

The Business Case

for Recyclable, Refillable,
and/or Compostable
Packaging

In the Pet Industry

pet
sustainability
coalition


packaging
pledge



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The Environmental Issue



There is a global crisis of packaging waste.



The pet industry is part of the problem. The pet food and treat industries in the U.S. alone creates 300 million pounds of packaging waste.



We can't solve climate change without solving waste.

Reasons to Invest in Sustainable Packaging

Social Rationale

- Consumers have a growing awareness of packaging waste as an issue.
- Pet parents prefer sustainable brands and make decisions based in part on sustainable packaging.
- Consumers express a willingness to pay for more sustainable products and packaging.

Scientific Rationale

- Reducing material use and switching to more sustainable materials may help companies reach their climate goals.
- Moving to more circular materials, such as those that are compostable or recyclable, has other sustainability benefits too.

Financial Rationale

- Pet care companies that use sustainable packaging see more sales growth.
- Companies that do not act may lose out to competition and face financial repercussions.
- Regulations and legislation are forcing brands to internalize the environmental costs of their packaging.

Recommendations



Signal market leadership and mitigate risk by committing to invest in sustainable packaging options.



Sign on to the Pet Sustainability Coalition (PSC) Packaging Pledge and transition to recyclable, refillable or compostable packaging by 2025.

There is a global crisis of plastics and packaging waste.

- About 150 million metric tons of plastic are estimated to be in the ocean ([Source](#)), and about 11 million metric tons of plastic enter the ocean every year. ([Source](#))
- 75% of all plastic ever produced has become waste. ([Source](#))
- Global production of plastic reached more than 450 million metric tons per year in 2018, and this is projected to triple by 2050. ([Source](#), [source](#))
- Packaging is the largest contributor to plastic waste (about 46% in 2018). ([Source](#), [source](#))

The pet industry is part of the problem.

- Pet food and treat packaging is a 300 million pounds per year problem in the U.S alone. ([Source](#))
- Packaging ranks among the top three most important sustainability issues facing the pet industry. ([Source](#))
- Packaging used to make pet food is often difficult-to-recycle, multi-layer plastic packaging. The solutions in this industry are not obvious.

The waste issue is fundamentally also a climate issue.

- 45% of global emissions stem from the emissions associated with making products and food, including into making packaging. ([Source](#))
- In particular, plastic production has caused the largest increase in industrial greenhouse gas (GHG) emissions in recent years. ([Source](#))
- By 2050, plastic will take up about 10-13% of the total carbon budget. ([Source](#); [source](#); [source](#)). Some estimates even suggest that the plastics industry's emissions will outpace those of the coal industry by 2030. ([Source](#)).
- Landfills emit methane, a powerful greenhouse gas with about 30 times as much warming potential as carbon dioxide ([source](#)). Decreasing emissions from landfills by creating less waste is a critical pillar to halting climate change.

Consumers have a growing awareness of packaging waste as an issue.

- Plastic pollution is ranked among the top three environmental issues globally by consumers. ([Source](#))
- Plastic is viewed as the most harmful material used in consumer goods items. ([Source](#))
- 84% of consumers report that they sometimes or always select products with less single-use plastic in their packaging. ([Source](#))
- As consumers have started to associate plastic and packaging with environmental degradation, their expectations of companies to shift to more sustainable packaging has grown.

Pet parents prefer sustainable brands and make decisions based in part on sustainable packaging.

- In 2021, 74% of pet parents would feel more favorable to the brand if it changed packaging to be more environmentally friendly, and 62% would trust the brand more. ([Source](#))
- In 2019, one in three premium pet food buyers saw sustainability as important enough to switch brands. ([Source](#))
- 45% of pet care product buyers said seeing "100% recyclable" on packaging has a high impact when choosing a brand of dry pet food. "Made from recycled materials" came in second with 40%. ([Source](#))
- During COVID, many people became first-time pet parents. New pet owners, who tend to be younger, are most concerned about package recyclability. 41% are likely to switch brands to a more sustainably packaged pet food. ([Source](#))

Consumers express a willingness to pay for more sustainable products and packaging.

