Moving Your
Fulfillment Center to a
Sustainable Packaging
Strategy

An EcoEnclose Guide





Table of Contents

Overview: Transitioning to a More Sustainable Packaging Strategy 1
• Step 1: Establish and Showcase Your Clear Definition of "Sustainable Packaging" 3
 You Can Borrow (and Steal!) EcoEnclose's Guiding Principles
Principles for Sustainability in Fulfillment
 Avoid Greenwashing to Build Trust - and Effectively Communicate Your Sustainability Investment
• Step 2: Build a Suite of Sustainable Packaging Options 12
 Recycled, Recyclable Plastic Packaging Solutions
Plastic-Free Packaging Solutions
 Avoid these Common "Sustainable" Packaging Mishaps That Are Not Actually Eco-Friendly
Automation and Sustainable Packaging Solutions
• Step 3: Get Smart About How the Switch to More Ecological Services and Packaging May 18 Impact Your Operations
 Plastic-Free Packaging: What to Know When Switching From Poly Mailers to Paper Mailers
 General Cost Concerns Related to Sustainable Packaging
 Supporting Sustainable Brands In Their Eco-Friendly Internal Packaging Strategy
 Step 4: Bring EcoEnclose On Board as a Partner, Supplier, and Expert in Sustainable Packaging 23 Our Value Add: Making Your Job Easier
Resources to set you up for success
• Products
Sustainability Perks
• Step 5: Develop a Plan for Working with Custom Branded Packaging 26
• Step 6: Be a Winner! Avoid Common 3PL Missteps With These Tips for Success 27
Where Fulfillment Centers can Fail Customers, or Shine
• How Else Can We Work Together? 31

Overview: Transitioning to a More Sustainable Packaging Strategy

More and more brands are making sustainable packaging a priority in their larger vision for corporate social responsibility. Coalitions and collections of brands have been created with rapid verve over the last 3 years - notably: The Fashion Pact, Responsible Packaging Movement, and Sustainable Apparel Coalition - all with the focus of improving the sustainability of their products, supply chain, and packaging. Additionally, there has been a movement towards Extended Producer Responsibility (EPR) policies and initiatives - which place more of the financial and

operational burden of the treatment and disposal of certain consumer products on the producers, manufacturers, and retailers that sell and profit from those items.

For ecommerce and DTC brands, this has resulted in a major shift towards more sustainable packaging materials - for both products and shipping. And it has caused brands to reevaluate their entire supply chain, especially their fulfillment partners.

At EcoEnclose, we work with sustainable brands daily - working with them on their sustainability goals, developing ideas for ecological improvement, and addressing packaging challenges.

Many of our conversations are about the challenges of implementing new packaging strategies into an existing DTC fulfillment system. We hear time and again that brands are getting incredibly frustrated with their 3PLs because of their partners' unwillingness to work with more eco-friendly packaging. Many ask us for recommendations of which fulfillment centers have the best history when it comes to eco-friendly packaging and sustainability.

Thankfully, fulfillment centers and and 3PLs are waking up to the importance of sustainability. They are seeing that consumers care about sustainable packaging, so the brands they work with need to meet this demand, and fast.

Fulfillment centers are finding that when they push back or refuse to utilize new types of sustainable packaging, brands switch to ones providing better service and more collaboration.

Excitingly, the world of sustainable packaging and ecommerce DTC is small - so the 3PLs that excel in meeting these trends and demands are beacons for other brands looking for better service - and often house and fulfill products for multiple sustainability-minded brands.

Here, we share our insight on how fulfillment centers can meet these growing trends, and build value with new and existing customers.

WHY SWITCH TO SUSTAINABLE PACKAGING?



Consumer Demand



ERP Extended producer responsibility policies



Brand-led sustainability initiatives



Customer Retention

Switching to 100% recycled polymailers from virgin (0% recycled) polymailers saves:

100% Recycled Poly Mailer	lbs of recovered waste	Barrels of oil	MBTUs of energy	lbs of CO2 equivalent
50,000 mailers	2,610	12.58	136	5,465

Sustainable packaging is circular - with maximum recycled content and post-consumer waste, recyclable in existing recycling streams, and reusable when appropriate. Skip the compostable bioplastic, a common example of greenwashing.







EcoEnclose supplies and supports thousands of brands on the sustainable packaging transition. We can be your thought partner in this process - helping you prep your operations for the transition.













Step 1:

Establish and Showcase Your Clear Definition of "Sustainable Packaging"

Summary:

Sustainable packaging is circular - maximum recycled content and post-consumer waste, recyclable in existing recycling streams, reusable when feasible. Avoid compostable bioplastic, a common example of greenwashing.

The technology and innovation in this field has been booming in the last 5 years - so how do you know what is legitimately a more sustainable solution than your existing packaging, and what borders into the realm of greenwashing?

Our glossary for environmental terminology can be found <u>here</u> for ongoing reference as you navigate this space.

You Can Borrow (and Steal!) EcoEnclose's Guiding Principles

EcoEnclose lives and breathes sustainability every day, so instead of creating your own framework, we welcome anyone to borrow from the research and development we've already done.

