Retail & Ecommerce Workstream Meeting

April 11, 2024

Reusable Packaging ASSOCIATION

Antitrust Policy Statement

- Not exclude competitors from membership

- Restrict members from dealing with non-members

- Limit access to information developed by the Association

- Enforce membership rules arbitrarily

- Prohibit discussion on pricing including:

  (a) Current or future prices

  (b) What constitutes a "fair" profit level

  (c) Possible increases or decreases in prices

  (d) Standardization or stabilization of prices

  (e) Pricing procedures

  (f) Cash discounts

  (g) Credit terms

  (h) Control of sales

  (i) Allocation of markets or customers

  (j) Complaints to a competitor that his prices constitute unfair trade practices;

  (k) Refusal to deal with a corporation because of its pricing or distribution practices

  (l) Whether or not the pricing practices of any industry members are unethical or constitute an unfair practice

Meeting Agenda

I. RPA Updates

- PACK EXPO 2024 Overview / PACK EXPO East Summary

- 2024 Excellence in Reusable Packaging Award

II. Project Updates / Topics

- Large Household Appliance (LHA) Reusable Packaging

- Retail BLOG "How of Reuse"

III. Industry Trends and Developments

- PR3 / Primary Packaging Technology Standards project

- Other Regulatory Trends & Activity

PACK EXPO 2024 Overview

- **Pack Expo East**
  - RPA presentation on Surviving the Competition with Reuse.

- **Pack Expo 2024**
  - November 3 – 6, 2024; Chicago, IL

- **Reusable Packaging Learning Center Panel**
  - Retail & Ecommerce group panel
  - Moderator + 4 panelists
  - Proposed session topics include:
    - How of Reuse? What makes a good reuse application?
    - LHA appliance project & findings

INDUSTRY SPEAKS

PACK EXPO INTERNATIONAL
November 3-6, 2024
McCormick Place
Chicago, Illinois, USA

Industry Panel: Reusable Transport Packaging Retail Supply Chains: Business Case Best Practices

Samantha L. CHEP — Au tosca — Erika Le Rehrig Pacific — Chad VanderMolen Liviri

CHEP A Brambles Company — tosca — Rehrig Pacific Company SINCE 1913 — liviri

2024

PACK EXPO East

Outsmarting the Competition with Technology-enabled Reusable Packaging

Growing Awareness of Visibility

"The transition from 2023 to 2024 has seen a notable shift in the perception of real-time visibility from a competitive advantage to a fundamental operational necessity"

Shift in Utilization of Real-Time Visibility & IoT Tracking
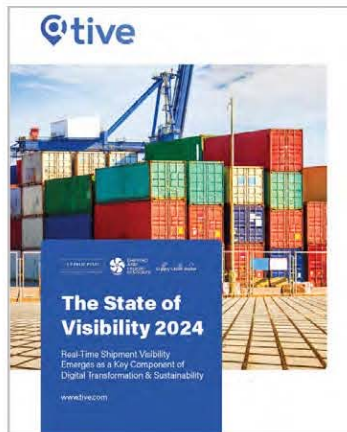
Source: The State of Visibility 2024: survey of 244 supply chain professionals
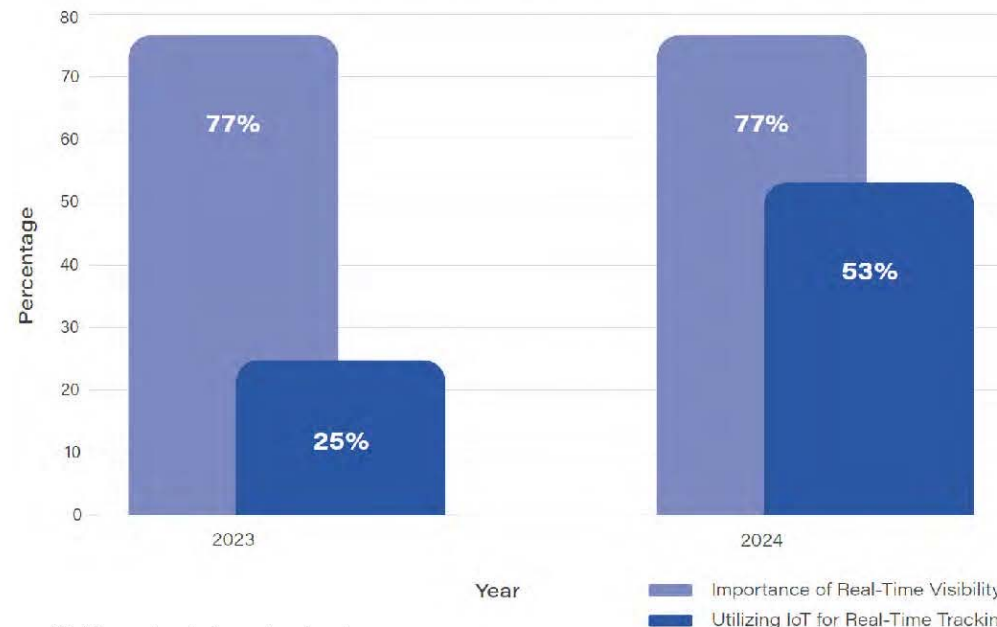
2024 Excellence in Reusable Packaging Award

