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## **Navigating Sustainability Costs Without Compromise**

Companies across industries increasingly recognize the benefits of investing in sustainability.

Nearly two-thirds (63%) of executives surveyed by Capgemini last year agreed that the business case for sustainability was clear. That's triple the 21% who agreed with that statement in 2022. In addition, the percentage of executives who claim the cost of sustainability initiatives outweighs the benefits and that sustainability initiatives are a financial burden has declined by more than half in the past year.

Another Capgemini report found that 52% of executives said they expected to invest more in sustainability in 2024, and only 14% said they expected to invest less than in 2023.

Increasingly, businesses see other leaders in the space realizing the benefits of their investments in sustainability, and they are following suit, said Brittany LaValley, VP of material advancement at The Recycling Partnership, which seeks to advance recycling efforts and promote a more circular economy.

“The more knowledge these businesses have about the long-term sustainability benefits, the more likely they are to buy into it as a business,” she said.

Organizations are also feeling pressure from multiple sources to operate in a more sustainable manner, according to research from Deloitte. Sixty-eight percent of top company officers reported feeling moderate to heavy pressure from board members/management, regulators, and consumers/clients. Almost as many reported feeling pressure from shareholders, investors and employees.

Similarly, the Capgemini report found that 64% of executives said that complying with government regulations was a motivating factor for investing in sustainability, up from 51%

in 2022. Meanwhile, 74% of executives cited increased future revenues as a reason for adopting environmental and/or social sustainability strategies and initiatives, up from 52% in 2022.

Among the challenges that food-industry manufacturers face is the state-by-state approach to sustainability regulation. When it comes to sustainable packaging regulations, for example, several states have pending laws that are distinct from each other, said Rasma Zvaners, VP of government relations at the American Bakers Association.

“Each one of those programs is very different, and we have 50 different states,” said Zvaners. “At some point we may need to have someone at a federal level look at packaging more closely, so that we're all on a level playing field. Our sector doesn't just ship into one state. We have national distribution.”

A report compiled by Cypress Research for the ABA and Baking & Snack magazine, sponsored by Corbion, shows that baking companies are concerned about their environmental responsibility practices. More than three-fourths of baking companies surveyed — 78% — cited their corporate environmental policies, guidelines and practices as being important to their success.

Cost is clearly a factor, however; larger companies are more likely to view these investments as important to their success. Eighty-three percent of baking companies with revenues of \$100 million or more said that corporate environmental responsibility policies, guidelines and practices were important to their success, compared with 69% of companies with revenues under \$100 million.

### **A piecemeal approach**

For small businesses in particular, it may be necessary for companies to phase in sustainable initiatives over time because of the costs and the resources that may be required in the early stages. Several factors can influence the order in which these initiatives are adopted, including increasingly stringent government regulations, customer priorities, and the cost and availability of sustainable products and equipment.

It's also important to leverage resources, such as The Recycling Partnership, that harness the collaborative efforts of companies seeking to operate more sustainably.

As companies seek to design and implement more sustainable solutions — from the materials, equipment and manufacturing they use to efficiencies in their logistics and distribution — they can work with such partners to help them make cost-effective decisions.

The Recycling Partnership offers several [free tools](#) that companies can use to evaluate their options when it comes to materials such as plastic, for example. The organization recently introduced a digital Circular Packaging Assessment Tool- Recycle Check, that allows manufacturers and retailers to evaluate the recyclability of their packaging portfolio.

The tool can be used as a first step for companies seeking to understand the recyclability of their packages, LaValley explained. It allows companies to assess existing packaging solutions, explore new design ideas, and learn about how to design packaging that conforms with other community recycling requirements.

“It really looks at it from end to end, from designing the package to ensuring it can be sorted at a [recycling] facility,” she said. “There needs to be an end market, and it must be prevalent in the market, meaning there's a place for it in the circular economy.”

### **Transparency around sustainability**

As more and more companies invest in sustainable solutions, it's important for them to share their sustainability goals, and their progress toward achieving them, with their customers. This is one of the keys to realizing the benefits of investments.

Consumers, especially younger generations, increasingly expect companies to behave sustainably, and this trend impacts their purchasing decisions. When Gen Z and Millennial consumers believe a brand cares about the impact it has on people and the environment, they are 27% more likely to purchase the brand's products and services than older generations, according to a [recent article in the Harvard Business Review](#), citing research from Deloitte Consulting.

These consumers also expect transparency, meaning that companies need to be able to communicate their sustainability efforts honestly, according to the article. When younger consumers consider a brand to be transparent, they are 30% more likely than older generations to spend more money with it.

### **Working with suppliers**

Supplier partners can help manufacturers and retailers navigate the dynamic world of investing in sustainable packaging. Working with supplier companies dedicated to sustainability, such as Kwik Lok, can also help companies burnish their own sustainable credentials.

Kwik Lok has been at the forefront of research and innovation around materials science, which has led to the development of several sustainable packaging solutions. These include bag closures that use post-consumer recycled material, for example, and other materials that are recycled and recyclable or compostable.

Its Enviro-Lok polypropylene bag closures were designed to offer the potential for recycling, without the loss of strength or reliability. They also use 34% less plastic than standard Kwik Lok closures, are made using less water, and with reduced carbon emissions.

Other solutions include Kwik Lok's environmentally friendly and Fibre-Lok clips, which are made from recycled paperboard materials that contain no plastic at all.

For more information about the complete line of products available from Kwik Lok, including closures, bag-closing machines and printers, visit [www.KwikLok.com](http://www.KwikLok.com)

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