

The Value of Sustainable Packaging

Mintel's Global Packaging Insight Director shares his overview on the future of Sustainability, and how it will continue to shape the global packaging landscape.



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Sustainability and profitability will intersect

Sustainability is not new, but it is becoming a higher consumer focus.

More products are claiming to be sustainable and more people are taking an active interest.

Sustainability is no longer confined to the fringes.

Many of the fastest growing brands are those with an eco-friendly position.

Sustainability can drive customer loyalty and build resilience against supply chain issues

Base: US: 1,916 internet users aged 18+ who are responsible for food/beverage shopping

Source: Kantar Profiles/Mintel

DRIVING PURCHASE

36%

of US consumers have selected a product because it had more environmentally responsible packaging than a competitor



IN CONTROL

In times of uncertainty, consumers crave a sense of agency over their lives. Packaging can provide a route to the transparency of information and actionable choices that will enable consumers to feel confident in their responsible packaging choices.



Personal responsibility adds value to the consumer

HOPE FOR THE ENVIRONMENT

64%

of Italians agree that **their behaviour** can make a **positive difference** to the environment

Consumers, experiencing the environmental impact of their actions, are increasingly looking to make **environmentally responsible choices**.

Brands should aim to provide clear on-pack information that responds to consumers' feelings of being responsible for the environment, and arms them with the information needed to act.

Base: 500 internet users, aged 16+

Source: Kantar Profiles/Mintel - Sustainability Barometer, March 2021



Educate consumers how to tackle packaging waste

As the environmental need grows, consumer resolve to act is also strengthening.

INTENTION

80%

of Polish adults try to act in a way that is not harmful to the environment

NEED FOR AWARENESS

86%

of Italian adults would recycle more if there were clearer on-pack instructions on what can be recycled and how

LACK OF CONFIDENCE

23%

of US adults strongly agree that they understand the environmental pros and cons of pack materials

Base: Poland: 1,000 internet users aged 16+; Italy: 1,000 internet users aged 16+; US: 1,916 internet users aged 18+ who are responsible for food/beverage shopping

Source: Kantar Profiles/Mintel



Misleading recycling information causes consumer frustration

Despite plastics labelled as 7 (other) not being collected for recycling in the UK, Darkwoods Coffee ask consumers to 'please recycle'.



Driftwood Caramel, Almonds & Stone
Fruit Ground Coffee



Bottom-of-pack message

BRAND RESPONSIBILITY

55%

of UK consumers agree that brands
should make it easier to recycle
their packaging

On-pack material and recycling
information should be simple, clear
and actionable.

Base: UK: 1,000 internet users aged 16+

Source: Kantar Profiles/Mintel



Recycling labels and communication guidance get updated

The EU Plastic Strategy aims to ensure that all plastic packaging is reusable/recyclable by 2030, but **does not envisage** harmonising measures on recycling symbols.



M&S Food label showing the OPRL logo



M&S Food Alphonso Mango & Raspberry Semifreddo

Within flexible packaging brands are moving to 'technically recyclable' materials before collection systems exist



Recyclable PP pouch
Gerber. Recyclable polypropylene replaces an unrecyclable multilayer structure. (US)



Recyclable HDPE tube
Colgate's recyclable HDPE tube is ready for future curbside collection (Norway).



Recyclable LDPE pouch
Reckitt Benckiser's recyclable, mono-material dishwasher tablet pouch (Italy).

Retailers are taking the lead in developing a soft plastic collection infrastructure



ALDI
In-store soft plastic recycling bins have been introduced at 20 ALDI stores across the North of England and East Midlands (UK).



Pets at Home
UK-based pet products specialist Pets at Home is trialling dedicated recycling points for flexible pet food packaging (UK).



Co-op
Co-op is aiming to introduce Europe's largest in-store recycling scheme for plastic bags and soft plastic food packaging, with 2,300 recycling units installed by November 2021.

In the future, consumers will 'self-check' to measure the impact of their product choices before purchase

Consumers are increasingly recording, understanding and aiming to reduce their environmental footprint.

