Out of the crises: does green get the best deal?

Why the permacrisis means good news for sustainability

28/09/2023

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Eco-actives pushing through

Cost of Living impact

Brands have a job-to-be-done

Retailer privilege

Scaling-up

Tetra Pak & sustainability

Packaging as a force for change

Shopper activition

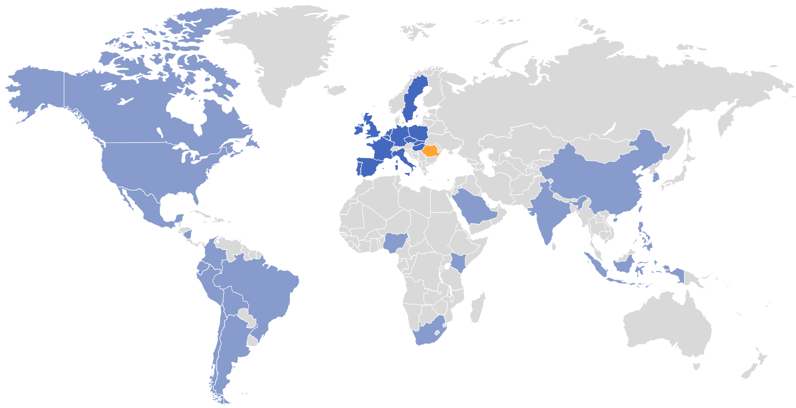
Way forward

Q&A

Who Cares, Who Does 2023

GfK CPS | YouGov

- **Global harmonized** survey of 35 countries and 112,000 respondents - to understand how to gain a competitive advantage from sustainability
- **Single source** linking attitudes and needs with actual purchase data using Consumer Panel data



Our survey respondents are grouped into three segments based on their actions taken to reduce environmental footprint:

ECO ACTIVES

ECO CONSIDERERS

ECO DISMISSERS

Through all the crisis also sustainability became more differentiated

From shoppers’ perspective

2018/2019

Quality and Sustainability
Fridays for Future

2020/ 2021

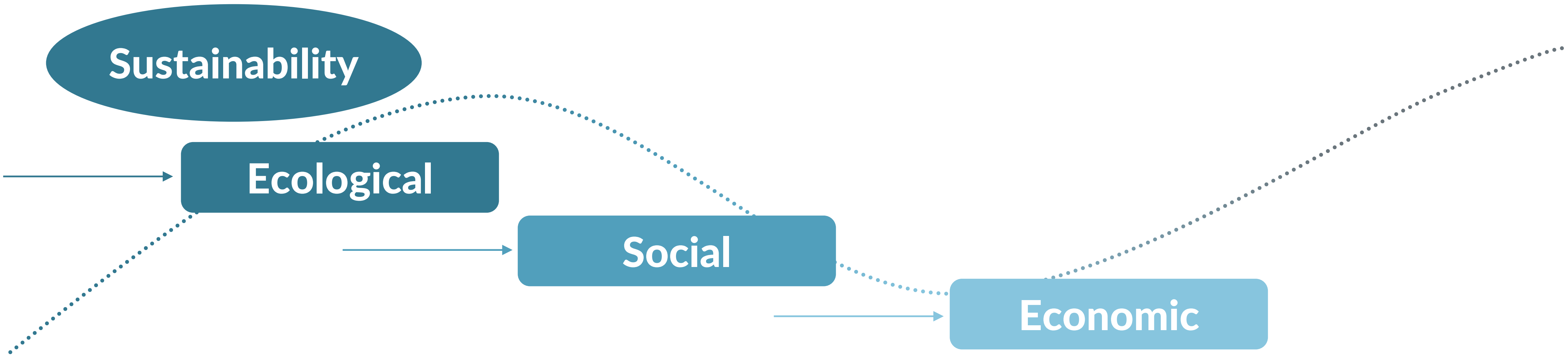
Sustainability and Premium

2022

Price and Pragmatism
Ukraine war & Inflation

2023

Pragmatism and acclimatization



Five years, five learnings

1. Europe – and Germany - still at the forefront. In all but 1 European country (DK) higher level of eco-actives than 5 years ago. Biggest increase in NL at a rate of +12 ppt.

2. Environmental concerns are stronger than ever and skewing more toward climate change. Solutions still hinge on local, packaging and plastic waste, yet the tide is turning

3. Action does not equal purchasing. An increasing number of households takes regular measures, yet purchasing green is slowed down by the Cost-of-Living crisis

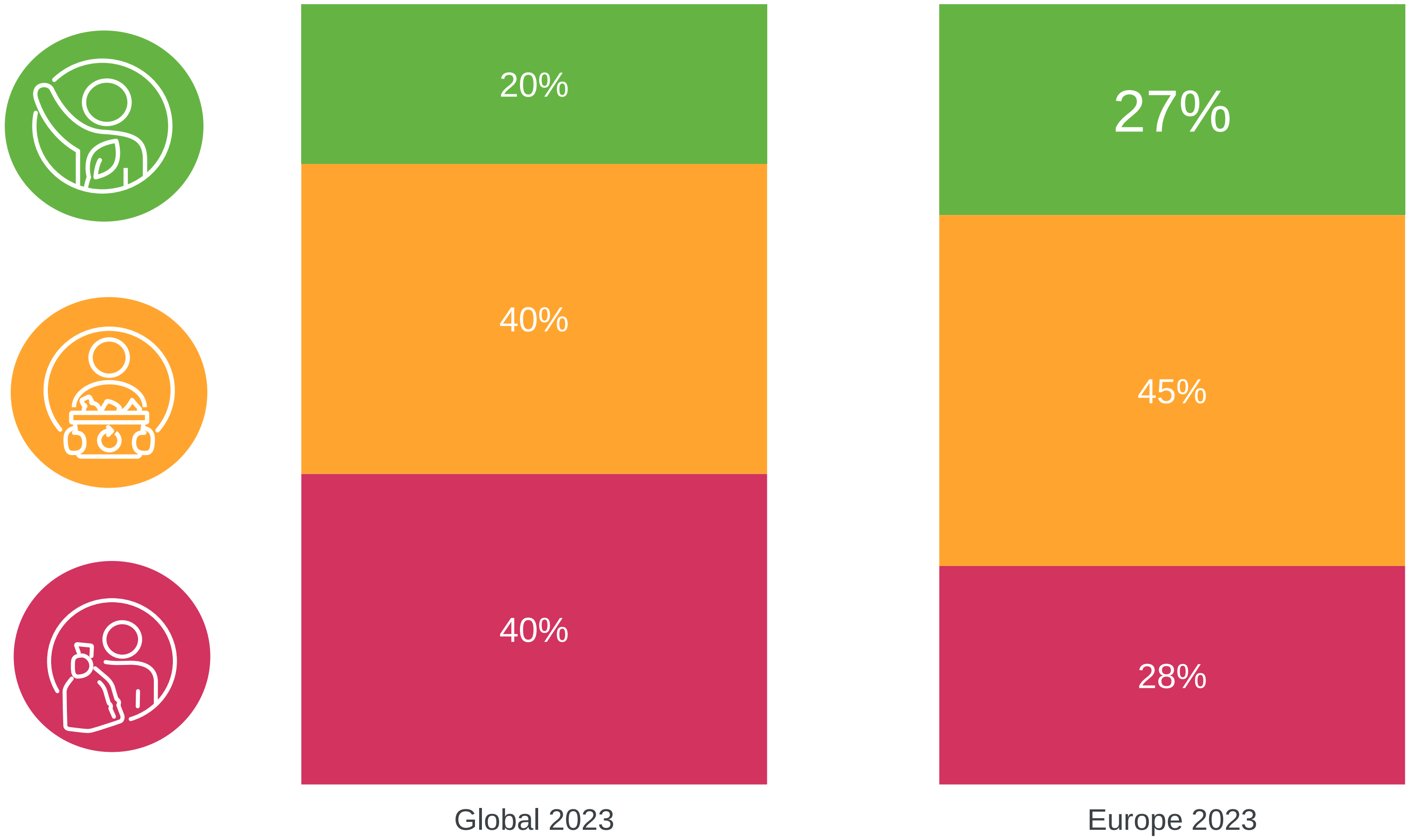
4. Widening trust gap. Much is expected from manufacturers, yet shoppers often do not recognize nor trust their efforts. The crises have put governments more center stage.

5. Price remains the largest barrier to purchasing sustainably, but much is to gain when other key barriers like lack of know-how and perceived product functionality are overcome

