

REVOLUTIONIZING PRODUCTION LOGISTICS: INDUSTRY 5.0'S IMPACT

GÁBOR NAGY¹ – SZABOLCS SZENTESI²

Abstract: *The article delves into the transformative impact of Industry 5.0 principles on production logistics, aiming to enhance manufacturing efficiency and responsiveness by integrating advanced concepts like the milkrun, real-time scheduling, and optimization within smart factories. Addressing evolving customer needs for rapid customization, it seeks to revolutionize traditional approaches to production logistics, establishing a more adaptive and dynamic manufacturing ecosystem. This aligns with the advent of Industry 5.0, which heralds a new era in technological advancements and digitalization, fostering unprecedented transparency in corporate processes. Going beyond the Fourth Industrial Revolution, it seamlessly integrates the corporate value chain and supply network, emphasizing the importance of leveraging integration opportunities between production management and logistics amidst intensifying market competition. The study meticulously examines the role of production logistics within the corporate logistics system, shedding light on the tangible benefits of real-time scheduling and aiming to provide crucial insights for businesses navigating this new industrial revolution.*

Key words: *Industry 5.0, production logistics, transformative impact, cyber-physical systems*

1. INTRODUCTION

The evolution of industry stands as a testament to humanity's unyielding pursuit of innovation and efficiency. As we find ourselves on the brink of a new era, the emergence of Industry 5.0 looms as a transformative force ready to reshape the landscape of production logistics. This research embarks on an insightful exploration of the profound impact that Industry 5.0 is poised to exert on the intricate web of processes that constitute production logistics. From the inception of the industrial revolution, each successive phase has ushered in radical changes – from mechanization to mass production, automation, and the integration of digital technologies.

However, Industry 5.0 represents more than just a progression; it signifies a paradigm shift, seamlessly integrating cyber-physical systems, artificial intelligence, and the Internet of Things (IoT) into the very fabric of manufacturing and logistics. This fusion of the physical and digital realms holds the promise of unprecedented levels of connectivity, intelligence, and adaptability within the industrial domain. In a world grappling with complexities, uncertainties, and an ever-growing demand for efficiency, Industry 5.0 emerges as a beacon of innovation. It transcends mere automation, aspiring to establish symbiotic relationships between humans and machines, thereby fostering a more responsive and interconnected industrial ecosystem.

As we delve into the profound impact of Industry 5.0 on production logistics, our aim is to unravel the intricacies of this technological revolution. Through the dissection of its core principles, exploration of real-world implementations, and an understanding of the

¹ PhD, University of Miskolc, Institute of Logistics, Hungary
gabor.nagy4@uni-miskolc.hu

² PhD, University of Miskolc, Institute of Logistics, Hungary
szabolcs.szentesi@uni-miskolc.hu

challenges and opportunities it presents, this research endeavors to provide a comprehensive roadmap for businesses, policymakers, and researchers navigating the uncharted waters of Industry 5.0. The journey into Industry 5.0 is not merely a technological transition; it signifies a cultural and operational metamorphosis that will redefine how we conceptualize and execute production logistics. Through this research, we strive to contribute valuable insights that will empower stakeholders to harness the full potential of Industry 5.0, ushering in a new era of agility, resilience, and efficiency in the realm of production logistics. Together, let us embrace the transformative power of Industry 5.0 and chart a course towards a future where innovation and efficiency converge for the betterment of industries worldwide.

2. LITERATURE REVIEW

Industry 5.0, the next phase of industrial evolution, integrates human creativity and intuition with advanced machinery and technology, promising a more sustainable, flexible, and socially responsible manufacturing environment [1]. This framework is characterized by resilience, sustainability, and human-centricity, and is underpinned by collaboration, coordination, communication, automation, data analytics processing, and identification [2]. It is expected to leverage the creativity of human experts in collaboration with efficient, intelligent, and accurate machines, and is supported by technologies such as edge computing, digital twins, collaborative robots, Internet of everything, blockchain, and 5G and beyond networks [3].

Industry 5.0 will enable human-robot co-working, increase process efficiency, and enhance customer satisfaction through mass personalization and intelligent data usage [4]. Building upon the existing literature that explores the impact of Industry 4.0 on production logistics, the current discourse suggests a promising trajectory for the evolution towards Industry 5.0. Efthymiou [5] and Nagy [6] have shed light on the transformative potential of Industry 4.0 technologies, emphasizing improved transparency, integration, and real-time scheduling within production logistics. This echoes the sentiments expressed by Brettel [7] and Fatorachian [8] regarding the positive implications of Industry 4.0 on overall supply chain performance. In parallel, Sun's [9] insights on the economic efficiency, environmental performance, and social impact improvements brought about by Industry 4.0 technologies in sustainable logistics align with Barreto's [10] emphasis on transparency and integrity control within the supply chain.

The literature review also underscores the presence of challenges, as highlighted by Abdirad [11], who calls for further investigation into the role of Industry 4.0 in supply chain management, a domain intricately connected to production logistics. While the literature provides a comprehensive understanding of the potential advantages offered by Industry 4.0, including enhanced transparency, integration, and sustainability in production logistics, it concurrently acknowledges challenges such as trade-offs among sustainability indicators and technology maturity. The call for additional research, as articulated by Abdirad [11], reinforces the notion that the journey toward Industry 5.0 necessitates a thorough exploration of both opportunities and challenges to fully harness the benefits of evolving industrial technologies in the realm of production logistics. As we stand at the cusp of Industry 5.0, the synthesis of insights from Industry 4.0 literature with the fundamentals outlined by Rand provides a robust foundation for unraveling the complexities of the forthcoming industrial paradigm within the context of production logistics.

3. TECHNOLOGY BACKGROUND AND FEATURES OF INDUSTRY 5.0

Industry 4.0, the fourth industrial revolution, is characterized by the integration of various technologies such as the Internet of Things (IoT), Cyber Physical System (CPS), information and communications technology (ICT), and Enterprise Integration (EI) [12]. This integration has led to the emergence of Industry 4.0, which is transforming manufacturing through virtualization, decentralization, and network building [7]. The concept of Industry 4.0 is still visionary but includes the integration of human in the manufacturing process, continuous improvement, and value adding activities [13]. The lack of powerful tools is a major obstacle in fully exploiting the potential of Industry 4.0 [14].

