



**American
Packaging**
CORPORATION

BRAND OWNER'S DECISION GUIDE TO SUSTAINABLE FLEXIBLE PACKAGING PROGRAMS

SUSTAINABLE PACKAGING E-BOOK

INTRODUCTION TO SUSTAINABLE PACKAGING

Companies and consumers are more environmentally conscious than ever before, and that means now is the time to take action and implement sustainable packaging strategies that reflect your brand.

Perceptions and rules are constantly changing when it comes to eco-friendly packaging. From litigation risks and consumer mistrust to materials and design, you'll want to cover your bases.

In this guide, we'll explore some of the practical challenges and potential risks posed when making claims to consumers.

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Business goals and consumer demands

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BUSINESS GOALS & CONSUMER DEMANDS FOR FUNCTIONAL SUSTAINABILITY PROGRAMS

Business leaders have embraced ownership of their sustainability platforms. Much like a mission statement, sustainability is part of a business vision, and a robust set of goals is expected. Businesses have included packaging as an important cornerstone of sustainability strategies. And those goals cascade as calls for action on the part of brand marketing, procurement and packaging engineering.

Consumers indicate a strong preference for products and packaging that identify with their personal values. This includes choosing products with packaging that is consistent with their own lifestyle choices.

Consumers don't indicate much patience for brands that ignore the environment or make claims that they perceive as false or misleading. Non-governmental organizations (NGOs) and the FTC are paying close attention to these developments.

Packaging teams—including vendors, engineers and consultants—are reacting with models that meet the technical standards of these goals

but often overlook practical execution. This disconnect creates a space for risks that need to be understood and planned for in any well-developed, sustainable packaging strategy.

CHAPTER 2. Risks and guardrails.

Business goals may align with a technology, but not with a practical infrastructure. Consumers need to be considered in any workable plan. The FTC provides some guidelines that packaging teams need to follow.

CHAPTER 3. Recyclable and sustainable packaging. Being aware of the current state of recycling, sustainable materials and regulations will help you choose the best packaging solution.

CHAPTER 4. Select a packaging partner. Critical capabilities and insights to look for when choosing a partner, which can impact the overall value and outcome of your sustainability strategy.

PRACTICAL PRESSURES ARE MATURING

As corporate environmental, social and governance (ESG) commitments have started to “come due,” we’ve learned it can be more difficult than anticipated to make ambitious goals a reality. Activist investors and litigants have tried to hold companies accountable for their commitments—and there’s a new level of scrutiny on sustainability claims.



TECHNICALLY POSSIBLE GOALS VS. PRACTICAL AND EXECUTABLE PROGRAMS

Brands have developed relationships with their consumers that include a degree of trust. Consumers have expectations about packaging claims that influence their decision. Any claims a consumer later perceives as false or misleading can destroy brand value.

GOALS AND CLAIMS
MUST BE PRACTICAL
AND EXECUTABLE TO
AVOID RISKS OF BRAND
DEVALUATION OR
LITIGATION

CASCADING GOALS

When leaderships sets and promotes a goal, the execution cascades to the professionals. This often leads to a race to find the path of least resistance with the “easiest” means of implementation. Project management becomes the focus and

dispatches with any consideration of practical product application. How easily can the consumer transition a package to the next step in its evolution?

WASTE INFRASTRUCTURE

- Municipal compost is in its infancy.
- Biofilms are generally cost prohibitive for most brands.
- Recyclable films have limited collection points and fit within only a handful of pilot recovery systems. Less than 2% of recyclable PE film is recovered.
- Claiming a package is “recyclable,” “compostable” or “biodegradable” is problematic not because it can’t be done. It’s impractical because it’s barely done and is a cumbersome process for uninformed consumers.

SUPPLY CHAIN

- Demand for many grades of film outpace the supply. As the herd pivots to mono-material PE or other alternatives, the supply becomes more challenged.
- Specialty resins commonly used to add barrier and other

properties to film, such as EVOH, also are in scarce supply, with a long infrastructure build to add capacity.

- Costs of the most popular means of achieving what some consider to be a more sustainable package should be analyzed carefully.

