

PRESS RELEASE

Pioneering digital watermarks for smart packaging recycling in the EU – AIM, the European Brands Association, launches cross-value chain initiative to drive circular economy goals

Press release for immediate release, Brussels, 8 September 2020 – Under the auspices of AIM, the European Brands Association, over 85 companies and organisations from the complete packaging value chain have joined forces with the ambitious goal to assess whether a pioneering digital technology can enable better sorting and higher-quality recycling rates for packaging in the EU, to drive a truly circular economy.

One of the most pressing challenges in achieving a circular economy for packaging is to better sort post-consumer waste by accurately identifying packaging, resulting in more efficient and higher-quality recycling. Digital watermarks may have the potential to revolutionise the way packaging is sorted in the waste management system, as it opens new possibilities that are currently not feasible with existing technologies. The discovery was made under the New Plastics Economy programme of the Ellen MacArthur Foundation, which [investigated different innovations to improve post-consumer recycling](#). Digital watermarks were found to be the most promising technology, gathering support among the majority of stakeholders and passing a basic proof of concept on a test sorting line. The branded goods industry has now stepped in to facilitate the next phase as cross-value chain initiative under the name “HolyGrail 2.0”, which will take place on a much greater scale and scope. This will include the launch of an industrial pilot in order to prove the viability of digital watermarks technologies for more accurate sorting of packaging and higher-quality recycling, as well as the business case at large scale.

“The 3 key ingredients here are innovation, sustainability and digital, combined to achieve the objective of the Green Deal towards a clean, circular and climate neutral economy”, outlines Michelle Gibbons, Director General at AIM. “It is terrific to see such enthusiasm from across the industry and to be able to unite such expertise from the complete packaging value chain, from brand owners and retailers to converters, EPR schemes, waste management systems, recyclers and many more. Collaboration is the way forward to achieve the EU’s circular economy goals.”

Digital watermarks are imperceptible codes, the size of a postage stamp, covering the surface of a consumer goods packaging. They can carry a wide range of attributes such as manufacturer, SKU, type of plastics used and composition for multilayer objects, food vs. non-food usage, etc. The aim is that once the packaging has entered into a waste sorting facility, the digital watermark can be detected and decoded by a standard high resolution camera on the sorting line, which then – based on the transferred attributes – is able to sort the packaging into corresponding streams. This would result in better and more accurate sorting streams, and thus consequently in higher-quality recyclates, benefiting the complete packaging value chain. Next to this “digital recycling passport”, digital watermarks also have the potential to be used in other areas such as consumer engagement, supply chain visibility and retail operations.

More information on the Digital Watermarks Initiative HolyGrail 2.0

- **Contact** - Secretariat: digitalwatermarks@aim.be
- **Website**, including Q&A, membership and latest news: www.aim.be/priorities/digital-watermarks
- **Membership kit** for interested companies/organisations:
 - [HolyGrail 2.0 Charter](#)
 - [Registration form – full initiative member](#)
 - [Registration form – associate initiative member](#)
- **Quotes** from HolyGrail 2.0 partners are available on request and media can contact the Secretariat to directly speak to a partner.
- **Translations & pictures:** [Dropbox link](#)

- **HG2.0 membership (status 7 Sep 2020):**

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About Digital Watermarks Initiative HolyGrail 2.0

The [Digital Watermarks Initiative HolyGrail 2.0](#) – facilitated by AIM, the European Brands Association, as the next iteration of the initial HolyGrail project under the Ellen MacArthur Foundation (2016-2019) – is a pilot project with the objective to prove the viability of digital watermarking technologies for accurate sorting and consequently higher-quality recycling, as well as the business case at large scale. Digital watermarks are imperceptible codes, the size of a postage stamp, covering the surface of a consumer goods packaging and carrying a wide range of attributes. The aim is that once the packaging has entered into a waste sorting facility, the digital watermark can be detected and decoded by a standard high resolution camera on the sorting line, which then – based on the transferred attributes (e.g. food vs. non-food) – is able to sort the packaging in corresponding streams. This would result in better and more accurate sorting streams, thus consequently in higher-quality recyclates benefiting the complete packaging value chain.

About AIM

[AIM](#) is the European Brands Association representing brand manufacturers in Europe on key issues which affect their ability to design, distribute and market their brands. AIM's membership comprises 2500 businesses ranging from SMEs to multinationals, directly or indirectly through its corporate and national association members.