
FEPE QUARTERLY



A magazine about the envelope, light packaging
and ecommerce packaging industries

SUMMER 2021



Interview:
Marriël van der Most
describes how VDM
sets its sights on
opportunities

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FEPE Marketing Committee



Pixabay/athree23

WELCOME

BY MATTI RANTANEN

For some of you, this is the second issue of FEPE quarterly you've received. Thank you for all your positive feedback and comments. Due to this encouraging feedback, we decided to expand the list of recipients, and thus many of you have your first FEPE Quarterly in your hands.

In this issue, we dive deep into ecommerce. We look at the **latest ecommerce trends**, the possibilities it offers to manufacturers that are shifting their production **beyond traditional envelopes**, and the solutions that our industry can provide for **package users moving away from plastics**.

In every issue, we plan to interview key people from our industry. In this issue, we hope that you'll be inspired by our **interview with Marriël van der Most**, describing how she sees the future and how Koninklijke Van der Most is challenging the established activities in the industry.

As part of our policy updates, our colleagues from CEPI provide the latest update on the **European Green Deal**. We can read how the Green Deal might impact the paper industry, what the industry

associations are doing, and the next steps. We also have some tips on what individual companies can do to be ready for possible outcomes.

As for internal news from FEPE, I want to remind you of our **FEPE Congress 2021**. We look forward to meeting each other again face to face in **Ljubljana, Slovenia, from 23 to 25 September**. Registration is now open!

I wish you all a pleasant read of FEPE Quarterly. We are happy to get your feedback and suggestions for the content and the latest industry topics you would be interested in reading more about.

Have a lovely summer, and I hope to see many of you in Ljubljana in September!

Best regards,

Matti Rantanen
FEPE Managing Director

The ecommerce booster shot: Covid-19

THE TRANSFORMATION OF RETAIL IN 2020-2021

The Covid-19 pandemic has transformed lives since early 2020 and its effects will be long-lasting. It has changed our behaviour as individuals and as groups. The most obvious changes are in how we connect: in

the future, the shift from in-person to virtual meetings will undoubtedly have a profound impact on how we socialise and work. The other major change has been in people's shopping habits.

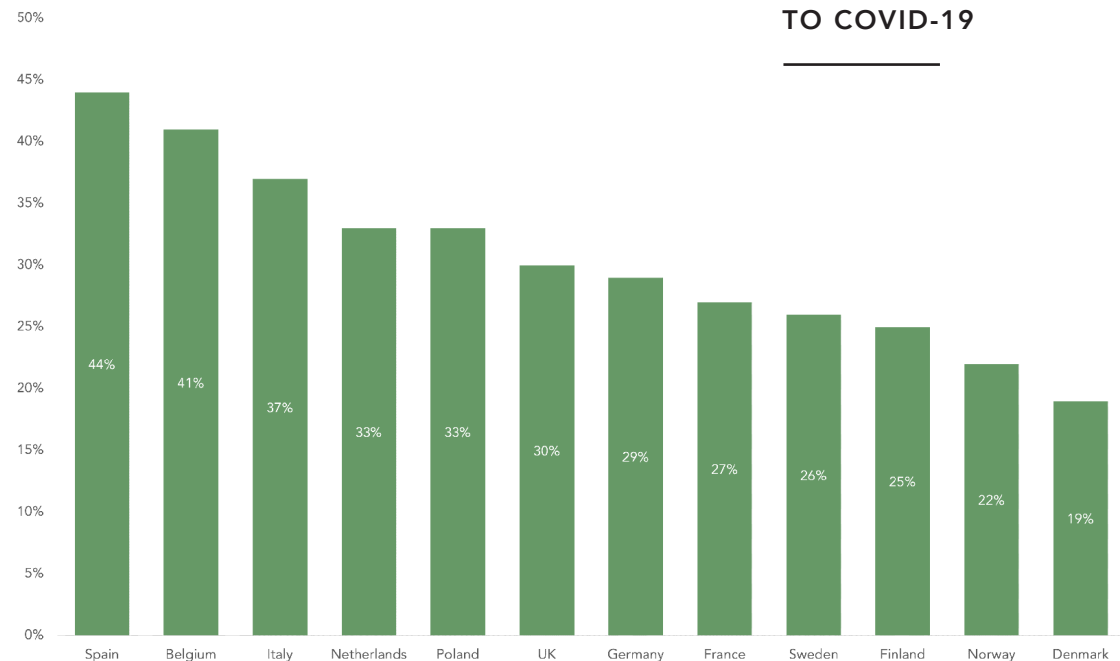


Fig. 1: % of respondents who say they shopped online more in 2020. Source: Direct Link Ecommerce Europe 2020

THE YEAR THAT CHANGED EVERYTHING

The past years have seen a **fast and steady shift from in-store to online retail trading**. The pandemic has massively accelerated the trend: online orders reached record levels in 2020 (Figs. 2 and 3). A recent report from Direct Link shows that the number of people who said they had 'shopped online more often because of the pandemic' ranged from 19% to 44%. The increase was greatest in Spain, Belgium and Italy. (Fig. 1)

In the UK, IMRG Capgemini Online Retail Results reveal that UK online sales grew 74% year-on-year in January 2021, when **ecommerce accounted for an astonishing 35.2% of all retail sales in the UK**.

The 2020 increase came from both a **higher number of orders and larger orders**. According to a new Loqate study, 69% of retailers reported a massive increase in the average order value (AOV) of their online sales.

