

Driving Sustainable Innovations

August 9th, 2018

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Environment Manager





Agenda

- ▶ Innovation is our heritage
- ▶ Environment research 2017
- ▶ Beverage carton innovations
- ▶ Beverage carton recycling



Innovation is Our Heritage





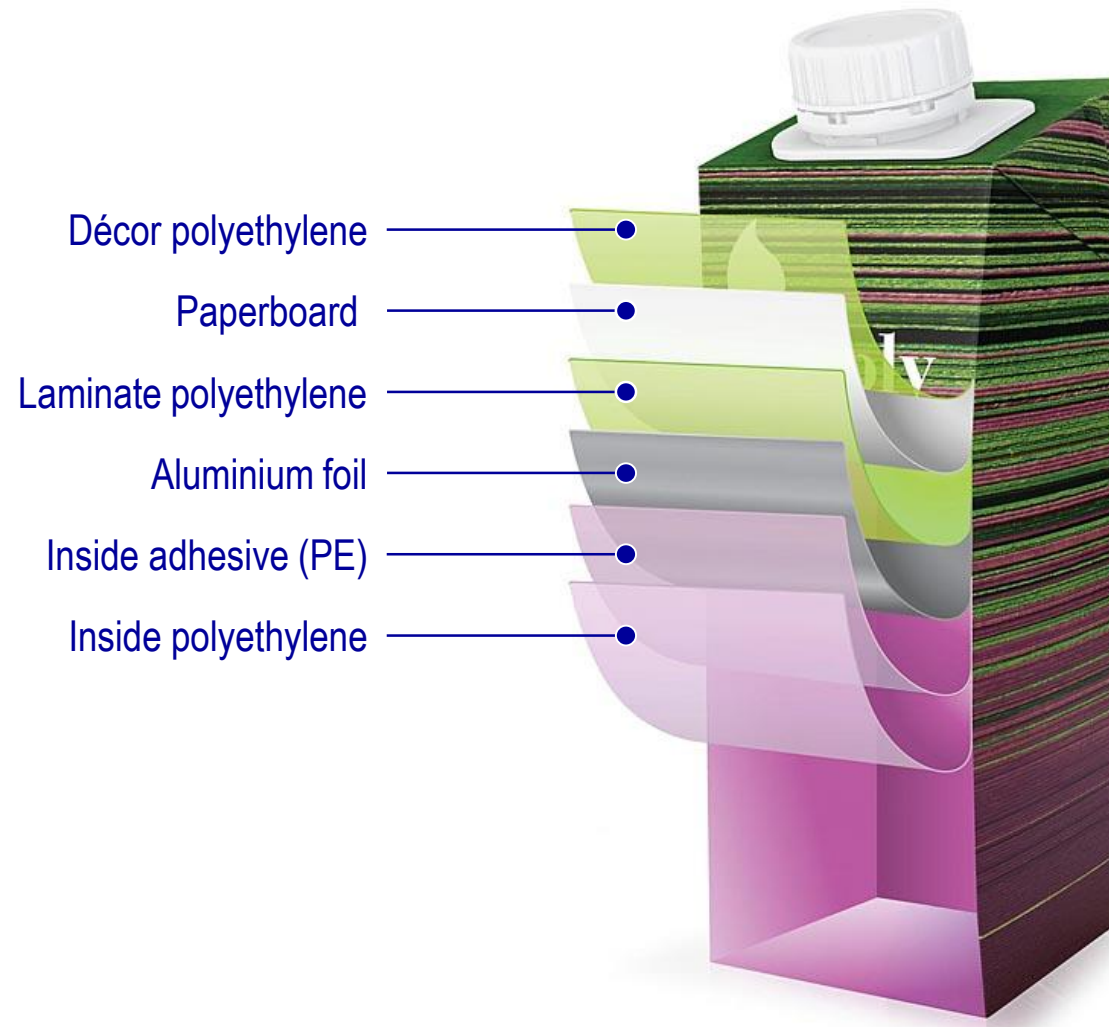
Tetra Pak Global Business Model

A single source supplier - three independent businesses





Aseptic Packaging Material





Environment is a priority for Tetra Pak

Sustainable growth





Tetra Pak Sustainability Approach

Food-People-Futures > www.tetrapak.com/sustainability

Protecting food

Working with our customers and partners to make food safe and available everywhere through our innovative and market-leading food processing and packaging solutions.

Our commitment to the UN SDGs:



Top material aspects:

- Food availability
- Customer health and safety
- Food waste

Protecting futures

Supporting the sustainable future of our planet and the long-term success of our customers.



Our commitment to the UN SDGs:



Top material aspects:

- Supplier environmental assessment
- Supplier water use

Protecting people

Safeguarding and enabling our people and supporting communities where we operate.

Our commitment to the UN SDGs:



Top material aspect:

