



THE 2020

SUSTAINABLE PACKAGING REPORT

By Kathleen Furore

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Sustainable packaging is “no longer a ‘nice to have.’ It’s a must-have for any brands looking to future-proof their operations against the rising tide of consumer scrutiny.” • That proclamation, made by GlobalWebIndex in its 2019 Sustainable Packaging Unwrapped report, sums up the challenge and the opportunity facing retailers and CPG companies, which are grappling with how to incorporate sustainable packaging into their overall business plans. • It’s a topic that’s top of mind in the marketplace today—one that impacts everything from brand loyalty and affordability to each company’s bottom line. But it is consumers’ increasingly loud call for sustainably produced products that should, as the report noted, “be a wake-up call for manufacturers and brands.” • “Brands need to continue working hard on incorporating sustainability into their DNA and being open and honest with consumers along the way,” the report stressed. • Just how big an issue has sustainable packaging become? And how are all of the players in the supply chain answering the call for products packaged in an environmentally conscious way? • In this special report, *Winsight Grocery Business* answers those questions by exploring how shoppers are driving retailers, CPG companies and packaging manufacturers to embrace sustainable packaging initiatives that will impact the marketplace—and the planet—today and in the years ahead.

DATA TELLS THE STORY

Statistics on sustainable packaging from leading industry sources paint a picture of an industry striving for change.

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ustainability has become one of the biggest issues in food and beverage today—and packaging is a key component of the move toward sustainable business practices.

As Industry View 2020 from the Consumer Brands Association (CBA) reports, “Sustainability has many facets, but none have received the public attention that plastic and packaging waste have in recent years.” And for good reason: Containers and packaging constitute 30% of all waste, according to the U.S. Environmental Protection Agency.

But just how committed is the industry to sustainable packaging overall?

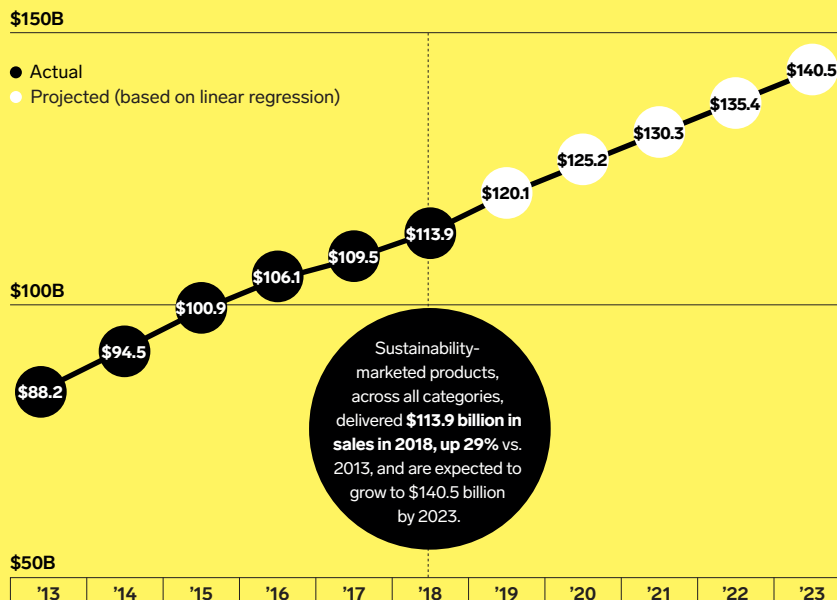
A quick glance at data from leading sources paints a pretty clear picture of an industry striving for change. Arlington, Va.-based CBA reports that all 25 of the largest CPG companies have made commitments to increasing recyclable content, minimizing packaging or reusing material. Other highlights:

- Eighty percent of those companies are working toward fully recyclable packaging for all of their products by 2030 (and some by 2025).
- Ninety-three percent of CPG leaders estimate they spend more time on sustainability issues today than they did five years ago.
- Concerns over plastic and packaging waste were, on average, the second most likely issue that CPG leaders said would impact their businesses in 2020, narrowly trailing patchwork state regulations.

Research from PMMI: The Association for Packaging and Processing Technologies, Herndon, Va., shows that sustainability “is a major focus, with manufacturers using compostable and biode-

Annual Sales* of Sustainability-Marketed Products

Products marketed as sustainable are driving not only product but also total category/market growth.



