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Revolutionizing Packaging: How Innovation Is Driving Sustainability in the CPG Industry

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For forward-thinking leaders, transitioning green packaging is a key priority that demands cutting-edge strategies.

The [relentless growth](#) of single-use plastic waste has undoubtedly accelerated environmental degradation in recent years. As pollution surges—driven by unsustainable production, distribution, and disposable processes—the CPG industry is facing increasing pressure to play its part in mitigating climate change. The proliferation of *plastic packaging* has come under fire.

Increasingly, CPG businesses must shift toward sustainable packaging solutions to maintain trust, compliance, and resilience. Successfully navigating this complex transition will require the innovative efforts of eco-conscious senior leaders.

The Modern Evolution of Packaging

While plastic packaging is now ubiquitous across the supply chain, its mass utilization is a recent phenomenon. After [World War II](#), when natural materials grew scarce, producers discovered the durability, malleability, and low cost of synthetics. These advantages inspired a surge in plastic usage that continues to this day. By 2050, global plastic production is expected to reach [1.1 million tons](#) per year—36% of which will be attributed to packaging if current trends persist.

Plastic packaging continues to align with many consumer priorities. Amidst inflation, synthetics keep products affordable and shipping costs down. Single-use plastics also offer the prized quality of convenience in today's fast-paced world. However, a significant shift is taking place. Consumers increasingly value *sustainability* above other purchasing factors.

According to a [NielsenIQ](#) report, 92% of shoppers prioritize sustainability when choosing a brand. [McKinsey](#) also found 60% of U.S. consumers would be willing to pay a premium for eco-friendly packaging. It's no wonder why packaging firms have invested [\\$200 billion](#) to reduce their environmental impact over the past two decades. Companies are recognizing the immense opportunities that sustainable transformation can unlock—and the damage that can occur without green initiatives.

An Urgent Need for Sustainable Packaging

The consumer shift toward sustainability stems from a growing awareness of plastic

packaging's negative impact—both on their own health and the environment. As shoppers gain interest in wellness and [natural foods](#), they're recognizing that toxic chemicals in plastic packaging can [transfer](#) into the food itself *and* pollute the world.

Accordingly, the value of sustainability has grown. Businesses now achieve [significantly faster growth](#) when they promote consumer goods with environmental, social, and governance-related claims, including as “eco-friendly and “biodegradable.” Large-scale sustainability initiatives can effectively differentiate brands—and they will soon become a norm that businesses *must* implement to keep pace with the competition. Today, [80%](#) of the largest CPG companies are already committed to achieving fully recyclable or compostable packaging by 2030.

Consumers aren't the only force driving the rise of sustainable packaging. [Global regulators](#), including those in California and Maine, are increasingly enacting laws and incentives to reduce single-use packaging. Additionally, [Deloitte](#) reports 69% of employees want their companies to invest in sustainability.

CPG leaders are also recognizing their responsibility to eliminate wasteful practices. Plastic production accounts for [1.6 billion tons](#) of greenhouse gas emissions. Plus, a [recent study](#) found a mere 2% of plastic packaging is recycled—often due to materials being too small or complex—leading the vast majority to landfills, oceans, and beyond. This waste accelerates climate change, which can directly threaten CPG companies by worsening [supply chain challenges](#) and increasing weather-related property damage.

Moving toward sustainable packaging is imperative for the long-term [business resilience](#) of CPG brands.

Sustainable Packaging Innovations in the CPG Industry

Transforming packaging is no easy task. Operating costs have risen in recent years, and balancing the need for cost-efficiency with sustainability goals requires significant innovation. Forward-thinking leaders who think beyond the *types* of materials used and optimize packaging with emerging technologies can satisfy both requirements.

For many CPG companies, minimizing packaging has been an optimal path for embracing sustainability. [PepsiCo](#), for example, has effectively reduced the weight and thickness of its packaging materials—and its R&D team is developing its own technology to pre-settle snacks, enabling the use of smaller bags. [Smart sensors](#) can assist with the development of

sustainable packaging by identifying materials and designs that maximize freshness and durability while minimizing waste.

Artificial intelligence and machine learning can further contribute to eco-friendly packaging production. At [Procter & Gamble](#), algorithms support the management of water and energy consumption, ensuring green practices from the start of the packaging lifecycle.

CPG brands can also elevate sustainable packaging initiatives by empowering consumers to take part. For example, brands like General Mills and Horizon Organics leverage [Recycle Check](#) to equip consumers with local recycling guidelines and resources via QR code. [Nestle](#) has collaborated with grocery stores and community organizations to pilot the use of returnable stainless-steel containers, door-to-door collection programs, and other initiatives. These consumer-facing efforts prevent waste—whether plastic or not—from polluting local environments by creating a *circular* packaging economy.

The Future of Sustainable Packaging

Industry leaders are already making significant strides and sweeping commitments to sustainability. Over the course of one year, [Kellanova](#) massively reduced the volume of plastic used in three of its most popular snack products and joined top CPG companies in committing to 100% recyclable, reusable, or compostable packaging by 2030. [Ferrero Group](#)—which is developing new eco-friendly chemical recycling processes—joins brands like Mars and Coca-Cola in an even more ambitious commitment to achieve the same goal by 2025.

Embracing the [future of CPG](#) requires organizations to invest in eco-conscious talent who can drive sustainability initiatives forward. Innovation, collaboration, and technology prowess will emerge as key drivers of business resilience and shining indicators of executive success.

How has your company made strides toward sustainable packaging?