- **Excellence in Reusable Packaging Award**

  - Call for entries announced Feb 28th

  - Application period is OPEN.

  - **Submission deadline May 15, 2024**.

  - Download Application Form from RPA Website.

  - https://www.reusables.org/events-trade-shows/awards-and-recognition/

1. **Reusable Packaging System**
2. **Design Innovation**

3. **Product Technology**

Project: Large Household Appliance & Reuse

Large Household Appliance (LHA) Project

- Overview
  - Retail & Ecommerce workstream project
  - Searious Business project leader (Lia Huybrechts)

- Opportunity for RPA members
  - <u>Regulatory</u> driven from EU PPWR proposed 40% of transport reuse by 2030; 70% by 2040
  - <u>High damage rates</u> experienced & similar value chains
  - Few <u>key global LHA players</u>, EU (focus) & US

- Seed Funding Provided by RPA Board of Directors
  - $25K for Phase 1A

Reusable Packaging for Large Household Appliances
Project Phase 1

Reusable Packaging ASSOCIATION   Searious BUSINESS
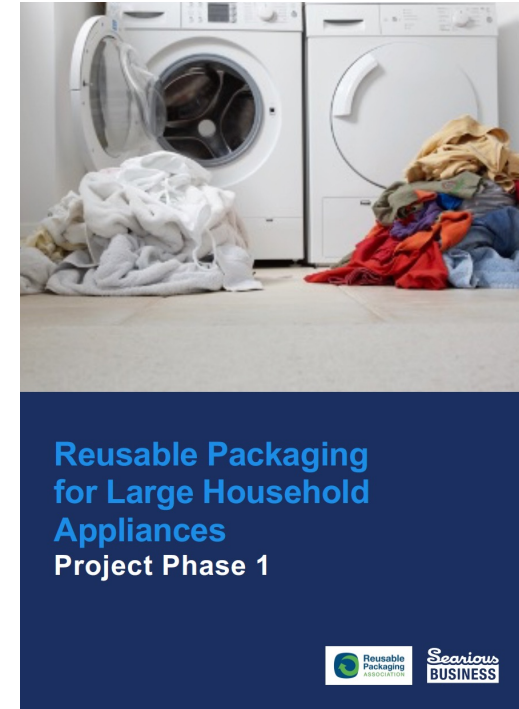
RPA R&E Feedback Incorporated

April 1st Kickoff

Project: Large Household Appliance & Reuse

Phase 1A | Activities

Aim is to bundle compelling data that convinces large appliance OEM / trade association and RPA members to finance and engage in phase 1B.

1) Define LHA Market and Regulatory Scope

Goal: Formalize market and regulatory understanding by RPA members

2) Define Supply chain characteristics / Business model / Business case

Goal: Identify business opportunity

3) Stakeholder engagement

Goal: Receive feedback from RPA members and market players (OEMs/Retailers) on their interest to support and fund the further set-up of a shared business model, and get involved

Project: Large Household Appliance & Reuse

Phase 1A | Deliverables

External:

1) LHA industry presentation (pitch deck)
   - Provide credibility, so that RPA can share as an association as an industry need.
   - Enable use with industry targets to engage by Searious Business & RPA members.
   - Present to industry players (2-3) or LHA trade association (1) for feedback / input.
   - RPA member companies will facilitate with LHA industry contacts.

