

Sustainability in packaging— across the value chain, and in 2025 and beyond

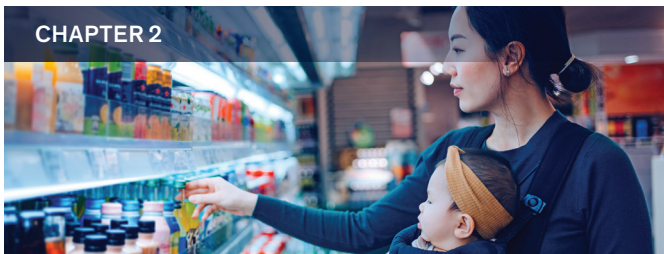
With the right focus and innovation capabilities, packaging companies can unlock significant growth opportunities in sustainable packaging.



Contents



5 Do US consumers care about sustainable packaging in 2025?



17 Sustainability in packaging 2025: Inside the minds of global consumers



27 Sustainability in packaging: What do European consumers value in 2025?



37 Sustainable packaging 2025: Top barriers for packaging purchasers?



45 Winning in sustainable packaging in 2025: Bringing it all together

Preface

With this report, we seek to answer three key questions: Against the backdrop of the recent turmoil associated with destocking,¹ low consumer confidence,² and geopolitical uncertainty,³ how have consumer and packaging purchasers' views about sustainability shifted in 2025, what do these shifts mean for participants in the packaging value chain, and how can packaging players develop winning strategies?

The first three publications in this report dive deep into consumer views on packaging sustainability globally, in the United States, and in Europe. The insights and analysis in these publications draw on the 2025 round of our consumer packaging survey, which—since 2020—has reached tens of thousands of consumers from 11 countries that together cover four continents and contribute 66 percent of global GDP.⁴

What lessons can we draw for companies in the packaging value chain? It is clear they can't afford to ignore sustainability considerations. A significant portion of consumers across countries continue to rank the environmental impact of packaging as very important, and between 40 and 80 percent of consumers across all countries are prepared to pay more for sustainable packaging. However, a key finding across the publications in this report is that many other factors of the packaging ecosystem—including nuances of consumer sentiment, regulatory developments, and the competitive landscape—are in a state of flux, with significant variations across geographies and subsectors.

For converters, this could be a “sink or swim” moment. Those without a granular understanding of these shifts and a proactive and thoughtful response to them will struggle. With this issue in mind, our fourth article complements the consumer view by laying out the six barriers hindering the adoption of sustainability packaging by packaging purchasers—despite their often-bold commitments to improve outcomes in this area—and how these barriers can be overcome.

With the right focus and innovation capabilities, companies can unlock significant growth and exciting new partnership opportunities that will enable them to better support their customers. The fifth and final article in this report brings together the major threads from our 15 years of research in this area to lay out a strategic framework on how packaging converters could win in sustainable packaging in today's complex environment.

¹ “Understanding the impact of de-stocking for packaging players,” McKinsey, November 19, 2024.

² “Navigating geopolitical uncertainty: Perspectives from leading thinkers,” McKinsey, April 20, 2025.

³ “Navigating geopolitical uncertainty: Perspectives from leading thinkers,” McKinsey, April 20, 2025.

⁴ McKinsey analysis of World Bank data: “Population, total,” World Bank Group, 2024.



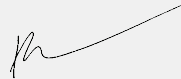
David Feber
Senior partner, Detroit



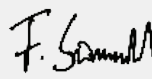
Oskar Lingqvist
Senior partner, Stockholm



Gregory Vainberg
Senior partner, Montréal



Daniel Nordigården
Partner, Toronto



Felix Grünewald
Partner, Zurich



Markus Pley
Partner, Zurich



Abhinav Goel
Partner, Pittsburgh



Matthew Seidner
Partner, Chicago

1

Do US consumers care about sustainable packaging in 2025?

The rising cost of living and global geopolitical uncertainty are reshaping US consumers' sentiments toward—and preferences related to—sustainable packaging in 2025 and beyond.

This article is a collaborative effort by Daniel Nordigården, David Feber, Felix Grünewald, and Markus Pley, with Mark Conrad, representing views from McKinsey's Packaging & Paper Practice.



The post-2020 era has been one of enormous upheaval. The COVID-19 pandemic rapidly changed consumer behavior and preferences, and uncertainty and disruption have continued to be major features of the global economy ever since. For example, the United States has experienced its highest rate of inflation in decades,¹ there is global geopolitical uncertainty,² and many countries have been roiled by the energy crisis and volatile financial markets.³

The result, as recent McKinsey research indicates, may be a stalling of US consumer confidence, with spending intentions down across several discretionary categories.⁴ How have these shifts, as well as the rising cost of living, affected consumer attitudes and sentiments about sustainable packaging? Do consumers still care about environmental issues?

To answer these questions, we launched in March 2025 another round of our comprehensive survey exploring consumers' attitudes toward sustainable packaging. We have conducted this research globally with tens of thousands of consumers since 2020,⁵ and this round of the survey encompasses 11 countries across four continents,⁶ including 1,000 consumers in the United States. Over the coming months, we will share the insights learned, starting here with the US consumers.

The survey revealed five key findings for US consumers: Two relate to the most important factors overall for consumers when they make purchases and consider packaging, and the remaining three detail consumer attitudes toward sustainability.

First, consumers consistently rank the quality, price, and convenience of products as more important than the environmental impact of products. The importance of price and quality, in particular, have increased substantially since 2020, with more than 70 percent of respondents now saying they are “very important” or “somewhat important” to their purchasing decisions across categories. While about a third of consumers said the same of environmental factors, value for money is clearly more top of mind for consumers in 2025.

Second, when thinking about packaging overall, US consumers are most—and increasingly—concerned with food safety and shelf life, reflecting a focus on reduced food waste and cost, with broader environmental impact less of a concern. These findings are broadly consistent with previous survey rounds, with the importance of most factors beyond the top two remaining more or less unchanged. The exception is packaging appearance, which has fallen in importance since 2020, in line with a broader shift toward online shopping and the increased importance consumers place on convenience and access.

This round of the survey encompasses 11 countries across four continents, including 1,000 consumers in the United States.

¹ Gabriel T. Rubin, “U.S. inflation hits new four-decade high of 9.1%,” *Washington Post*, July 13, 2022.

² Cindy Levy, Shubham Singhal, and Matt Watters, “A proactive approach to navigating geopolitics is essential to thrive,” McKinsey, November 12, 2024.

³ Cindy Levy, Shubham Singhal, and Zoe Fox, “Tariffs and global trade: The economic impact on business,” McKinsey, April 18, 2025.

⁴ Becca Coggins, Christina Adams, and Kari Alldredge, “An update on US consumer sentiment: Is growing uncertainty casting a chill on spending plans?,” McKinsey February 28, 2025.

⁵ David Feber, Anna Granskog, Oskar Lingqvist, and Daniel Nordigården, “Sustainability in packaging: Inside the minds of US consumers,” McKinsey, October 21, 2020; “Sustainability in packaging: Inside the minds of global consumers,” McKinsey, December 16, 2020.

⁶ The 11 countries covered were Brazil, China, France, Germany, India, Italy, Japan, Mexico, Sweden, the United Kingdom, and the United States.

All companies in the packaging value chain will need to tailor their strategies to respond to the nuanced, evolving consumer views on sustainable packaging.

Moving into consumer attitudes toward sustainability, the third key finding is the importance of a product's recyclability. It is the most important characteristic for US consumers when considering the sustainability of packaging, though a significant portion are also concerned with the level of recycled content and reusability. Fourth, when asked to rank types of packaging based on their level of sustainability, US consumers surveyed perceive glass to be the most sustainable, followed by paper and metal. This is consistent with the importance of recyclability to US consumers: Glass, metal, and paper are the packaging types with the highest levels of recycling rates and recycled content in the United States.⁷ Finally, US consumers believe that it is brand owners and packaging producers, not retailers or consumers themselves, that should be held responsible for sustainability in packaging.

Overall, while the proportion of US consumers who care about sustainability has not fallen, other factors may now be more important. All companies in the packaging value chain will need to tailor their strategies to respond to the nuanced, evolving consumer views on sustainable packaging. Companies looking to build market share should consider action in four areas: understanding the granularity of consumer behavior, engaging the full packaging value chain, designing packaging to meet the full set of consumer needs and preferences, and prioritizing consumer education.

Top-of-mind packaging and product considerations for US consumers

Diving deeper into the five main survey findings, responses from US consumers point to how much—and in what ways—they value packaging sustainability.

1. Consumers consistently rank the quality, price, and convenience of products as more important than their environmental impact

As in the 2020 and 2023 surveys, consumers consistently rank environmental factors as less important than many other concerns in determining their purchasing behavior (Exhibit 1).⁸ Price, quality, and convenience are the most important buying criteria for products for US consumers, likely driven at least in part by increased cost consciousness due to recent inflation⁹ as well as changing lifestyles and preferences that lead consumers to place a growing premium on ease of access and consumption.

While about a third of consumers ranked environmental factors as “very important” or “somewhat important” to their purchasing decisions across categories, this amount is significantly lower than the proportion of those who said the same for price, quality, and convenience. This is consistent with our previous surveys, though other indications from the market suggest that environmental impact does indeed affect purchasing decisions for some

⁷ According to national average recycling rates and recycled content data reported by Glass Recycling Foundation, The Aluminum Association, Can Manufacturers Institute, National Association for PET Container Resources (NAPCOR), The Recycling Partnership, and American Forest & Paper Association.

⁸ David Feber, Anna Granskog, Oskar Lingqvist, and Daniel Nordigården, “Sustainability in packaging: Inside the minds of US consumers,” McKinsey, October 21, 2020; “Sustainability in packaging 2023: Inside the minds of global consumers,” McKinsey, August 15, 2023.

⁹ Becca Coggins, Christina Adams, and Kari Alldredge, “An update on US consumer sentiment: Is growing uncertainty casting a chill on spending plans?,” McKinsey, February 28, 2025.

