETS, SERVICES, FAQs, NEWS, LOCATIONS, and CONTACT. Below the navigation menu is a large hero image featuring a group of diverse people looking at their smartphones. Overlaid on this image is the text 'Digital Flexible Packaging' in a large, white, sans-serif font. Below this, in a smaller white font, is the text 'Fast time to market. Low minimum orders. Incredible graphics quality.' At the bottom of the hero image, in a white font, is the text 'The future of packaging is now!'.

Source: <https://epacflexibles.com/services/>

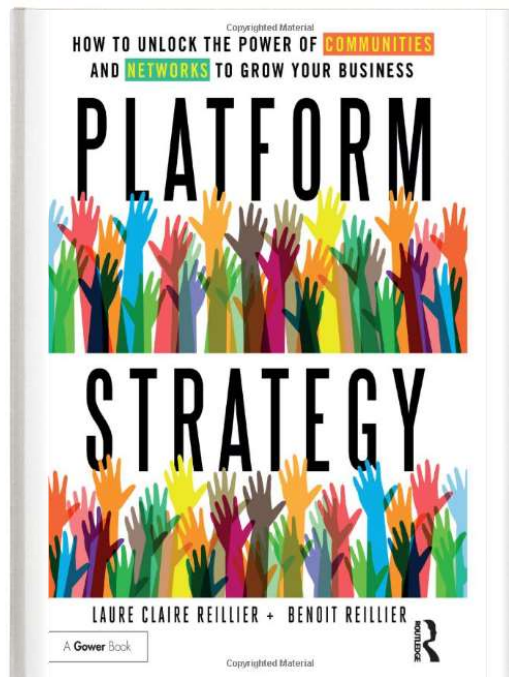
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Market shifts from Supply Driven to Demand Driven.



Source: <https://born2invest.com/articles/important-sun-art-retail-alibaba/how-important-is-sun-art-retail-to-alibaba-1/>;
<https://cn-en.kantar.com/business/retail/2017/hema-in-the-spotlight/>
Video: <https://www.youtube.com/watch?v=8VqtLgr3Oj0>

Platforms will conquer the world



Laure Claire
Reillier



Benoit
Reillier

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

We need massive standardization



10 specifications
to cover almost the entire product range

850 specifications
normally required

SÜDPACK

Folienauswahl Anwendungsfälle Musterbestellung Kontakt

In wenigen
Schritten zu Ihrer
bedruckten Folie!

- ✓ Ideal für Kleinauflagen
- ✓ Expresslieferung
- ✓ Individuelle Aufträge

Profi - Einstieg



Jetzt starten

Source: <https://suedpack.com/shop/#>

www.bp-group.de

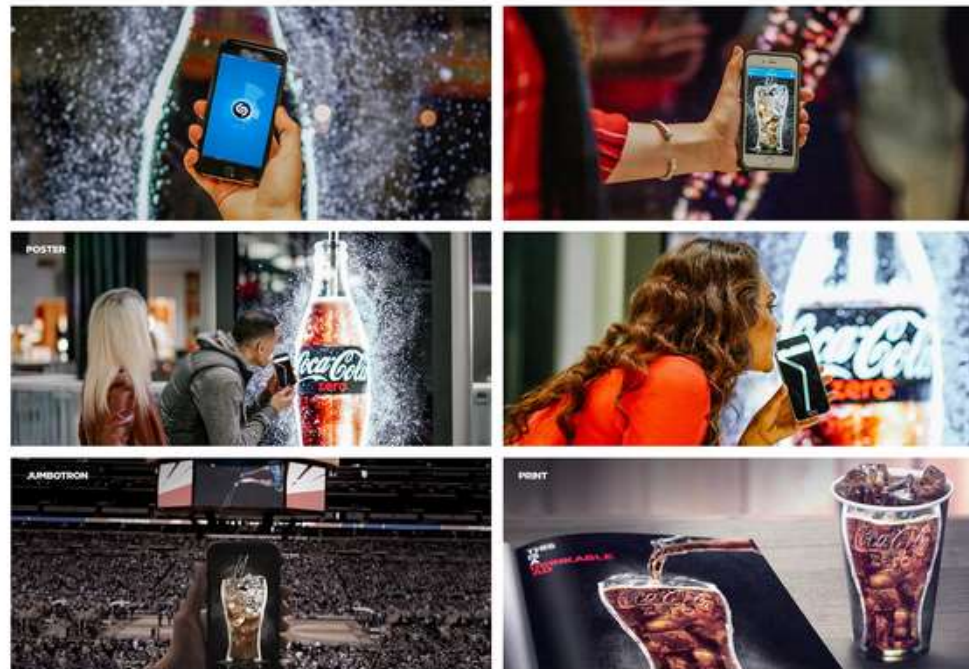
Packaging will become a media platform



Source: https://www.youtube.com/watch?time_continue=2&v=Pdz0-9if7XI

Packaging will become a media platform

Example: Coca-Cola - drinkable advertisement (IoP)