- Occupational health and safety

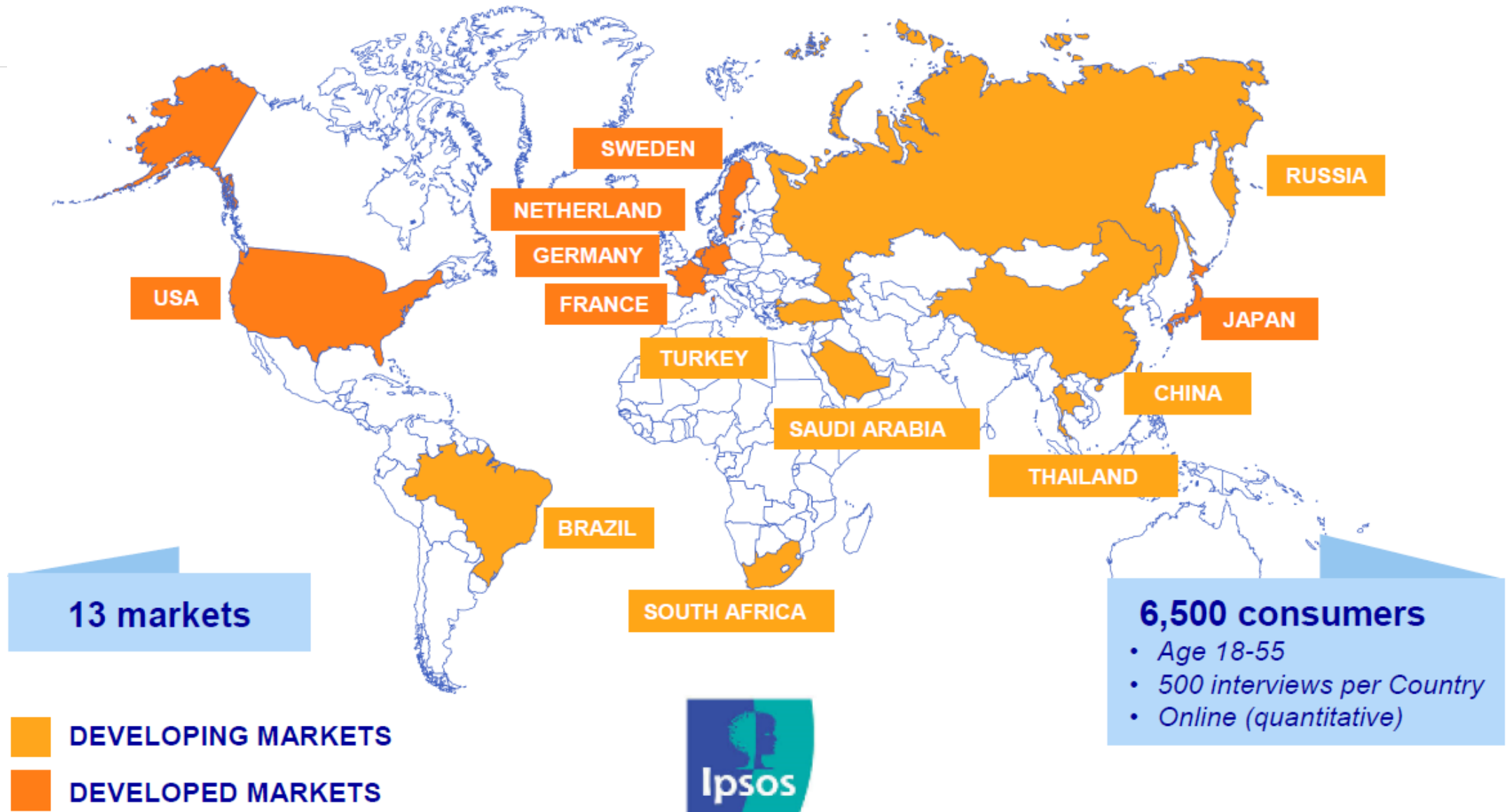
- Packaging design and resource use
- Packaging renewability
- Energy use and GHG emissions
- Machines and equipment: waste generation
- Machine and equipment: energy use and GHG emissions
- Machines and equipment: water use
- Packaging recycling
- Packaging climate impact

Environment Research 2017





Country Coverage





Research objectives



- ▶ Provide inputs to **Strategy & Product Development**
 - Inputs used for review of Environmental strategy and Environmental Innovations roadmap

- ▶ Serve **commercial and communications purposes**
 - Identify market opportunities and threats in relation to environmental issues
 - Share insights and engage customers (and commercial teams) on environmental initiatives
 - Secure solid deck on environmental position for external communications



Key insights 2017

85%

OF CONSUMERS BELIEVE THAT THE FOCUS ON ENVIRONMENTAL ISSUES WILL INCREASE IN THE NEXT 5 YEARS

- Recycling and food waste reduction are the top performed environmental actions
- Emotional drivers and personal benefits influence purchase of environmentally sound products

42%

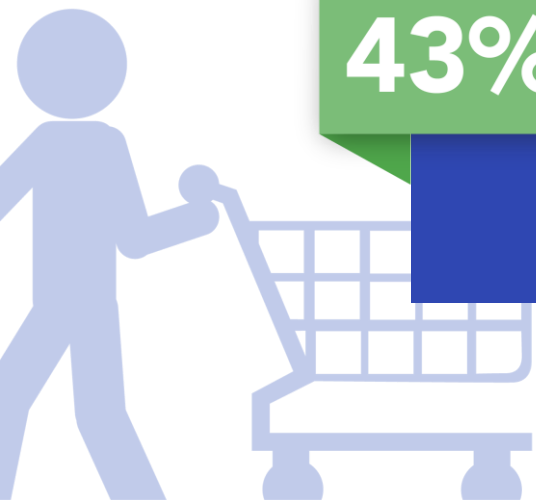
CONSUMERS LOOK FOR LOGOS WHEN SHOPPING BEVERAGES

- On-pack is the preferred channel to get environmental information about packaging

43%

OF CONSUMERS SAY THAT AN ENVIRONMENTALLY SOUND PACKAGING MAKE THEM MUCH MORE LIKELY TO CONSIDER THE BRAND

- And half of them say that it makes the brand worth more than it cost





Environment is top of mind for consumers

Expected to be an even more relevant topic in the future



How much do you think the focus on environmental issues (e.g. climate change, environmental pollution) will increase/decrease in the coming five years? (Prompted, Single choice)

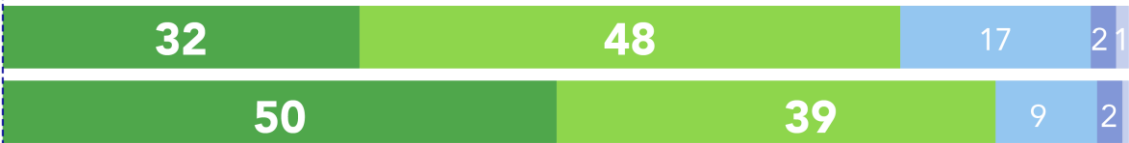


Of consumers believe that the focus on environmental issues will increase in the coming 5 years

DEVELOPED MARKETS

DEVELOPING MARKETS

TOTAL %



■ Increase a lot ■ Increase somewhat ■ No change ■ Decrease somewhat ■ Decrease a lot

Base: Consumers (n=6543)

*Top 2 boxes (Increase a lot + Increase somewhat)



