

Sustainable labelling: now is your chance

Whatever your role in the self-adhesive labels value chain – end user, converter, pressroom equipment manufacturer, consumables or raw materials supplier – there is a contribution to be made to the sustainability agenda. The FINAT 2012 Congress certainly proved that.

Held in the Hilton Hotel Athens in June, the Congress programme encompassed presentations; the FINAT general assembly; a well-supported industry tabletop exhibition; the FINAT Label Awards presentation and winners exhibition; and extensive networking and social activities. On the first day, the agenda ‘teed off’ with the annual FINAT/Nilpeter golf tournament followed by evening cocktails and dinner in the hotel.



The next day, formal proceedings were opened by FINAT President **Kurt Walker**, tesa Bandfix, who invited delegates to take advantage of the occasion to ‘engage in dialogue with peers in the industry, and be inspired by industry leaders’.

Panos Cabas, representing one of the longest-serving FINAT member companies from Greece, also set the context for the speakers who were to come. He reminded participants that ‘the mind is like a parachute – it works best when it is open!’.

Keynote: the brand owner’s perspective

The Congress’s first keynote followed – from **Louis Lindenberg**, Global Packaging Sustainability Director of Unilever, who presented the key end user’s perspective on the label and packaging industry’s sustainability agenda. With 171,000 employees and operations in 100 countries, Unilever is committed to achieving a ‘sustainable living



plan' by 2020, which embraces the lifecycle impacts of all its brands, across all countries, in every arena: social, economic, and environment. Unilever takes responsibility for the whole product value chain from raw materials to disposal, and views sustainability as a growth driver for its business. Consumers and major retailers want it; it fuels innovation; it develops markets; it saves money; and it 'inspires our people', Mr Lindenberg said. In the first year of Unilever's commitment to their sustainable living plan, he said, 'we are making good progress, and are ready to scale up our activities'. The company is achieving results across its many different kinds of packaging. 60% of the paper and board now used is either certified or recycled, and plastic containers have been down gauged, or feature recycled content, or are consciously chosen to be recyclable. In fact, he said, 'we have made €250 million in eco-efficiency savings through the 113 tonnes of plastic we have saved by downgauging.' He invited congress participants to collaborate on developing practical recycling solutions specific to the self-adhesive label industry.

However, Unilever is still facing challenges, particularly in the context of working on behavioural change, which involves engaging the consumer in such areas as water use reduction – in the shower, in the laundry, and in hand washing. Without consumer 'buy-in', product innovation is not in itself enough to create a sustainable business model, he observed.

FINAT President's address

The programme continued with the 2012 FINAT General Assembly, opened by President Kurt Walker. In his address, he thanked the congress sponsors and all the FINAT volunteers and their companies, without whom 'it would be impossible to DEFINE an agenda, let alone EXECUTE it, in this complex and extended value chain.' He went on to highlight FINAT's achievements since the last congress, pinpointing the establishment of the cross-functional board sub-committee on sustainability and recycling, which is working with FINAT material supplier members in particular to assist and promote the companies who are offering real, practical recycling solutions for release liner, in the areas of cradle-to-cradle and re-use. This sub-committee is ably partnered in the Technical Committee by a new sub-committee on sustainability. Mr Walker also drew delegates' attention to the new

FINAT leaflet on the available commercial recycling platforms for spent release liner, which may be downloaded from the FINAT website, www.finat.com.

On sustainability issues, he added: ‘We need to build an industry supply chain network that can facilitate waste COLLECTION for recycling... And that must involve the brand owners and retailers who, as the recipients of the finished labels, would be key players in the network.

Two other major strategic initiatives within FINAT – the Young Managers Club and the re-established membership development committee – are, said Mr Walker, driving FINAT’s future growth and the self-adhesive label industry’s continuing success. He applauded the marketing committee’s restructuring with focused topic-specific sub-committees, including the new industry trends committee which is, he said, ‘developing FINAT’s capabilities as an industry support association; creating a working matrix for member feedback; monitoring and analysing market and technical trends; benchmarking and best practice; and, of course, sharing this invaluable information with the FINAT membership.’

Mr Walker also drew attention to many other practical achievements, such as the many initiatives in the regulatory affairs arena – which are delivering practical results in relation to the EU’s Packaging Waste Directive’s definition of release liner as process, as opposed to packaging, waste; the continuing development of the FINAT Test Methods, especially in parallel with digital label print; the successful conclusion of the 25th Technical Seminar last March in Barcelona; and the ongoing activities of the L9, the international network of regional label associations around the globe, which is opening new doors for the industry.