Overall, in the three largest European markets, goods worth more than €150 billion were ordered online in 2020. For all Europe, the 2020 value is estimated at more than €300 billion. (Fig. 2)



VALUE IN EUR BILLION OF ONLINE SPENDING BY EUROPEAN CONSUMERS IN 2020

Fig 2. Value of ecommerce spend. Source: Direct Link Ecommerce Europe 2020

More orders are international too: 54% of retailers report a trend towards international orders as consumers increasingly trust global retailers and retailers in neighbouring countries.

PEOPLE WON'T GO BACK

Even if online shopping falls again after in-store shopping resumes, pundits unanimously expect that **the share of ecommerce in retail will increase significantly and permanently**.

Once customers get used to the convenience of shopping online, and overcome any residual mistrust of ecommerce, they develop new habits that persist. Unsurprisingly, Fig. 1 illustrates that the greatest increase in shopping online happened in countries that had comparatively lower levels of ecommerce pre-covid. Millions of consumers who till now had shied away from ecommerce – whether because of their age, their digital competence or simply their personal preference for in-store shopping – have had to learn to adapt. Few will revert completely to how they shopped before.

Moreover, the second and third waves of coronavirus have reinforced many people's wish to continue social distancing measures until all risk

has passed. The **longer restrictions last, the more behaviour changes are reinforced and the more likely they are to last beyond the pandemic.**

THE CHANGE IS GLOBAL

The shift to ecommerce is not limited to wealthy or highly digitalised countries. The need for social distancing and for retailers to find new ways to make their products available has accelerated the growth of ecommerce worldwide.

A new report, *COVID-19 and E-Commerce: A Global Review*, by UNCTAD and eTrade for all, analyses the trends seen in 2020. The report shows strong increase in ecommerce across regions, but particularly in emerging economies.

- In China, ecommerce already represented 19.4% of retail sales; that share rose to 24.6% between August 2019 and August 2020.
- The number of items sold per day in Q2 2020 on Latin America’s online marketplace Mercado Libre was double the number sold in Q2 2019
- Transactions on Jumia, an African ecommerce platform, jumped 50% in the first half of 2020.

The report forecasts that **the trend towards ecommerce will continue post-Covid.**

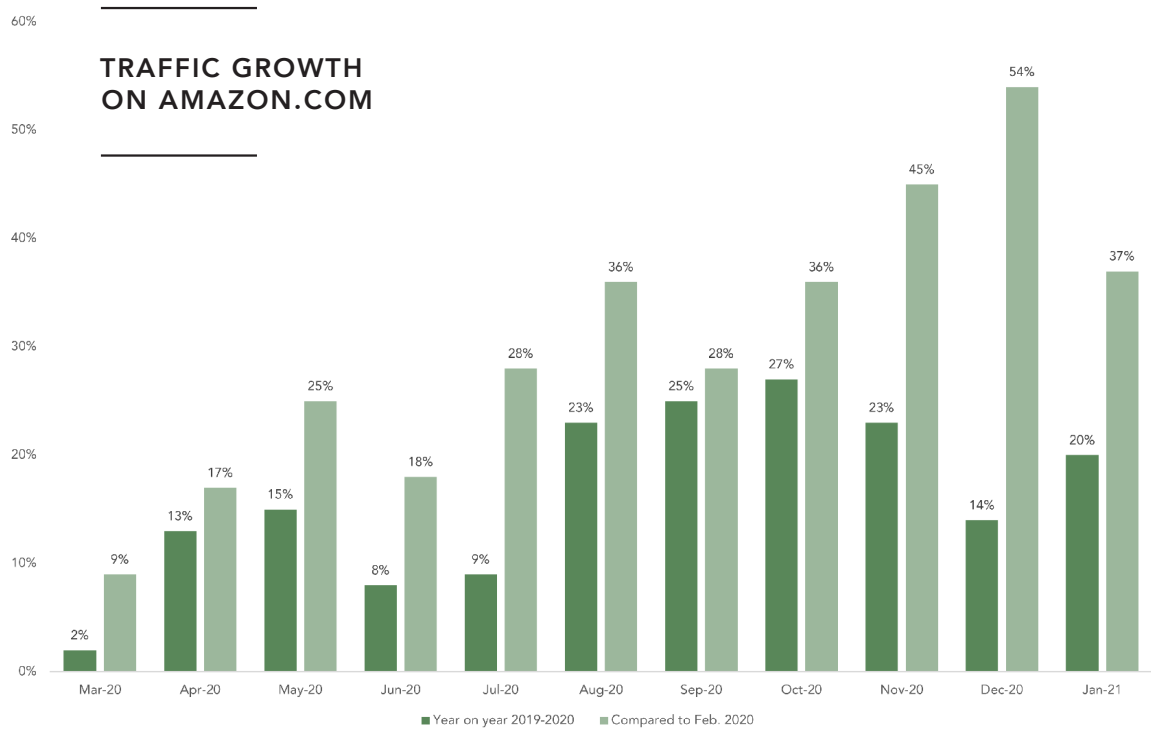


Fig 3. Growth in total visits compared with last year and with February 2020. Source: digitalcommerce360.com

However, **barriers to ecommerce persist in many of the world’s least developed countries.** They include: costly broadband services, a predominance of cash-based transactions, lack of trust, poor digital skills and lack of government support for transitioning towards ecommerce.

The report highlights the digital divide between developed and less developed countries.

UNCTAD’s ICT Policy Chief, Torbjörn Fredriksson, warns that “The risk is that the huge digital divides that already existed between and within countries will only worsen in the wake of the pandemic. The result will be even deeper inequalities that would threaten to derail progress on the UN Sustainable Development Goals”.