*The total value of sustainability-marketed products is estimated, based on the actual sales of 36 product categories, representing approximately 40% of the total market in measured channels, excluding alcohol and tobacco.
Source: New York University's Stern Center for Sustainable Business

Sustainability-Marketed Products as a Percent of the Category

LESS THAN 5% SHARE	5%–18% SHARE	GREATER THAN 18% SHARE
Trash bags	Dish detergent	Crackers
Laundry care	Paper napkins	Natural cheese
Carbonated drinks	Cups and plates	Fresh bread
Energy drinks	Household cleaner	Salty snacks
Sanitary napkins	Frozen dinner	Bottled juices
Pet food	Soup	Coffee
Deodorant	Cereal	Facial tissue
Pet treats	Paper towels	Milk
Diapers	Weight control	Yogurt
Toothpaste	Soap	Toilet tissue
Laundry detergent	Skin care	
Floor cleaner	Vitamins	
Cookies		
Chocolate candy		



Source: New York University's Stern Center for Sustainable Business

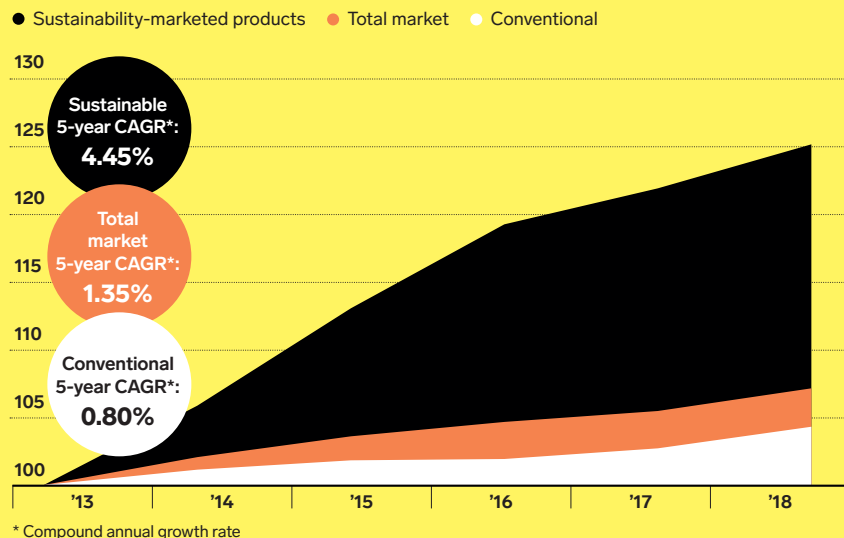
“In a resource-constrained world, making ... packaging more sustainable is critical to companies, consumers and the planet.”

— **Meghan Stasz**, Consumer Brands Association



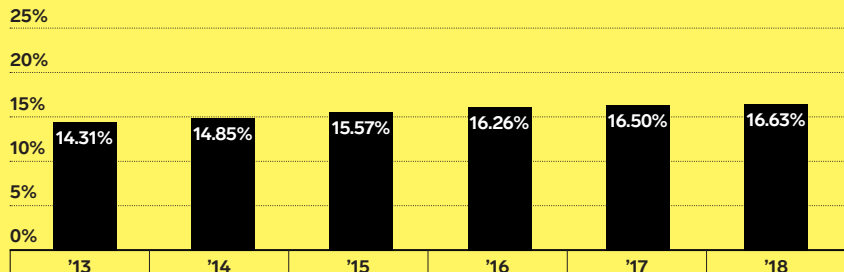
Sustainable Share Index

Sustainability-marketed products grew 5.6 times faster than conventionally marketed products, and 3.3 times faster than the CPG market.

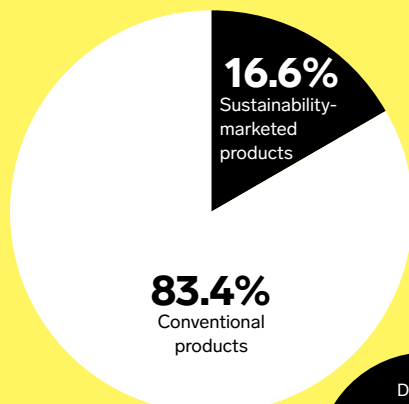


Annual Share of Sustainability-Marketed Products

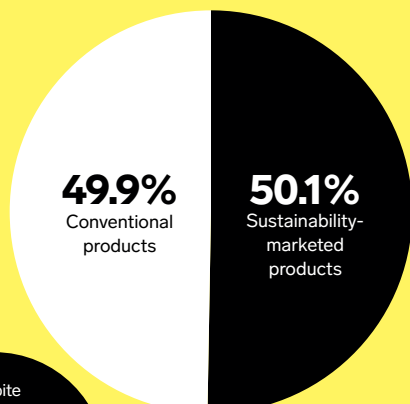
Across all categories studied, sustainability-marketed products accounted for 16.6% share of the market in 2018, up from 14.3% in 2013.



Dollar Share of Market (2018)



Dollar Share of Market Growth (2013-2018)



Source: New York University's Stern Center for Sustainable Business

Despite sustainability-marketed products making up 16% of the market, they delivered more than half of the market growth.

gradable films to meet industry demands.” New approaches companies are exploring to drive sustainability, according to PMMI, include:

- 3D printing.
- Stains in flexible packaging that facilitate package breakdown after a set time period.
- Starch-based and biodegradable films.
- Consolidation to fewer films to maximize scale in order quantities.

