
FEPE QUARTERLY



A magazine about the envelope, paper
and the paper packaging industry

SPRING 2021

NEW!
1ST ISSUE



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www.fepe.org Cover image by Johannes Stoll

WELCOME

BY MATTI RANTANEN

Dear FEPE members and stakeholders,

Welcome to the first-ever **FEPE Quarterly magazine**. You may be familiar with our email bi-weekly Newsletter, which keeps you up to date with important news for your business. However, we also wanted to provide in-depth reporting – and for that, you can't beat a printed magazine! This is where we'll dive into **issues impacting the envelope and related industries**. We'll publish policy updates, market analyses and articles about people and trends. We'll also report on the campaigns and initiatives we're actively involved in. And keep you informed about exciting industry events and FEPE member benefits.

Many of our members have expanded their operations into other manufacturing lines besides envelopes. This trend will only increase with time. To stay relevant to our members and better reflect their widening interests, **FEPE is preparing to expand the scope of its activities** to include light paper packaging, ecommerce packaging and other related converted paper products. More of this in the future.

We're delighted to present a message from FEPE President Kai Steigleder and an interview with former FEPE President Stanislav Menard.

We report on new EU policies, on research into printed mail for dialogue marketing and on the Two Sides campaign to communicate the sustainability benefits of paper products.

I hope you enjoy reading our new magazine and find the articles interesting, informative and above all, useful. We are more than happy to get your feedback and develop FEPE Quarterly based on your needs and ideas. Please share with us your news and your innovative ideas about trends or events that you'd like to hear more about or that you think your industry partners should know.

Watch out for our second FEPE Quarterly magazine in early Summer 2021.

I wish you all the best and hope to see you soon!
Best regards,

Matti Rantanen
Managing Director
FEPE

PRESIDENT'S MESSAGE

BY KAI STEIGLEDER, FEPE PRESIDENT

Facing challenges with know-how and innovation

The Covid-19 pandemic has been the biggest challenge in 2020, pushing other issues into the background. But the envelope industry still faces substantial changes. These can be best tackled through information and innovation – and the support of a strong organisation like FEPE.

“The envelope business can still have a strong future!”

We will all remember 2020 as a truly challenging year demanding all our energy and flexibility. We're used to dealing with tough market conditions in the envelope industry, but there's simply no precedent for Covid-19. Who would have thought that we'd have to temporarily close down factories, send employees into home offices and communicate mainly via online meetings?

As we head into 2021, it's even more **crucial to be prepared and to face the changes**. Most developments are not new; we all know about increasing digitalisation, growing ecommerce and decreasing letter volumes. We expect a further drop in the envelope market this year. Evolving technologies will continue to bring new challenges. We cannot pretend that the years to come will be easier.

Be inspired by the opportunities

Despite this gloomy picture, we can – at least in part – compensate for the downward trend in our core business by also focusing on **new business segments** in addition to envelopes. Most of our members have already started on this path into diversification.

Ecommerce is generating a massive increase in home deliveries. The Covid-19 pandemic has accelerated this trend. Many items are small enough to be sent in an envelope or paper pocket, whether in an existing format or using innovative envelope formats in the pipeline.

Services such as Amazon Prime, where members pay a regular premium for immediate 'free' delivery of orders, mean that more and more

people opt for smaller, more frequent deliveries. These **smaller deliveries provide fantastic opportunities for the envelope industry**. As such deliveries become widespread in communities, economies of scale come into play, justifying the greater delivery frequency. Such trends offer possibilities for innovation and will play a significant role in our industry's future, together with its backbone – the envelope.

Other opportunities will come with new technologies such as artificial intelligence, faster connectivity, internet of things (IoT), 3D printing, etc. These developments have not played a major role in our envelope industry yet but I am convinced that will change.

FEPE is a hub for information

Here at FEPE we're very conscious of our responsibility to support you, our members, in the best way. Our goal is to provide you with **useful and necessary information on market developments and customer requirements**.

Knowledge of new technologies and trends is key to meeting today's economic challenges. It's one of our most important tasks to observe the market and pass on relevant information to you. We will also strengthen our communication and marketing approach to enhance visibility and attract new FEPE members. A major topic for FEPE in 2021 will be increased business promotion and EU lobbying.

Get the most from your membership

FEPE is more than a European network that connects all the players: it's also a source of information for the envelope industry and its business partners. So please use our FEPE secretariat as your **go-to information source and strategic partner**.

2021 will be an important year for all of us and FEPE will do its best to support you in any way we can.

We're looking forward to working with you. Together we are stronger!