Our <u>Framework for Sustainable Packaging</u> assists us in evaluating every new material, product, or innovative technology in the ecommerce packaging space. While this framework is our own, it builds from leading industry research from partners such as the Sustainable Packaging Coalition and Canopy.

- 1. Designed for Maximum Circularity
- 2. "Naturally Biodegradable" Materials Are the Only Defense Against Plastic Pollution
- 3. Details and Supply Chains Matter: True Sustainability Must Run Deep



1. Designed for Maximum Circularity

- Packaging is made with as much recycled content as possible, putting priority on post-consumer waste content, which when used, stimulates and bolsters the recycling industry and value of recycled and reused materials.
- Packaging can be reused one or more times, and is then easily recyclable, with curbside recycling (blue-bin) streams being optimal to maximize recycling rates.
- Recycling ecommerce packaging (after reuse, when reuse is possible) is superior to any other end-of-life scenario, including composting and landfilling.



2. "Naturally Biodegradable" Materials Are the Only Defense Against Plastic Pollution

- While ecommerce packaging is not a major contributor to plastic pollution, we recognize that these many brands are becoming weary of the ocean plastic crisis and are rejecting plastic altogether. We applaud these efforts and direct these brands towards "naturally biodegradable" materials.
- What's naturally biodegradable? Paper (which can be recycled, made from trees, or made from other plant cellulose). Hybrid materials should be rejected (like a mailer with paper and poly components / multi-layered / multi-material). Today's bioplastic should be rejected. And oxo-biodegradable and other additive-driven "biodegradable" plastic should be rejected.
- Despite more and more packaging providers offering a "zero waste" or "compostable" bioplastic mailer, we have evaluated the legitimate environmental impacts and implications of these materials (typically PLA) and we (along with most sustainability experts) find them to be contributing towards greenwashing. Learn more about our research and rationale here.



3. Details and Supply Chains Matter: True Sustainability Must Run Deep

- Details matter to us! That's why we continuously innovate to improve components of our packaging. Examples include: using <u>carbon-negative black algae ink</u>, <u>zero-waste</u> direct thermal labels and stickers, and next generation packaging paper.
- We build a domestic supply chain. This allows us to reduce our supply chain's carbon footprint, have better visibility and chain of custody of the recycled content used in our products, visit and audit our supply chain more easily, and know that we contribute to fair wages for the manufacturing jobs that support industries like ours in America.
- We give our customers transparency into our products: through an extensive product <u>Bill of Materials</u>, custom <u>EcoReports</u>, and <u>annual environmental savings reports</u>.



ALGAE INK



Principles for Sustainability in Fulfillment

What should all of this mean for your 3PL? If you embrace these principles as part of your own sustainability framework, we would recommend applying the following strategies to your packaging.

1. Source reduction and right-sizing packaging.

Use right-sized boxes and mailers whenever possible for customer shipments. This reduces the gross material use, but also reduces the amount of void fill needed to protect the product.

Bonus: this also saves the customer money on shipping rates!

Example: major DTC operations have been the focus of bad press when tiny products are shipped in a much-too-large box, filled with (typically) plastic air pillows or bubble wrap. Avoid the bad press by right-sizing the packaging to fit the product! Encouraging the brands that you work with to consider this switch when it's applicable is another way you can be an ally to your customers.



2. Aim for 100% recycled packaging - with high levels of post-consumer waste.

The first question to ask of your sustainable packaging is - how much post consumer waste? We often see examples of "100% recycled packaging" that, once you dig in a little bit more, are made with unverified levels of post-industrial waste. Maximizing recycled content, with the highest levels of verified, post-consumer waste possible, is a critical step.



Example: Many 100% recycled paper mailers and corrugated boxes often include high levels of percentage of post-consumer waste. Highlight this to customers!



3. Ensure Packaging is Readily Recyclable, and that Recipients Know How To Recycle

From a recycling standpoint, curbside recyclability is optimal because it will lead to higher rates of recycling than harder-to-recycle items. Curbside recycling (for ecommerce packaging) typically means corrugated shipping boxes and paper mailers.

Paper products are curbside recyclable!

100% recycled paper mailers & corrugated boxes are an easy win



However, we recognize that 100% recycled poly mailers and other plastic-based packaging made with high levels of recycled content has a major ecological advantage over paper - a significantly lower carbon footprint. Additionally, poly mailers can be functionally superior to paper options, with their tear, puncture, and weather resistance.

Given this, we often advise brands to opt for recycled poly based packaging instead. When this is the case, it is important that the packaging itself communicates to consumers how to properly recycle these materials - at a #4 / thin film recycling drop-off - available at most grocery and big box stores. When you work with EcoEnclose, you also have access to our thin-film takeback program - where customers who receive orders in our packaging can send their thin film back to us, and we can recycle it on their behalf.





Thin-film plastic, like poly mailers and clear poly bags, are recyclable in thin-film/#2/#4 plastic recycling streams. These are available at grocery and big box stores - where you can also recycle plastic grocery bags.



4. Match materials where possible.

The packaging experience is more seamless - particularly when it comes to end of life - when the outer and inner packaging is made with the same materials.