INFORMING CONSUMERS

- Programs like How2Recycle are vigilant about research, updates and informing consumers. End-of-life capacities are a moving target. Because recycle and waste programs are local—but packaging labels are national—there’s an additional need to build in consumer awareness about local options. It’s up to consumers to be equally vigilant about reading and following instructions on each package.
- Informing consumers of their responsibility in sorting, cleansing and returning packaging for proper handling is also an important consideration for any strategy. Claims on a package need to be easily interpreted and obvious. They should explain where and how

a package can be recycled in locations where the product will be distributed.

- Brand owners are advised to determine how easily a package can be recycled or composted and consider how well their claim aligns with engaged consumer expectations.

CLAIMS ON PACKAGING

- Once a strategy is determined, the claim on the package and in promotional collateral should be consistent with the facts and relate to practical execution of the end-of-use strategy.



UNDERSTANDING SOME OF THE RISKS AND GUARDRAILS

EXAMPLES OF RISKS TO CONSIDER AND HOW TO MITIGATE

Before you can prioritize, you need to clarify the requirements and expectations, and understand what and who is driving them. Think about:

CONSUMER-DRIVEN. Building loyalty between a consumer and a brand requires a strong sense of reliability and trust. A perception of a brand that violates that trust can cause a tremendous loss of brand value. This is especially true for those who have an innate skepticism about corporate America or who make purchasing decisions based on causes they support.

SOCIAL MEDIA. Word spreads fast on social media. One viral video by a frustrated consumer can be far more powerful to a brand's image than the best professional campaign. Any plans to modify and promote packaging with sustainability claims should be bulletproof from any consumer blowback.

LITIGATION. There has been and is active litigation being brought by NGOs who do not agree with claims being promoted by some very large brands.

State attorneys general could also determine that a certain class of packaging claims may be misrepresenting to consumers and decide to take action on behalf of consumers in their states.

FTC GREEN GUIDE. The Green Guide is published and occasionally updated by the FTC. This serves as a general guideline of expectations when making claims about the environmental benefits of packaging. It is a large document that serves as a reference tool to navigate federal expectations in advertising.

ADVICE. Find experts with sound advice about not only the packaging “solution,” but who also understand what happens to the package post-consumer, and seek legal advice with specific expertise in these matters.



RISK REDUCTION CHECKLIST

ASK YOURSELF:

- ___ What are you trying to communicate?
- ___ What might people think you're saying?
- ___ What support do you have to back it up?

Context is important: Provide clear qualification whenever needed and tailor the message accordingly.

Hogan
Lovells

RECYCLABLE & SUSTAINABLE PACKAGING

CURRENT STATE AND OPEN

ISSUES. Private businesses, NGOs, associations, etc., are working to demonstrate solutions for 100% recyclable packaging. However, fragmentation, lack of consistency, and lack of funding and other roadblocks are keeping the process from moving faster. The materials recovery facilities (MRFs) project is a good example of the potential to separate flexible packaging from the rest of the recycle stream, but the equipment and technology required is costly and not easily introduced to other existing recycling facilities.