1

Eco-actives pushing through the crises

Eco-actives reach highest level so far in Europe



Europe: 16 countries

European eco-actives surpass €250 bn worth

€254 BN

- Eco-active FMCG worth
- Opportunity to build
- Addressable market

+6.2 PPT

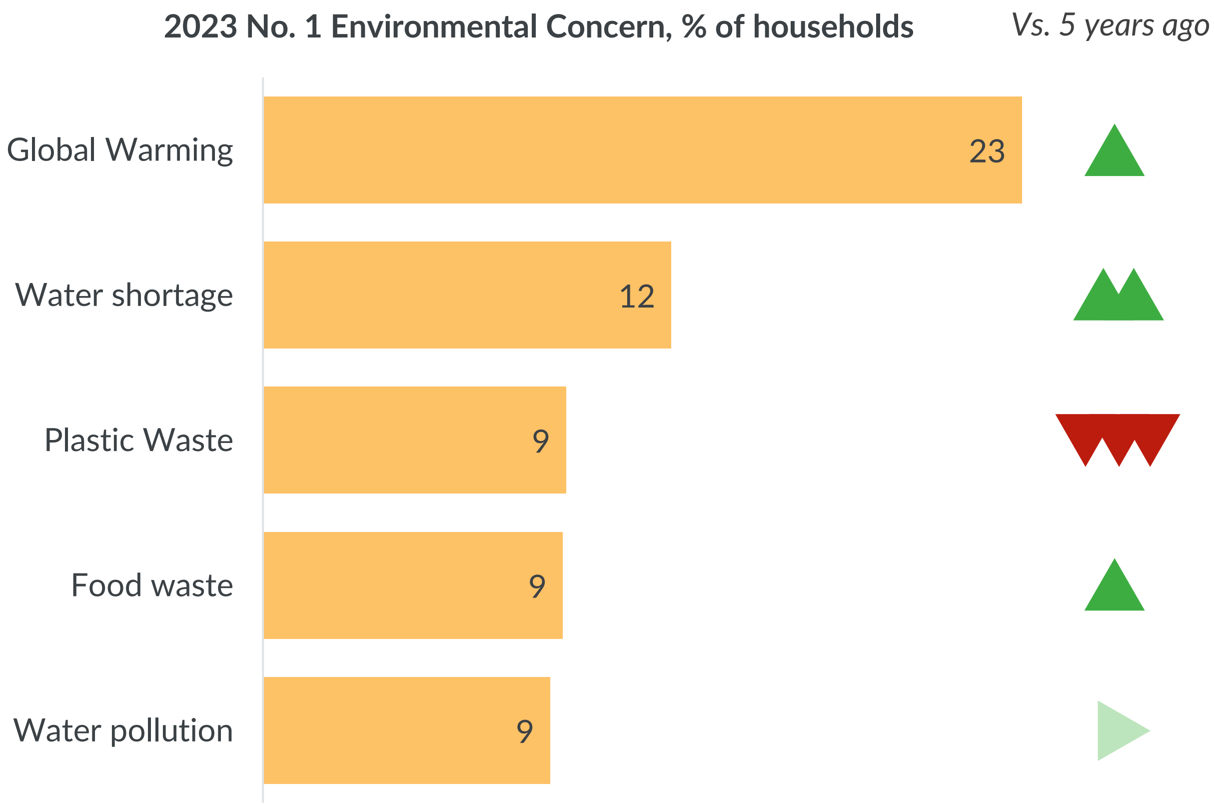
- Eco-share growth vs 2022
- 16/16 grow vs 2022
- 10/16 eco-actives above 25%

+1.1 PPT

- Likely average growth rate
- 1 in 3 will be eco-active in 5 years
- Cannot afford to ignore

A 'most likely' scenario puts eco-actives up to one-third in 5 years

Global warming prime concern, worries about water shortage swell



“It upsets me how much plastic I end up with”

Europe

67%

Global 62%

“I try to buy products packaged in an environmentally friendly way ”

Europe

57%

Global 63%

2

Cost of Living impact

The difficulty behind the actual circumstances

Inflation & Sustainability

Inflation

Price competition

Limitations

Brand pressure

Sustainability

Complexity

Investment

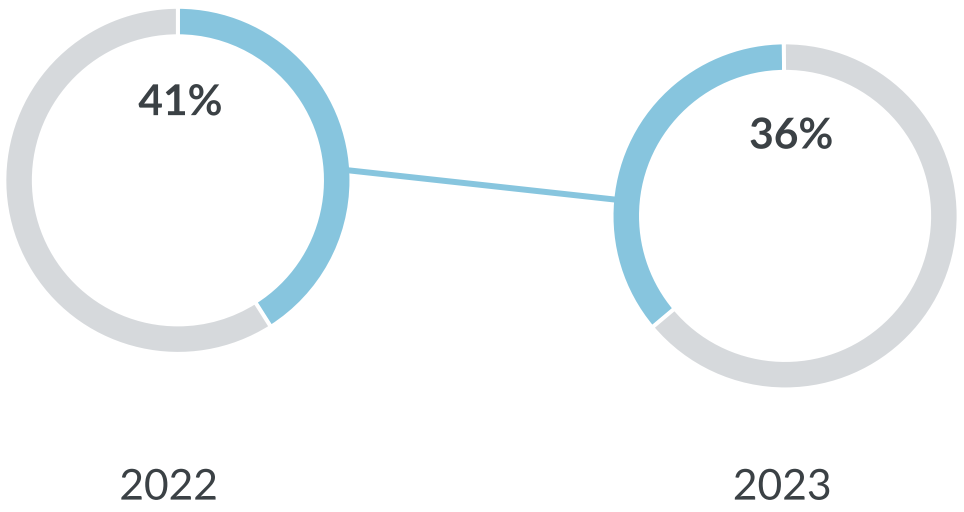
Regulations & obligations

Source: CPS GfK DE

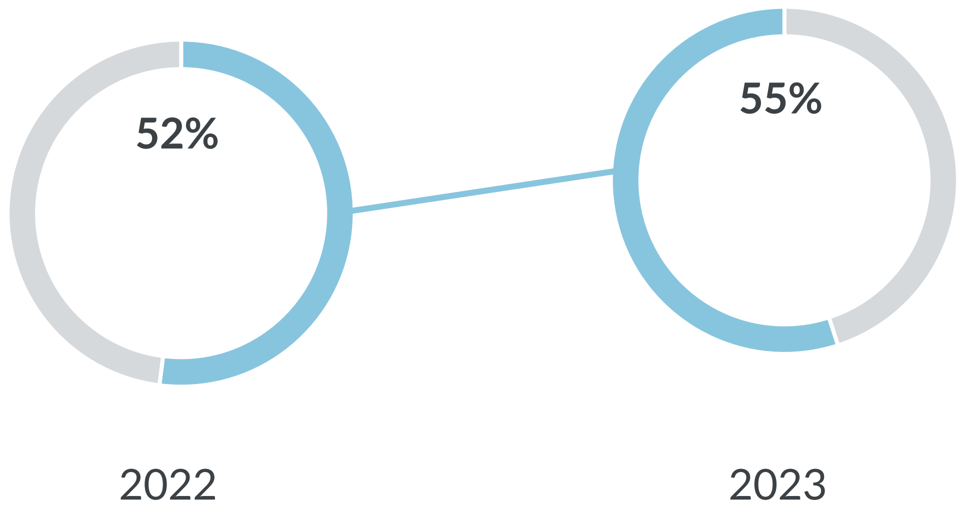
Delegation of responsibility

44% | 34% | 16% | 5%

Going green & Cost-of-living: less in store, more in home



I (almost) always take the environment into account when making a purchase

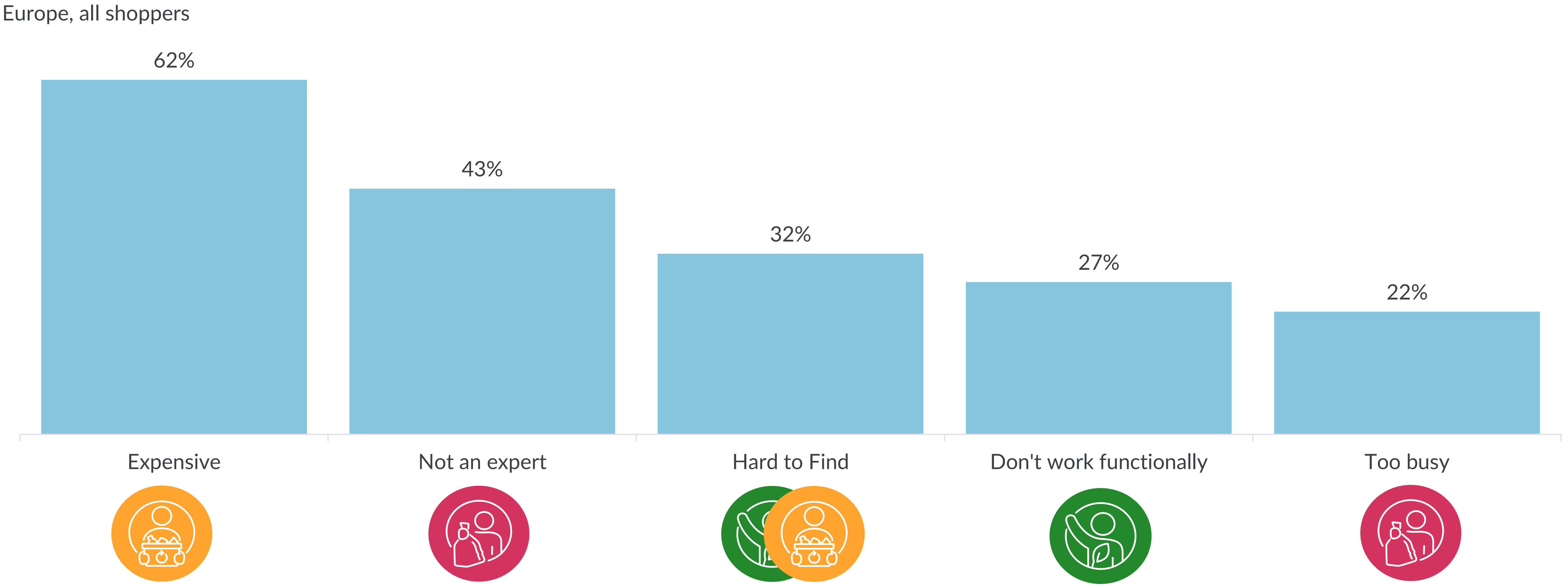


I always save energy in my home

Price remains major barrier, but 'total' approach means mending other barriers as well

What are the major barriers stopping you from buying sustainably?