We advise that shipments going out in paper - corrugated shipping boxes or paper mailers - utilize paper-based cushioning and void fill. This allows for the entire package to be recycled together curbside.

Great examples of paper-based protective packaging solutions include:

- Packaging Paper
- High-Volume void fill options
- GreenWrap



5. Reusable Packaging

Some packaging, including our 100% recycled poly mailers, have a dual peel and seal (and an easy to use tear strip) that makes it seamless for customers to use their packaging for returns or exchanges. For any brand that experiences relatively high rates of merchandise returns, this type of reusability feature can be a major advantage - from both a sustainability and user-experience perspective.

There is also a growing interest in more durable packaging, built for longer-term reusability. This packaging is typically made with a thick, woven plastic - such as polyester or polypropylene, and is zipped or velcroed shut.

While we are very excited about these emerging options, we do not necessarily see it as the best ecological option in all situations.

In fact, research published in 2021 from Fashion For Good shows how thoughtful we need to be here. For example, measuring impact by carbon emissions, a reusable package will be less sustainable (even if it is returned 100% of the time) than a 100% recycled poly mailer used twice.

This is because the footprint (material and carbon) to create a reusable mailer - like a polyester - is significantly higher than the footprint to make a single or double-use disposable mailer. This, coupled with the footprint of shipping that mailer back and forth means that if the reusable mailers aren't returned 100% of the time, their overall footprint and the plastic waste they generate would be larger than that of single or double-use packaging



We do see reusable packaging as an excellent and sustainable solution for brands that rely on customer returns from a vast majority (or all) shipments. Examples include: Rent the Runway (who ships clothing to be worn and then returned).

Nadine West (who ship clothing to be tried on, and a portion of which is returned), and any company that accepts used apparel as a trade for store credit.

Any Fulfillment Center working with brands like this should consider one of these more durable reusable ecommerce shipping solutions. Reusable mailers - if they are made with recycled content, are returned at a high enough rate, can withstand dozens of shipments, and be recycled at the end of their life - can be a solution that is more sustainable than an equivalent single-use mailer.

If you work with brands like this, we can support you in offering reusable mailers as an innovative solution for your clients!

6. Skip the Bioplastic, especially the PLA!

Bioplastic is an umbrella term for packaging either 1.) made from bio-based sources (like plants), or 2.) able to biodegrade (to industry standards) in a home or industrial compost environment, or both. While bioplastics offer an incredible service for the packaging of products that naturally biodegrade or that are already destined to be composted.

We agree with the Sustainable Packaging Coalition's (SPC) take on the question "should my packaging be compostable?"

"compostable packaging should not be a blanket solution for all packaging. Rather, it should be used in applications where it helps divert food waste out of landfills and into compost bins, reduce food scrap contamination of recyclable materials, or replace non-recyclable packaging. Designing with these goals in mind will help brands prevent problems down the road."

PLA, the world's most popular and cheapest bioplastic, is made with industrial corn - a crop that wreaks havoc on waterways and soils, and relies heavily on fossil fuels to produce. Additionally, only 4% of Americans have access to industrial compost streams or facilities in their locales, so this packaging is frequently incorrectly recycled ("wish-cycled") or landfilled - where it breaks down over time to create methane pollution.

Finally, even when Americans can compost their ecommerce packaging, their local composters do not want these low value inputs that degrade their compost, making it more difficult to sell. All of this means that bioplastic mailers have become a major contributor to greenwashing in ecommerce packaging.





Learn more about bioplastics in our resources here:

Don't Replace Plastic with Corn: Lessons from Ethanol
We Could Sell You This Biodegradable Polymailer, But We Won't
Quick Guide on Industrial Composting
Composters Don't Want Your Packaging, Especially Bioplastic
Bioplastic Does Not Prevent Ocean Pollution

Avoid Greenwashing to Build Trust - and Effectively Communicate Your Sustainability Investment

Consumers are becoming more sophisticated than ever in their assessment and research of sustainability in products and packaging, holding brands accountable to true sustainability and sussing out false claims. When you partner with your brands, you want to help them build customer loyalty and want to avoid any of the negative reactions that come along with greenwashing. To that end, be sure to:

- 1. Avoid PLA (or any corn-based bioplastic) in ecommerce packaging
- 2. Give as much detail about the product and its production as possible: both printed directly onto the packaging itself (since this is all the end consumer will see) and in any digital formats. EcoEnclose focuses on traceability and transparency by including the sustainability attributes and instructions on the packaging, and in our publicly-accessible Product Bill of Materials, which details each component of each product.
- 3. Communicate sustainability attributes and disposal directions clearly, directly, and honestly on packaging Tip: For boxes, this communication can often be easily accommodated by requesting a new or custom BMC (box maker's certificate) which is stamped on each box that details the 1.) location of manufacturing, 2.) amount of recycled content, and 3.) % post-consumer waste used.

Good Examples:

Recycle this paper mailer in single stream recycling, your blue bin, or wherever paper is recycled.

This mailer can be recycled at a thin-film drop-off / #4 plastic recyclable

40% recycled, 10% post-consumer waste, Made in the USA

100% Recycled paper, 40% post-consumer waste (PCW), curbside recyclable.

