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Sustainable packaging solutions require collaboration across the supply chain

# **REthinking packaging during a global pandemic**

Düsseldorf – 2020 may be in the rearview mirror, but the impact of the global pandemic on the packaging industry is continuing. The past year has shown how important packaging is in keeping essentials items like food and medicines fresh and safe, and the role sustainability plays is being reemphasized and redefined. According to a McKinsey & Company report, "Packaging-sustainability goals have not been abandoned by leading fast-moving consumer goods (FMCG) companies and retailers, which remain committed to achieving high recyclability across their packaging portfolio over the long term."<sup>1</sup>

Achieving these goals requires the effort of the entire packaging value chain. During the first fully digital Henkel Packaging Adhesives Sustainability Forum, industry experts representing the entire value chain discussed the challenges and opportunities when it comes to sustainable packaging.

"Now – perhaps, more than ever – our industry is in the spotlight. It's clear that we have a serious responsibility to do our part to ensure a sustainable future," said Tilo Quink, Global Head of Henkel Packaging Adhesives. "This is truly a task for the entire value chain – from raw material suppliers to machine manufacturers, converters, brand owners, retailers and recyclers. We all must work together with the common goal of driving sustainability."

# Thinking of the end at the beginning

To make a tangible shift, the entire packaging value chain must work together, starting from the way packaging is designed and manufactured and with the end-of-life scenario considered from the beginning.

"We need to redesign multiple-material flexible packaging towards mono-materials with existing recycling streams wherever possible – and develop the capabilities to sort and recycle any remaining materials," explained Graham Houlder, Project Coordinator, CEFLEX, collaborative initiative of a European consortium of companies representing the entire value



chain of flexible packaging. In addition, it is crucial to invest further in infrastructure that enables the collection, sorting and recycling so that a sustainable business scenario for all stakeholders is realized.

Companies such as EREMA Group GmbH, which is leading in developing and manufacturing plastics recycling equipment and system components, will prove key to these recycling streams and to developing the ability to return high-quality materials to the loop.

"EREMA is developing its plants and equipment so that raw materials have optimized natural color, the lowest possible defect levels, and neutralized odor. These aspects ultimately ensure it is cost-effective in high quality packaging," explained Clemens Kitzberger, Business Development Manager Post Consumer at the Austria-based company.

# Legislation as a key driver

The future of packaging is also heavily influenced by legislation and regulatory frameworks that keep evolving at rapid pace, particularly in Europe. "The 'Single Use Products Directive' in the EU is the beginning of a whole wave of new regulatory activities that are going to help shape the markets for both single use and re-usable items in the future," said Eamonn Bates, Director of 360° Foodservice, a collaborative platform for sustainable service of food and drinks in Europe. "This includes new measures to prevent packaging waste and higher mandatory recycling targets for packaging,"

As a global leader for packaging adhesives, Henkel has anticipated these developments and believes in the necessity to drive change within the industry. This can only be achieved through close collaboration with industry partners which was the motivation to bring together partners from the entire value chain. From raw material suppliers to packaging producers and converters, brand owners and recyclers, Henkel's Sustainability Forum enabled key industry stakeholders to engage in a digital dialog. The event proactively fueled discussion of key applications including flexible packaging, paper solutions, food and beverage packaging, and tapes and labels.

## The importance of sustainable raw materials

As a raw materials supplier, Borealis has made sustainability and specifically the circular economy a cornerstone of their strategy. Trevor Davis, head of the company's Marketing Consumer Products division, explained: "Borealis has a defined view of how a circular system should work that represents a partnership across the value chain. We start with looking to renewable options for feedstock and working to minimize CO<sub>2</sub> from our own operations to keep our footprint as small as possible."

## Setting the framework for a circular economy

With events like the Sustainability Forum, Henkel underlines its ongoing effort to drive knowledge transfer, collaboration and partnership within the industry. "In the last few years, we have seen a huge increase in citizens expressing their intent to reduce their plastic consumption and switching to alternatives as a response to still low recycling rates of plastics today. At the same time, a wave of change and innovation towards a true circular economy for plastic packaging is underway, building on the contributions of all stakeholders from material producers all the way to recyclers," says Dennis Bankmann, Henkel Senior Manager for Circular Economy.

<sup>1</sup> Beyond COVID-19: The next normal for packaging design; McKinsey & Company, July 2020

#### About Henkel

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2019, Henkel reported sales of more than 20 billion euros and adjusted operating profit of more than 3.2 billion euros. Henkel employs more than 52,000 people globally – a passionate and highly diverse team, united by a strong company culture, a common purpose to create sustainable value, and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index DAX. For more information, please visit <u>www.henkel.com</u>.

#### Photo material is available at www.henkel.com/press

| Contact: | Oliver Jüntgen             |
|----------|----------------------------|
| E-Mail:  | oliver.juentgen@henkel.com |

Press office: Vincent Zimmermann E-Mail: henkel.adhesive-technologies@emanatepr.com

Henkel AG & Co. KGaA

### The following multimedia material is available:

Video recap of the Forum: https://youtu.be/E4v6Yi6ETTQ



The virtual Sustainability Forum took place in November 2020 and attracted 2,000 visitors from more than 700 companies. The next edition is in planning for late 2021.



The Forum was made up of a two-day conference program with networking and exhibitions.