

BORN AGAIN. AND AGAIN.

SUSTAINABILITY WINS CUSTOMERS AND AWARDS



Dear Sir or Madam, Dear business partners,

We have seen a clear upward trend in consumer demand for more sustainability in recent years. In this context, the type of packaging used plays an increasingly important role. The material in which products are packaged and presented at the point of sale increasingly contributes to the purchase decision. The packaging of tomorrow is sustainable, offers maximum functionality with the best possible product and hygiene protection, works with and not against nature and is circular.

Cartonboard is the obvious choice here: multifunctional in use, renewable, recyclable, biodegradable and thus the essential pillar of a modern recycling economy. Cartonboard will replace other packaging materials wherever possible. MM Karton, therefore, places a special focus on the development of innovative qualities and supports a critical review of existing packaging solutions. Because openness to new things and a constant eye on the consumer can create new types of shopping experiences. To meet these requirements, we make long-term investments in quality, productivity and environmental protection. In the third quarter of 2020 for example, one focus in this regard was on the long-term optimisation of our German cartonboard mill in Gernsbach.

The award-winning designs at this year's ECMA and Pro Carton Young Design Awards show that creativity and the courage to break new ground are worthwhile. MMK received the Gold Award for the 'Cotton Buds' project from Excellent TopTM. The previous plastic packaging and plastic cotton buds were completely replaced by a cartonboard solution and paper cotton buds. An exemplary project to comply with the 'Single-Use Plastics Directive' (SUPD), which provides for a ban on plastic cotton buds from July 2021.

Pro Carton and ECMA gave free rein to their creativity even in the current difficult situation and organised their first joint virtual event, the '2020 Carton E-vent & Awards'. The digitalisation of the event made it possible to attract an even broader target group to the topics of sustainability and packaging design and perhaps to address one or two creative minds of tomorrow.

A topic that is currently being widely discussed, and not just in Germany, shows that MM Karton is in a good position: On 17 August 2020, the German Federal Ministry of Food and Agriculture (BMEL) initiated the notification procedure of the 'German Mineral Oil Regulation' at the WTO and the EU Commission. The Regulation provides for the mandatory use of a functional barrier to prevent the migration of aromatic mineral oil hydrocarbons (MOAH C16-C35). MM Karton has already successfully launched the innovative FOODBOARD™ barrier concept in 2016, which protects against migration of defined undesirable substances into food.

Consumers of organic products are particularly critical of packaging that pollutes the environment, and rightly so, and prefer to use renewable and recyclable materials. The well-known German chemist chain 'dm' has once again taken up this trend and, in the course of the brand relaunch of dmBio teas, has now also changed its packaging to our cardboard with a functional barrier. dm is thus committed to food safety as well as recycling and can now completely do without plastic thanks to FOODBOARDTM.

When needs change - change happens!

Horst Bittermann Mayr-Melnhof Karton 3

EDITORIAL HORST BITTERMANN

6

CHARITY CAMPAIGN IN THE NETHERLANDS SUPPORTED BY MM KARTON



8

NEW DRAFT OF THE GERMAN MINERAL OIL REGULATION

9

MMK digital –
PROCESSING COMPLAINTS QUICKLY
AND INTUITIVELY, 24/7

1 0

INTERVIEW
CLEMENS STOCKINGER

1 2

THE 2020 EUROPEAN
CARTON EXCELLENCE AWARDS AS
A DIGITAL E-VENT WERE A BIG SUCCESS

1 4

DRUGSTORE CHAIN DM DROGERIE MARKT AND FOODBOARD™: COMMUNICATING FOOD SAFETY



1 6

AURORA GOES NATURAL WITH EXCELLENT TOP™ BROWN FOR NOTEBOOK COVERS

1 8





2 2

PLASTIC PACKAGING CONTINUES
TO WEIGH ON ALREADY TIGHT BUDGETS
OF EU COUNTRIES IN 2021

2 2

PERSONAL CARE –
CARTONBOARD MORE IN DEMAND
THAN EVER BEFORE!

2 4

FIT FOR THE FUTURE
IN GERNSBACH

CHILDREN HELP CHILDREN

CHARITY CAMPAIGN IN THE NETHERLANDS SUPPORTED BY MM KARTON

MMK helps with the successful children's stamp campaign in the Netherlands, where 140,000 children across the country go door-to-door to collect money for fellow Dutch children in need. This year the campaign raised an astounding 7.6 million euros. The collection box made of Excellent Top™ Kraft designed specifically for this purpose was the solution that enabled this campaign to be carried out at all − in the difficult time of the pandemic − while keeping a safe distance.