BOTTOM-LINE BENEFITS

Grocers who wonder about the profit potential of sustainable packaging can consider these results from the March 2019 Sustainable Share Index, a report from New York University's Stern Center for Sustainable Business, in partnership with IRI: Sustainability-marketed products are responsible for more than half of the growth in packaged food products since 2013. Some groundbreaking findings:

- Products that included an on-pack sustainability claim accounted for 16.6% of the CPG market in 2018, up from 14.3% in 2013.
- Those products delivered nearly \$114 billion in sales, up 29% from 2013.
- Products marketed as sustainable grew 5.6 times faster than those that were not.

“In more than 90% of the CPG categories, sustainability-marketed products grew faster than their conventional counterparts,” the NYU/IRI report says.

“Consumers are voting with their dollars against unsustainable brands,” said Professor Tensie Whelan, director of the Stern Center for Sustainable Business, in a U.S. Chamber of Commerce article, “Sustainability Drives Food Brands to Embrace Earth-Friendly Practices.” “The legacy packaged goods companies that will thrive are those that accept this shift and are willing to pivot.”

Meghan Stasz, VP of packaging and sustainability for CBA, echoes that sentiment. “In a resource-constrained world, making ... packaging more sustainable is critical to companies, consumers and the planet,” Stasz says. “All types of innovations are needed, and the packaging of the future may have entirely new materials, new designs and dramatically increased recycled content. Or we may rethink some packaging entirely to be more reusable or eliminate unnecessary packaging. These efforts are underway now, and I’m optimistic we’ll see game-changing innovations in the near future.”

THE CONSUMER CONNECTION

Shoppers are paying close attention to product packaging, and retailers and brands that embrace sustainable options are poised to thrive.



If there's one thing that's undeniable about the sustainability movement, it's this: Consumers, not companies, are driving the conversation.

According to the CBA, 86% of the CEOs contacted for its Industry View 2020 report ranked the consumer as having the No. 1 impact on their decision-making, establishing consumers as the de facto regulator of the industry.

Understanding customers' preferences in product packaging is a key step in becoming a more sustainable business.

ATTITUDE ADJUSTMENT

Things clearly have changed since the days when shoppers didn't care about the kinds of containers that filled their refrigerators, cupboards and pantries. Increasingly, consumers—especially those in

key demographic groups—are paying close attention to the packaging configurations of the CPG goods they buy.

According to the 2019 Campaign Impact Report from the Paper and Packaging Board, McLean, Va., 36% of consumers—an impressive 50 million shoppers—are 18- to 49-year-old decision-makers who strongly identify as career-focused, environmentally conscious and community-oriented.

“What this tells us is that Gen Z, Gen X and millennials—who represented 49% of grocery trips in 2019—are concerned about the environment and packaging's impact, and that they increasingly prefer paper-based packaging for its natural and recyclable properties over plastic,” says Rachel Kenyon, senior VP of Fibre Box Association (FBA), Itasca, Ill.

Data from the Lancaster, Pa.-based EcoFocus Worldwide's 2019 U.S. Trends Survey supports the important role younger consumers are playing. According to that survey, shoppers expect clean-label products to use healthier packaging that offers an alternative to plastic and is made with renewable or plant-based materials.

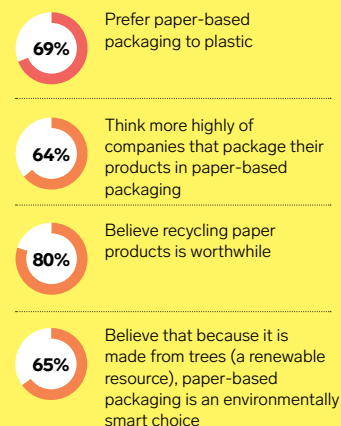
TRACKING PACKAGING PREFERENCES

Sustainably minded consumers are not only talking the talk—they're also walking the walk where packaging is concerned. According to London-based GlobalWebIndex's 2019 Sustainable Packaging Unwrapped report, more than 50% of consumers said they've reduced the amount of disposable plastic they use. The report also tracks the kinds of packaging that appeals most to shoppers today.

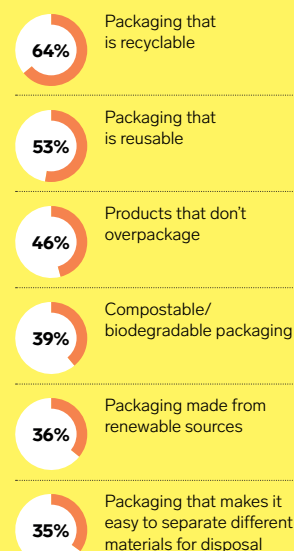
“In our research, we discovered that 42% of U.S. and U.K. consumers say products that use sustainable materials are important when it comes to their day-to-day purchases,” the report says.