EU Policy Update 2021

ARTICLE

BY MATTI RANTANEN

European Commission Work Programme 2021

A European Green Deal

Circular economy package Sustainable products policy initiative, including a revision of the Ecodesign Directive

Biodiversity and toxic-free environment package Minimising the risk of deforestation and forest degradation associated with products placed on the EU market

A Europe fit for the digital age

Europe's digital decade Europe's digital decade: 2030 digital targets

Industrial strategy for Europe Updating the new industrial strategy for Europe

A New Push for European Democracy

Long-term vision for rural areas Communication on the long-term vision for rural areas

EU disability strategy Strategy on the rights of persons with disabilities

The EU policies likely to affect the envelope business relate to forestry, sustainability, digital strategy, rural development and people with disabilities.

We take a close look at the policies to help you understand how they might impact FEPE members and the long-term implications for our industry.

EFFECTIVE USE OF MATERIALS AND RESOURCES

The **European Green Deal** is the European Union's response to today's climate and environmental-related challenges. It's defined as "a new growth strategy that aims to transform the EU into a fair and prosperous society, with a **modern, resource-efficient and competitive economy**". Its objectives include: no net emissions of greenhouse gases in 2050, protection of the environment and citizens' health, and economic growth decoupled from resource use.

Sustainable products

There is worldwide demand for more energy-efficient and sustainable products.

The EU sustainable product policy as well as the legislation on eco-design and energy labelling are effective tools towards meeting this demand. They help eliminate the least-performing products from the market. They also support industrial competitiveness and innovation by promoting the better environmental performance of products across the internal market.

WHAT IS ECODSIGN?

Ecodesign is the integration of environmental concerns into product development processes. It's about taking environmental aspects into consideration at every stage of the process, striving for products which have the lowest possible environmental impact throughout the product life cycle.

Forestry management

The European Green Deal includes measures aimed at minimising the risk of deforestation and forest degradation associated with products placed on the EU market.

Relevance for FEPE members

Potential impacts are mainly related to overall product sustainability, information, certification and production processes. Measures and changes relevant for our industry include:

- overarching **product policy principles and minimum sustainability and information requirements** for the most relevant products
- rules for requirements on **mandatory sustainability labelling** and disclosure of information to consumers on products along value chains
- rules for **mandatory minimum sustainability requirements** on public procurement of products
- **measures on raw materials and products** (e.g., certifications demonstrating due diligence to environmental impacts)
- **measures on production processes** (e.g., to facilitate recycled content or remanufacturing, and to minimise use of hazardous substances)
- **measures to harmonise standardisation rules** across the EU.

POWERED BY DIGITAL SOLUTIONS

The European Commission wants a **Europe fit for the digital age**. It envisions European society powered by digital solutions that are strongly

rooted in our common values and that enrich everyone's lives. Solutions that offer people the opportunity to develop personally, to choose freely and safely, and to engage in society, regardless of age, gender or professional background.

European values-based digital transformation

For the next five years the Commission will focus on **3 key objectives** to ensure that digital solutions help Europe towards a digital transformation that works for the benefit of people through respecting our values.

- 1. Technology that works for people.** Development, deployment and uptake of technology that makes a real difference to people's daily lives. A strong and competitive economy that masters and shapes technology in a way that respects European values.
- 2. A fair and competitive economy.** A frictionless single market, where companies of all sizes in any sector can compete on equal terms, and can develop, market and use digital technologies, products and services at a scale that boosts their productivity and global competitiveness. And where consumers can be confident that their rights are respected.
- 3. An open, democratic & sustainable society.** A trustworthy environment in which citizens are empowered in how they act and interact, and where the data they provide online or offline is secure. A European way to achieve a digital transformation that enhances our democratic values, respects our fundamental rights, and contributes to a sustainable, climate-neutral and resource-efficient economy.

Table 1: Policies and initiatives in the EU Work Programme for 2021 that may impact the envelope business.

Relevance for FEPE members

Several strategies and actions under this policy could have indirect but broad impact on the envelope business.

- Accelerating investments in Europe's Gigabit connectivity, through a revision of the Broadband Cost Reduction Directive 12, an updated Action Plan on 5G and 6G, and a new Radio Spectrum Policy Programme (2021). 5G corridors will be rolled out for connected and automated mobility (2021-2030), including railway corridors (2021-2023).
- A Digital Education Action Plan to boost digital literacy and competences at all levels of education (Q2 2020).
- A reinforced Skills Agenda to strengthen digital skills throughout society.