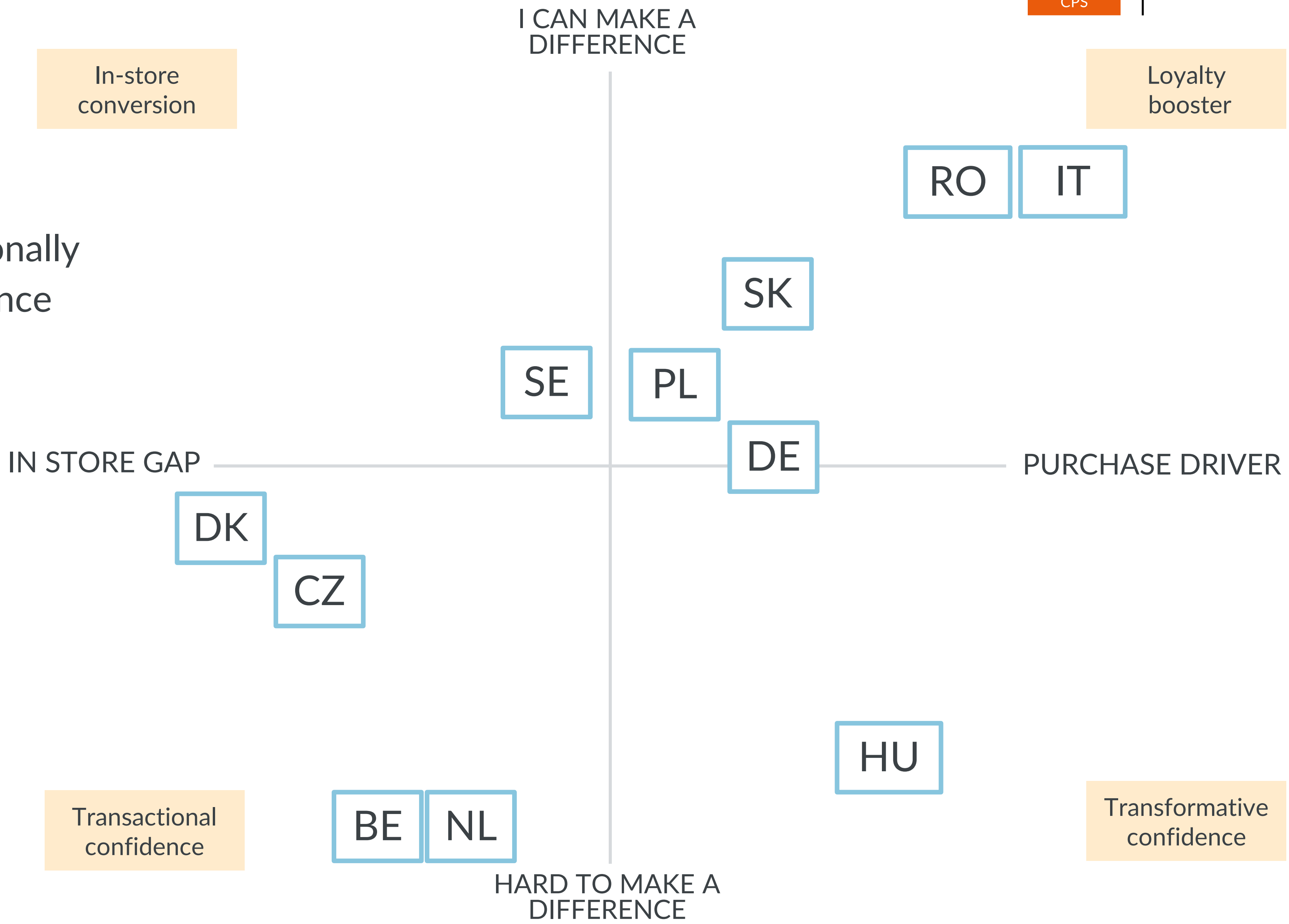
% households, strongly agree & agree



Shoppers need to be (RE)activated

54%

"I feel I can personally make a difference



Local and packaging still top choice drivers

Carbon neutral up and coming, but often not understood

Top product choices

Top 3 - Choose this regularly

- 81% Locally sourced ingredients
- 80% Locally owned
- 79% Packaging from recycled material

Top 3 - Don't but would like to

- 30% Carbon neutral
- 26% Providing sustainability tips
- 25% Company donates to charity

Top 3 - Don't and won't

- 46% Fully vegan
- 32% Meat / dairy alternative
- 18% Features diversity in advertising

Don't know what this is

- 16% Carbon neutral
- 13% Featuring diversity in advertising
- 12% Protecting / promoting biodiversity

3

Brands have a job-to-be-done

“Companies only care about profits; sustainability claims are just a marketing tool”

63%

highest in Europe…and growing

“I trust brands not to have raised prices more than necessary”

35% trust

40% distrust

Low brand recognition, especially in beverages

7/8 out of 10 can´t name a brand, 6 can´t name a retailer

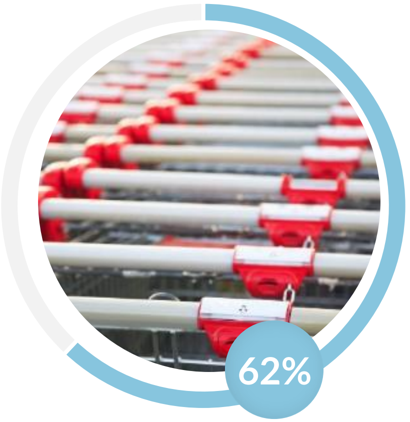
`I CAN'T name any brand that does a good job protecting the environment`

Food brand

Beverage brand

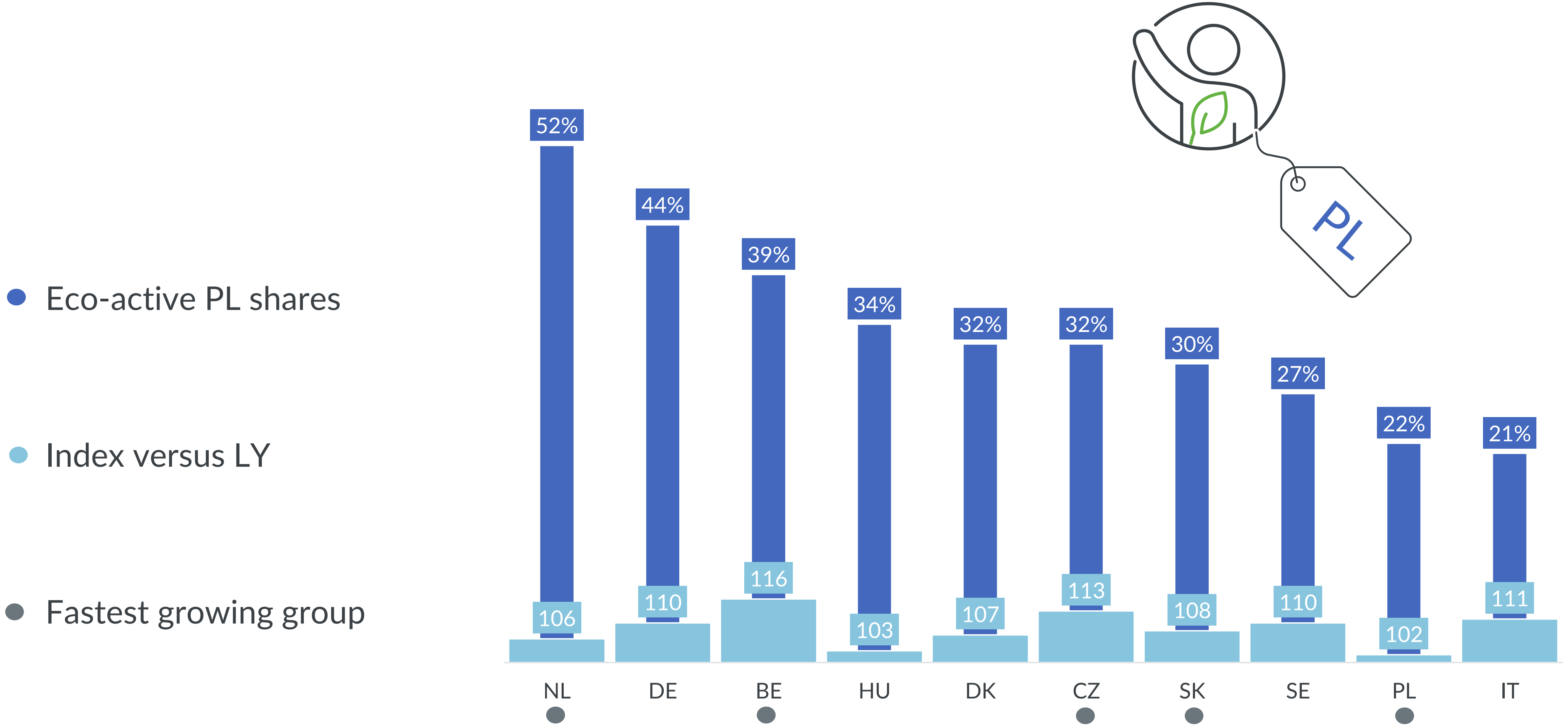
Personal care brand

Home care brand



Retailer

Eco-actives increasingly turn to PL



Brands that are successful in reaching eco-actives

The Flower Farm

- Value growth vs YA +64%
- Penetration 11% to 14%

	Spend per buyer vs YA	Rel. Penetration vs YA
	131	109
	107	133
	107	141

Share

- Value growth vs YA +5%
- Penetration 6% to 7%
- Rel. penetration eco-considerers ix 105

Granoro

- Value growth vs YA +64%
- Penetration 8,5% steady
- Spend/buyer eco-actives ix 151

Serla

- Value growth vs YA +14%
- Penetration 39% to 41%
- Spend/buyer eco-dismissers ix 116

4

Driving growth

Discovering Penetration Growth Drivers

How to recruit new buyers?

Attitude, Purchase & Profile comparison of:

vs.

New Buyers

Non-Buyers

Drivers based on:

Attitudes
Purchasing
Demographics

How to keep current buyers?

Attitude, Purchase & Profile comparison of:

vs.

