



Research White Paper

The role of packaging and brands in
consumer's environmental journey
UK 2023.

Introduction

In order to understand consumer views on packaging and recycling, Elopak commissioned new research from Absolute Market Research, surveying 1,001 adults online in March 2023. This white paper reveals the results of that survey and gives insight on how Elopak use these consumer findings in our improvement and development of our packaging, both when it comes to sustainability and convenience. As a global packaging company, it is important to understand consumer behaviour, to support our customers and to convert this knowledge into packaging according to our ambition which is 'chosen by people and packaged by nature'.



Martin Shaw. Head of UK and Ireland
Business Unit, Elopak

The role of packaging and brands in consumers' environmental journey

Eco-conscious consumers are seeking ways to make sustainable choices in their daily lives. It includes looking for products and packaging that reflect their personal environmental goals. This is impacting their product choices and their expectations of brands, manufacturers, and retailers.

Consumers want to learn about the sustainability credentials of a product and its packaging, including recycling, and adjust their buying habits to reflect their environmental concerns. Younger consumers are driving this, but interest is apparent across the board.

Mintel's 2023 report, Sustainability in Food report says 4 in 5 food and drink shoppers intentionally choose products with a sustainability claim for at least some purchases, and recent years have seen increasing numbers of product launches making sustainability claims. Many of these, feature, for example, FSC-certified packaging, as well as other accreditation like Rainforest Alliance. In a sector particularly relevant to us at Elopak, dairy industry body Dairy UK have been highlighting recent progress being made in biodiversity, plastics, and packaging.

As household incomes face rising pressure and the

uncertain climate prompts caution towards spending, even beyond those facing immediate pressure, sustainability may temporarily take a backseat for many when it comes to consumers' priorities for grocery shopping. Mintel's report says 2 in 3 people (65%) currently opting for food and drink products with sustainability claims, say the rising cost of living will make this aspect less important to them.

But we can't allow it to take a backseat for too long. And we need to bring the consumer on the environmental journey with us and feed their hunger to find out more. This means brands, manufacturers and retailers working together to ensure shoppers understand the terminology and the reality around not just packaging materials and recycling, but more generally climate change, and enabling them to make fully informed choices. By raising consumer awareness, the industry can be a positive force towards sustainability and against greenwashing.

At Elopak, we are keen to work with brands on how they can add value and build consumers' trust by communicating with them about the sustainable attributes of our packaging, and engaging with us and the whole industry to achieve a lower carbon circular economy.



This whitepaper sets out to start that conversation by sharing our consumer research into communication messages, packaging and recyclability.



4 in 5 food and drink shoppers intentionally choose products with a sustainability claim

Brand communications and messaging

To make informed choices, consumers need to feel informed.

Putting the message across – on-pack, on social and online. Ensuring consumers gain and maintain their trust in brands and the sustainability of their products and packaging is paramount to encouraging them to buy. Elopak commissioned Absolute Market Research to carry out research across the UK into consumers' interest in, and their behaviour linked to, environmentally friendly packaging and the environment. A key part of the study was what the shoppers, who represented all ages and demographics, felt about brands' communications and messaging in this important area.

Why the research matters.

Shoppers are increasingly seeking ways to be more environmentally friendly and predominantly reduce plastic, which impact the products they choose and the expectations they have of brands, manufacturers, and retailers. Recycling and plastic reduction are top of their agenda. As shoppers become more knowledgeable about sustainability, there are other aspects, such as impact through the entire life cycle, carbon reduction and renewability of raw materials which are increasingly important.

Brands' storytelling is crucial to help engage consumers in their sustainability journey. At Elopak, our cartons offer both a sustainable solution, and a place to tell your brand's sustainability story. Because for shoppers to make informed choices, they need to feel informed in the first place. As more consumers understand the 'what' and the 'why' of sustainability and where packaging fits in, the more engaged they will feel, and importantly as their knowledge increases, they will gain trust in the changes being implemented by brands and manufacturers to mitigate climate impact.

What do consumers expect from brands, and how much do they trust them when it comes to getting the message across?

1. Consumers care about brands' environmental credentials.

Over three quarters of respondents thought it was important when choosing products, that the brands who made them cared about the environment. Younger consumers felt this more strongly than older generations, with under 45s over indexing and 20-24s scoring highest of all. Brands clearly need to consider their sustainability credentials carefully when targeting these audiences and making future plans. Where people shopped was also a factor. Shoppers at Waitrose, Ocado, Co-op, M&S and Sainsbury's were more likely to say brands' environmental credentials were very important to them.



Brands' storytelling is crucial to help engage consumers in their sustainability journey

"Engaging with consumers and identifying their needs is vital to ensuring companies like Elopak understand the market. Elopak are then taking the next steps with these insights in sharing this knowledge with brands, to devise strategies to maximise shopper understanding of sustainability credentials of both products and packaging, and how this can be communicated."