FEPE's position on digital transformation

There are many ways to improve people's lives through digital transformation. However, individual citizens and businesses must retain their right and freedom to choose how they connect. Not everyone has the option or skills

Extract: "The Commission will propose a revision of the essential requirements for packaging to ensure their reuse and recycling, uptake of recycled content and improve their enforceability. The initiative will also envisage measures to tackle over-packaging and to reduce packaging waste.

*Planned adoption date: Q4/2021;
Legislative; Legal basis: Article 114 of the TFEU. Impact assessment is envisaged."*

to use digital channels, or not exclusively, and digital communication is not always the best way to meet business goals.

FEPE was one of the founders of **Keep Me Posted EU**. This campaign promotes the citizen's right to choose how they receive important information such as tax forms, election documents or bills and statements from service providers. See also: www.fepe.org/keep-me-posted.

INDUSTRIAL COMPETITIVENESS AND AUTONOMY

The Commission's new industrial strategy supports European industry in leading the twin transitions towards climate neutrality and digital leadership. The strategy aims to drive Europe's competitiveness and its strategic autonomy at a time of moving geopolitical plates and increasing global competition.

Several parts of the strategy are interesting and important for our business, including these:

- 'New Industrial Strategy for Europe'
- 'SME Strategy'
- 'Identifying and addressing barriers to the Single Market'
- 'Long term action plan for better implementation and enforcement of single market rules'
- 'White Paper on levelling the playing field as regards foreign subsidies'
- 'Critical Raw Materials Resilience'
- 'European Skills Agenda'.

The industrial strategy sets out the key drivers of Europe's industrial transformation and proposes a comprehensive set of future actions, summarised below.

- An **Intellectual Property Action Plan** to uphold technological sovereignty, promote a global level playing field, better fight intellectual property theft and adapt the legal framework to the green and digital transitions.

- An ongoing **review of EU competition rules**, to support competition and bring out the best in companies, including ongoing evaluation of merger control and fitness checking of State aid guidelines. This will ensure that the rules are fit for purpose for an economy that is changing fast, is increasingly digital and must become greener and more circular.
- **Fair competition at home and abroad**. In addition to trade defence mechanisms, the Commission has adopted a White Paper to address distortive effects caused by foreign subsidies in the single market and to tackle foreign access to EU public procurement and EU funding. The issue related to foreign subsidies will be addressed in a proposal for a legal instrument in 2021. This will go hand in hand with ongoing work to strengthen global rules on industrial subsidies in the World Trade Organization, and actions to address the lack of reciprocal access for public procurement in third countries.
- **Comprehensive measures across industry** to modernise and decarbonise energy-intensive industries, support sustainable and smart mobility industries, promote energy efficiency, strengthen current carbon leakage tools and secure a sufficient and constant supply of low-carbon energy at competitive prices.

- **Enhancing Europe's industrial and strategic autonomy** by: securing the supply of critical raw materials through an Action Plan on Critical Raw Materials; supporting the pharmaceuticals industry through a new EU Pharmaceutical Strategy; and supporting the development of strategic digital infrastructures and key enabling technologies.
- A Clean Hydrogen Alliance to **accelerate the decarbonisation of industry** and maintain industrial leadership, followed by Alliances on Low-Carbon Industries, on Industrial Clouds and Platforms and on raw materials.
- Further legislation and guidance on **green public procurement**.
- Renewed **focus on innovation, investment and skills**.

Relevance for FEPE members

The new industrial strategy is wide-reaching and could have an impact of the envelopes industry in multiple ways, in particular related to **competition rules, raw materials sourcing and production processes**.

KEEP ME POSTED EU
FEPE supports the Keep Me Posted campaign promoting citizens' right to choose how you receive important information.

Photo by Mathyas Kurmann on unsplash



INCLUSIVE REGULATION FOR ALL CITIZENS

Long-term vision for rural areas

Across Europe, as in the rest of the world, increasing urbanisation is an important megatrend. As populations continue to migrate from rural to urban areas and built-up areas expand, the EU aims to create a debate on the future of rural areas and the role they have to play in our society.

This initiative will set out a vision for the future of rural areas by 2040 and gather views covering challenges such as:

- demographic change
- connectivity
- low income levels
- limited access to services.

It is a major challenge – and not always physically or economically realistic – to bring high-speed digital connectivity, and digital skills, to all rural areas and to all citizens in these areas. Many **rural places and people depend on postal services**, today and at least for the foreseeable future.

Empowering all citizens to participate in society

The European Parliament has urged the European Commission to ensure that people with disabilities are seen as full citizens, with equal rights in all fields of life. They are entitled to inalienable dignity, equal treatment, independent living, autonomy and full participation in society, respecting and valuing their input to the social and economic progress of the EU.