These findings provide a technology background and features of Industry 4.0, which can serve as a foundation for understanding the potential developments and challenges of Industry 5.0. Industry 5.0 stands as the zenith of industrial evolution, marking a pivotal phase characterized by the infusion of cutting-edge technologies that redefine the landscape of traditional manufacturing and production processes [15].

While specific definitions of Industry 5.0 may vary, there is a prevailing vision of this new era in industrial development that places a profound emphasis on human-machine collaboration, customization, and sustainability [16]. At its core, Industry 5.0 is a forward-looking paradigm that envisions a future where technological advancements go beyond mere automation and efficiency gains. This phase is marked by a deliberate effort to harmonize the capabilities of advanced technologies with the unique strengths and ingenuity of human workers.

It seeks not just to streamline processes, but to elevate the role of humans in the manufacturing equation, fostering a collaborative synergy that capitalizes on the strengths of both technological precision and human creativity. In the vision of Industry 5.0, customization emerges as a key pillar. The industrial processes of this era are designed to be highly adaptable, allowing for a level of customization that caters to diverse and evolving consumer demands. The emphasis on customization extends not only to the final products but also to the manufacturing processes themselves, promoting flexibility and responsiveness in the face of dynamic market conditions.

Sustainability is another cornerstone of Industry 5.0, reflecting a conscientious shift towards environmentally friendly and resource-efficient practices [17]. This phase recognizes the imperative of responsible industrialization, where technological innovations are harnessed to minimize environmental impact, reduce waste, and optimize resource utilization. Industry 5.0 envisions a manufacturing ecosystem that operates in harmony with the environment, acknowledging the importance of sustainable practices for the long-term health of both industry and the planet (Figure 1).

In essence, Industry 5.0 represents a holistic approach to industrial evolution, where the synthesis of advanced technologies, human ingenuity, customization, and sustainability converge to shape a future where industries are not only more efficient but also more humane, responsive, and environmentally conscious (Figure 2). As we navigate this transformative phase, the vision of Industry 5.0 beckons industries to embrace a new era where the synergy between human and machine capabilities paves the way for unprecedented advancements and positive societal impact.

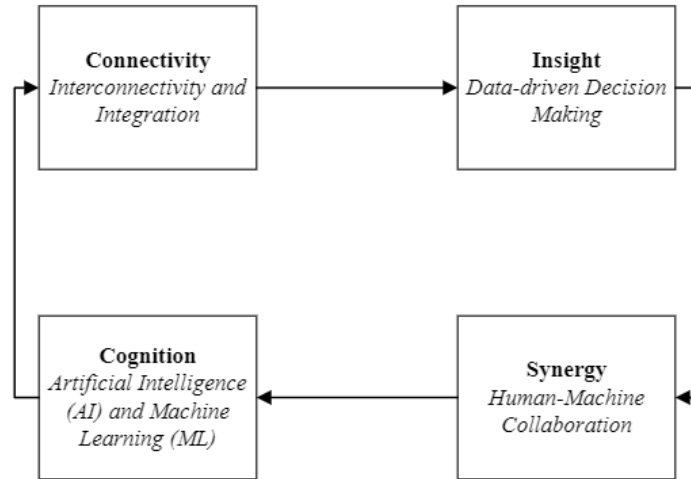


Figure 1. The four characteristics of industry 5.0 (own editing based on [1]).

Key aspects of the concept might include (Figure 2):

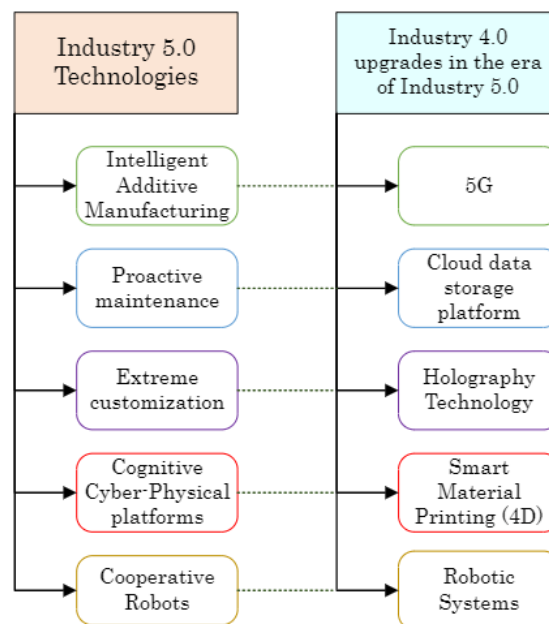


Figure 2. Overview of Industry 5.0 technological innovations and Industry 4.0 developments (own editing based on [1]).

It's essential to note that the concept of Industry 5.0 is still evolving, and its specific characteristics and definitions may be subject to change. Researchers, industries, and experts continue to explore and refine the concept as technology and industrial practices progress.

While specific quantitative data comparing Industry 4.0 and Industry 5.0 may not be universally available due to the conceptual nature of these industrial paradigms, we can provide some general information and trends associated with each:

- Industry 4.0 [18]:
 - Investments: Globally, the investments in Industry 4.0 technologies were estimated to reach around \$310 billion by 2023.
 - Automation Levels: Automation rates in manufacturing processes increased, with some sectors experiencing up to a 30% improvement in efficiency.
 - Job Impact: It is estimated that Industry 4.0 technologies led to the creation of over 1.7 million jobs globally, primarily in fields related to data analytics, AI, and automation.
 - Global Economic Impact: The integration of Industry 4.0 technologies contributed to an estimated increase of around \$3.7 trillion in global economic value by 2025 (Figure 3).

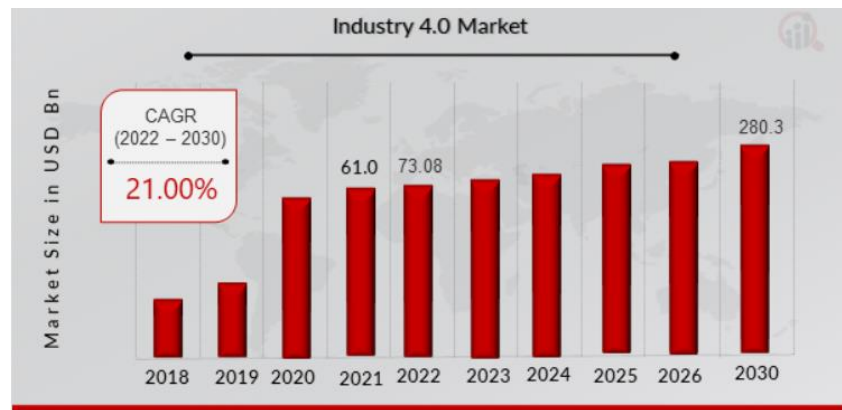


Figure 3. Analysis of the Worldwide Industry 4.0 Market [19].