"The results we've seen in this research echo the pattern we've seen in consumers' desire for information on looking after the planet; but information that is easily understood, digestible and actionable. On the whole, people want to do their part, but when messages and processes aren't clear, engagement drops off. Consumers know they're not the experts in sustainability, but they're looking to be led (in a simple way) by people who are".

Morwenna Ellis, Director Absolute Market Research



2. Consumers want to hear from brands about their environmental credentials and actions.

Nearly 6 in 10 respondents in the survey wanted to hear more from brands about the steps they were taking to reduce their impact on the environment, and this sentiment was higher among those in younger age groups. 7 in 10 of the 20–24s (Gen Z), wanted to hear more, compared to just over half of over 45s. Those consumers who were not highly engaged with making packaging choices that are best for the environment still wanted to hear more from brands on this topic, showing an underlying interest and a desire to learn.

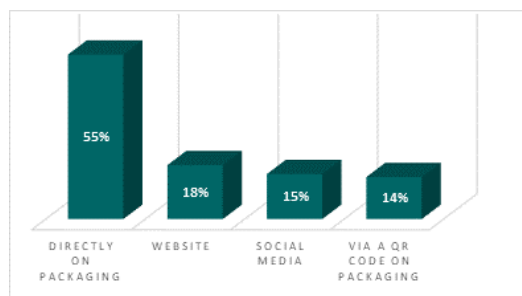
3. Consumers' main source for environmental messages is the packaging.

In the research, the product's packaging itself was the preferred source for consumers to get information about its environmental impact, environmentally friendliness and recyclability. This was consistent across all age groups, averaging 55%, and ranging from 48% for 25–34s to 66% for 20–24s. Communicating with consumers about specific packaging claims and environmental messages has the best chance of being read if it's present on the product packaging, rather than requiring them to redirect their efforts online. Consumers are significantly more likely to read the information placed here, than actively look for it on a brand's website or social pages.

The message is therefore clear for marketers. Packaging is key to capturing the audience, no matter who you are targeting; for liquid products,

this gives cartons an advantage over bottles, as they offer brands the convenience of having the information there to hand, affording more space than a bottle label does.

Preferred source of information



4. Younger people prefer social media, older people opt for websites.

A surprisingly large proportion of people (46%) said they wouldn't want to read about environmental information on social media, but this varied dramatically by age. This fits with how the different generations generally view social, confirming that social and websites still have their place; brands just need to plan their messaging for the right audience on the right channel. 20–45-year-olds preferred social media to websites for their environmental information, with 34% of 20–24s and 32% of 25–34s happy to read about it on social, compared to just 5% of over 55s. Websites do less well than social with 20–24s, of whom just 16% preferred them, but scored over social with over 45s, 16% of whom preferred

websites and 11% chose social. Older age groups were less likely to access information by either social or on websites, but of the two, they preferred websites.

5. Consumers actively seek recycling symbols and stats on pack.

Consumers are seeking out information that endorses a brand's environmental credential, with on-pack information again the preference. Just over half of respondents said they looked for recycling symbols on the packaging, 1 in 3 looked for information about the brand and its environmental practice, and 1 in 5 looked for accreditation. In comparison, 1 in 4 researched this information online.



The product's packaging itself was the preferred source for consumers to get information about its environmental impact, environmentally friendliness and recyclability.



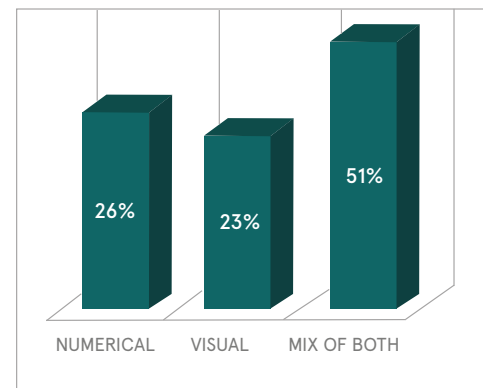
Consumers actively seek recycling symbols and stats on pack.

Another potential source of information on-pack for brands, QR codes accessing environmental information were more favoured by Millennials (25%) than Gen Z's (16%), but their appeal dropped after that over the generations, from 19% of 35-44s to 10% or less of over 55s, again showing that on-pack messaging is crucial.

The message here is that Elopak's cartons offer a good solution for brands, answering consumers' 'sustainability' expectations by providing evidence on recycling, low plastic, low carbon, certifications and other aspects of their sustainability practices. A further benefit is that cartons provide far more space than a label on a bottle. This allows brand owners to communicate better with consumers, including recycling symbols, numerical or visual stats, QR codes, and text. When it comes to how to present this information, there is no clear right or wrong approach. Respondents were split on whether they liked numerical or visual stats or a mix, with 26% preferring numerical, 23% visual, and 51% liking a mix, particularly older respondents, and women. Individual brands therefore need to think what works best for their own audiences and brand style, while ensuring claims are accurate and they stick within the market's rules and regulations.