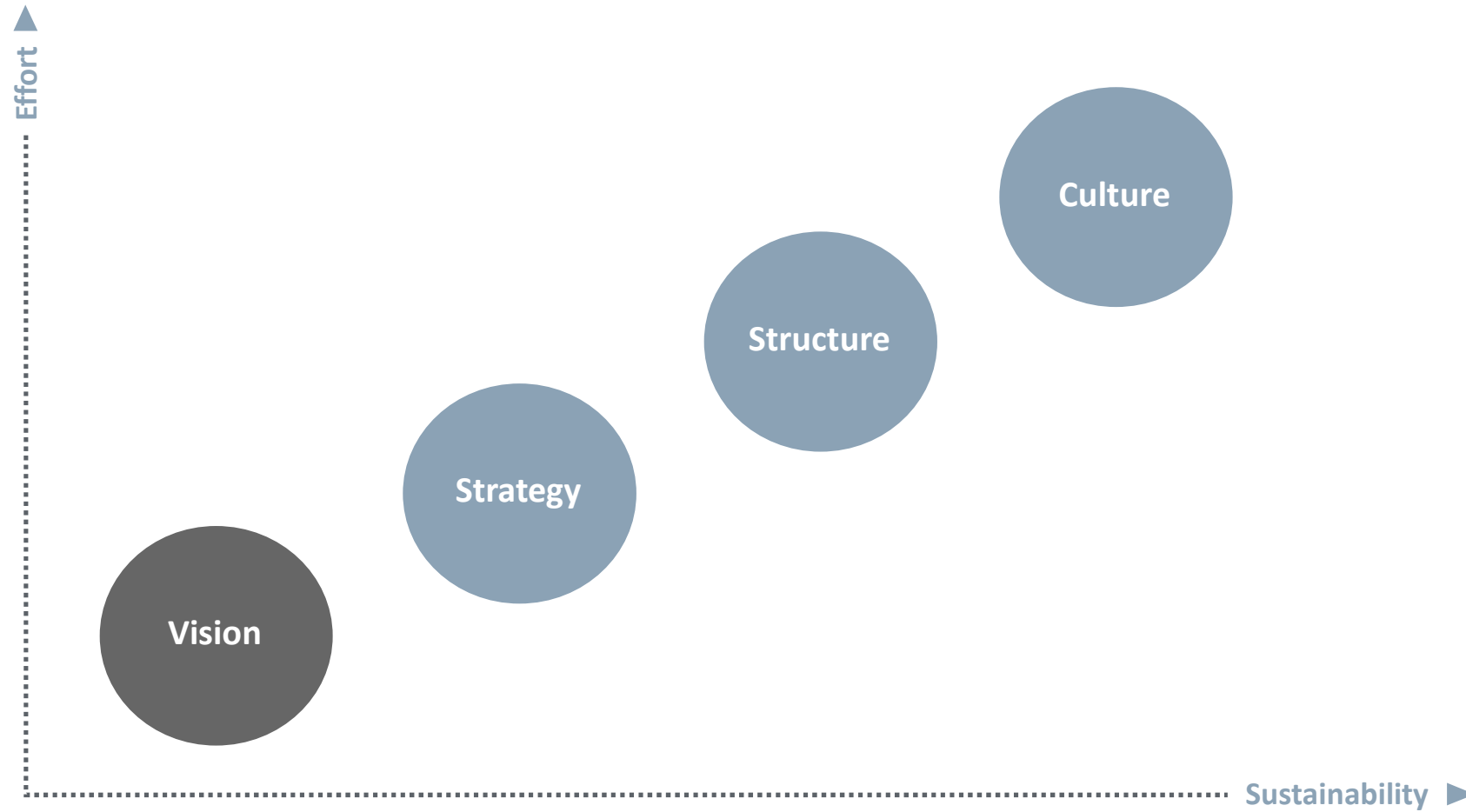
CONCLUSIONS

CHANGE

A portrait of Albert Einstein with his characteristic wild white hair and mustache, looking slightly to the left. He is wearing a light-colored sweater over a collared shirt. The background is a dark chalkboard filled with various mathematical equations and diagrams, including the equation $E=mc^2$ and some German text.

*„The purest form of madness
is to leave everything as it is
and hope that something will
change at the same time.“*

Urgent need of change



**"If everything seems
under control,
you're not going
fast enough"**

Mario Andretti





B ⊕ P