Bad Examples:

Recyclable (Where? How? With what?)

nondescript chasing arrows symbol

Recycled (how much recycled content?)

100% Recycled (with no mention of post-consumer waste)

Compost me!

Eco-friendly (how?)











A huge part of elucidating the investment you have made in sustainable packaging is correctly marketing and communicating it to customers and consumers.

Focus on:

1. Product inputs

Recycled Content %
Post-consumer waste %

2. Production location

3. End-of-life / Disposal Directions

Recyclable in thin film plastic / #4 plastic dropoff recycling streams Curbside recyclable, Recyclable with paper

Please recycle this paper mailer in your blue bin / curbside pickup

These attributes can be added to the packaging by your packaging partner, if they're not already printed. Take some time to review the packaging you currently use if it's already printed - does it clearly communicate how to dispose of it? Does it say what exactly it's made of, or where it's produced? Does it use vague terminology like "sustainable packaging" or "eco friendly" without qualifying or explaining how or why? Use these questions as a guide for how to improve future packaging communications.



Step 2:

Build a Suite of Sustainable Packaging Options

Summary:

Stick to the basic principles of sustainable packaging characteristics: recycled content, recyclable, high levels of post-consumer waste, and produced near your operation.

EcoEnclose has an extensive line of packaging solutions - from mailers to boxes to void fill to packaging tape and shipping labels. All of our options have been developed in alignment with our sustainability framework.

As you'll see below, our sustainability framework allows for recycled plastic and recycled paper solutions. We separated it out by these material types, as we recognize that many eco-focused brands you work with (or want to work with) may be rejecting plastic altogether right now.





















Plastic Packaging Solutions: Recycled & Recyclable.

100% Recycled Polymailers

Product: 100% Recycled Polymailers

- •100% recycled, 50% post-consumer waste, thin-film/#4 recyclable, made in the USA.
- •Features a reusable seal strip so the bag can be easily used for returns or a second shipment.
- •EcoEnclose Poly Film Take Back Program eligible



50% Recycled Bubble Mailer

Product: 50% Recycled Bubble Mailers

- •50% Recycled, 10% post-consumer waste, thin-film/#4 recyclable, made in the USA.
- •Features a reusable seal strip so the bag can be easily used for returns or a second shipment.
- •EcoEnclose Poly Film Take Back Program eligible



100% Recycled Clear Flap and Seal Polybags Product: 100% Recycled Flap and Seal Bags

- •100% recycled, 100% post-industrial content, 0% post-consumer content, thin-film/#4 recyclable, made in the USA.
- •EcoEnclose Poly Film Take Back Program eligible

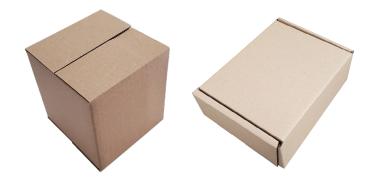


Plastic-free Packaging Solutions

Boxes

100% Recycled Corrugated Boxes

- •Producer: 100% recycled board (ideally with high levels of post-consumer waste) is almost always able to be sourced and used at any corrugated converting facility
- •Products: <u>Custom Shipping Boxes</u>
- EcoEnclose boxes contain 95% PCW!



Mailers

Paper Mailers for Apparel

Products: Kraft Mailer, EcoX Mailer, Paper Apparel Mailer

• 100% recycled, 70-90% post-consumer waste, curbside recyclable, gusseted options, made in the USA.







Cushioned Paper Mailers

Product: Paper Padded Mailer

•100% recycled, 25% post-consumer waste, made in the USA.





Rigid Paper Mailers

Products: Rigid Mailer - Self-Seal, Rigid Mailer - Tab-Locking

• 100% Recycled, 90% post-consumer waste, made in the USA.





Void Fill

Paper Void Fill

Products: Packaging Paper, GreenWrap product wrap, Expanded Bubble Paper - Automated Dispenser.

• Recycled content available, always curbside recyclable, made in the USA.







Internal Packaging

Glassine Paper Bags

Products: Glassine Paper Bags

• 0% Recycled Content, paper is FSC-certified, curbside recyclable.





Extras

Water Activated Tape - Carton Sealing Tape

Products: Nonreinforced WAT, Reinforced WAT, Printed "Thoughtfully Packaged" Reinforced Water Activated Tape.

• Curbside recyclable when adhered to boxes and paper products.





Zero Waste Direct Thermal Shipping Labels

Products: Direct Thermal Shipping Label - 4x6" - Rolls of 1000 / 250

• Release liner is 100% recycled content, and curbside recyclable like regular copy paper!





Avoid These Common "Sustainable" Packaging Mishaps That Are Not Actually Eco-Friendly.

- PLA / Compostable Bioplastic Mailers
- PLA / Compostable Clear Poly Bags
- PLA / Corn Starch Packing Peanuts
- Kraft Paper / Poly Bubble Hybrid Mailers
- Virgin Mailers (with no recycled content)
- "Recycled" Packaging with Unverified or Unquantified Levels of Recycled Content

Automation and Sustainable Packaging Solutions

Several automated solutions exist to help you retain a high level of efficiency and throughput, while still using sustainable packaging.