Some governments in developing countries have taken supportive action. For example, in 2020:

- Costa Rica initiated a platform for businesses with no online presence
- Senegal created an information and awareness campaign on the benefits of ecommerce
- Indonesia supported the digitalisation of micro, small, and medium enterprises.

The OECD has noted that the surge of ecommerce has heightened the need for policy action to:

TOP ECOMMERCE TRENDS BEYOND 2021

1. Rapid ecommerce growth will decelerate – but not by much
2. Consumers who were new to ecommerce will make a habit of it
3. Mobile shopping will continue to rise
4. The digital divide between developed and less developed countries will persist
5. Governments will introduce policies to support digitalisation and ecommerce
6. Businesses ‘new’ to ecommerce will invest in platforms and services
7. Poor ecommerce will contribute to business failures
8. Retailers will need to meet high standards to compete with ecommerce giants

- close existing digital divides
- support innovative ecommerce business models
- reduce regulatory uncertainty
- ensure that SMEs can participate in ecommerce
- reduce bottlenecks in the enabling environment for ecommerce, including areas such as connectivity, trade, logistics and postal services.

RETAILERS HAD TO CHANGE

Before Covid-19, ecommerce was patchy. The ecommerce market was dominated by big companies; many smaller and local businesses didn’t see a need to invest to compete with the ecommerce giants, preferring to stick with what they did best – store retail.

In 2020, by sheer necessity, almost all businesses have been forced to go digital, to a greater or lesser extent. Retailers have been obliged to offer, at the very least, a means to contact the store to reserve a product for pick-up.

All retailers with sufficient resources to do so have taken the more significant jump to building full-function ecommerce sites, knowing that, post-covid, consumers will continue to expect it.

As online shopping becomes the norm, competition between retailers will increase. Businesses will fight to gain and keep customers.

REMEMBER 2000?

The same factors that drove the development of the ecommerce giants 20 years ago will now affect smaller players too. **Businesses that had survived without a strong ecommerce offer will no longer get by so easily.** Some will survive, some will be absorbed into big companies and some will thrive.

This unrelenting shift from traditional to online retail offers both opportunities and challenges for retailers, consumers and service providers. Retailers will have to deliver an offer that meets the standards set by Amazon and others. That’s a high bar. It means everything from a great range of products to low shipping fees to efficient, fast delivery to generous returns policies and super-efficient customer support. Today, just like 20 years ago, Amazon is setting the pace.

For our industry, it means **new demands for ecommerce packaging designed for efficient shipping and delivery.**

Read more. For more details on ecommerce trends, see:

- *Ecommerce in Europe*, Direct Link, 2021, <http://bit.ly/dir-link>
- Econsultancy.com, <http://bit.ly/econUK74>
- *E-commerce in the time of COVID-19*, OECD, 2020, <http://bit.ly/oecd-cov>

Solving ecommerce delivery fails

MAILBOX-FRIENDLY ECOMMERCE PACKAGING COULD SAVE EUROPEAN RETAILERS €1.4 BILLION



Ecommerce retailers who use packaging that is not fit for purpose risk failed deliveries and dissatisfied customers.

The Covid-19 pandemic has led to an unprecedented surge in ecommerce. One of the biggest problems retailers face is failed deliveries, often simply because the package is too big to fit in the mailbox.

The right packaging – available from FEPE members – could save retailers €1.4 billion in failed delivery costs, improving their bottom line.

DELIVERY IS DECISIVE FOR CUSTOMER SATISFACTION

Successful delivery is vital for customer loyalty. A study by the German Retail Federation (Handelsverband Deutschland - HDE) showed that for 52% of buyers smooth delivery of the order is one of the most important criteria for rating retailers favourably and for repeat orders.

Unsurprisingly, a failed delivery attempt is very annoying for both the retailer and the recipient. Not only annoying: delivery problems lead to significant loss of sales and damage to the retailer's reputation. (Fig. 1)

The right packaging can help retailers save money, better satisfy customers and reduce packaging waste.

Goods with an order value of roughly €300 billion were ordered online in Europe in 2020. With an average order value of €100, that translates to about 3 billion orders.

Up to 8% of these orders (that's 240 million orders) can't be delivered on first delivery, often because the parcel doesn't fit in the recipient's mailbox.

But 40% of orders are small enough that, with the right packaging, they could be delivered into the mailbox. If each failed delivery costs €14.69 on average, that's €3.5 billion lost. If 40% of this could be saved thanks to successful delivery to the mailbox, that's a saving of €1.4 billion!

ADDRESS ERRORS, ABSENCE AND THEFT

Deliveries can fail because of an incorrect entry in the address database – a problem aggravated by the increase in orders via smartphones, where poorer usability can increase input errors on forms. More often, **deliveries fail because the recipient isn't at home when the delivery arrives.**

Deliverers either deliver the parcel to a neighbour or place it on the doorstep. Unfortunately, not all neighbours pass deliveries on to their rightful owners. And parcels left by the front door or elsewhere outside the property are often stolen.

Many parcel service providers allow for such 'substitute deliveries' in their terms and conditions. Unfortunately, these clauses are usually ineffective as a legal means to protect providers, consumers or retailers in case of loss claims. If there are customer complaints because the goods could not be properly delivered to the customer, the parcel service providers quickly come under pressure from the online traders. Nobody wins.

99% of ecommerce companies confirm that some of their deliveries are not delivered properly or they're delivered late. 24% of entrepreneurs admit that more than 10% of orders can't be delivered on the first attempt.