The **European disability strategy** aims to promote a barrier-free Europe and empower people with disabilities so that they can enjoy their rights and participate fully in society and the economy.

Many people with disabilities do not have equal access to digital communication or equal ability to use internet. Postal communication plays an essential role in **helping people with disabilities to live autonomously**.

Relevance for FEPE members

The EU policies on rural areas and on inclusiveness have an impact on the role of postal services in Europe, which obviously affects the envelopes industry in multiple ways.

FEPE has an important role to play in ensuring that relevant EU policy is fact-based and takes dependency on postal services into account.

FEPE ensures that its members have a voice in EU policymaking. Our main initiative in this area is the **Keep Me Posted campaign** (see www.fepe.org/keep-me-posted).

While primarily based on citizens' right to choose how they want to communicate, the campaign also actively gathers the support of consumer groups and charities which represent citizens who may be disadvantaged.

EU 2021 policies have far-reaching effects. We urge FEPE members to examine their own strategies and actions related to materials and resource use, product information and labelling, production processes and standardisation. And to stay informed about digital transformation and the postal sector.

INFORMED ACTION

So, what are the long-term implications of the latest EU policy changes?

In short, one of the six focus areas in the EU 2021 Work Programme – the European Green Deal – has potential for far-reaching impact on our industry, from raw materials to production to marketing.

It touches not just on our industry but across the spectrum of European industry, affecting many, if not all, businesses and citizens.

Two other focus areas – A Europe fit for the digital age and A New Push for European Democracy – significantly affect European postal services, which in turn affects the demand for envelopes.

We urge FEPE members to examine their own strategies related to materials and resource use, product information and labelling, production processes and standardisation. Some of the impacts of new policies can be foreseen and already form the basis for action.

We also urge members to stay on top of information regarding digital transformation, in particular developments in the postal sector, and to actively explore new business opportunities through product development.

FEPE will continue to follow policy developments and other changes that affect our members. We will adapt our actions and initiatives as appropriate.

And of course we will continue our efforts to provide our members with relevant, timely and useful information and insights, to help you face the changes ahead.

DIGITAL CONNECTIVITY
Many citizens in rural areas do not have access to high-speed internet and rely on postal services.

Photo by pasja1000, Pixabay





European forests are growing

In the past 15 years, European forests have been growing by an area equivalent to 1,500 football pitches every day.

Photo: Johannes Stoll

The renaissance of printed mail

ARTICLE

BY UDO KARPOWITZ

Worried that printed mail has been completely replaced by communication in digital channels? Think again!

Data from recent studies reveal a more nuanced picture. For advertisers, printed mail has advantages that digital communication can't match and vice versa. Used together, these channels offer marketers a variety of complementary tools to reach customers effectively and profitably.

"Direct mail is particularly suitable for reactivating inactive customers and those who are no longer accessible digitally."

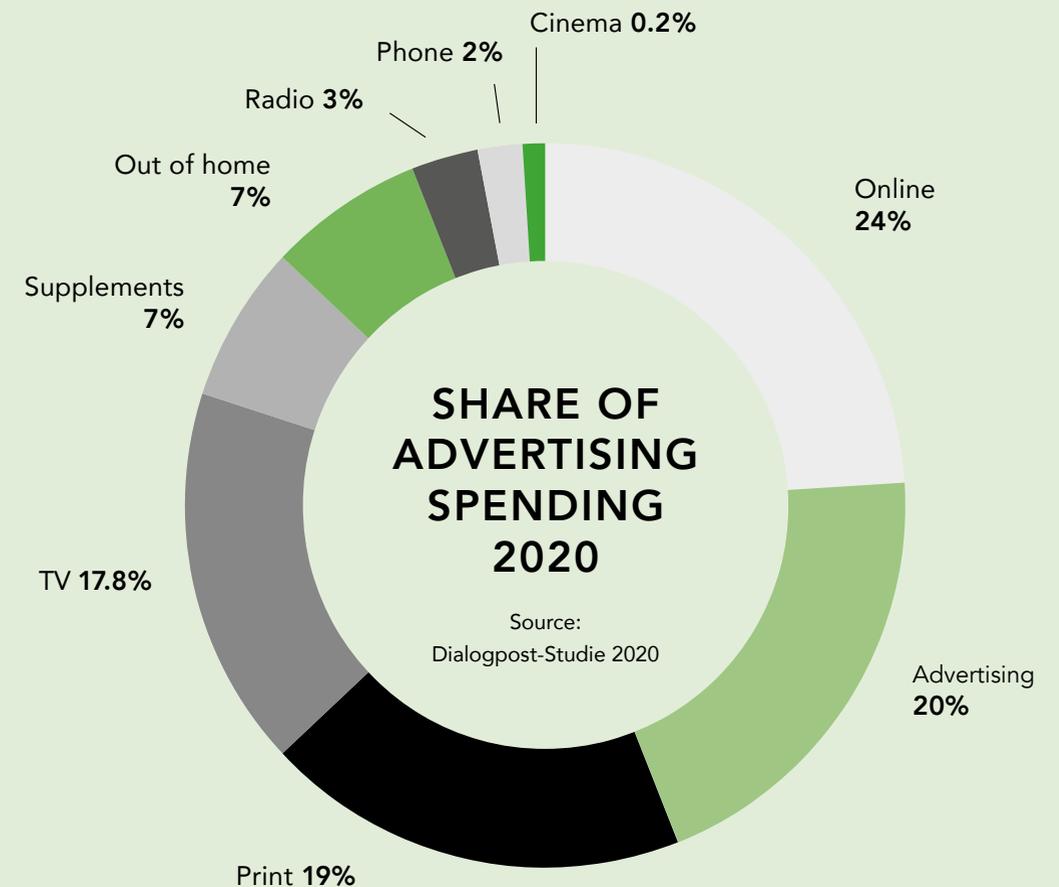
Recent years have seen a major shift in advertising spending from printed mail towards email, social media marketing and text messaging. Printed mail has been perceived by advertisers as an outdated – even antiquated – advertising and communications channel. For a while it seemed that digital channels could completely replace traditional mail advertising.