- Industry 5.0 (Figure 4):
 - Anticipated Investments: Early projections suggest that investments in Industry 5.0 technologies could exceed \$450 billion by 2025.
 - Human-Machine Collaboration Impact: Industry 5.0 aims to increase productivity through human-machine collaboration, with potential efficiency gains ranging from 20% to 30%.
 - Personalization Trends: With an increased emphasis on personalization, Industry 5.0 envisions a potential 25% rise in consumer satisfaction due to highly individualized products.
 - Circular Economy Impact: The transition to Industry 5.0 is expected to contribute to a 15% reduction in overall industrial waste, aligning with circular economy principles.

Figure 4 shows that the global industry 5.0 is expected to reach a value of USD 255.7 billion by 2029, while demonstrating an annual average growth rate of 31.2% during the forecast period.

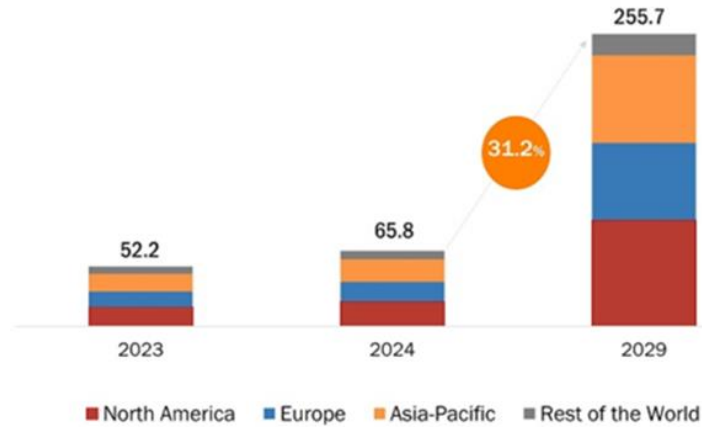


Figure 4. Industry 5.0 Market Projections for the Next Decade [20].

4. DIFFERENCE BETWEEN INDUSTRY 4.0 AND INDUSTRY 5.0 IN PRODUCTION LOGISTICS

The transition from Industry 4.0 to Industry 5.0 marks a profound paradigm shift in the evolution of industrial systems, particularly within the domain of production logistics (Figure 5) [21, 22].

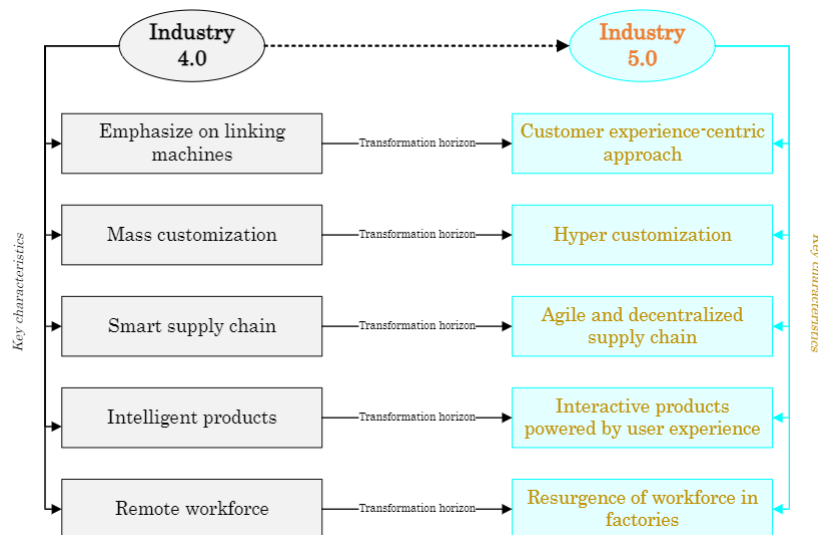


Figure 5. Key features of Industry 5.0 in contrast to Industry 4.0 (own editing based on [21, 22]).

Where Industry 4.0 laid the essential groundwork for the integration of digital technologies into manufacturing processes, Industry 5.0 propels this integration to an unprecedented level [22, 23]. The focal point of Industry 5.0 lies in emphasizing human-machine collaboration and adopting a more holistic approach to production. In the dynamic landscape of industrial

processes, production logistics plays a pivotal role in intertwining with the principles of Industry 5.0. The synergy between these two elements is integral to reshaping the future of manufacturing. Industry 5.0, representing the forefront of industrial development, accentuates a human-centric approach that prioritizes the collaboration between human expertise and technological precision. The emphasis on customization, sustainability, and the seamless integration of advanced technologies further underscores its significance [23].

Production logistics, in alignment with Industry 5.0, becomes a linchpin in the realization of these objectives. Here's how production logistics harmonizes with the principles of Industry 5.0.

4.1. Human-Machine Collaboration

Research on human-machine collaboration in production has identified key implementation factors [24] and explored the use of virtual reality in adaptive production engineering [25,26] proposed an adaptive collaboration paradigm based on machine learning, which was tested in an injection moulding manufacturing line, resulting in reduced physical and mental workload for operators and increased productivity. [26] further emphasized the importance of comprehensive design in human-machine collaboration, using a discrete event simulation approach to model a cartons assembly line and identify the most preferable sequencing rule for improved system performance. From the literature, it is evident that this topic has been researched for a long time; however, its presence has become even more prominent in recent times. This increased emphasis reflects the growing recognition of the importance of human-machine collaboration in various fields, particularly in production and manufacturing.

As technology advances and industries seek ways to improve efficiency, safety, and productivity, the exploration of human-machine collaboration continues to evolve. Researchers are delving deeper into understanding the dynamics of interaction between humans and machines, aiming to optimize workflows, enhance user experiences, and ultimately, revolutionize how tasks are performed in industrial settings. This ongoing exploration underscores the significance of ongoing research and development efforts in advancing the frontier of human-machine collaboration. In the Industry 4.0 era, the emphasis was on the digitization, automation, and optimization of logistics processes. This phase marked a significant leap in the integration of technologies such as the Internet of Things (IoT), artificial intelligence (AI), and data analytics into logistics operations. The goal was to streamline processes, enhance efficiency, and reduce reliance on manual intervention. Automation was at the forefront, leading to more precise and data-driven decision-making in logistics.