Recycling confirmed as the most frequent activity

Food waste reduction is the top activity in developing countries

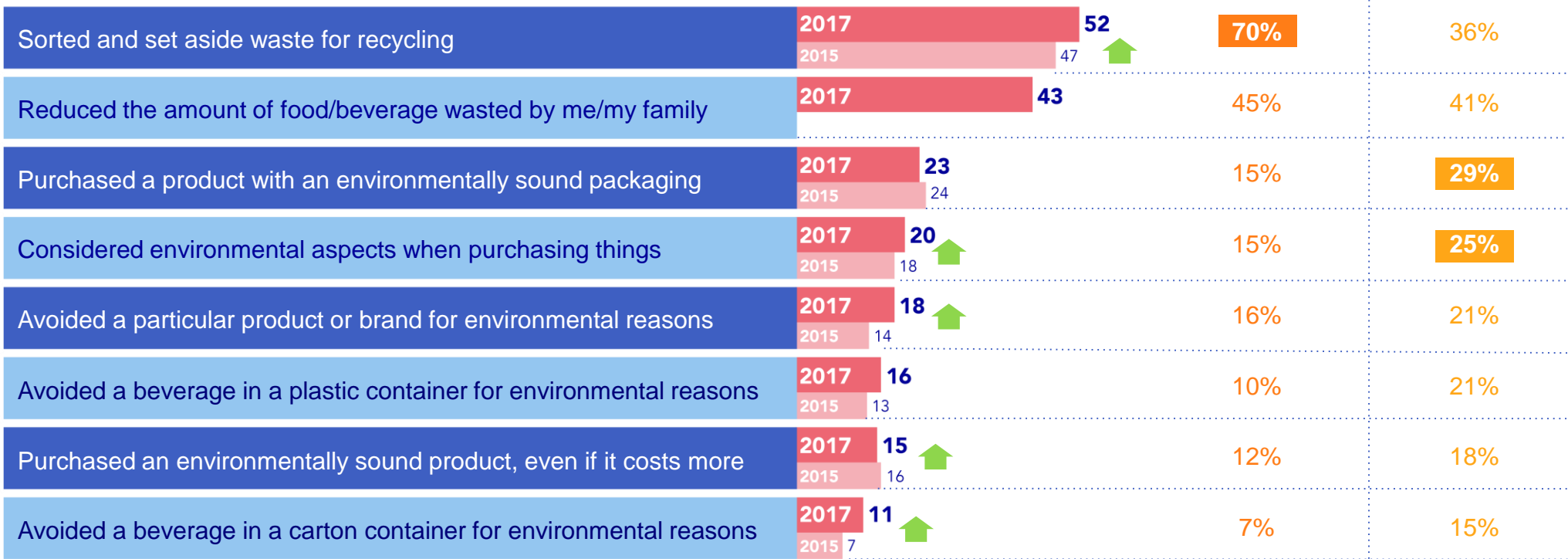


Below is a list of activities. Thinking about the past year, please indicate which of the following actions you have actually done or considered doing, or have not considered doing, using the below ranking: (Prompted, single per row)

ENVIRONMENTAL ACTIVITIES - TOP BOX (% FREQUENTLY DONE)

DEVELOPED

DEVELOPING



Base: Consumers (n=6543)



95% Significance towards 2015



Noteworthy difference developed - developing



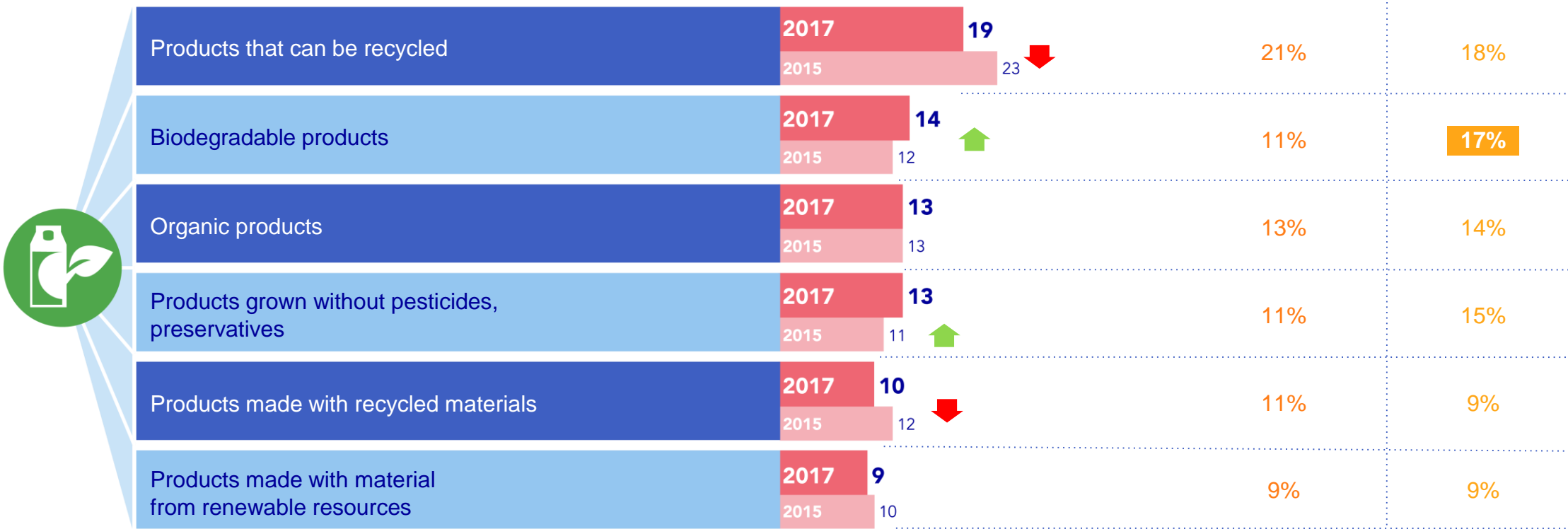
'Environmentally sound product' shows different nuances

Increased associations with 'natural' compared to the past



When you think about an environmentally sound product, which is the first thing that comes to your mind? (Prompted, Single choice, top 6 answers)

DEFINITION OF ENVIRONMENTALLY SOUND PRODUCT - % MENTIONS



Base: Consumers (n=6543)



