

Issue 3  
December 2021

# FEPE Magazine

## FEPE STRATEGY

Beyond the envelope:  
FEPE's 5 new focus  
areas

## INTERVIEW

FEPE President Kai  
Steigleder: A business  
in transition

## ANNUAL CONGRESS

W+D: Envelope  
innovations



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

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# Editorial

The Covid-19 situation is still putting limitations on our lives and on our industry. However, the market is recovering and there are signs of an increase in direct mail. We at FEPE are working at full speed, looking strongly and positively to the future.

FEPE's 2021 Annual Congress was held online due to Covid-19 restrictions. The content was future oriented. In this issue of FEPE Magazine you can read about the changes to the FEPE strategy agreed at our General Assembly. We also report on the very interesting guest speaker presentations at the Congress.

**FEPE is going beyond the envelope.** While envelope manufacturing is still the backbone of our members' business, most of them are updating their activities. We're making sure that FEPE remains relevant

for our members. We are a proactive, forward-thinking partner that defends our members' interests and helps them achieve their business goals by providing relevant and valuable services and information. As their business changes, so too do our activities.

Reflecting these changes, from now on FEPE stands for **Federation for Envelopes and for light and ecommerce Packaging in Europe**.

Finally, I am delighted to invite all FEPE members to the FEPE Marketing Committee meeting in Brussels on 16 February 2022. This will be the first in-person get-together in two years. I'm looking forward to seeing you all!

The next FEPE Magazine will be published in February/March with the theme of Sustainability. Until then, I wish all our readers a great end of the year and prosperous 2022!

"We are a proactive, forward-thinking partner that defends our members' interests and helps them achieve their business goals by providing relevant and useful services and information.

As their business changes, so too do our activities."



Matti Rantanen  
FEPE Managing Director

# Beyond the envelope

## FEPE's 5 new focus areas

FEPE has been serving the envelope industry for more than 60 years, championing the interests of its members and stakeholders in a rapidly changing world.

Over the past year, the Board of Directors has reflected on the role of FEPE and how it might best serve its members in the decades ahead.

Its decisions were unanimously approved at the FEPE General Assembly in September 2021.

### A NEW STRATEGY FOR A NEW ERA

The Board of Directors met in 2020 and 2021 to agree on the FEPE strategy for the foreseeable future. They considered five factors:

1. What is FEPE today?
2. FEPE in the EU ecosystem
3. FEPE members
4. FEPE organisation
5. Action plan and practicalities.

As a result, FEPE has five new focus areas covering the FEPE overall business strategy, our role in the EU ecosystem, membership and organisation, and communication.

### 1 Our new strategic focus

In the past decade, the volume of envelope production has halved. This has led to mergers and closures, but also to additional business opportunities.

For most of FEPE's members, envelope manufacturing is still their company's primary activity and source of revenue, but other segments are rapidly growing. These include, for example, **ecommerce packaging, paper bags, bread bags, and labels.**

We hope that FEPE will always be Europe's association for the envelope industry. Envelopes are a principal focus of our activities today and in the foreseeable future.

In addition to envelopes, however, it's essential to ensure that FEPE remains relevant to its members in the full range of their activities. We must therefore **widen our scope to provide useful**

**services and knowledge that cover all our members' business segments.** This will enable us to:

- remain relevant to our current members
- attract additional members
- bring renewed credibility to our networking, lobbying and promotional activities.

### 2 Our new EU and collaboration focus

FEPE operates alongside, and aims to develop closer cooperation with, organisations with similar goals to FEPE's. These include:

- **CEPI** – European association representing the paper industry
- **CITPA** – International Confederation of Paper and Board Converters in Europe
- **Embalpack** – European Association of Makers of Packaging Papers
- **EPPA** – European Paper Packaging Alliance, an association for food and foodservice packaging
- **Eurosac** – a federation for the European multiwall paper sack industry
- **FEFCO** – European Federation of Corrugated Board Manufacturers.

FEPE also partners with organisations such as **Intergraph, Post Europe, FEDMA and Two Sides.**

FEPE would like to take a bigger role in promoting the European envelope and related industries, for example by being **more active in EU lobbying**, in collaboration with our partners.