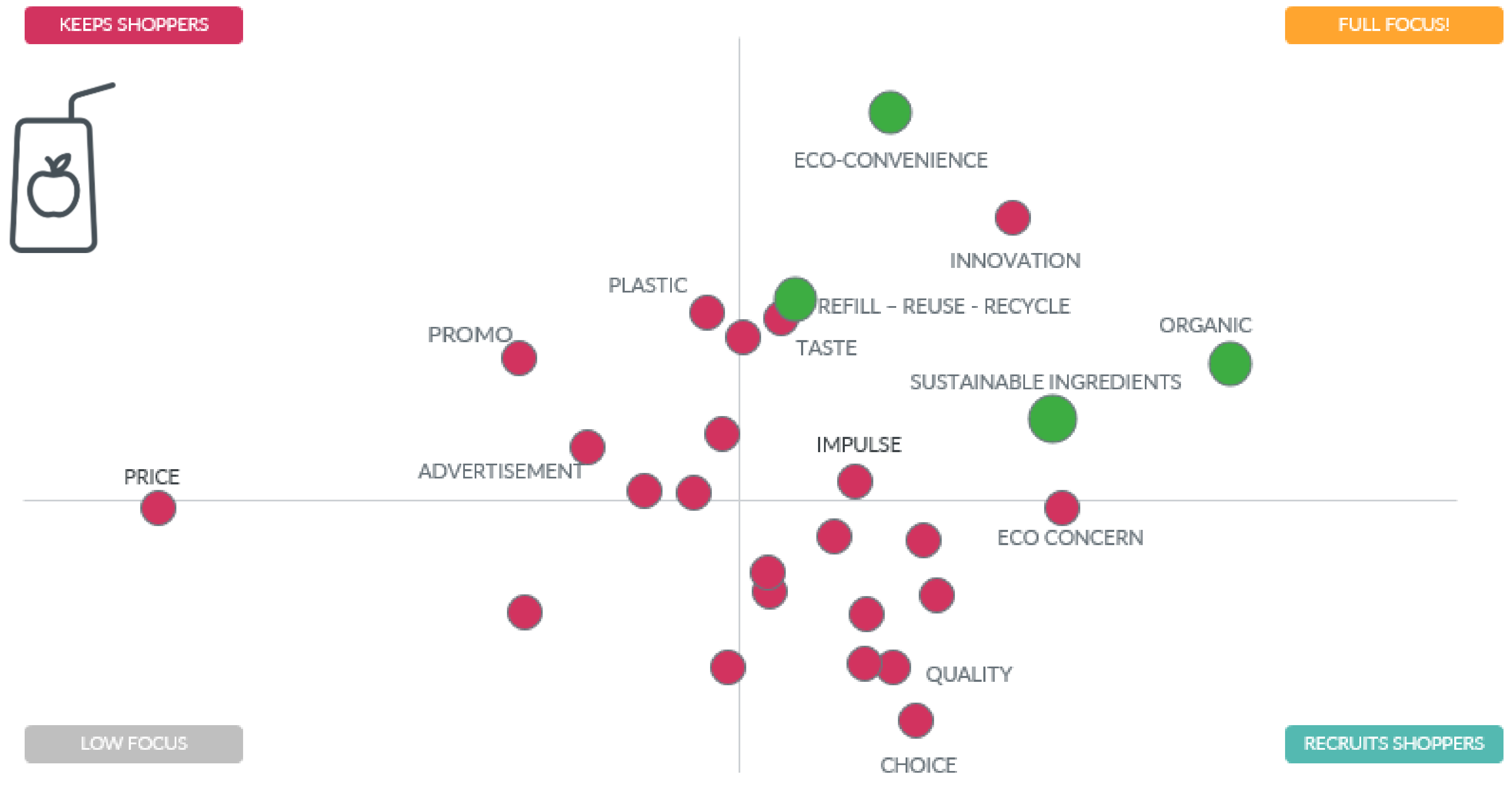
Retained Buyers

Lost Buyers

Evidence from the juice category: brands that care, win!

By focusing on sustainability, brands can help the category grow

Category Recruitment & Retention Power: A-Brands



Combining the category Recruitment Power and the category Retention Power gives a clear overview of what drives success in terms of penetration growth.

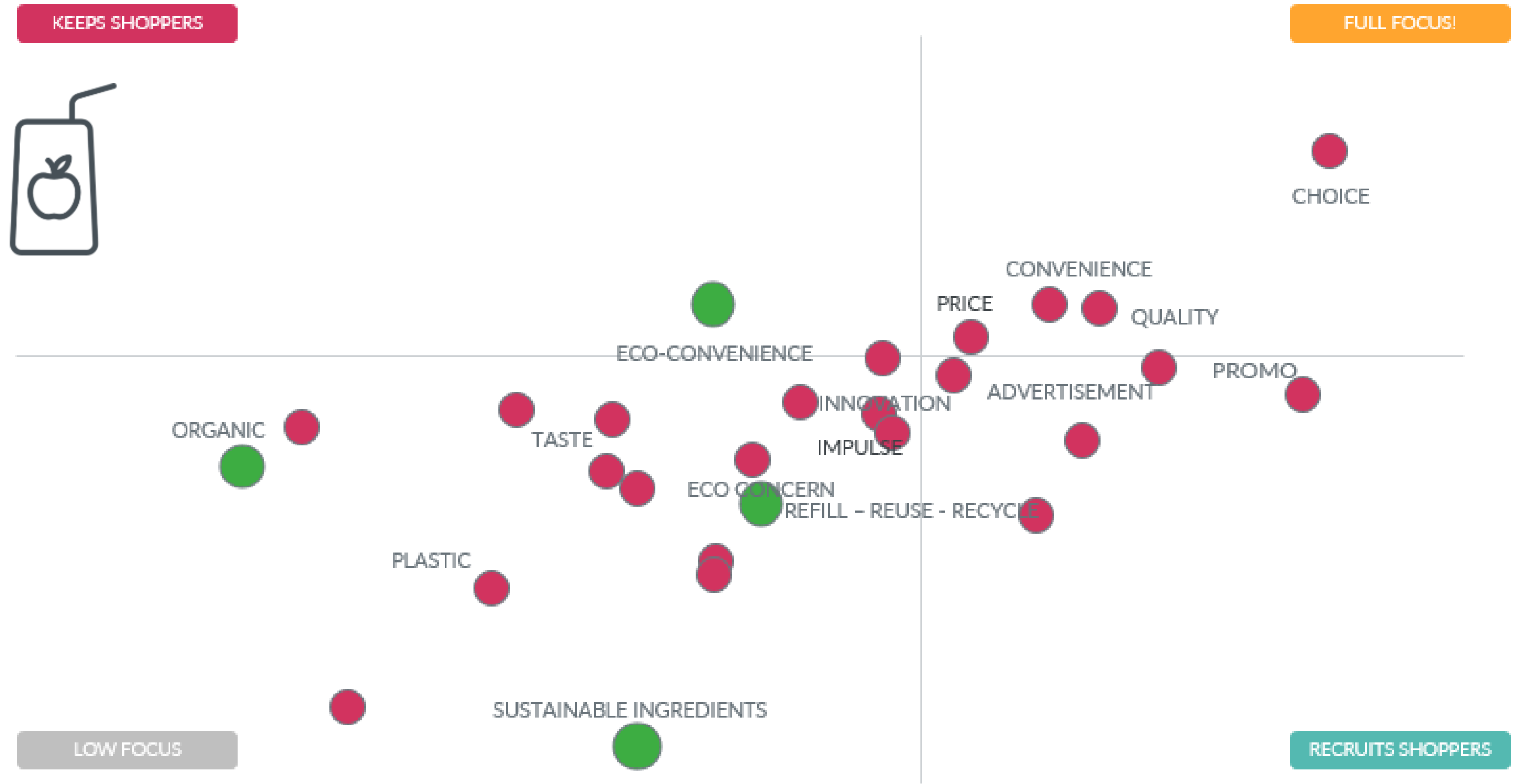
- RECYCLING, (ORGANIC) INGREDIENTS AND CONVENIENCE are crucial driver for successful penetration growth within the category, as it both contributes significantly towards recruiting new shoppers and keeping existing ones.
- ORGANIC shows a very high recruitment power, and is therefore considered as the most important driver for recruitment success.
- PLASTIC AVOIDANCE is considered an important driver for successful shopper retention, however will have a limited impact on recruitment.

Source: Consumer Panel GfK Germany, BiMAT Jun 21-23

The story changes for private label

Shoppers can be triggered by varied choice at a good quality – price pay-off

Category Recruitment & Retention Power: Private Labels



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5

Retailer privilege

Though favorable pricing is expected, retailers mostly expected to reduce waste within their own ranks

What areas should retailers prioritize to be more sustainable?