95% Significance towards 2015



Noteworthy difference developed - developing



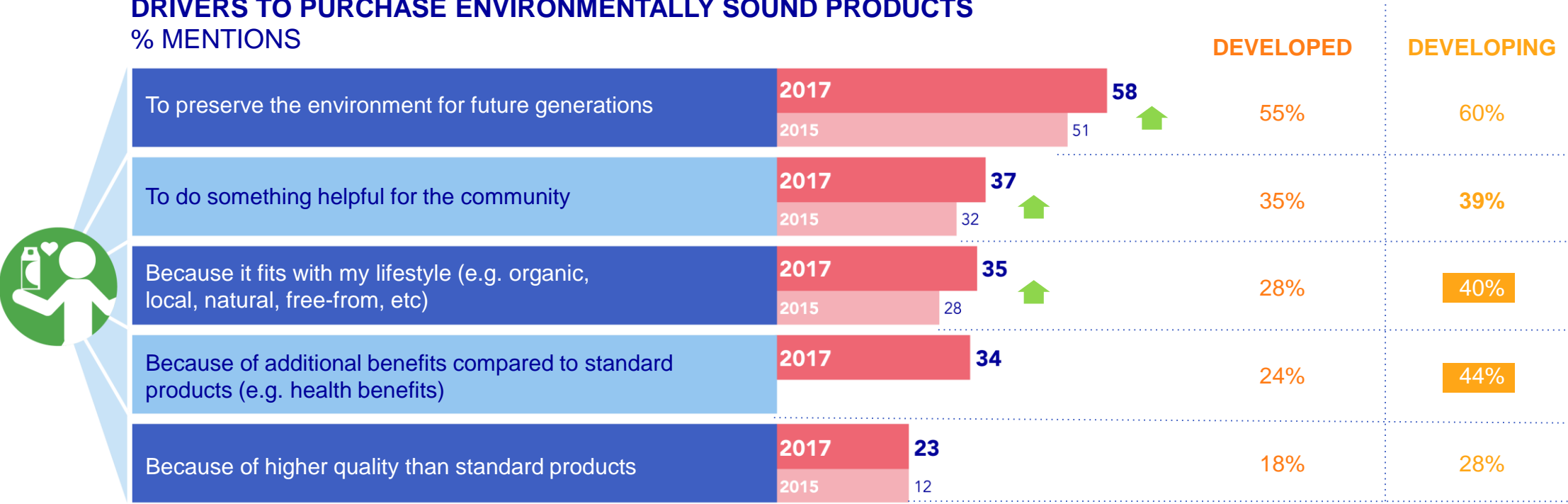
Emotional drivers influence purchase of green products

Personal benefits are very relevant especially in developing countries



Why do you buy / would you buy environmentally sound products? (Prompted, Multiple choice)

DRIVERS TO PURCHASE ENVIRONMENTALLY SOUND PRODUCTS % MENTIONS



Base: Consumers (n=6543)



95% Significance towards 2015



Noteworthy difference developed - developing



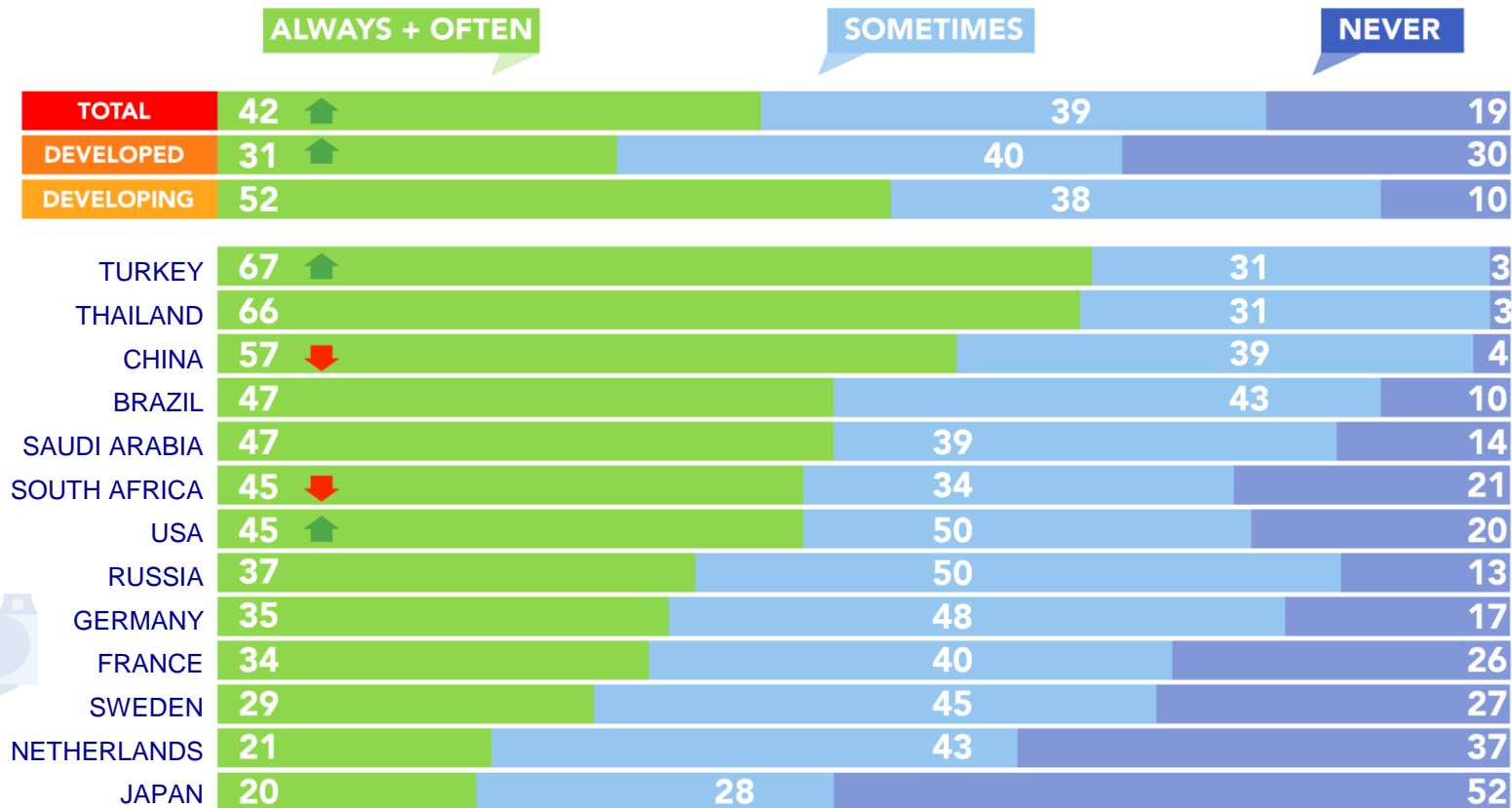
The importance of environmental logos is increasing

