

Pioneering change in sustainability

Label liner recycling across South Asia Pacific



With the launch of our Liner Recycling Service across South Asia Pacific, Avery Dennison is taking decisive steps to reduce external waste throughout the entire value chain. Globally we have pledged to eliminate 70% of external waste from our value chain by 2025, have 95% of our own operations be landfill free, and help customers eliminate waste generated by our products. Here's what we're doing to pioneer change in sustainability.

The need for sustainability

Waste everywhere is increasing. According to a recent Washington Post article, the world now produces more than a billion tons of garbage a year, with plastics, metal and paper -- lots and lots of paper -- among the waste. It's a crisis that's predicted to grow exponentially in the coming decades as increased urbanization and higher disposable incomes drive higher consumption of packaged goods. By 2025, according to a World Bank study, the waste produced by cities around the globe will be enough to fill a line of rubbish trucks almost 5000 kms long every day.

Consumers -- particularly millennial consumers -- are well aware of the growing need for sustainability. In fact, they're using the power of their wallets to influence sustainability practices. According to a recent research study conducted by Nielsen, 55 percent of global online consumers across 60 countries say they are willing to pay more for products and services provided by companies that are committed to positive social and environmental impact.

It's a message that's coming in loud and clear for global brand owners.

Brand owners pressured to change

With sustainability now a major agenda issue for public opinion, global brand owners are adjusting their policies. They're setting more ambitious sustainability targets and actively communicating those targets to secure consumer loyalty. One key area of focus for them is packaging sustainability.

While the packaging industry is not necessarily the biggest source of environmental problems, from the consumer's point of view it is one of the most visible. As a result, global brand owners are requiring more stringent sustainable packaging criteria such as sourcing more responsibly, down gauging and increasing recyclability of their products.

Emerging government legislation

Governments, too, are increasingly aware of the need for sustainability action. While South Asia Pacific (SAP) is still a long way behind Europe, where government mandates and sustainability incentive programs have existed for some time, we are seeing some government action across SAP. For example:

- ▶ The Australian federal and state governments have recently set a target for all packaging in the country to be reusable, compostable or recyclable by 2025 with more while more plastic bag-free local communities are emerging across Australia for some time.
- ▶ The state government in Pune, India recently introduced a ban on plastic packaging, including PET water bottles
- ▶ Indonesia recently launched a national program to tackle land-based management of waste over the next four years

However, many government waste management programs have been impacted by China's recent announcement banning 24 grades of waste imports, a move that has created a waste industry crisis across the world.

China's waste ban

In the past, 75 percent of US waste exports, more than 50 percent of German and UK plastic, and much of the paper and plastic waste from South Asia Pacific has been sent to China for recycling. However, due to the recent waste ban imposed by the Chinese government, these countries are now forced to deal with waste locally. This is driving up the demand for landfills and dramatically increasing the cost of tipping fees, putting pressure on governments, industry groups, brand owners and many manufacturing industries, forcing major change at the local level.

Avery Dennison's Marcel Cote, strategic marketing director, Avery Dennison South Asia Pacific and Sub Saharan Africa, believes the move by China is actually a positive one. "It's good to see that China shutting its doors to global waste is driving brands to get more serious at the local level about addressing their waste management in a more sustainable way," said Cote. "By elevating demand for innovative packaging recycling solutions, the China ban is actually stimulating the label industry to collaborate to find new viable recycling solutions for our customers and end users. It's an opportunity we're actively embracing at Avery Dennison by launching our Liner Recycling Service."