BUSINESS IMPACT OF INACCURATE SHIPPING ADDRESSES

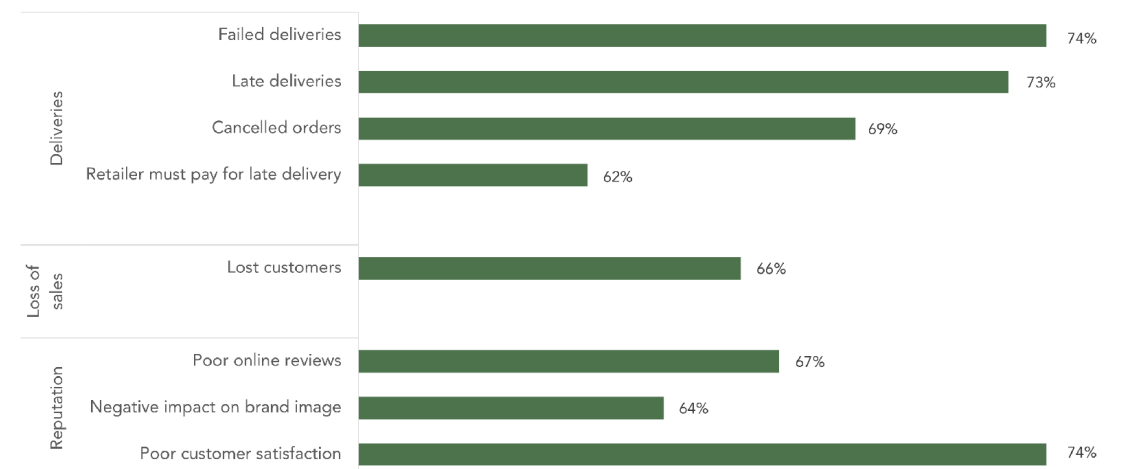


Fig. 1: Data source: Fixing Failed Deliveries, Loqate, 2021



Today, fit-for-purpose packaging for small items is the exception rather than the norm in ecommerce. Strong paper-based, envelope-type packaging is eminently suitable for many ecommerce deliveries and can help cut down on the growing mountains of packaging waste.

Photos courtesy of Bong.

So it's understandable that the **online industry as a whole is looking for solutions that increase delivery efficiency** and prevent the loss of customers due to last-mile delivery problems.

COSTS OF FAILED DELIVERIES

With higher order volumes and global goods traffic, poor delivery performance is a major threat to a company's success. As the Loqate study reveals, failed deliveries are a growing problem for retailers. After a failed delivery, most **consumers expect compensation**. And many firms feel this is only fair: 53% try to redeliver, with 36% paying any additional courier charge; 41% offer a refund; and 34% apply a discount.

The effect on brand reputation of **negative reviews and comments** cannot be overstated. Nearly all consumers (93%) read reviews before

making a purchase; just three negative reviews can drive away nearly 6 in 10 potential customers.

The direct financial cost of failed deliveries is also high. About **6–8% of deliveries fail on the first attempt**, costing the retailer €14.69 euros per order, on average, for returns handling, redeliveries, goods replacement, reimbursements or compensation.

MANY ORDERS COULD FIT

A 2018 study published by the International Post Corporation (IPC) stated that more than 50% of all online orders weighed less than 500g. Due to their size, more than 40% of the goods ordered online could be packaged for safe delivery into a standard domestic mailbox.

Appropriate, fit-for-purpose packaging for small items is the exception rather than the norm,

however. Who hasn't received small items packed in large cardboard boxes filled out with plastic, paper or polystyrene fillers? The frequent use of **grossly oversized packaging is a disaster from an ecological point of view**, never mind the 'inconvenience' of not fitting in the mailbox.

Access to more mailbox-friendly delivery services and products would be highly advantageous for online retailers as well as consumers. Successful delivery first time would be much easier. Once goods are deposited in the mailbox, they are safe from theft and damage.

Many companies have now taken on the challenge of providing ecommerce packaging for smaller, relatively lightweight products.

FEPE is committed to supporting its members to offer and promote packaging suitable for mailbox delivery of goods. With a complete range of innovative solutions now available from FEPE

members, almost all packaging problems for ecommerce products can be solved.

SOLUTIONS FROM FEPE MEMBERS

The product spectrum ranges from **easy-to-open cardboard pockets, to padded paper and bubble envelopes, gusset bags with expanding side seams and water-resistant pockets**.

The envelope market is today alive and well, and socio-economic changes – such as ecommerce – offer scope for innovative paths to growth. FEPE members can help online retailers solve their packaging problems, generating more customer satisfaction and loyalty through secure mailbox delivery of online orders.

Read more. For more details on ecommerce deliveries issues, see: *Fixing Failed Deliveries*, Loqate, 2021, <http://bit.ly/loq-report>

FEPE Congress 2021

LJUBLJANA, SLOVENIA

VISIT: SEPTEMBER 19–26, 2021
CONGRESS: SEPTEMBER 23–25, 2021

THE FUTURE OF THE ENVELOPE

It's 20 years since the heady days of peak volumes in the envelope industry. At our next FEPE Congress, we'll be taking a fresh look at where future opportunities lie.

Ecommerce continues to offer a tantalising but as yet untapped potential. How can we make the most of the opportunities? Is focusing on 'value over volumes' the way forward for our industry? These will be among the topics we'll be exploring, as well as insights into the European economy and global and European envelope market trends.