Furthermore, 2 in 3 consumers think brands that make a public promise to be sustainable are more trustworthy, the GlobalWebIndex report shows.

Consumers' Opinions of Paper-Based Packaging*



What Consumers Want From Environmentally Friendly Packaging



* Four-year average (reflects average scores across all waves of research conducted since 2015)

Source: Paper and Packaging Board 2019 Campaign Impact Report

Source: GlobalWebIndex 2019 Sustainable Packaging Unwrapped

Smart Packaging Label Programs Educate Consumers

EcoFocus Worldwide's 2019 U.S. Trends Survey revealed that consumers are seeking more education and information from manufacturers and retailers. Nearly

75% of millennials want companies to do a better job of telling them how to recycle or dispose of a package and of making recycling directions and information more prominent on packaging.

The Sustainable Packaging Coalition, Charlottesville, Va., is answering that call with its How2Recycle and How2Compost labeling programs. Member companies include CPG brands and retailers as well as

material manufacturers and converters.

Created in 2012, How2Recycle aims to provide consistent and transparent on-package recycling information to consumers in North America. It allows member companies to track their entire packaging portfolio's recyclability and have access to its platform, where they can view recommendations to improve the recyclability of their packaging, analyze a

breakdown of their packaging portfolio by recyclability category and more.

The How2Compost label program, which grew out of conversations among the How2Recycle label program community and officially launched in 2016, is an on-package label that lets consumers know the package is BPI-certified compostable and includes a URL for more information about composting.

RETAILERS PLAY A ROLE

A rundown of the strides the industry's top players are making in the journey toward a more sustainable future.

The statistics are somewhat startling: Plastic Oceans International reports that more than 8 million tons of plastic are dumped into our oceans annually, while the U.S. Environmental Protection Agency data shows that packaging—much of it from food products—makes up 21% of waste that ends up in landfills.

The good news is the food and beverage industry

has started rewriting the script for the way products are packaged—and grocers are playing a major role.

“Some of the world’s largest and most powerful retailers are demanding accountability from manufacturers to demonstrate sustainable business practices that are responsible socially, economically and environmentally for the long-term health of our planet and its inhabitants,” says Kenyon of the FBA.

According to Arlington, Va.-based FMI, reduction of package waste at retail is a work in progress. “Forty-one percent of retailers have quantified goals and implementation time frames for package waste reduction, while 40% say they are actively working to do so,” according to FMI’s report *The Food Retailing Industry Speaks 2019*.

And recycling isn’t their only approach. “Recycling is an important piece of this puzzle, but not the only answer,” says Heather Garlich, spokeswoman for FMI. “Packaging is going through a transition to support sustainable change. Our industry is looking at reusable and refillable solutions as well as innovative packaging materials.”

COMMUNICATING WITH CUSTOMERS

Embracing sustainability at the retail level is an essential part of cleaning up the environment. But how can retailers let customers know they’re working toward that goal? Using packaging to communicate a sustainable packaging message is one way.

“Not only is corrugated a sustainable packaging material, but it can also communicate with attention-grabbing graphics and information to educate consumers and to help them interact with products,” Kenyon says. “Most corrugated boxes are imprinted with the Corrugated Recycles logo. ... Retailers and CPGs alike can amplify this message by communicating about their own sustainability programs, initiatives and choices, including those related to packaging.”

Sharing sustainability goals and achievements on closure labels is also a way to communicate via packaging, according to Stephanie Paxton Jackson, co-owner of Kwik Lok, Yakima, Wash. “For example, if a company has a carbon reduction goal or a goal to reduce food waste, they can share that information on a closure label, along with how customers are helping by making this purchase,” she says.

And as Matt Banghart, director of food packaging at LK Packaging, Los Angeles, notes, grocery retailers now have more options than ever to package their own fresh ingredients and meal solutions in recyclable, compostable bags and containers.

Examples From the Field

Savvy retailers are making strides in the journey toward a more sustainable future, with several retailers leading the way:



Trader Joe's: The Monrovia, Calif.-based retailer removed nearly 6 million pounds of

plastic from its packaging in 2019—six times the amount the company had committed to at the beginning of the year, according to its 2019 Sustainability Progress report released in January 2020. The company recycled more than 450 million pounds of cardboard, plastic wrap, plastic buckets and damaged pallets. It also created a five-point sustainability framework used to conduct a product-by-product evaluation. Plans for 2020 include introducing compostable paperboard cutlery and cups for in-store sampling stations, reducing the number of plastic bottles for sparkling water, and introducing alternative packaging options for still water.