Industry trends and market data



Following the Treasurer’s report and FINAT housekeeping items, the General Assembly was concluded. Plenary proceedings recommenced after a networking and coffee break around the tabletop. Next on the agenda was the annual presentation of statistics, industry trends, and outlook from FINAT’s Managing Director, **Jules Lejeune**. Reviewing the comparative consumption of paper and non-paper rolls and sheets

during the last year, and the relative regional trends, he recorded an overall -0.6% growth in 2011, with film labelstocks showing positive growth of 1.6%. Q1 data for 2012 indicate that overall growth for the year will be a modest 0.2%.

Mr Lejeune went on to present valuable insights into broader industry trends, drawing on the activities of the industry trends sub-committee, delivering impressions from 'outsiders looking in', and revisiting FINAT's 'Visions 2020' statements from 2008 and prior FINAT events, using film and broadcast clips to good effect. His talk covered the prime forces at work in the label industry: market demands, technology and innovation, corporate drivers and – of course – sustainability. He showed how label print is now intermingling with other parts of the packaging industry and how packaging itself is becoming 'the safe haven for commercial print' – creating a new dynamic in the industry. He highlighted the strength and importance of the retailers' 'private label' brands today; identified industry challenges such as the maturing nature of the market and the need for radical technology developments; and showed how FINAT can help its members manage their future and – quoting a pharmaceutical packaging specialist from Switzerland – 'know what you *don't* want to do' as well as what you *do* want to do.

'Making things better and making better things'

Mark Shayler – now heading up UK eco-design and environmental consultancy Tickety Boo, and formerly head of environmental matters at ASDA-Walmart – is an engaging speaker with an uncompromising agenda, as delegates found. 'Making things better and making



better things' was the broad topic he addressed. While he said there is no 'silver bullet – no right or wrong', the overarching philosophy should not be to alter the quantity or weight of packaging, but simply to make BETTER packaging – and remember that the 'biggest value in a packaged product is the product, not the packaging!' Packaging has to work, he emphasised – and in this context, he said that sustainability should not be imposed downwards by the customers: it should be innovated upwards by the producers.

'If "green" is costing you money, you are doing it wrong!', he said and, quoting from a Cone Communications survey, said that, while – across all countries – 60% of

consumers say they prefer to buy from environmentally-responsible companies, only 44% trust companies' green claims. But a tectonic shift is taking place in our attitude as consumers: we are, he said, changing from 'conspicuous consumption to calculated consumption' – and this takes us back to the need for better product design. Here the ground rules are clear. Find out what the customer wants; 'don't just copy what your competitors are doing – that won't give you competitive advantage!'; and beware of 'green washing'.

'Don't throw anything away: there is no away' was Mr Shayler's quote from a Shell promotion that led into an impressive succession of Tickety Boo case histories, demonstrating creative design thinking on packaging, that delivered sustainability – both in terms of the environment and in terms of cost savings. All were different. The common denominator is that 'you have to have a core purpose – start with this and work out', Mr Shayler summed up.

'Compete – or create?'



'A portrait of a bright future' for the world (and the label industry) in 2030 was the fascinating theme chosen by the next speaker, **Magnus Lindkvist**, founder of the world's first academically-accredited course in trendspotting and future thinking, at the Stockholm

School of Entrepreneurship. His company Pattern Recognition helps companies to make sense, and money, out of anticipating the future – forecasting, in effect, what life, society, and business will look like in the years to come.

He began by observing that today we are suffering from 'infobesity'; and went on to create a matrix of influencers on business today and tomorrow. Globalisation is a horizontal activity: the same things are happening in more places around the world. Technology, however, is a vertical enabler. He asked: 'Are you going to spend the future competing – or creating?' Echoing Mark Shayler, he rejected the idea of looking at what competitors are doing, and copying it. However, he added, if you choose the 'create' agenda, you have to face the fact that 'society has an immune system that protects it from new ideas'.

'Innovation', Mr Lindkvist said, 'is about destroying the old. It is about liberation.' He left delegates with an insightful checklist of five key things that companies need to do better if, he said, 'they want to live longer than a woodpecker'. They are to take a long view; to blend ideas; to experiment; to fail, and try again; and to have patience. Most of all, however, he adjured the audience to 'make enemies!'