In the UK, government guidance states that 'Claims must not mislead consumers by giving them an inaccurate impression, even if those claims are factually correct. They must only give consumers the impression that a product, service, process, brand or business is as green and sustainable as it really is.' When it comes to imagery used, visuals must not mislead consumers and must have a 'direct and verifiable link between these symbols and the meaning consumers are likely to draw from them.'

Preferred type of information



6. Brands' environmental credentials make shoppers take action.

The research confirms that crucially, a brand's ownership and communication of their environmental impact is more likely to sway shoppers to switch products. Two thirds of consumers reported that they were likely to move to a brand who demonstrated they were taking steps to mitigate climate change, assuming price and availability were the same. The likelihood was broadly similar across the generations, but higher for the more environmentally conscious younger generations, particularly Gen Z. Shoppers at Sainsbury's, Morrisons, Waitrose, Ocado, Lidl, Aldi and Co-op all over indexed on this, although the overall response was very similar.

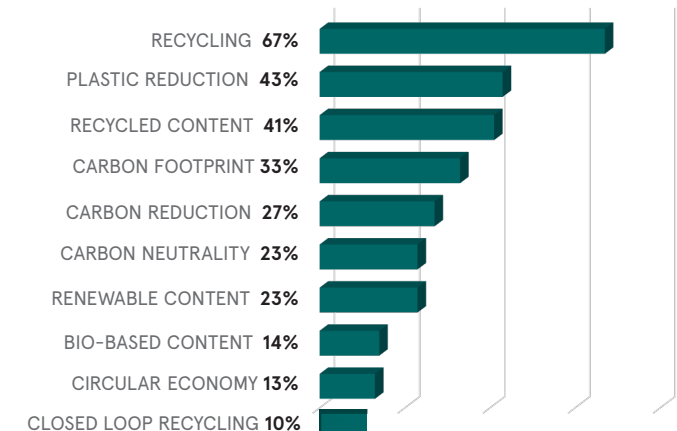
7. Consumers think better of brands with environmental accreditations, but don't necessarily know what they mean.

When people understood different accreditations, it had a positive impact on how they perceived brands and products featuring them. 7 in 10 respondents said they would purchase, or think more favourably of, a brand that includes

accreditations such as Forest Stewardship Council (47%) or The Carbon Neutral Protocol (42%), once it was explained what the logo stood for. However, with less than half of the consumers aware of some of the various organisations presented to them, there is clearly more work to do on awareness of environmental labels and credentials.

The terminology around environmental credentials was confusing to many consumers too. Whilst consumers are aware of general terms such as 'Recycling', their understanding of other commonly used phrases such as Carbon Footprint are relatively low, and almost non-existent for Closed Loop Recycling.

Shoppers who feel well-informed about...



When presented with wider statements about potential environmental credentials, respondents' understanding levels were highest amongst statements on recycled plastic (48%), biodegradable and compostable materials (43%), and renewable materials (39%).

Packaging and recycling

Recycling is clearly on consumers' radar, but there's work to do to ensure they understand and then maximise, the recycling potential of the packaging the products that they buy come in.



This part of the research explored the steps consumers were taking with recycling their products' packaging, and their interest in hearing more about the environmental impact of both products and packaging. The study gauged their confidence about recycling, and what was required to make this more convenient for them. The research also explored consumers' confidence about recycling different materials, and how much they understood of recycling terminology, which is the key to progress.

1. The consumer journey starts with understanding about recycling, and what they can do individually. Many of the statements the researchers presented the respondents with, about products that could be recycled, were new news to them, or they hadn't fully understood them. There were also lower than hoped levels of motivation to switch products as a result of the statements. There is clearly therefore more to be done by brands and

the packaging industry working together to educate consumers.

2. Increasing numbers of consumers care about packaging and recycling.

1 in 3 shoppers in the survey said they make environmentally conscious decisions about the packaging they buy, with 1 in 8 saying they do everything they can to reduce the amount of packaging they buy, choose the packaging with less environmental impact, and recycle everything where possible. The under 45s were more likely to make environmentally conscious decisions, showing that the plight of our planet is a growing concern, with 25-34s marginally ahead of the others in this group.

3. Consumers want to hear more about the environmental impact of both products and packaging.

The respondents were interested in equal measures in finding out more about the environmental impact of both products and packaging. Nearly 7 in 10 were interested in hearing about the packaging's impact, with 1 in 4 saying they were very interested. There was similar interest (72%) in hearing about the product's environmental impact, indicating a clear consumer desire to gain a more holistic understanding of a full product, including its packaging.