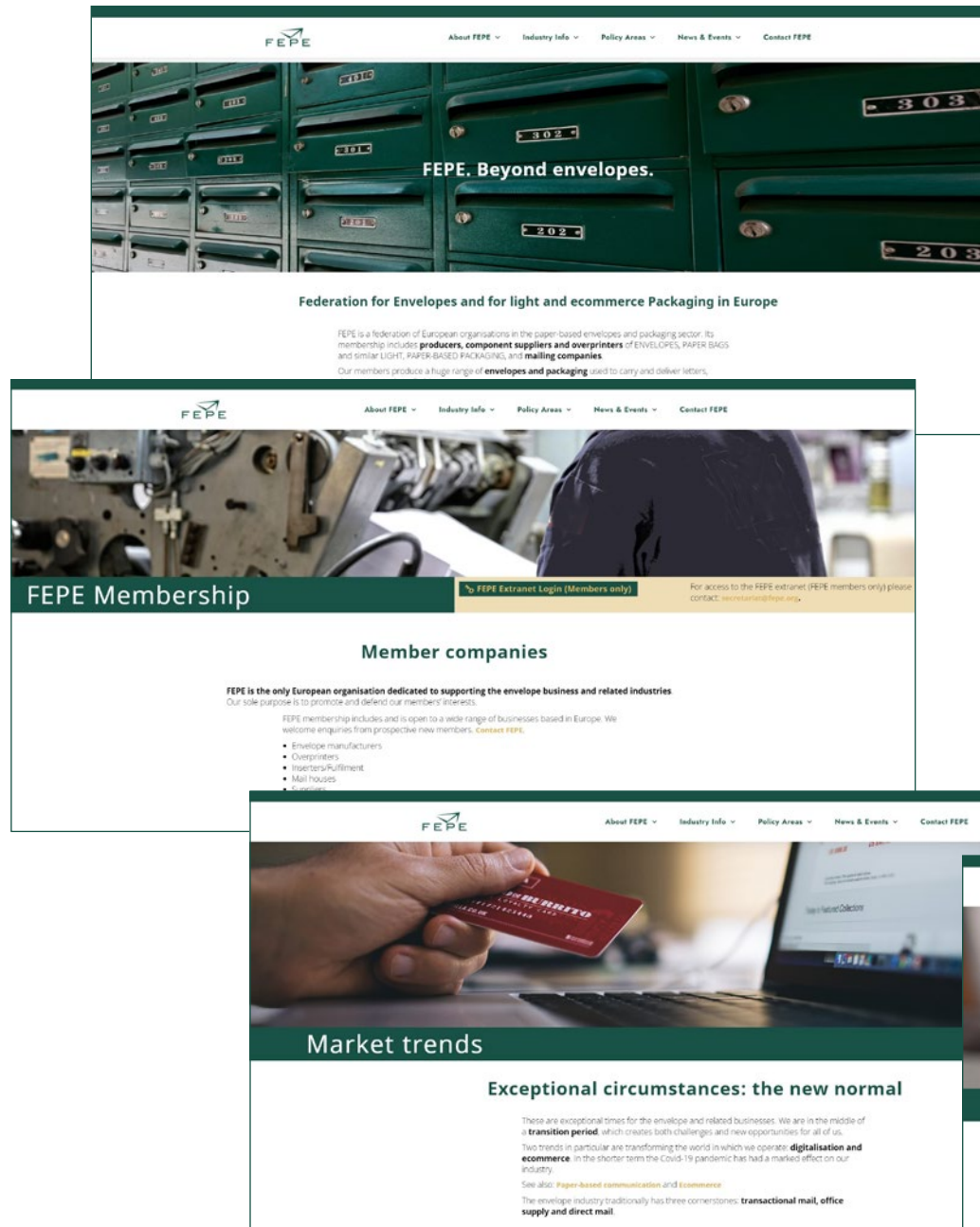
In the near future, we would also like to extend our network to include other organisations in different packaging sectors, including ecommerce, such as **EMOTA**, the European eCommerce and Omnichannel Trade Association.



## FEPE.ORG

The new FEPE website ([www.fepe.org](http://www.fepe.org)) is optimised to be more user-friendly and communicate more effectively. It is a valuable tool, not just to keep current

members up to date, but to attract new members. Our website shows our knowledge of the industry, demonstrating that FEPE membership provides value.



## 3 Our new membership focus

Until now, FEPE has had three membership categories:

- Full Member: European envelope manufacturers
- Associate Member: companies supplying raw materials or machinery to the envelope manufacturing industry
- International Member: envelope manufacturers not based in Europe, but interested in the European industry.

Under our new membership focus, FEPE is now open to membership applications both from companies in the existing membership categories and those involved in a wider range of activities.

**We welcome applications from:**

- envelope manufacturers
- overprinters
- inserters/fulfilment
- mail houses
- suppliers
- paper converters
- other companies in the flexible paper packaging, mailing and delivery ecosystem.

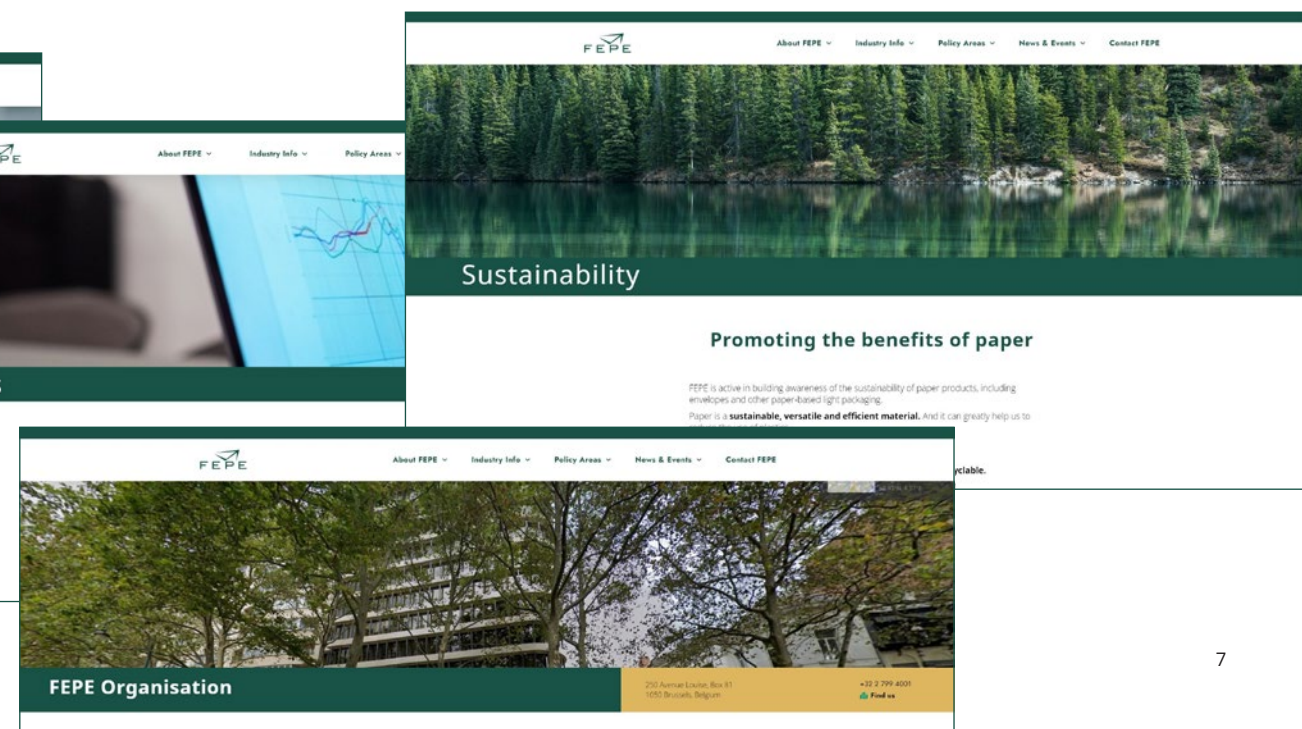
## 4 Our new organisational focus

The current FEPE organisation will remain unchanged for now. As we expand our scope of activities, the Board will review any additional organisational needs if required.

