

Trends and evolving markets in sustainable packaging collaboration

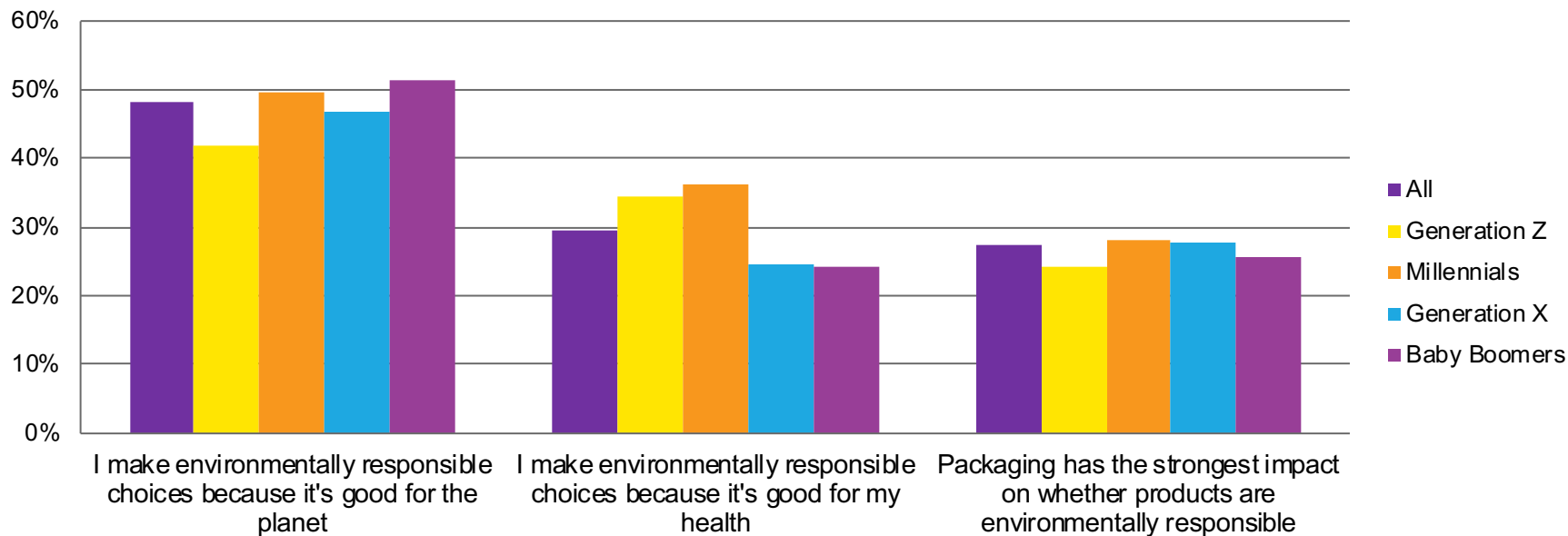
Companies, converters, and consumers must work together to effectively address and engage in sustainable packaging initiatives. Here's what's happening now, and where the future may take us.

Presented by:
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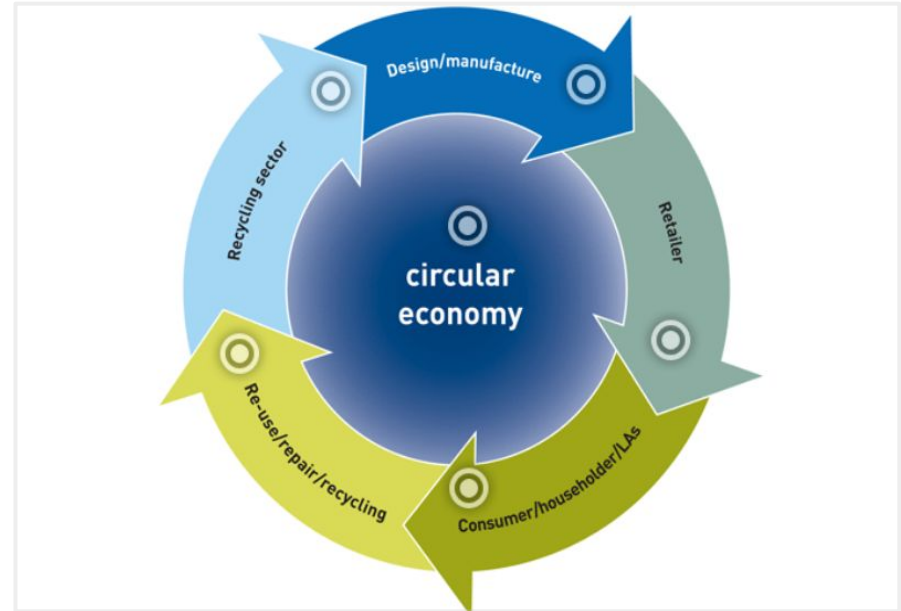
For consumers, packaging plays an important role in environmental responsibility