But there's life in the old dog yet! The European Federation of Envelope Manufacturers (FEPE) has analysed several studies on print advertising. This article presents their key findings and insights.

GROWING INVESTMENT IN PRINT ADVERTISING

A 2020 research report by the Collaborative Marketing Club, the CMC Dialogpost-Studie, shows that printed mail continues to hold its own as one of the most popular forms of dialogue marketing despite competition from digital.

In fact, it has even grown again slightly. The CMC report notes that around 19% of all advertising expenditure in 2019 went to printed mail.



WE'RE OVERWHELMED BY EMAIL

Consumers' digital overload clearly plays a key role in the success of printed mail, according to Philipp Westermeyer, organiser of the Online Marketing Rockstars Festival (OMR), the largest European event for digital marketing and technology, held annually in Hamburg. "Today, it's not our letterboxes that are being showered with irrelevant messages. It's our email inboxes", says Philipp.

Campaign managers can optimise their communication using a combined print plus digital advertising strategy.

PRINTED MAIL CREATES IMPACT

"Postal delivery and classic printed mail are experiencing a renaissance", Philipp continues. "As our email inboxes get swamped and our letterboxes more empty, now printed, personally-addressed mail stands out. There's a renewed opportunity to impress the recipient with well-made printed mail, with an appealing look and feel, through clever use of print finishing, die cutting or the surprise of a special smell."

Such features can spark consumer appreciation and trust. And they are all part of standard production possibilities offered by FEPE envelope manufacturing members, available throughout Europe to attract recipients' attention.

So it's not surprising that several large international companies have rediscovered the benefits of printed mail. Around 23 million advertising letters are sent every day in Germany alone, according to data from Deutsche Post AG.

PRINTED MAIL AND GDPR COMPLIANCE

"In addition to the low level of competition in the printed mail channel, direct mail is particularly suitable for reactivating inactive customers and those who are no longer accessible digitally", says Philipp.

Deutsche Post / DHL found that 78% of existing customers can be reached by post, in compliance with data protection regulations and without opt-in, because the rules for printed mail are different to the rules for email. If a customer has ordered from a company in the past, under GDPR this shows a 'legitimate interest' in the company, so printed mail can be sent to that customer without recorded consent. In the case of emails, on the other hand, access to existing customers in compliance with GDPR is at best 9%.

PRINTED MAIL IS COST EFFECTIVE

Several recent studies have measured the performance of printed mail in the currently booming ecommerce sector. All show very similar results confirming that printed mail advertising is very cost effective.

The CMC report showed an astonishingly high average conversion rate (CVR) for customers of online stores who were sent printed mail: 4.9% of all sales letters resulted in an order! No other advertising medium comes even close to such success. Other advantages of printed mail included larger customer baskets (+8%), greater customer loyalty and an almost ten-fold return on ad spend (ROAS). Every € 1.00 invested in printed mail generates € 9.90 in additional revenue.

Even if the production costs are higher than for an email campaign, ultimately printed mail is a very profitable solution thanks to the increased average shopping basket value and the high response rate.

