WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE
BILLERUDKORSNÄS IN BRIEF

NET SALES
2015
Approx. 22 Billion SEK

OPERATING PROFIT
2015
2.6 Billion SEK

SHARE OF SALES
CORRUGATED SOLUTIONS 15%
PACKAGING PAPER 39%
CONSUMER BOARD 37%
OTHER 9%

SHARE OF SALES
73% Beetham
4% Frövi/Rockhammar
17% Gruvön
2% Gävle
3% Karlsborg
2% Pietarsaari
8% Skärblacka
2% Tervasaari

4 200 NUMBER OF EMPLOYEES
8 PRODUCTION UNITS

Numbers for 2015 unless else stated
ANY COMPANY HAS TWO MAIN ACTIVITIES

1. MAKE EXISTING CUSTOMERS MORE HAPPY (MORE PROFIT)
2. CREATE NEW MARKETS WITH NEW CUSTOMERS (FIND NEW PROFIT)

"A business has only two functions: Marketing and Innovation. Marketing and innovation produce results. The rest are expenses."

--- Peter Drucker
Father of Modern Management

"We will understand future needs better than competition"

The best way to predict the future is to create it.

Peter Drucker
# Global Mega Trends

<table>
<thead>
<tr>
<th>Urbanisation</th>
<th>Sustainability in action</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>What does it mean</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>• Mega cities will rule, 50% in Asia</td>
<td>• Sustainable business for real</td>
<td>• New services and logistics</td>
<td>• Experience economy</td>
<td>• Demographics 2.0</td>
<td></td>
</tr>
<tr>
<td>• Mega Corridors, high density population</td>
<td>• Zero waste</td>
<td>• Technology is ubiquitous</td>
<td>• Sharing economy</td>
<td>• Older generations grows, Gen Y grows</td>
<td></td>
</tr>
<tr>
<td>• More effective supply and ecosystems</td>
<td>• Zero errors</td>
<td>• Participation</td>
<td>• “less assets”</td>
<td>• More lifestyle, occasion than age or origin in focus</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Zero fossil</td>
<td>• Consumers know as much as brands</td>
<td></td>
<td>• “I will use packaging to track my…”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Zero emissions</td>
<td>• Overwhelming load of data</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Zero returns</td>
<td>• Humans love to interact</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Zero accidents</td>
<td>• Everything connected</td>
<td></td>
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</tbody>
</table>

## Future Business Perspectives:

1. **Problem solving for Mega-cities**
2. **Enable helpful brands to succeed**
3. **Design for No Humans**
4. **Digitalise existing business**
5. **Capture more value from the real benefit taker**
6. **Make it user oriented for real (experience)**
CREATE INSIGHT STORIES TO CLEARLY DEFINE WHY / PURPOSE FOR INNOVATION TOGETHER WITH OTHERS
FIGHTING FOOD WASTE
PACKAGING HAS AN IMPORTANT ROLE BOTH IN “PRODUCTION TO RETAIL” AND IN “CONSUMER BEHAVIOUR”

- 30-40% of all food is never eaten
- We produce food for 11 bn people
- 13% of population (800 million) are undernourishing

MAKE PACKAGING THE HERO TO AVOID FOOD WASTE!


Figure 2. Per capita food losses and waste, at consumption and pre-consumptions stages, in different regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Per capita food losses and waste (kg/year)</th>
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<tbody>
<tr>
<td>Europe</td>
<td>250</td>
</tr>
<tr>
<td>North America and Oceania</td>
<td>200</td>
</tr>
<tr>
<td>Industrialized Asia</td>
<td>150</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>100</td>
</tr>
<tr>
<td>North Africa, West and Central Asia</td>
<td>50</td>
</tr>
<tr>
<td>South and Southeast Asia</td>
<td>25</td>
</tr>
<tr>
<td>Latin America</td>
<td>10</td>
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</table>

BillerudKorsnäs @ Customer Insight Outlook, 2016
MORE KIWIS TO THE CONSUMER
DISSOLVABLE PAPER SACKS
AUTOMATED DISTRIBUTION NETWORKS

DRIVERLESS CARS, ROBOTS AND DRONES ARE IMPLEMENTED & E-COMMERCE STAND FOR >20% OF ALL RETAIL

- Robots will pick and pack
- Delivery B2B and B2C without humans involved
- Self-driving cars and trucks

DEVELOP PACKAGING FOR NO HUMANS IN SUPPLY CHAIN & MAXIMUM EXPERIENCE AT DELIVERY TO CONSUMER
AUTOMATED DISTRIBUTION NETWORKS
DRIVERLESS CARS, ROBOTS AND DRONES ARE IMPLEMENTED & E-COMMERCE STAND FOR >20% OF ALL RETAIL
MEGA-CITIES MUST BECOME "SMART CITIES" TO SURVIVE
MAYORS AND LOCAL POLITICIANS WILL RULE THE WORLD (NOT PRESIDENTS)

Figure 2 Past and future growth of Top 10 megacities, plus Paris and London

DEVELOP SOLUTIONS FOR MEGA-CITIES IN TOUGH CLIMATE REGIONS & ADOPT TO LOCALLY PRODUCED AND GLOBALL DELIVERED

Source: United Nations Population Division: World Urbanization Prospects, the 2014 revision
BillerudKorsnäs @ Customer Insight Outlook, 2016
RECYCLING SYSTEMS MUCH MORE DEVELOPED
ALL MATERIALS WILL BE BETTER SEPARATED AND USED FOR HIGH VALUE PRODUCTS MANY TIMES – A NEW INDUSTRY EVOLVE

WORLD ECONOMIC FORUM, ELLEN MACARTHUR FOUNDATION, MCKINSEY & COMPANY, A NEW PLASTICS ECONOMY: RETHINKING THE FUTURE OF PLASTICS (2016)
WWW.ELLENMACARTHURFOUNDATION.ORG/PUBLICATIONS

1 Closed-loop recycling: Recycling of plastics into the same or similar-quality application
2 Cascaded recycling: Recycling of plastics into other, lower-value applications
Source: Project Mainstream analysis – for details please refer to the extended version of the report available on the website of the Ellen MacArthur Foundation: www.ellenmacarthurfoundation.org
THE PAPER BOTTLE CHALLENGE
### Global Mega Trends

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**THANKS FOR LISTENING AND WELCOME TO EXPLORE FUTURE BUSINESS PERSPECTIVES TOGETHER!**

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