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December 13, 2022

**Case Study: The Better Packaging Co**

“eCommerce packaging, and the prevalence of single-use courier satchels made of traditional plastic, has not changed much in decades! In fact, over the past ten years, as eCommerce has experienced stratospheric growth, the amount of single-use plastic involved has only increased. Polystyrene balls and chips, plastic pillows, bubble wrap galore! No-one had thought to make a more sustainable option, and no-one certainly had thought to make courier satchels that would biodegrade safely in a backyard compost ... until now” – Rebecca Percasky, Co-Founder and CEO, The Better Packaging Co

**Background**

The E-commerce industry has a huge problem with plastic. According to a report by The Ellen MacArthur Foundation, around 26% of plastic produced is used for plastic packaging. Only 14% of this is collected for recycling with the rest going to landfill or contributing to the estimated hundreds of millions of tons of plastic pollution in the ocean. The rise in online shopping has fueled the demand for single-use plastic packaging as most products, especially clothing, ship from the factory in a clear polybag, and then are wrapped again at the warehouse in a plastic poly satchel for mailing to the customer.

The Better Packaging Co (BPCo) is a New Zealand-based eco-friendly packaging company who are outwardly committed to sustainability as it relates to packaging. They were founded in 2017 by Rebecca Percasky and Kate Bezar with the mission to create an alternative product to the single-use plastic mailers used widely in the e-commerce industry. The founders recognized early on that with a predicted increase in online shopping would come an increase in single-use plastic packaging. Their first product, called ‘A Real Dirt Bag,’ was a fully home-compostable mailing satchel made from corn starch, PLA, and PBAT, an item that was guaranteed to break down in home compost in less than 6 months. Since their inception, BPCo’s product range has expanded into two main categories: their comPOST range of compostable mailers and polybags, and their POLLAST!C range of 100% ocean-bound plastic mailers and polybags. They also offer compostable hygienic liners and adhesive labels, a plastic-free garment bag made from paper, and a heavy-duty reusable mailing satchel made from paper and cotton that is designed to bio-degrade after many use cycles. They carry their own branded product, as well as offer custom branded options for other brands also with small minimums.

They are a private, for-profit company and certified B Corp, meaning they meet high standards of social and environmental benchmarks, and their business benefits all stakeholders (workers, community, customers, and the environment). They are a business-to-business (B2B) model and currently employ around 17 people. Annual revenues are estimated at $4.2 million according to one source, although exact numbers are hard to verify. They are registered in both New Zealand and Australia and have warehouses and distribution centers in China, the EU, and the USA.
BPCo links apparel brands in countries around the world with their manufacturers in Asia to provide an innovative, sustainable packaging solution. By creating a vast network linking sustainability-minded manufacturers, waste collectors, designers, brands, and consumers, they are doing their part to create a more sustainable economy.

**Definition of Sustainability at BPCo**

The Better Packaging Co was founded to address the problem of plastic waste in the e-commerce industry, making environmental sustainability a fundamental value of the company. They also include non-environmental factors in their definition of sustainability, identifying as a “socially aware and responsible business”9 through their responsible sourcing practices. Sustainability is addressed in all sectors of the company, including internally within the organization, throughout their supply chain, and through their stakeholders and customers. They value transparency and list the carbon footprint of their core products on their website, with most of their core products deemed carbon neutral. Their definition of sustainability expands to include employee well-being, a focus on worker safety throughout their supply chain, and giving workers, especially waste collectors, a steady stream of work.

Sustainability is also addressed internally within the organization. As a woman-owned company, diversity, equity, and inclusion are important values at BPCo. An analysis of their LinkedIn shows that the majority of employees are women, including in leadership roles. Their sustainability policy on their website calls out their commitment to the health and safety of their workers and the community, including indigenous peoples. They have pledged to donate 10% of their profits to environmental causes and will match their worker’s donations. Further, employees are granted 20 hours of paid time per year to participate in volunteer work.9