SOCIAL AND NETWORKING VISITS

We've planned an additional programme for anyone considering a longer trip to discover the beautiful sights of Slovenia, before and after the Congress itself. Prices below are per person.

- 19/09 – Meet and greet gathering in Ljubljana
- 20/09 – Day trip to Venice by bus: €40
- 21/09 – Bus trip to Slovenian Adriatic coast: €40
- 22/09 – Postojna Cave and Predjama Castle: €50
- 26/09 – Day trip to Lipica: €50

Old Town
Ljubljana, Slovenia

CONGRESS SPEAKERS

Russell Croisdale, FEPE Marketing Committee
Chair: *The European envelope market and its main drivers – review of the last 12 months*

Jonathan Tame, Managing Director, Two Sides
UK: *Bring Back The Love – Two Sides and the new consumer campaign, Love Paper*

Maynard Benjamin, Envelope Manufacturers Association: *Global envelope market update*

Robert Madelin, Chairman, Finsbury International Policy & Regulatory Advisers: *Pushing the Envelope? How to sustain value in a post-pandemic world*

CONGRESS EVENTS

23/09 – Welcome Dinner at Ljubljana castle

24/09 – Gala Dinner at Grand Union Hall

25/09 – Farewell Dinner at Bled Castle

REGISTRATION

Please register via our website at:

<http://fepe.org/RegistrationCongress2021>

IN CASE OF TRAVEL RESTRICTIONS

We understand that Covid-19 measures make it difficult to commit to events. Up to the end of June, you may register for the congress and sightseeing visits without financial commitment and with the right to cancel.

If the FEPE Congress 2021 cannot take place as planned, due to Covid-19, it will be replaced by an online-only congress, and members and participants will be informed by email. The online congress would be one day only, on September 23, 2021.



‘You need ingenuity and an open mind!’



INTERVIEW

WITH MARRIËL VAN DER MOST

With almost 120 years of history behind it, Koninklijke Van der Most is facing the future with optimism.

Diversification, 360° service and a determination to grasp opportunities are at the heart of the company's success. Director Marriël van der Most tells us how they do it.

360° COMMUNICATIONS

Koninklijke Van der Most (VDM) is a company characterised by history and forward thinking, providing **all-round communications services with a digital-focused approach**.

VDM started as a printing business in 1904 and began making envelopes in 1956. "These days, we're not only an envelope company: we're a communications company", says Marriël van der Most, the fourth generation in this family-run business. "We facilitate our clients' communications, in every form, from strategy to desktop publishing and design of promotion materials to printing, processing and distribution, as well as additional digital solutions such as personal print on demand."



Koninklijke Van der Most considers versatility as a valuable asset for the company and for customers.

Today, VDM provides a complete 360 degree communications service. **Printing and envelope production are the heart of the business. Digital is a key enabler for delivering customer value.**

Having such a wide portfolio of services is one of the reasons for VDM's long-term success. "The family always resisted advice to specialise and concentrate on envelopes", says Marriël. "It's our unique strength. And it's thanks to our wide service portfolio that we still have so many opportunities to expand and grow."

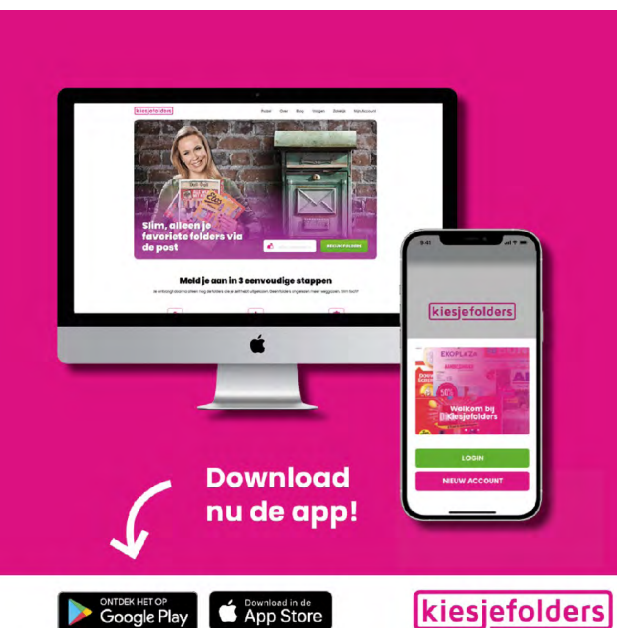
While flexibility is welcomed by VDM's clients and is key to the business success, it carries its own challenges. "**Standardisation is more difficult** when you are focusing on specific client needs", Marriël explains. "We want to meet the needs of individual clients, who all want to communicate in different ways. It's definitely not one size fits all."

Offering many different services also requires a complex infrastructure, in three locations; a manufacturing centre, a logistics centre and a printshop.

"We have our own printing factory with offset, inkjet and laser printers, our own envelope factory, and a post-processing workshop where we produce final products and prepare them for distribution. Our warehouse has space for over 20,000 pallets. Providing an all-round communications service is good for business but it's a complex business!"

FIND THE OPPORTUNITIES!

"I always think in terms of opportunities, not challenges", Marriël explains. "Sometimes that requires a lot of **ingenuity and keeping an open mind**. Especially in a market where the demand



Kiesjefolders.nl ("choose your leaflets") is a print and digital campaign enabling consumers to opt in to the advertising brochures and leaflets they'd like to receive.

"Digitalisation is happening; that's just a fact. We decided early on that we can use it as a part of our communications offer or we could watch our clients leave. We prefer to keep our clients."