Industry 5.0 introduces a paradigm shift by placing humans back at the centre of logistics operations. While Industry 4.0 achieved remarkable automation, Industry 5.0 envisions a collaborative environment where human workers actively engage with advanced technologies. In this scenario, humans become integral decision-makers, problem solvers, and adaptors to dynamic logistics challenges. Instead of viewing technology as a replacement, Industry 5.0 sees it as a tool to augment human capabilities. This collaborative approach aims to leverage the unique problem-solving skills, creativity, and adaptability of human workers in conjunction with the efficiency of technological systems [21].

Key Aspects of Industry 5.0 Human-Centric Logistics:

1. Collaborative Decision-Making:

- Industry 4.0: Decisions were primarily automated, relying on algorithms and data analysis.
 - Industry 5.0: Humans actively participate in decision-making processes, working alongside smart systems. This collaboration ensures that decisions consider both data-driven insights and human expertise.
2. Adaptability to Dynamic Situations:
 - Industry 4.0: Automation focused on predefined processes, with limited adaptability to unforeseen circumstances.
 - Industry 5.0: Human-centric logistics allows for better adaptability to dynamic situations. Human workers can use their intuition and judgment to navigate unforeseen challenges, contributing to more agile and responsive logistics operations.
 3. Problem-Solving Skills:
 - Industry 4.0: Problem-solving was often relegated to programming algorithms and optimizing predetermined solutions.
 - Industry 5.0: Humans bring their problem-solving skills to the forefront. Complex problem-solving, critical thinking, and creativity become crucial in addressing logistics challenges that may not have predefined solutions.
 4. Empowering Workers:
 - Industry 4.0: Workers adapted to the requirements of automated systems.
 - Industry 5.0: Logistics systems empower workers by providing them with the tools and technologies to enhance their decision-making abilities. This empowerment fosters a sense of ownership and engagement among logistics professionals.
 5. Enhanced Communication:
 - Industry 4.0: Communication was often automated and system-driven.
 - Industry 5.0: Human-centric logistics encourages open communication between workers and technology. This bidirectional flow of information ensures that insights from human observations and experiences complement the data-driven aspects of logistics operations.

In summary, Industry 5.0's human-centric logistics redefines the relationship between humans and technology in the logistics domain. It acknowledges the irreplaceable qualities of human cognition, adaptability, and creativity, aiming for a harmonious collaboration that maximizes the strengths of both humans and advanced technologies. This shift reflects a deeper understanding of the nuanced and complex nature of logistics operations.

4.2. Customization and Personalization

The shift towards personalized production in the context of Industry 4.0 is a response to the growing demand for customized products [27]. This shift is supported by personalization technologies, which help customers navigate the complexity of mass customization [28]. To enable individualized production, manufacturing companies are developing concepts, methods, and tools that can adapt to changing demands [29]. Product architecting for personalization is a key aspect of this, involving the identification of customizable product modules and cost-effective manufacturing methods [30].

In the Industry 4.0 era, the focus was on the concept of mass customization, leveraging advanced technologies such as IoT, AI, and data analytics to tailor products to individual customer needs on a larger scale. The goal was to achieve a level of customization that allowed for the efficient production of diverse product variants without sacrificing economies of scale. Production processes were optimized for flexibility and responsiveness to customer demands, enabling a certain degree of individualization within the mass production framework.

Building upon the foundations laid by Industry 4.0, Industry 5.0 takes the concept of customization and personalization to new heights. Rather than solely emphasizing mass customization, Industry 5.0 places a strong emphasis on personalization. It envisions a future where production systems have the capability to craft highly individualized products that respond not only to general market trends but also to the specific and unique preferences and requirements of each customer. This transition highlights the evolution from mass customization towards a more personalized approach in manufacturing, facilitated by advancements in technology and a deeper understanding of customer needs.

Key Aspects of Customization and Personalization in Industry 5.0:

1. Individualized Product Crafting:
 - Industry 4.0: Customization was geared towards efficiently producing variations of products to meet market demands.
 - Industry 5.0: Personalization involves the crafting of products at a highly individualized level, ensuring that each product is uniquely tailored to the specific needs and desires of an individual customer.
2. Customer-Centric Design:
 - Industry 4.0: Design considerations in customization were often based on aggregated market preferences.
 - Industry 5.0: Designs are driven by individual customer preferences. Production systems are equipped to adapt and modify designs according to the unique requirements specified by each customer.
3. Dynamic Production Processes:
 - Industry 4.0: Production processes were flexible but designed to handle predefined variations.
 - Industry 5.0: Production processes become even more dynamic, capable of adapting to a multitude of variables to ensure the creation of truly personalized products. This may involve real-time adjustments based on customer input and evolving preferences.
4. Customer Collaboration:
 - Industry 4.0: Customization decisions were often made by analysing historical data and market trends.
 - Industry 5.0: Personalization involves direct collaboration with customers. Production systems are designed to incorporate customer feedback, allowing them to actively participate in the co-creation of their products.
5. Data-Driven Personalization:
 - Industry 4.0: Personalization relied heavily on data analytics to predict market trends and preferences.
 - Industry 5.0: Personalization goes beyond aggregated data. It involves real-time analysis of individual customer data to create products that align with their immediate needs and preferences.
6. Flexibility at Scale:

- Industry 4.0: Flexibility was achieved within the constraints of mass production processes.
- Industry 5.0: Flexibility is expanded to accommodate not only the scale of mass production but also the intricacies of producing unique items tailored to individual customers.

In essence, Industry 5.0's approach to customization and personalization transcends the concept of mass customization seen in Industry 4.0. It envisions a manufacturing landscape where every product is a reflection of the specific desires and requirements of the individual customer, marking a significant shift toward a more customer-centric and bespoke production model.