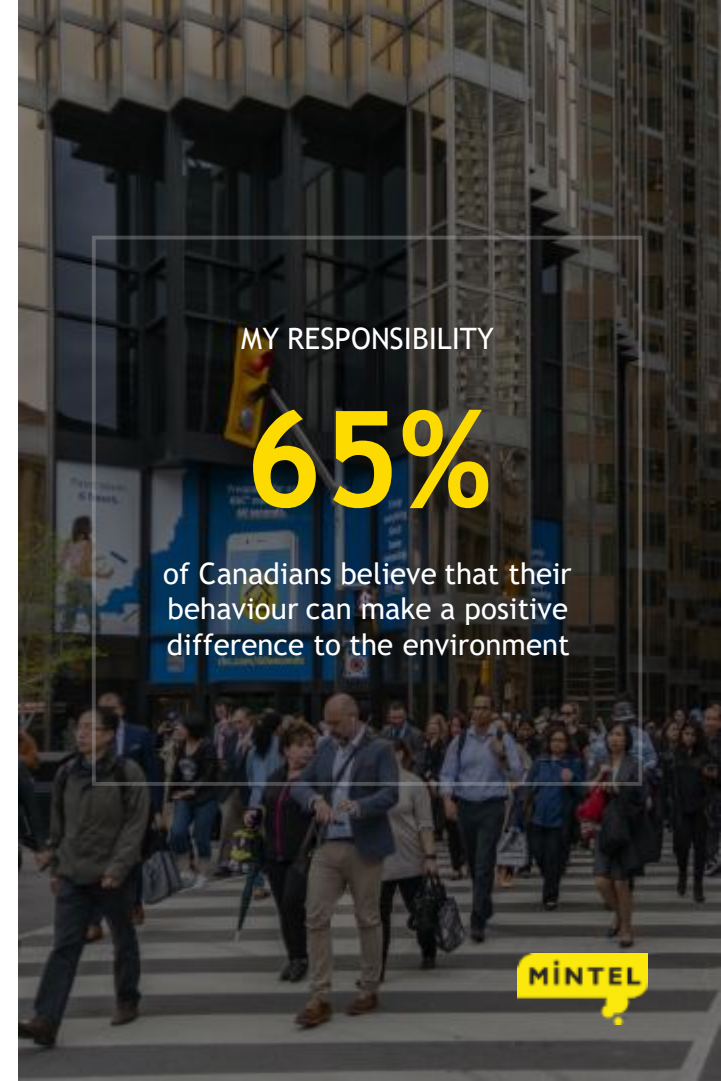
Consumers will be asking about the impact of a product or service before they commit to purchase.

Ensuring a responsible disposal method is shifting to the purchase moment, with being recyclable the preferred route.

Brands, retailers and companies will need to satisfy shoppers that the disposal of both product and packaging can be achieved without any negative environmental impact.

Base: Canada: 500 internet users aged 18+

Source: Kantar Profiles/Mintel - Sustainability Barometer, March 2021



MY RESPONSIBILITY

65%

of Canadians believe that their behaviour can make a positive difference to the environment

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ETHICS CHECK

While many retailers, brands, and package manufacturers have made their voices heard on controversial topics related to diversity, inclusion, and equity, consumers want to see measurable progress toward responsibility regarding the environment.



Open ethical reporting brings the value of trust

BRAND RESPONSIBILITY

74%

of Italian adults think that it is the responsibility of food and drink companies to protect the environment

As brands provide transparency of action, and show leadership in environmental initiatives, consumers want to see measurable progress against their goals.

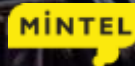
Brands must provide clear on-pack information that highlights the responsible actions being taken to address environmental concerns.

Such measures can benefit the brand by building its story and communicating 'premium' through a holistic responsibility story.

However, in addition to spotlighting the achievements and strengths, businesses have to be transparent about their weaknesses, and how they plan to address these issues in the future.

Base: Italy: 500 internet users aged 16+

Source: Kantar Profiles/Mintel - Sustainability Barometer, March 2021



Consumers tell their truth about trust and responsibility

Consumers have high expectations of companies when it comes to ethical behaviour.

LACK OF TRUST

52%

of German consumers don't trust companies to be honest about their environmental impact

BRAND RESPONSIBILITY

58%

of Italians think companies, rather than consumers, are responsible for increasing the amount of packaging that is recycled

COMPARABLE MEASURES

83%

of Canadian consumers would trust claims around sustainability more if there were standardised labels across products

Base: Germany Italy; 500 internet users aged 16+; Canada: 2,000 internet users aged 18+

Source: Kantar Profiles/Mintel - Sustainability Barometer, March 2021



Misunderstood actions are being seen as greenwashing

The Alliance to End Plastic Waste (AEPW) is a non-profit that aims to 'end plastic waste' by spending US\$1.5 billion on cleaning up plastic waste in developing countries.