BPCo strive for sustainability and transparency throughout their supply chain. As a verified B Corp, they openly support industry best practices. They aid social causes through their POLLAST!C polybag and mailer range, helping to alleviate poverty in marginalized communities by paying workers a fair wage to collect plastic waste from beaches and waterways for recycling into their products.10 Paying overseas workers to collect plastic waste from oceans is not a new concept nor is it done solely by BPCo, however BPCo claim to have been the first company to make a poly mailing satchel from 100% ocean-bound plastic, which they verify using blockchain technology to trace exactly where the plastic from each batch was sourced from. Most of their plastic waste is sourced from coastal communities in Southeast Asia, a targeted choice as it is estimated that this region is responsible for up to 80% of plastic leakage into the environment (when plastic escapes the system and is lost instead of recovered for another use) due to poor waste management infrastructure.11 Their POLLAST!C product line contributes to 14 of 17 of the UN’s Sustainable Development Goals, and is fully recyclable with soft plastics, although infrastructure for doing so is not widely available yet.

In 2020, they re-fit their office space with sustainability in mind. To ensure they were being true to their values, they reduced their footprint compared to a traditional refurnishing by buying all secondhand furniture and electronics. They also ensured they chose a new space that was close to public transport and with loads of natural light, and implemented a composting pick-up system and a selection of reusable Keep Cups and containers for staff.12 They even encouraged their
team to work from home to reduce their carbon footprint. This holistic approach to sustainability, where they do their best to act sustainably wherever they can, encourages their consumers to also act sustainably in as many small ways as possible.

Sustainability is also emphasized on the demand side. BPCo are very vocal about their sustainability initiatives, and sustainability metrics such as carbon emissions and renewable energy used in the production can be found on product pages on their website and on the product itself (their BPCo branded products typically include information on recycling and composting if applicable printed directly on the item). BPCo also work with brands to create custom layouts for their products; when doing this, it is optional for brands to include the BPCo logo and recommended sustainability excerpts, however, they do encourage brands to include this. In the case of their compostable comPOST collection, they recommend keeping the composting instructions on the layouts, even for custom-branded products, to increase awareness and encourage consumer participation in the circular economy. They encourage reuse of their products prior to composting, an example of this is how they have linked e-commerce brands with local mushroom farmers to use the second-hand mailing satchels as vessels for their farming. As compostable products only have a lifespan of about 12 months before they start to lose durability and risk seam tearing, BPCo offer expired compostable mailers on their website for free for those who would like to repurpose them. They also boast of planting one tree for every order placed on their website with their partnership with One Tree Planted. By considering the end-of-life processes and identifying secondary loops and uses for their products, they are encouraging their customers to engage in circular economy principles.

**Leadership**

Co-founders Rebecca Percasky and Kate Bezar are both vocal advocates for sustainability achieved through circular economy principles. They describe themselves as “passionately anti-packaging” and find it ironic that they own a packaging company. Through countless interviews, podcasts, YouTube appearances, and on their company’s website, they detail their proposed solution to an increasingly urgent problem: creating a truly circular mailing satchel for the e-commerce industry, addressing the rapidly growing amount of plastic pollution caused by a hastening trend in online shopping. The founders have been featured in many online publications, including Medium, Cartier Women’s Initiative, EcoBahn, and Global Women about their reasons for starting their company. They have spoken on many podcasts, including The Female Career, The Climate Business, Coralus, and The Ocean Impact Podcast.

On the “Better Blog,” BPCo’s company blog accessible via their website, the founders share their thoughts on topics like the difference between compostable and recyclable materials, why cleaning up our oceans is important, and their reasons for pursuing a “better,” more sustainable supply chain. They also share tips for other businesses hoping to follow suit. They present themselves as ethical CEOs who do not support corporate greed, as proclaimed by Bezar on The Ocean Impact Podcast, saying, “The last thing on our minds is lining our own pockets; we genuinely want to leave the world a better place for our kids and make as much impact as we can.”
As is often the case with small companies, they do not have a dedicated sustainability position, but rather it is integrated into the roles of many. As Chief Impact Officer, Bezar confirms that it is her responsibility to ensure that sustainability efforts are implemented, tracked, and managed. She also states that “it is the responsibility of EVERY member of our team to help minimize carbon footprint and maximize impact, from supply chain to sales and marketing” (K Bezar, personal communication, December 4, 2022). As the two most senior leaders of the company, Percasky and Bezar are able to push sustainability from the top down, using their authority to ensure sustainability is prioritized as a core value throughout the organization. They appear to be approachable and well-respected by their peers, as witnessed in their countless public interviews.