42% consumers look for them when shopping for beverages



Consumers: When you shop for beverages, do you typically look for environmental logos on the products you buy? (Prompted, Single choice)

ATTENTION TO ENVIRONMENTAL LOGOS DURING SHOPPING – % MENTIONS



Base: Influences (n=6543)



95% Significance towards 2015





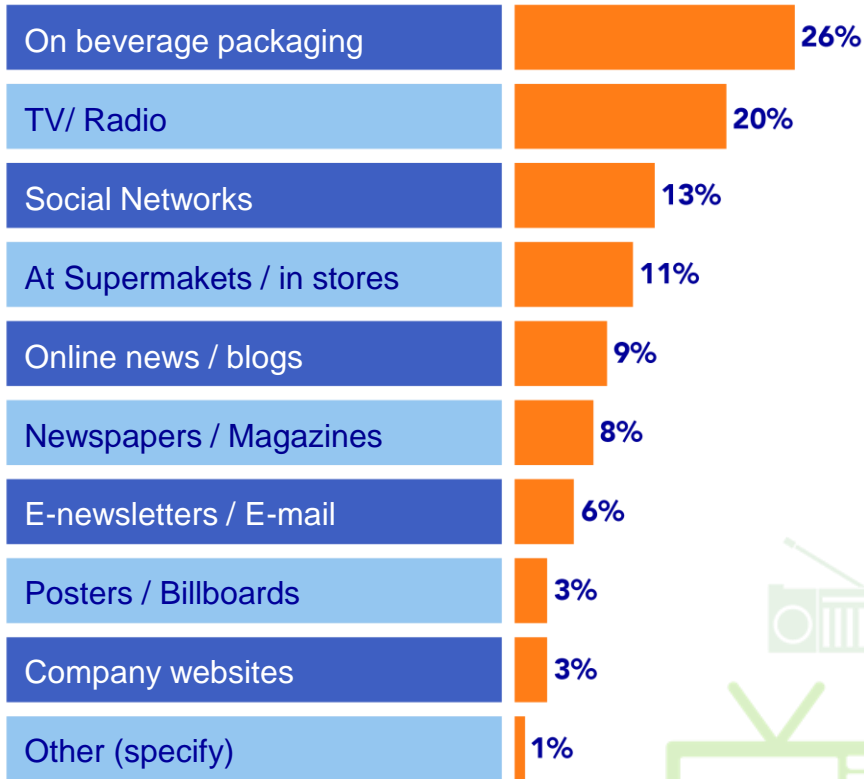
The package itself is the preferred source of information

To get environmental facts about packaging



Through which of the following communication channels would you prefer to get environmental information about beverage packaging? (Prompted, Single choice)

PREFERRED CHANNEL TO GET ENVIRONMENTAL INFO ABOUT PACKAGING

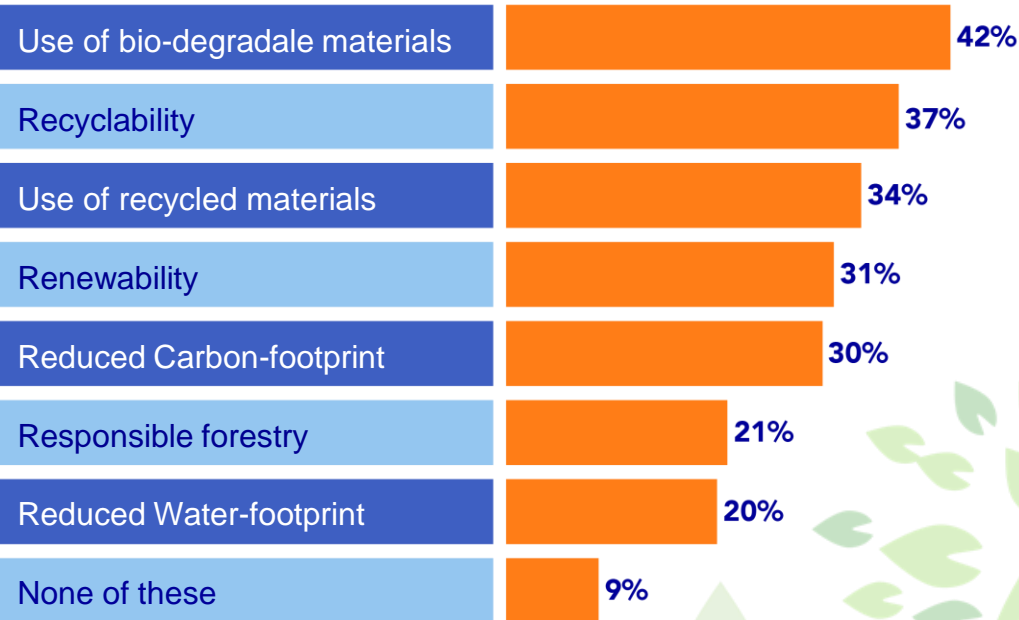


Base: Consumers (n=6543)



Which of the following topics would you like to read/ learn more about? (Prompted, Multiple choice)

TOPICS TO READ / LEARN MORE ABOUT



Base: Consumers (n=6543)