Rewarding achievement

Next on the agenda was the presentation of the prizes for the 2012 congress logo design competition, which attracted entries from local design colleges, and was won by **Georgios Karanikas** from Vakalo College of Art and Design in Athens; and of the sparkling FINAT Label



Awards 2012, which featured a truly international base of winners. This early evening event was followed by a delightful open air dinner in the grounds of the Vorres Museum, which offered diners a menu of both modern and classical art to accompany their food.

A real-life label industry success story



Next morning, FINAT President Kurt Walker called the meeting to order by introducing **Dimitris Skordakis** from E. Skordakis and Co, who announced the foundation of the Greek Label Association, of which he had been elected as the founding President. He thanked FINAT and the Turkish Label Association, led by Aydin Okay, for their inspiration and guidance. Mr Walker welcomed the Greek association to the international label community and looked forward to a fruitful collaboration in the future.

Delegates were then treated to a real-life mega-success-story in the label industry: the story of how **Tony Lennon** took Paragon Printing and Packaging from a small label printer to leader in labels and packaging for food. The Group's CEO, whose presence on the FINAT podium coincided with his birthday, told a fascinated audience how he had started the business with just eight people. Today it employs 1,100, operates from eight



production sites across the UK, has more than 2000 customers on its books, and has diversified from self-adhesive labels alone into sleeving and cartons, flexible packaging, and brand identity and design. It has, he said, '68 printing presses and warehousing that would cover nine football pitches', and turned over £170 million in 2011, making it one of Europe's largest packaging print producers.

What has contributed to the phenomenal success of the company, which produced its first self-adhesive labels as recently as 1994? Mr Lennon claims: 'a "never say no" culture, and a "model of excellence" service... Customer service, first and foremost'. Paragon grew both organically and by acquisition, focussing on the food market (but, with the acquisition of William Sessions in 2010, signalling diversification into the personal care and pharmaceutical markets). Its *modus operandi* has led the company to 'implant' 50 Paragon staff at the headquarters of major retailers, which has enabled significant streamlining of packaging and print management processes, right at the point of their inception.

The company has also made considerable initiatives in the sustainability arena. The Paragon Recycling Centre, established in 2007, recycles 80% of the waste product it creates, separating 'value' waste – including release liner – for sale, and collected 528 tonnes of liner waste from customers in 2011. The company has also developed a 'road show' on sustainability for its end-user customers.

The dramatic story of Paragon Print and Packaging's dynamic growth is not, it seems, yet complete, because Mr Lennon told delegates that he now wants to take the 'unique' Paragon model into Europe and other geographies. That model's key enabler is the concept of service.

Round table sustainability discussion



It was appropriate that a number of leaders in the label industry came together for a round table discussion on the congress theme: sustainability. Congress moderator **Alan Stevens** – a seasoned, expert interviewer and TV presenter – sought the views of Paragon's

Tony Lennon; **Isidore Leiser** of Stratus Packaging; **Thomas Hagmaier**,

Hagmaier Etiketten; **Art Yerecic**, Yerecic Label; **Nigel Vinecombe**, Multi-Color Corporation; **Kurt Walker**, tesa Bandfix; and **Matthias Walker**, GEWA Etiketten. Together, this team represented a broad cross-section of the industry's profile on both sides of the Atlantic.

The discussion highlighted much forward movement in the sustainability agenda. Stratus Packaging use no solvents today in either printing or platemaking, and are certified members of the French print industry's Imprim'vert 'green' community, and to the Bilan Carbone carbon footprinting initiative as well as to PEFC and FSC.

Thomas Hagmaier's belief that we are only 'visitors on earth' is borne out by the controlled waste collection and recycling programme in his company, as he demonstrated. All 'value material' waste is collected by a recycling company – including matrix waste, from which two specialist companies in Poland and Germany are able to make insulation material.

Yerecic Labels is a TLMI LIFE certified company; and Art Yerecic says that this achievement has brought significant business benefits: improved customer standing; improved employee morale; and considerably reduced operating costs. The opportunities to become more sustainable are wide-ranging, and may be capital investment projects, low-cost projects, or no-cost projects. Yerecic Labels have improved their sustainability by using all these methods, as Mr Yerecic showed.