4.3. Decentralized Decision-Making

Recent research has explored various aspects of decentralized decision-making in production. Tamaki [31] introduced a decentralized approach to production planning and scheduling, using a genetic algorithm to solve problems. Marques [32] proposed a strategy for decentralized decision support in the context of Industry 4.0, addressing barriers to its implementation. Hirsch [33] emphasized the need for decentralized and collaborative production management, particularly in globally distributed manufacturing. Hong [34] developed a decentralized decision framework for coordinating product design and supply chain decisions, considering trade-offs between cost and carbon emissions. These studies collectively highlight the potential of decentralized decision-making in improving production efficiency and addressing complex challenges. In the Industry 4.0 era, decentralized decision-making became a fundamental principle.

The integration of interconnected devices, the Internet of Things (IoT), and advanced data analytics allowed machines and systems to make autonomous decisions based on real-time data. This decentralized approach aimed to optimize processes, enhance efficiency, and respond dynamically to changing conditions within the industrial environment. Building on the decentralized foundations of Industry 4.0, Industry 5.0 takes a step further by extending decentralized decision-making beyond machines. In Industry 5.0, the focus is not only on autonomous decision-making by machines but also on empowering individuals on the shop floor to actively participate in the decision-making process. This collaborative approach aims to utilize the collective intelligence, experience, and problem-solving abilities of human workers, fostering a more responsive and agile production environment.

Key Aspects of Decentralized Decision-Making in Industry 5.0:

1. Human-Machine Collaboration:
 - Industry 4.0: Decentralized decision-making was primarily driven by interconnected machines and systems.
 - Industry 5.0: Industry 5.0 introduces a more collaborative environment where humans actively participate in decision-making alongside machines. This collaboration acknowledges the complementary strengths of both human intuition and machine precision.
2. Collaborative Problem-Solving:
 - Industry 4.0: Problem-solving often relied on automated algorithms and machine learning.
 - Industry 5.0: Decentralized decision-making in Industry 5.0 involves collaborative problem-solving. Human workers contribute their unique problem-

solving skills, creativity, and adaptability to address complex challenges that may not have predefined solutions.

3. Empowering Shop Floor Workers:
 - Industry 4.0: Workers adapted to the requirements of automated systems but had limited involvement in decision-making.
 - Industry 5.0: Industry 5.0 empowers individuals on the shop floor by providing them with the authority to make decisions collaboratively. This empowerment fosters a sense of ownership, engagement, and responsibility among workers.
4. Real-Time Adaptability:
 - Industry 4.0: Decentralized systems adapted to real-time data but were primarily machine-driven.
 - Industry 5.0: The extension of decentralized decision-making to humans ensures real-time adaptability to changing conditions. Human workers can use their judgment and experience to make swift decisions in response to dynamic situations.
5. Enhanced Flexibility:
 - Industry 4.0: Flexibility was achieved through automated systems with predefined algorithms.
 - Industry 5.0: The involvement of human decision-makers adds a layer of flexibility that goes beyond predefined algorithms, enabling a more adaptive and flexible production environment.
6. Improved Responsiveness:
 - Industry 4.0: Responsiveness was achieved through automated processes.
 - Industry 5.0: Industry 5.0's decentralized decision-making involving human collaboration enhances overall responsiveness to unforeseen events, customer feedback, and market dynamics.

In summary, Industry 5.0's approach to decentralized decision-making represents a departure from purely machine-driven decision systems in Industry 4.0. It acknowledges the importance of human involvement, fostering a collaborative and agile production environment that leverages the collective intelligence of both humans and machines.

4.4. Focus on Circular Economy

The concept of circular economy in manufacturing, along with the need for a holistic approach considering social, environmental, and economic dimensions, is gaining momentum [35]. Challenges and opportunities in production planning, particularly in recovery operations, have been identified [36]. Additionally, the role of education in supporting circular economy business potential has been emphasized [37]. These discussions align with the evolution from Industry 4.0 to Industry 5.0. In the Industry 4.0 era, sustainability discussions arose in response to the environmental impact of industrial processes, but the principles of the circular economy were not fully integrated [35]. However, Industry 5.0 takes a more pronounced step towards embracing circular economy principles, emphasizing the need to rethink production systems to minimize waste and promote recycling [38]. This evolution signifies a broader commitment to achieving a sustainable and ecologically balanced industrial ecosystem.

Key Aspects of Focus on Circular Economy in Industry 5.0:

1. Waste Reduction and Minimization:

- Industry 4.0: Efforts to reduce waste were present but may not have been central to the core principles.
 - Industry 5.0: Industry 5.0 places a heightened focus on minimizing waste throughout the entire production lifecycle. This includes not only the manufacturing process but also product use and end-of-life considerations.
2. Recycling and Reuse:
 - Industry 4.0: Recycling and reuse were considered, but their integration might have been more sporadic.
 - Industry 5.0: Industry 5.0 actively promotes recycling and reuse as integral components of production processes. The aim is to create closed-loop systems where materials are efficiently recycled, reducing the need for new raw materials.
 3. Product Life Extension:
 - Industry 4.0: Product life extension strategies were considered but may not have been fully embraced.
 - Industry 5.0: Emphasis on the circular economy in Industry 5.0 includes strategies for extending the life of products. This involves designing products that are durable, repairable, and upgradeable to reduce the frequency of replacements.
 4. Eco-Friendly Design:
 - Industry 4.0: Considerations for eco-friendly design were present but may not have been a central theme.
 - Industry 5.0: Industry 5.0 encourages the integration of eco-friendly design principles from the outset. Products are designed with a focus on minimizing environmental impact throughout their entire lifecycle.
 5. End-of-Life Considerations:
 - Industry 4.0: End-of-life considerations were acknowledged but may not have been a primary focus.
 - Industry 5.0: In Industry 5.0, careful considerations are given to the end-of-life phase of products. Strategies include designing products for easier disassembly, recycling, and safe disposal.
 6. Stakeholder Collaboration for Sustainability:
 - Industry 4.0: Collaborations for sustainability existed but may have been less pronounced.
 - Industry 5.0: Industry 5.0 promotes collaborative efforts among stakeholders, including manufacturers, suppliers, and consumers, to collectively contribute to sustainability goals. This holistic approach aims to address environmental challenges collectively.
 7. Regenerative Practices:
 - Industry 4.0: Consideration for regenerative practices was emerging.
 - Industry 5.0: Industry 5.0 actively explores regenerative practices that go beyond sustainability, aiming to contribute positively to ecological systems.

In summary, while Industry 4.0 initiated discussions on sustainability, Industry 5.0 elevates the commitment to environmental stewardship by placing the principles of the circular economy at the forefront. This transition signifies a holistic approach to industrial practices

that not only optimize processes but also actively contribute to the creation of a regenerative and sustainable industrial ecosystem.