2) A concise report (approx. 10 pages)
   - Document feedback and provide recommendation to RPA.

Internal: for stakeholders still to confirm participation

1) LHA RPA & RPA member company presentations
   - Share with RPA board & interested RPA member companies to show the added value.
   - Use with leadership of RPA members when considering funding for next phase(s).

Legislative update

PPWR IN EUROPE

Status
- Finale amendment was released on 15th March 2024
- After the upcoming European Elections (June 6th – 9th 2024) the PPWR needs to be officially approved by the then newly voted European Parliament as well as EU Council.
- Changes in the latest released amendments are not expected.
- After approval, the regulation will foreseeably come into force from mid 2026 onwards.
-

Targets
- No specific targets for LHA appliances anymore

HOWEVER

- Packaging for LHA appliance is grouped with transport packaging. Targets are as follows:
- Transport packaging or sales packaging used for transporting products, including e-commerce (article 26.1)
  2030: at least 40% reusable packaging within a system for reuse
  2040: at least 70% reusable packaging within a system for reuse
  (not binding)

- Transport packaging or sales packaging used between different sites of the same operator or any other linked/partner enterprise (article 26.2)
  At the entry into force of this regulation: All packaging is reusable within a system for reuse

- Transport packaging or sales packaging used within the same Member State (article 26.3)
  At the entry into force of this regulation: All packaging is reusable within a system for reuse

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Most promising LHA

RePLHA - Reusable Packaging for Large Household Appliances

Selection matrix for most promising application
Scope: Europe mainland

Application	Market volumes	Standardization in size	Damage rate in single-use	Total score
Washing machines	9	10	9	9,33
Refrigerators	10	6	8	8,00
Dishwashers	7	8	4	6,33
Water heaters	4	2	4	3,33
Freezers, Dryers, Air conditioners, Kitchen stoves	2	5	4	3,67

Considerations:

- Assuming production / assembly locations are all in Europe and similar in transportation distances to end-consumer
- Using weighted averages, with each of the 3 parameters weighing the same
- Damage rate in single-use packaging is mostly impacted by weight of the appliances

- To be used as starting point, easy to extrapolate to more applications

- High scores mean more potential for reuse

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Involvement of RPA members

IN REUSABLE PACKAGING FOR LHA

Determine opportunities:

- Potential role in LHA packaging pooling system and involvement in European market
  - e.g as pack manufacturer, pooler, involvement in reverse logistics such as cleaning / quality check
- Identify biggest current pain points connected to single-use transport packaging (i.e. loss rates)
- Interest and needed conditions to join a shared pooling system
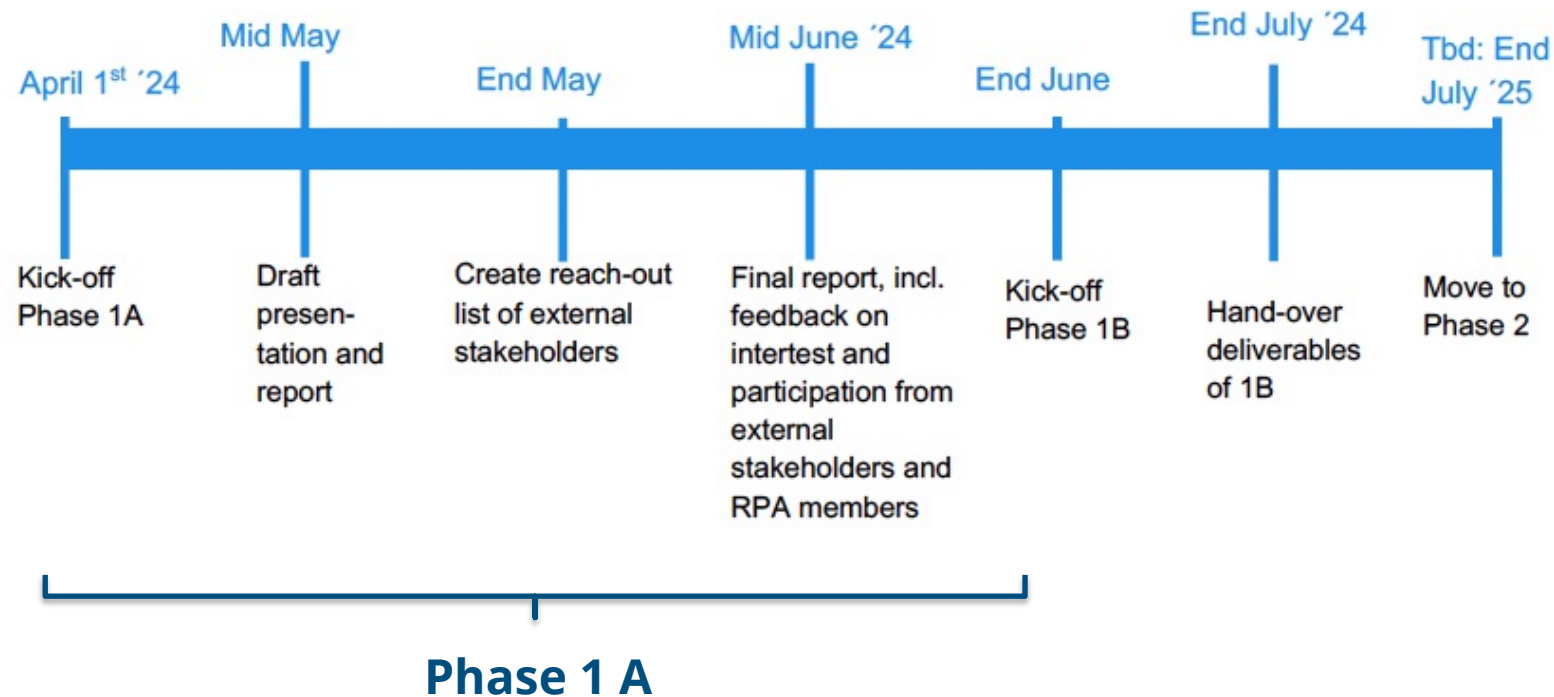 - Identify advantages, notably in ROI and competitive advantages

