

# Sustainable Packaging: Relevant Assessment Factors

McKinsey  
& Company

A 2021 analysis performed by McKinsey & Co. compared the greenhouse gas emissions and the recycling rates of several different products within two categories: (1) beverage containers, like cans or bottles, and (2) food service cups, such as glasses consumers keep in their homes and paper cups one may find near a water fountain.

While straightforward answers may exist within one of the elements identified above for any given material/application combination, there may be conflicting or adverse results in another category. The key is to assess performance across all of the elements, evaluate the trade-offs, and make a decision that optimizes sustainability overall.

There are three elements for producers to consider when trying to improve the sustainability of their packaging products:

- Decreasing leakage into the environment
- Reducing greenhouse gas emissions/carbon footprint
- Improving circularity, which includes increasing recycling rates, using more recycled content, saving energy, and reducing pressure on natural resources

Companies need to be mindful of all of these factors, as any one of them may at times come at the expense of another, and seek to optimize the balance of their performance across the three.

Focus on only one or two factors of them may cause the sustainability of the packaging material to suffer when viewed over the course of its entire life cycle. One performance metric cannot accurately and adequately measure how sustainable a certain company's practices are. Producers must be open about all three aspects of sustainability, and they must fully realize how new changes to their business practices will affect these facets.

## Key Takeaways:

- Educate consumers and customers as to how products compare with alternatives across the three elements.
- Fully assess the trade-offs among sustainability goals, recognizing both direct and indirect carbon impacts and pros and cons of various material choices. Decide which sustainability elements should be prioritized at various points along the value chain.
- Prepare for external uncertainty, e.g. regulation or changing consumer trends, and prepare a contingency plan for packaging products.