Statements regarding food and beverage packaging, US, March 2019



'Circularity' of sustainability involves all in the process

- The definition of sustainability is changing to encompass the entire product lifecycle.
- Collaboration between suppliers, manufacturers, governments, nonprofits, retailers and consumers must help to ensure sustainability **extends from farm to retailer, from fork to bin, and ideally, to rebirth** as a new plant, ingredient, product or package.



US plastic producers set circular economy goals

American Chemistry Council's (ACC) Plastics Division has announced new [plastic resin producer targets](#) with the aim of recycling or recovering all plastic packaging used in the US by 2040.

Specifically, members of ACC's Plastics Division have set the following goals:

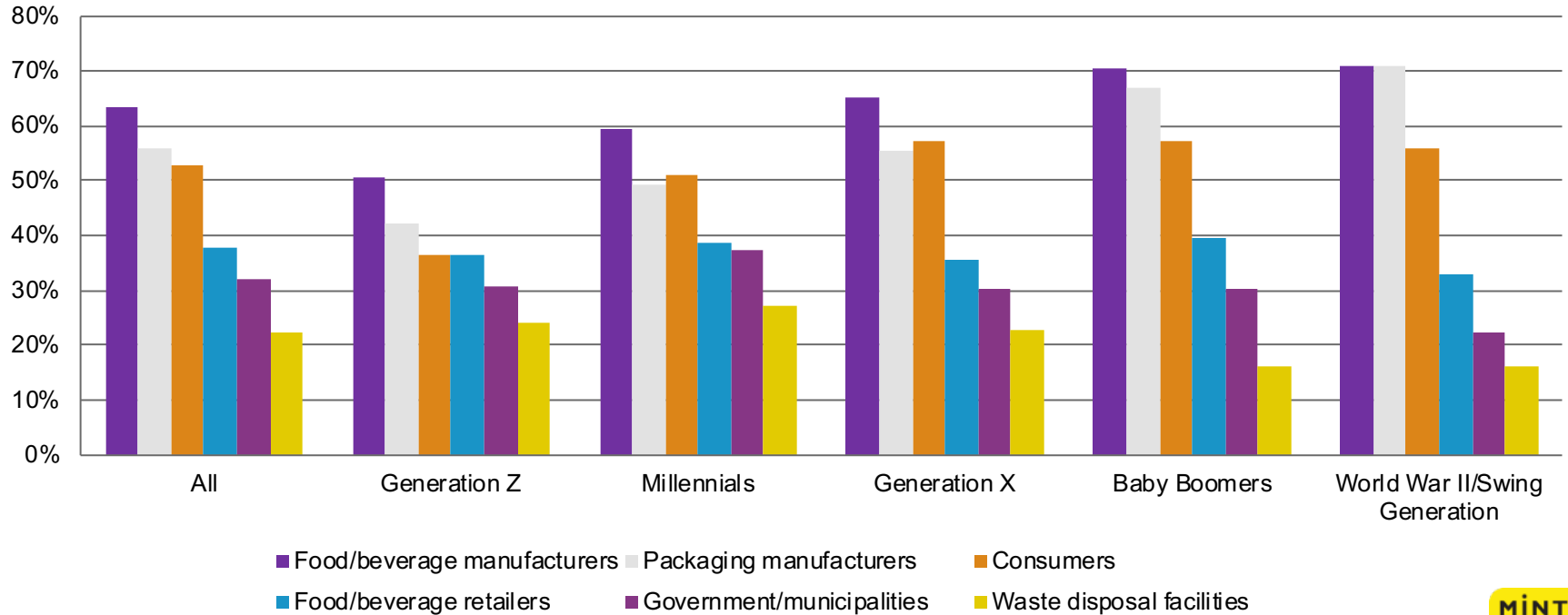
- 100% of plastic packaging is recyclable or recoverable by 2030
- 100% of plastic packaging is reused, recycled or recovered by 2040