EcoEnclose can work with you directly, or help to advise on potential providers and packaging solutions. Some examples include:

- RanPak Void Fill Paper Solutions
- · Automailers / Mailers on Rolls
- · GreenWrap, Manual or Electric Dispensers
- Box Erectors
- Auto Tape Dispensers and Sealers
- Water Activated Tape Dispensers, Manual or Electric
- 100% Recycled / Zero Waste UPC labels / stickers



Across all of the above solutions, EcoEnclose offers a wide range of sizes, and extensive size customization options at higher volumes. Contact us anytime at sales@ecoenclose.com with information about your operations and needs, and we can develop a packaging strategy that balances your desire to be more sustainable with your budget constraints, storage constraints and clients' needs.



Step 3:

Get Smart About How the Switch to More Ecological Services and Packaging May Impact Your Operations

Summary:

Switching to sustainable packaging will entail a transition and learning curve. Expect a change in cost, additional training and transition time, and operational changes for plastic-free packaging.

Plastic-Free Packaging: What to Know When Switching From Poly Mailers to Paper Mailers

If your clients are focused on transitioning to 100% recycled paper packaging that is also curbside recyclable (versus 100% recycled, recyclable poly mailers), then it is important to recognize that this transition does come with a learning curve. Rest assured, however, that these are manageable challenges and - once your team masters paper mailers - this expertise will give you a tremendous advantage over fulfillment centers who are unwilling to make this leap.

Read on for a list of important considerations and steps to build into your transition.

- Maximize Recycled Content and Post Consumer Waste in Your Mailers
 - Paper is curbside recyclable, but that does not do any good unless we have a robust recycled paper demand to use up that product. By buying recycled, we increase demand for these materials.
 - When recycled paper is not available, FSC-certified virgin paper is a better option than uncertified virgin paper. Keep in mind that overall, we do not want to increase land use for virgin forests, even if those forests are FSC or SFI certified.
- Get Your Sizing Options Right (and Train Your Team to Select the Right Sizes for the Right Shipments):
 - Paper mailers can hold around 75% the volume of the same size of polymailer due to a difference in flexibility. We recommend upsizing packaging for paper mailers if they are being fully stuffed. For very large paper mailers you may need to substitute for a box or corrugated mailer.
- · Recognize and Plan for Supply Chain Constraints for Paper Packaging
 - Paper demand is currently at an all time high, and supply chains will remain volatile as shocks continue to ripple through the economy. We recommend introducing redundancy into your supply chain (i.e. multiple packaging suppliers) to maintain consistent inventory.

- Plan Your Storage Accordingly
 - Paper is inherently more voluminous than poly especially for mailers. Expect to need more storage space for the same amount of paper mailers than you would for poly mailers.

For example: a 10x13" mailer is packed:

• 1000/case for poly (shown on left) dims: 17 x 12 x 7"

• 250/case for paper (shown on right) dims: 13.5 x 14.75 x 10.5"



Recognize that Your Costs, and Therefore Your Pricing Should be Increased:

Paper is more costly of a material to produce than plastic. This switch will be an investment and increase in time and packaging spend, though there will be an ROI for your brand, your customers, and the planet. Most brands who are committed to going plastic-free are well aware of the cost differential, and are willing to spend more to ensure their packaging reflects this eco commitment.

- Conduct Ship Testing and/or Work With Brands on a Slow and Gradual Rollout:
 - We recommend that fulfillment centers offer "sustainable, recycled paper packaging" as a unique service for eco-minded brands. In working with those brands, consider a formal ship testing process to start, so the brand (and your operations) can be confident that the right mailers have been chosen for their product suite.
 - You might also consider transitioning slowly with brands who are interested in this service. Transition their smaller mailers first smaller paper mailers tend to be a more 1:1 performance to a poly mailer. Then, work your way up in mailer size over time.
 - Examine current damage rates. When you make this transition, keep your Customer Service team listening for damage issues. For those that arise, measure against the previous damage rates and make sure there is not a significant increase. It may be prudent to start with the most robust paper mailers (with higher paper weight like 15pt 11pt paperboard) and lightweight slowly over time.
 - A/B testing is a great way to get data with consistent variables. Have a period of overlap during your transition, and place survey prompts to draw feedback from customers. We recommend pursuing feedback through the introduction of printed QR codes on mailers, or after-shipment check-in emails.
 - We recommend ship testing as the best way to assure mailer performance once an approximate mailer size & style is chosen. For high volume enterprise customers, we recommend staggered ship tests starting at 1,000 units, and then moving up in volume over a few increments, instead of starting by moving over your full volume immediately. This often prevents many, many headaches and associated costs.

- Train Your Fulfillment Team to Work Successfully With Paper:
 - Adjusting to a new material will require a learning curve for your team. We recommend involving your fulfillment leads and teams early. Training before making a switch from poly mailers to paper mailers will be critical. The key differences between fulfilling paper and poly:
 - Paper is more rigid and delicate to open.
 - Paper needs to be filled to less capacity.
 - Paper needs to be sealed with *more pressure & time:*

Paper requires more pressure applied to the sealing adhesive strip than poly-based materials, and sealing for a few seconds longer to ensure the mailer's adhesive has cured and stuck (this is especially true for recycled paper). When this is missed, paper mailers can come open during transit - leading to returns, damages, missing shipments and products.