Aldi: Aldi, which has U.S. headquarters in Batavia, Ill., created an international position

on packaging that focuses on recyclability, reduction and fiber sourcing. “Our goal is to source all fiber-based primary packaging components from certified responsibly managed forests or recycled content for our core range of products by the end of 2020,” according to Aldi’s statement. In addition to the goal for fiber-based packaging, the company says 100% of Aldi-exclusive products, including plastic packaging, will have reusable, recyclable or compostable packaging by 2025.



Kroger: The Cincinnati-based grocer announced last fall that it would work

to eliminate all food waste in its stores and established a \$10 million innovation fund to help achieve that goal. It also was the founding U.S. grocery retailer in Loop, a circular shopping system that offers consumer goods in reusable containers to be collected curbside, cleaned and refilled with the same product. (See sidebar at left.)

In the Loop

In May 2019, circular shopping system Loop launched a pilot program designed to let consumers shop in a more environmentally responsible way. The program offers a variety of commonly used products from leading consumer brands: Procter & Gamble, Unilever, Nestle, PepsiCo, Seventh Generation and Love Home & Planet, to name a few. The Kroger Co. and Walgreens are the founding retailers.

To participate in the program, consumers go to loopstore.com, then click on links to either Kroger or Walgreens to place an order. They receive their durable products in Loop’s shipping tote. After use, consumers place empty containers into the tote and go online to schedule a pickup from their home. Loop cleans the packaging so each container may be safely reused and promptly replenishes and sends products, as needed, back to the consumer.

Launched in the Mid-Atlantic United States and Paris last year, Loop now ships to 10 states and plans to launch in the United Kingdom, Canada, Japan and Germany this year. Loop also will debut in-store at retail locations in the U.S. and France in 2020, Loop CEO and founder Tom Szaky announced in January.

But these packages “can’t simply be put on the shelf without explanation,” Banghart says. “Conveying powerful messages to shoppers through compelling signage and labeling will be crucial to successfully going to market with more sustainable packaging.”

Albertsons is one retailer that’s using packaging to speak to customers. The company is creating recycling communications on its packaging, including the use of QR codes, and is also working with How2Recycle (the Sustainable Packaging Coalition’s on-package recycling program) to standardize its labeling system and improve the reliability and transparency of its recycling claims.

Collaboration is another approach.

“Manufacturers and retailers will be most successful in reaching consumers with sustainable packaging messaging when they work together,” says Brent Heist, packaging expert for Cincinnati-based Procter & Gamble (P&G). Heist points out that many of P&G’s sustainable packaging initiatives

“have been done in partnership with our retail customers across the world.”

For example, P&G Korea, led by Febreze and Oral-B, officially launched a “Plastic-Free Campaign” with local retailer Emart and TerraCycle. “We worked with them to install plastic collection boxes at Emart stores, collecting plastic to upcycle into meaningful products such as traffic safety reflectors for children,” Heist says.

And then there’s more direct interaction with customers—something Trader Joe’s does by reaching out to consumers via an online Q&A that includes recycling and composting information.

Outreach is a positive step—because, as Kenyon says, “Consumers are looking for experiences and product transparency.” And packaging, in its many forms, can help retailers deliver that transparency to their environmentally conscious customers. **G**

An expanded 2020 Sustainable Packaging Report can be found at WinsightGroceryBusiness.com.

“Packaging is going through a transition to support sustainable change. Our industry is looking at reusable and refillable solutions as well as innovative packaging materials.”

— **Heather Garlich**, FMI

WGB’s 2020 Sustainable Packaging Report is brought to you by:

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FIBRE BOX ASSOCIATION®

Fibre Box Association (FBA) is a nonprofit trade association based in Itasca, Ill., that represents North American corrugated packaging manufacturers. The corrugated industry has always been dedicated to responsibility, from worker safety to economic viability and environmental stewardship—the three pillars of sustainability. Corrugated packaging is made from a completely renewable resource, harvested from sustainably managed forests. After safely delivering products to their destination with on-package merchandising pizzazz, 96% of corrugated boxes are recycled—more than any other packaging material. So retailers and consumers alike can feel good about receiving products in corrugated boxes.



P&G is committed to being a force for good and a force for growth in the world. The Cincinnati-based company has a responsibility to enable and inspire positive impact on the environment and society, including tackling some of the world’s most pressing environmental challenges. These actions are part of its “Ambition 2030” goals, and sustainable packaging is no exception. P&G aspires to achieve 100% recyclable or reusable packaging by 2030 and to reduce its use of virgin petroleum plastic in packaging by 50% by 2030. It will achieve this via light weighting, increasing recycled content, driving conversion to more concentrated product forms and, when appropriate, using alternative materials.