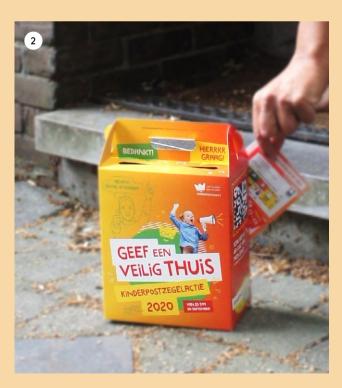




ACROSS THE COUNTRY, DUTCH CHILDREN
WENT DOOR-TO-DOOR TO RAISE MONEY
FOR CHILDREN IN NEED.

A small box with great effect

The annual charity campaign is an initiative of the non-profit organisation 'Stichting Kinderpostzegels' and has a long tradition in the Netherlands. Children all over the country collect money by going door-to-door and selling stamps, postcards and Christmas cards. The profits go to projects that benefit children coming from difficult backgrounds. In order for a good cause to continue under the current COVID-19 guidelines, a readily available Kraft cartonboard solution was sought for a collection box. This was ultimately manufactured from Excellent Top™ Kraft in collaboration with Rutgers Printing & Packaging Solutions. In addition to the online sale of stamps via video message, the children were able to go door-to-door this year, in compliance with the applicable regulations: After they had rung the front doorbell, they put the box down and stepped back to keep a respectful social distance. In order to purchase stamps and make a contribution the buyer took the form out, ticked their choice and put it back in the box before the children picked it up again. To be on the safe side, the box was guarantined for two days before opening. The Dutch Prime Minister, Mark Rutte, who supports the campaign every year, also placed his order via the 'MMK Charity Box'.



Providing a future for children

The money raised during this year's campaign will be used to support activities that will give disadvantaged children a better home and a secure future. In the Netherlands, around 90,000 children live in challenging situations - this number is rising due to the difficult COVIOD-19 situation. "With the simple idea of making a box out of Excellent TopTM Kraft, we made the stamp collection campaign possible in the first place. Especially in these times, it is more important than ever to offer solutions and support social projects", says Peter Rokebrand, Sales Director of MMK Netherlands, who supervised this project. Stamps for children have existed since 1924. That year, it was decided by royal decree to issue stamps with a surcharge for 'the child who has been wrongfully harmed'. This year was the 72nd time that the collection campaign took place.



2 + 3

THE BOX MADE OF EXCELLENT TOP™ KRAFT ENABLED THIS CAMPAIGN TO BE CARRIED OUT WHILE KEEPING A SAFE DISTANCE.

LEGISLATION

NEW DRAFT OF THE GERMAN MINERAL OIL REGULATION

On 17 August 2020, the German Federal Ministry of Food and Agriculture (BMEL) initiated the notification procedure of the '22nd Regulation amending the Commodities Regulation' at the WTO and the EU Commission.

The new draft

The notified draft Regulation covers food contact materials and articles manufactured using recycled paper. It provides for the mandatory use of a functional barrier to prevent the migration of aromatic mineral oil hydrocarbons (MOAH C16-C35, detection limit of 0.5 mg/kg MOAH in food or 0.15 mg/kg in food simulants¹). The only exceptions are a waiver by the distributor (packer), special nature of the food itself (e.g. of table salt) or special conditions of use (e.g. frozen food or short-term contact). The manufacturer and the company placing the food contact material or article on the market must ensure compliance with the Mineral Oil Ordinance.

Source-independent contamination - a criterion overlooked

This approach came as a surprise to all business operators concerned, as no further communication has taken place since the last draft version of April 2017, despite intensive work on the subject by industry and its representatives. Apparently, there was also no coordination of the content with the German Federal Ministry of Economics and Environmental

Protection: This is because all sources of contamination must be considered if consumers are to be fully protected against mineral oil spills in food. It is also increasingly becoming the focus of current debate. This is the subject of the guideline values project of the German Food Association (Lebensmittelverband Deutschland) with the participation of industry and state authorities, and also the latest recommendations of the European Commission on the MOAH content in infant food.

FOODBOARD™ prevents MOAH migration

Ever since the mineral oil issue became known, Mayr-Melnhof Karton has responded to this challenge to ensure the highest possible level of consumer protection together with its customers. The innovative FOODBOARD™ barrier concept prevents the migration of defined unintended substances into food. For years FOODBOARD™ has been protecting many well-known food brands and and different types of foods and not only complies with all currently valid European regulations and laws for direct contact with foods but of course also with the Mineral Oil Regulation which has been submitted for notification.