Speaking at Better by Design’s CEO Summit in 2020, Percasky emphasized the importance of flexibility: that as a leader, you must be happy to change direction if something isn’t working out. This strategy has served BPCo well. In the early days of their research and development, they thought they’d found the perfect material that ticked all of their boxes—compostable, non-toxic, zero waste, recyclable with #2 plastics and paper—but when they visited a sorting facility, they realized that the product would not be identifiable as recyclable and therefore would end up in landfill. After accepting that this wasn’t the answer, they ended up finding a better solution, one that was 100% home compostable, their “Real Dirt Bag.” This flexibility has allowed BPCo to thrive through new innovations and continual research, expanding their product offerings and embracing change.

### Strategy and Metrics

The Better Packaging Co aims to be carbon neutral through a combination of circular design, sustainable supply chains and sourcing strategies, eco-friendly distribution methods, and end-of-life processes. Speaking directly to Co-CEO Kate Bezar, it was revealed that sustainability at BPCo is measured through three key benchmarks: GHG emissions avoided (kg CO2e), macro-plastic waste reduced (%), and waste recycled/reused (%). She says that because “there is a direct relationship between [their] sales volumes of POLLAST!C and these measurements,” it makes it easy for them to track their progress (K Bezar, personal communication, December 4, 2022). They also factor in use of renewable energy, amount of plastic waste diverted from landfill, and adherence to the UN’s Sustainable Development Goals. They take a holistic approach to sustainability and consider all the impact to all stakeholders during their research & development phase. They utilize third-party Life Cycle Assessments (LCAs) for their core product ranges to verify their baseline, set benchmarks, and help them determine reasonable goals.

Sustainability is a key driving factor for their business, and it helps them appeal to new customers, especially younger brands that seek to attract generation Z customers who are increasingly interested in sustainability. Traditional poly mailers and polybags are cheap and readily available, so it is critical that The Better Packaging Co differentiate themselves by promoting their sustainability assets. With sustainability as their key advantage in the packaging market, they would undoubtedly fail to retain customers or attract new ones if they stopped running their operations sustainably. Other companies in the sustainability space should identify what sets them apart from their competitors and make sure they keep those assets prioritized to avoid losing business as more options appear for their customers.
There is no available information regarding if management compensation is dependent on meeting sustainability targets. As a small, New Zealand-based company who aim to incorporate sustainability across their entire business, they have a rigorous hiring process that kicks off with a “value-alignment” first interview to ensure prospective employees share the same principles. Employees are likely expected to act sustainably as a part of their day-to-day actions, however, as this can be hard to quantify it is unlikely a condition of their employment. Similarly, it is probably difficult for them to quantify sustainability in their performance reviews, however, there is no available data on this as they are a private company.

BPCo have made notable progress thus far towards their carbon neutral goals and have even gone a step further and certified many of their products as “carbon negative.” They have achieved this by offsetting their carbon footprint by 200% using carbon offsets. According to an LCA conducted by Sphera Consulting, their POLLAST!C poly mailers are the lowest carbon-intensive mailer on the market, with a carbon footprint that is 75% less than a traditional mailer.

As they recognize that there is no perfect solution to packaging, BPCo are constantly evaluating their products in search of better options. An example of an action the company has taken in response to their sustainability reporting is to explore the closure method for their compostable mailers and polybags. An LCA showed that 16% of the total carbon footprint of these products was created by the adhesive strip used to seal the bags, as these are made of plastic, and no compostable alternative exists at this time. They are now in the process of developing polybags with a pillowcase closure method, that is, one with a folded back edge used to “seal” the bag instead of requiring an adhesive strip. BPCo recognizes that all progress is good, no matter how small. Tackling sustainability in the plastic packaging industry is a monumental task, so they do not strive to be perfect but rather “better” than before.

