Cullen Eco-Friendly Packaging, 100 years of innovation

As part of our quick fire questions series – or QFQs – we spoke to David MacDonald, owner of Cullen Eco-Friendly Packaging, Wired Trailblazer of the Year 2022 and EY Entrepreneur of the Year.

Cullen was launched in 1921 as a box making company on the banks of the River Clyde and over 100 years on we are Europe's only combined manufacturer of corrugated and moulded fibre packaging and have produced over 1 billion plastic free products since 2020.

Tell me about the business – what it is, what it aims to achieve, who you work with, how you reach customers and so on?

<u>Cullen Eco-Friendly Packaging</u> are manufacturers of 100 percent plastic free paper-based packaging and products that are recyclable, compostable and biodegradable.

Uniquely we collect the waste off cuts from our corrugated box facility, using our bespoke closed loop recycling system, giving it a second life as a moulded

fibre product. We are the only company in Europe to do this and it all happens in our 14 acre, state-of-the-art site in Glasgow.

Fortunately Cullen's products have always been sustainable. Our aim is to constantly evolve and innovate our offering to the benefit of our clients and to continue to expand to meet growing demand, as brands strive to reduce plastic waste and meet their ambitious sustainability goals in response to the climate emergency.

You will see or use our products every day, likely without knowing it. We are in all major supermarkets with our shelf ready corrugated packaging and protective moulded fibre produce packaging. We also supply moulded fibre products, that you can find in 98% of NHS hospitals for the medical sector, most high street coffee shop chains and we protect an array of items in transit like drinks, paint and much more. Cullen really are everywhere; we currently supply 34 countries globally and this is constantly growing as we target new geographies and sectors.

How has the business evolved since its launch? When was this?

The business has evolved dramatically throughout our 100 years as we adapted to meet shifting market demands. I've had the pleasure of leading our recent strategic growth and it has proudly earned me the EY Entrepreneur of the Year 2022 UK Transformational Leader Award.

A major milestone in our exponential growth was optimising our waste. Historically, it was just a headache, an expensive problem that was difficult to fix. No-one wanted offcuts from corrugated packaging, and it was expensive to dispose of. So, in typical entrepreneurial fashion, my team and I worked on turning the obstacle into an opportunity.

Unlike other packaging companies Cullen are manufacturers of machines and tooling as well as products and our incredibly skilled team designed and built an infrastructure and machinery that could produce moulded fibre products, maximising the waste, turning it into a commodity. It's an evolution that has proved revolutionary.

Innovation and my passion for sustainability has also been fundamental to our successful evolution. We have the answer to the global challenge of plastic waste, our growth has come from working with clients to design plastic out of their supply chains, replacing it with innovative corrugated or moulded fibre alternatives. We work with brands and sectors every day to rethink their packaging – replacing billions of pieces of plastic every year.

Our latest innovation is our Fibre Bottle, a paper bottle alternative to plastic bottles or pouches for dry goods, you'll see it used for, household cleaning products, pet care, supplements, gardening products and the like. It has been a market disrupting game changer and we can produce 270 million per year initially, so it will be huge.

Tell us about the working culture at Cullen

Ultimately, it is our people who have got us to where we are today, and it is their commitment and hard work that keeps us moving forward, I really care about making their working experience as enjoyable and rewarding as possible.

Cullen began as a family business, founded on family values and these still sit at the company's core today. Innovation and collaboration are also central to our business, with team members encouraged to think creatively, bounce off one another's ideas and be heard, at all levels of the business. We also heavily invest in our employees' development and I believe in providing opportunities for growth, I offer our talent a career not just a job.

How are you funded?

Cullen are self-funded and I am the sole shareholder of the business, which allows us to innovate, grow and evolve on our own terms. I believe in reinvesting in the business to continue to drive our success and create opportunities for my team, which is why I'm investing over £15M into our ongoing expansion plans, to ensure we continue to meet the soaring demand for our products.

What has been your biggest challenge so far and how have you overcome this?

Inflation, increased energy and material costs present a challenge for most sectors right now, with few untouched by the recent price hikes. Challenges are transient and Cullen have navigated these challenges in the same way as others, strong leadership, forward planning and working closely with our robust supply chain and excellent long standing client relationships to find solutions that minimise impact and risk for all concerned.

How does Cullen answer an unmet need?

Sustainability is every brand, organisation and more recently consumers focus. It is no longer just an ambition, it's an essential. Retailers such as M&S, for example, relaunched its brilliant Plan A programme, Tesco have committed to being Net Zero 'Farm to Fork' by 2050 and Unilever has committed to UNbacked action. Every one of them are looking for replacements for their plastic packaging, yet few companies out there offer truly sustainable, like-for-like replacements at an acceptable price point, in the mass quantities they need. That's where we come in.

Simply put, we have sustainable solutions available now, at scale and have the capabilities, knowledge and resource to create the solutions of the future, but not in five years, in months. We've developed an extensive suite of sustainable products and packaging that meet the needs of the medical, produce, horticultural, retail, food and drink sectors. But we are not constrained in what we can create – our Fibre Bottle is an example of what can be achieved with in-house designers and engineers and a desire to innovate and push boundaries.

We are working with some of the biggest UK brands right now, who approached us with the challenge of replacing their plastics with moulded fibre alternatives. Our designers and engineers create bespoke designs and tooling following our simple five step process and we can be in production within weeks.

As you can guess, this need is not limited to one sector it's everywhere, in every area imaginable. Wherever you see plastic packaging, there's an increasing sense of urgency to replace it with our products. That's why we produced 1 billion products in the last two years and supplied 34 countries.

What's in store for the future?

There's so much potential for this business that it feels like we're just getting started. Sustainability isn't a fad, nor is sustainable packaging; the demand for both is here to stay.

I believe that Cullen is at the forefront of the movement to replace plastic packaging and Customers agree, and as a result every month we're getting new requests from major retailers and producers.

So we're investing to increase capacity and are set to inject £15M into expanding our manufacturing site and will create 120 new green jobs. We're

also hiring the most talented engineers and designers, as well as building new machines and tools in house.

Our goal is to increase our production from 1 billion products in two years to 1 billion per year and we are well on track to do it.

Within our growth plan, we'll continually innovate, our infrastructure investment plans include an onsite innovation centre, where we will explore materials, focus on product developments, creating future solutions like our Fibre Bottle.

I want to remind everyone that plastic is not the enemy, but using it to protect things we consume in days, weeks or months and then throw away is ludicrous – especially when only 9% of plastic waste is recycled. Despite all the doom and gloom, we are hugely optimistic and we're here to help brands transition to plastic free. We appreciate it's not an easy journey, but we can help make it simpler. At Cullen we're working on a real problem, but we're definitely solving it.

What one piece of advice would you give other founders or future founders?

Build a purpose driven business and attract talent that will drive your vision forward with the same passion and dedication you have.

And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

I ensure I have time for a daily walk, whether it's into the office, on my way home or on my way to a meeting. The headspace in between all the noise is invaluable.

David MacDonald is the owner of *Cullen Eco-Friendly Packaging*.