Today, the main forums for FEPE members to share knowledge about industry and market trends are the FEPE Annual Congress and the FEPE Marketing Committee meetings. Some members have expressed interest in creating additional subcommittees on specific topics of interest. We will keep you informed on developments.

FEPE operates to a 3-year action plan. It covers the yearly themes, key policy issues, budget, campaigns, events, and targets for business promotion and the acquisition of new members.

The review of the FEPE strategy was part of the 2021–2023 action plan. The next step, in order to fulfill our ambitions for our new scope, EU positioning, membership and organisation, is to improve our communications.



# A fresh start needs a new look

## 5 Our new communications focus

Our communication needs to focus on the right topics, reach the appropriate audiences and have impact. In practical terms, this translates to:

- identifying the themes, topics and issues of interest to our current and potential members
- creating a new brand identity
- identifying how to use each communication channel in the most effective way
- wider distribution of our communications to reach more target audiences
- more prominent presence at industry events.

We want our communication to help us attract new members and partnerships, and build awareness and understanding of issues among the public and relevant institutions. Most of all, **we want our communication to reflect and be inspired by changes in our members' activities, in market trends and in consumer demands.** To focus on the future, not the past.

To achieve these goals, we have reviewed the scope, content and design of our communication.

- We have identified our key messages and redesigned our brand identity to more accurately convey who we – the FEPE organisation and its members – are and what we do.
- We have established a communications plan to ensure that we provide regular, comprehensive industry news and that we cover important themes and topics in depth.
- We are improving our materials for promotion and lobbying.
- And finally, we have a new communications channel; this FEPE Magazine (since Spring 2021). This has also had a redesign in keeping with the new brand identity.

## A FUTURE-FOCUSED BRAND

FEPE's new strategy is resolutely future focused. We need to demonstrate this approach in our activities and our communications content and, visibly, through the brand impression created by our printed materials and our website.



So we've redesigned our logo and overhauled our communications materials to create a more modern and striking brand impression.

Our new website has improved functionality and usability, and is optimised to make it easier to update and add new content.

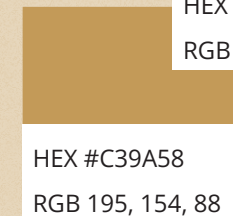
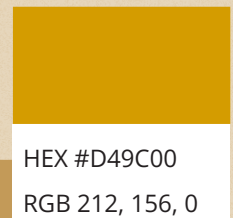
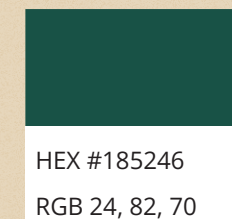
## A new description of our purpose

For continuity, the Board sees no need to change the **well-established FEPE acronym**. There's also no need to change the official name used in legal documents (Fédération Européenne des Producteurs d'Enveloppes).

However, we do need a description that better describes our scope and activities. Henceforth, FEPE will stand for:

**Federation for Envelopes  
and for light and ecommerce  
Packaging in Europe.**

## FEPE'S NEW COLOUR PALETTE



FEPE's new colour palette is designed around two main colours — a strong dark green and tones of brown/ochre.

It may be a cliché, but green effectively represents envelopes' and papers' sustainable qualities.

The brown/ochre colours are in recognition of kraft brown envelopes and paper bags, the workhorses of our members' business.



# A business in transition

From its roots in Sweden nearly 300 years ago, Bong has been producing envelopes since 1920. It has evolved into one of the leading providers of specialty packaging and envelope products in Europe, with 1200 people and units in 13 countries. Today, while envelopes remain the core of the business, Bong is fast transitioning into the world of light packaging.

Kai Steigleder, CEO of Bong Group and FEPE President, talked to us about how Bong is innovating and adapting to the changes in our industry sector.

*Envelope consumption has decreased over the past 20 years as digital communication has grown. What has this meant for Bong?*

**Kai:** It's been clear for years that the envelope market has been shrinking, largely due to digitalisation. Back in 2017, when letter mail volume in Europe stood at close to 60 billion units/year, *Copenhagen Economics* produced a report for FEPE that forecast a drop in volume of between 19% and 50% by 2025, depending on whether one considered a best- or worst-case scenario. I believe their forecast was accurate; to date, we're roughly in the middle.

We think of our business as being *in transition*.

**The world changes: what matters is how you adapt.** Envelopes are the core of our business, but Bong is also moving more and more into light packaging. It's a transition that comes naturally to us: our DNA is in paper converting and printing. That's where we have our experience and contacts with suppliers and customers. Our paper-based light packaging products include carrier bags, gift bags and packaging for small physical items to be sent by postal or courier services. It feels like a natural extension to the envelope business!

In practical terms, of course it has a big impact on our operations. In our factories, little by little we're replacing envelope machines with machines



Photo: Courtesy of Bong Group

*Envelopes remain the core of the Bong business with several production sites in Europe. In the future there will be more light packaging machines, requiring additional skilled workers.*

to make light packaging products. As we continue to innovate in this area, machinery requirements change too.