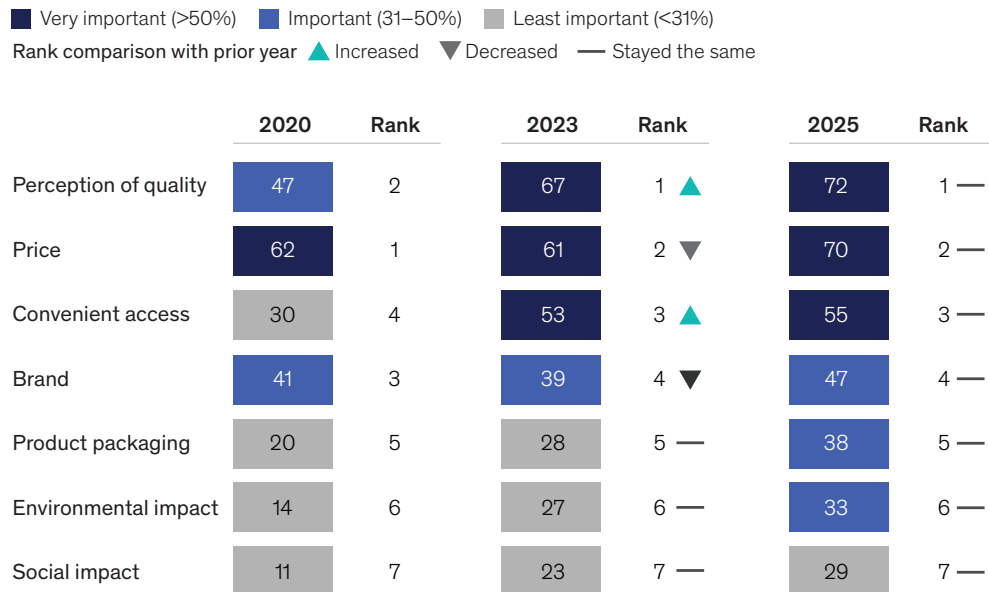
consumers; our joint study with NielsenIQ in 2023, for example, showed that over the five preceding years, products with clear environmental, social, and governance claims had grown eight percentage points faster than those that did not make such claims.¹⁰

The importance of other factors varies by purchase category. Brand is a very important factor for beverages, pet food, and personal hygiene and beauty purchases. As in 2023, name brands may be important for consumers in these categories because they serve as a proxy for product quality and price.

Exhibit 1

While quality and price have remained key purchasing factors, environmental impact has remained one of the least important.

Importance of factors for US consumers' purchasing decisions averaged across product categories, % of respondents



Question: Which of the following characteristics play an important role in your decision to purchase?
 Note: Derived from the share of respondents who indicated "extremely important" or "very important" for each of the product characteristics, which was then further grouped into "very important," "important," and "least important."
 Source: McKinsey US Packaging Survey, March 2025 (n = 1,000)

McKinsey & Company

¹⁰ "Consumers care about sustainability—and back it up with their wallets," McKinsey, February 6, 2023.

2. In packaging, US consumers remain most concerned about food safety and shelf life and least concerned about packaging appearance

Looking deeper into what US consumers expect from product packaging, this survey round and comparisons with 2020 and 2023 produce a number of insights (Exhibit 2):

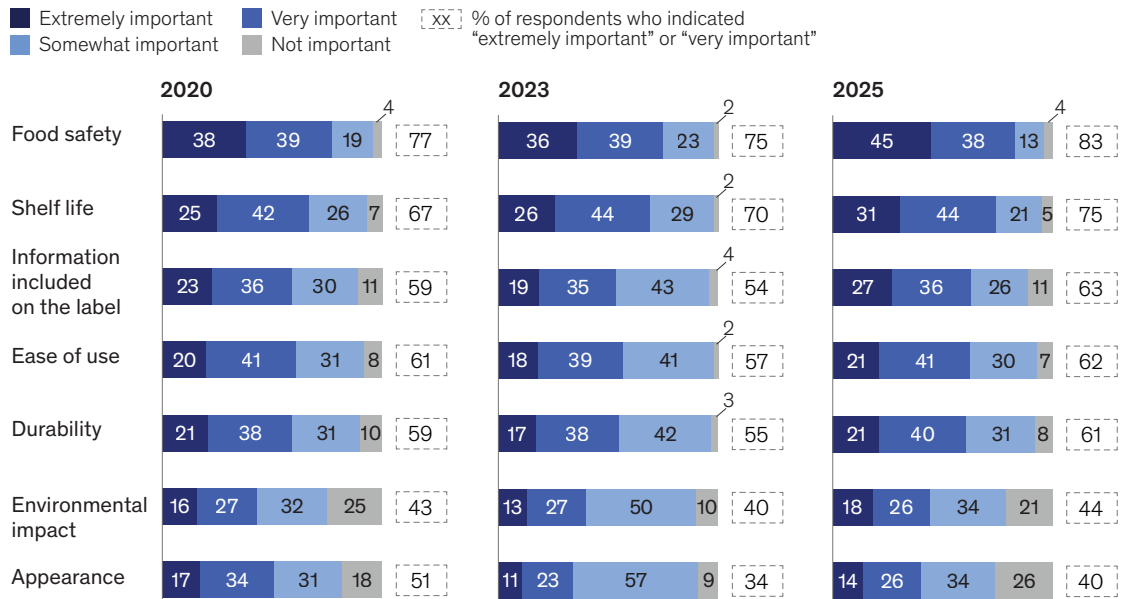
— *Food safety and shelf life remain the most important characteristics.* The “nonnegotiable” nature of these two factors may be linked to the salience of quality and price in overall purchasing decisions. A long shelf life, for example, also minimizes waste and prevents additional costs.

— *Ease of use, label information, and durability also consistently rank high.* It may be that these factors, while important, are not top of mind for consumers, because they are assumed to be standard—that is, consumers assume that packaging will be durable and will provide the information they need. There has been an increase in the importance of label information since 2023, perhaps reflecting growing consumer interest in and education about health and wellness. Consumers may also use labels to support choices based on quality and price, with package labels containing additional information becoming more common throughout this period as technology has increased the richness of information available to consumers.

Exhibit 2

Food safety and shelf life are the principal packaging concerns for US consumers when making a purchase.

Importance of packaging characteristics, % of respondents



Question: When making a packaged product purchase, how important are each of the following characteristics of the product’s packaging to you?
 Note: Figures may not sum to 100%, because of rounding. Derived from share of respondents who selected each of the importance levels.

McKinsey & Company

- *Environmental impact, while not a top-five factor for consumers, has bounced to pre-COVID-19 levels of importance for consumers.*

In 2025, 44 percent of consumers said that environmental impact is “extremely important” or “very important” to them, a return to 2020 levels after a slight dip in 2023. The gap between the top five factors and the rest has grown: The proportion of consumers considering environmental impact as at least “very important” is now 17 percentage points lower than the proportion that say the same of durability, which is ranked as the fifth-most important factor.

- *Consumers ranked packaging appearance as the least important factor.* The importance of packaging appearance has fallen significantly since 2020, but it has recovered since 2023. One important factor here is likely the continued

rise of online shopping, which reduces the salience of appearance in the purchasing decision.¹¹

3. Recyclability is the most important factor for US consumers when considering the sustainability of packaging

Recyclability is the top factor for US consumers when they think about packaging sustainability: 77 percent consider it “extremely important” or “very important” (Exhibit 3). Nonrecyclable packaging can be defined as having no secondary life beyond its current use case.¹² Today, much of the packaging produced cannot be recycled in existing recycling systems, contributing to a situation in which only a small portion of all packaging enters any kind of “circular economy.” This is especially true for multimaterial packaging, which poses a significant and unresolved challenge in recycling today.¹³

The continued rise of online shopping reduces the salience of appearance in the purchasing decision.

¹¹ Kari Alldredge, Tamara Charm, Eric Falardeau, and Kelsey Robinson, “How US consumers are feeling, shopping, and spending—and what it means for companies,” McKinsey, May 4, 2022.

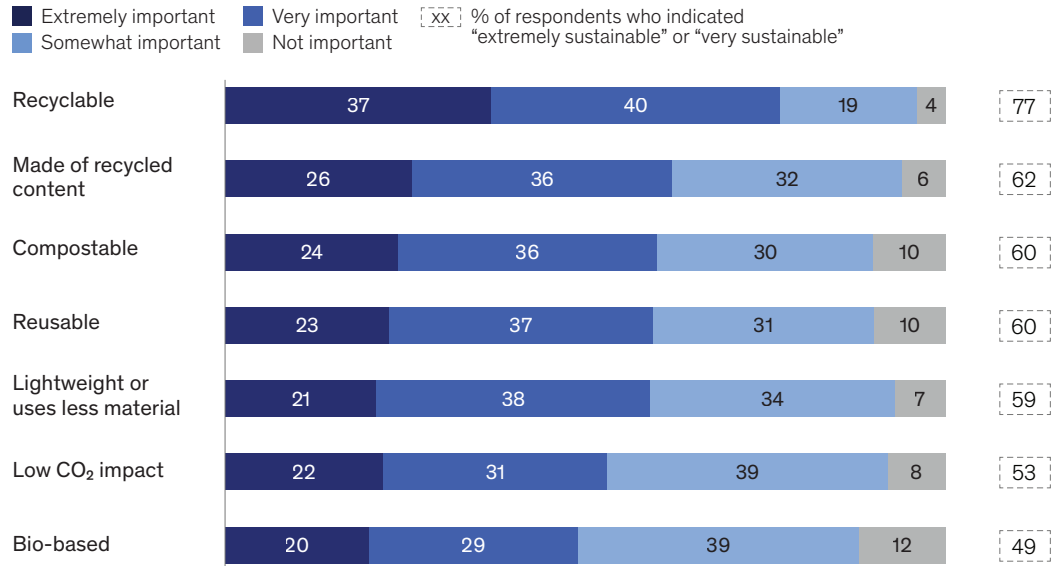
¹² “True packaging sustainability: Understanding the performance trade-offs,” McKinsey, July 28, 2021.

¹³ “The drive toward sustainability in packaging—beyond the quick wins,” McKinsey, January 30, 2020.

Exhibit 3

Recyclability and recycled content are the most important factors for US consumers when considering packaging sustainability.

Importance of sustainability characteristics, % of respondents



Question: When considering sustainable packaging, how important are the following characteristics to you?
 Note: Figures may not sum to 100%, because of rounding. Derived from share of respondents who selected each of the importance levels.
 Source: McKinsey US Packaging Survey, March 2025 (n = 1,000)

McKinsey & Company

Beyond recyclability, US consumers deem four other factors—recycled content, compostability, reusability, and the volume of material—roughly equal in importance when considering packaging sustainability. CO₂ impact and whether packaging is bio-based are less important on average. It may be that differing levels of consumer familiarity with these terms and concepts help explain these results; consumers may view recyclability and recycled content as solutions to familiar problems such as littering, pollution, and landfills,¹⁴ while they may be less familiar with the advantages of bio-based products.