**Relations with Suppliers and Partners**

When it comes to sourcing their suppliers and manufacturing partners, BPCo considers a range of factors. Firstly, it is not a direct requirement for their suppliers to share their values. As described in this report, BPCo’s own values towards sustainability are extremely rigorous. As a small, New Zealand-based company, they were able to build a business with sustainability as their founding value. It would be extremely difficult to find suppliers in the packaging and waste industries that hold sustainability as their highest value, as their priorities are likely to lie in profits and margins, which they need to survive. Bezar confirms that while some suppliers share their values, not all do. She says that for suppliers that don’t share their values, they “meaningfully communicate what [they] do and why,” as well as work with them to figure out where they could improve their sustainability efforts (K Bezar, personal communication, December 4, 2022). They are understanding that businesses they work with have differing needs and priorities and do their best to work with that. It is important for companies to have realistic expectations from their suppliers, and they can do this by getting to know their supply chain deeply, talking to their suppliers, and understanding exactly what is and isn’t possible. This can help to avoid situations where suppliers are untruthful out of fear of losing business.
To ensure compliance from their suppliers, they either mandate compliance in their contracts or rely on other certifications. For example, they require both Sedex and Ocean Bound Plastics certifications from their suppliers. When sourcing suppliers, it is important that location is considered to ensure that their waste collection, recycling process, and manufacturing facilities are in close proximity to one another to avoid added carbon emissions from transportation (K Bezar, personal communication, December 4, 2022). Relying on third-party compliance through certifications and audits is a solid practice for other sustainable companies to consider to ensure their supply chains are verified properly, however, there can be issues with bribery and corruption in the auditing sector. To take this a step further, as BPCo did, actually visiting suppliers in person will help companies strengthen their supply chain visibility and avoid violations of their contracts.

**Importance of Sustainability**

Sustainability is the number one goal of BPCo and is backed up by the company’s values. From day one, the business was built on sustainability. To gauge interest in their initial idea of a home compostable mailing satchel, they placed a Google ad and received responses within minutes. Their first production run of 10,000 units sold out in 2 weeks, so they doubled their order and sold out again. Business has been strong ever since, showing that they are doing something right.

Initially, they wanted to target larger brands, theorizing that this is how they would be able to make the biggest impact, but after trialing packs of 100, which proved to be extremely successful with smaller brands who couldn’t hit MOQs on their own, they were able to spread their brand globally. They also noticed a trend of their customers (brands) posting about their product to their own customers (consumers), who would then post about BPCo’s product on Instagram. This viral buzz sparked a great wave of interest in their product, one that they have been riding ever since. They were the first in the world to create a fully home-compostable mailing satchel, but as a small startup, they had no Intellectual Property protection, allowing many other companies to copy them, hoping to gain a piece of their success. A challenge for BPCo is to maintain their market share in the sustainable packaging industry as it expands and copycat businesses compete for their customers, something that they try to do by being the most honest and transparent.

To maintain integrity in an ever-expanding industry of “sustainable” packaging, BPCo hold various certifications and are members of many environmental pacts globally. Their growing list of certifications includes B Corp, ISO, REACH, and RoHS. They are a founding signatory of the Ellen MacArthur Foundation New Plastics Economy and a member of the Australian Packaging Covenant (APCO) and the ANZPAC Plastic Pact. Their POLLAST!C packaging addresses 14 of 17 UN Sustainable Development Goals. Percasky and Bezar state that they rely on certifications and rigorous science to back up their claims and to cut through greenwashing. By adhering to so many strict guidelines, they demonstrate their commitment to sustainability, adding value and integrity to their business practices.

They pride themselves on using waste that no one wants to touch, such as plastic film and food packaging, “taking some of the nastiest plastic in the world,” as Bezar calls it, and using it in
their supply chain. However, this has not come without setbacks along the road, and they deal with these by leaning into the challenges. They admit to making a lot of mistakes; however, they focus on how they can learn from these mistakes and improve their processes. In the past, they’ve faced issues with putting inaccurate messaging out there. This is because they used to trust their suppliers at face value, but after visiting them in China, they unraveled the truth and found their suppliers were not always honest about their practices (a common conundrum in global supply chains). They now have a strict QC process in place. They are careful with their messaging to say that they don’t have all of the answers, they are on a journey, and they want their customers on that journey with them. Their team works closely with the brands they service to gain feedback on client satisfaction and to get an idea of the success of their programs. By listening to what their customers want, they have been able to stay on top of an ever-evolving packaging industry and continually offer the next best thing to their buyers. This level of commitment to sustainability is rare, and most established companies would struggle to incorporate sustainability into their structure without a complete overhaul of their organization. BPCo’s advantage is that they were founded with sustainability as their ultimate goal so were able to ensure it touched upon every aspect of their business as they grew.