It's not just machines. New machines require operators who are trained in their use and maintenance. At a time when already there's a critical shortage of skilled workers and when many young people are reluctant to train for manual and blue collar professions. In addition, introducing new products means that we need to build new networks of suppliers and customers in these business sectors. So **while some things remain familiar, much is changing in our day-to-day operations.**

*How has the Covid-19 epidemic affected Bong?*

**Kai:** Every sector and business has been hit in the past two years, including Bong. There have been both positive and negative impacts. While lockdown brought businesses to a halt for a while, there were also some **unforeseen increases in demand for envelopes**, for example for postal voting in elections or for sending out vaccination invitations to citizens.

At the same time, the explosion in ecommerce has created huge demand for our light packaging products.

One thing the lockdown demonstrated to the world is how indispensable are our blue collar and service workers, including immigrant workers. We are hopefully now realising that they are a silent force, contributing in important ways to the wellbeing of companies and society. We should not take our workforces for granted.

### *Ecommerce increases the demand for light packaging. How do you think this trend will evolve?*

*Kai:* Retail is changing; there's no doubt about that. **Ecommerce is here to stay, and it's creating a huge demand for efficient packaging solutions.** Nobody wants to continue to get big boxes filled with polystyrene packing — and transport companies don't want to fill their trucks with excessive packaging.

There's a demand for packaging that's light and has the right level of protection for the contents, without taking up any more space than necessary. It should be resistant enough

to protect the contents in transit, and be reusable, for example to return unwanted purchases to the retailer if necessary.

### *What are the main opportunities for envelopes and light packaging? And what are the threats?*

*Kai:* There are tremendous opportunities to use our know-how in envelopes, in combination with innovative ideas, to provide the solutions companies and citizens are crying out for, especially for light packaging solutions. There is plenty of room to grow in this market!

The main issues are related to the paper supply chain and our own production capacity, at least in the short to medium term. Paper availability is currently insufficient to meet the demand, which will only continue to rise in the coming years. We are competing with other packaging producers for paper as our raw material. We are not the only ones to see the opportunities and want to grab them.

*Bong e-Green mailer bags are specially designed for efficient ecommerce deliveries. Fully recyclable and biodegradable, they can be reused to return purchases if necessary.*



Photo: Courtesy of Bong Group

### *Today, light packaging for ecommerce often relies on plastics to protect the contents. What are the alternatives?*

*Kai:* **European consumers are asking more and more for paper-based packaging.** Combining paper with plastics has both advantages and disadvantages. For instance, bubble mailers made of paper with plastic bubble foil protect the contents well, although they can be more complex to recycle. A possible alternative could be all-paper cushioned mailers, which can also protect the contents very well.

But choosing the right raw materials is complex: it's not as simple as X product is 'bad' and Y product is 'good'. There are good and bad plastics, just as there are good and bad papers.

Our challenge as sustainable manufacturers is to consider all aspects of the raw materials we use. At Bong, our paper comes from well-managed, sustainable plantations, mostly in the Nordic countries.

**Sustainability is not just about which raw material to use, but finding the right combination of materials for the end product.** It's also about finding products that contribute to sustainability through their usage.

At Bong, for example, we've developed e-Green, a new range of strong kraft paper mailers. e-Green is recyclable, but it's also a highly sustainable product in use. It's light and it's flexible, so it can be adapted to the contents to take up as little space as possible, offering considerable savings on transportation volume and costs. And it can be used more than once: it's produced with a tear strip for easy opening and it has two glue strips, to enable the customer to seal it again in case they want to return the purchase to the retailer.

### *Where do you see the greatest opportunities for innovation? In materials? Formats? Manufacturing techniques? ...*

*Kai:* The bulk of our business is in envelope production, with the share of light packaging continually increasing. I think the biggest potential lies in the fast-changing consumer habits. Ecommerce is growing rapidly — accelerated by the Covid-19 crisis — and our industry is able to support this trend with innovative and sustainable packaging. Being able to provide a wide range of products is vital for us, in many different formats or materials and printed to individual customer demand.

We are always trying to finding the best raw materials that have strong sustainability credentials, even for our most demanding customers. Today there are eco-friendly papers available, made from a wide range of natural fibres, such as grass, sugarcane or straw.

I believe that **exploring all opportunities and being open to innovative solutions** is where we can make a real difference — in our own business operations, for our customers, and for our continued success.



*Kai Steigleder has been CEO of Bong Group since 2018 and FEPE President since 2020.*



# Technical innovations in envelope making

Frank Eichhorn, Managing Director and CEO at Winkler & Dünnebier, shared his perspective on envelope and industry trends, new developments and what the future holds.

## THE PERFECT STORM

The envelope industry is facing a perfect storm, explained Frank Eichhorn in his presentation to the FEPE Annual Congress.

Not only is envelope volume on a downward slide. In addition, the industry is facing significant challenges such as labour and raw materials shortages and rising costs.

All of this puts **pressure on the industry to achieve higher production efficiency and product quality, to provide better value** for our customers.