These preferences can have important implications for brand decisions on how to design and position product packaging. Providing and emphasizing solutions that are circular (easy for the consumer

to see as recyclable) can provide immediate sustainability legitimacy, while solutions that are strong on other dimensions (such as CO₂ impact) require either concerted consumer education or targeting toward those subgroups that view these dimensions as more important. This survey round, for example, found that 76 percent of high-income¹⁵ women in the Northeastern United States see CO₂ impact as “very important” or “extremely important,” which means that packaging with a low CO₂ footprint may be a strategic choice for products aimed at this demographic.

4. US consumers perceive glass and paper-based packaging to be the most sustainable

US consumers perceive glass packaging to be the most sustainable and different forms of plastic packaging to be the least sustainable (Exhibit 4).

¹⁴ “Sustainability in packaging 2023: Inside the minds of global consumers,” McKinsey, August 15, 2023.

¹⁵ For the purposes of our survey, a respondent is classified as “high income” if they earn more than \$150,000.

Paper and cardboard packaging are ranked as the second-most sustainable, though liquid cartons—despite being paper-based—are ranked in the middle, alongside metal and aluminum-based packaging.

This ranking of packaging substrates is largely consistent with what the survey revealed as the factors most important to US consumers when considering the sustainability of packaging. The substrates most closely tied to recyclability (that is, glass, paper, and metal) are viewed most favorably, while those that are considered to be more difficult to recycle—such as multimaterials (as in liquid cartons and laminated packaging)—are viewed less favorably.

Consumers also seem to distinguish technical recyclability from actual recyclability. For example, although polyethylene terephthalate (PET) can be closed-loop recycled, it is still viewed as relatively less sustainable than metal cans and glass bottles. The relatively low sustainability rank of PET in the United States is not reflected in other countries studied in this survey such as Germany and Sweden. This discrepancy could be due to consumers' understanding of what happens to PET bottles after use: The United States has a bottle collection rate of 33 percent, compared with rates of more than 90 percent and 88 percent in Germany and Sweden, respectively.¹⁶ This difference in recycling practices across countries underscores the value of matching packaging to the local market's ability to collect and process the material used.

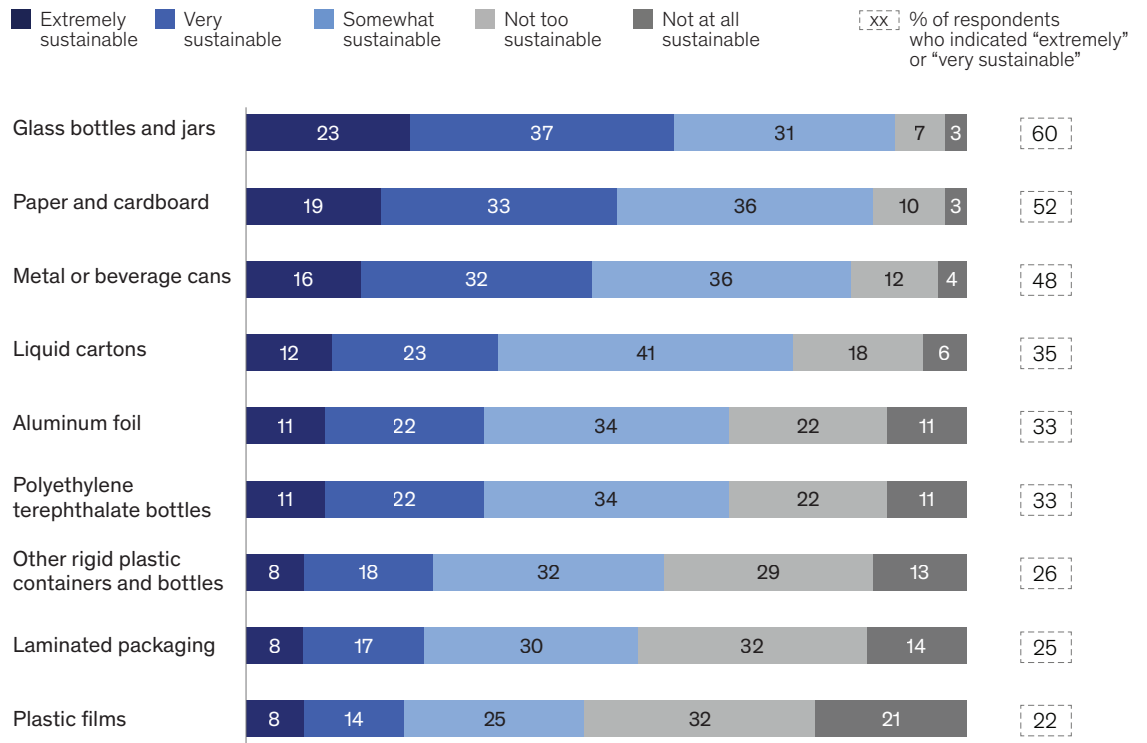
While improving packaging sustainability will not be the only answer, given our finding that sustainability is not the most important purchasing criterion for US consumers, it is not an area that the industry should neglect.

¹⁶ "2023 US PET bottle recycling rate reaches highest level in decades; recycled PET content in US bottles reaches highest level ever," National Association for PET Container Resources, December 12, 2024; "Detailed overview and results of the current deposit return scheme implementations in Europe," Sensoneo, updated August 16, 2024; *Sustainability report 2023*, Returpack, 2023.

Exhibit 4

US consumers perceive glass packaging to be the most sustainable and different forms of plastic packaging to be the least sustainable.

Sustainability perception of packaging types, % of respondents



Question: How sustainable do you think each of the following packaging types are?
 Note: Figures may not sum to 100%, because of rounding. Derived from share of respondents who selected each of the sustainability levels.
 Source: McKinsey US Packaging Survey, March 2025 (n = 1,000)

McKinsey & Company

5. US consumers believe brand owners and packaging producers should be held responsible for sustainability in packaging

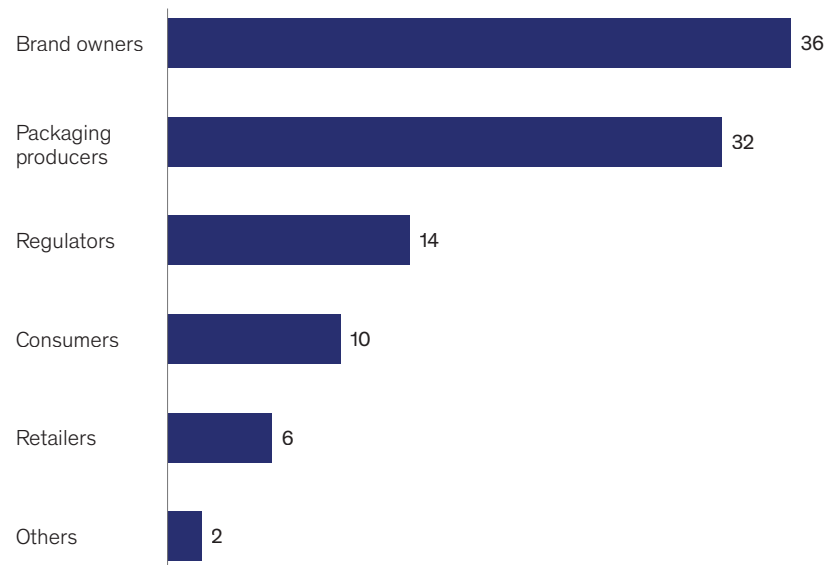
Our 2025 survey also asked consumers who they see as most responsible for sustainability in packaging (Exhibit 5). Almost 70 percent of US consumers believe that either brand owners or packaging producers should be held responsible, with just 10 percent seeing themselves as principally responsible. Notably, however, less than 10 percent of the US consumers in our survey were able to name a single packaging company when asked.

One way to interpret this could be that consumers do not want to shoulder the perceived burden of choosing the “correct” packaging option, potentially paying a premium for their choice, and following disposal instructions. It may be that consumers perceive brand owners as large material users and generators while viewing packaging producers as having most control over packaging options. The consumer perceptions would explain why these two groups are held most responsible for packaging sustainability.

Exhibit 5

US consumers believe brand owners and packaging producers should be held responsible for sustainability in packaging.

Perception of who should be responsible for sustainability in packaging, % of respondents



Question: Who do you see as most responsible for sustainability in packaging?
Note: Derived from share of respondents who selected each of the stakeholders.
Source: McKinsey US Packaging Survey, March 2025 (n = 1,000)

McKinsey & Company

Winning in sustainable packaging in 2025

While the packaging industry has historically been growing faster than GDP, there are indications that market growth may be slowing as consumer confidence shows signs of stalling.¹⁷ As a result, the industry should focus on making the most of existing and emerging growth opportunities. While improving packaging sustainability will not be the only answer, given our finding that sustainability is not the most important purchasing criterion for US consumers, it is not an area that the industry should neglect; we have already seen that products with clear environmental claims outgrow their peers.

Given the current uncertainties and diverging consumer views, there is no single solution for winning in sustainable packaging. To find and implement the right solution in their specific context, companies within the packaging industry should consider action across four areas:

1. *Understand consumers behavior and preferences in a granular way.* Results from this and earlier surveys indicate that different segments of US consumers have different views on packaging sustainability, as well as differing levels of willingness to pay. Before making any decisions, packaging companies will need to understand, on a granular level, the preferences of the specific consumer groups that buy their products, how these consumers buy and use the products, and how the current packaging is disposed of. Companies that make assumptions about consumer preferences in their packaging design labs likely incur a significantly larger
2. *Engage the full packaging value chain from the beginning.* Packaging sustainability decisions may affect everything from supply chain logistics to branding and marketing. As a result, companies should consider consumer preferences for packaging sustainability at the start of any process to launch or update a product, not as an afterthought. Finding the right solution may be easier when companies take an incremental and experimental approach that involves brand owners and upstream raw materials suppliers.
3. *Design packaging to meet the full set of consumer needs and preferences.* While a significant subset of US consumers view sustainability considerations as important to their packaging choice, there are—as we have seen—other factors that may be more important. More broadly, and given the increased ease of accessing a broad range of high-quality products, consumers increasingly expect the products they purchase to meet their full range of needs and preference—excelling in one or a few factors will not be enough. Packaging companies will therefore need to take a holistic approach toward packaging design, ensuring their packaging has clear sustainability credentials without sacrificing durability, food safety, shelf life, or convenience.

¹⁷ Becca Coggins, Christina Adams, and Kari Alldredge, "An update on US consumer sentiment: Is growing uncertainty casting a chill on spending plans?," McKinsey, February 28, 2025.