48%

of [US household care product users](#) report recycling most of the household care packaging they use

Consumers believe CPG companies, packaging companies must lead

Who is responsible for environmentally friendly food and beverage choices, US, any agree



In the market: Tetra Pak purchases panels to promote recycling

Tetra Pak's Ad On Pack (AOP) campaign is taking the carton format's eco-responsibility message directly to consumers.

Tetra Pak purchases one side panel of a customer's milk carton. That panel is decorated with text, graphics and a QR code. By scanning the QR code, consumers can view a short video about the proper way to recycle the cartons.

Parmalat, Batavo and Shefa are participating, and Tetra Pak expects 22 brands to be on board by year-end 2019.



Tetra Pak's AOP messaging panels

In the market: Coke points consumers toward recycling



Coca-Cola points consumers toward recycling bins

Coca-Cola is capitalizing on its iconic brand "dynamic ribbon" to lead consumers directly to recycling bins.

The billboard campaign was introduced in Central and Eastern Europe and at the Bulgarian Happy Energy Tour music festival.

The campaign was based on insights that found consumers will recycle if bins are easy to find.

Coca-Cola has promised that 100% of its packaging will be recyclable by 2025, and by 2030 it plans to have systems in place to ensure that every bottle or can it puts out will be returned.

Consumers see package reduction as important to purchasing decisions

High levels of concern regarding packaging waste support the importance of reducing packaging or using packaging that is perceived to be more responsible.

BEVERAGE

32%

of US consumers say reducing packaging waste is important to them

FOOD

59%

of German consumers think food brands should reduce the amount of packaging they use

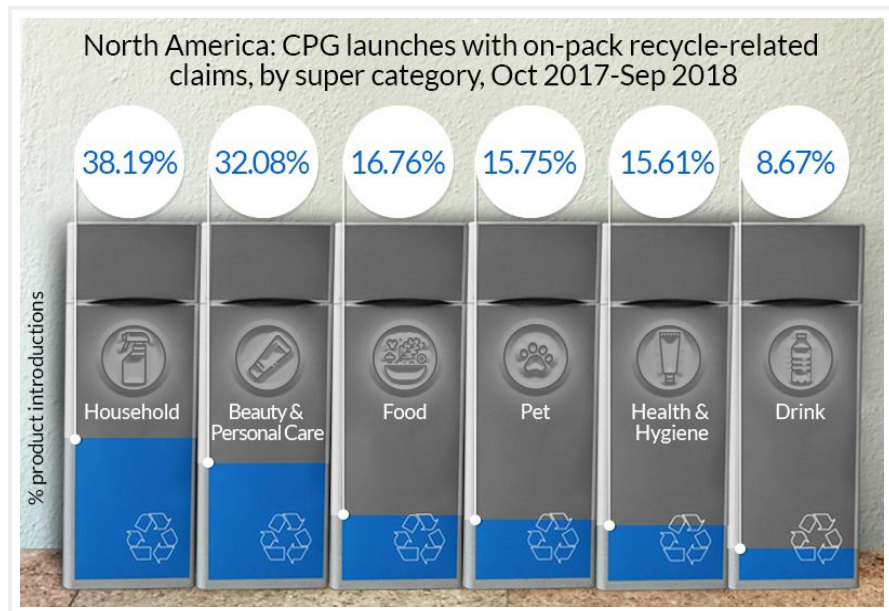
HOUSEHOLD CARE

29%

of US consumers say corrugated cartons are more eco-responsible than plastic pouches, bottles or tubs



Recycle-related claims disappearing from packs in North America



Even as [62% of US food shoppers](#) say on-pack communication is important to their purchasing decisions, claims have declined.