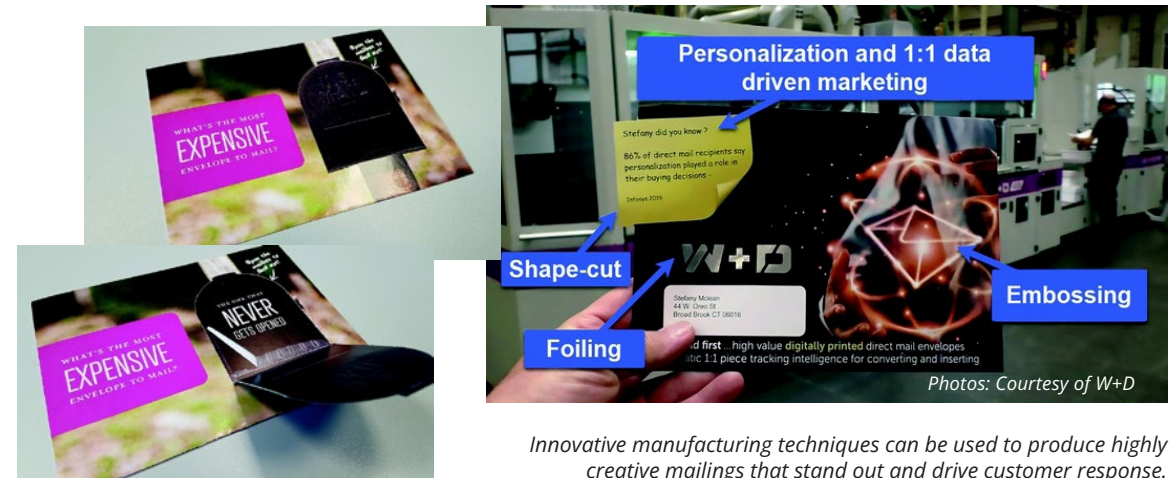
The difficulties we face also point to our opportunities. One such opportunity is to add value to our product by producing **envelopes that really stand out** from everything else

in the mailbox. This is valuable for customers, whether the envelope is for advertising or customer relationship mailings, important personal information, government mailings, election mail — all senders want their envelope to have impact! This can be achieved with higher print quality and innovative printing and production solutions.

## CREATIVE MAILINGS SOLUTIONS

Winkler & Dünnebier offers a wide range of equipment that enables almost unlimited creativity, such as:

- haptic techniques like embossing and foiling
- shape-cut envelopes
- ENVacards — a combination of a postcard and envelope, with a glued section that can be



*Innovative manufacturing techniques can be used to produce highly creative mailings that stand out and drive customer response.*

opened to reveal personalised information, coupons, etc.

- automated personalisation for 1:1 data-driven marketing.

The US is a huge market that benefits from having just one national postal service. One advantage is that customers pay *less* for creative mailings rather than more, as in many other countries.

In Europe, creative mailings using such innovations can be more expensive to post. Nonetheless, European companies can also exploit these solutions to produce **creative mail that stands out and drives customer response**.

"Let's try to work with our national postal organisations", Eichhorn added, "to lobby and negotiate special, more favourable rates instead of penalty payments for creative mailings."

## MAILER BAGS FOR ECOMMERCE

Ecommerce is also a source of opportunities. Increasing packaging costs, rising paper prices and the demand for more sustainable products are **prompting retailers to use mailer bags made out of paper** instead of the usual corrugated cardboard packaging or PE mailers.

With the envelope machines of the W+D 249 and W+D 341 series, W+D already offers platforms to produce such envelopes.

At the same time, the company is developing a new generation of envelope machines that can produce sizes up to 475 x 375 mm and various pocket designs with and without gussets, double peel & seal strip, and tear-off thread in a single step.

## Envelope industry challenges



shrinking demand for envelopes



relentless price pressure



rising prices for raw materials



shortage of skilled labour



increasing shipping and packaging costs



increasing demand for more sustainable products



shortages in raw materials: paper, glue, window film, ...



# Innovate to thrive

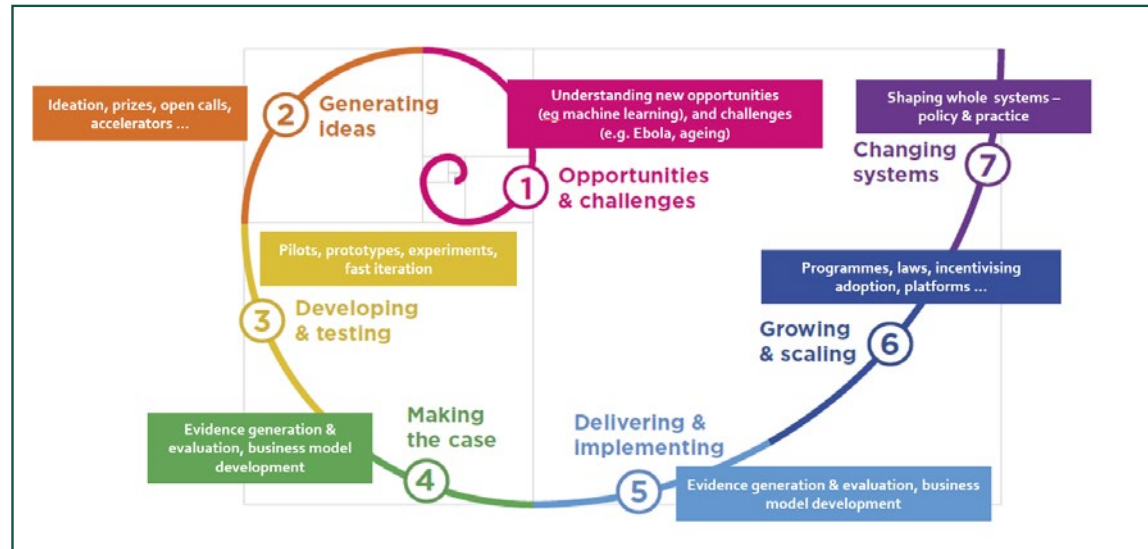


Image by Robert Madelin, FIPRA, based on the Nesta model of the seven stages of innovation;  
<https://www.nesta.org.uk/data-visualisation-and-interactive/helping-innovation-happen/>

At the FEPE Annual Congress, guest speaker Robert Madelin, Chairman and Chief Strategist at FIPRA International, explored the current EU and global socioeconomic context and its impact on FEPE. He outlined how a proactive approach to innovation has potential to improve not just social and natural capital, but also the bottom line.