In addition to the added time and pressure needed to seal the mailer closed, expect to give equal attention to the adherence of the shipping label. Recycled paper fibers are shorter and more textured than virgin paper or poly, and it can take a stronger adhesive or more pressure applied to get a firm stick on the shipping label. For paper mailers that have adherence issues with standard shipping labels, we offer a High-Tack DT shipping label, which has a hot melt, industrial-strength adhesive.

- Manage Inventory to Shorter Turns:
 - Paper has a shorter shelf life than poly, especially in extreme temperatures. We recommend keeping no more than 6 months on-hand of your paper mailer supply.
- Learn to Communicate About Water Resistance Concerns:
 - Brands often cite concerns around paper mailers' lack of water resistance. However, we have found this to be statistically insignificant. While it is true that poly is nearly waterproof while paper is not, our customers have collectively transitioned millions of mailers from poly to paper, and we've not found water damage rates to spike significantly in this transition. In the marketplace, there are bubble-poly / paper combination mailers, to increase product protection, however we've found these products not to be worth the sustainability tradeoffs associated with them.
 - Finally, for clients who are extremely concerned about water resistance, we direct them to 100% recycled poly mailers, which are significantly more carbon efficient than paper, and align with our sustainability framework.

General Cost Concerns Related to Sustainable Packaging

Whether you and your clients are focused on recycled paper packaging only, or are moving to recycled poly mailers as part of your sustainable packaging strategy, there is a question of - how much more will this cost me?

As with all things in life right now - maximizing recycled content, manufacturing in the USA at plants that pay fair wages, and building in sustainability features (like a second seal strip for returns or printing with algae ink) - typically lead to a somewhat higher cost structure than Asia made, non-traceable packaging made simply to be as cheap as possible.

That said, EcoEnclose has worked hard to establish list pricing that is in line with standard market options (such as options from Uline). Additionally, many of our enterprise clients have expressed that our higher volume options and pricing is very much in line with non-sustainable alternatives they had previously used. So, while sustainable packaging is unlikely to be the absolute lowest cost option in the market, it is also not going to be a major cost increase to your operation (and, many brands will be very willing to absorb the added cost of service).

Survey after survey has confirmed that ecommerce customers, particularly those shopping with conscious brands, care deeply about the sustainability of the packaging they receive, and feel that these attributes will make them more likely to refer a friend and reorder. Brands are aware of this and are generally willing to pay a small premium for truly ecological packaging that represents and reinforces their brand values.

Supporting Sustainable Brands In Their Eco-Friendly Internal Packaging Strategy

One of the most complex packaging questions that apparel brands are grappling with today is around the poly bag. These thin, clear plastic bags are used to package individual garments at factories, so they can be cleanly shipped to distribution and fulfillment centers. Many fulfillment centers require that apparel is packed in these poly bags - for dust protection, easy picking and pulling, etc. Unfortunately, these single-use, clear poly bags are an environmental nightmare (and a customer experience nightmare for brands whose consumers are vehemently against plastic bags).

While poly bags aren't typically the packaging solutions fulfillment centers need to stock or use, 3PLs can set themselves apart by being open to partnering with their brands on innovative, eco-friendly alternatives to clear poly bags. For example:

• Paper alternatives. Glassine bags are a translucent, thin paper (curbside recyclable and naturally biodegradable) that many brands are considering as a replacement for their poly bags. Glassine bags are harder to use and aren't perfectly see through. Some brands are going even further, using 100% recycled thin kraft bags (that are not at all translucent). If you can adjust your storage, picking and pulling, and labeling processes to allow brands to opt for these paper-based solutions, it would set you apart.

- Roll wrap alternatives: Many brands we work with are ditching the bag altogether, and are having their garments roll wrapped, and held together by raffia, hemp twine or a paper EcoBand. While this strategy does expose more of the garment to dust, we believe 3PLs can develop a pick bay strategy that provides enough dust protection, that brands could feasibly utilize this type of solution.
- 100% recycled poly bag alternatives: If, in the short term, you cannot adust your operations to allow for paper or roll wrap alternatives, you could encourage your brands to move to 100% recycled poly bags instead, which EcoEnclose offers.
- Finally, for brands that continue to use poly bags (hopefully opting for 100% recycled alternatives), you could help those brands maximize recycling of these bags by having your fulfillment team remove apparel from the bag for shipping, and then thin film recycling these bags en masse.







4

Step 4:

Bring EcoEnclose On Board as a Partner, Supplier, and Expert in Sustainable Packaging.

Summary:

The market is moving quickly- for consumers and brands, and consequently for their supply chains. EcoEnclose can meet all of your needs for packaging supply, and set you apart as a leading provider of sustainable fulfillment.

Brands are becoming more and more thoughtful, asking new questions, and looking for innovation. EcoEnclose is well-equipped to be your long-term thought partner in this space, to meet your needs, and set you up for success.