4.5. Role of Logistics in Human-Centric Approach

The role of logistics in a human-centric approach to production is evolving, as highlighted by various researchers [39, 40, 41, 42]. They emphasize the integration of human-centred perspectives, efficient human-computer interaction, and the incorporation of human factors into decision support models. This aligns with the transition from Industry 4.0 to Industry 5.0. In the Industry 4.0 era, logistics focused on creating efficient, data-driven supply chains to optimize machine-centric processes. However, Industry 5.0 envisions a shift towards a human-centric approach, where logistics plays a central role in meeting the dynamic requirements of both machines and human workers. This shift aims to ensure a responsive and agile flow of materials, reflecting the collaborative and flexible nature of Industry. Key Aspects of the Role of Logistics in Industry 5.0's Human-Centric Approach:

1. Adaptive Supply Chain Design:
 - Industry 4.0: Supply chain design was driven by machine-centric requirements and predefined processes.
 - Industry 5.0: Logistics in Industry 5.0 involves an adaptive supply chain design that considers the dynamic needs of both machines and human workers. The supply chain can quickly adjust to changing conditions and requirements.
2. Human-Driven Decision-Making in Logistics:
 - Industry 4.0: Decision-making in logistics was largely automated, driven by data analytics and machine learning.
 - Industry 5.0: Industry 5.0 introduces human-driven decision-making in logistics. Human workers actively participate in decision processes, leveraging their experience and adaptability to handle unforeseen challenges.
3. Flexible Routing for Human Workflows:
 - Industry 4.0: Routing decisions were optimized for machine efficiency.
 - Industry 5.0: Logistics in Industry 5.0 includes flexible routing that considers human workflows. This ensures that materials are efficiently directed to support both machine processes and the tasks of human workers.
4. Collaborative Work Environments:
 - Industry 4.0: Collaboration in logistics was focused on machine-to-machine interactions.
 - Industry 5.0: Industry 5.0 fosters collaborative work environments where logistics seamlessly supports human-machine collaboration. Logistics operations are designed to enhance communication and coordination among workers and machines.
5. Human-Centric Logistics Technologies:
 - Industry 4.0: Logistics technologies were geared towards automation and machine integration.
 - Industry 5.0: Industry 5.0 introduces logistics technologies that are specifically designed to enhance the experience and effectiveness of human workers. This may include user-friendly interfaces, augmented reality tools, and collaborative platforms.
6. Dynamic Inventory Management:

- Industry 4.0: Inventory management focused on optimizing stock levels for machine processes.
 - Industry 5.0: Logistics in Industry 5.0 involves dynamic inventory management that considers the needs of both machines and human workers. Inventory levels can adapt to changing demands in real-time.
7. Human-First Logistics Strategies:
- Industry 4.0: Logistics strategies were primarily driven by efficiency metrics.
 - Industry 5.0: Industry 5.0 introduces human-first logistics strategies that prioritize the well-being, productivity, and adaptability of human workers within the supply chain.

In summary, Industry 5.0 redefines the role of logistics by placing it in the context of a human-centric approach. Logistics operations are no longer solely optimized for machine efficiency; they are designed to adapt to the dynamic needs of human workers, fostering a collaborative and responsive supply chain in line with the principles of Industry 5.0. At its core, the progression from Industry 4.0 to Industry 5.0 signifies a transformative journey in the landscape of manufacturing, where the foundations laid by the former are not just retained but fortified. Industry 4.0 laid the groundwork for the digital metamorphosis of manufacturing processes, leveraging advanced technologies and connectivity.

However, the evolution to Industry 5.0 goes beyond mere technological advancement; it orchestrates a paradigm shift by repositioning humans at the epicenter of industrial innovation. Industry 5.0 elevates the manufacturing narrative by recognizing the indispensable role of human intelligence, intuition, and creativity. It transcends the boundaries of automation and artificial intelligence, placing a profound emphasis on collaboration between humans and machines. This collaborative synergy acknowledges the unique strengths of both, enabling a harmonious coexistence where machines augment human capabilities, and humans, in turn, guide and optimize the capabilities of machines. Crucially, Industry 5.0 injects a vital dose of adaptability and sustainability into the very essence of production logistics.

The manufacturing ecosystem becomes inherently agile, capable of swift responses to dynamic market demands and unforeseen disruptions. This adaptability is not confined to technological aspects alone; it extends to the organizational and procedural layers, fostering a culture that embraces change and innovation as integral components of the industrial DNA. Furthermore, sustainability emerges as a cornerstone of Industry 5.0, reflecting a conscientious commitment to environmental responsibility.

This evolution places a premium on eco-friendly practices, resource optimization, and energy efficiency. The integration of sustainable principles into the manufacturing fabric is not just a response to societal and regulatory pressures but a strategic imperative, ensuring the longevity and resilience of industrial ecosystems in the face of evolving global challenges. The advent of Industry 5.0 heralds a significant leap forward, creating industrial ecosystems that are not only technologically advanced but also inherently human-centric, adaptable, and environmentally conscious. This evolution goes beyond the pursuit of efficiency and productivity; it aspires to redefine the very essence of manufacturing, envisioning a future where innovation, collaboration, and sustainability converge to shape a new era of industrial excellence. As a result, Industry 5.0 paves the way for more agile, personalized, and ethically grounded industrial landscapes, setting the stage for a manufacturing renaissance that transcends the boundaries of conventional expectations.

5. SUMMARY

In conclusion, the integration of Industry 5.0 principles into production logistics represents a transformative leap forward, ushering in an era of unparalleled efficiency, adaptability, and collaboration. The solutions derived from these principles address longstanding challenges in the supply chain, offering innovative approaches that align with the evolving demands of the modern industrial landscape. The emphasis on integrated cyber-physical systems, IoT-enabled asset tracking, and predictive maintenance not only enhances visibility and transparency but also empowers organizations to proactively manage resources and minimize disruptions.

The incorporation of flexible and autonomous manufacturing cells, collaborative robotics, and blockchain technology fosters a dynamic and secure production environment, promoting agility and trust across the supply chain. Real-time data sharing, AI-driven demand forecasting, and smart production lines optimize decision-making processes, ensuring that production logistics align closely with actual demand while accommodating customization requirements. Additionally, the commitment to energy-efficient practices reflects a conscientious approach toward sustainability, contributing to a more environmentally responsible and socially conscious manufacturing ecosystem. As we navigate the Industry 5.0 landscape, the convergence of these solutions reshapes the traditional paradigms of production logistics, offering a pathway to greater operational resilience, reduced costs, and enhanced customer satisfaction.