NOW ONLINE

MMK digital – PROCESSING COMPLAINTS OUICKLY AND INTUITIVELY, 24/7

From now on it will be even faster and easier for MMK digital customers to submit complaints. The new complaints system enables digital processing of the entire transaction.

With the introduction of the digital sales and service channel MMK digital, Mayr-Melnhof Karton has ushered in a new era of customer communication in the cartonboard industry. While the digital processing of business transactions has long been a part of daily life in the B2C sphere, for MM Karton customers it is now also possible in the B2B sector. Around the clock, seven days a week, orders can be processed securely and in a matter of seconds. The resounding success of this platform is also due in large part to the ongoing improvement and expansion of its user-friendly and interactive functions: In autumn 2020, MMK digital made a new function available to users that allows them to submit and follow up on complaints quickly and without difficulty.

Complaints are a sensitive topic, which is why the team of developers was particularly concerned with ensuring that customers are able to complete the entire process swiftly and intuitively. The processes are modelled on well-known B2C platforms, but always taking account of the complex and specific requirements of the B2B sector.

A complaint can now be registered in just a few steps. Thanks to the specific request for relevant information as well as the option for customers to supplement their complaint with photos and videos, customer service has all the information needed to rapidly process the complaint. The user has a constant overview of which stage of the process they are currently in and what information is still required. The status of a live

complaint can be viewed in MMK digital via the dashboard directly after logging in.

Processing complaints in MMK digital makes it possible for MM Karton customers to communicate their concerns in a swift, straightforward and transparent manner. The MMK multi-channel concept is being expanded, and it will still be possible to communicate concerns in other ways in the future, such as by email

It goes without saying that our primary objective at Mayr-Melnhof Karton remains to offer products and services that give no cause for complaint. But of course for any future complaints, customers can now rely on MMK digital to offer an intelligent tool to process them in an efficient, transparent and prompt way.



EMERGING FROM THE CRISIS WITH RENEWED STRENGTH

Five questions for Clemens Stockinger, Managing Director, Sales & Marketing, Cartonboard Division



What have been the biggest challenges for MMK so far during the pandemic?

One particular challenge was to continuously maintain production levels while keeping the highest safety precautions in place, and thus ensuring the supply of packaging to the industry – despite the tense situation in the delivery and transport chains. We were able to do all of this successfully in large part thanks to the fact that all of the safety measures necessary for the best possible protection of our employees were rapidly put in place – our colleagues in charge of the plants did an outstanding

job in this regard! As a manufacturer of packaging materials, Mayr-Melnhof Karton is an essential part of the supply chain, and is therefore classified as a systemically relevant company.

Speaking of 'systemically relevant companies' – can you briefly explain this for us?

The products and services offered by MM Karton are essential for upholding the supply chain of food, medicines and other everyday essentials. This was confirmed by Germany's BMEL (Federal Ministry of Food and Agriculture). Without packaging,

the task of supplying the population with food, medicines and medical products as well as other everyday goods would be unimaginable. It is precisely in such turbulent times that the strengths of each company and organisation become apparent. Our customers have always been able to rely completely on MM Karton. As a partner to the food and pharmaceutical industry, we carry joint responsibility because we have to ensure that the population is supplied with these essentials. That's why we continue to do everything in our power to provide our customers with the best possible support and guarantee sustained delivery. Only together can we overcome the challenges and repercussions of COVID-19.

The crisis has caused a fundamental change in consumer behaviour. What effect has this had on MMK's sales market?

The COVID-19 pandemic has far-reaching effects on the life of each and every individual, and has changed society in a major way. Especially during the spring lockdown, many consumers avoided daily shopping trips and instead engaged in mass 'panic buying' in order to stock up. Yet in the second lockdown, so far there are no empty shelves to be seen. The final implications cannot yet be quantified. What can be stated, however, is that the importance of packaging, with its indispensable protective, hygiene and transport functions, has risen. Be it food, medicine, hygiene products or other essential everyday goods - the ability to supply the population with these items depends on the availability of the right packaging. In addition, consumer focus has shifted more and more towards the important functions of packaging. In particular, hygiene and durability have become more highly valued since the start of the pandemic. Packaging is therefore viewed as not only crucial for protecting and transporting goods but also as an essential product in and of itself.

Have you also forged 'new paths' in your collaboration both internally and with customers?

We have definitely learned to interact and communicate in new ways. Companies must – as the last few months have shown – engage intensively with digitisation and a 'new' style of wor-

king. As happened at many other companies, the events and the speed at which they descended upon us forced us to take entirely new trajectories. I would like to take this opportunity to thank all of our IT colleagues for making the transition to working from home swift and hassle-free, allowing us to remain operational and always close at hand for our customers. Indeed, my gratitude extends to all of our employees who adapted to these new circumstances with great speed and flexibility. Thanks to our pioneering role in digitisation in the cartonboard industry, with MMK digital we have for quite some time not only been setting new standards in speed and communication, but also support our customers in making their daily work easier and more efficient. As a matter of necessity, we have now also implemented this very successfully in our internal cooperation.