Sustainable packaging drives consumers' preference

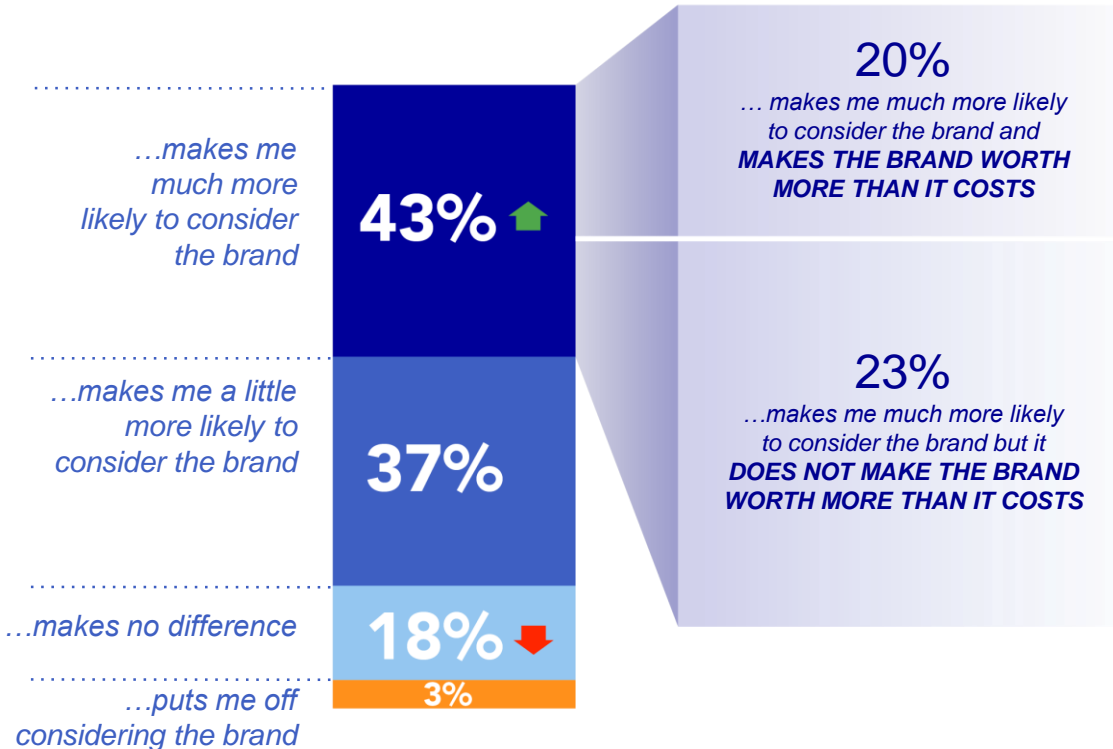
20% of consumers also recognize higher brand value



If you were about to choose a beverage brand, how would an environmentally sound packaging affect your consideration of the brand? (Prompted, Single choice)

IMPACT OF ENVIRONMENT ON BRAND CONSIDERATION

An environmentally sound packaging...



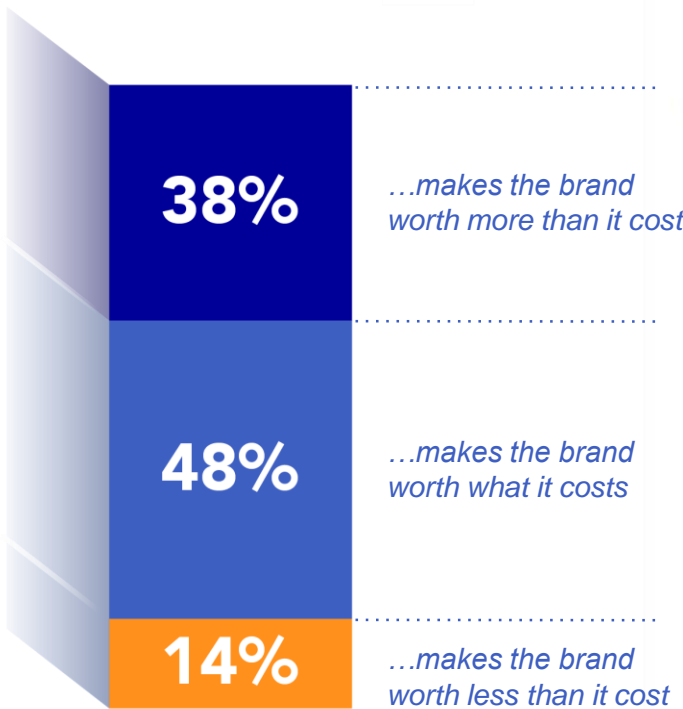
Base: Consumers (n=6543)



How would an environmentally sound packaging change your opinion about the value of this brand? (Prompted, Single choice)

IMPACT OF ENVIRONMENT ON BRAND VALUE

An environmentally sound packaging...



95% Significance towards 2015





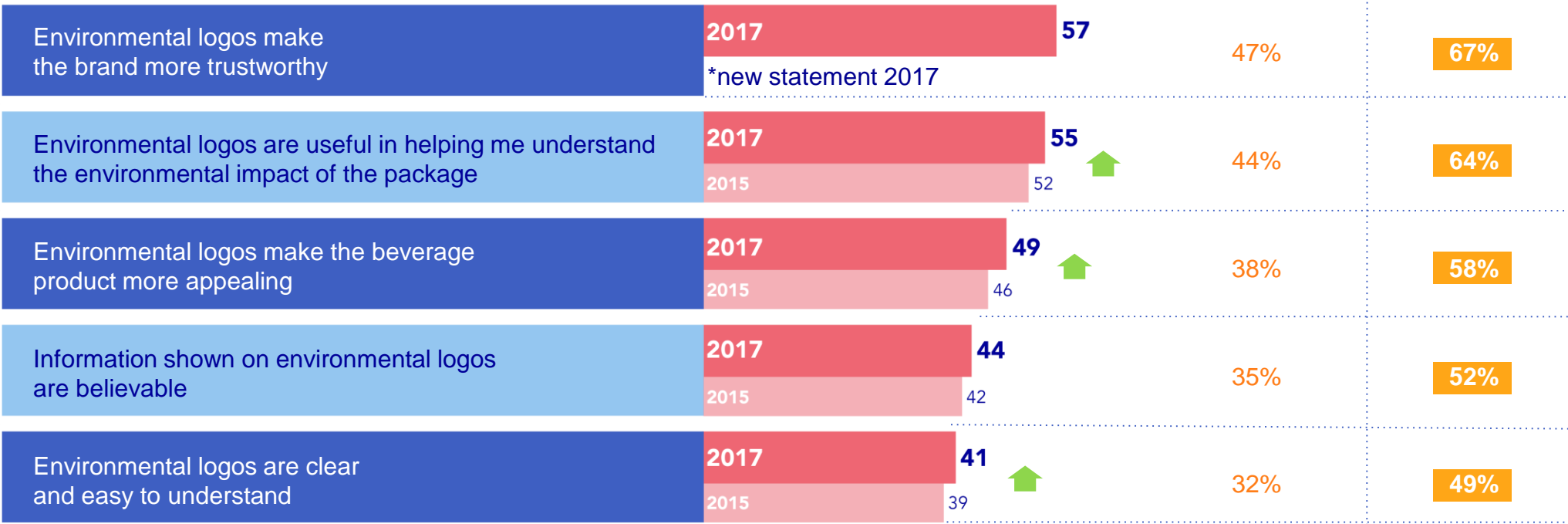
Environmental logos add trust and appeal to the brand