## EU PRIORITIES

Several of the EU priorities to 2024 have potentially wide-reaching consequences for FEPE members and stakeholders, particularly the EU Green Deal and Next Generation EU.

Green Deal initiatives that may directly or indirectly affect FEPE businesses include the:

- Packaging & Packaging Waste Directive
- Sustainable Products Initiative
- Eco-design Directive
- Initiatives to minimise the risk of deforestation and forest degradation associated with products placed on the EU market
- Fit for 55 package to reduce emissions by at least 55% by 2030.

## Everything is connected

The EU priorities and the measures required to meet their goals are extremely complex and interconnected, Madelin noted. They will lead to significant, unforeseen legislative changes in the way we conduct our businesses, industries and private lives. The big question, Madelin said, is whether the many interconnected measures will ultimately drive or strangle innovation.

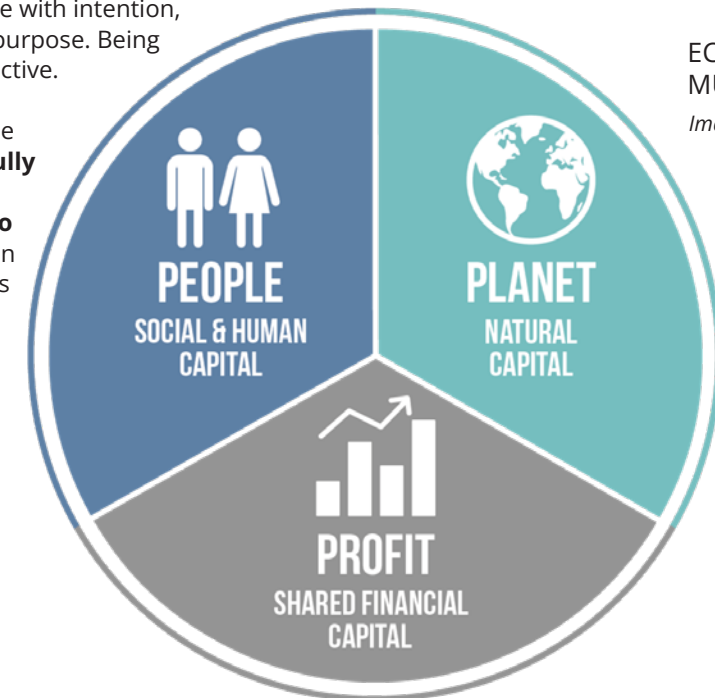
## Will innovation be stifled?

We know that we must find ways to do things differently! The various bans, restrictions and limitations that may or will be implemented in the coming years are a necessary step to change our ways and save our planet. They may drive many positive innovations.

While this is indeed the EU's goal, meeting all the legislative requirements presents a huge challenge for industry. Not only are the goalposts moving; they are moving in many different fields at the same time. But we should not just wait for innovation to happen somewhere else, Madelin said. We can all play our part to make it happen.

## Governance by design

Referring to the von der Leyen administration, Madelin advocated governance by design; shaping our future with intention, anticipation and purpose. Being proactive, not reactive. The challenge for businesses is to be part of **thoughtfully designing the world we want to live in**, rather than reacting to threats and disasters.



## ECONOMICS OF MUTUALITY

Image: <https://eom.org/>

Madelin described how the rapid pace of change – and increasing recognition of the need for far-reaching innovations – is driving many companies to start thinking about economics in a new way. The *Economics of Mutuality* is a groundbreaking principal of management that empowers companies to adopt a responsible and more complete form of capitalism.

It sets a quadruple bottom line — valuing natural, human and social capital as well as financials. Moreover, it actually produces better financials and better non-financial impacts than 'purely' financial capitalism, he remarked.

## Driving innovation

To survive the changes we face, we need innovation. And innovation is not to be feared, Madelin concluded, when people can understand the benefits it brings. "Look at challenges and proactively propose solutions", he advised. "And involve everyone. Good ideas leading to innovations can come from anyone in the company."

# Trends and changes


The FEPE Annual Congress provides insights into both short-term trends and long-term impacts.

Here is a summary of the main trends affecting envelope volumes and production.\*

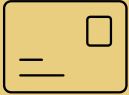
*\*Reported by Russell Croisdale, Chairman FEPE Marketing Committee*



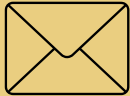
As letter mail declines, the lightweight packaging sector will continue to grow and postal services will continue to migrate towards packaging delivery.



Update North America: All three primary envelope markets in North America (transactional, marketing and light packaging) came through the pandemic well. The North American paper market was dramatically reshaped by the pandemic and it will take a number of years to recover.



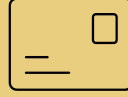
QR codes to trigger action, such as links to websites or voice calls, are driving more volume than response-based envelopes.




There is a steady trend towards more digital printing. This is in line with the trend of smaller print runs for more targeted mailings.




As demand for innovative products increases, raw material development is becoming a major problem.



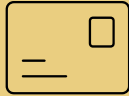
There is a shortage of skilled workers. In manufacturing, people will be our largest problem. How will we keep up with demand with a smaller workforce?




Envelope production today is characterised by smaller jobs, rapid turnaround and more variety of products.



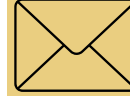
Triggered direct mail has grown as well as interactive direct mail. Mails have more features than before. As a result, there is a demand for envelopes in a wide variety of sizes and shapes.



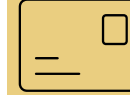
Brown kraft papers have gained market share. Wood-free white >90 gsm performed better than 75-90 gsm.



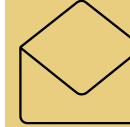
Postal services have expanded parcel delivery workforces, with some able to do so by moving staff from declining mail operations.




The direct marketing area continued double-digit declines in the first half of 2021. The inserting sector, came through the crisis comparatively well.