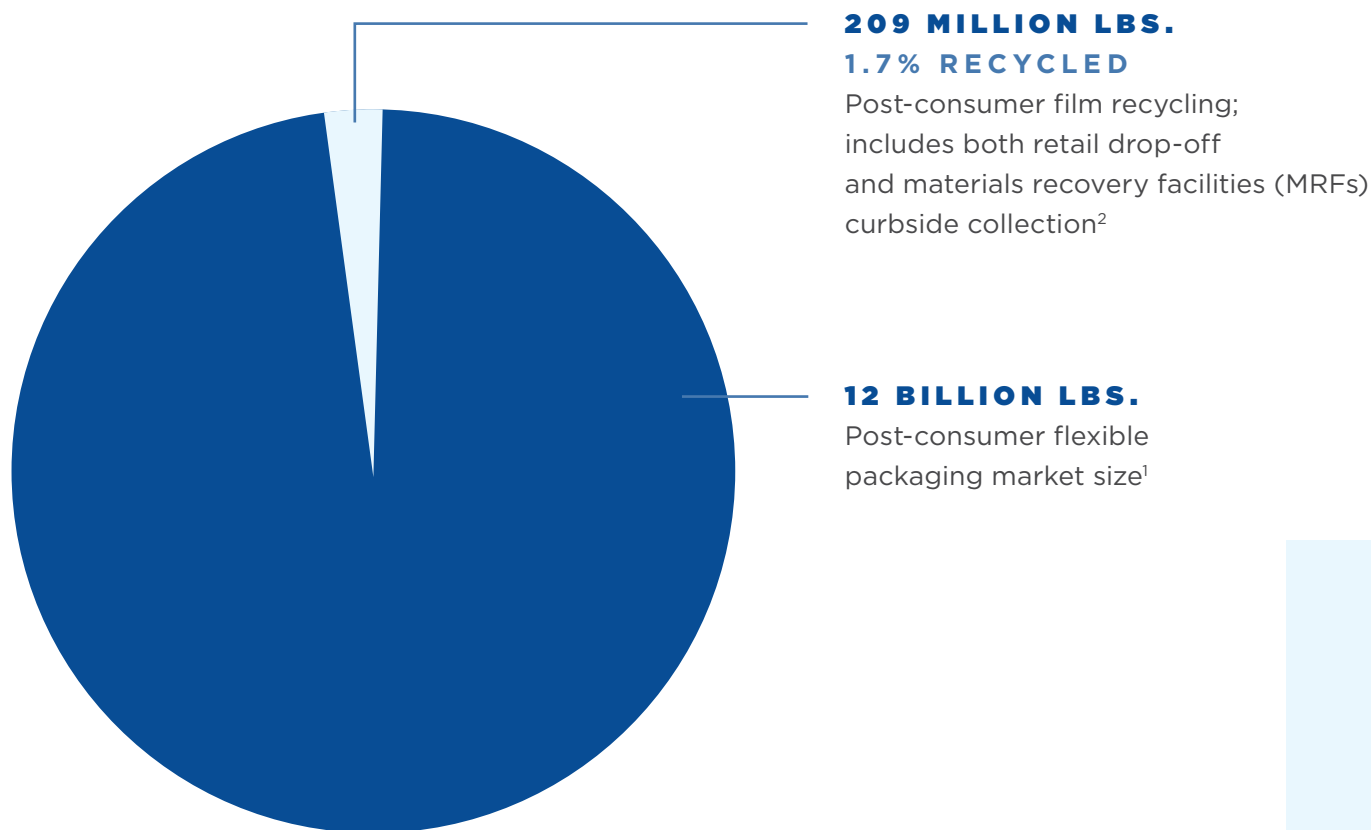
PCR CONTENT PACKAGING.

Post-consumer recycled (PCR) content packaging minimizes risks associated with either “greenwashing” or misleading communication allegations. It also can be argued that using PCR content diverts plastics from the waste stream, captures resin from an abundant supply and does not use original carbon resins. Because of these reasons, PCR packaging is gaining momentum and is just one of the many great solution options until a larger infrastructure for recycled materials emerges for all plastics.

GUIDELINES. There are rules and regulations in place to help ensure packaging follows clear guidelines, allowing consumers to understand what they can or should do with the materials. The Federal Trade Commission established Green Guides as a means to maintain truthful and non-deceptive messaging on packages. “Recycled content” and “renewable content” are claims to be aware of as you choose packaging materials and create messaging about its capabilities.

THE FUTURE. The majority of brands are aligned with the Circular Economy Principles: 100% of packaging will be designed for recycling, reuse and composting, with a target timeframe of 2025. With so many brands developing solutions to meet and establish these goals, it’s expected that the rest of the supply chain will follow suit and grow technologies and infrastructure to support it.

CURRENT STATE OF SUSTAINABLE PACKAGING: HOW MUCH IS COLLECTED FOR RECYCLING?



**WE CAN
DO BETTER**

OVERVIEW OF GREEN GUIDES

WHO PUBLISHES THE GREEN GUIDES?

The Federal Trade Commission, which has jurisdiction over advertising.

WHAT DO THEY ADDRESS?

Green Guides ensure that claims about the environmental attributes of packaging are truthful and non-deceptive.

INITIALLY PUBLISHED IN 1992— LAST UPDATED IN 2012

The FTC anticipates reviewing again in 2022.