And a personal question to finish with: Can you tell us what you yourself might take away from the Coronavirus era? Will your daily work routine look different from here on out?

First and foremost, the observation I take away from this is that we can successfully overcome times of crises above all with the use of new tools, a high degree of communication and a more flexible way of working – no matter how difficult the situations may be. Of course, another crucial factor is: who was there with us as we successfully confronted this phase? Who stood by us, who showed us trust and understanding? It is precisely these people and organisations with whom we want to work with even more closely in future! Obviously, my typical working day is a bit different now. The last few months have also been a 'digital booster' for me personally. Instead of in-person conversations, I now spend a lot of time in virtual meetings with participants from all over the world in order to stay in touch with our customers. Although this type of communication has since become somewhat routine, it works flawlessly and will probably remain in place for certain tasks, I am definitely though looking forward to having face-to-face conversations again!

THE 2020 EUROPEAN CARTON EXCELLENCE AWARDS AS A DIGITAL E-VENT WERE A BIG SUCCESS

Pro Carton and ECMA took the current situation as an opportunity to organise their first joint virtual event, the '2020 Carton E-vent & Awards'! A perfect occasion to reward excellent cartonboard packaging.

The Carton Excellence Awards were established over 20 years ago and are now considered to be Europe's most prestigious event for cartonboard packaging. The event's digitalisation provided an opportunity to open it up to an even wider range of participants. While previously only executives and decision-makers of the European cartonboard industry engaged with the nominated entrants, this year, brand owners, the media, students and their teachers, as well as all of Pro Carton and ECMA's friends and employees, were able to access and enjoy the live e-vent.

Rarely seen creativity and cutting-edge technology 1)

This year in particular, the high number of participants in the Pro Carton Young Designers Award was hugely pleasing. In this competition, students from European art and design universities and schools, presented their innovative and sustainable cartonboard solutions. The young designers were supplied with free cartonboard, donated by Mayr-Melnhof Karton, so that they could bring their creations to life.

The innovative designs ranged from aesthetic knife sheaths, sushi to-go boxes and pharmaceutical packaging - the younger generation's talent, combined with the manifold possible applications for cartonboard, allow us to view the future with a sense of optimism! In keeping with the digitalisation of the event, this year the Pro

Carton Student Video Award was presented for the first time. The submitted videos explained the advantages of cartonboard through creative storytelling. The competition, which was aimed at students of media, marketing and economics, was a great success.

"The biggest tool in my toolbox was resilience"

The e-viewers enjoyed a varied and entertaining event, in which the appearance of former British ski jumper and Olympic hero 'Eddie the Eagle' was a special highlight. The athlete is known for never having given up and always holding on to his goal of becoming an Olympic athlete, despite facing much adversity.





THE APPEARANCE OF
OLYMPIC HERO 'EDDIE THE EAGLE'
WAS A SPECIAL HIGHLIGHT.

During the awards ceremony, he named 'resilience' to be the biggest weapon in his toolbox.

Resilience has also been a central theme for the cartonboard industry in recent months. A final assessment of the impact of the COVID-19 pandemic on the cartonboard and packaging industry is not yet possible. What can be said with certainty however, is that the cartonboard and folding carton industry has not been restricted by the crisis. Instead, it has increased its efforts to keep

the critical supply chain running and ensure uninterrupted supplies to its customers. The European Commission has officially classified it as a 'systemically important industry', thereby reinforcing its recognition as being strategically important in the context of the wider economy.

Mayr-Melnhof Karton is proud of the award received and congratulates all winners.

GOLD AWARD

COTTON BUDS

BRAND
CARTON CONVERTER
MM CARTONBOARD

Groupe Lemoine $Posson \\ Excellent Top^{\text{TM}}$

This tamper-proof carton completely replaces its plastic predecessor. It can be opened and closed endlessly – with a characteristic sound. All it takes is a finger to open it. After use, the beautiful box can be reused for another application before it is eventually recycled. Production and carton erection are fully automated.





YOUNG DESIGNERS AWARD CREATIVE CARTONBOARD IDEAS & PUBLIC AWARD

FULFII

YOUNG DESIGNERS:

Mirjam Bauer, Maureen Seel, Nora Karl

The judges found this to be a most innovative concept. The inner pack contains a folding pocket, which could be used to house a used tampon, and another pocket behind, designed to hold a new tampon. That in itself was something, but its aesthetic appearence also worked very well with the outer retail packaging.