Partner with us for:

- Consultative Guidance on What Packaging Solutions to Develop and Stock
- Ensure Your Packaging Is Not Greenwashing
- · Competitive, High Volume Pricing
- Custom Printing & 1 Stop-Shop Sourcing
- Vendor-Managed Inventory
- · Converting more customers, retaining more customers

Our Value Add: Making Your Job Easier

- 1-Click free samples of packaging, always
- 1-Click book a meeting
- Dedicated Account Managers, Strategy, and Sustainability contacts.
- Consultations: packaging optimization, sustainable packaging, right-sizing, artwork and design, etc.
- Domestic production & shorter lead times
- Volume discounted pricing for high volume/bulk packaging
- Product & Packaging Testing
- Ship Testing
- ASN-compatible and custom case labels

Resources to set you up for success:

- Our EcoEnterprise newsletter is distributed monthly and includes new research, products, and resources for growing and enterprise brands.
- EcoEnclose conducts consistent research on the newest trends and materials in the sustainable packaging marketplace. Our Resource Center contains a wealth of information and tips for ongoing success.

Products:

We produce and carry shipping supplies of all kinds - all which have been vetted for their sustainability attributes.

- Innovative alternatives and solutions for brands looking to transition plastic out of their supply chain.
- Stock and Custom packaging
- Stock packaging ships in 1-2 business days
- Custom-sized packaging
- Custom-printed/branded packaging

Sustainability Services and Perks:

Experts on Sustainability, Sustainable Packaging, and Packaging Engineering

• Avoid greenwashing by working with our team of experts in this space. We're here to do the research, so that you can focus on your goals.

Sustainability Consultations

• We're here to sit on your side of the table, problem solve, and provide our expertise on new packaging strategies and materials. Call us to talk through new ideas, materials you find on the market, and any other sustainability questions. We'll guide you by product type, and can help you determine your own framework for sustainability decisions.

Thin Film and Polymailer/Polybag Takeback Program.

• Send us thin film from your warehouse(s) and supply chain to be recycled with our partner EcoCycle. We'll send you a confirmation of the waste you've diverted from the landfill (and reintroduced into the circular materials economy) by doing so.

EcoReports

- EcoReports are an annual report detailing the environmental impact you (or your customers) have had by using sustainable packaging.
- We quantify savings for: carbon emissions, water, trees, energy, and oil.
- While "eco friendly" is qualitative, we aim to be quantitative to empower you with data. These reports are excellent for corporate sustainability reporting, and marketing initiatives.

Life Cycle Analysis (LCAs)

• EcoEnclose regularly conducts Life Cycle Analyses of packaging materials. An LCA gives a holistic view of the entire life of a material, and is useful when comparing options for packaging. We utilize the leading calculators on the market, and software through Trayak and Sphera, to dig into the details of environmental impact.



Step 5:

Develop a Plan for Working with Custom Branded Packaging

Summary:

Custom-branded packaging is designed with considerable intention. Ensure shipments to customers are reaching unboxing goals of brands by working together to onboard new custom-printed packaging SKUs.

Brands spend ample time and talent designing their customized, branded packaging with suppliers. As the connecting piece between brands and their customers, 3PLs play a vital role in ensuring the customer's unboxing experience is aligned with the goals of a brand. If your customers are utilizing custom packaging, there are steps you can take to ensure success.

- Ensure your operation allows for the successful use of custom packaging. We recognize that custom mailers and custom boxes can place a burden on your operation, as it adds complexity and increased storage to your fulfillment and shipping processes. However, the acquisition and retention you'll build by working with your clients to successfully allow for custom branded packaging will be well worth this investment.
- Encourage your customers to let you know when they plan to change their packaging designs, sizes, or prints. If you catch any concerning elements (difficult-to-fold box designs, shipping label placement, etc.) you can save your customer the time and money needed to fix errors after producing new packaging.
- Designate a consistent place for a shipping label to be applied. Many brands add a printed rectangle on their packaging with your language like "place shipping label here" for fulfillment. Work with your customer to determine the best location for the shipping label. Avoid placing shipping labels on the printed elements / custom branding of the packaging.
- Offer them guidance (or direct them to EcoEnclose for guidance) on custom packaging solutions that align with their sustainability goals. For example, you can promote the option to print packaging with innovative Algae Ink or encourage your brands to include end-of-life guidance on their custom packaging design.



Step 6:

Be a Winner! Avoid Common 3PL Missteps With These Tips for Success

Summary:

3PLs are an integral component of thousands of successful DTC businesses.

We find that the most successful long-term 3PL relationships are marked by clear and frequent communication, a willingness to innovate and problem-solve, and an open-minded approach to the frequently-changing landscape of packaging and unboxing experiences.

Where Fulfillment Centers can Fail Customers, or Shine.

The equation for finding and keeping long-lasting, satisfied customers is something most businesses are consistently solving for.

In our work with ecommerce brands, we've learned there are key differences between 3PL partnerships that win, and those that fall apart. The following is a list of most frequently cited reasons for brands switching from their previous fulfillment center(s) to a new provider.