Kwik Lok’s Eco-Lok is the next step in the company’s long-term commitment to do right by its customers, its employees and the planet. Eco-Lok is a sustainable bag closure that uses up to 20% less fossil fuel-based resin. It is poised to not only minimize impact but realize new industry sustainability levels. Eco-Lok delivers the same reliability and rigidity you’ve come to expect in plastic bag closures, plus it offers the same print-on capability and is compatible with all existing machinery. Join us in helping make the world a more sustainable place and check into Eco-Lok. The next generation in bag closures.

SUPPORTING SPONSOR



LK Packaging provides stock and custom solutions for films, bags, containers and more, serving food processing, food retail, foodservice, industrial and healthcare businesses. For more than 50 years, U.S. distributors have trusted LK to supply high-quality, ready-to-ship, sustainable packaging products. LK’s inventory is BPA-free, FDA-compliant, recyclable and now includes products that are fully compostable, fully recyclable and, in some cases, both compostable and recyclable in a single item. Serving brand marketers, LK also offers custom packaging configurations and printing capabilities. Based in Commerce, Calif., LK operates from offices and distribution centers in eight major-market locations.

CPGS COMMIT TO A SUSTAINABLE FUTURE

The Consumer Brands Association reports that all of the 25 largest CPG companies have made commitments to increasing recyclable content, minimizing packaging or reusing material. This chart outlines ways companies are moving toward a more sustainable future by focusing their efforts on packaging innovation and increasing recyclability.

COMMITMENT TO 100% RECYCLABLE, REUSABLE OR COMPOSTABLE PACKAGING BY 2025

COMPANY	OTHER SUSTAINABLE EFFORTS
Nestle	To celebrate World Oceans Day, more than 6,000 Nestle employees participated in coastal cleanup initiatives, removing 60 tons of waste in just one day.
Procter & Gamble	Throughout the year, P&G employees participate in community projects. Past events have included removing 18,000 pounds of trash from the Ohio River and a “Big Beach Clean” in the United Kingdom.
PepsiCo	Since 2010, the PepsiCo Recycling program has helped recycle more than 425 million cans and bottles and made a \$10 million investment to educate families on recycling.
Unilever	“Less plastic. Better plastic. No plastic” is Unilever’s sustainability framework, made possible by limiting and innovating its current packaging.
Anheuser-Busch InBev	By 2025, all Anheuser-Busch products will be in packaging that is returnable or made from a majority of recycled content.
Tyson Foods	To mark Earth Day, Tyson employees participated in projects around the world, including planting trees in Pennsylvania and helping clean the Arkansas River.
Coca-Cola Co.	Coca-Cola’s “A World Without Waste” initiative set a monumental goal to collect and recycle the equivalent of every bottle and can it sells by 2030.
Mars	In partnership with the Ellen MacArthur Foundation, Mars is working on a plastic sorting facility to enable more than 90% recycling of after-use plastic.
L’Oreal	In 2018, L’Oreal eliminated 8,705 pounds of virgin materials in packaging as part of its commitment to improve the environmental profile of 100% of L’Oreal products.

Danone	Danone's "One Planet. One Health" vision includes a circular packaging economy, carbon neutrality and sustainable ingredient sourcing.
Kraft Heinz	As part of Kraft Heinz's "Growing a Better World" strategy, the company is optimizing and reducing its global packaging by 50,000 metric tons.
Mondelez International	Mondelez International's long-term goal of zero net-waste packaging will be propelled by its new partnership to collect and recycle packaging around the world.
Heineken Holdingⁱ	During Heineken's annual Day of Giving, Florida employees spent a day on Miami Beach collecting trash and ensuring a clean area for tourists and wildlife alike.
Henkel AG	In addition to Henkel's 2025 commitments, the company aims to use sustainably sourced packaging as part of a closed-loop economy.
Kimberly-Clark Corp.ⁱⁱ	As of 2017, 95% of Kimberly-Clark manufacturing waste and 15,500 metric tons of post-consumer waste have been diverted from landfills.
Associated British Foods	Associated British Foods is actively working to reduce packaging waste and develop a circular economy for plastics.
General Mills	General Mills' global volunteer week resulted in 6,000 volunteer hours, with employees working in community gardens and collecting trash from the Mississippi River.
Colgate-Palmolive Co.	In 2018, six Colgate-Palmolive manufacturing sites around the globe achieved "Zero Waste" certification, with more on the way operating under the same standard.
Newell Brandsⁱⁱⁱ	Newell Brands' packaging is designed for sustainability, with every element of the product life cycle taken into consideration, in alignment with its 2025 goals.
Johnson & Johnson (consumer)	Johnson & Johnson's 2020 goals include reducing carbon emissions by 20% and ensuring that 35% of electricity used is from renewable sources.
Grupo Bimbo	In 2019, Grupo Bimbo introduced the first compostable packaging for bread in Mexico, aimed at eliminating the environmental footprint of packaging.
RB	RB aims to beat plastic pollution through easy-to-understand graphics on product packaging, which advises if the plastic is able to be recycled in the consumer's area.
Kellogg Co.	Kellogg's packaging reduction initiatives helped to avoid 1 million pounds of packaging waste in just one year.
Molson Coors Brewing Co.^{iv}	Molson Coors sponsors the Great Canadian Shoreline Cleanup, an event with 47,000 volunteers who collected about 216,053 pounds of litter from Canada's shorelines.
S.C. Johnson	S.C. Johnson has teamed up with the Plastic Bank Team, leading marine biologists and other experts to keep plastic from ever entering the ocean.