GOING PLASTICS FREE - WITH FOODBOARD™

DRUGSTORE CHAIN DM DROGERIE MARKT AND FOODBOARD™: COMMUNICATING FOOD SAFETY

The drugstore chain dm drogerie markt, as one of the largest and most successful drugstore chains in Europe, creates trust on the store shelves: Our coated recycled barrier quality FOODBOARD™ protects all teas of the private label brand dmBio. The cartons include a branded reference to FOODBOARD™ to emphasise this fact. This label heightens awareness for end user consumers of this unique cartonboard brand.

"We at dm are extremely concerned with using resources efficiently and conservatively, so that coming generations can enjoy a viable future. With deliberate use of materials and recyclable packaging design, we strive to keep the ecological footprint of all of our processes as small as possible and to be part of a functioning circular economy. A packaging solution made of renewable resources, from sustainable certified forestry, with a recycled portion and recyclable: $FOODBOARD^{IM}$ satisfies all of our requirements and protects products from migration effectively and without undue use of resources. Of course we want our customers to know this as well."

Dagmar Glatz, specialist for more sustainable packaging for dm-drogerie markt.

Long-term partnership

The drugstore chain dm has already been relying on FOODBOARD™ for several years, for example with their private label brand babylove. As part of the brand relaunch of the dmBio teas, their packaging is now also being changed to our cartonboard with a functional barrier. This clear stance on food safety and a circular economy is being communicated to customers with a reference to FOODBOARD™ on the cartons of dmBio teas

A conscious decision

In keeping with the motto 'Natürlich lecker erleben' (roughly

translated: 'a natural taste experience'), dm offers a wide variety of high quality foods under its private label brand dmBio – from beverages to cereals & legumes to nuts and chocolates. The dm company is very concerned with the conservation and sustainable use of natural resources, so it uses carefully selected raw materials from certified organic agriculture. This sustainability standard is reflected in the company's choice of packaging material as well: As a matter of principle, dm uses packaging materials that not only protect food products from the migration of unintended substances (e.g. mineral oils), but is also produced sustainably and can be recycled at the end of its product life.

PROTECTION FROM MIGRATION

In total, more than 20 different tea varieties are being converted to FOODBOARD™ packaging. This means the previously used protective cellophane foil is obsolete. The FOODBOARD™ barrier offers comprehensive protection from the impacts of migrating printing inks and substances in the supply-chain environment that could potentially affect the safety of food items during transport, storage and on the store shelf. Since

tea also reacts very sensitively to packaging odours, it is all the more important to use a packaging material that preserves the original taste and aroma. FOODBOARD™ does all that without an outer cellophane foil and still guarantees that customers can enjoy the teas without compromising on taste. This makes FOODBOARD™ an ideal packaging solution especially for products like tea with high sensory sensitivity.





1) + (2)

THE TEA PACKAGES OF DM-DROGERIE MARKT COMMUNICATE FOOD SAFETY AND SUSTAINABILITY WITH A REFERENCE TO FOODBOARD™.

GOING	NATURAL	- WITH	EXCELLEN1	TOP™

AURORA GOES NATURAL WITH EXCELLENT TOP™ BROWN FOR NOTEBOOK COVERS

When it comes to making the switch to more sustainability, it is often worth re-examining existing product designs. Especially for non-food products, the use of plastic has to be critically questioned. This is why Aurora Productions launched a biodegradable version for their high-end notebook product line ADOC, replacing the plastic covers with cartonboard from MM Karton.

"Our sustainability efforts are fuelled by our own high standards. Our main objective has always been to create notebooks that are from another planet. We are dedicated to saving this one and proud of designing a product that contributes to the preservation of our planet."

Wim Tackx, Purchaser at Aurora.

INTERNATIONAL STATIONERY MANUFACTURER STRIVES FOR SUSTAINABLE COVERS

Aurora has more than 80 years' experience in the production and distribution of stationery products like exercise books and diaries. What started as a small family business with Belgian roots has become a major international stationery manufacturer. Based on this long history, Aurora has a wealth of expertise in translating the customer's specific wishes regarding printing and binding in a perfectly finished product. The needs and

expectations regarding the finished product may vary, but the public opinion regarding environmental responsibility is the same: Consumers demand the highest possible level of sustainability. Aurora is aware of this, has aligned their high-end product range ADOC with customer expectations, and is now launching a biodegradable version, where the plastic covers were fully superseeded by cartonboard.