The Future of Sustainability at BPCo

A key challenge for BPCo, especially as they move from solely compostable packaging into recycled ocean-bound plastic products, is addressing the end-of-life process for their products. Although soft plastic can technically be recycled, in the US soft plastics are typically not accepted in curbside recycling programs. In fact, it is estimated that 32% of plastic packaging leaks from collection systems, often ending up in coastal waterways. As of 2022, Australia’s largest soft plastics recycler REDcycle has paused their soft plastics collection program further complicating efforts to increase plastic recycling in the region. Ideally, BPCo could eventually set up infrastructure to collect back their POLLAST!C products themselves, and have these recycled again into new BPCo polybags, creating a fully circular product. It would be unlikely they will ever collect 100% of their product back for recycling, but the returned items could be blended with “newer” ocean-rescued plastic into new products. Likewise, BPCo could help consumers find local compost facilities for their products, as the information is seldom available from local municipalities.

As a small company, a larger investment in internal staff could help them scale their processes. Currently, they rely on a vast network of third-party providers to help them with logistics, warehousing, and distribution. Scaling their team would allow them to bring some of these outsourced services in-house, allowing for greater transparency. With a larger team, they may also be able to produce a detailed annual sustainability report, something that is becoming common practice for established companies.

Another step to improve sustainability would be to expand into more industries, such as food packaging. According to a report published by the EPA, food and its packaging account for around 45% of waste sent to landfills in the United States. As a single-use plastic product, it would make sense for BPCo to delve into this area. Currently, they say their compostable zip lock “comZIP” bags are suitable for fruit and vegetable storage, however, are not suitable for all
food items as they are breathable.\textsuperscript{25} Research and development into a fully-sealable and food-safe product would be beneficial to the long-term success and expansion of the company.

Speaking on The Ocean Impact Podcast in July 2022, the CEOs confirmed that they are currently raising a series A round of funding, with the intention to use funds to break into the American market and solidify their presence in the Australian market.\textsuperscript{16} They also confirmed that upcoming projects involve more research & development of their POLLAST!C range to expand into bubble wrap mailers and air pillows, and development into a fiber-based tree-free range of paper alternative packaging products. Further, they are building a tech-enabled solution to help customers around the world find a local compost collection point. As of 2022, they have launched their own product stewardship scheme, the first step to taking responsibility for their products at the end of their use. The scheme helps customers find drop-off locations for their products and even encourages them to start a collection point themselves.\textsuperscript{26} By taking some responsibility for the end-of-life processes of their product, by helping their customers recycle and compost, they are setting a great example for other companies to follow suit.

Conclusion

All in all, it is clear that The Better Packaging Co is an admirable company with deep roots in sustainability. They have a solid foundation engrained in sustainable business practices, and they will continue to place sustainability at the forefront of their mission. As a relatively young company, it’s safe to assume that they will continue to expand and grow their product offerings, discovering new alternatives to plastic packaging and other e-commerce products. The CEOs’ high level of engagement with their public audience through interviews, podcasts, and YouTube to spread the word of their mission has successfully improved their creditability. A key piece of their success is in getting their end consumers excited about their product and engaged in recycling and composting. Driven by innovation, they will continue to research and develop the next best thing in sustainable packaging.

BPCo are a fantastic example of how to run a sustainability-focused business, even in an industry that is infamously unsustainable. Other companies can follow their lead by reviewing their own commitments to sustainability and figuring out how they could improve in every sector of their business, including internal operations, external partners, supply chain, design, and end-of-life processes. Through their hard work and dedication to their vision, Rebecca Percasky and Kate Bezar have succeeded not only in building their own business but also in helping thousands of businesses around the world, large and small, make a difference by using “better” packaging.
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