"We also help our customers make ecommerce delivery more efficient. We work with *Hello Fresh*, who deliver food boxes. Along with the food, the boxes contain a pack of recipe cards. Previously, the cards were placed manually. Now, we have automated the printing of the components and the insertion of the recipe cards into the boxes."

Similarly, VDM embraces digital communication. **"If you see the digital/traditional communication as a battle, you're in trouble"**, says Marriël. "We had a client that wanted to digitalise their forms so people could fill them in online. "We said, 'Sure, we can create that for you!' Our customer was surprised and said we were disrupting our own business! But that's not how we saw it! We saw it as another new opportunity!"

for one of your core products may be going down. When it comes to envelopes, **our strategic approach is to retain our production capacity and fill it by expanding** outside the Netherlands to other geographic markets, and by expanding our product range."

"We continually vary our range to meet the customer's needs. We can produce large volumes of standard envelopes or adapt our machines for limited production runs of individualised envelope formats and shapes."

VDM also benefits from synergies between envelope production and its communications services.

"For example, plastics are becoming less popular so there is a trend to replace plastic with paper. More and more publishers want to send magazines in paper envelopes. The fact that we offer them the full service of producing the magazines and envelopes, and doing the distribution, is valuable for them – and an opportunity for us."

THE IMPACT OF PAPER PRICES

"Using paper instead of plastic is important to many VDM customers, even if the price may be higher", Marriël says. "Paper prices are going up, in line with the price of wood, and we're seeing increasing competition in terms of pricing."

But she doesn't believe in trying to push down paper envelope prices to compete with plastics. "I think **we should be proud of our products and maintain a fair price for them.** We should not be pushing down prices to compete just on price. It's about providing the right products to achieve the customer's communication goals."

CHANGE DRIVES INNOVATION

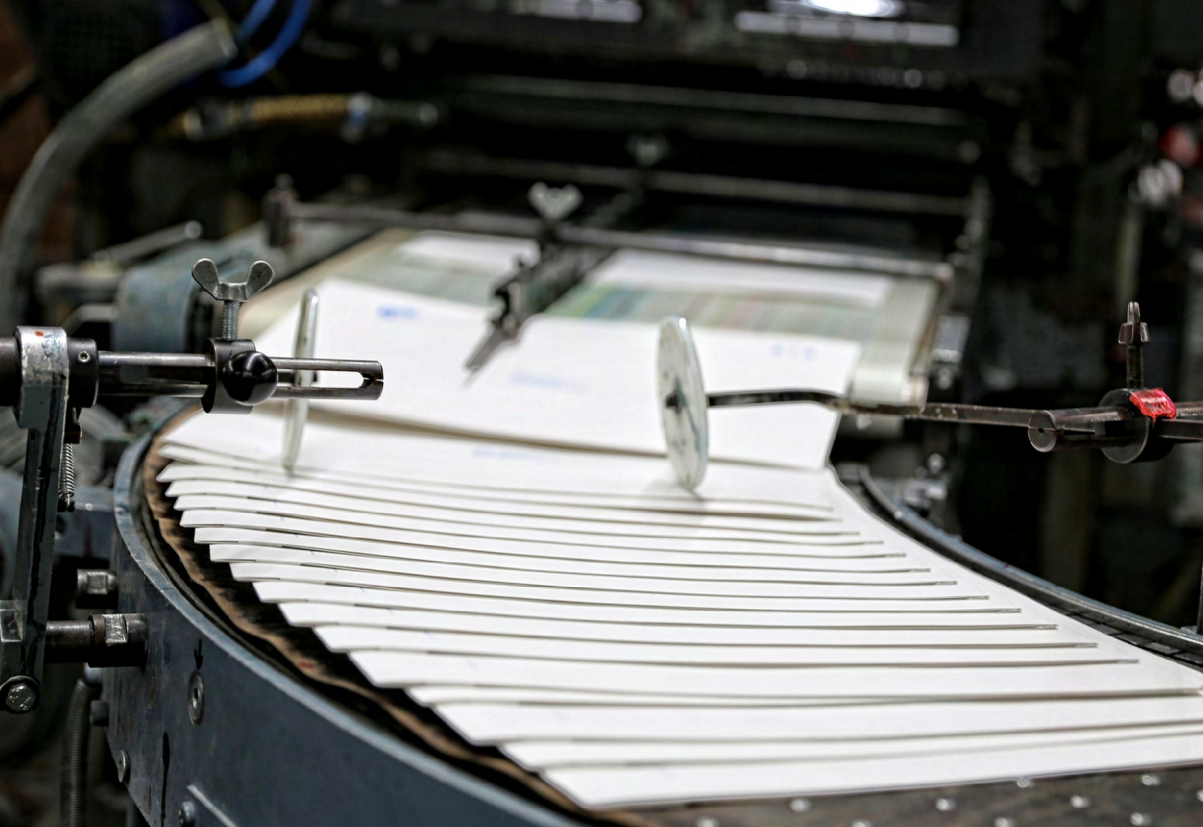
Marriël is inspired by the company history of innovation and by the Van der Most family's continuous focus: always keeping an eye out for opportunities in a changing market.

That's why their growth strategy today is based on expansion, on providing a complete communications service and on innovation. "We are always looking for innovative ways to adapt to market changes", Marriël says.

She takes marketing regulations as an example. "In the Netherlands you are no longer allowed to deliver unsolicited marketing materials to people's mailboxes. Consumers can opt in using a service called *kiesjefolders.nl*. Together with *kiesjefolders.nl*, we developed an envelope which is both a promotional leaflet for the service and includes a checklist the consumers can complete to sign up for the marketing leaflets they would like to receive. So the envelope itself is marketing.