4. *Make marketing and consumer education a priority.* As our 2023 survey round found, consumers do not necessarily know what to expect from sustainability in packaging, and we have also seen that preferences vary across groups. While consumer preferences may be one factor that packaging companies consider when making their packaging decisions, other factors will likely include a context-specific calculation of environmental impact. As a result, packaging companies will need to market toward and educate brands and consumers to illustrate the sustainability benefits of their packaging choices, as well as develop broader strategic narratives for the sustainability factors that are most important in their market context. These efforts can also be an opportunity to

highlight sustainability efforts to consumers as a brand differentiator.

The current environment for sustainability in packaging is complex. Many US consumers do care about these issues, but most are increasingly concerned about price and less so about sustainability. Now, more than ever, the winning packaging companies will be those that can simultaneously meet the full range of consumer needs. Those that can offer a compelling sustainability narrative without sacrificing on price or quality will be well positioned to grow their market share and capture value.

Daniel Nordigården is a partner in McKinsey's Toronto office, **David Feber** is a senior partner in the Detroit office, **Felix Grünewald** and **Markus Pley** are partners in the Zurich office, and **Mark Conrad** is an associate partner in the Stockholm office.

The authors wish to thank Anne Grimmelt, Axel Ihrfelt, and Rebecca Ng for their contributions to this article.

Copyright © 2025 McKinsey & Company. All rights reserved.

2

Sustainability in packaging 2025: Inside the minds of global consumers

Despite some common global themes, consumer priorities and perceptions toward packaging materials vary by country, requiring a granular understanding and nuanced planning from packaging stakeholders.

This article is a collaborative effort by Daniel Nordigården, David Feber, Felix Grünewald, Markus Pley, and Matthew Seidner, with Mark Conrad, representing views from McKinsey's Packaging & Paper Practice.



The years since 2020 have been a time of upheaval for consumers and companies alike, and packaging players are no exception. A global pandemic shifted consumption patterns,¹ many countries went through a period of high inflation,² and geopolitical uncertainty continues to reshape trade flows³—sometimes profoundly. How have these factors affected the choices consumers make and especially their attitudes and sentiments toward packaging?

To answer this question, in the first quarter of 2025 we launched another round of our comprehensive survey exploring consumers' attitudes toward packaging. We have been conducting this research globally with tens of thousands of consumers since 2020, and this survey round encompasses more than 11,000 respondents from 11 countries⁴ that together represent four continents, 66 percent of global GDP, and 50 percent of the world's population.⁵

This survey addresses consumer preferences across product categories, packaging substrates, and sales channels, and it offers granular insights by demographic group (such as income level, geography, gender, and age) within each country, though analysis in this article is mostly presented at the country level. In addition, this survey round included a number of questions that were also used in 2020 and 2023, which allows us to look at trends over time.⁶

Five key findings emerge: Two relate to the factors most important to consumers overall when making purchases and when considering packaging, and the remaining three provide detail on consumer attitudes toward sustainability. First—and consistent with previous survey rounds—price and quality remain the most important product characteristics that influence consumers' purchasing decisions, with price even more important when compared with previous years. Environmental concerns rank significantly lower across product categories, though some European countries (including France and Italy) place higher importance on environmental impact.

Second, food safety and shelf life have remained the most important packaging characteristics that influence consumers' purchasing decisions, and the importance of environmental impact has once again ranked at a much lower level. Notably, however, consumers globally do not care less about the environment today than they did in the past; the absolute proportion of the survey sample who deem it important has stayed fairly flat. Rather, consumers have started to care more about a number of other factors, including value for money.

Third, recyclability is viewed as the most critical sustainability trait globally, with limited consensus on the next most important factor, though all facets of circularity ranked well. Fourth, our survey indicates that consumers around the world are not fully aligned in their views on which packaging materials are the most sustainable. Glass and paper rank high across all geographies, but important differences exist between countries, such as for polyethylene terephthalate (PET) bottles, which are viewed as sustainable in geographies with robust collection systems such as deposit return schemes. Fifth, despite ranking environmental factors relatively lower than in prior surveys, the majority of respondents claim to be willing to pay more for sustainable packaging.

Overall, there is a significant—and fairly consistent—portion of global consumers for whom environmental factors are very important, but consumers' attitudes and understanding of sustainable packaging are complex. While there are important nuances by geography, two factors are consistent across the countries surveyed. First, younger consumers (Gen Zers and millennials) and higher-income consumers generally reported the most willingness to pay more for sustainable packaging. Second, consumers generally see packaging producers and brand owners—rather than themselves, retailers, or regulators—as responsible for driving sustainability in packaging. As such, packaging producers and brand owners

¹ "State of the Consumer 2025: When disruption becomes permanent," McKinsey, June 9, 2025.

² "Inflation, consumer prices (annual %)," World Bank Group, 2024.

³ Cindy Levy, Shubham Singhal, and Zoe Fox, "Tariffs and global trade: The economic impact on business," McKinsey, April 18, 2025.

⁴ Brazil, China, France, Germany, India, Italy, Japan, Mexico, Sweden, the United Kingdom, and the United States.

⁵ McKinsey analysis using data from the World Bank, "Population, total," World Bank Group, 2023.

⁶ "Sustainability in packaging: Inside the minds of global consumers," McKinsey, December 16, 2020; "Sustainability in packaging 2023: Inside the minds of global consumers," McKinsey, August 15, 2023.

will need to carefully consider how to respond to evolving consumer demand. This will require a granular understanding of the sentiment and segmentation of the consumer landscape. This article concludes with three critical questions that companies in the packaging value chain need to answer to start building an actionable fact base on which they can build their future sustainability strategy.

From the eye of the consumer: A five-year overview of packaging sustainability

Before the COVID-19 pandemic, McKinsey research showed that sustainability was a top concern across the whole packaging value chain.⁷ Many consumers were becoming increasingly aware of the packaging sector's environmental footprint,⁸ and growing public awareness sparked responses from legislators in many parts of the world to address the issue.⁹ With sustainability policies and actions increasingly seen as core to a company's value proposition, fast-moving consumer goods and retail companies made bold commitments to recycling efforts and use of recycled content.

However, during the early stages of the pandemic, hygiene concerns led many companies and governments in a number of jurisdictions to pause or slow their efforts to eradicate single-use packaging.¹⁰ This evolution was reflected in our 2020 survey round, which indicated that the pandemic had heightened food safety concerns, especially in the hardest-hit countries.¹¹ This trend remained evident in our 2023 survey results, in which hygiene and shelf life were ranked as the factors most important in consumers' purchasing decisions across all countries surveyed.¹²

Against this backdrop—and in light of destocking efforts,¹³ continuing consumer concerns about rising prices and inflation,¹⁴ and geopolitical uncertainty,¹⁵ what are consumer views about packaging, and particularly packaging sustainability, in 2025?

Current global consumer sentiments about sustainability in packaging

Price and quality remain the most important product characteristics that influence consumers' purchasing decisions globally (Exhibit 1). This reported price sensitivity is likely driven at least in part by ongoing concerns following recent experiences of inflation, though there are signs that the relationship between consumer sentiment and spending has weakened.¹⁶ However, price is ranked as less important—and brand as more important—in India and China.

Environmental impact ranks considerably lower than other product characteristics in importance across product categories, but it is still a key consideration for a significant and relatively stable subset of consumers. Thirty-nine percent of respondents globally ranked environmental impact as extremely or very important, which was similar to 38 percent in 2023 and up from 20 percent in 2020.

In addition, the importance of environmental factors does vary by product category and geography. Environmental impact is viewed as more important for fresh fruit and vegetables and household cleaning products, and European consumers generally view sustainability considerations as more important than other geographies do—though relative importance has declined since 2023.

⁷ "The drive toward sustainability in packaging—beyond the quick wins," McKinsey, January 30, 2020.

⁸ David Feber, Daniel Nordigården, and Shekhar Varanasi, *No ordinary disruption: Winning with new models in packaging 2030*, McKinsey, May 2019.

⁹ "Sustainability in packaging: Global regulatory development across 30 countries," McKinsey, February 7, 2022.

¹⁰ For full details, see David Feber, Oskar Lingqvist, and Daniel Nordigården, "Shaping the next normal of packaging beyond COVID-19," McKinsey, May 26, 2020.

¹¹ "Sustainability in packaging: Inside the minds of global consumers," McKinsey, December 16, 2020.

¹² "Sustainability in packaging 2023: Inside the minds of global consumers," McKinsey, August 15, 2023.

¹³ Eren Çetinkaya, Manuel Prieto, Adam Youngman, and Jonas Oxgaard, "Petrochemicals review: Where we are now and where we're going," McKinsey, May 31, 2024.

¹⁴ "State of the Consumer 2025: When disruption becomes permanent," McKinsey, June 9, 2025.

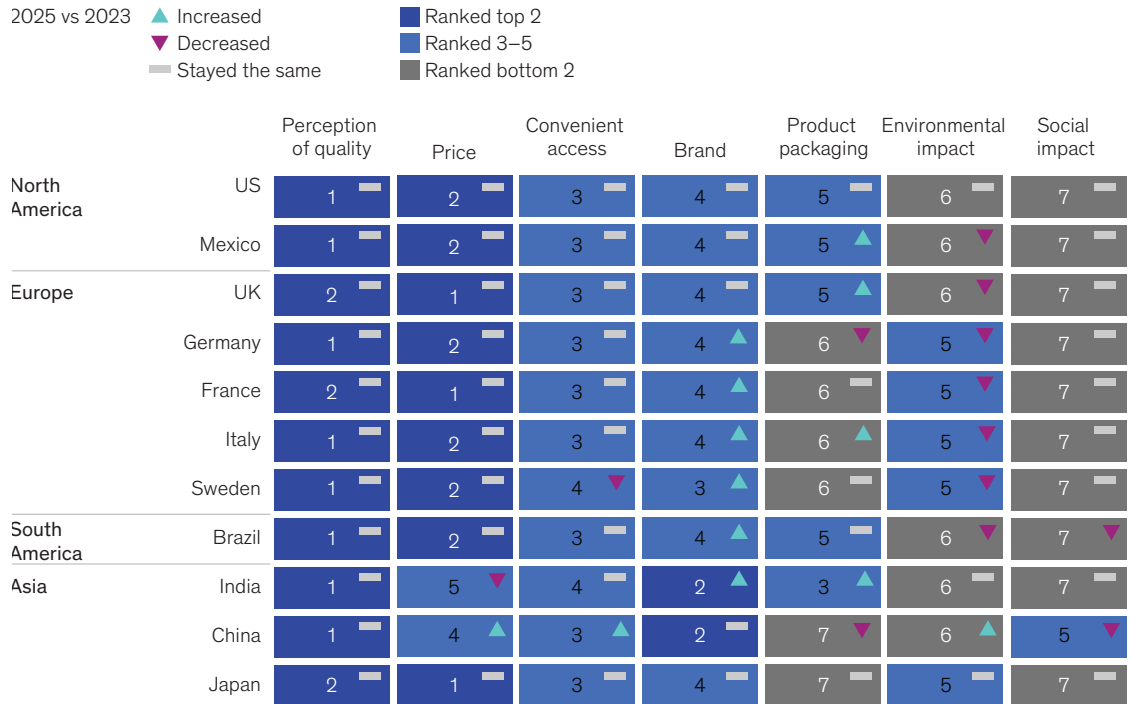
¹⁵ Sven Smit, Jeffrey Condon, and Krzysztof Kwiatkowski, "Global Economics Intelligence executive summary, April 2025," McKinsey, May 29, 2025.

