

Supporting Narrative For Corrugated of Course Benefits Presentation

Slide 1:

What brings economic benefits, protects products as they journey through the supply chain and is made entirely from renewable resources?

Slide 2: Corrugated of Course!

We will present to you some **cool facts** about the benefits brought to producers, retailers, consumers and society by Corrugated Packaging.

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Firstly we'll cover the Economic benefits and you will see that Corrugated Packaging:

- Maximises value for customers, retailers and consumers.
- Drives costs out of the supply chain.
- Plays an important role in the wider European economy.

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68% of consumers make their shopping decisions at the point of sale. The emotional added value of attractive imagery is the decisive factor.

Source: German shopper study by K&A brand Research 2012, commissioned by FFI, the German Carton Industry Association.

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Corrugated Packaging is a powerful sales agent at the point-of-sale!

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The five "Easies" are highlighted in the definition of fit-for-purpose Retail Ready Packaging (RRP) developed by ECR. (The ECR - Efficient Consumer Response - is an industry body which aims to make the fmcg industry more responsive to consumer needs and promotes collaboration between stakeholders to achieve new efficiencies in the supply chain).

Corrugated packaging's adaptability and printability means that it is the ideal material for Retail Ready Packaging. The Corrugated Industry's design specialists constantly innovate to deliver the Five Easies.

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Corrugated Packaging's benefits are widely recognised by influential stakeholders:

James Tupper, ECR Learning & Change Manager at the Institute of Grocery Distribution (IGD) in the UK: "Corrugated Packaging maintains the products qualities and helps the product flow through to the consumer as quickly as possible."

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Gavin Chappell, Supply Chain Director of Asda and Co-Chair of the ECR UK Product and Packaging Waste Working Group: "Easy ID is a really important factor making sure that the product quickly comes to the shelf."

Focusing for a moment on the example of Easy Identification:

If a product cannot be identified and found it will not be put on the shelf and sales will be lost.

"I'm not sure what's in those cases so I'm going to leave them for now and get on with putting these other cases out on-shelf instead" Quote from in-store merchandiser. Source: IGD UK

The printability of corrugated ensures Easy ID as well as the communication of other important supply chain information (codes, dates, provenance etc).

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- Precisely tailored to fit every product.
- Maximum products on pallets.
- Efficient use of warehouse space.
- Less lorries on the road.
- Lower logistics costs.
- Fully stackable Common Footprint available for fruit and vegetables.

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- Common Footprint corrugated trays outperform RPCs in terms of space efficiency: 91 to 98%, in contrast to 66 to 81% with RPCs Source: Ceres Logistics, UK 2007.
- Total cost comparison of the transport of 1,000 kg apples: corrugated packaging is 13% (average) lower cost than RPCs. Source: German Study by Berndt & Partner 2006.
- RPCs lead to additional costs for fruit and vegetable growers: extra cost is around 0.20-0.40 Euros per crate/tray delivered. Source: Study by Carton Ondulé de France, 2011.

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How does corrugated packaging bring economic benefits to society?

- We are a big industry! Corrugated packs and protects more than 75% of European goods.
- The Corrugated Industry has 705 plants across Europe with excellent territory coverage, close to the main industrial areas (2013, FEFCO annual statistics).
- Total European Corrugated production is over 42.3 billion square meters..
 - That's an area the size of Switzerland (2013, FEFCO annual statistics)

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Corrugated Packaging is **Protective**

- Fluted construction provides natural cushioning.
- Single, double or triple wall board provide for adequate strength.

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Why is protection important? One reason is that it helps reduce food waste which is a major global issue:

- “The results of a UN study suggests that one-third of food production for human consumption is lost or wasted globally, which amounts to about 1.3 billion tons per year.” (Global food losses and food waste – UN Food and Agriculture Organisation study conducted for the International Congress at interpack 2011, Düsseldorf).
- In industrialised countries a high proportion is wasted by consumers.
- But food is also wasted before it reaches the consumer. In the UK alone for example, 6.5 million tonnes of food and drink are wasted during manufacturing, distribution and retailing, a value of £4.96 billion (€6.15 billion). Source: WRAP, March 2010 (WRAP is a UK government body established to reduce waste).

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- The environmental debate and environmental policy making tend to focus on minimising packaging.
- “Increases in packaging of a couple of grams can prevent food waste that has a much bigger environmental impact. **Food waste has a 10-fold greater environmental impact than the packaging around it.**” Source: Andrew Parry, WRAP
- Good packaging uses only as much of the right kind of material as necessary to perform its task of delivering the product to the consumer in perfect condition.
- Well designed packaging will meet the requirements of the product while minimising the economic and environmental impacts of both the product and its package.
- Product losses that may result from the use of too little packaging as well the impact of using too much. Finding the balance between under-packaging and over-packaging is the aim for all of our businesses (Consumer Goods Forum Global Protocol on Packaging Sustainability 2011).
- A solution to the food waste issue must be found. Packaging, amongst the many measures being taken, is part of that solution.

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- How can Corrugated Packaging help?
- Corrugated Packaging already protects products including food in ways which are often taken for granted.
- For example strength requirements can all be optimised to maximise protection of the food.
- Interlocking stacking features to ensure stability during transport.
- The perfect heights of the case for different kind of goods minimise movement and maximise physical protection.
- The material can be tailored with features that ensure easy opening and handling without damaging product in-store.

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- Examples of corrugated innovations to help prevent food waste, e.g.
- FEFCO member and the Fraunhofer Institut in Freising, Germany have developed the fruit fresh prototype coated to slow down unwanted fruit and vegetable ripening.
- Recyclable Corrugated boxes specially treated (waterproofed) for the transport of fresh fish.

- Use of ice trays to maintain the freshness of watercress.

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- Our raw material is wood fibre, an entirely **Renewable** resource.

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- As well as being made from a renewable material, corrugated packaging is entirely recyclable and bio-degradable.
- And recycled! The highest recycling rates of any packaging.

Slide 19:

- But surely wood is not renewable as the forests are being depleted?
- Wrong! The forest area in Europe is expanding by 503,000 hectares per year, an area twice the size of Luxembourg (Source: UN FAO).
- In Europe 50% more new trees grow every year than are harvested.
- 37.8% of Europe's surface is covered by forest. (CEPI 2008).

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- Furthermore, consumers love paper based packaging!
- 79% of the German consumers think that paper based packaging is ecologically advantageous compared to plastics.
- 73% think that paper and carton / corrugated are ecologically sensible packaging materials (plastics: 12%). (German GfK study, 2009).
- In more eco-conscious countries, Nielsen studies reveal consumer preference for packaging that is recyclable, biodegradable and safe from a disposal perspective – using materials such as paper, cardboard, and/or glass rather than plastic or polystyrene (Global Nielsen study, 2008).

Slide 21:

So, what brings economic benefits, protects products as they journey through the supply chain and is made entirely from renewable resources?

Slide 22: Corrugated of Course!