Fine-tuning deliverables to the client's requirements demands production flexibility.





Koninklijke Van der Most's end-to-end service includes printing, stocking, filling and distribution of complete mailing campaigns to individual recipients.



FOCUS ON THE CLIENT'S COMMUNICATION GOALS

Marriël expects that the downward trend in envelope demand will stabilise. "Many ecommerce deliveries are small enough to be delivered in envelopes to mailboxes. Moreover, when a message is really important, it will continue to be sent in an envelope. Paper mail, in paper envelopes, is an important part of the communication mix and it will remain so.

"It's not about ecommerce vs. traditional retail or paper vs. plastic or digital vs. print", Marriël continues. "Companies shouldn't think about the channel first, but about the overall communication objectives. First focus on what you want the communication to achieve, then think about how you will achieve that.

"For example – company staff magazines. Why should you make them digital? Paper staff magazines dropped on tables near the coffee machine encourage staff to read them. Put it in an envelope and sent it to the employee's home and you encourage family members to read and talk about what's going on in the company."

DIGITAL SOLUTIONS SUPPORT PRINT MAILINGS

Direct mail is an important segment for VDM. "As overall mail deliveries decrease, the share of direct mail is increasing", says Marriël. "Data also indicate that direct mail is becoming more successful as a marketing tool. Before, companies might have sent 100,000 units of direct mail to a massive, unsegmented database. And it would be just an envelope with a sheet of paper inside.

"Providing an all-round communications service is good for business but it's a complex business!"

"Now they might send 10,000, but **thanks to better data analysis and information provided by customers in digital transactions, they are sending better communication to a carefully segmented and targeted audience.**

"The numbers are down but the quality is up! That's because companies can invest in much better, more complex communication addressing a specific need with a targeted message. Since the response is much better, it's worth spending more on the mailing product."

"SEIZE THE OPPORTUNITIES!"

"There's room to grow if you are adaptable", Marriël says. "Whether it's about being flexible in your offer or helping your customers deliver more targeted marketing communication. Or producing new types of envelopes and small packages — either standardised or customised, suitable for ecommerce deliveries or direct mailings. And maybe you need to adapt your machinery or develop new machines.

"We look for the opportunities that suit our capabilities", she concludes.

"For example, VDM doesn't try to compete with Chinese producers delivering huge orders of standardised envelopes; mass production at low prices.

"Instead, we try to match our expertise to our customers. It may be volume production of branded envelopes for the Dutch tax authority or production of 10,000 pieces of personalised direct mail shots for a tightly targeted audience; we're at our best when serving our clients' specific communication needs!"

The EU Green Deal in 2021

CEPI: WHAT TO EXPECT AND HOW YOU CAN PREPARE

The Green Deal is the roadmap for making the EU's economy sustainable across all sectors and industries, to reach climate neutrality in 2050. The Confederation of European Paper Industries (Cepi) outlines what the pulp and paper industry can expect and how they can get involved.

The EU Green Deal challenges our industry to improve our use of wood and water resources, to optimise collection and sorting systems for recycled fibres, and to use clean energy.

It also offers opportunities, notably to:

- position the pulp and paper industry as a bioeconomy leader, providing solutions for EU climate mitigation
- replace fossil-based plastics in packaging
- replace synthetic textile fibres with more sustainable forest-based alternatives
- secure funding to build greener and more digitalised paper mills.

REDUCE EMISSIONS: 55% BY 2030

The von der Leyen Commission's climate law paves the way for the reform of 50 European laws by the end of 2022, a tsunami of policy initiatives impacting all players in the economy.

The goal is to reduce EU's emissions in 2030 by at least net 55% compared to 1990. To achieve this, the European Commission is preparing the Green Deal milestone: the **FIT FOR 55 package**.

This will consist of a combination of existing and new legislative tools to reshape the European economy, with particular focus on:

- burden sharing between EU Emission Trading System (ETS) and non-ETS sectors to deliver higher emissions savings by 2030
- a Carbon Border Adjustment Mechanism (CBAM) to protect industries from unfair competition from products produced outside Europe under less demanding climate policies
- more stringent targets for 2030 on forestry and agriculture via the EU LULUCF Regulation, which regulates emissions from the agriculture and forestry sectors
- raising the renewable energy target in the existing Renewable Energy Directive, to 38-40% (from today's >32%) by 2030, still including bioenergy (especially woody biomass) as a renewable energy source as long as sustainability credentials are met.

IMPACT OF FIT FOR 55

No industry will be unaffected. The FIT FOR 55 package means **binding legislation** that can directly impact the long term competitiveness and investment certainty of many European industries and their operations in Europe. The legislative proposals will also determine the regulatory and financial conditions required to achieve higher emission reductions by 2030 and 2050.

STRONGER TOGETHER: JOIN THE CLIMATE NEUTRALITY MOVEMENT

The EU Green Deal will have wide-reaching effects. As stakeholders, we need to communicate the crucial role of packaging products in society and how paper-based products can help achieve the EU climate ambition. We also need to show that some single use products have environmental, health and safety benefits compared with reusable options. Companies also need to demonstrate and communicate product sustainability to consumers.

The Green Deal takes a holistic approach to greening the EU economy and reaching climate neutrality. Industries need to reply with the same holistic approach, building coalitions and working as value chains, across sectors. Here are some initiatives relevant for our industry:

Energy Solutions Forum – recently launched by Cepi to help the pulp and paper industry join forces with technology suppliers, to accelerate the development and implementation of carbon-reducing technologies.