However, backed by oil and chemical companies including Shell, ExxonMobil, and Dow, AEPW has argued against bans and other means of reducing plastic production. This has led to claims that the group is no more than a plastic industry lobby group.

Packaging companies and brands are seen as the *source* of the plastic that can potentially pollute.

Consumers increasingly expect responsible solutions to address production as well as clean-up.



Alliance to end plastic waste

Environmental Social and Governance (ESG) reporting is moving from optional to mandatory

Sustainability reporting is becoming so prevalent that companies not reporting will find themselves seriously out of step with global norms and falling out of consumer favour.

NEED FOR TRUSTABILITY

51%

of people surveyed in 27 markets trust corporate sustainability reporting

INCREASED REPORTING

80%

of companies worldwide report on sustainability in some form

CONSUMERS RESPOND

24%

of US consumers are prepared to boycott companies who behave unethically

Base: 1,000 internet users aged 18+

Source: GRI GlobalScan; KPMG; Kantar Profiles/Mintel, July 2020



In environmental reporting consumers are seeking ‘specifics’

Consumers believe they have a handle on ESG’s “big picture” criteria.

They are now demanding brands and package manufacturers work for the “greater good” and commit to measurable goals.

The UN’s Sustainable Development Goals highlight 17 areas of focus, each with specific targets.



Provide clear tangibility and proof

PROVIDE EVIDENCE

73%

of German household care product buyers agree that brands should provide more proof of their eco-friendly claims

Information and numbers without context or clarity will cloud the issue and make it more difficult for consumers to really engage.

Companies have made a lot of pledges - there is responsibility to keep people informed.

Balance this with emotional education that garners a response.

Base: 1,948 internet users aged 16+ who have bought any type of household care product in the last 6 months

Source: Kantar Profiles/Mintel



Simple logos to convey complex environmental measures



La Fourche chocolate bar with etiquettable's eco-score logo



Veganz energy snack with eternity logo

CLEAR COMMUNICATION

78%

of Polish adults think that there should be a clear rating system to show environmental impact on product packaging

Base: Poland: 1,000 internet users aged 16+

Source: Kantar Profiles/Mintel



Read on [mintel.com](https://www.mintel.com)

Be prepared to share the detail

New products are targeting packaging, carbon and circularity, as well as exploring alternatives to fossil fuels.

Be bolder and more ambitious in aims - from mitigation to positive impact.

Collaborate with industry players and be clear and open with consumers.



Cocokind provides complete eco-transparency via an on-pack Sustainability Facts panel

In the future brands will need to be proactive in calling out comparable measures

Consumers and legislators will demand that brands work in concert with package manufacturers to simplify communication about their eco footprint.

Such simplification means succinct, easily quantified measures that consumers can understand.

Commitments made by brands and package manufacturers to address the environmental impact of packaging have made huge headlines.

As the deadlines for these commitments come near, consumers will punish those who miss their targets.

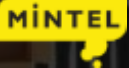
Base: Spain: 500 internet users aged 16+

Source: Kantar Profiles/Mintel

IN SPAIN

50%

of consumers would like to see product labelling that measures the impact on the environment in measures that they can understand.



CLIMATE COMPLEXITY

Concern about the climate crisis is driving consumers to look for help and guidance to shrink their carbon footprint. Clear and comparable carbon measures printed on pack will demonstrate to consumers a commitment to monitoring and reduction.



The value of carbon reduction to the planet

Global warming will mean more extreme climates. Every additional 0.5°C of global warming will cause increases in the intensity and frequency of hot extremes, leading to heatwaves, heavy precipitation and droughts.

As such brands have a responsibility to conserve resources and act in a way not harmful to the planet.

Companies and brands must recognise that responding to this challenge will come at a financial cost, and will force a reconsideration in the value and meaning of 'growth'.

Consumers will be watching these overall emissions closely to determine whether our collective efforts have had an impact.

TAKE ACTION

76%

of UK adults think an ethical company/brand is one that promotes protection of the environment.

Base: UK: 2,000 internet users aged 16+

Source: Kantar Profiles/Mintel



Carbon claims growing in numbers and confusion

Consumer misperceptions associated with such on-pack claims as compostable, biodegradable and even recycled content are now extending to claims regarding carbon, and are likely to continue as on-pack carbon-neutral claims have risen 4,386% between Jan 2015 and Dec 2021.