- Sustainable packaging options often do come at a premium price, but consumers are expressing a willingness to spend more for sustainable options.
- A McKinsey study showed 60-70% consumers would pay a premium for products using sustainable packaging ([Source](#)). This trend carries over to pet parents too. ([Source](#))
- 72% of global consumers are willing to pay up to 10% more for eco-friendly packaging ([Source](#)), and 83% of consumers in younger generations showed a willingness to pay more for sustainable packaging. ([Source](#))
- About 35% of US consumers would buy more products with sustainable packaging if they were more available in stores and had better labeling to indicate their sustainable packaging use. ([Source](#))

- **Plastics in our oceans harm millions of animals a year, an impact inconsistent with the pet industry's love of animals.**
 - More than 800 coastal and marine species are directly affected by plastic waste because of entanglement, ingestion, or damage to their habitats. ([source](#))
 - Studies suggest that 90% of seabirds and 52% of turtle species have consumed plastic. ([source](#); [source](#))
 - Estimates suggest that plastic waste kills up to a million sea birds and 100,000 sea mammals and marine turtles every year. ([source](#))
 - Again, packaging is the largest contributor to plastic waste, which is the primary pollutant of concern in the ocean. ([source](#), [source](#))
- **Landfills, another area where our packaging waste winds up, also harms wildlife and the environment.**
 - Landfills emit methane, a powerful greenhouse gas with about 28 times as much warming potential as carbon dioxide ([source](#); [source](#)). Decreasing emissions from landfills by creating less waste is a critical pillar to halting climate change. In 2020, methane from landfills accounted for about 15% of the U.S.'s methane emissions ([source](#)).
 - Packaging makes up about 10% of the weight in landfills ([source](#)). By volume, it is likely much more.
 - The creation of landfills also often means disrupting natural habitats for wildlife and altering ecosystems altogether ([source](#)).
 - As of March 2022, there were at least 2,632 landfills in the U.S. alone taking up space that people and animals could be using ([source](#)).
- **Moving to more circular materials, such as those that are compostable or recyclable, reduces ocean plastics pollution, landfill use, and resource use generally.**
 - Using more sustainable materials often results in a reduction of other harmful environmental impacts, such as water use, fossil fuel depletion, mineral use, freshwater eutrophication, and more.
 - Switching to compostable or recyclable packaging can keep millions of pounds of material out of landfills and incinerators, and instead direct them to recyclers and composters who can ensure that material sees a second life.

Pet care companies that use sustainable packaging see more sales growth.

- Overall, sustainably marketed products grew 7.1x faster than products not marketed as sustainable between 2015 and 2019. ([Source](#))
- Sales of pet products using recycled packaging grew 40% to \$14.4 million. Sales of products with plastic-free packaging went up by 387% to \$11.3 million. ([Source](#))
- Products that claim to use sustainable packaging have seen sales growth of 769% in just the past two years alone. ([Source](#))

Companies that do not act may lose out to competition and face financial repercussions.

- Almost all the top 50 CPG companies have plastics packaging reduction initiatives. ([Source](#))
- 80% of pet care companies are seeing increased demand for sustainable products, especially sustainable packaging. (Source: PSC internal survey of retailer members)
- Based on consumer preference for sustainable packaging and willingness to pay more, companies that do not invest in sustainable packaging may lose potential new customers to these other brands and could even lose existing customers to them as well.

Regulations and legislation are forcing brands to internalize the environmental costs of their packaging.