Multi-Color Corporation, with a turnover of \$650 million, operates in every sphere of consumer products labels, and enjoys the custom of many of the world's leading brands – an achievement which Nigel Vinecombe attributes to a regimen of monthly reporting on sustainability in all its operations, with performance on CO₂ emissions (which the company have reduced by 12% per annum in the last two years), material waste disposal to landfill, and cost savings from recycling (\$100,000+ for larger sites) all part of the equation.

Kurt Walker, tesa Bandfix, outlined the long tradition and considerable achievements in the waste management arena in Switzerland, where there has been absolutely no landfill for the last 25 years, and waste is taxed by weight. The majority of both consumer and industrial waste – glass, paper, metal, batteries – is separated for

collection nationwide and recycling via incineration to create energy or for cement manufacture.

A significant advance in this area has been achieved by major label printers in Switzerland, who, explained Mr Walker, have together created a 'map route' of their customers in the country's industrial areas, for collection by logistics and support partners C4G for recycling. 'We are now establishing a collecting route around large label users which will also allow smaller printers to participate in the scheme', Mr Walker added. Comments from the floor in relation to this project indicated a belief that, for liner recycling, brand owners and retailers are simply 'not interested' in participation in such schemes – a major challenge because, as Mr Walker, emphasised, the importance of achieving commercially-viable volumes of waste deliveries to the recycling companies, if they are to survive.

Matthias Walter, GEWA Etiketten, introduced the Ökoprofit initiative – Okologisches Projekt für Umwelt-Technik – developed in Germany in 1991 and now used in 19 countries on four continents. This government-supported ecological project for integrated environmental protection has assisted the company significantly in achieving production and material efficiencies that have also delivered energy consumption savings of around €10,000 a year. Resultant overall waste reductions have been in the region of 10% for wet glue, and 50% for self-adhesive labels.

For Paragon Labels, Tony Lennon enumerated some baseline activities within the company: the re-use of suppliers' roll cores in a cut-down form for customer deliveries of rolls of printed labels, and the use of a plastic mesh to receive matrix waste upwind.

The Band Aid/Live Aid experience

The sustainability agenda has many facets – but the sheer joy of being able to do something for the good of others must rate very highly. It certainly did with Midge Ure and Bob Geldof, whose song 'Do They Know It's Christmas' was to kick-start Band Aid and its follow-ups in fund-raising for famine relief in Ethiopia. Awarded the honour of an OBE – Order of the British Empire -- for services to charity and music, he is also currently an Ambassador for the Save the Children Fund.



Midge Ure was in Athens to inspire FINAT members with his own story. ‘I have the best job in the world,’ he said. ‘I do what my passion is and was, and somebody pays me for it.’ Having secured a safe career path as an apprentice engineer in Glasgow, he

was playing in bands in his spare time. When he was finally offered a full-time position in a band, his mother did not stop him, encouraging him to ‘follow his heart’. The rest is history.

Midge Ure’s parting message was a simple truth: ‘Giving is the thing, but what you get back is phenomenal.’

Closing the formal proceedings of the FINAT Congress, President Kurt Walker thanked the organising team, led by Congress Programme Committee chairman **Noel Mitchell**, and the translators, welcomed the new Greek Label Association, and reiterated the key messages of the event. Thomas Hagmaier, on behalf of the German label association VskE, invited delegates to next year’s Congress, to be held 12-15 June in Munich.

Key sporting event

One major event was yet to take place, however; and **Aydin Okay**, FINAT’s international football star and President of the Turkish Label Association, blew the whistle and previewed the team strips for the football challenge match of the year – between local label printers and a team from FINAT. The winners were Greece. There were celebrations and commiserations that evening at Dreams Seaside at sunset on the beautiful coast at Glyfada, where everyone enjoyed an informal dinner and dancing.



Summing up

FINAT Congress was supported, as usual, with a full and interesting partner programme during the times of the meeting which embraced some of the

outstanding opportunities to enjoy history, sun and sand, and good food that characterise Greece. As Kurt Walker said, 'Athens has proved to be a first-class location, featuring good food and wine and very friendly people.'

Commented Jules Lejeune: 'Over the past days, we have seen many examples of sustainable practices in our industry, and listened to invaluable advice on how we can expand our efforts. FINAT can be the lynchpin in gathering industry initiatives together to make a joined-up whole. It is certainly true: sustainable labelling – now is your chance!'

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