Household performs best in this case due to the high usage of mono-plastic bottles. In beauty, high 'recyclable' claims for board carton disguise the low use of recyclable claims on the bottles and tubes contained within.

In beverages, only [11% of US consumers](#) rank recycling information as being important to their purchasing decisions.

In household products, just [13% of US consumers](#) seek on-pack environmental information.

Are the 'signs' working?

44%

of [US consumers](#) simply don't believe their recyclables are being recycled

A [survey of US consumers](#) by [The Carton Council](#) reveals that, while 85% report they are recycling, there is widespread scrutiny on whether it is actually effective.

Support for recycling is highest among younger people, but there is, overall, only slight variation between age groups all the way up to age 65.

Commitment to recycling may be on shaky ground, given the significant public attention on the recycling market struggles of the past couple of years. Chief among consumer concerns is what actually happens to materials once they leave the curb.

In the market: Grassroots flexible packaging recycling effort supported by industry

TotalRecycle in Eastern Pennsylvania in the United States, in a joint effort with Materials Recovery for the Future (MRFF), a research collaborative funded by major retailers, converters, CPG companies, and associations.

TotalRecycle parent Resource Recycling Systems developed the test methodology, pilot design, end market and stakeholder engagement work streams for the program. It plans to recover and recycle flexible plastic packaging. Curbside collection will begin in 2019 in three local counties in the state.



TotalRecycle's flexible packaging recycling facility.

In the market: Global brands increasing recycled content



100% recycled content by 2020
[PepsiCo](#) has [entered a partnership](#) with US sustainable plastic firm [Loop Industries](#) to roll out beverage packaging made with 100% recycled plastic by 2020.



Concentrated shower gel
[I Love My Planet Concentrated Shower Gel](#). This 100ml recyclable pack contains 100% recycled PET and is also made with 50% less plastic than an equivalent non-concentrated product.



No separation anxiety
[UPM Vanish](#). These labels are converted with 90% recycled content face and liners, and are adhered with a wash-off adhesive that allows polypropylene labels to separate cleanly from valuable PET flake.

In the market: Concerns about plastic could drive pack material innovation



Bio-based packaging

[Coles Lean Mince Australian Beef](#).

Private label meat uses a recyclable bio-based layered PET. Bio-based packaging materials will be a key component in the next generation of responsible packaging.



Returnable glass bottles

[Danzeisen Dairy Milk](#).

The milk industry is looking to reduce its [reliance on plastic](#). Danzeisen US dairy uses reusable glass milk bottles, which require less energy to sterilize and reuse than the energy required to recycle plastic.



Plant-based fiber bowls

[Healthy Choice Power Bowls](#)

[Cauliflower Curry](#). The vegan meal was launched in Sep 2018 and uses ConAgra Brands' plant-based fiber serving bowl.

In the market: Paper replaces flexible plastic to make plastic free claims



Paper sachet

[Rosemary & Pumpkin Seed Snacks.](#)

Retails in a 30g recyclable and compostable plastic-free pack, bearing the EU Green Leaf, Facebook, Twitter and Instagram logos.



Paper pouch

[Chocolate with Orange Granola.](#) The

paper based packaging is 100% plastic free, recyclable and compostable.