Searious BUSINESS

Join the movement now!

www.seariousbusiness.com

Project: Large Household Appliance & Reuse

Phase 1A | Timeline

Project: R&E "How of Reuse" INNER LOOP™

What makes a good reusable transport packaging application?

Development of educational BLOG content from R&E Whitepaper

- <u>Simple</u>:   <1000 words. Simplistic visual.

- <u>Key Message</u>:   Reuse works in Retail & Ecommerce, but MORE opportunities exist

- <u>Content / Topics</u>:   1) What makes a good reusable application?   Done

  2) Next topic?   Next

- <u>Call To Action</u>:   Link to R&E Whitepaper / RPA Marketplace

- <u>Awareness</u>:   SEO keywords, Social

- <u>Podcast</u>:   Reuse on Replay interview(s)   Done / Next

- <u>Future</u>:   Industry webinar, Other whitepaper topics

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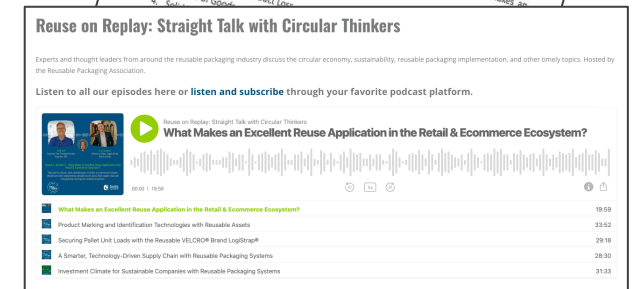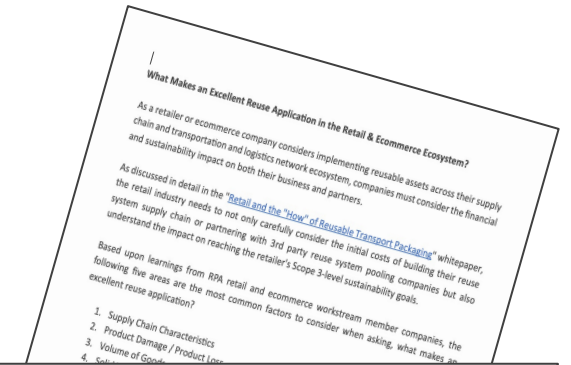
Project: TWG "Technology Enabled Reuse" INNER LOOP™

"How of Reuse" series

Development of educational BLOG content from R&E Whitepaper

- **Education & Engagement**
  "Validate the concept of shorter content" ~ target 5 min. read