- The number of countries with regulations about single-use plastics has more than doubled over the last five years. ([Source](#))
- Many countries, including the U.S., are seeing rapid adoption of packaging extended producer responsibility (EPR) laws. Other countries, such as Canada, have had EPR laws on the books for several years.
- These laws require companies to take financial and sometimes operational responsibility for what happens to their packaging when it's disposed.
- This in essence manifests as taxes companies must pay based on how much of each type of packaging material they sell into a given geography. Companies typically have to pay more for difficult-to-recycle materials, like flexible plastics, and less for easier-to-recycle materials like fiber.
- In the U.S., Maine and Oregon passed packaging EPR laws in 2021, and California and Colorado adopted them in 2022. 16 total states introduced packaging EPR legislation in 2022 alone. ([Source](#))
- While states are still developing their fee structures, it's hard to know how expensive EPR will be for companies. However, we do know that companies can reduce their financial burden by reducing the absolute amount of packaging they use and by switching to more recyclable or compostable materials.



Signal market leadership and mitigate risk by committing to invest in sustainable packaging options.

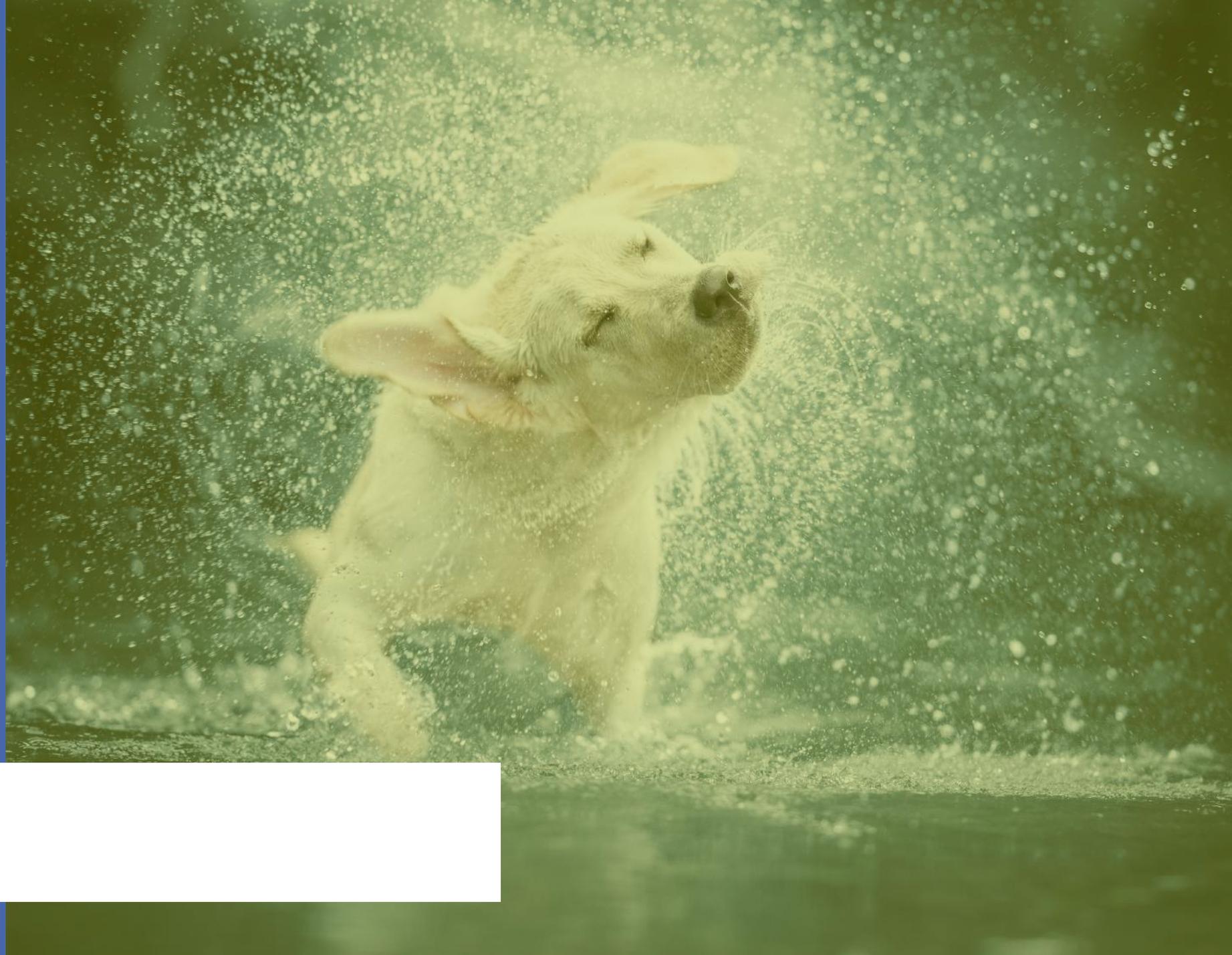
- The pet industry has a unique set of challenges in switching to sustainable packaging because of the frequent need for use of multi-layer plastic packaging, but viable solutions exist to transition to recyclable or compostable options, as well as packaging with recycled content
- Progress will inevitably be incremental, but making commitments and showing a willingness to try is often sufficient to gain consumer favorability and trust in the brand
- Signaling our commitment will help mitigate the loss of future and new customers to competitors who are seen as more sustainable.