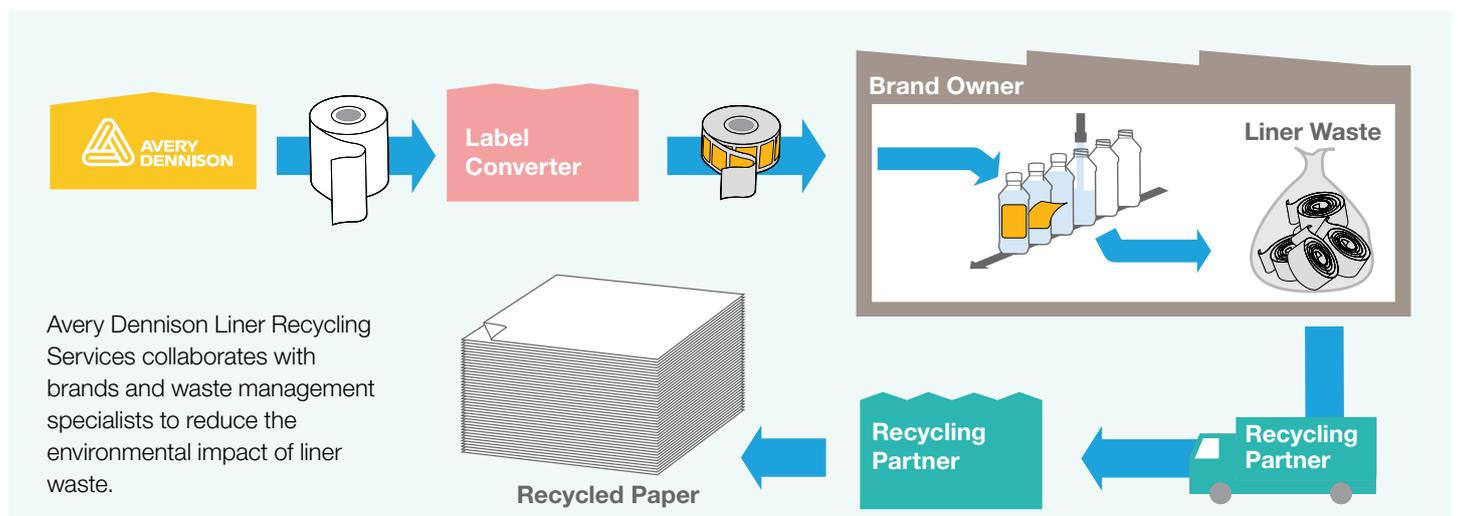
Avery Dennison Liner Recycling: How we're helping to create change in South Asia Pacific

At Avery Dennison, we believe the biggest label-related sustainability challenge is simply this: what to do with all that leftover liner waste. Now in Australia, India and Thailand, we have a solution that will begin to tackle this challenge head on.

Our Liner Recycling Service enables the collection and recycling of glassine paper label liner waste from brand owners and retailers across Australia, India and Thailand, with expansion plans to additional South Asia Pacific countries in the near future.

Label waste across South Asia Pacific is an issue which is yet to be effectively addressed, as according to a recent AWA 2017 Global Label industry waste study, in Thailand and India, for example, approximately 73 percent of paper liner waste goes to landfill and 16 percent is incinerated. Only three percent is recycled and six percent is used for waste to energy. With around 22,000 metric tons of paper liner being disposed of each year across SAP, it's time we addressed this issue through effective industry collaboration.

"One of the major challenges with recycling programs for the label industry has always been how to centralize the waste which is typically scattered across vast geographies at manufacturing sites across the region. We've been able to solve this by identifying industry partners with logistics capabilities to enable the collection and centralization of the liner waste, making the program both feasible and scalable," said Cote.



Early adopter results

Pilot recycling programs were undertaken throughout 2017 with multiple brand owners across South Asia Pacific including major global brands such as L'Oreal and Unilever. Liner waste was collected by our recycling partners who then desiliconized it, processing it into paper pulp in the standard recycled paper process to become cardboard, tissue and art paper. Benefits to these brands included their waste being diverted from the landfill, achieving their sustainability goals and reducing their waste management costs.

"I'm very proud to see first hand the immediate positive impact our Liner Recycling Services program is having with our early adopters in both Australia and India. We are now actively seeking more end users and retailers to come on board to realize the sustainable benefits this program can deliver," commented Cote.

Liner Recycling benefits

The Avery Dennison Liner Recycling Service is typically cost neutral or better when compared to existing waste management and tipping fees. It ensures that industry waste is diverted from the landfill and recycled into secondary paper products, helping end user customers achieve their sustainability goals by reducing their environmental impact.

According to Cote, Avery Dennison Liner Recycling Service is tackling the region's biggest waste management challenges first.

"While we are currently developing a PET liner recycling program, our initial focus has been on glassine paper liner waste. It accounts for about 95 percent of the waste in this region and has historically been the most difficult to recycle," he noted. "Our aim in our first 12 months is to recycle over one million square meters of glassine liner waste, which I believe is very achievable given the current volumes being collected from our lead global brand manufacturing sites."

Taking the lead

Avery Dennison is serious about taking the lead on this journey to pioneer industry-wide change. The company has structured the Liner Recycling Service to address all liner waste, not just label materials supplied by the company.

"The Avery Dennison Liner Recycling Program is about all of us in the industry working together to create critical change," commented Cote. "It's been fantastic to collaborate with like-minded individuals across the waste management and recycling industries to develop a unique service for such a challenging situation across multiple countries and geographies, but we aren't done yet. Together with our valued industry partners, we're committed to sustainably reducing label waste across the value chain. We want our customers and brand owners to know that we have the capabilities and programs needed to support them as they work to meet their sustainability goals. We look forward to further expanding our liner recycling service to more customers, brand owners and regions across South Asia Pacific in the near future.

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