After 3 Days

Next BLOG post

560 unique impressions
36 engagements
6.4% engagement rate

416 unique impressions
43 engagements
10.3% engagement rate

\# unique impressions
\# engagements
% engagement rate

" Industry is interested in the topic of Reuse in the Retail/eCommerce market. "

Reusable Packaging ASSOCIATION

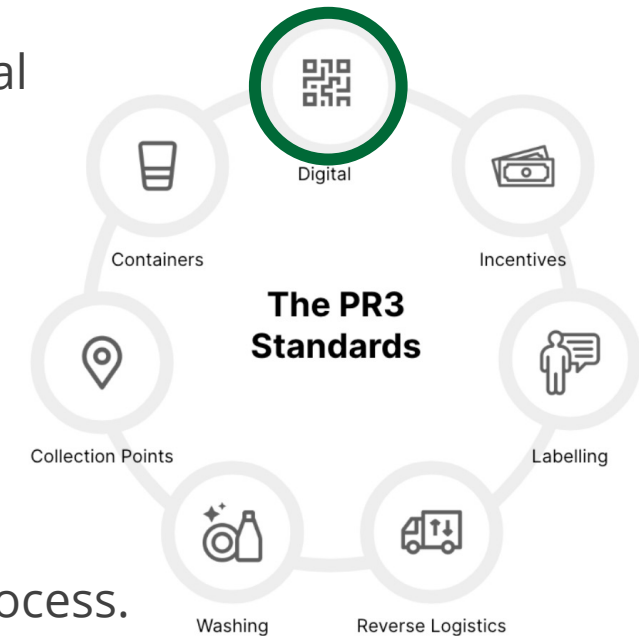# Industry Trends & Developments

- **Industry Trends / News**

  - PR3 / Primary Packaging Technology Standards project

  - Other Regulatory Trends & Activity

Industry Trends & Developments

- **PR3 / "Primary Packaging" Technology/Digital Standards project**

  - RPA met with Tim Marsh, former GS1, Sr. Director of Sustainability / Traceability

  - Leading a project to develop **primary packaging** technology / digital standards funded as a priority for PR3.

  - Recognizes the progress made by B2B (RPA members), and wants to make sure their digital standards are complimentary.

  - Target digital/technology standards completion Fall 2024.

  - Inquiring about RPA/member company interest to be part of the process.

  - TWG interest & prioritization?

Industry Trends & Developments

- **Other Regulatory Trends & Activity**

    - from recent RPA Webinar

    - Major Policy Trends and Takeaways

    - United Nations Environment Programme Treaty on Plastic Pollution

    - Global Snapshot of Packaging Legislation

        - European Union Packaging & Packaging Waste Regulation (PPWR)

        - India Extended Producer Responsibility (EPR)

        - Canada Single Use and Plastic Waste Prevention

Industry Trends & Developments

Trends and Takeaways

1. UN Treaty on Plastics will have US support for signature in 2024.

2. Reuse and refill are becoming widely recognized as key components in policy tools to combat solid waste and plastic pollution.

3. Extended Producer Responsibility (EPR) programs are gaining popularity for lawmakers and activists.

4. There is increasing scrutiny on microplastics, and policies are starting to reflect this concern.

5. Social equity and environmental justice influences are growing.

6. Must distinguish between B2C versus B2B reuse applications.

Industry Trends & Developments

Global Packaging Legislation

Article 26: Re-use targets

Transport packaging or sales packaging
- Within the territory of the Union
- Includes via e-commerce
- Pallets, foldable-plastic boxes, boxes, trays, plastic crates, intermediate bulk containers, pails, drums and canisters of all sizes and material. Includes flexible formats or pallet wrappings or straps for stabilisation and protection of products put on pallets during transport

Binding reuse targets for 2030 and indicative targets for 2040 for certain applications including transport and sales packaging

- January 2030, "economic operators shall ensure that at least 40% of such packaging used is reusable packaging within a system for re-use."

- January 2040, "economic operators shall endeavour to use at least 70% of such packaging in a reusable format within a system for re-use."

Exemptions: dangerous goods, large machinery, direct food and feed contact, carboard boxes, micro-enterprises, and when a member state reaches certain waste prevention targets or exceeds certain recycling targets.