GREEN GUIDES ARE ADVISORY GUIDANCE —TECHNICALLY NON-BINDING

In practice, the FTC follows the Green Guides when considering enforcement actions. Plaintiffs or competitors may also cite the Green Guides in litigation/challenges.



RENEWABLE CONTENT

The Green Guides neither prohibit nor define “made with renewable materials” claims. The FTC takes the position that reasonable consumers may interpret “renewable materials” claims differently than marketers intend.

Marketers may minimize the risk of unintended implied claims by identifying the material used and explaining why the material is renewable.

CONSIDER:

- Percentage of renewable content in a product, and be careful not to overstate the quantity.
- Using the USDA BioPreferred Program for voluntary product certification and labeling for “biobased” products (derived from plants and other renewable agricultural, marine and forestry materials).



RECYCLED CONTENT CLAIMS

AN UNQUALIFIED CLAIM OF RECYCLED CONTENT. The entire product or package, excluding minor, incidental components, is made from recycled material.

ITEMS PARTIALLY MADE OF RECYCLED MATERIAL. Clearly and prominently qualify the claim to avoid deception about the amount or percentage, by weight, of recycled content in the finished product or package.

TO SUBSTANTIATE RECYCLED CONTENT CLAIMS. Item must be composed of materials that have been recovered or otherwise diverted from the waste stream, either during the manufacturing process or after consumer use. Unqualified three-chasing arrow symbol likely conveys both recyclable and recycled content claims.



EXAMPLE: "100% RECYCLABLE" CLAIMS

New lawsuits target "100% recyclable" claims for bottles when cap/label are not recyclable.

Filed by Sierra Club and a private plaintiff against Coca-Cola, BlueTriton Brands and Niagara

Bottling. Some of the challenged claims say "excludes cap and label." Suits also argue

that the 100% claim is misleading given the limited recycling capacity of U.S. systems and

"contamination and processing" losses of up to 1/3 of materials that are recycled.





**NATIONAL
ADVERTISING
DIVISION
(NAD) CASE:
KAUAI COFFEE
COMPANY LLC
(2017)**

**CLAIM: “100%
COMPOSTABLE PODS”**

Disclaimer appearing in some, but not all, of the ads: “Compostable in industrial facilities. Check locally, as these do not exist in many communities. Not certified for backyard composting.”

**NAD BROUGHT AN INQUIRY,
CITING THE GREEN GUIDES**

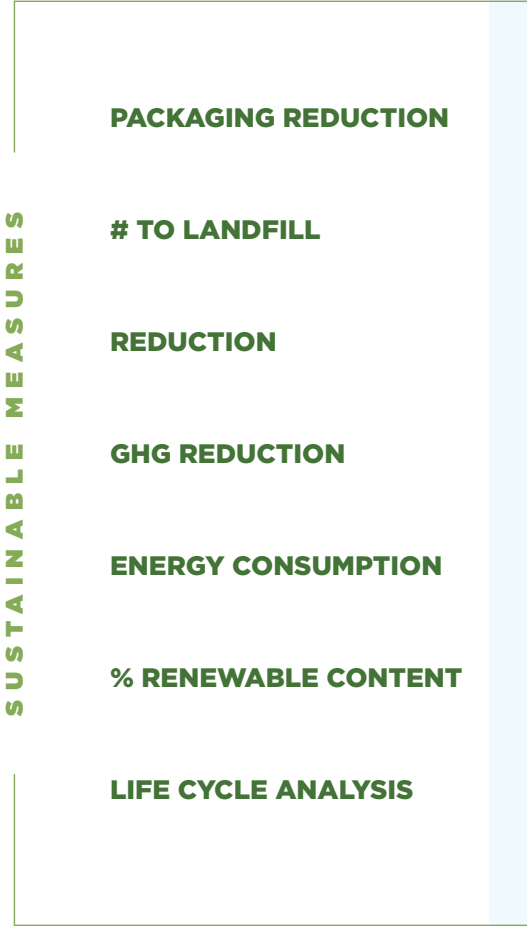
NAD determined the ad does not clearly and prominently disclose that the pods are not suitable for home composting, nor does it indicate the limited availability of industrial composting programs. “This significant limitation appears in a barely legible font ...”