ⁱ100% by 2030 | ⁱⁱ Increase net recycling in operations by 10% every year until 2022 | ⁱⁱⁱ Zero landfill waste at major manufacturing sites by 2020 | ^{iv} Nearly all is already recyclable; committed to reducing packaging amount



FIBRE BOX ASSOCIATION®

Rachel Kenyon, SVP for the Fibre Box Association, shares the story about the sustainability benefits corrugated boxes can deliver and how using them can help grocery retailers in their quest to become more eco-friendly enterprises.

The Fibre Box Association's tag line is: "Boxes. The most extraordinary ordinary thing in the world." Please elaborate on the message that tag line conveys.

Rachel Kenyon: Corrugated boxes have been used to pack and ship products for over 100 years, and they are by far the most predominant shipping container used worldwide. They are so ubiquitous that we may barely notice them. As ordinary as they are, corrugated boxes perform a multitude of functions with a host of extraordinary benefits. They're infinitely customizable. They can be printed with eye-catching graphics and used as a merchandising and branding billboard. They safely deliver products—from electronics to clothing and food—through complex supply chains to their ultimate destinations in pristine condition. And corrugated is made from a natural and renewable resource and is recycled at 96% to make new boxes. So while boxes are an ordinary part

of our everyday lives, they're truly an extraordinary part too.

What are some of the benefits corrugated boxes deliver from a sustainability perspective?

In 2018, 96% of all corrugated produced in the U.S. was successfully recovered for recycling. For decades, corrugated recycling has been miles ahead of any other packaging material's recovery rate. Today, the average corrugated box contains 50% recycled fiber too, so when a box is recycled, it is actually remade into a new box.



Corrugated boxes are made from a natural and renewable resource and are recycled at 96% to make new boxes.

"Since retailers are high-volume users already at the forefront of recycling corrugated, they can boost their sustainability profile by educating their shoppers about their recycling activities; they can ask their suppliers to ship all products to them in corrugated."

When new fiber is needed, corrugated packaging is made from trees that are responsibly harvested from sustainably managed forests. In fact, for every tree harvested, the industry plants at least three new ones. Currently, one-third of the U.S. is forested and 3.2 million trees are planted each day, which means there are more trees today than there were 50 years ago on the first Earth Day.

The corrugated industry's environmental stewardship goes beyond recycling and renewability too. Periodic life-cycle assessments have shown continual improvement in corrugated's contribution to the environment by reducing the waste that goes

to landfills, reducing CO2 and methane gas emissions that cause global warming, using less fossil fuels and increasing use of renewable energy in manufacturing.

What role can corrugated boxes play for grocery retailers who are interested in becoming more sustainable businesses?

Any retailer or brand looking for ways to improve its environmental footprint and sustainability can turn to corrugated packaging as part of the solution. Almost all retailers are already helping by compacting and baling their old corrugated containers and sending them off to be recycled. This can even bring in revenue for the retailer, and at a minimum, it helps defray the cost of waste removal.

Since retailers are high-volume users already at the forefront of recycling corrugated, they can boost their sustainability profile by educating their shoppers about their recycling activities; they can ask their suppliers to ship all products to them in corrugated, and encourage them to promote the recycling message on their packaging.



Procter & Gamble (P&G) has focused on sustainability for more than two decades. Brent Heist, sustainable packaging director, gives insight into how and why the company is dedicated to eco-friendly packaging and other initiatives designed to help P&G reach its ambitious sustainability goals.

Sustainability has only recently come into the forefront as a key issue affecting CPG companies and the retailers they serve. When did P&G first decide to dedicate resources to becoming a more sustainable enterprise?

Brent Heist: At P&G, sustainability is embedded in how we do business—and it has been for a very long time. In fact, 2019 marked the 20th anniversary since we have been reporting our efforts in the area of sustainability. In 2010, we outlined a set of goals we wanted to reach around climate, water and waste by 2020. As we are well on our way to closing out these goals,

we have raised the bar with even bolder commitments called Ambition 2030. These commitments ensure that we leverage our scale to enable and inspire positive impact on the environment and the 5 billion people our brands touch each day around the world. You can learn more about these commitments in our 2019 Citizenship Report at us.pg.com/environmental-sustainability.