% in Top 5 Rank Europe

#1

Remove excess packaging from retailer products

#2

Reduce price when nearing expiration

#3

Reduce supply chain waste

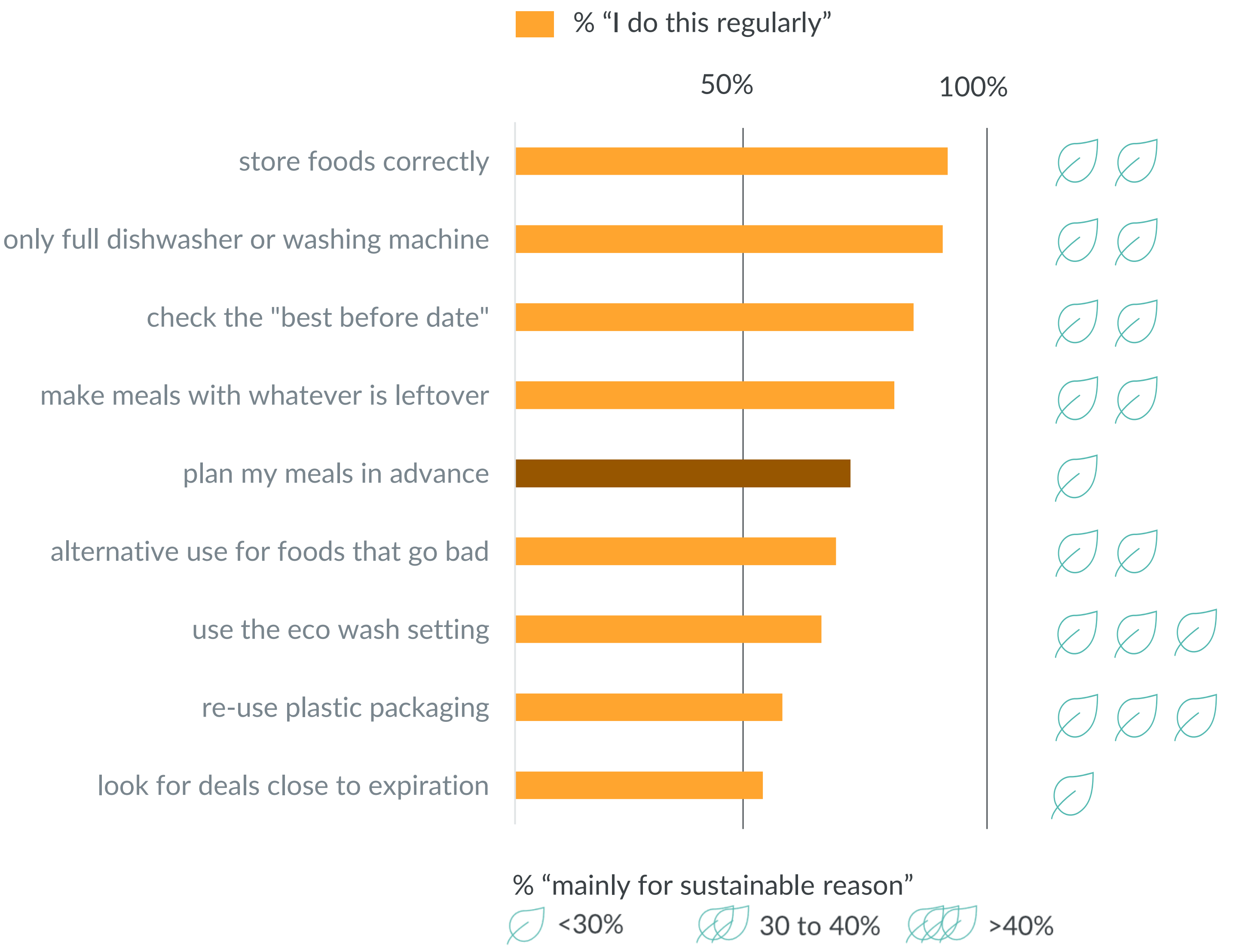
#4

Expand refill/ recycle options

#5

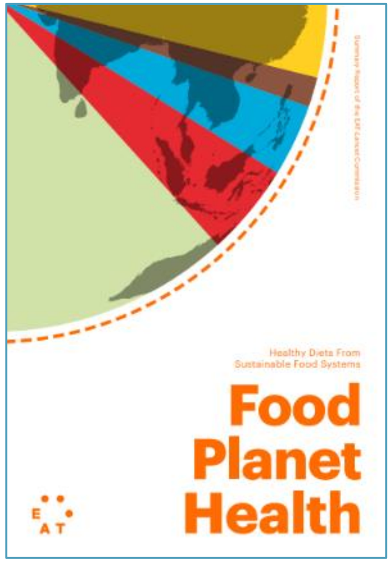
Promotions on sustainable products

Food waste actions

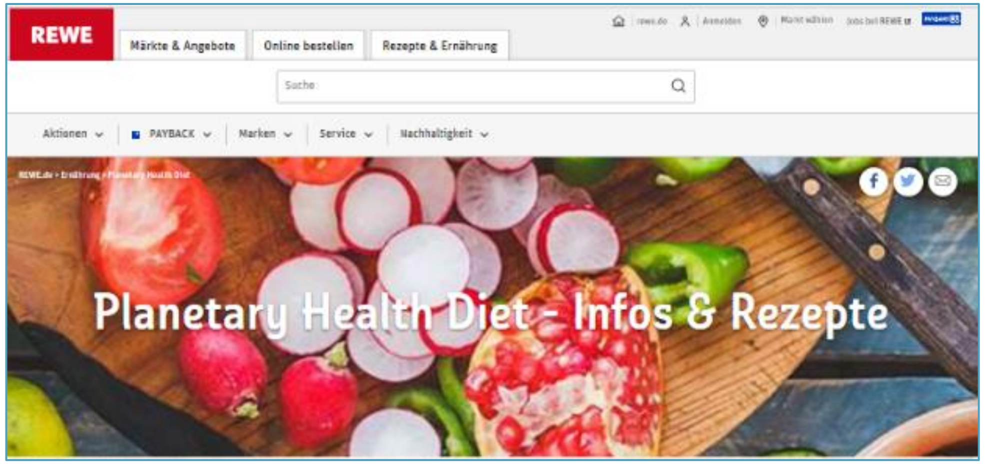


Planetary Health Diet

Good for me, good for the planet



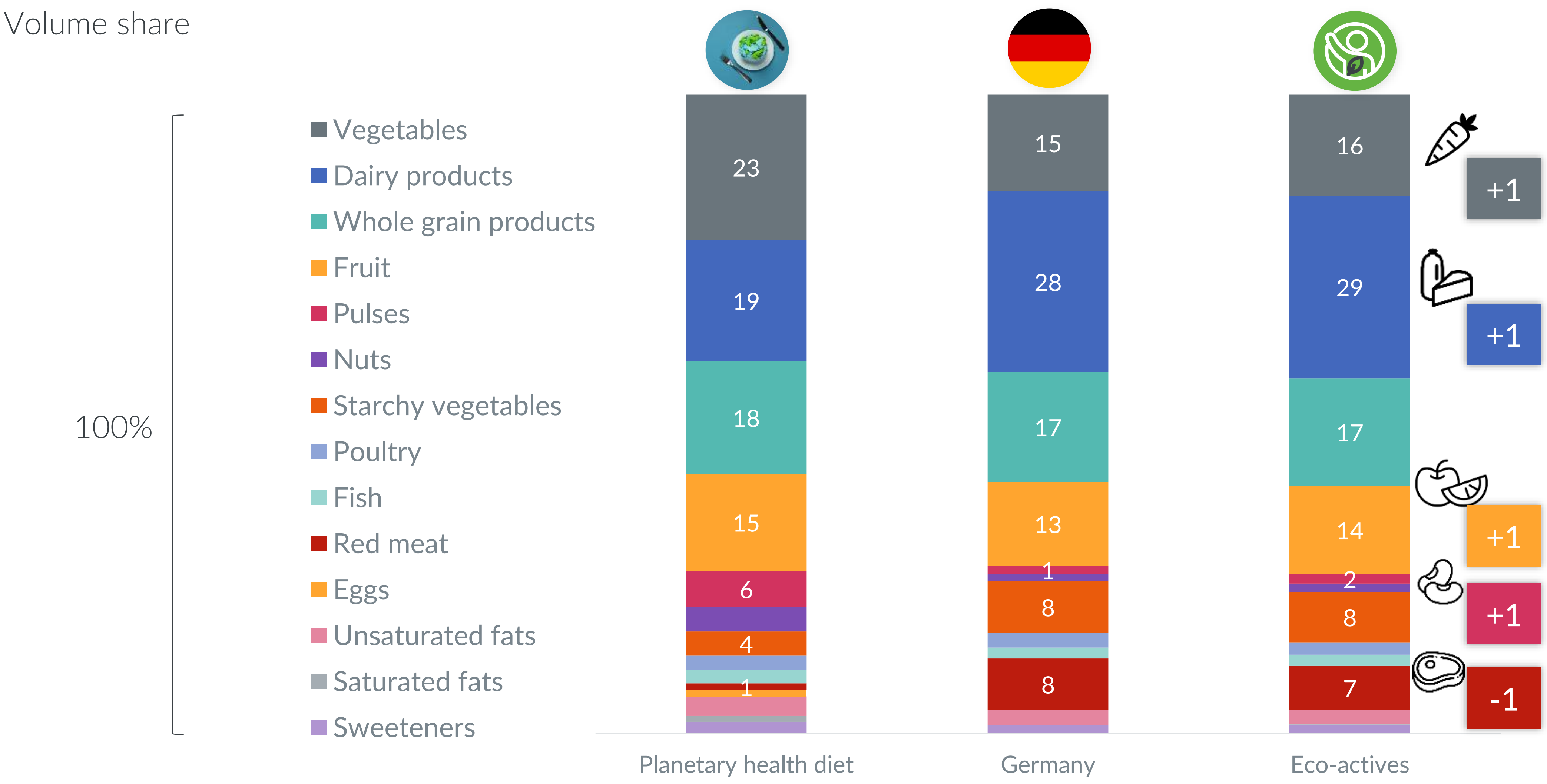
Eco-active index 104
(value share)
2nd most named