European Net Zero Alliance (ENZA) – advocating for cross-sectoral solutions for climate neutrality.

ENZA brings together 17 European associations (including Cepi) representing different industries and stakeholders in the heating, energy and bioenergy sectors.

4evergreen alliance – a cross-industry alliance to promote the contribution of fibre-based packaging in a circular and sustainable economy. The alliance raises awareness of the benefits of fibre-based packaging materials and wishes to increase the recycling rates of fibre-based packaging to 90% by 2030 in support of Europe's transition to climate neutrality by 2050.

#Greensource – a communication campaign, led by Cepi, the European Pulp Industry Sector Association (EPIS) and the European Association of Carton and Cartonboard manufacturers (Pro Carton), to explain how forest-fibre industries can make the 2050 climate neutrality target a reality.

(See also: FEPE Quarterly Issue #1, p. 20, article on the **Two Sides campaign** to communicate the environmental benefits of paper, paper products and paper packaging.)

ACTION STARTS IN 2021

The **Circular Economy Action Plan (CEAP)**, being implemented in 2021, is a building block of the EU Green Deal. We expect legislative proposals along the entire life cycle of products, targeting how products are designed, encouraging sustainable consumption, and ensuring that waste is prevented and that resources used are kept in the EU economy as long as possible.

The CEAP anticipates the preparation of a **sustainable product initiative (SPI)**, a legislative framework to push for more sustainable products on the EU markets, such as an extension of the **Ecodesign Directive** and the setting of non-quantifiable **overarching sustainability principles**.

Green Claims, also planned for 2021, is a legislative proposal that will require companies to substantiate claims they make about the environmental footprint of their products/services

by using standard methods for quantifying them, namely the **product environmental footprint (PEF)**. The objective is to make claims reliable, comparable and verifiable across the EU in order to reduce greenwashing and allow consumer to make greener decisions.

We also expect a revamp of the **Packaging & Packaging Waste Directive (PPWD)** this year, revising the essential requirements for packaging, putting more emphasis on re-use and on tackling overpackaging.



Find out more. For more details on CEPI's activities related to the energy transition and the EU Green Deal, see: www.cepi.org/policy-area/energy-transition-and-green-deal/.

Keep your finger on the pulse!

Success in business hinges on the ability to adapt to market forces. To be resilient in difficult times and seize the opportunities in good times. The FEPE Marketing Committee follows the trends and innovations affecting our industry to keep our members fully informed.

"IT'S NOT MY CONCERN"

If you think marketing doesn't concern you, think again! **The term 'marketing' can be misleading: it's often interpreted as meaning just advertising and promotion.** However, before you can even begin promoting a business, you need to understand the context it's operating in.

That means understanding the consumer, economic and socio-political trends that could affect your strategic decisions and operations.

KNOWLEDGE-BASED DECISION-MAKING

The FEPE Marketing Committee doesn't actually do any 'marketing', in the narrow sense. Instead, it focuses on being a platform for FEPE members to take an active role in our industry.

For our members, the activities of the Marketing Committee provide **knowledge that helps drive strategic decisions.** The Committee also offers opportunities for joining forces with professionals from all our member companies, from a wide variety of functional roles.

FEPE MARKET REPORTS HELP DETERMINE OUR FUTURE

The FEPE Marketing Committee regularly publishes market reports. These contain facts and analyses of information gathered from across Europe. These reports are invaluable to the FEPE Board and our members. They help us, as an association, determine our future direction and the areas that we need to support and explore.

COLLABORATION AND LEARNING

The Marketing Committee is a collaborative forum. For learning about the latest trends and innovations and for discussing what we could or should be doing to promote our businesses.

The Committee also provides excellent opportunities to network with colleagues from across the industry, throughout Europe. We are all facing changes in the world that present us with challenges and opportunities. The Committee aims

Marketing is not about advertising. It's about understanding and responding to the market forces affecting your business.

to help FEPE members and our stakeholders **face changes with not just as much information as possible, but also the right information.**

JOIN THE FEPE MARKETING COMMITTEE

We welcome requests from anyone in a FEPE member company who would like to join as a full member of the Marketing Committee. It's **open to everyone, whether they are marketing professionals or not.** And whether they are suppliers, manufacturers, overprinters or other stakeholders. Membership is determined by your interest in the topics we cover, not by your function or job title!

For more information please contact Matti Rantanen at matti@fepe.org.

FEPE Marketing Committee Virtual Meeting, June 23, 2021

Marketing Committee meetings are usually a wonderful opportunity to meet and network socially with other FEPE members. As Covid-19 measures are still in place, however, the Summer 2021 Marketing Committee meeting will be virtual.

You don't need to be a marketing professional to participate: meetings are open to anyone interested in the topics on the agenda. Moreover, there's no limit to the number of participants from any FEPE member company.

Agenda

Date/Time: June 23, 2021 at 9-12 CET.

The theme of the next Marketing Committee meeting is ecommerce. Our purpose is to help FEPE members take informed strategic decisions to make the most of the changes in retailing. We'll take a deeper look at the trends and the long-term impacts for society, economies and for the envelope and paper-based packaging industry.

Practicalities

Invitations will be sent by email. If you're not on our regular email list and would like an invitation, please contact Matti Rantanen: matti@fepe.org.

The meeting will take place on Zoom. You don't need to preinstall Zoom, but we ask participants to familiarise yourselves with the platform before the meeting and check that your webcam, microphone and speakers are functioning correctly.

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