The principles of Industry 5.0 not only propel manufacturing processes into a new era of technological sophistication but also lay the foundation for a more interconnected, intelligent, and sustainable future in the realm of production logistics. Embracing these principles will undoubtedly empower businesses to thrive in the face of evolving challenges, positioning them at the forefront of the next industrial revolution.

REFERENCES

- [1] Wolniak, R. (2023). Industry 5.0 – characteristic, main principles, advantages and disadvantages. *Zeszyty Naukowe*, **170**, 663–678, <https://doi.org/10.29119/1641-3466.2023.170.40>
- [2] Ivanov, D. (2022). The Industry 5.0 framework: viability-based integration of the resilience, sustainability, and human-centricity perspectives. *International Journal of Production Research*, **61**(5), 1683–1695, <https://doi.org/10.1080/00207543.2022.2118892>
- [3] Maddikunta, P. K. R., Pham, Q., Prabadevi, B., Deepa, N., Dev, K., Gadekallu, T. R., Ruby, R. & Liyanage, M. (n.d.). (2021). Industry 5.0: A survey on enabling technologies and potential applications. *Journal of Industrial Information Integration*, **26**, 100257. <https://doi.org/10.1016/j.jii.2021.100257>
- [4] Tiwari, S., Bahuguna, P. C. & Walker, J. (2022). Industry 5.0: A Macroperspective Approach. In V. Garg & R. Goel (Eds.), *Handbook of Research on Innovative Management Using AI in Industry 5.0*, 59-73, IGI Global., <https://doi.org/10.4018/978-1-7998-8497-2.ch004>
- [5] Efthymiou, O. K. & Ponis, S. T. (2021). Industry 4.0 Technologies and their Impact in contemporary Logistics: A Systematic Literature review. *Sustainability*, **13**(21), 11643, <https://doi.org/10.3390/su132111643>
- [6] Nagy, G., Illés, B. & Bányai, Á. (2018). Impact of Industry 4.0 on production logistics. *IOP Conference Series: Materials Science and Engineering*, **448**, 012013, <https://doi.org/10.1088/1757-899x/448/1/012013>

- [7] Brettel, M., Friederichsen, N., Keller, M. & Rosenberg, M. (2014). How virtualization, decentralization and network building change the manufacturing landscape: an Industry 4.0 perspective. *World Academy of Science, Engineering and Technology, International Journal of Mechanical, Aerospace, Industrial, Mechatronic and Manufacturing Engineering*, **8**(1), 37–44, <https://doi.org/10.5281/zenodo.1336426>
- [8] Fatorachian, H. & Kazemi, H. (2020). Impact of Industry 4.0 on supply chain performance. *Production Planning & Control*, **32**(1), 63–81, <https://doi.org/10.1080/09537287.2020.1712487>
- [9] Sun, X., Yu, H. & Solvang, W. D. (2021). Industry 4.0 and sustainable supply chain management. In: Wang, Y., Martinsen, K., Yu, T., Wang, K. (eds) *Advanced Manufacturing and Automation X. IWAMA 2020. Lecture Notes in Electrical Engineering*, **737**, 595–604, https://doi.org/10.1007/978-981-33-6318-2_74
- [10] Barreto, L., Amaral, A. & Pereira, T. (2017). Industry 4.0 implications in logistics: an overview. *Procedia Manufacturing*, **13**, 1245–1252, <https://doi.org/10.1016/j.promfg.2017.09.045>
- [11] Abdirad, M. & Krishnan, K. (2020). Industry 4.0 in Logistics and Supply Chain Management: A Systematic Literature review. *Engineering Management Journal*, **33**(3), 187–201, <https://doi.org/10.1080/10429247.2020.1783935>
- [12] Lu, Y. (2017). Industry 4.0: A survey on technologies, applications and open research issues. *Journal of Industrial Information Integration*, **6**, 1–10, <https://doi.org/10.1016/j.jii.2017.04.005>
- [13] Vaidya, S., Ambad, P. M., & Bhosle, S. (2018). Industry 4.0 – a glimpse. *Procedia Manufacturing*, **20**, 233–238. <https://doi.org/10.1016/j.promfg.2018.02.034>
- [14] Da Xu, L., Xu, E. & Li, L. (2018). Industry 4.0: state of the art and future trends. *International Journal of Production Research*, **56**(8), 2941–2962, <https://doi.org/10.1080/00207543.2018.1444806>
- [15] Ghobakhloo, M., Iranmanesh, M., Tseng, M., Grybauskas, A., Stefanini, A. & Amran, A. (2023). Behind the definition of Industry 5.0: a systematic review of technologies, principles, components, and values. *Journal of Industrial and Production Engineering*, **40**(6), 432–447, <https://doi.org/10.1080/21681015.2023.2216701>
- [16] Borchardt, M., Pereira, G. M., Milan, G. S., Scavarda, A. R., Nogueira, E. O. & Poltosi, L. a. C. (2022). Industry 5.0 Beyond Technology: An analysis through the lens of business and Operations Management literature. *Organizacija*, **55**(4), 305–321, <https://doi.org/10.2478/orga-2022-0020>
- [17] Žižić, M. C., Mladineo, M., Gjeldum, N. & Celent, L. (2022). From Industry 4.0 towards Industry 5.0: A Review and Analysis of Paradigm Shift for the People, Organization and Technology. *Energies*, **15**(14), 5221, <https://doi.org/10.3390/en15145221>
- [18] Cézanne, C., Lorenz, E. & Saglietto, L. (2020). Exploring the economic and social impacts of Industry 4.0. *Revue D'économie Industrielle*, **169**, 11–35, <https://doi.org/10.4000/rei.8643>
- [19] *Secondary Research, Primary Research, MRRF Database, and Analyst Review*. Retrieved from <https://www.marketresearchfuture.com/>
- [20] *Industry 5.0 market – Global forecast to 2029 (USD BN)*. Retrieved from <https://www.marketsandmarkets.com/Market-Reports/industry-5-market-35376359.html>
- [21] Geng, B. & Varshney, P. K. (2022). Human-Machine Collaboration for Smart Decision Making: Current Trends and Future Opportunities. *IEEE 8th International Conference on Collaboration and Internet Computing (CIC)*, Atlanta, GA, USA, 61–67, <https://doi.org/10.1109/cic56439.2022.00019>
- [22] Slavić, D. (2023). The main concepts of Industry 5.0: A Bibliometric Analysis Approach. *22nd International Symposium INFOTEH-JAHORINA (INFOTEH)*, East Sarajevo, Bosnia and Herzegovina, 1–5, <https://doi.org/10.1109/infoteh57020.2023.10094143>
- [23] Jafari, N., Azarian, M. & Yu, H. (2022). Moving from Industry 4.0 to Industry 5.0: What Are the Implications for Smart Logistics? *Logistics*, **6**(2), 26, <https://doi.org/10.3390/logistics6020026>
- [24] Charalambous, G., Fletcher, S. & Webb, P. (2013). *Human-automation collaboration in manufacturing: identifying key implementation factors*. *Engineering*. Retrieved from