4. The under 45s were more interested in finding out about the environmental impact of what they buy. And where they shop comes into it as well. Interest in finding out more about products' environmental impact was slightly higher in the under 45s, with 20-24s most interested of all. Of the major grocers' shoppers, Ocado shoppers were most likely to be interested, and ASDA customers least likely.

5. Consumers were confident about recycling generally, but it needs to be convenient for them to get involved.

Eight in 10 shoppers said it was important for them to be able to buy a product they can place in their recycling bin at home, and for 3 out of 4, it was important to know that packaging is fully recyclable, and they didn't have to separate out the parts. Two thirds wanted to know that packaging can be easily squashed to reduce waste volume, which is the case for Elopak's cartons.

6. There's work to be done to ensure people are maximising products' recycling potential, particularly cartons.

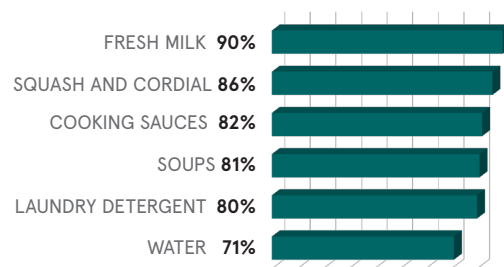
Cartons are the material shoppers were least confident about recycling, with 82% expressing confidence, compared to 92% for plastic bottles and 93% for glass bottles and cans. Glass still has the best perception amongst shoppers for being environmentally friendly, at 31% overall, although this is skewed towards older age groups, being top for all age groups apart from 20-24s and marginal for 25-34s.

Cartons can be recycled in 97% of the UK currently, either via kerbside or bring-banks, and



in the research, respondents' willingness to buy products they already purchase in alternative, fully recyclable, reclosable, liquid carton containers was really high. This applied to a cross section of fresh, ambient and household cleaning products, confirming that cartons offer potential for more than just the beverage sectors.

Shopper willingness to buy regularly purchased products in cartons



With increased recycling options, and a consumer willingness to purchase cartons in multiple sectors, the carton format will be able to fulfil its potential in future as the ideal recyclable packaging choice.



Nearly 7 in 10 were interested in hearing about the packaging's environmental impact

Liquid cartons are fully recyclable and are widely recycled throughout Europe. In the UK recycling can be a postcode lottery, however, with a lack of consistency in what is collected and how, which in turn leads to consumer confusion. The carton industry is doing everything it can to change this and has invested heavily in collection and recycling for over a decade. Today 66% of UK councils include cartons in their kerbside recycling collections and where they don't, the carton industry offers an interim collection service using bring banks, free of charge to the local authority. Recycling is key to achieving a circular economy and fighting climate change, and it starts with collection. We therefore wholeheartedly support moves by the UK nations to standardise and improve kerbside collections across the UK, to include liquid cartons, and we will work closely with the recycling sector in achieving our target of 90% collection by 2030.

Richard Hands,
Chief Executive ACE UK



Conclusion

As an industry, if we are to take consumers on the sustainability journey with us, we, collectively, need to explain better what we are doing and importantly why we are doing it. It is up to us to increase consumer awareness, ensure shoppers recognize and reward true sustainability efforts, which should not be undermined by greenwashing.

It's not an easy task though; one size does not fit all. And consumers have different interests, knowledge levels and ways of receiving information. But on-pack messaging remains key to all. And that's where the carton can shine for liquids.

The message from the research is that cartons deliver a packaging solution for beverages and other liquids which answers consumers' 'sustainability' expectations by ticking the boxes on recycling, low plastic, low carbon and other aspects of their sustainability practices – while their bigger surface space means they also present an important medium for brands and manufacturers to get the message across to the consumer about how they can play their part.

Packaging itself needs to be both functional and sustainable, and our cartons are designed with the environment, safety and convenience front of mind. Cartons offer consumers a natural and convenient

alternative to plastic bottles and other formats, whilst ensuring products remain unchanged.

Over the coming years, increasing pressure from regulators, retailers and consumers will mean that brands will place increasing importance on using recyclable packaging and talking about their sustainability initiatives on-pack. And the more effectively that brands do this, including by choosing sustainable packaging options, the more consumers will 'get' sustainability and make more conscious choices in their buying decisions, which in turn will drive brands to go on making more meaningful changes, in a virtuous circle.

Greater understanding about sustainable packaging and recycling practices is the key to progress. And the brands and packaging manufacturers need to commit to working together to get the message across, so everyone can fully understand and make their individual contribution. To realise this vision, we need to have a wider conversation. As a major international carton manufacturer with a commitment to environmental responsibility, at Elopak we are keen to play our part in the discussion and resulting action, including sharing this white paper with the industry.