AURORA'S GOT IT COVERED

Aurora's ADOC flexible binding system offers many advantages to the traditional binding systems with a thousand-and-one possibilities: One can easily create a personalised presentation binder with paper content, completed with transparent pockets and separated with dividers. When it needs to be convenient, ADOC is the best choice. Now the same applies when it comes to sustainability:

Aurora added an additional natural product line to their ADOC stationary range and replaced the plastic covers with our

uncoated Kraft cartonboard quality Excellent $Top^{\intercal M}$ Brown. Even the rings on the organic version are biodegradable. With its brown natural look, Excellent $Top^{\intercal M}$ Brown offers an ecofriendly appearance at a glance. It is made from renewable raw materials, biodegradable, fully recyclable and therefore a prime example of a true circular economy – Aurora communicates the environmental advantages prominently on their notebook covers. Additionally, Excellent $Top^{\intercal M}$ Brown provides the necessary stiffness to protect important notes.





1)+(2)

THE NEW NOTEBOOK COVERS OF AURORA'S BIO-PRODUCT RANGE OF ADOC ARE MADE OF CARTONBOARD AND THEREFORE BIODEGRADABLE.

HOSTI GOES NATURAL WITH MMK KARTON

HOSTI

Disposable tableware is often a good choice, provided it is made of the right material: HOSTI GmbH, Europe's largest manufacturer of paper plates, counts on Excellent Top[™] Brown for its brown and Excellent Top[™] Pure as well as Triumph Top for its white product lines.

"The amount of plastic waste in the oceans and seas is increasing steadily – with negative consequences for ecosystems, biodiversity, and possibly human health. At the same time, valuable materials that could be returned to the economic cycle are lost. Single-use plastic items make up about half of all waste found on European beaches. For over 70 years, our first concern has been to manufacture sustainable single-use products. We replace harmful plastics with sustainable and economical plates and paper bowls. We want our products to bring joy to our customers' lives at parties and events, without negatively impacting the lives of future generations."

Björn Kunz, Head of Marketing & Sales at HOSTI.

SUSTAINABLE DISPOSABLE TABLEWARE

Be it a large backyard barbecue with lots of guests, a children's party or any other event: Those who regularly invite lots of people at short notice might not have enough dishes available. The mountains of waste created by the use of single-use plastic dishes are growing. With the 'Single Use Plastic Strategy', the EU aims to reduce single-use plastics items or replace them with existing more sustainable alternatives by 2021 at the latest.

At the top of the banned list: plastic tableware. Paper plates made of recyclable raw materials combine eco-

friendliness with convenience. For 70 years, HOSTI as the European market leader has been producing sustainable single-use tableware made of cartonboard – made of renewable resources, biodegradable, completely plastics-free.

SUCCESS FACTOR CARTONBOARD

HOSTI's success factors include decades of know-how and the most stringent standards in production, but above all long-term, trusted raw material suppliers who consistently deliver high-quality cartonboard. For its brown product line, HOSTI relies on our uncoated, unbleached Kraft cartonboard quality Excellent Top^{TM} Brown, for the white product line on Excellent Top^{TM} Pure and Triumph Top, made of renewable and natural resources, shaped by HOSTI into individual and smart form solutions. The cartonboard qualities are free of optical brightening agents (OBAs).





1 + 2

PAPER PLATES MADE OF EXCELLENT TOP™ BROWN OR EXCELLENT TOP™ PURE AND TRIUMPH

TOP FOR SUSTAINABLE PARTY FUN WITHOUT GUILT.

PERSONAL CARE – CARTONBOARD MORE IN DEMAND THAN EVER BEFORE!

Packaging is of central importance in the personal care sector. Whether it be high-quality designer perfume in a duty-free shop or small everyday items from the chemist's shop - the way personal care items are packaged is a key factor in the customer's choice and can be crucial at the point of sale.

Naturally elegant

In recent years, sustainable packaging has taken many industries by storm. In the consistently growing personal care industry, however, this trend progressed a bit more slowly, except with luxury items like perfume and premium decorative cosmetics. This shows that sustainability and luxury by no means contradict one another. In this segment, cartonboard as a sustainable packaging option has always been used to communicate brand messages. Appealingly finished cartonboard packages reflect the high value of the product within and function as eye-catchers at the point of sale. More so than in other industry segments, packaging plays a crucial role in the luxury space, and many consumers keep on using attractively decorated folding cartons after the purchase to store the product or even display them decoratively in their own homes.

Apart from the luxury space, personal care shelves were mostly populated with packages made of plastic or other, not very sustainable materials. Now, a transformation is on the horizon: The consuming target group is becoming more and more aware of the positive environmental impact of a functioning circular economy. Many want to do their part, avoid mountains of waste and shop with a clear conscience.