Considered increasingly clear and useful



Next are some statements about environmental logos. Please indicate how much you agree or disagree with each statement, using a scale of 1 to 5, where 1 means you 'not at all agree' and 5 means you 'strongly agree'. (Prompted, Single per row)

AGREEMENT ON STATEMENTS ABOUT ENVIRONMENTAL LOGOS - % MENTIONS TOP2BOXES (STRONGLY AGREE + SLIGHTLY AGREE)



Base: Consumers (n=6543)



95% Significance towards 2015



Noteworthy difference developed - developing

Beverage Carton Innovations





The world's first aseptic carton package certified for its use of materials from renewable sources

with the highest class available

Tetra Brik Aseptic Edge
1000ml



Paperboard



Highest class
certification by Vincotte



Using polymers derived from sugar cane on cap

- ▶ Wood fibres used for paperboard
- ▶ Polymers derived from sugar cane used for
 - Cap (High-density polyethylene, HDPE)
 - Coating (Low-density polyethylene, LDPE)
- ▶ This means up to 17% reduction in the carbon foot print according to the life cycle analysis (LCA) study*
- ▶ Uses the same production process – recycling is possible in the same stream with other packages

Using polymers derived from sugar cane on coating

*Source: Life Cycle Analysis study conducted by IVL 2016 for Nordic and Germany



Renewable Content Comparison

Material from Renewable Sources

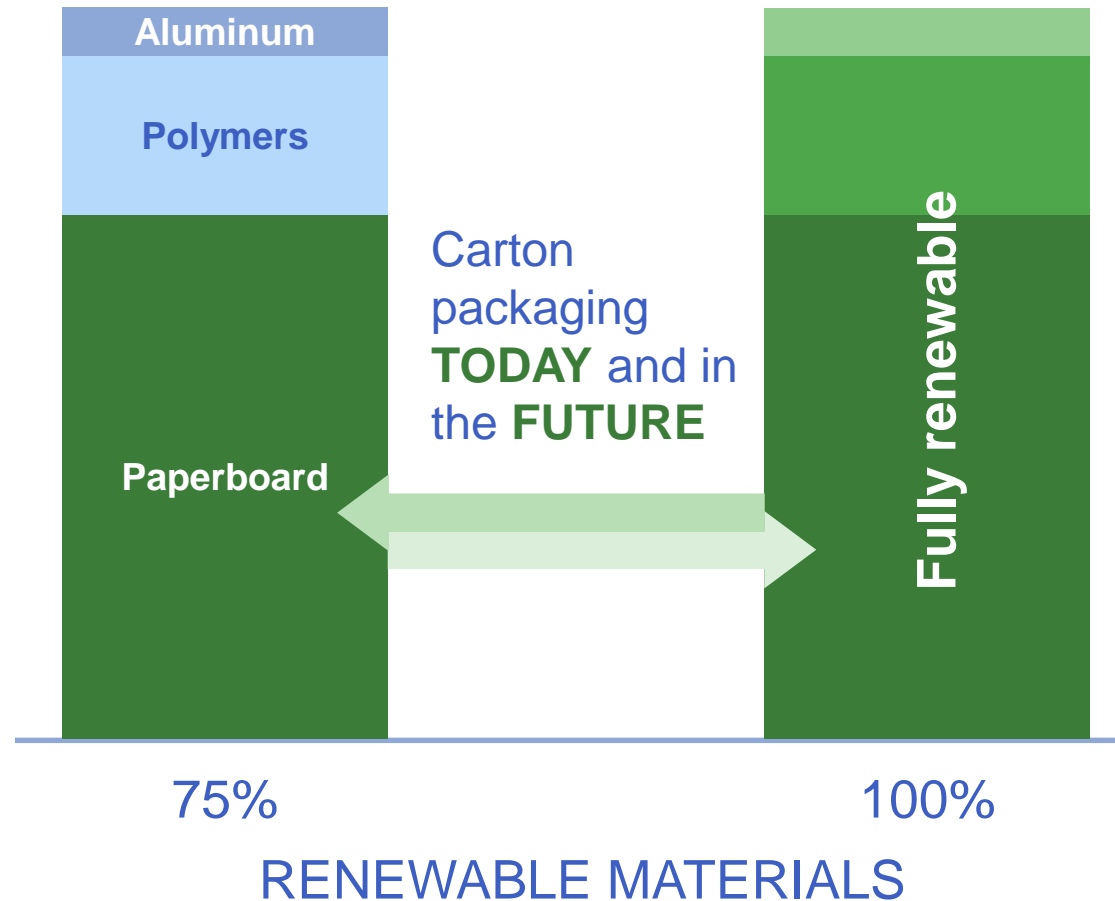
Tetra Brik Aseptic 1000 Edge LightCap 30	Materials from renewable sources
Standard packaging material and opening	69%
With standard packaging material and Bio-based LightCap 30	74%
With bio-based LightCap 30 and bio-based polymers in the packaging material decor and lamination layers	82%





Our aim is to offer a 100% renewable, aseptic package

We will increase the use of renewable materials in our packaging



Key elements:

- Increase paperboard content
- Use bio-based polymers
- Develop renewable barrier materials