Eco-active index 100
(value share)
3rd most named

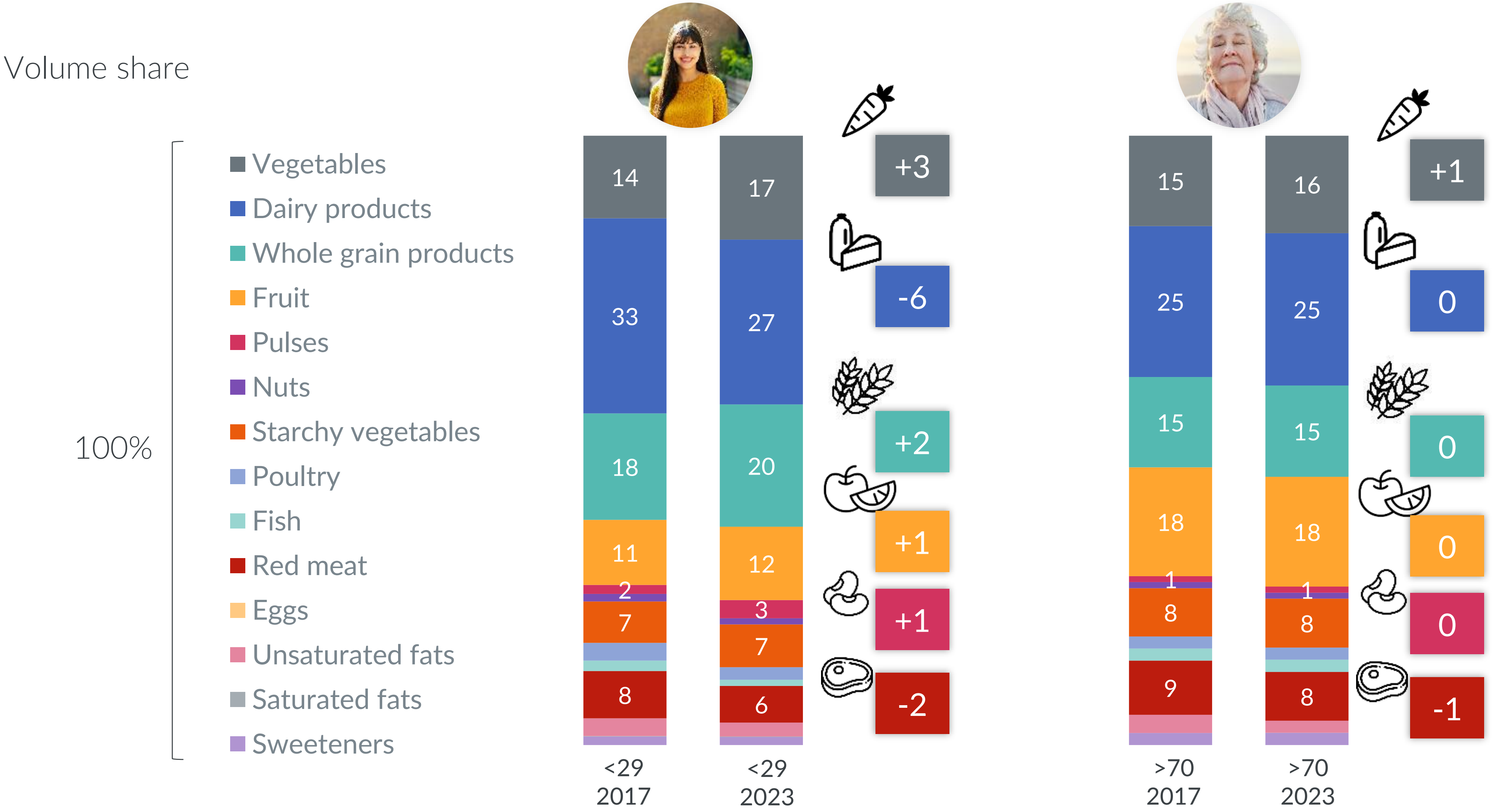
Planetary Health Diet: lifestyle divergence

Eco-actives show small steps toward holistic behavior change



Within a few years remarkable change in young shoppers’ diet

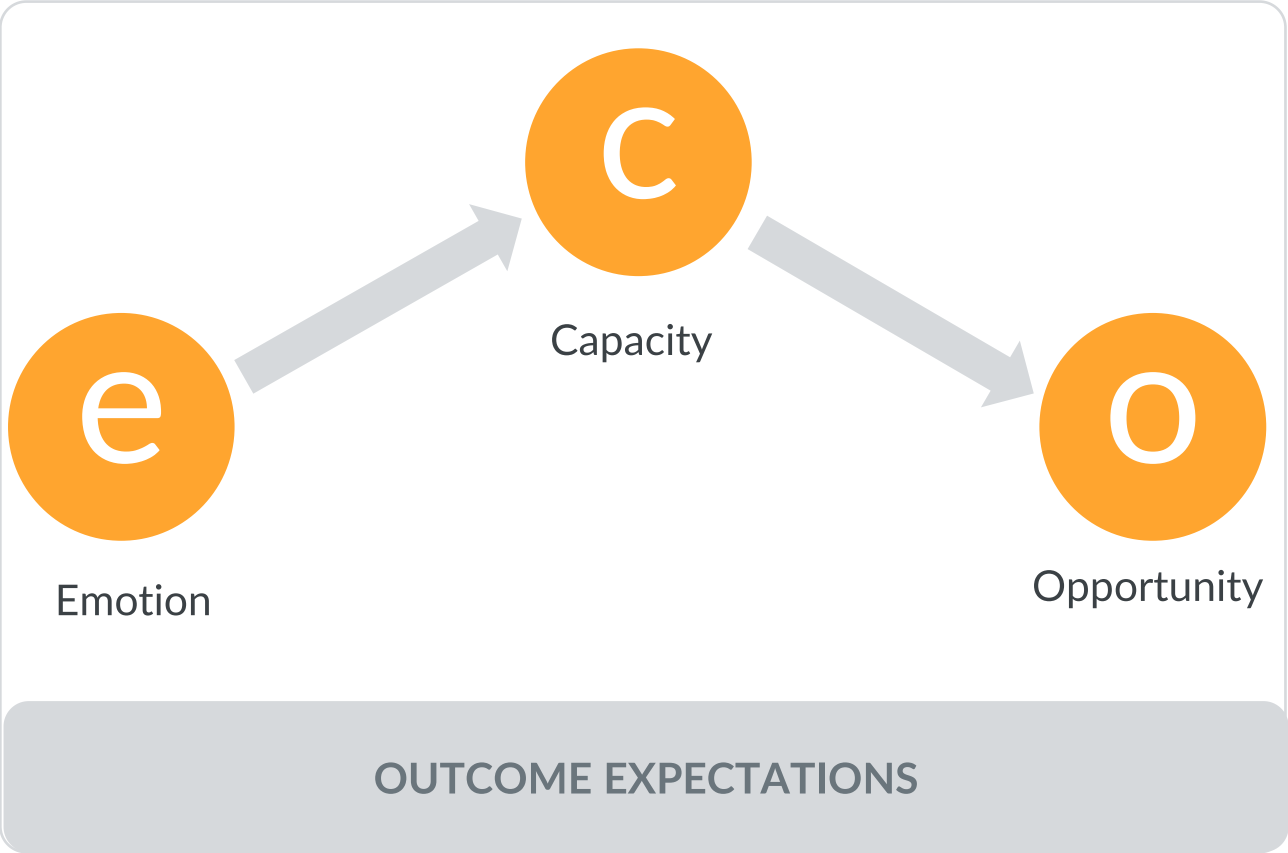
Holistic lifestyle change, closely connected with healthy living



6

Scaling-up

Driving behavior change



Driving behavior change

c

Capacity

e

Emotion

o

Opportunity

Rewarding

Feel good, not guilty

Inclusive

Look at you!

Transformational

Contributor not spectator

OUTCOME EXPECTATIONS

Scaling-up, not upscale. Money well spent.

DOUBT

Tetra Pak – committed to a sustainable future and safe food systems

while activating and creating awareness with AI/AR

Caroline Babendererde, Head of Sustainability Mid Europe

September 28, 2023

Tetra Pak®
PROTECTS WHAT'S GOOD

A world leader in food processing & packaging solutions

Pioneering integrated solutions for over 70 years

Delivery of our **first filling machine**

We´re more than just packaging - providing end to end customer solutions, from sourcing to end-of-life

Global presence:
>160 countries
€12.5 billion net sales ’22
Leading position in many categories

About us: Our company in numbers

Jan 1st 2023

52* Production plants

27 Market companies

87 Sales offices

6 Customer innovation centres

8 Technical training centres

6 Research & Development centres

23,733 employees

12.495 € billion net sales in 2022

> 160 Countries in which Tetra Pak had sales in 2022

193 billion Tetra Pak® packages sold in 2022

Collaborating with ~ 200 recycling facilities

DELIVERED IN 2022

206 Filling machines

2,665 Processing units

671 Downstream equipment

IN OPERATION

103,322 Processing units in operation

22,757 Downstream equipment

8,959 Packaging machines

1.2 million tonnes of carton packages collected and sent for recycling

Our purpose:

We commit to making food **safe** and **available, everywhere** and we promise to protect what’s good: **food, people** and the **planet.**

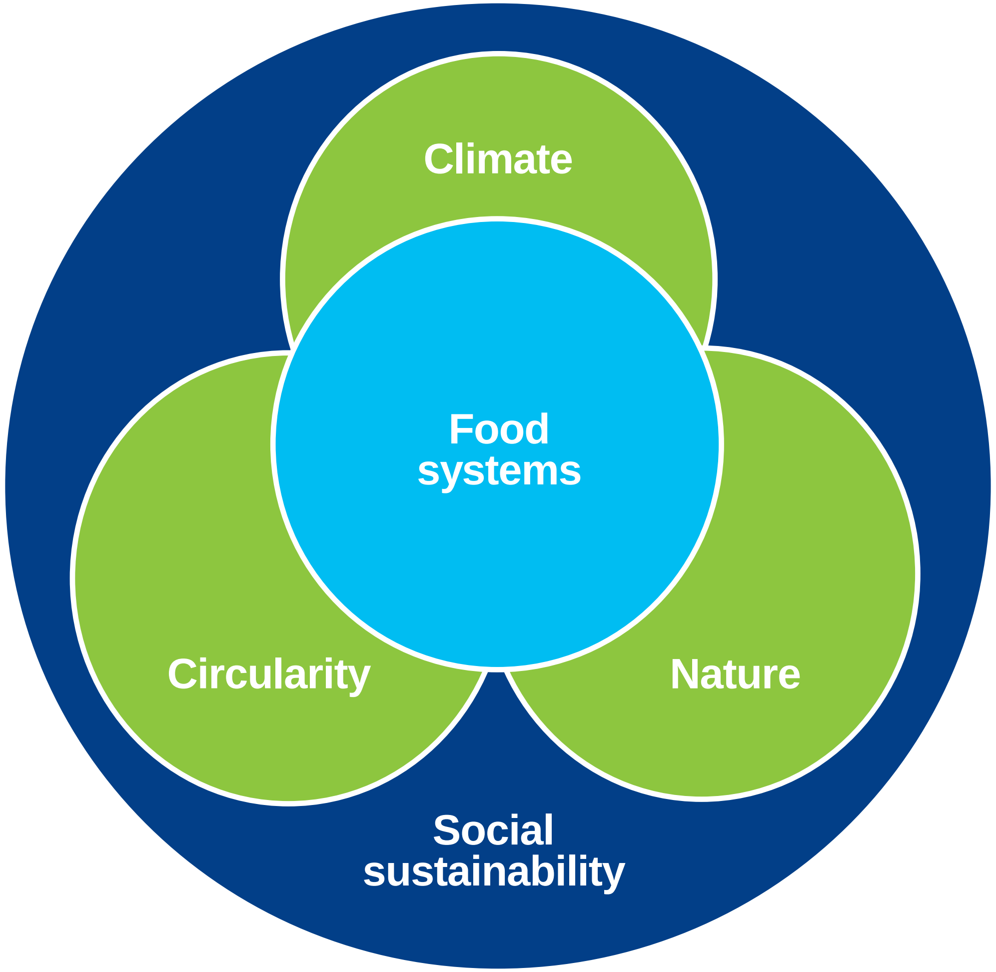
Sustainability embedded in our purpose and strategy

Supporting the UN SDGs for decades

Food.