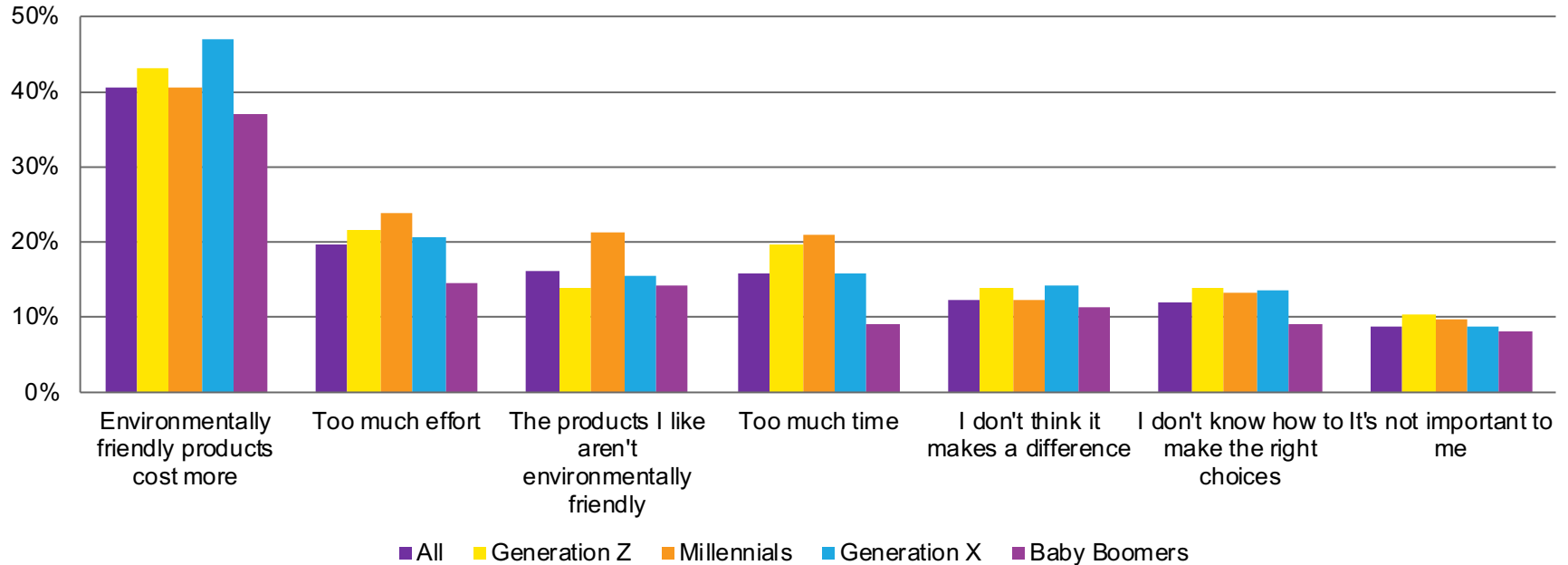


Paper wrap

[Nestle](#) announced on March 4, 2019, that it would reintroduce Nesquik in a recyclable paper pouch.

Cost is the primary barrier to consumer engagement with sustainable products

Barriers to sustainability, US, March 2019



In the market: Focus on premium recycled material for of a premium priced product

OceanBound Plastic's Envision has organized special collection of plastics within 50 kilometers of coast lines that lie along known at-risk areas for marine debris.

Its first customer, ViTA, is using the 100% recycled plastic for its haircare products.

The resin used in the master batch also carries the colourant, a key attribute for beauty/personal care packaging. Water usage in the recycling and converting process is extremely limited and kept solvent-free so that it can be re-purposed as grey water for landscape irrigation.