¹⁶ "State of the Consumer 2025: When disruption becomes permanent," McKinsey, June 9, 2025.

Exhibit 1

Price and quality are the top characteristics for consumers in making a purchasing decision; environmental impact is ranked lower.

Importance of product characteristics in purchasing decisions,¹ ranked 1 through 7



Question: Which of the following characteristics play an important role in your decision to purchase? Results derived from ranking (from highest to lowest) the share of respondents who indicated “extremely important” or “very important” for each characteristic. Source: McKinsey Packaging Survey, March 2025 (n = 11,136)

McKinsey & Company

Shifting to product packaging in particular, food safety and shelf life are ranked as the most important packaging characteristics influencing consumers’ purchasing decisions—as was the case in 2020 and 2023—with environmental impact ranking lower in importance. Since 2023, the relative importance of environmental impact has either stagnated or has trended downward relative to other characteristics across regions (Exhibit 2).

In absolute terms, however, the share of respondents ranking environmental impact as extremely or very important has remained steady over time, at 51 percent in 2025, 52 percent in 2023, and 51 percent in 2020. Therefore, the key shift over time has not been that consumers care

less, on average, about sustainability, but rather that they are focusing more on other packaging characteristics.

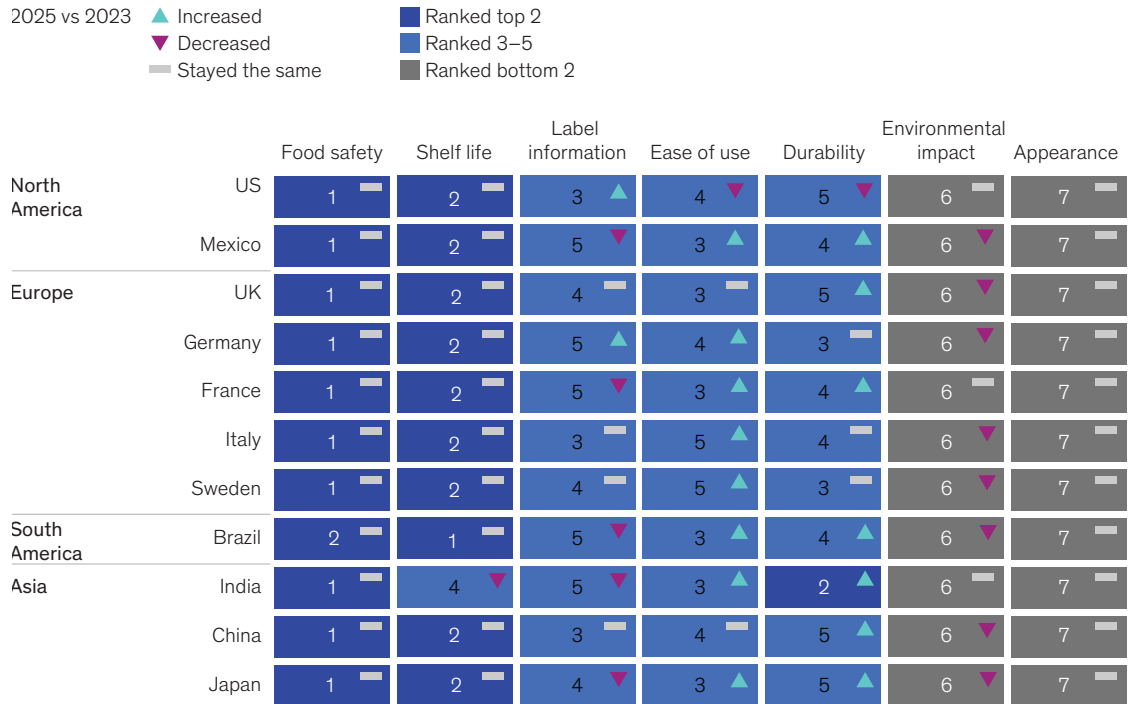
What a consumer wants and their willingness to pay for it

Over the past few years, McKinsey has published dozens of articles related to packaging sustainability. A consistent message across these articles has been that no single packaging substrate—be that glass, metal, paper, or plastic—is the undisputed leader across every attribute of packaging sustainability. All substrates have advantages and disadvantages in terms of their suitability for individual applications, their

Exhibit 2

Food safety and shelf life remain the most important packaging aspects.

Importance of packaging characteristics in purchasing decisions,¹ ranked 1 through 7



Question: When making a packaged product purchase, how important are each of the following characteristics of the product's packaging to you? Results derived from ranking (from highest to lowest) the of respondents who indicated "extremely important" or "very important" for each packaging characteristic. Source: McKinsey Packaging Survey, March 2025 (n = 11,136)

McKinsey & Company

performance across different sustainability dimensions, and how they are perceived across countries and regions.¹⁷

Still, we often get asked what packaging substrate is seen by consumers as the most sustainable. We have asked this question multiple times as part of this survey, with the same broad result each time: Consumers around the world are not fully aligned in their views on the most sustainable packaging materials (Exhibit 3). Glass and paper both rank in the top three for every country in our sample, but there are other important discrepancies by country. For

example, PET bottles are ranked as the second most sustainable packaging type in Sweden and Japan, while liquid cartons are ranked highly in Brazil.

A number of factors, such as country-specific recycling patterns and consumer experience with these programs, could underpin these differences. Respondents in the countries with the highest PET collection rates—Germany, Sweden, and Japan have collection rates of more than 80 percent, for example—all ranked PET in the top three, while the countries with the lowest collection rates (such as the United States, with a rate of 33 percent) rank PET the lowest.¹⁸

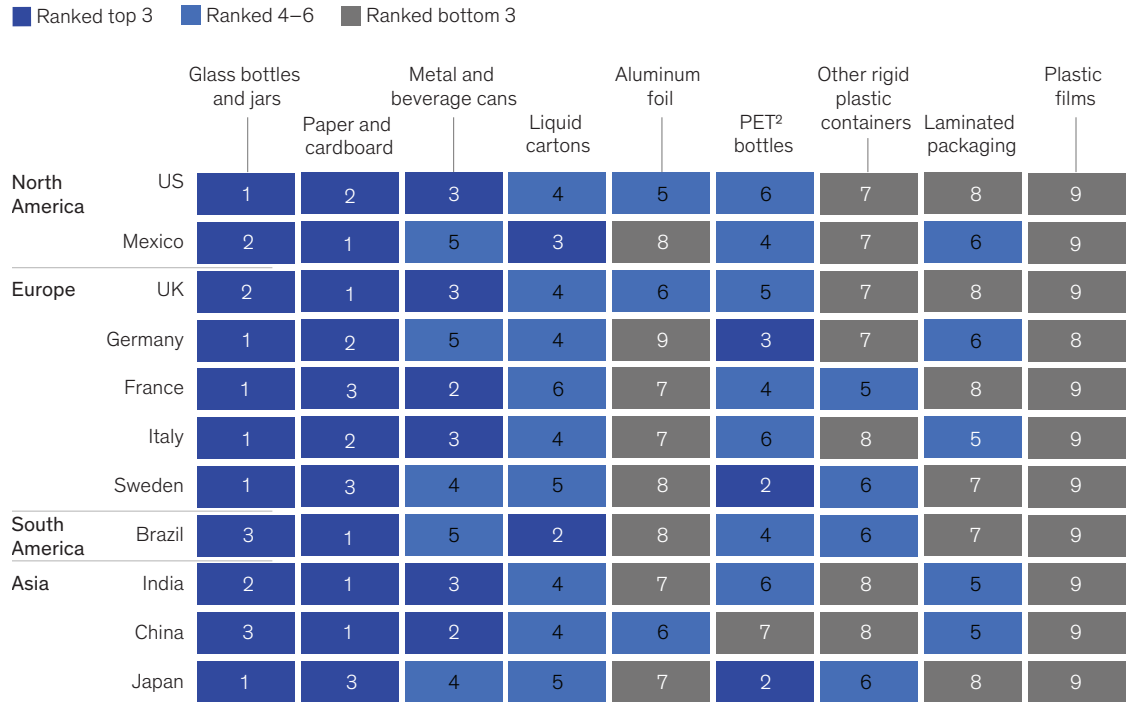
¹⁷ "True packaging sustainability: Understanding the performance trade-offs," McKinsey, July 28, 2021.

¹⁸ Collection rates according to the US National Association for PET Container Resources, Mexico Business News, Sensoneo, UNESDA, Sustainable Plastics, International Pollutants Elimination Network, *The Indian Express*, China Plastic Recycling Association, and the Council for PET Bottle Recycling.

Exhibit 3

Consumers are not fully aligned on what is considered the most sustainable packaging type.

Sustainability perception of packaging types,¹ ranked 1 through 9



¹Question: How sustainable do you think each of the following packaging types are? Results derived from ranking (from highest to lowest) the share of respondents who indicated "extremely sustainable" or "very sustainable" for each packaging type.

²Polyethylene terephthalate.

Source: McKinsey Packaging Survey, March 2025 (n = 11,136)

McKinsey & Company

This raises an important consideration: What particular aspect of packaging sustainability do consumers deem the most important? The top choice was consistent globally, with consumers in every country considering recyclability as the most important factor when considering sustainable packaging (Exhibit 4). More broadly, all traits associated with circularity—that is, whether the packaging is recyclable, made of recycled content, and reusable—performed strongly, ranking in the top four for every country except India. Consumers in nine out of the 11 surveyed countries also ranked whether packaging was bio-based as the least important factor. These commonalities may reflect a relatively consistent level of familiarity with these concepts across countries; most consumers have

a clear understanding of the benefits of recycling but may have less information about bio-based technologies.