Sign on to the Pet Sustainability Coalition (PSC) Packaging Pledge and transition to 100% recyclable, refillable or compostable packaging by 2025.

- Through industry collaboration and action, the PSC Packaging Pledge will assist in changing the packaging landscape of the pet industry and drive progress towards sustainable packaging in a clear and measurable way, enabling companies to achieve time-based goals that were previously difficult to obtain due to lack of industry resources and segmented sustainability efforts left unchecked.
- The Pledge represents the first pet industry-wide call to action for sustainable packaging. PSC offers tools and resources, such as the PSC Marketplace, to assist in making these changes. PSC will be an active partner in the Pledge as companies lack the staff resources to dedicate towards packaging solutions.

Appendix





Appendix



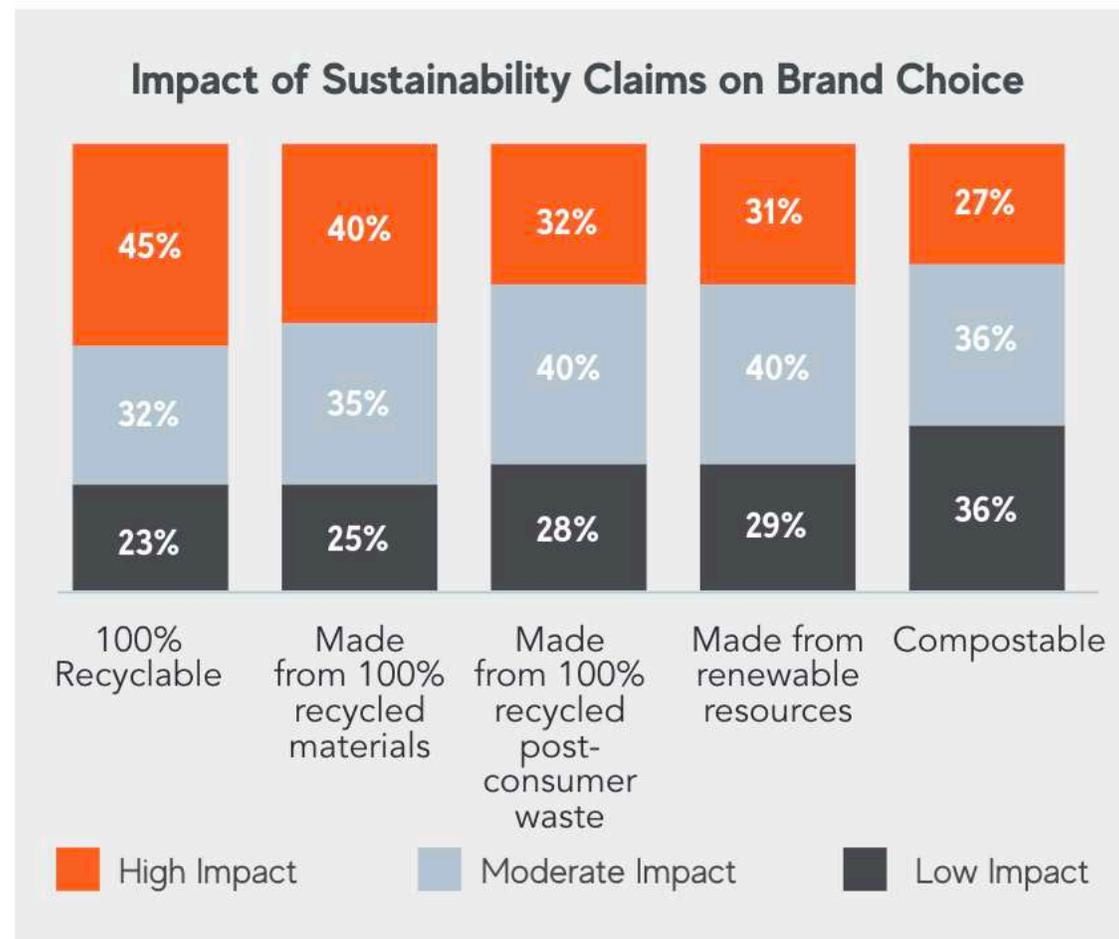
Empowering the pet industry to make voluntary, public, and time-bound commitments that would improve the sustainability of their packaging.