Along with a proliferation of carbon claims comes confusion as to which are good, better, best or perhaps just less bad. For example, carbon offsetting is experiencing a backlash as consumers learn exactly what it means. While offsetting does not reduce carbon emissions, it is an immediate and measurable way for businesses to take responsibility for their current carbon footprint.



A lack of consistency is a barrier to understanding

Many on-pack carbon claims are reduced to simple statements or logos. This simplicity does not serve to provide clarity as many claims appear to be contradictory.



Carbon Neutral

The Collective Great Dairy Yogurt The manufacturer claims to offset the emissions made by creating this yoghurt. (UK)



Carbon Negative

Jude's Vanilla Custard claim they are Britain's first carbon negative ice cream and desserts company. (UAE)



Carbon Positive

Pilecco Nobre Arborio Rice features the Embalagem Carbono Positivo Box Print (Carbon Positive Packaging Box Print) logo. (Brazil)

Carbon is changing what it means to be green



Tenzing Natural Energy Drink

As brands measure their carbon footprint, the carbon reduction benefits of different materials will clarify.

For example, energy drink brand Tenzing chose to use an aluminium can as it is 100% recyclable and therefore has the benefit of a circular economy.

However, after partnering with CarbonCloud to measure their carbon footprint, the brand was alerted to the high level of carbon emissions associated with the use of raw (as against recycled) aluminium. As a result, the brand has committed to a plan to increase their use of recycled aluminium from the current 50%.

More and more factors will come into consideration

Consumers are becoming savvier about what is being done and what is possible. New concepts will be recognised by consumers as influential on a product's overall impact.

IMPACT ON WATER

63%

of adults in France agree it's difficult to know the impact of household cleaners on water pollution

IMPACT ON DEFORESTATION

59%

of German adults are concerned by deforestation

IMPACT ON FOOD SUPPLIES

36%

of Spanish adults are concerned by food shortages due to drought or crop failure

Base: France: 2,000 internet users aged 16+, Germany: 500 internet users aged 16+, Spain: 500 internet users aged 16+

Source: Kantar Profiles/Mintel, January 2021, Kantar Profiles/Mintel Sustainability Barometer, March 2021



Promote responsible use of resources

Responsible usage of alternative inputs will be critical to product success. Ensure consumers are aware that the natural products they demand are **not having negative impacts elsewhere**.



Reduced water use

Henkel K2r Colour Catcher Sheets retail in a recyclable board pack partially made using natural grass. (Lithuania)



Reduced carbon emissions

Gaia Bienenwachstücher retails in a pack made mostly from grass paper for less carbon emissions. (Germany)

Brands are exploring new materials.

For example by replacing some wood fibres with grass fibres in board packaging, brands can reduce water use and carbon emissions.

In the future all responsible packaging actions will be justified by their carbon impact

Carbon emission reduction presents both a challenge and an opportunity to not just brands but every person that calls planet Earth home.

Sustainability has become an all-encompassing concept to which consumers have difficulty relating.

On-pack messaging clarifying reductions of green house gas emissions in bite-size, quantifiable measures is gaining traction, and could become the de-facto sustainability measuring stick.

Brands will need to help consumers understand the complex impact of packaging on carbon emissions.

As such, the 'sense of story' on packaging will become stronger to include the cost of eco-responsible packaging versus the cost of producing and delivering the goods.

Base: Spain: 500 internet users aged 16+

Source: Kantar Profiles/Mintel - Sustainability Barometer, March 2021

COST OF CARBON

59%

of Spanish adults report that environmental impact labelling would encourage them to buy products or services which claim to benefit/protect the environment.

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Key takeaways

Educate and empower consumers to be 'In Control'

Consumers are increasingly looking to make environmentally responsible choices.

Brands should provide packaging with simple and explained responsible disposal routes. In this way consumers can feel rewarded for their actions and purchase decisions by seeing a measurable positive outcome.

Provide clear metrics to enable an 'Ethics Check'

Consumers want to see measurable progress against brands' environmental goals.

Brands should work in harmony with package manufacturers to provide clear on-pack information that highlights environmentally responsible actions and shows leadership in environmental initiatives.

Help consumers decipher 'Climate Complexity'

While it's extremely unlikely that we will see any reduction in atmospheric carbon dioxide in our lifetimes, what we can hope to see is a minimising of our emissions.

Clear and comparable carbon measures printed on pack will demonstrate to consumers a commitment to monitoring and reduction.