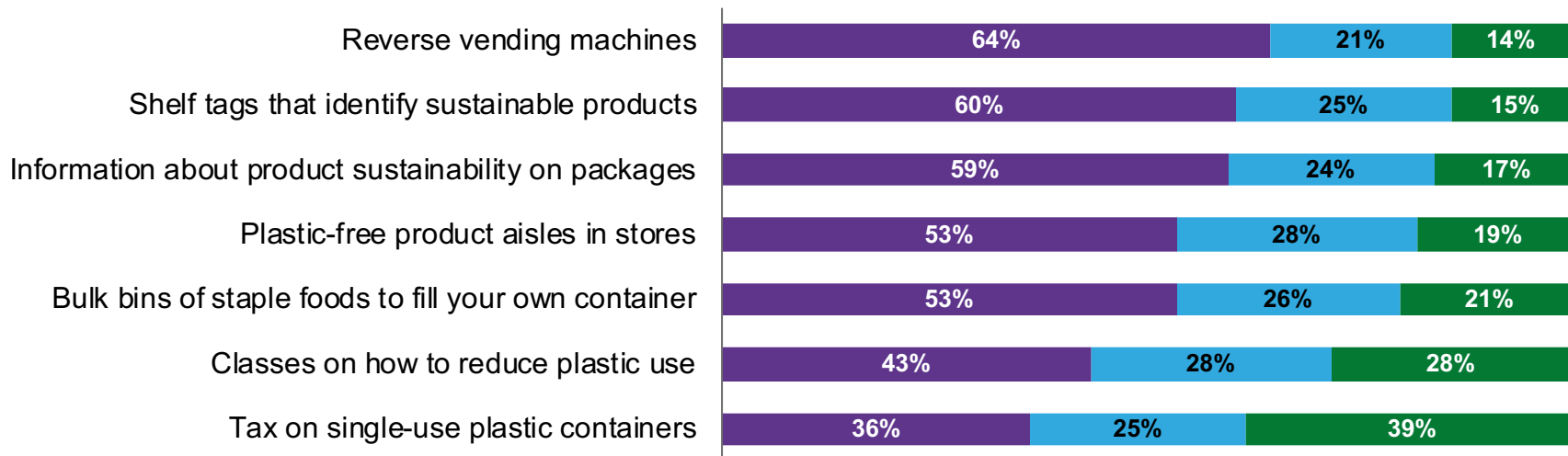


ViTA's Envision plastic bottle

Information, incentives most important to consumers

Sustainability concepts of interest

■ Any interested ■ Neither interested nor uninterested ■ Any uninterested



In the market: Seven & i attempt to close the loop with reverse vending machines

[Seven & I](#) has introduced a stand-up pouch made partially from recycled plastic bottles collected at 7-Eleven stores. Reverse vending machines are present at 210 stores in the Kanto area of Japan.

While using high-quality recycled content from bottles to convert lower-value recycled content flexible packaging has come under scrutiny, the ultimate goal of the program is to establish a “bottle-to-bottle” closed-loop recycling system.



[Seven & i Premium Cheese Hot Pot](#)

In the market: Incentivizing recycling

Though recycling may be second nature to some, the inconvenience of cleaning and sorting waste for recycling is a barrier for others.

In response, an increasing number of schemes are aiming to reward recycling behavior. For example, in Turkey, commuters can [trade empty bottles for credit](#) on Istanbul Cards, the city's travel card.

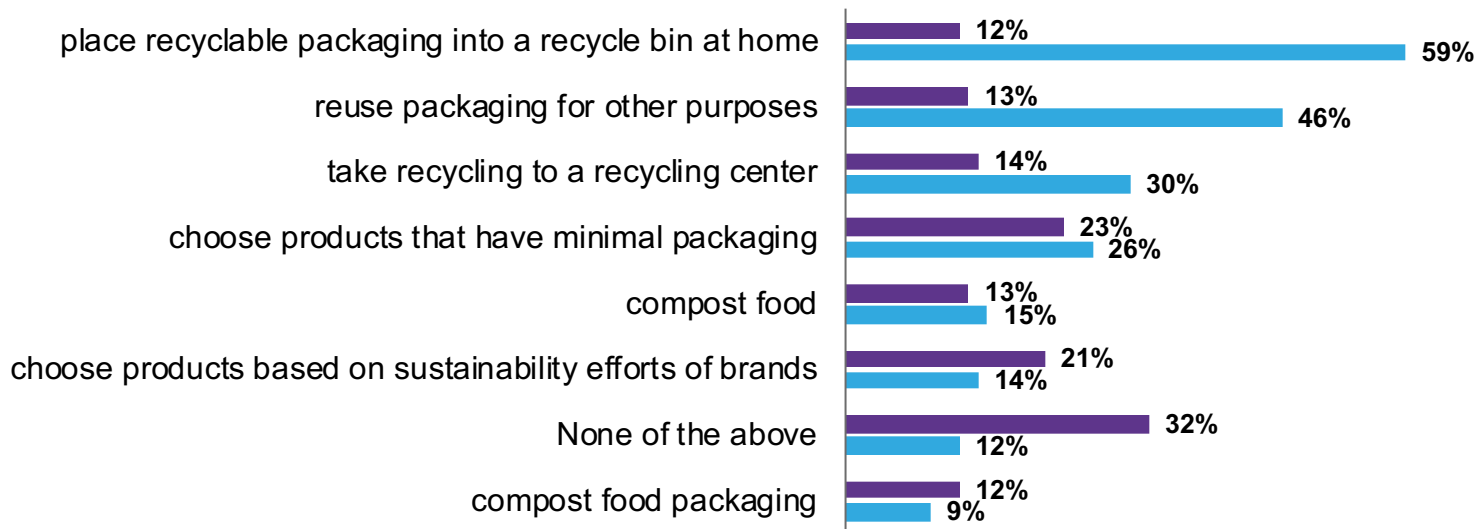
In the UK, motorists receive a [20p parking voucher](#) for every bottle they bring to the CitiPark in Leeds.