1. Unwillingness to adopt or try new packaging products or processes.

SOPs and efficiency are key to any operation - no questions asked. For 3PLs, efficiency is often a critical part of a team's success. However, just by nature, Efficiency tends to sit on the opposite side of the time spectrum as Innovation & Experimentation. As more and more brands begin to try new packaging types, SKUs, and processes (paper mailers, Water Activated Tape, roll-packing, etc) they can meet pushback from their 3PLs to adopt and implement these new ideas. While the goal should certainly still be efficiency and successful picking, packaging, and shipping of product, this R&D phase is a critical gate for building trust and partnership with customers. Ask yourself and your team: How can my operation balance the need for innovation and experimentation with the need to retain efficiency and throughput?

Our customers have had pushback, refusal, or excessive fees from their 3PLs for switching from poly-based mailers to paper-based mailers, removing or replacing the clear polybag from their products, using Water Activated Tape (WAT) instead of standard pressure-sensitive tape, or introducing Tab-Locking / presentation-style boxes to replace standard RSCs

How to shine:

Create structure around the implementation of new, more sustainable packaging. Conduct detailed tests to quantify how much different innovations will truly cost, and then build that into an honest fee structure.

Work directly with EcoEnclose to offer stock eco-friendly packaging solutions so your brands don't each have to come up with their own unique sustainable packaging strategy. When your brands start exploring new packaging options, see if you can work directly with us (or their packaging provider) to problem solve and optimize your use of new packaging.

Packaging providers like us often have the most insight into the tricks and tips that lead to success for their products, as well as (hopefully) lots of feedback on their performance, issues, and best practices.

Leveraging the packaging provider can take a lot of work testing and experimenting off of the plate of your team

2. Matching the customer's vision with yours.

There's a great story at EcoEnclose of how the lack of clear communication and expectation-setting can result in easily-avoidable mistakes - our team often references this example internally to remind us how easy it can be to miscommunicate with our partners.

One of our most sustainability-focused customers was excited to switch over to our 100% recycled poly mailers from their stock virgin (0% recycled) polys, supplied by their 3PL. The brand instructed their fulfillment center via email to use these mailers in each shipment going forward. We happily shipped off our mailers to the center, and after a few weeks, ordered a shirt from this brand to see how the product arrived, excited to see it wrapped in our packaging. When it arrived - the shipment came in a standard, unbranded box, with the shirt and the unused 100% recycled poly mailer, packed safely inside. While we all had a great laugh about it, we also were dismayed for this amazing brand that we work with - knowing that so many of their customers will be baffled by this bizarre and very unsustainable packaging experience

How to shine:

Make sure to set expectations initially and consistently with your customer for what their ideal packing vision looks like. Pictures are integral to avoiding the kind of mix-up our customer experienced. Initial pictures can help to address any potential concerns as soon as possible, so your customer avoids switching their entire packaging suite over before receiving your feedback about potential challenges, issues, or potential packing fees they may incur from doing so.

3. Effective, fast communication.

Urgent requests like updates on inventory, incoming shipments, answers to questions about packaging and product levels, potential issues and concerns: fast response times (ideally a few hours, but at least within the business day) build trust in your abilities for the customer.

How to shine:

Another big trust-builder? Being proactive about potential issues, concerns, or problems instead of reactive and responsive. By alerting your customers to these realities, you're demonstrating your value as a partner, and someone who's invested in your customers' success.

4. Packaging Inventory Levels

Many brands leverage EcoEnclose for vendor-managed inventory services for their packaging. This allows us to work directly with their 3PLs to keep consistent inventory on hand, and packaging in production at strategic times to avoid excessive storage time. By putting this power in the hands of the 3PL and packaging provider directly, it's much easier to stay on track of Weeks on Hand and get more product into production/shipped in a shorter amount of time.

How to shine:

Create a relationship with packaging providers when possible. They are invested in the customer's success, just like you, and have much more ability to find solutions for requests for rushed inventory, new SKUs, or problem-solving assistance.

4. Stocking Sustainable Packaging

Several of our customers utilize the same stock products, at the same 3PL! In those situations, combined volumes and shipments of packaging would save on freight, per unit cost (as volumes increase, unit cost scales inversely), and storage.

In other cases, when customers run out of their custom sustainable packaging sooner than expected, they're left with a difficult decision: continue to ship their orders to customers on time with stock packaging that doesn't meet their sustainability goals (and may erode the customer experience), or wait for their inventory to arrive and ship products late. In a situation like this, where sustainable packaging is integral to a brand's identity, a 3PL that stocks a sustainable alternative for the interim is incredibly valuable

How to shine:

Have you polled your customers to learn how many are interested in (or already working to procure) sustainable packaging for their shipments? This could be a great opportunity to strengthen a relationship with your customers. By automatically stocking the packaging that meets their goals, you're saving them the hours of research, phone calls, quoting, and meetings it takes to find a sustainable packaging provider.

How Else Can We Work Together?

EcoEnclose serves companies of all sizes - from single person shops to household brand names.

Our resources aim to meet the unique needs of the largest, fastest growing and most dynamic brands we serve. We hope they help you better navigate the complex and rapidly-evolving worlds of sustainability and packaging.

If your operation is in need of eco-friendly, high volume packaging solutions, reach out to us at sales@ecoenclose.com, to your account representative, or drop us a line at 888.445.6575.

Sign up <u>here</u> to get our newsletter directly in your inbox