Brown and grey are 'the new white'

According to a multi-industry study conducted by the VKE Kosmetikverband (Cosmetics Association) in early 2020, sustainable cosmetics have enjoyed a stellar rise in popularity across all generations. Natural looking packaging is the most effective way to optimally address this trend at the point of sale. So the new trend in the personal care industry is not a product, but a shade of colour! Brown and grey are 'the new white'. For far too long, packaging in natural colours was brushed off as being the lower quality alternative. Thanks to the new environmental consciousness among consumers, demand for recycled cartonboard and natural looking virgin fibre cartonboard is rising rapidly, and in the personal care industry these qualities are more popular than ever.

The right gift - naturally packaged

Even though consumers increasingly do their Christmas shopping online, personal care products (especially perfume) are still mainly bought 'offline', in brick-and-mortar stores. Especially for window shoppers, an appealing package can trigger the decision to buy. That decision is helped along by glamorously decorated folding cartons that can be placed directly under the tree, avoiding time-consuming gift-wrapping with fancy paper and bows. Since this saves not only gift-wrap but most of all time (and nerves), many prefer products already beautifully packaged during the hectic pre-holiday season. And even if your customers are online shoppers, according to a recent study, 45% of consumers can be persuaded by appealing packaging even in this channel!

FLASH YOUR PEARLY WHITES FOR NATURAL CARTONBOARD

Presenting brand values on outer cartonboard packaging is a growing trend in the toothpaste market, and three of the five largest European producers are already using recycled cartonboard. The primary packaging of toothpaste tubes are still made of plastic or aluminium, but the great benefit of secondary packaging made of cartonboard is the fact that it can actually help achieve a significant reduction of the primary packaging. In addition to the reduced amount of plastic, brand values are optimally communicated at the point of sale through cartons, thanks to their additional printing space and the possibilities of promoting brand messages.

With its toothbrush packaging, dm is taking yet another step toward more naturalness: The handle of the toothbrush is made of sustainably grown beech wood, the bristles of up to 100% biologically renewable resources, and the packaging of Excellent Top^{TM} Brown is completely recyclable and biodegradable.

With Excellent Top™ Brown and Browncolor, MM Karton is the persuasive answer to the strong demand for this look, both in the virgin fibre and in the recycled cartonboard segments. You will find a selection of our natural qualities in MMK UNFOLDED 2/2018 'The natural choice – cartonboard'. www.mm-karton.com/en/news-unfolded/print-magazine/

2 2 N E W S

PLASTIC PACKAGING CONTINUES TO WEIGH ON ALREADY TIGHT BUDGETS OF EU COUNTRIES IN 2021

The relatively low cost of plastic has led to the material being omnipresent in our everyday lives. However, the costs are only so low because the general public, and not the polluter themselves, have to bear the additional costs of disposing of used plastic packaging. Especially when plastic packaging is only used for a short time and where sustainable alternatives are already available, this can no longer be explained away to consumers nor to voters.





THESE SINGLE-USE PLASTIC PRODUCTS

ARE BANNED FROM 2021.

Examples of brief one-off uses include the food service area, with food containers or coffee-to-go cups, as well as personal care items such as cotton swabs. For these products, neither re-use nor convenient cost-effective recycling is possible - production and consumption patterns are therefore increasingly inefficient and linear.

In view of these developments, the EU adopted the Single-Use Plastic Directive (SUPD) in June 2019, which will enter into force on 3 July 2021. It targets primarily plastic waste that is most often disposed of improperly, harms the environment and pollutes the oceans. The Directive has three main objectives: banning plastic products for which more sustainable alternatives are available, achieving a general reduction in plastic packaging and, under Extended Producer Responsibility (EPR), making producers financially responsible for the waste they produce. All EU countries are now asked to transpose the Directive into national law. In April 2020, for example, the German Federal Ministry of Environment presented a draft of a regulation banning the use of disposable plastics, according to which all banning provisions of the SUPD Directive will be transposed into German law on a word-for-word basis. Plates, cutlery, drinking straws and stirrers made of disposable plastic are banned from the foodservice sector. Furthermore, the ban covers food service packaging made of polystyrene and, in general, products made of oxo-degradable plastic. In France, the framework set out in the SUPD Directive has even been extended to toys, sports, leisure, DIY and garden products, motor vehicles, etc.