- https://dspace.lib.cranfield.ac.uk/bitstream/1826/9480/3/2-Humanautomation_collaboration_in_manufacturing_identifying_key_implementation_factors-2013.pdf
- [25] De Giorgio, A., Romero, M., Onori, M. & Wang, L. (2017). Human-machine collaboration in virtual reality for adaptive production engineering. *Procedia Manufacturing*, **11**, 1279–1287, <https://doi.org/10.1016/j.promfg.2017.07.255>
- [26] Bettoni, A., Montini, E., Righi, M., Villani, V., Tsvetanov, R., Borgia, S., Secchi, C. & Carpanzano, E. (2020). Mutualistic and adaptive Human-Machine collaboration based on machine learning in an injection moulding manufacturing line. *Procedia CIRP*, **93**, 395–400, <https://doi.org/10.1016/j.procir.2020.04.119>
- [27] Guo, D., Ling, S., Li, H., Ao, D., Zhang, T., Ye, R. & Huang, G. Q. (2020). A framework for personalized production based on digital twin, blockchain and additive manufacturing in the context of Industry 4.0. *IEEE 16th International Conference on Automation Science and Engineering (CASE)*, Hong Kong, China, 1181–1186, <https://doi.org/10.1109/case48305.2020.9216732>
- [28] Tiihonen, J. & Felfernig, A. (2017). An introduction to personalization and mass customization. *Journal of Intelligent Information Systems*, **49**(1), 1–7, <https://doi.org/10.1007/s10844-017-0465-4>
- [29] Lanz, M. & Tuokko, R. (2017). Concepts, methods and tools for individualized production. *Production Engineering*, **11**(2), 205–212, <https://doi.org/10.1007/s11740-017-0728-5>
- [30] Berry, C., Wang, H. & Hu, S. J. (2013). Product architecting for personalization. *Journal of Manufacturing Systems*, **32**(3), 404–411, <https://doi.org/10.1016/j.jmsy.2013.04.012>
- [31] Tamaki, H., Murao, H. & Kitamura, S. (2002). Decision-making strategies for decentralized production planning and scheduling. ISIE 2002. Proceedings of the 2002 IEEE International Symposium on, L'Aquila, Italy, *Industrial Electronics*, **4**, 1352–1357, <https://doi.org/10.1109/isie.2002.1025988>
- [32] Marques, M., Agostinho, C., Zacharewicz, G. & Jardim-Gonçalves, R. (2017). Decentralized decision support for intelligent manufacturing in Industry 4.0. *Journal of Ambient Intelligence and Smart Environments*, **9**(3), 299–313, <https://doi.org/10.3233/ais-170436>
- [33] Hirsch, B. E., Kuhlmann, T. & Maßow, C. (1995). Decentralized and collaborative production management — A prerequisite for globally distributed manufacturing. In *IFIP advances in information and communication technology*, 441–449, https://doi.org/10.1007/978-0-387-34879-7_44
- [34] Hong, I., Su, J. C. P., Chu, C. & Yen, C. (2018). Decentralized decision framework to coordinate product design and supply chain decisions: Evaluating tradeoffs between cost and carbon emission. *Journal of Cleaner Production*, **204**, 107–116, <https://doi.org/10.1016/j.jclepro.2018.08.239>
- [35] Bjørnbet, M. M., Skaar, C., Fet, A. M. & Schulte, K. Ø. (2021). Circular economy in manufacturing companies: A review of case study literature. *Journal of Cleaner Production*, **294**, 126268, <https://doi.org/10.1016/j.jclepro.2021.126268>
- [36] Suzanne, É., Absi, N. & Borodin, V. (2020). Towards circular economy in production planning: Challenges and opportunities. *European Journal of Operational Research*, **287**(1), 168–190, <https://doi.org/10.1016/j.ejor.2020.04.043>
- [37] Lanz, M., Nylund, H., Lehtonen, T., Juuti, T. & Rättyä, K. (2019). Circular economy in integrated product and production development education. *Procedia Manufacturing*, **33**, 470–476, <https://doi.org/10.1016/j.promfg.2019.04.058>
- [38] Skärin, F. (2023). On Circularity in Production Systems Exploring the Realization Through Circularity Practices. Jönköping University, School of Engineering, *Dissertation Series* No. 081.
- [39] Sgarbossa, F., Grosse, E. H., Neumann, P., Battini, D. & Glock, C. H. (2020). Human factors in production and logistics systems of the future. *Annual Reviews in Control*, **49**, 295–305, <https://doi.org/10.1016/j.arcontrol.2020.04.007>

- [40] Michlowicz, E. (2013). Logistics in Production Processes. *Journal of Machine Engineering*, **13**(4), 5-17.
- [41] Klumpp, M., Hesenius, M., Meyer, O., Ruiner, C. & Gruhn, V. (2019). Production logistics and human-computer interaction—state-of-the-art, challenges and requirements for the future. *The International Journal of Advanced Manufacturing Technology*, **105**(9), 3691–3709, <https://doi.org/10.1007/s00170-019-03785-0>
- [42] Grosse, E. H., Calzavara, M., Glock, C. H. & Sgarbossa, F. (2017). Incorporating human factors into decision support models for production and logistics: current state of research. *IFAC-PapersOnLine*, **50**(1), 6900–6905, <https://doi.org/10.1016/j.ifacol.2017.08.1214>