A BRIGHT FUTURE FOR PRINTED MAIL PLUS DIGITAL COMMUNICATION

Printed mail advertising has well-proven advantages, not least a high level of trust among customers. Digital advertising formats are now also firmly established. They offer fast and inexpensive campaign implementation, thanks to automation and dynamic, data-based customisation.

Today, marketing automation systems (MAS) combine the benefits of both worlds and create digital interfaces to the analogue advertising world. Campaign managers can use MAS tools to optimise their communication using different channels. For example, they could first launch a low-cost email ad. If the email is not opened within a specified period, an additional printed mail is automatically sent, to take advantage of this channel's better response rate and CVR. The system can also be used to trigger printed mail campaigns targeting existing customers, without a need for opt-in.

All of this – **renewed customer interest in printed mail, creative production techniques, print-friendly GDPR and MAS tools** that link printed mail and digital advertising – adds up to new opportunities that will further consolidate the importance of print in dialogue marketing.

GDPR

If a customer has ordered from a company in the past, this shows a 'legitimate interest' in the company, so printed mail can be sent to that customer without recorded consent.



PRINTED MAIL

Alternate, ebay, H&M, Amazon, Booking.com and other major brands use printed mail in their marketing mix.

Photo by Crista Dodoo on unsplash

2021 – A crucial year for postal operators

Postal services are an essential part of life for European citizens and businesses. The postal operators fulfilling these services, from letter mail to cross-border parcels, are subject to EU legislation and UPU acts. This article outlines some of the major decisions that will be taken in 2021, affecting our industry for years to come.

EU POSTAL DIRECTIVE

The EU Postal Services Directive¹ remains a key legislation for European postal operators. It established a common regulatory framework whose objectives are to accomplish the Internal Market for postal services and to ensure a **reliable, affordable and sustainable universal postal service**.

A lot has changed since the last amendment of the Postal Services Directive. Postal services are affected by fast-developing technologies, socio-economic factors, politics and the environment. Digitalisation, high-speed internet, ecommerce and smartphones continue to instigate new consumer behaviour and needs. The comeback of electric cars is changing the transport market. All of this has led to a reversal of the balance of

¹ Adopted in 1997; modified 2002 and 2008.

postal deliveries: mail volumes are decreasing while parcel markets are growing fast. The current COVID-19 crisis confirms and amplifies this shift – and we believe it is irreversible.

These trends don't mean that the existing legal postal framework is no longer suitable. The COVID-19 crisis has shown the importance of the universal postal service, which remains at the heart of the current postal regulation. **The delivery sector has proven its ability to adapt and support the continuous growth of ecommerce, despite tumbling mail volumes.** However, the fact that the ecommerce sector is growing rapidly does not indicate that there is a need for a new Postal Services Directive.

Based on extensive experience and information shared between European public postal operators, the PostEurop trade association published the Position Paper on Postal Services Directive Evaluation (<http://bit.ly/posteuropeval>). It calls for caution regarding the European Commission's new regulatory framework or so-called greenfield approach. While PostEurop members agree that the regulatory framework should be fit for purpose and future proof, it should be reviewed based on the last 20 years of legislative and regulatory experience at European level, and consider the fluid market developments.

National postal operators operate in a fragile ecosystem, given the ongoing structural decline in letters. Policy-makers should carefully balance competition encouragement with Universal Service Obligation sustainability.

The results of the EU Postal Directive Evaluation and the Parcel Delivery Regulation Implementation Report will be published in 2021.

UPU 27TH UNIVERSAL POSTAL UNION CONGRESS

Due to COVID-19, the Universal Postal Union (UPU) postponed its 27th Universal Postal Congress. It is now planned for August 2021, in Abidjan, Côte d'Ivoire. A UPU Congress is always an important moment for the worldwide postal industry. It's an occasion to fine-tune the regulation of the global system for mail, parcel and express item exchanges, for the next four-year cycle, through formal Congress decisions.

For the upcoming UPU Congress, at least two items are highly significant.

- **The reform of the remuneration of the international mail and parcel exchanges** will continue. A first, significant step was taken in 2019, at the Geneva Extraordinary UPU Congress, when the new system for the remuneration of ecommerce items was introduced, by the application of the so-called self-declared rates. It was a controversial decision, agreed on only after intense debate. The next step is the modernisation and further development of the international letter mail remuneration, which will take place at the 2021 UPU Congress; this one is likely to be less controversial.
- **The possible opening of the UPU to the wider postal sector stakeholders** will be on the table. This reflects the UPU's ambition to respond to the latest market developments in the industry. There is general agreement on the principle of involving a larger group of stakeholders more directly in the work of the UPU. However, the details of its terms and

conditions still need to be carefully developed to find the right balance between opening up and safeguarding the universal postal service. Due to its complexity, this process of defining the parameters might extend well beyond the Abidjan Congress, and will most probably require continuing work even in the mid term.