For other sustainability traits, there was much less global consensus. Compostability shows significant variation, for example, ranking highly in China, India, Italy, and the United States, but near the bottom in all other geographies surveyed. Carbon dioxide impact was ranked as the second most important factor in Japan but only the sixth most important in the United States.

Our 2025 results reveal that all geographies have a group willing to pay more for sustainable packaging, with a smaller subset willing to pay substantially

Exhibit 4

Circularity is the key sustainability characteristic that consumers use to determine whether packaging is sustainable.

Importance of sustainability characteristics in packaging,¹ ranked 1 through 7

■ Ranked top 2 ■ Ranked 3–5 ■ Ranked bottom 2

		Recyclable	Made of recycled content	Compostable	Reusable	Lightweight or made of less material	Low CO ₂ impact	Bio-based
North America	US	1	2	3	4	5	6	7
	Mexico	1	3	6	2	5	4	7
Europe	UK	1	2	5	3	6	4	7
	Germany	1	3	6	2	5	4	7
	France	1	3	4	2	6	5	7
	Italy	1	4	2	3	6	5	7
	Sweden	1	3	6	2	5	4	7
South America	Brazil	1	3	7	2	6	4	5
Asia	India	1	6	2	3	7	4	5
	China	1	4	3	2	6	5	7
	Japan	1	4	6	3	5	2	7

¹Question: When considering sustainable packaging, how important are the following characteristics to you? Results derived from ranking (from highest to lowest) the share of respondents who indicated "extremely important" or "very important" for each of the characteristics. Source: McKinsey Packaging Survey, March 2025 (n = 11,136)

McKinsey & Company

more (Exhibit 5). This finding is consistent with previous survey rounds and in line with a recent McKinsey study conducted with NielsenIQ. The study found that products making sustainability-related claims averaged 28 percent cumulative growth over the five years before the study, versus 20 percent for products that made no such claims.¹⁹

There is significant variation in willingness to pay by geography but also by demographic and socioeconomic group. As a general rule, younger consumers (Gen Zers and millennials) and higher-income consumers have the highest-stated

willingness to pay more for sustainable packaging.²⁰ For example, the 2025 survey found that 8 percent of Germans say they are willing to pay a lot more for sustainability packaging, but breaking this down by generation and income, this is true of just 1 percent of high-income Gen Xers, compared with 25 percent of high-income millennials and 9 percent of low-income millennials.

These differences in willingness to pay have important implications for companies bringing innovative sustainable packaging to market at higher price points. Companies marketing their product

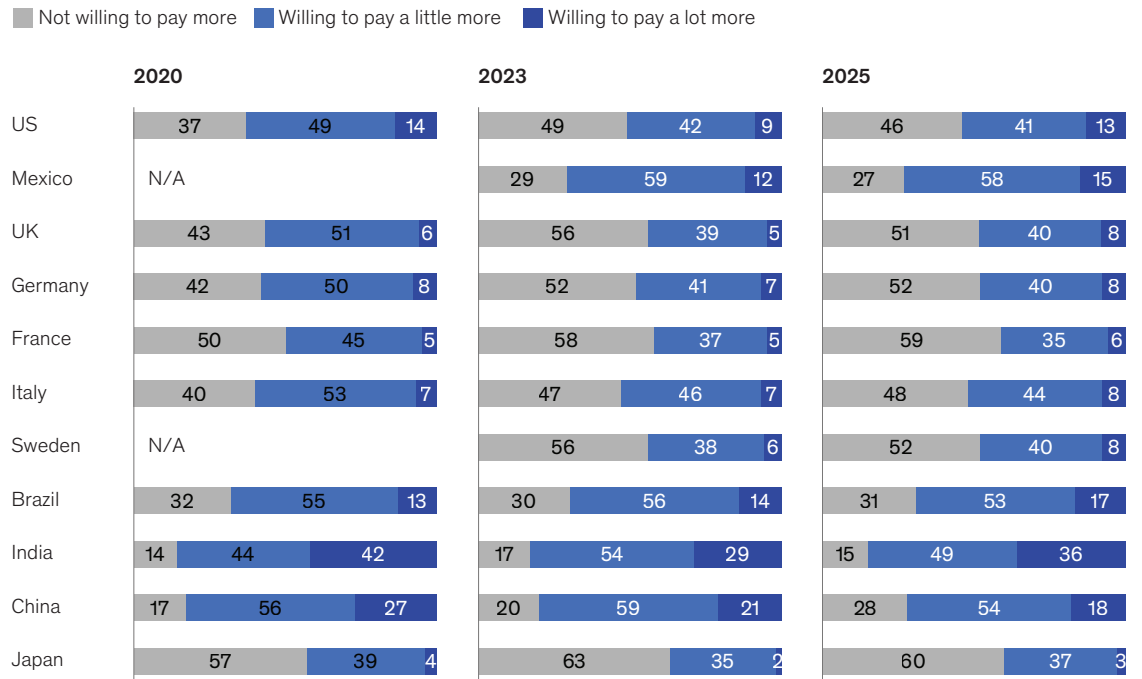
¹⁹ "Consumers care about sustainability—and back it up with their wallets," McKinsey, February 6, 2023.

²⁰ This finding is in line with findings on overall differences in willingness to spend by generation from the most recent McKinsey ConsumerWise Sentiment Survey and McKinsey State of the Consumer Market Survey. For more, see "State of the Consumer 2025: When disruption becomes permanent," McKinsey, June 9, 2025.

Exhibit 5

Overall, consumers are less willing to pay for sustainable packaging, but the share of those willing to pay a lot more has grown.

Willingness to pay for sustainable packaging,¹ % of respondents



Note: Figures may not sum to 100%, because of rounding.
¹Question: To what extent would you be willing to pay more for sustainable packaging? Results derived from taking an average share of respondents across product categories who indicated willingness to pay at different levels.
 Source: McKinsey Packaging Survey, March 2025 (n = 11,136)

McKinsey & Company

toward high-income millennials in Germany, for example, could have an addressable market that is many times higher than if they were targeting high-income Gen X consumers in Germany. As a result, identifying the segments and consumer groups that are willing to pay more will be critical for success.

Clearly, a significant subset of consumers is willing to reward brands and products that can meet their context-specific criteria for sustainable packaging. But who do they expect to drive this change? When asked, consumers view brand owners and packaging producers as the most responsible for driving sustainability in packaging, placing significantly less responsibility on themselves, retailers, or regulators (Exhibit 6). Of all the

findings laid out in this article, this may be the most consistent across countries.

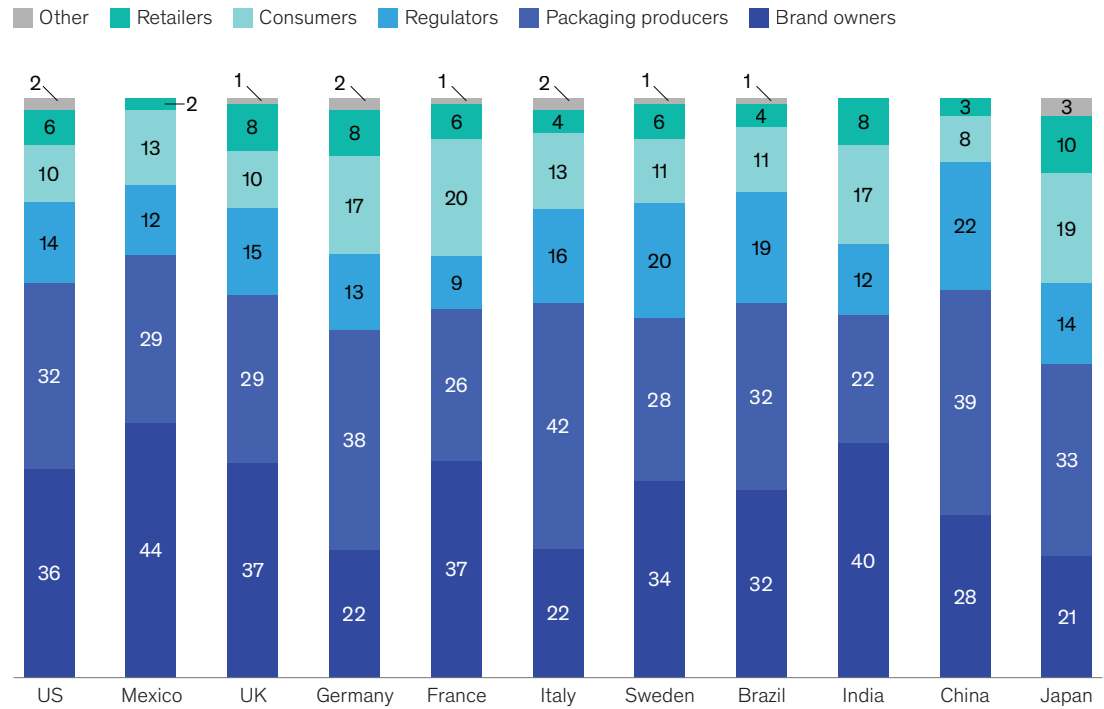
Three critical questions to consider

As a whole, the results of this year’s survey and comparisons to earlier years make it clear that global consumer sentiments toward sustainability in packaging are complex. Some features of consumer preferences—such as food safety and shelf life as the most important characteristics of packaging—have remained relatively consistent over the past five years. Other survey results, such as willingness to pay and preferred packaging type, have continued to vary, both across countries and across time. These shifting preferences should not

Exhibit 6

Consumers view brand owners and packaging producers as the most responsible for driving sustainability in packaging.

Responsibility perception for sustainable packaging,¹ % of respondents



Note: Figures may not sum to 100%, because of rounding.
¹Question: Who do you see as most responsible for sustainability in packaging? Results derived from the share of respondents who indicated each stakeholder as most responsible.
 Source: McKinsey Packaging Survey, March 2025 (n = 11,136)

McKinsey & Company

be surprising because they are, to some extent, a reaction to the current volatile macroeconomic environment, as well as a result of changing regulations and recycling practices within individual countries or communities.

While environmental concerns continue to rank lower than several other factors for global consumers, a significant portion of consumers rank environmental impact as very important in their purchasing decisions, and there are segments of consumers across all countries who say they are willing to pay some premium for sustainable packaging. To take advantage of this opportunity and capture market share by getting ahead of developing trends and future regulatory shifts, packaging players need to

understand how consumer sentiments develop as well as consumer preferences toward sustainability at a more granular level.