For the future, help consumers recycle, reduce packaging

Current and future sustainability habits

■ Within the next couple years ■ I currently do



For the future: Acknowledge complexity



“ We realized after 18 months we weren't changing shoppers habits.

Erica Howard Cormier, CEO, In.gredients package-free store, Austin, TX



“ Our stainless steel drinking straw may save hundreds of plastic straws from ever being made...but remember that somewhere the ground was scarred with mines digging up the nickel and chrome ores.

*Zero Waste Store
Freemantle, WA*



For the future: Changing hearts, minds, and actions

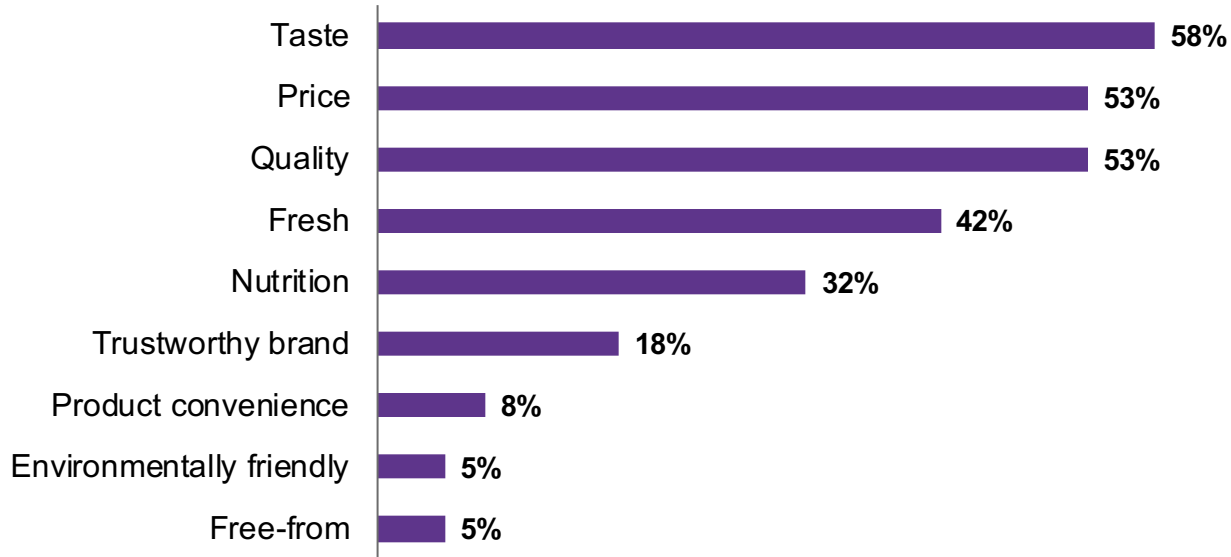
Greater education about diversion to recycling and the best use of the limited amount of high-quality recycled content are paramount to changing consumers' minds and personal behaviors.

Nothing that anyone in the ocean plastics space is doing, including [TerraCycle](#), is the answer in the end. The real answer is that we have to shut off the stuff going into the ocean. [That's] difficult because what's happening is a macro-trend of lightweight packaging, making packaging thinner and lighter. But as you increase lightweight packaging, it becomes less recyclable and more likely to end up in the aquatic system.

Tom Szaky, CEO/Founder, TerraCycle

Packaging is important, but keep in mind what's most important to consumers

Most important factors when choosing food and drink, US, March 2019



Base: 1,952 internet users aged 18+ who are responsible for food/beverage shopping

Source: Mintel/Lightspeed



Thank you!



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