Last but not least, the 2021 Congress will include elections for key UPU positions, such as Director General and Deputy Director General of the UPU International Bureau, as well as Chairman of the Postal Operations Council.

As the European postal market is one the most mature markets in the global comparison, the European postal operators follow the work of the UPU Congress with great interest, actively participating in its preparation and decisions.

Without a doubt, 2021 will be a crucial year for European postal operators and stakeholders. At PostEurop, we look forward to close cooperation and agile decision-making amongst our members and stakeholders.



POSTEUROP POSITION PAPER

Download from <http://bit.ly/posteuropeval>

The great print and paper environmental story. Tell it!

ARTICLE

BY MATTI RANTANEN & JONATHAN TAME

The print, paper and paper packaging industry suffers from consumer perceptions that paper and paper products are bad for the environment. Even though the industry really has great sustainability credentials. Two Sides is telling people the right story.

A 2019 survey by Two Sides revealed that:

- 59% of European consumers **believe European forests are shrinking**
- 1/3 **believe paper is a wasteful product**
- 1/4 **believe paper is bad for the environment.**

TWO SIDES FIGHTS BACK

Two Sides has successfully influenced more than 650 organisations around the world to change the misleading messages that damage consumer perceptions.

A **Two Sides campaign** called **Love Paper®** tells consumers positive stories about print, physical mail, paper and paper packaging. From their environmental properties to their ability to improve mental wellbeing and learning, and to enhance creativity. Relunched in 2019, the campaign is supported by a new website, fact sheets, animated videos, and online and social tools.

No, paper is not bad for the environment

Paper is based on wood, a natural and renewable material. Paper is one of the few truly sustainable products. The recycling rate for paper and cardboard packaging in the EU is 85% (58% globally). Even if a paper bag is irresponsibly discarded, it will have a relatively minimal impact due to its natural compostable characteristics.

Sustainability is on everyone's agenda. Thought-provoking documentaries and conversation – in mainstream and social media – have increased focus on what individuals and companies can do to reduce their carbon footprint.

Unfortunately, it's more and more difficult to separate fact from fiction. Facts about the excellent sustainability of paper and paper products, for example, are getting drowned out amidst the noise.

Two Sides (www.twosides.info) is telling people the **true story of the environmental benefits of paper, paper products and paper packaging.**

FACTS VERSUS MYTHS

Unfounded claims about the environmental effects of print and paper are rampant. For example, some organisations want to encourage their customers to switch to electronic bills and statements for cost reasons. But instead of explaining this, they try to motivate customers to switch by making false environmental claims and using simplistic messages such as "Go Green, Go Paperless". Misleading messages, even deliberate 'fake news', can have a lasting effect on consumer perceptions of paper and paper products. With devastating results for the paper and related industries.

- www.lovepaper.org provides facts about sustainable forestry, how paper is made from natural, renewable materials, and its high recycling rate. It provides fun activities with paper and card for families to get some important digital downtime.
- Print ads in the UK's biggest daily newspapers and magazines reach over 10 million readers every month. The ads grab attention, explain paper's sustainability and get readers thinking about this unique medium.
- A Love Paper® logo is available for use by brands on their paper-based communications and packaging to help explain the sustainability of their choices. It's used, for example, by the high street lifestyle store Oliver Bonas and creative stationery company Papier.

The time is right to change perceptions

"There's never been such attention on the environmental credentials of the products and materials we use," says Jonathan Tame, Managing Director of Two Sides UK. "We're seeing a seismic shift in attitudes towards sustainability. More people appreciate that paper is an environmentally sound choice for reading materials, communications and packaging solutions. But people still underestimate just how sustainable paper and paper-based packaging are."

No, paper is not a wasteful product

Paper-based packaging protects goods, reduces waste and is recyclable. Paper is one of the most recycled materials. In Europe, 72% of paper was recycled in 2019, which is near the practical maximum of 78%.

The paper industry is a leading user of renewable energy: 60% of the energy used to make paper and paper products comes from renewable sources. The paper industry is consistently reducing its total primary energy consumption, through investment in technologies such as highly efficient Combined Heat and Power (CHP) systems and renewable bioenergy.