To kick-start their efforts, however, packaging players should proactively review their portfolio with three key questions in mind:

1. How can they accelerate time to market for sustainable solutions and carefully target and tailor their product and marketing approach toward the most relevant demographic segments within appropriate focus markets?
2. How can they increase competitiveness on the total cost of ownership of new sustainable

packaging innovations? This could include thinking about how to decrease the full set of packaging costs—especially raw material and input costs, which are the main cost driver—as well as how to help reduce downstream costs for customers (such as through product alterations that allow faster filling speed), decrease changeover costs, or improve barrier performance (such as by decreasing food waste).

3. How can the organization find the right partners—across the full value chain—to streamline and optimize its sustainability efforts?

The answers to these three questions will form the basis of an actionable fact base, which packaging suppliers should use to update and enhance their sustainability strategy road map.

Although sustainability concerns continue to be ranked as less important than other factors, they continue to be a critical industry-shaping trend for the packaging value chain. Both consumer preferences and the level of consumer understanding of sustainability packaging vary substantially by geography and demographic group. Consumer sentiments and the regulatory backdrop are also evolving quickly, but this varies by country as well. As a result, packaging producers looking to stay ahead of the game will need to take a data-driven, granular, and proactive approach to their future sustainability strategy.

Daniel Nordigården is a partner in McKinsey's Toronto office, **David Feber** is a senior partner in the Detroit office, **Felix Grünwald** and **Markus Pley** are partners in the Zurich office, **Matthew Seidner** is a partner in the Chicago office, and **Mark Conrad** is an associate partner in the Stockholm office.

The authors wish to thank Alfred Janz, Anne Grimmelt, Axel Ihrfelt, Oscar Wiss, and Rebecca Ng for their contributions to this article.

Copyright © 2025 McKinsey & Company. All rights reserved.

3

Sustainability in packaging: What do European consumers value in 2025?

Our survey of European consumers' attitudes toward sustainable packaging shows shifting expectations and regional nuances in a market that generally values both sustainability and affordability.

This article is a collaborative effort by Daniel Nordigården, David Feber, Felix Grünewald, and Markus Pley, with Annie David and Mark Conrad, representing views from McKinsey's Packaging & Paper Practice.



There have been significant shifts in consumer behavior in Europe since 2020 as a result of the COVID-19 pandemic and subsequent years of record inflation across the European Union.¹ Geopolitical instability and upheavals within the global trade system may also have important implications for both consumer and business demand.² Given the increased uncertainty, how have European consumers' attitudes and sentiments toward sustainable packaging changed?

To better understand these dynamics, we conducted a comprehensive survey in March 2025 of consumers' attitudes toward sustainable packaging in five European countries.³ Our research includes insights from about 1,000 respondents in each country surveyed and builds on our global studies, which have surveyed tens of thousands of consumers since 2020. This year's survey examines preferences across packaging materials, product categories, and sales channels while also tracking trends over time to provide a comprehensive view of consumer sentiment.

Five key findings emerge from the European countries surveyed: Two relate to the factors most important to consumers overall when making purchases and when considering packaging, and the remaining three deal with consumer attitudes toward sustainability.

First—in line with previous surveys and findings from other regions—price and quality remain the most important product characteristics that influence consumers' purchasing decisions. Environmental concerns show a relative downward trend compared with other characteristics across the European countries surveyed, though they remain at a relatively higher level compared with non-European countries included in our global survey.⁴

Second, food safety and shelf life have remained the most important packaging characteristics that influence consumers' purchasing decisions. Environmental impact continues to be relatively less important, though 42 percent of consumers

surveyed in Europe still rank this factor as “extremely important” or “very important.”

Third, European consumers consider circularity to be the most important sustainability characteristic for packaging. All circularity-related factors—including recyclability, reusability, and the use of recycled content—rank highly, while bio-based materials and the use of fewer materials rate as less important.

Fourth, there is some divergence in which packaging materials are considered the most sustainable. Glass and paper rank highest across all five countries, but there are important differences regarding polyethylene terephthalate (PET) bottles, for example, which are viewed as sustainable in countries where strong deposit return schemes exist (such as in Germany and Sweden) but much less so in other areas.

Fifth, consumers across all surveyed European countries view brand owners and packaging producers, not retailers or consumers, as most responsible for promoting the use of sustainable packaging. About half of consumers across countries are prepared to reward brand owners and packaging producers by paying more for a sustainable product, but this proportion has fallen since 2020, perhaps due to rising cost sensitivity.

Overall, these insights suggest that European packaging players need to tailor their strategy to the evolving consumer preferences related to sustainability in packaging. Key priorities to succeed in Europe include enabling circularity, addressing regional differences, balancing affordability with functionality, and investing in marketing and consumer education to build trust and drive market differentiation.

What matters most to the European consumers in our survey in 2025?

The 2025 global sustainability packaging survey of European consumers revealed five key findings

¹ “The conflicted Continent: Ten charts show how COVID-19 is affecting consumers in Europe,” McKinsey, November 12, 2020; “Annual inflation more than tripled in the EU in 2022,” Eurostat, March 9, 2023.

² Cindy Levy, Shubham Singhal, and Matt Watters, “A proactive approach to navigating geopolitics is essential to thrive,” November 12, 2024;

³ “Tariffs and trade: Preparing for the unpredictable,” The McKinsey Podcast, July 3, 2025.

⁴ France (n = 1,014), Germany (n = 1,012), Italy (n = 1,005), Sweden (n = 1,017), and the United Kingdom (n = 1,020).

⁵ “Sustainability in packaging 2025: Inside the minds of global consumers,” McKinsey, June 24, 2025.

regarding how much and in what way these consumers value packaging sustainability:

1. Quality and price remain the most important product characteristics

Quality and price remain the most important product factors influencing purchasing decisions (Exhibit 1). Over time, the shares of consumers rating these characteristics as “extremely important” or “very important” have remained higher than for all other factors across the European countries surveyed, reaffirming the importance of these characteristics in the decision-making process. This preference ranking could be caused, at least in part, by increased cost consciousness resulting from inflationary and geopolitical pressures, which have affected household budgets in Europe.⁵

Conversely, the relative importance of environmental impact compared with other product characteristics has declined over time. After rising to fourth place in 2023, it has now fallen back to fifth in 2025, making it one of the least important decision factors among those surveyed in choosing products. Despite this downward trend, results show that environmental impact remains slightly more important to European consumers than those in other regions, such as North America, South America, and Asia.⁶ Environmental impact still ranks higher than product packaging and social impact, suggesting a relatively stronger concern for sustainability issues in Europe.

One other notable shift is that the importance of brand in purchasing decisions has grown modestly, which may indicate that some consumers in

Exhibit 1

All geographies have a group willing to pay more for sustainable packaging.

Importance of product characteristics in purchasing decisions,¹ % of respondents indicating “extremely important” or “very important”

2025 vs 2023 ranking: ■ Ranked 1–2 ■ Ranked 3–5 ■ Ranked 6–7 ↑ Increased ↓ Decreased — Stayed the same

	UK	Germany	France	Italy	Sweden	Average
Perception of quality	— 62	— 68	— 53	— 58	— 60	— 60
Price	— 63	— 62	— 57	— 54	— 56	— 59
Convenient access	— 45	— 48	— 35	— 36	↓ 30	— 39
Brand	— 36	↑ 37	↑ 31	↑ 35	↑ 31	↑ 34
Environmental impact	↓ 30	↓ 34	↓ 28	↓ 33	↓ 26	↓ 30
Product packaging	↑ 31	↓ 33	— 25	↑ 31	— 25	— 29
Social impact	— 26	— 28	— 24	— 30	— 18	↑ 25

Note: Trend arrows indicate movements in ranking (scale of 1–7, with 1 being the highest), not % shares.
¹Question: When making a packaged product purchase, how important are each of the following characteristics of the product's packaging to you?
 Source: McKinsey Packaging Survey, March 2023 and March 2025

McKinsey & Company

⁵ “An update on European consumer sentiment: Outlook holds, despite dismay abroad,” McKinsey, June 2, 2025.
⁶ “Sustainability in packaging 2025: Inside the minds of global consumers,” McKinsey, June 24, 2025.

Europe increasingly view brand reputation as a proxy for quality and value. As such, this shift in the importance of brand further reinforces the dominance of quality and price as key decision drivers in the European market.

In all, while environmental concerns persist, consumers in the European countries surveyed are increasingly focused on quality and price. Companies in the packaging value chain should balance their sustainability initiatives with the practical and economic considerations that drive consumer behavior in Europe.

2. For packaging, consumers place a greater weight on food safety and shelf life than environmental impact and aesthetics

Packaging plays an important role in shaping European consumers’ purchasing decisions, with practical considerations such as food safety

and shelf life taking precedence. According to our 2025 survey, these two characteristics consistently rank as the most important packaging attributes, with 60 to 70 percent of consumers across the European countries in our survey rating them as “extremely important” or “very important” (Exhibit 2). This highlights the continued importance of ensuring product quality and longevity, particularly in categories such as food and beverages.

In contrast, environmental impact has remained one of the least important packaging characteristics for consumers in the European countries included in this survey. Between 2023 and 2025, environmental impact has declined slightly in perceived importance. For example, the proportion of consumers who ranked environmental impact as “extremely important” or “very important” fell from 45 percent to 42 percent

Exhibit 2

Food safety and shelf life remain the most important packaging aspects, while environmental impact has trended downward.

Importance of packaging characteristics in purchasing decisions,¹ % of respondents indicating “extremely important” or “very important”

2025 vs 2023 ranking: ■ Ranked 1–2 ■ Ranked 3–5 ■ Ranked 6–7 ↑ Increased ↓ Decreased — Stayed the same

	UK	Germany	France	Italy	Sweden	Average
Food safety	— 72	— 71	— 60	— 71	— 60	— 67
Shelf life	— 67	↓ 64	— 51	— 62	— 60	— 61
Durability	↑ 48	↑ 64	↑ 41	— 51	— 48	↑ 50
Ease of use	— 56	↑ 54	↑ 43	↑ 47	↑ 42	↑ 48
Information included on the label	— 51	↑ 49	↓ 39	— 55	— 47	↓ 48
Environmental impact	↓ 42	↓ 45	— 38	↓ 46	↓ 37	— 42
Appearance	— 33	— 30	— 30	— 20	— 21	— 27

Note: Trend arrows indicate movements in ranking (scale of 1–7, with 1 being the highest), not % shares.
¹Question: When making a packaged product purchase, how important are each of the following characteristics of the product’s packaging to you?
 Source: McKinsey Packaging Survey, March 2023 and March 2025

in the United Kingdom and from 48 percent to 45 percent in Germany.⁷ Although these changes may appear modest, they reinforce the broader story that environmental impact continues to lag behind other packaging characteristics. In 2025, potential environmental impact ranks among the bottom two factors, just above packaging appearance—the least important factor across all European countries in our survey. This suggests that when consumers are forced to make trade-offs, they may deprioritize sustainability in favor of more immediate and functional packaging attributes.

