

THE ROI OF REGENERATIVE PACKAGING



ONE
STEP
CLOSER

XXXXXXX

In today's world, food packaging doesn't get the best rap; when people think about packagingpackaging, they are often reminded of that gut wrenching video of the turtle with a straw stuck in it'sits nose or the harrowing images of the Pacific Garbage patch. We've come to associate packaging, particularly that made from plastic, with some of the most pertinent environmental issues of our time. These issues around plastic packaging are making headlines and inspiring a shift in the ways we think about, design, and utilize food packaging.

Instead of being a point source of pollution, what if packaging could actually be used to regenerate our environment by adding value when disposed of? What if, instead of being a detriment to a company's reputation, packaging choices could actually drive brand loyalty, marketplace differentiation, and retail partnerships? Take, for example, Sun & Swell - a CPG brand whose transition to more sustainable packaging has brought a multitude of benefits to the company and the planet that sustains it.

Based in sunny Santa Barbara, Sun & Swell Foods shines as bright as its surroundings. Founded with the goal of creating products that contribute to the healing of our planet and its people, Sun & Swell is an exemplary brand that truly "walks the talk." As a certified B-Corp and member of the 1% For the Planet movement, they've established themselves as a mission-driven leader amongst consumer packaged goods (CPG) brands.

Since day one, Sun & Swell has been committed to using wholesome, clean ingredients to create readily available foods that support people's health. Initially, the company only produced healthy snack offerings but recently extended their product line to include staple pantry essentials such as dried fruits, nuts and seeds, grains, legumes and more. In its early years, the company was heavily focused on sourcing healthy ingredients (i.e. "real, grown, not made in a lab") to align their products with the company's founding vision. Once the company mastered the art of "better for you snacking" and the business continued to grow, co-founder and CEO Kate Flynn began to feel a tension between the company's values and the environmental impacts associated with its product packaging. The next step on the company's journey was to extend its definition of "health" to also include that of the environment.

WEARY OF WASTE

In order to devise a sustainability strategy best aligned with the brand, Kate took a materiality approach and asked herself what facet of sustainability was most important to the company. Her priority goal? To prevent more plastic waste from entering the environment. This motivated Kate to dive deep into the world of sustainable packaging in order to find a solution that best fit the company's needs. Initial research led Kate to TIPA, an early pioneer in compostable product packaging. Compostability felt like the best way to minimize the company's contribution to the plastic problem and become a part of the circular economy, but the first stab at implementation was not without its challenges and Sun & Swell quickly learned the intricacies of making such a transition.

During their initial launch in retail, the compostable packaging structures would actually begin to degrade and wrinkle when food was placed inside - leaving a disheveled appearance and a foggy window. To no surprise, this change in appearance had a direct impact on the company's sales since consumer preferences skew towards perfection, and perceived impurities can influence purchasing decisions at the shelf. "At the end of the day, if the product doesn't look good on the shelf, then customers are not going to buy it," adds Flynn. Additionally, larger distributors and retail buyers have their own concerns about compostable packaging reliability, especially as the number of touch points and miles along the supply chain increase with larger distribution networks.

Proper disposal of the new packaging also presented its own challenges due to nuances within composting infrastructure. Many cities with composting facilities are not actually equipped to compost bags, or in many cases, anything at all. Considering that only 326 cities in the US offer curbside food waste collection (1) and Sun & Swell products are sold across all 50 states, customers often found themselves with no option but to dispose of Sun & Swell's compostable packaging in the landfill, the exact opposite of what Kate set out to achieve in the first place.

In order to devise a sustainability strategy best aligned with the brand, Kate took a materiality approach and asked herself what facet of sustainability was most important to the company. Her priority goal? To prevent more plastic waste from entering the environment. This motivated Kate to dive deep into the world of sustainable packaging in order to find a solution that best fit the company's needs.

1. Kachook, Olga. "Additional Capacity and Legislation Will Help Existing Composting Facilities Succeed." SPC, 21 May 2020, sustainablepackaging.org/additional-capacity-legislation-will-help-existing-composting-facilities-succeed/

Initial research led Kate to TIPA, an early pioneer in compostable product packaging. Compostability felt like the best way to minimize the company’s contribution to the plastic problem and become a part of the circular economy, but the first stab at implementation was not without its challenges and Sun & Swell quickly learned the intricacies of making such a transition.

To overcome these challenges, it became clear the company needed to pivot by reverting their retail-bound packaging to recyclable materials while keeping most of their online DTC (direct to consumer) inventory in compostable packaging. Currently, over 75% of their e-commerce products are sold in 100% compostable packaging, up from 10% in 2019, and 0% in 2018. Today, Kate continue to collaborate with TIPA on compostable packaging solutions while also working with other packaging suppliers like Elevate, Elk, and Plan It Green for additional sustainable solutions for the company.



Compostable (DTC) vs. recyclable (retail-bound) packaging materials

Photo credit: Sun & Swell

Sun & Swell has also initiated a send-back program for consumers to facilitate the proper disposal of the compostable packaging (for a small cost) if they do not have access to proper composting facilities. Together, these solutions have allowed the company to stay true to their values around sustainability, while embracing the ethos of progress over perfection. Expect more innovative solutions from Sun & Swell in the near future; the company hopes to continue to build out it’s send-back program, partnering with other brands to extend the return program to include their packaging as well. Kate also hopes to transition the wholesale packaging back to compostable materials.

KUDOS FOR COMPOST

The company's commitment to sustainable, compostable packaging and clean, healthy ingredients have been recognized by consumers and industry players alike. In 2020, Sun & Swell was awarded for their packaging efforts, coined the "Best Environmentally Responsible Packaging" winner in New Hope's Spark Change NEXTY awards. "I think sometimes there's a perception that you either do what's most profitable OR you're doing what's right. But this is an example that doing the right thing actually makes us the most profitable we can be. We're already seeing the financial reward. In the long-term, it does pay off," says Flynn. Based on customer feedback, consumers have affirmed Flynn's belief. When asked about values and priorities around the food that they buy, the #1 thing they care about is that their food is healthy, but one of the primary reasons they choose Sun & Swell over other health food brands is due to their plastic-free packaging. In fact, 85% of customers surveyed by Sun & Swell said shopping with Sun & Swell has helped them eliminate plastic from their lifestyle.

While it's clear that Sun & Swell's efforts have positively impacted the business, Flynn asserts that the greatest reward of all is knowing that the company is making an impact on the world around them. She hopes that the company's packaging efforts will have a ripple effect in the industry; "It takes smaller brands to be noisy about it, and to know that [sustainable packaging] exists, and then when consumers know it exists, they will demand it from bigger brands."

Is your brand or business looking to transition to sustainable packaging but doesn't quite know where to begin? Check out One Step Closer's Packaging Innovation Page for information, guidance, and insights. One Step Closer's Packaging Collaborative is a coalition of brands across the natural products industry that have come together under the common goal of achieving sustainable packaging solutions and regenerative supply chains. Interested in joining us? [Click here to learn more.](#)