Love Paper® is a trademark registered by Two Sides. The logo can only be used by Two Sides members, or under agreement with Two Sides. See www.lovepaper.org. To become a member of Two Sides, or to use the Love Paper® logo, visit: www.twosides.info/become-a-member

No, forests are not shrinking

The pulp and paper industry depends on, and promotes, sustainable forest management to provide a reliable supply of wood fibre, the key raw material for its products. European mills source over 90% of their wood fibre from **forests in Europe, which grew by 58,390 km² between 2005 and 2020**. Nearly twice the size of Belgium, equivalent to 1,500 football pitches every day! Over 60% of this area is certified to FSC® or PEFC™ standards, supported by the print and paper industry. **Well-managed forests bring multiple benefits for society**, such as livelihoods, ecosystem services and biodiversity.

Support from FEPE

FEPE is an active member of Two Sides. FEPE Managing Director Matti Rantanen represents FEPE in the Two Sides sustainability group. FEPE also contributes financially to the studies and work carried out by Two Sides, which also benefit FEPE members, such as spreading crucial information, promoting the use of the Love Paper® logo, etc.

Tell our story to consumers

Get involved with the Love Paper® campaign and help tell consumers the great story about the sustainability of paper, paper products and paper packaging. Printers, envelope manufacturers and anyone involved in the creation of print should take action and use the Love Paper® logo to help spread this vital message. Find out more at www.twosides.info/why-join-two-sides.



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Two Sides is a not-for-profit, global initiative promoting the unique sustainable and attractive attributes of print, paper and paper packaging. Two Sides' members span the entire value chain including forestry, pulp, paper, packaging, inks and chemicals, finishing, publishing, printing, envelopes and postal operators. See www.twosides.info for fact sheets and other useful resources.

The personal touch. Why a letter is better!

Stanislav Menard looks back over trends in the envelope industry over the past decades, and reflects on what is happening today and what the future may hold. He shares his advice on how to communicate with respect.

Stanislav Menard, Director of Nova Kuverta Ljubljana d.o.o., Slovenia and former President of FEPE several times, is a prominent figure in the envelope business, well known for contributing to building the industry at global level.

Stanislav started out in the business in 1969. He spent a few years in trading and negotiations with envelope manufacturers before he got involved in the production of envelopes in 1976, founding his current company Nova Kuverta 'New Envelope' in 1992. Stanislav organised the FEPE Congress in Slovenia in 1999 and is inviting us all again to the Slovenia Congress in 2021.

He is also a founding member and active contributor to Keep Me Posted Slovenia (see also: www.fepe.org/keep-me-posted).

CONSOLIDATION: FROM LOCAL TO GLOBAL

Stanislav reflects on the changes in the envelope business. "We have seen huge changes in the structure of the industry over the years. One of the changes with the most impact is the production technology. In the past, manufacturers had the choice of many suppliers for our production equipment. Today there's only one company left, worldwide, making envelope production machines. It's similar for envelope manufacturers. Back in the day, I could count 287 companies producing envelopes in Europe. Today there are maybe 20 significant manufacturers!"

"And it's a global business today," he continues. "Envelope production used to be very local and regional. Today, there are just a few companies producing envelopes that are exported to distant markets."

*"Nothing can replace a
written letter from one
person to another.
It's personal!"*

THE CHALLENGES OF DIGITAL

The envelopes market has been eroded in the past 20 years as digital communication has increased. "As envelope producers, we're in the communication business," Stanislav says. "The purpose of envelopes is to carry letters. Most people are turning to digital communication instead of letters because of speed and ecology. But they don't take into account the carbon footprint of digital. Internet represents massive energy consumption."

"Not to mention the environmental impact of ecommerce," he continues, "with its door-to-door deliveries and packaging waste. I think people are already starting to question whether the convenience is really worth the ecological impact."

THE VALUE OF LETTERS

Digital communication is here to stay. "But as a communication tool," says Stanislav, "the letter is here to stay also! Not only person to person, but also B2B and B2C. Some things you cannot replace with an email."

Decision-makers may favour digital communication to reduce costs," Stanislav explains. "But research shows that many people like to receive paper communication such as catalogues or letters. Especially for private information such as banking, tax and so on. Businesses would do well to listen to their customers, not just think about their own internal costs."

Letters stand out in a way that email never can. "It's not for nothing that when you get a speeding fine, it comes in a letter!" Stanislav jokes. "They know how to get your attention!"

"Seriously though," he continues, "I think letters, and by extension, envelopes, have a strong future. When you write and send a letter to someone, you are showing that you respect them. I would not like my customers, or indeed my private contacts, to feel disrespected. Remember what letters mean and what an impact they can have."

"Learn how to write a letter that expresses your message and your own personality, and you will get through to people. Letters are about prestige and respect."



STANISLAV MENARD
Stanislav Menard (top, left) founded Nova Kuverta (right) in 1992. The factory was relocated to larger premises in 2003 when production expanded.



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