People.

Planet.



Tetra Pak portfolio strategic objectives to get there

Secure solutions to address regulations & climate change

Sustainable openings
Paper straws
Tethered caps

Renewable package
Launch fully renewable aseptic carton package
Expand deployment of plant-based products

Secure "circularity" in portfolio

Recycled content
Use of recycled polymers and paper in primary/secondary packaging and additional materials

Enable recycling by design
Explore new pack mat structures
Smart packaging that enables collection/sorting/recycling

Our ambition to deliver the world's most sustainable food package*, made solely of responsibly sourced renewable or recycled materials, fully recyclable and carbon neutral.

* This means creating cartons that are fully made of renewable or recycled materials, that are responsibly sourced, therefore helping protect and restore our planet's climate, resources and biodiversity; contributing towards carbon-neutral production and distribution; are convenient and safe, therefore helping to enable a resilient food system; are fully recyclable

On-pack messaging for rPE

Let's contribute to a circular economy together!

The plastic in this packaging is certified to support the use of materials that have already been used once.

Packaging using certified recycled plastic* that promotes the use of recycled materials (in plastic production).
Helps ensure that fewer fossil materials are used.

*The plastic in this packaging is certified according to a mass balance procedure. It proves that fossil raw materials have been replaced with an equivalent amount of recycled materials.

Learn more about the path to a closed loop economy and give us feedback (scan QR code).

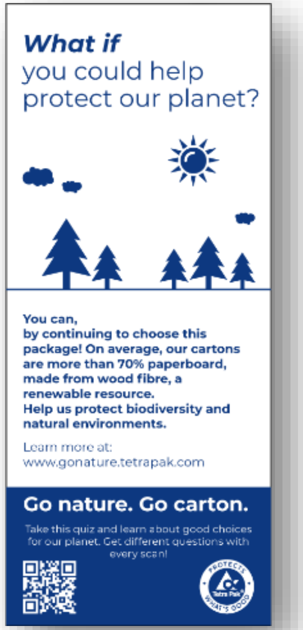
To keep RECYCLING going: discover a collection point near you at www.getraenkekarton.ch

B2B and B2C SoMe Activation

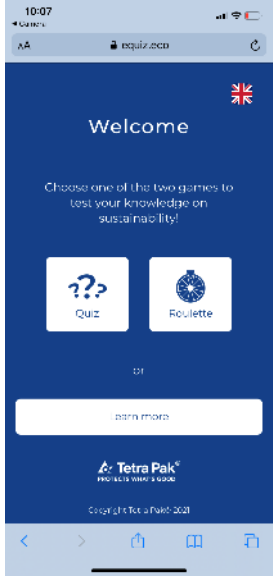
The Tetra Pak quiz – how it works with the QR-code designs

A consumer journey through the Tetra Pak world

1 **Consumers see the code on the package & scan it.**

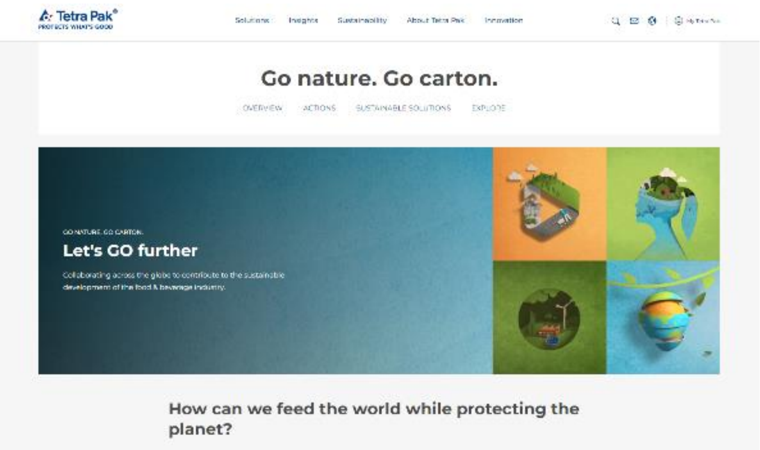


2 **Consumers play the quiz while we collect data. At the end, they are prompted to "read more".**



2 different types of quizzes (roulette, questions)

3 **Consumers are taken to or web page to read more about sustainability.**



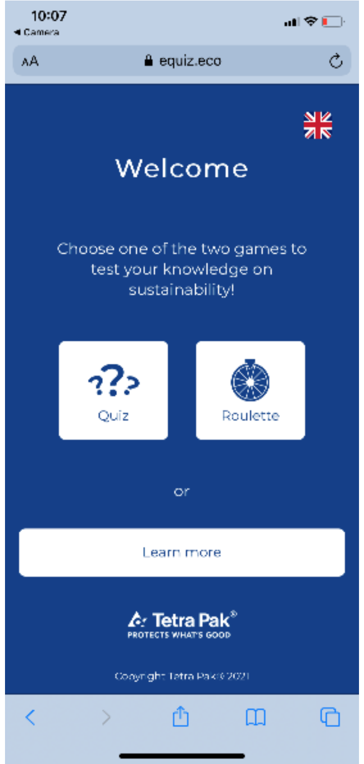
Campaign landing page: www.gonature.tetrapak.com

The Tetra Pak quiz

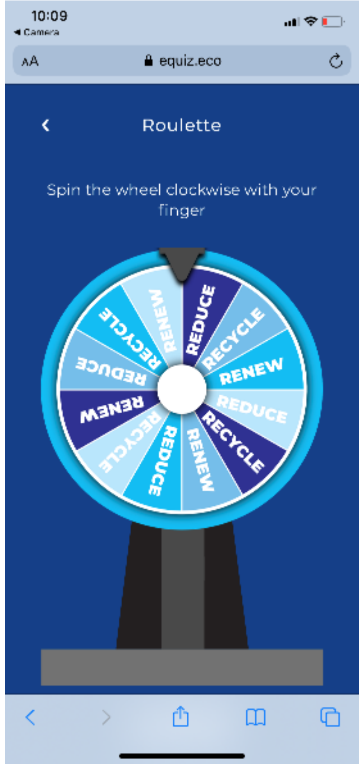
Launched automatically when the QR-code is scanned

Introduction to the Tetra Pak quiz

Language availability by clicking top right flag

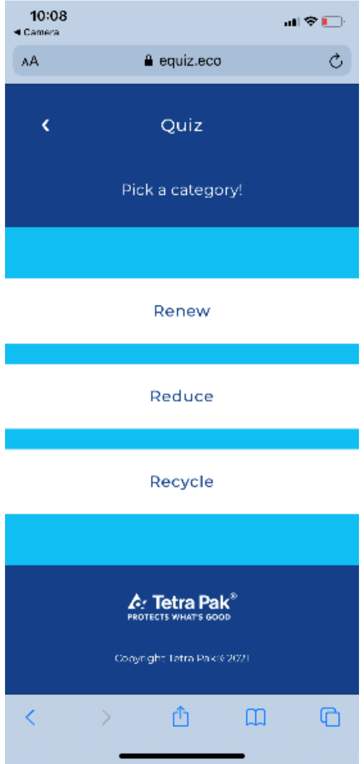


Consumers have a choice of two different game options



Roulette: Consumers spin the wheel and will get a question from a random category: Renew, Reduce, Recycle

OR



Quiz: Consumers choose a category in which they want to play the quiz in: Renew, Reduce, Recycle

Disney Kitchen AR:

A door into a world of exclusive Disney content. How does it work?

User scans packaging

WebAR splash page loads

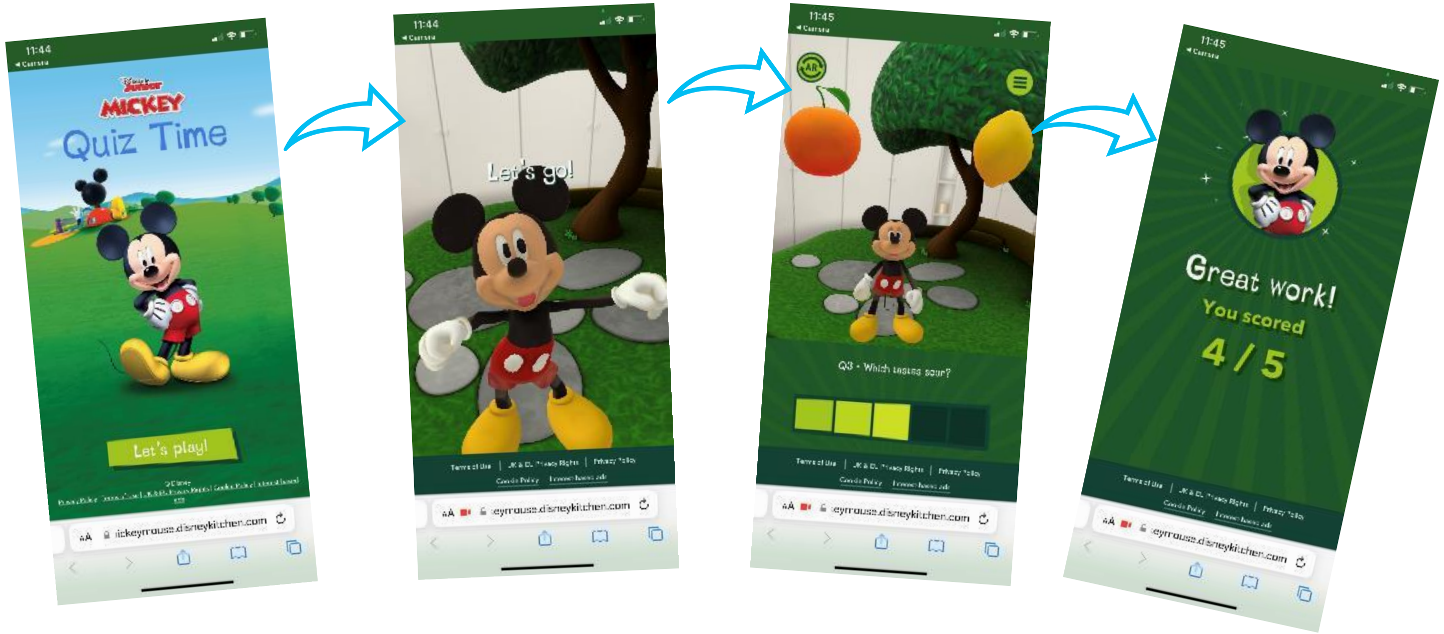
Experience menu appears

Relevant experience starts

Coop license:

Mickey and Friends: Quiz Time

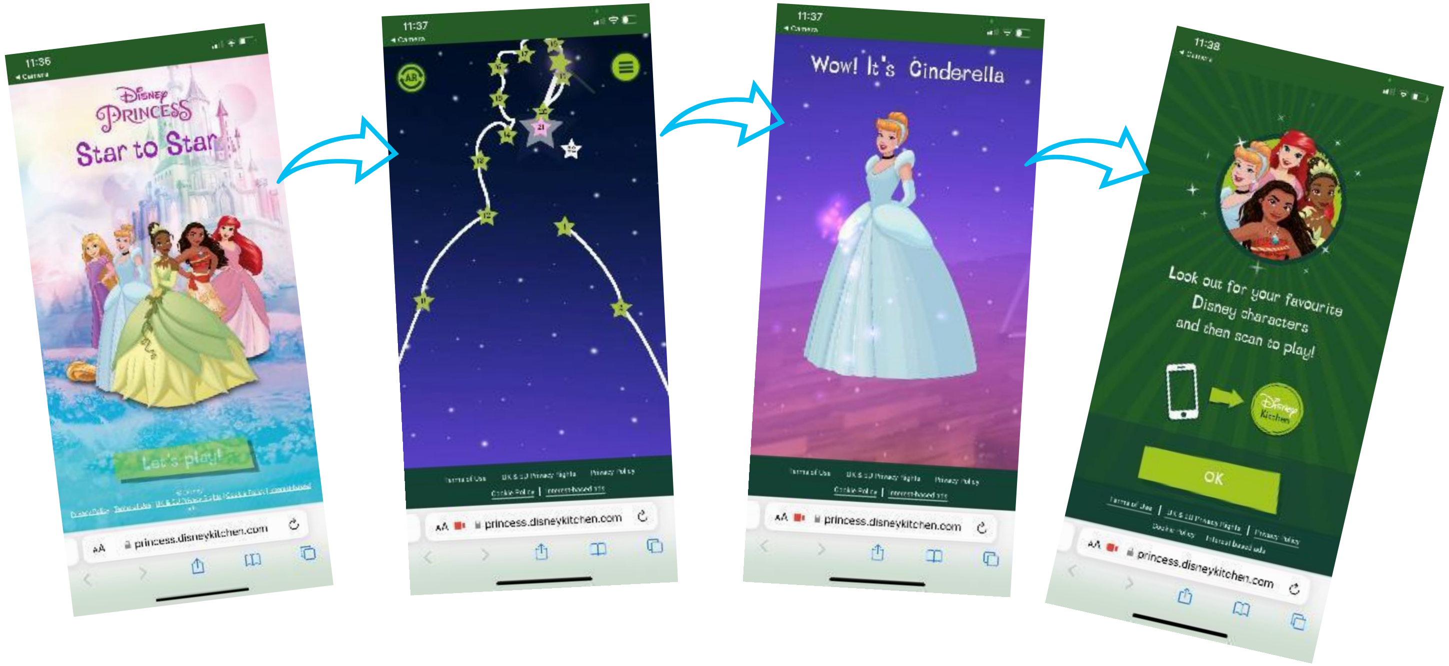
A visual quiz mechanic to educate children on food and where it comes from:



Coop license:

Disney Princesses: Draw with stars point to point

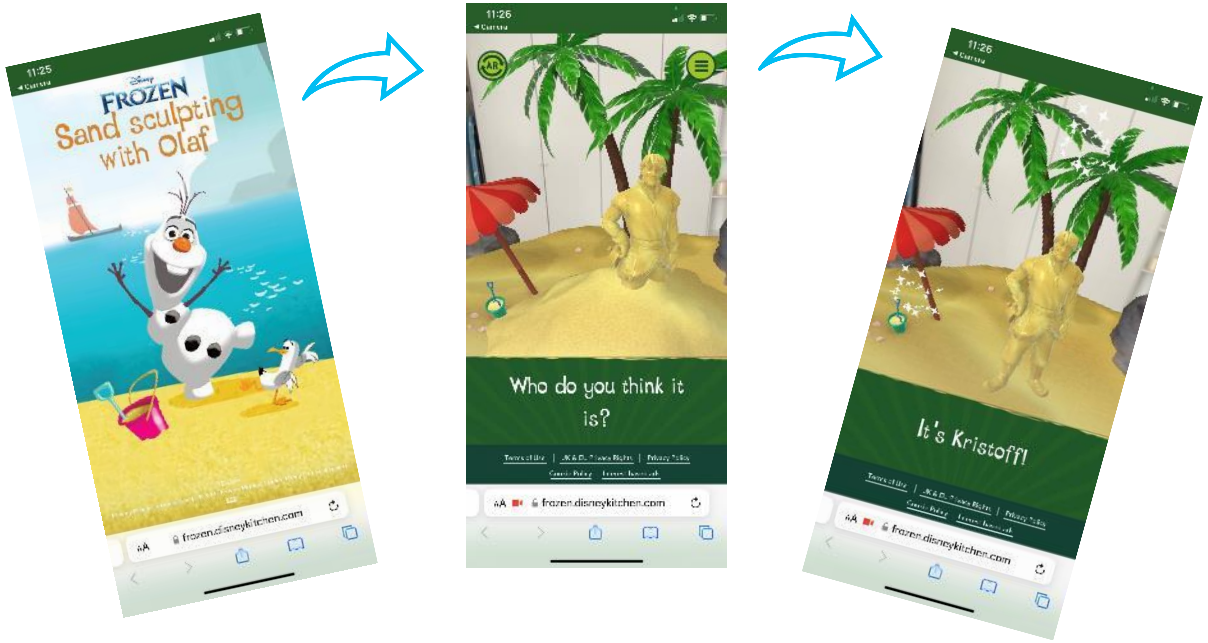
Dot-to-dot drawing mechanic for users to track a shape that appears over their camera feed.



beckers bester license

Frozen license: Sand sculping with Olaf

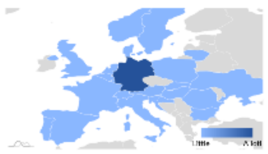
A playful discovery with a simple interaction. Children swipe down on a sand hill to reveal sand-sculpted Frozen characters:



Analytics collected from QR-code

Where it was scanned.

Maybe some unknown, new potential sales areas pop up?



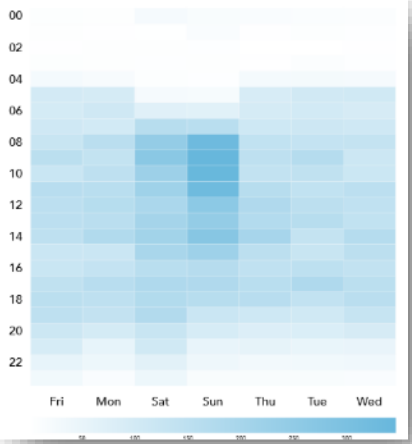
Germany	17322 sessions	94.5%
Austria	526 sessions	2.9%
Sweden	96 sessions	0.5%
Norway	65 sessions	0.4%
Switzerland	62 sessions	0.3%
Luxembourg	40 sessions	0.2%

Which date it was scanned.

Knowing when the packages reach the shelves and when to place marketing activities at the right time.

When it was scanned.

Placing marketing activities at the same time consumers are interacting with your package.



How long was spent with the quiz.

Finding out how long consumer engage with branded content.

Avg Time

02:19 min

What your consumers know about sustainability.

Focusing on the right content for marketing campaigns.

n	Common Answer	
e Tetra Pak®-Verpackungen verbraucht ein Deutscher durchschnittlich pro Jahr?	117 Verpackungen	1050x
der Unterschied zwischen der Entsorgung einer Verpackung mit pflanzenbasierter offbeschichtung und einer mit erdölbasierter Beschichtung?	Pflanzenbasierte Beschichtung kann in den Biomüll.	843x
e Tetra Pak®-Verpackungen in Deutschland/Österreich/Schweiz sind aus FSC®-zertifizierten und anderen kontrollierten Quellen?	50%	698x
teht der FSC®?	Fairer Handel mit Holzwaren aus 3. Welt Ländern	615x
h ist die Recyclingquote von Getränkekartons in Deutschland?	27%	608x

We're in the 'decade of action'
The time for action is **NOW**

Convention on Biological Diversity — COP15 on biodiversity

COP28 UAE — COP28 on climate

UNITED NATIONS FOOD SYSTEMS COORDINATION HUB — UNFSS 2023

Tetra Pak Sustainability Report FY22

Thank you.

Caroline Babendererde
Head of Sustainability
Tetra Pak GmbH
caroline.babendererde@tetrapak.com
www.tetrapak.de


Q&A

WHO CARES? WHO DOES? 2023

GET AHEAD OF THE SUSTAINABILITY CURVE

Harmonized survey from 35 countries – 9 more than last year!

Understand 5 year eco segment trends and other sustainable behaviours

Link segments to category databases to look at what is bought by those that say they care about sustainability

europanel