The overprint business recovered in Q2 and saw a slight boost in the first half of 2021.



Ecommerce packaging including air-bubble envelopes saw growth of up to 20%. Demand is likely to continue to increase as retail shifts towards ecommerce.



Due to Covid-19, capacities couldn't be fully used everywhere.



# What next after Covid-19?

Andrea Boltho, University of Oxford and Director of the global forecasting group Oxford Economics, addressed the FEPE Annual Congress, outlining the short and medium-term impact of Covid-19.

## NO RETURN TO 'NORMAL'

The future after Covid-19 is even more difficult to forecast than usual, Boltho explained. The global economy is starting to recover after a sharp recession in the past 1–2 years. While Covid-19 is not over and there may even be more lockdowns, the vaccine program appears to be working and recovery to be on the way.

Boltho pointed out that the pattern of FEPE deliveries has roughly followed the Western European GDP pattern, although the delivery drops have been more severe. As GDP returns

to pre-Covid levels, FEPE members can expect a parallel return to 2019 demand levels.

## Will inflation rise?

However, the recovery is not a return to 'normal'. There are many factors in place that can push up inflation. Consumer prices have risen by 3–5%, higher than for a long time. Commodity prices are up, and fuel and transportation costs are skyrocketing. A shortage of semiconductors is playing havoc with production processes for many different types of product. And the pandemic has demonstrated that we have become very

dependent on highly sensitive supply chains where the least disruption can have extensive knock-on effects.

Forecasters are mostly saying that these factors are temporary. We are currently seeing freight bottlenecks, with a soar in freight rates that could last well into 2022, but all this may return to normal eventually.

Covid-19 enabled many people to build up their savings. While some people may continue to save, for example to buy property in the future, there are signs that others are on a spending spree. Rising demand for goods can lead to inflation hikes, but for these to last you need wages increases. While German unions are looking at the current 4% rate of inflation and looking for similar wage increases, there are few signs of widespread wage increases across economies and sectors.

Overall, despite factors pushing inflation up, Boltho noted that forecasters are optimistic for a return to the levels of inflation we have seen in recent years.

## Will the stock market crash?

There are signs of stock market instability and Boltho predicted that a crash is not impossible. However, it is likely to be limited to the US, where the current stock market bubble is more pronounced. If it happens, it is more likely to have

a negative impact on GDP growth than to provoke a full-blown recession.

## PANDEMICS LEAVE TRACES

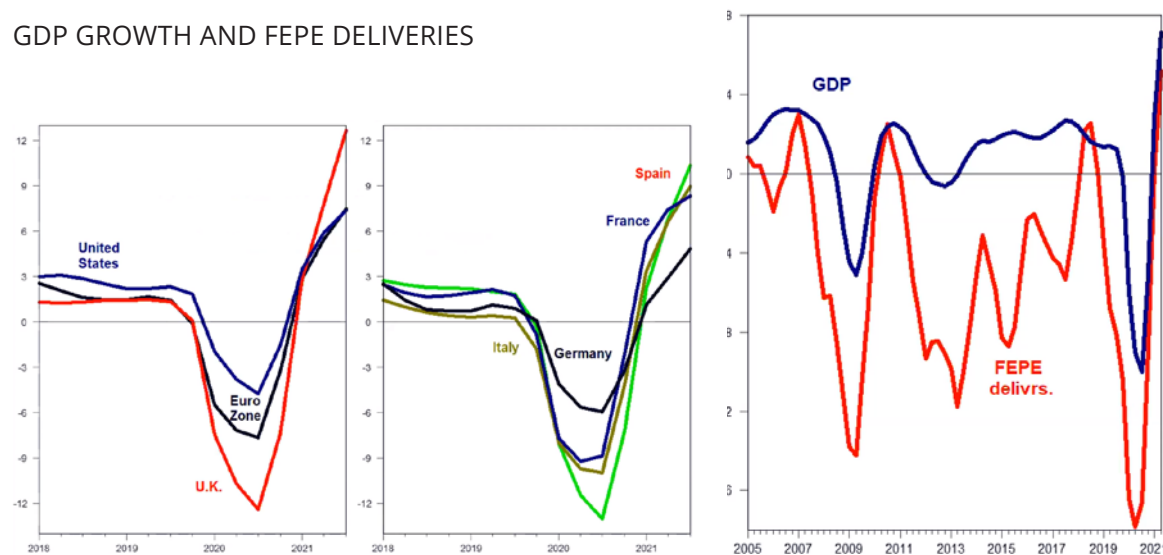
History shows us that pandemics can have far-reaching consequences. However, Covid-19 has resulted in fewer deaths (5 million or up to 15 million, depending on how deaths are counted) than, say, the 'black death' in the 14th century or the Spanish flu of 1918–1920, and the consequences are unlikely to be as catastrophic.

What we can expect is a small acceleration of changes that were already taking place, such as:

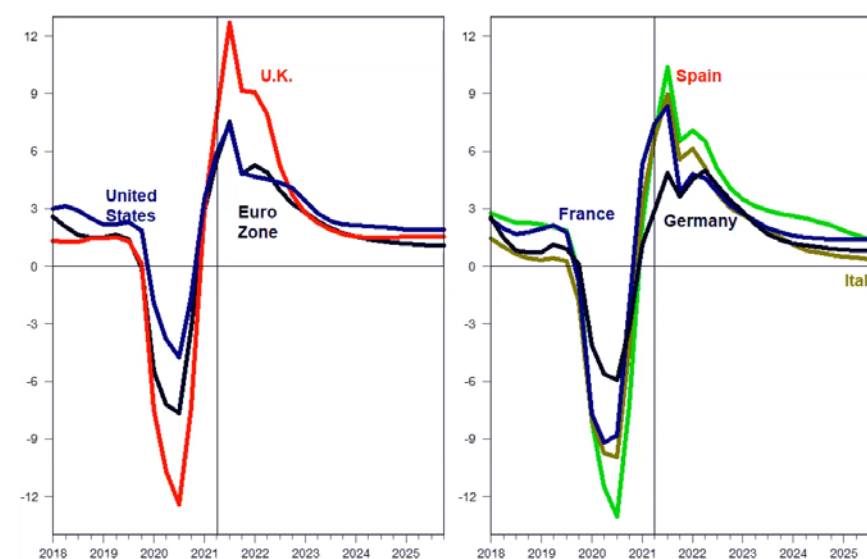
- **less globalisation**, with more reshoring and less travel
- **more digitalisation**, with less commuting and more working from home
- **higher public debt**, leading to pressure on interest rates
- **greater income inequality**, with a risk of a further rise of populism
- **more focus on slowing climate change**, with increased regulation and taxation.

These trends were already underway before 2020. However, Boltho concluded, poorer schooling during lockdowns, which particularly affected low-income children, may have unforeseen and long-lasting socioeconomic impacts.

## GDP GROWTH AND FEPE DELIVERIES



Left & centre: GDP % changes from previous year. Right: W. European GDP and FEPE deliveries. Source: Oxford Economics



Source: Oxford Economics

## GDP RATE AND FORECAST TO 2025

# A challenge to freedom of advertising

Freedom of advertising and thousands of jobs are being threatened by new legislation being proposed in Germany and other European countries.

Activist organisations are calling for a change in legislation for unaddressed advertising, from the current opt-out system to opt-in.

## FROM OPT-OUT TO OPT-IN

Under the proposed new legislation, delivery of unaddressed advertising would only be permitted if the recipient requests it by displaying an "Advertising – yes please" sticker on their mailbox.

The idea has been promoted by various groups in the Netherlands and other European countries. In Germany, the proposal is promoted by the groups *Letzte Werbung (Last Ad)* and *Deutsche Umwelthilfe (DUH, Environmental Action Germany)*.

In addition to the opt-in requirement, DUH is demanding a 20 cent levy on each unaddressed advertising brochure delivered, to further discourage this form of marketing.

The arguments used include allegations about the environmental impacts of paper, print and delivery systems, as well as claims of supposed CO2 reductions by reducing print advertising.

Advertising skeptics also argue that advertising is inherently harmful because it seduces consumers into buying harmful products that they don't really need or want, such as meat, sweets or SUVs.

## WHAT GOOD IS ADVERTISING?

The benefits of advertising for product manufacturers are apparent; it's an essential component of product marketing. Advertising also benefits the print industry: the EU printing sector includes about 120,000 companies that employ around 770,000 workers. And direct mail is of course essential to the envelopes industry.

FEPE supports the view that advertising also benefits consumers and the economy. Advertising – be it for commercial products or political parties – is a core part of a free market economy, which in turn is central to our democratic society.

**Advertising enables consumers to understand their purchasing options and make informed buying decisions.** It ensures price and product transparency, and market competitiveness.

## OPT-OUT WORKS

Currently, any citizen in the EU can easily opt out from unaddressed direct mail by placing a 'No advertising' sticker on their mailbox. It's a cheap and democratic solution. And it works.

## BEHIND THE LEGISLATION

Looking at the bigger picture, reducing print advertising is not an end in itself for environmentalists. It's a starting point to try to reduce overconsumption or limit the sales of products that are considered unhealthy, not environmentally friendly or not sustainable.

While no doubt stemming from good intentions, using legislation in this way is paternalistic and non-democratic. It assumes that citizens are unable to make 'good' choices independently.

Moreover, it seems wildly naive to think that making mail advertising opt-in only will stop people from making 'bad' consumer choices. Such legislation can do a lot of harm without leading to real benefits. **Changing to 'opt-in' won't change people's behaviour.** It won't stop people from eating meat or sweets, it won't make them respect the environment more. But it could do considerable harm to employment and democratic freedom.

## UNADDRESSED DIRECT MAIL IS GDPR COMPLIANT

GDPR legislation came into effect in Europe in 2018, to ensure the privacy and security of citizen's personal information.

Unsolicited direct mail by post is not the same as unsolicited email and the same opt-in versus opt-out arguments do not apply. The reason for opt-in

legislation in respect to email is that sending an email requires that the sender collects and stores personally-identifying information such as an email address. There is a risk that this information can be released or hacked and used for criminal purposes. Citizens should have control over how their information is used, including the right to ask that it be deleted.

In the case of unaddressed direct mail, the company is not collecting or storing any such information, so the situations are not comparable.

**Unaddressed direct mail advertising does not use personal information and is therefore GDPR compliant by default.**

## FEPE ACTION

FEPE, in cooperation with other associations including Two Sides, is standing up to defend its members' interests and prevent the proposed legislation change. We will not allow advertising, a core part of the free market economy, to be demonised in Germany or elsewhere. We will defend consumers' rights to receive unaddressed direct mail and thereby also support employment in the advertising and print sectors.

For more information about this or other legislation affecting the envelopes and light packaging sector, please contact [info@fepe.org](mailto:info@fepe.org) or write to FEPE, Avenue Louise 250 Box 81, 1050 Brussels, Belgium.

## EVENTS

# FEPE events 2022

## FEPE MARKETING COMMITTEE MEETING

The FEPE Marketing Committee meeting will be held in Brussels on 16 February 2022, starting at 9 am. Participants are warmly welcomed to also join us for dinner together the evening before.

## FEPE ANNUAL CONGRESS 2022

The FEPE Annual Congress, open to all FEPE members, will be held in Ljubljana, Slovenia, in September 2022.

**For details of FEPE and other events, see: [www.fepe.org/events](http://www.fepe.org/events).**



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