**NAD FOUND THE FOLLOWING
CLAIM OVERSTATED THE
ENVIRONMENTAL BENEFITS**

“Now you can enjoy the great taste and convenience of single-serve coffee without worrying about the environmental impact. Our certified 100% compostable pod is compatible with all K-cup brewers and is designed to go back to the land—not the landfill.”



SUSTAINABILITY ROAD MAP



SUSTAINABLE PACKAGING: KEY TAKEAWAYS

Companies and consumers are more environmentally conscious than ever before, and that means now is the time to take action and implement sustainable packaging strategies that reflect your brand.

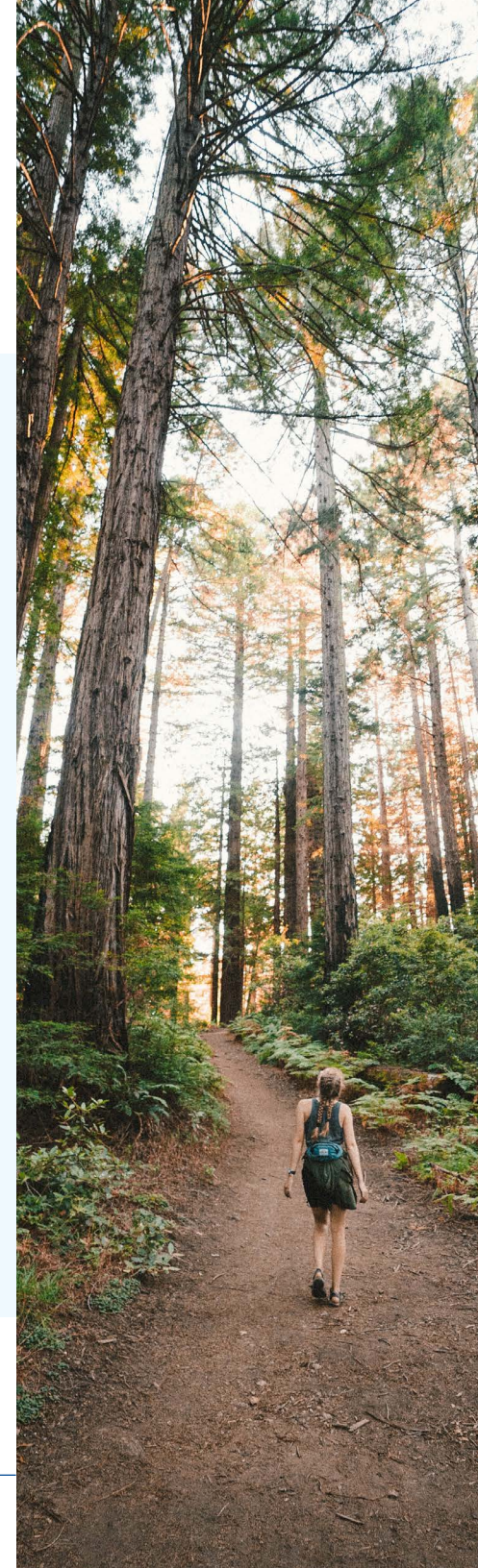
- Keep package design simple by using simple materials that are easier to recycle
- Think about the recycling supply chain and how to make recycling easiest for the end user
- Avoid “greenwashing” by thoughtfully communicating recyclable elements on packaging

BEST PRACTICE:

The Sustainable Packaging Coalition provides a standardized labeling system with clear, concise and consistent definitions called the How2Recycle label.

Use this checklist to ensure best practices are being adopted:

- ___ Evidence-based claims
- ___ Third-party certification
- ___ Logos/branding
- ___ Legislation
- ___ Legal counsel



SELECTING A PACKAGING PARTNER

The operative word here is “partner.” Rather than selecting a provider on a one-off basis, you’ll reap numerous benefits over time by collaborating with a partner for the long term. Here are some key attributes that form the foundation of a rewarding working relationship with a dedicated packaging partner.

BREADTH OF SERVICES. Your single-source partner has to offer comprehensive capabilities to handle your current and future requirements. At a minimum, look for flexographic, rotogravure and digital printing processes. Plus multi-ply extrusion, extrusion and adhesive laminations, coated structures, paper, foil, and pouch and bag fabrication.