How important is sustainability to the company's overall business plan today?

More and more often consumers are embracing brands that make responsible use of the world's finite resources, support an eco-conscious lifestyle and

strive to make a lasting, positive difference around the globe. At P&G, environmental sustainability is embedded in how we do business. We understand that as a global company, we have a responsibility to make the world better—through the products we create and the positive impact our brands can have worldwide.

What role does sustainable packaging specifically play in your environmental sustainability goals?

Packaging protects our products and provides important safety and use information. P&G puts just as much thought and research into our packaging as we do our products. We are always making improvements, so our containers are as efficient and sustainable as possible while still delivering against key performance criteria. And by 2030, we aim to have 100% recyclable or reusable packaging. We've also committed to reducing our use of virgin petroleum plastic in packaging by 50% by 2030, which we will achieve via light weighting, increasing recycled content, driving conversion to more concentrated product forms and, when it makes sense, using alternative materials.

What are some examples of ways P&G is striving to meet sustainability goals in the area of packaging?

There are many pilot projects underway to develop and test new



Reyclable, refillable pods are available for Olay Regenerist Whip moisturizer.

products and new packaging solutions that will bring us closer to our goal of reducing plastic waste.

- Tide introduced the Eco-Box as an e-commerce solution in 2018 to reduce weight and the amount of plastic used in the package. Its reengineered formula gives consumers more cleaning per drop than Tide Original liquid detergent in a shipping-safe package made with 60% less plastic.
- Olay was the first mass retail skincare brand in the U.S. to test refillable packaging, offering its best-selling Olay Regenerist Whip moisturizer with a recyclable refill pod that fits right in the jar.
- P&G was the first consumer products company to partner with international recycling leader TerraCycle in the Loop program. Loop consumers can get their favorite home and personal care products in durable, refillable and reusable containers collected and returned to their doorstep. Loop gives us the opportunity to test and learn what a refill and return business model must deliver in order to make it a truly scalable, sustainable proposition. We are also using this test to see how “collect and recycle” operations for used razor blades and toothbrush heads can be optimized.

“At P&G, environmental sustainability is embedded in how we do business. We understand that as a global company, we have a responsibility to make the world better.”



Kwik Lok has been increasing its commitment to sustainability ever since co-owner Stephanie Paxton Jackson took the helm with her sisters five years ago. She shares the story of how and why the company is focusing now more than ever on sustainable packaging initiatives.

Sustainability has become such an important issue in the food and beverage marketplace. When and why did Kwik Lok decide to escalate its commitment to implementing more sustainable business practices?

Stephanie Paxton Jackson: My sisters and I took over the family business five years ago, after the passing of our father. At that time, we really wanted to concentrate on being socially responsible. We realized our products have a global impact, and we knew that anything we could do to reduce our carbon footprint would have a ripple effect. We wanted to drive meaningful change in our industry and beyond.

What are some of the initiatives you've recently launched that focus specifically on sustainable packaging? Any new products or plans you'd like to share?

Last year, we launched the world's first bag closure made

with renewable plant-based resin called Eco-Lok. We are excited, because this closure uses up to 20% less petroleum-based materials when produced, and when our customers buy/use Eco-Lok, carbon emissions are reduced by up to 20%. We have also developed a way to bind and label produce without using

much packaging; we call the machinery Kwik Link. We are proud of this new technology, because it gets the message out to a challenging part of the grocery store, which has been produce and it's overpackaging.

How can Kwik Lok help retailers and CPG companies alike communicate a message of sustainability to the customers they serve?

We believe our message to retailers and other CPG companies is to "just start." They already may be doing some great things and don't even realize it. When we first started down the sustain-

ability path, we were looking for something to use as a foundation. Then we realized we're one of the best in the U.S. at keeping our workers safe—zero hours lost to injuries. So we built on that. Why not take the same care and attention we give our employees and give the planet a little love, as well? We took a good, long look at everything, from product conception to production and sales. Then we went all-in and not just in one department, but on every level. And in the process, we realized countless opportunities to increase sustainability across all of Kwik Lok as a whole.

Can sustainable packaging actually help boost sales?

Yes, we believe that we can "do good and do well." In other words, we could do good environmentally as well as financially—those two things are not mutually exclusive. You can make an impact on both sides of the scale. Consumers are, as a whole, conscious of the need to care for the environment, and many take sustainability into account when choosing a product. We are seeing bakery and produce customers around the globe, for example, adopting our sustainable solutions as part of their own environmental goals to cut carbon and reduce packaging impact.

"We realized our products have a global impact, and we knew that anything we could do to reduce our carbon footprint would have a ripple effect."



Kwik Lok is owned by Melissa Steiner (from left), Kimberly Paxton-Hagner and Stephanie Paxton Jackson.