Separable Top

Available for all Tetra Top packages



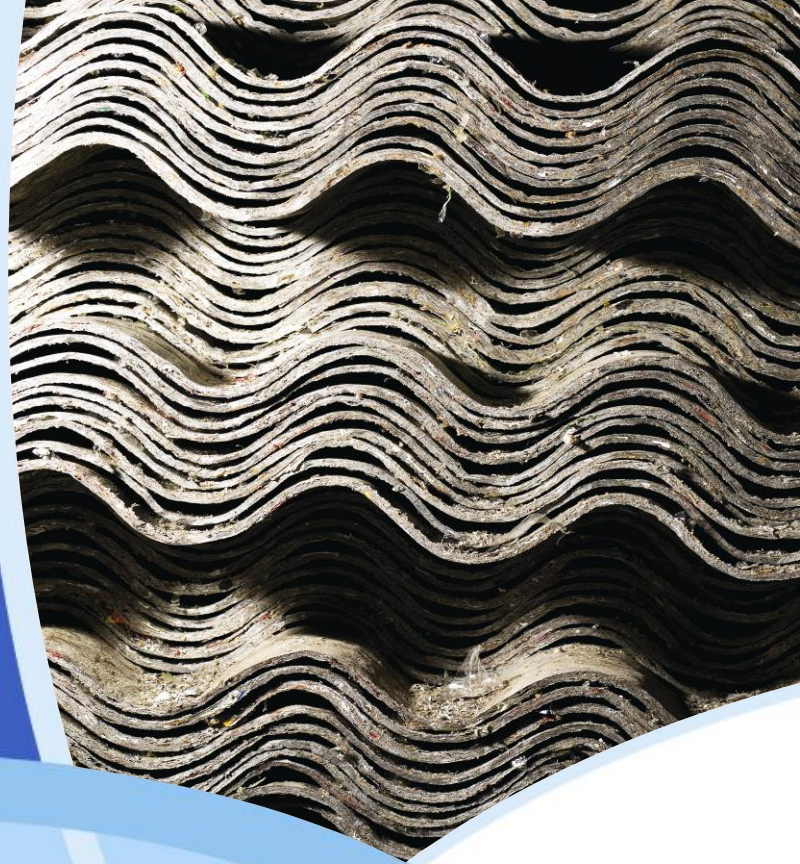
A perforation below the top makes it easy to separate the sleeve

Creasing

In plastic top for TT Micro,
TT Mini Saroma,
TT Midi Huron/Bajkal



Beverage Carton Recycling





Accelerate Used Beverage Carton Recycling

Increase consumer awareness



Support collection & sorting infrastructure



Boost business opportunities for recycling entrepreneurs



Expand market opportunities for recycled materials



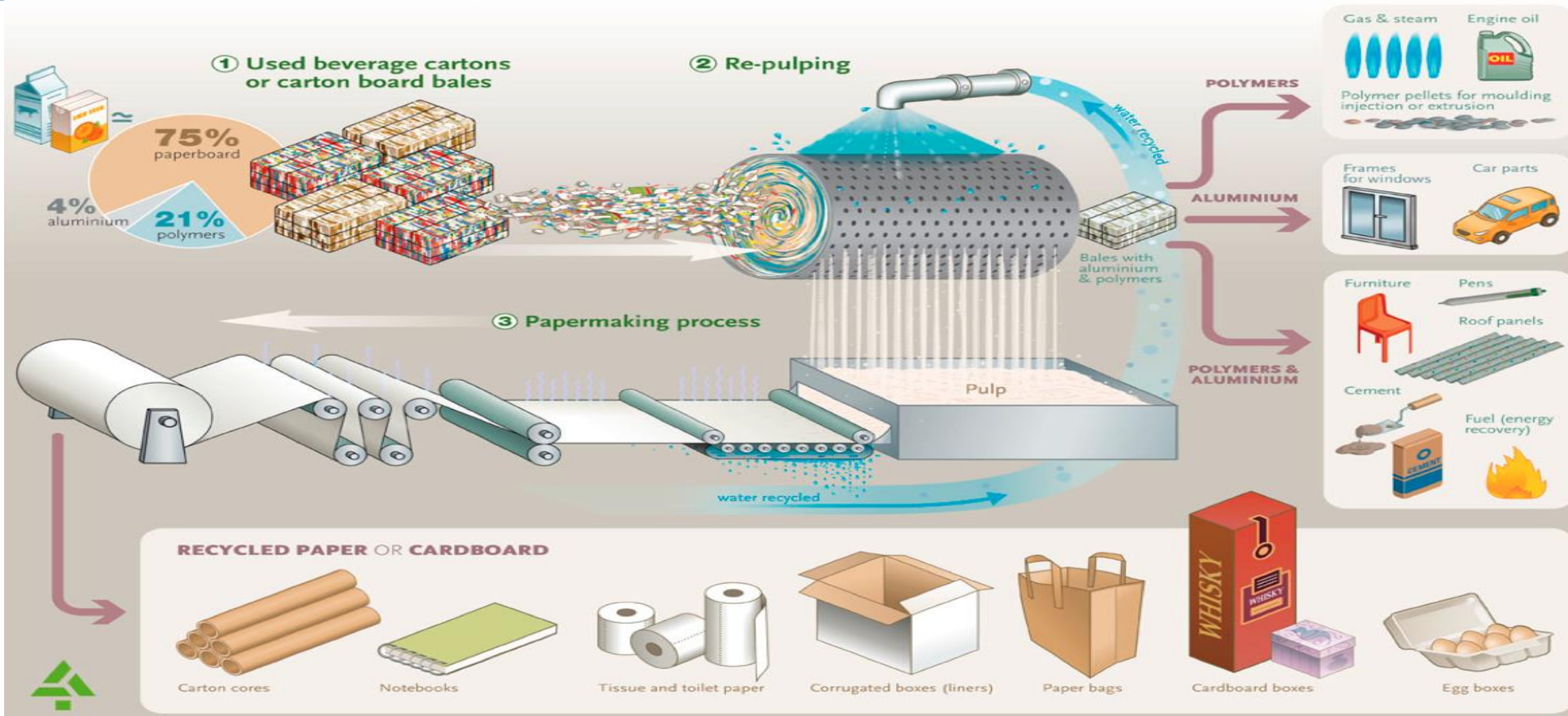


Recycling of used beverage cartons

Explained with pictures



Recycle
Beverage Carton



Examples of recycled products

Paper fibre

Paper cores



Cardboard



Paper bags



Tissue paper



Office paper



Envelopes



Food boxes



Moulded fibre



Plastic & aluminium

Plastic pellets



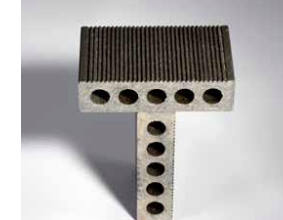
Aluminium flakes



Panels



Profiles





Thank you!