To stay ahead of the competition, look for an innovative company that has linked digital technologies with traditional converting processes.

This enables the quick-turn benefits of digital with the same exacting specifications as traditional. So you can pivot quickly and they can scale rapidly to customize your packaging with everything from special coatings and finishes to cold-seal and anti-fog applications.

ADVANCED TECHNOLOGY. Walk around the manufacturing floor and ask about the age of the equipment. New technologies cost less to operate and are capable of higher levels of productivity, which should mean lower costs and faster turnaround times.

Additionally, newer machines have a smaller carbon footprint, using less fossil-based feedstock and plastic, and accommodate materials and design for recycling, reuse, compost and use of post-consumer content.

For example, the newest pouching machines and flexographic and rotogravure presses have greater control over the conversion process of the polyethylene used in recyclable packaging, providing superior results.

SCALABLE SOLUTIONS

If you want to stay agile, you need a nimble, responsive partner who will evolve with you. For example, when launching a new product, you may want to start with a short run and then scale to a longer run as your product matures. Or you may want to test the waters using digital printing and then, if your product takes off quickly, convert to flexographic or rotogravure.

LINKING DIGITAL WITH TRADITIONAL PROCESSES ENABLES QUICK TURNS WITH EXACTING SPECIFICATIONS

Be sure your packaging partner has the capabilities to keep you competitive and growing.

PRINT-QUALITY PROGRAMS AND SYSTEMS

Be sure your packaging partner participates in a third-party print-quality management program. They should routinely submit their

print-quality data for evaluation and comparison to industry metrics. If nothing else, this provides the assurance (and insurance) of an objective check.

Additionally, the most reputable packaging companies have detailed, redundant internal print-quality systems in place. They should be able to provide you with documentation outlining the process and the results for your project. This ensures they take full accountability for the quality of your packaging.

SUSTAINABILITY

The most innovative packaging companies take a three-pronged approach to sustainability. The benefits of each are as good for your bottom line as they are for the environment. [Ask about your prospective packaging partner's plans for each of the following approaches to sustainability.](#)

Design for reuse and recycling

- Source reduction
- Eliminate multi-material laminates

Recapture materials

- Design for compost
- Use post-consumer content

Reduce fossil-based feedstocks

- Use renewably sourced feedstocks

[How has COVID-19 impacted the state of packaging sustainability?](#)

CERTIFICATIONS AND AWARDS

If they've earned them, your packaging prospect will be happy to tell you about their certifications and awards. Top certifications include G7, ISO 14001:2015 and ISO 9001:2015. Prestigious awards include National Gold Ink Awards, Premier Awards, FPA Awards, Golden Cylinder Awards and Excellence Awards. They provide a good gut check of credibility and industry reputation. You can also go deeper and ask for referrals from current or past customers.

A CULTURE OF LISTENING AND INNOVATION

Above all else, you want your packaging partner to be a great listener, tenacious problem-solver and committed collaborator. One who will steep themselves in your challenges and requirements. Use their expertise, creativity and passion to customize a solution that achieves your goals. And work tirelessly to advance your brand as if it were their own.



IF YOU PARTNER WITH AN EXPERIENCED
PACKAGING COMPANY, YOU'LL HAVE

**AN EXPERT
GUIDE AT YOUR
SIDE TO HELP
YOU STRATEGIZE
THE SOLUTION
WITH THE
GREATEST ROI.**



ABOUT AMERICAN PACKAGING CORPORATION



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American Packaging Corporation is an independently owned North America-based company focused solely on flexible packaging. We don't have any shareholders to impress or hidden agendas to meet. Just 115+ years of happy clients to vouch for us. And we'd love to add you to our roster.

Because even after all our years in business, we still get excited about meeting new customers and solving

your challenges. About living and breathing packaging innovations. About new technologies and capabilities. Like our HPE Flexo™ that combines cutting-edge print media technologies and processes with on-press expertise and transparency. (It's proving to be a great way to help brands stand out with uniform package identity that drives repeat sales and loyalty.)

CALL **515.733.1406**

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REQUIREMENTS.**

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