Companies that work with and/or are in the pet industry can sign-on to the **Pet Sustainability Coalition (PSC) Packaging Pledge**, an action-based program to support these companies to move towards recyclable, refillable, or compostable packaging.

The PSC Packaging Pledge aligns with global packaging movements such as the Ellen MacArthur Foundation's Global Plastics Pact Network and is being constructed in consultation with many industry leading experts. The PSC Packaging Pledge seeks to drive the necessary change in this industry through engagement across the entire supply chain.

Signatory Benefits:

- Displaying industry leadership in the transition to sustainable packaging with company logo placement on the PSC Packaging Pledge website (October 2022)
- Access to a vetted sustainable packaging marketplace housing pre-qualified suppliers that meet the Ellen MacArthur requirements (launching Q1 2023)
- North American and E.U. focused packaging legislation updates and education (available now and updated bi-annually starting Feb. 2023)
- Sustainable Packaging business case data sets and presentation deck
- Marketing tools & resources including digital badge and social media templates
- Access to peer working groups and advisory groups (launching October 2022)
- Supported access to packaging benchmarking tool through the Recycling Partnership's Plastic IQ assessment tool



Atlantic Packaging – A Partner for Your Sustainable Packaging Challenges

Atlantic Packaging is thrilled to have helped develop this presentation so you can begin improving your packaging. We're a leader in sustainable packaging solutions, and as you get started on your sustainable packaging journey, we're here to help you navigate it. If you think we could be useful to you, please don't hesitate to reach out.



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This tool was developed and donated to the PSC Packaging Pledge by Atlantic Packaging in August 2022. Thank you, Atlantic Packaging!



- Independently owned for 75 years; \$850 million in sales; \$50 million in packaging equipment sales
- Core competencies - critical applications packaging, automation, paperboard & corrugated converting, printing & graphics, sustainability consulting
- Leader in consultative and technical solutions for sustainable packaging problems across industries to achieve your source reduction, recyclability, and compostability goals
- [Solution Center](#) in Charlotte, NC for load containment testing, end-of-line packaging automation, state-of-the-art film lab with polymer chemist, e-commerce fulfillment testing, and more
- Home of the [MUST Method](#), a patented system that monitors stretch wrap application of every load and reduces customers' plastic usage by ~30% while also providing cost savings
- Featuring the [Fishbone](#) sustainable carrier for cans, bottles, and more
- Launching the [first closed-loop system for stretch wrap](#) in 2023
- Engine behind [A New Earth Project](#), a strategic collaboration between the global surfing and outdoor enthusiast communities and the global packaging supply chain