2 3 N E W S

There is a great opportunity to identify sustainable alternatives from renewable raw materials to replace disposable plastics. This includes new, innovative solutions, as well as proven materials. Paper and cardboard packaging is a fertile ground for innovative packaging solutions that are replacing an increasing proportion of plastics on the market. The products covered by the Directive are everyday objects that many people no longer want to live without. However, most people are not aware of this: There are already more sustainable alternatives on the market for many disposable plastic products, which offer the best practicability and safety. On pages 18-19, we report on our cooperation with HOSTI, the largest paper plate manufacturer in Europe. The market leader has been producing sustainable disposable tableware for 70 years and relies on our Excellent Top™ Brown for its brown product line. At this year's Carton Excellence Awards (we report on pages 12-13), Mayr-Melnhof Karton won the gold award for a temper-proof cartonboard packaging for cotton buds. The folding box made of Excellent Top™, which is a complete replacement for the previous plastic packaging, as well as the paper-based cotton buds it contains, are both fully recyclable.

The SUPD Directive will have a significant impact on the choice of packaging material, and the importance of cartonboard as a sustainable packaging material will continue to grow. A shift of additional packaging volume to fibre-based alternatives can already be observed - a reduced impact on the environment and an opportunity for the board industry.

The currently still unclear definition of plastics in the SUPD remains a hot topic of discussion, and legal uncertainty prevails over its practical significance. This is because, while the Directive is actually aimed at plastics, with the current wording, some cartonboard solutions could also fall under the definition. To provide clarity on the definition and to further clarify whether a product is categorised as a disposable plastic article for the purposes of the Directive, a guideline on 'disposable plastic articles' was published. According to this, a plastic article already exists if polymers - irrespective of their mass share in the overall product - are essential for the intended function of the product. This would include paper and board packaging that is coated. For some applications of paper and board products, especially for barriers to enclose liquids, there are currently no marketable alternatives to polymer-containing coatings. These plastic barriers represent only an extremely small proportion

of the total, otherwise fibre-based, packaging. However, the Directive treats such paper and board packaging in the same way as packaging made entirely of plastic.

For this reason, a large number of European cartonboard and folding carton associations have expressed their concerns about the Directive and called on the political decision-makers to improve or clarify it. The definition of 'plastic' and 'major structural component' in the disposable plastics Directive currently undermines the objectives of the Directive, namely to prevent the negative impact of certain plastic products on the environment and to avoid irreversible damage to our oceans. One solution could be to set temporary and gradually decreasing thresholds for plastic coatings that may be contained in products without being classified as plastic products, for a transitional period during which there are no technical alternatives to polymer-based coatings on the market. It makes a big difference whether to-go packaging is 100% plastic or only contains a coating amounting to 10% plastic to protect against liquids. Such thresholds could also prevent an unintended increase in food waste, for example, resulting in increasing portion sizes in the foodservice sector that are in the end not consumed: Multiple portions are excluded from the scope of the Directive.

PLASTIC TAX

From January 2021, the member states of the European Union are to pay a levy of 800 euros to the EU for each tonne of plastic packaging waste that is not recycled. The respective national states are free to organise the provision of funds. For Germany and France, this means that far more than 1 billion euros per year are due respectively, and even in Austria this still amounts to around 140 million euros. The approach poses the following problem: Some Member States have already announced that they will not pass on the tax to plastic producers or manufacturers of plastic products or packaging, but will pay it from their annual budget. As a result, the opportunity to provide a general incentive to reduce the use of plastic packaging in favour of more sustainable alternatives will be missed.

FIT FOR THE FUTURE IN GERNSBACH

MM Karton has just invested in the board machine, wastewater treatment plant and power station to bring the Gernsbach site in Germany further up to date. The aim of these investments is the continuous optimisation of product quality and to ensure the latest environmental protection.

Quality and resource efficiency

A new calendar was installed to further improve the surface properties of our recycled board products, which are well established on the market. The water treatment plant has also been completely renovated, enabling the mill to achieve higher production volumes. MMK also invested in increasing the energy efficiency of the power station. As a result, MM Gernsbach already complies with the new and tighter emission limit values that will come into force from 2025. The investment took place towards the end of the 3rd quarter, lasted about three weeks and was carried out under the strictest COVID-19 protection measures.

"With these comprehensive investments in quality and the efficient and responsible use of resources, our mill has a strong future. We are thus not only meeting the high demands of today's market but are also positioned in a competitive manner for tomorrow", says Thomas Schmidt, Mill Director of MMK Gernsbach.

The German MMK Gernsbach mill is considered one of the most efficient recycled cartonboard manufacturing sites in Europe and has taken a significant step forward with these optimisations. The satisfaction of our customers is the focus of our actions.

The cover of this edition of UNFOLDED was printed on Gernsbach quality Multicolor Belvedere.



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