However, when asked about their attitude toward packaging sustainability as a stand-alone criterion—and not in comparison to other factors related to packaging—a significant subset of consumers across the European countries surveyed expressed significant concern. Between 32 percent and 41 percent of respondents across countries surveyed indicate that they are “extremely concerned” or “very concerned” about sustainable packaging when making purchasing decisions (Exhibit 3). This proportion does vary by country, with Germany reporting the highest rate of concern and Sweden the lowest.

There is, however, little variation in the perceived importance of environmental impact between generations or income groups, though younger consumers still show slightly higher rates of environmental concern. This contrasts sharply with the US market, where environmental concerns vary widely between generations, with younger consumers (Gen Zers and millennials) showing much higher levels of concern than Gen Xers and baby boomers.

Ultimately, while sustainable packaging is an important consideration for a significant subset of consumers across the European countries surveyed, food safety and shelf life are the most critical packaging characteristics. Companies in the packaging value chain should ensure they are addressing functional priorities while continuing to differentiate themselves by exploring ways to integrate and ensure sustainability within their offerings.

3. Recyclability and reusability remain the top sustainability priorities in packaging for European consumers

When it comes to sustainability characteristics in packaging, consumers across the European countries in our survey place the highest importance on circularity. Traits such as recyclability, reusability, and the use of recycled content consistently rank as the most important sustainability characteristics for packaging. Among these, recyclability stands out as the top priority, with consumers in every surveyed country rating it as the most important factor when considering sustainable packaging (Exhibit 4). This preference aligns with trends from our 2025 global survey, in which consumers also ranked recyclability as the leading sustainability attribute.⁸

Reusability and recycled content follow closely behind recyclability, though their importance varies more significantly between countries. For example, while many consumers value the ability to reuse packaging or the incorporation of recycled materials, these factors do not consistently rank as highly as recyclability across all regions.

Compostability varies in importance depending on the country. In Italy, for example, 62 percent of consumers rate compostability as “extremely important” or “very important,” making it the second most important sustainability factor in the country. By contrast, in Germany and Sweden, compostability ranks among the least important characteristics. This divergence highlights the importance of understanding local preferences when packaging companies are deciding on the sustainability characteristics of their products.

Bio-based packaging materials, such as those derived from renewable biological sources, consistently rank as the least important sustainability characteristic among consumers in the markets surveyed. While these materials may play a role in broader sustainability strategies, they are not currently a primary focus for most consumers.

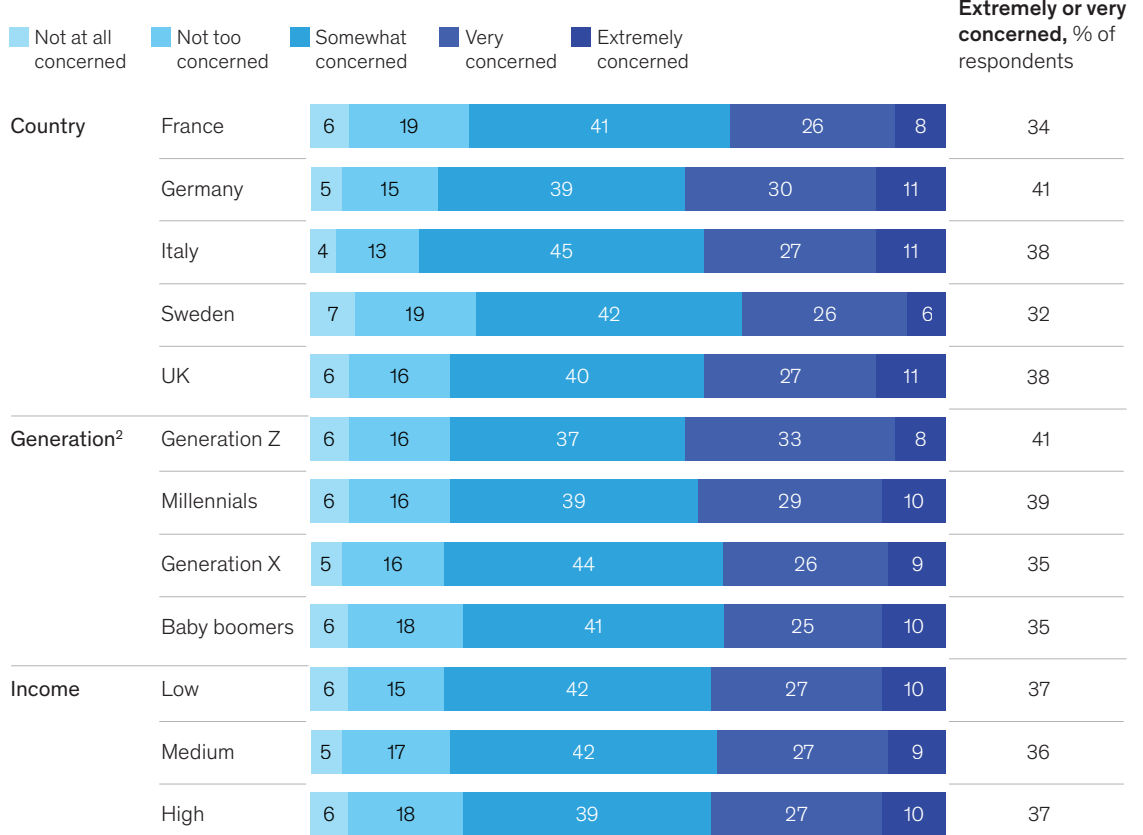
⁷ “Sustainability in packaging 2025: Inside the minds of global consumers,” McKinsey, June 24, 2025.

⁸ “Sustainability in packaging 2025: Inside the minds of global consumers,” McKinsey, June 24, 2025.

Exhibit 3

Differences in environmental concerns are bigger between countries than between generations and income groups.

Degree of concern with environmental impact of packaging,¹ % of respondents



¹Question: Overall, how important is sustainable packaging to you when making a purchase?
²Question: Overall, how concerned are you with the environmental impact of product packaging?
 Source: McKinsey Packaging Survey, March 2025 (n = 5,068)

McKinsey & Company

The emphasis that consumers from the European countries in our survey place on circularity—particularly recyclability, reusability, and recycled content—indicates a clear preference for packaging solutions that align with established recycling systems and promote resource efficiency. To meet consumer expectations and advance sustainability goals, companies in the packaging value chain should prioritize these characteristics while also considering regional variations.

4. Glass and paper-based packaging are seen as the most sustainable materials

Consumers from across the surveyed European countries widely perceive glass and paper-based packaging as the most sustainable, though preferences for other packaging types vary across countries. Glass packaging has particularly high favorability in France (63 percent) and Germany (61 percent). And Sweden exhibits relatively lower scores than other countries across all packaging categories but follows ranking trends similar to other countries (Exhibit 5).

Exhibit 4

Sentiments on sustainability characteristics differ within Europe, highlighting the importance of tailored market strategies.

Importance of sustainability characteristics in packaging,¹ % of respondents indicating “extremely important” or “very important”

■ Ranked 1–2 ■ Ranked 3–5 ■ Ranked 6–7

	UK	Germany	France	Italy	Sweden	Average
Recyclable	77	74	64	67	67	70
Made of recycled content	62	66	56	60	55	60
Compostable	54	58	51	62	48	55
Reusable	61	68	59	61	55	61
Uses less material or lightweight	52	60	46	50	50	51
Low CO ₂ impact	56	62	48	58	51	55
Bio-based	41	49	37	42	35	41

¹Question: When considering sustainable packaging, how important are the following characteristics to you?
Source: McKinsey Packaging Survey, March 2025 (n = 5,068)

McKinsey & Company

Paper and cardboard packaging also enjoy strong support, particularly in the United Kingdom, where 62 percent of consumers rate it as “extremely sustainable” or “very sustainable.” However, paper-based packaging is viewed as significantly less sustainable in France. PET bottles, while not universally considered sustainable, rank highly in Germany and Sweden—countries with strong deposit return schemes or high collection rates.⁹ Such differences highlight the influence of local recycling systems and, in some cases, consumer familiarity with specific materials.

These regional variations underscore that no single packaging material is universally seen as the most sustainable. Companies should consider local nuances in recycling systems and consumer behaviors when designing sustainable packaging solutions for the European market.

5. Consumers want brand owners and packaging producers to drive sustainability in packaging, but only about half of consumers are prepared to pay more

The European consumers surveyed overwhelmingly see brand owners and packaging producers as the primary drivers of sustainability in packaging, with 60 to 66 percent of respondents across all countries assigning primary responsibility to these groups (Exhibit 6). However, there are notable regional differences: In the United Kingdom, France, and Sweden, consumers are more likely to hold brand owners accountable, whereas in Germany and Italy, packaging producers are seen as the key drivers for sustainability. In contrast, only 25 to 31 percent of European consumers believe either regulators or consumers themselves bear the primary responsibility for advancing sustainable packaging. One way to interpret these findings

⁹“Detailed overview and results of the current deposit return scheme implementations in Europe,” Sensoneo, accessed July 15, 2025; *Sustainability report 2023*, Returpack, April 22, 2024.

Exhibit 5

European consumers generally see glass and paper-based packaging as the most sustainable, but the rank of other materials varies.

Perception of sustainability of packaging types,¹ % of respondents indicating “extremely sustainable” or “very sustainable”

■ Ranked 1–3 ■ Ranked 4–6 ■ Ranked 7–9

	UK	Germany	France	Italy	Sweden	Average
Glass bottles and jars	55	61	63	51	43	55
Paper and cardboard	62	45	29	48	37	44
Metal cans or beverage cans	43	20	36	30	35	33
Liquid cartons	29	24	24	30	32	28
Aluminum foil	26	10	22	17	16	18
PET ² bottles	27	27	27	21	41	29
Other rigid plastic containers	21	13	26	16	26	20
Laminated packaging	14	17	17	25	21	19
Plastic films	13	11	17	14	12	13

¹Question: How sustainable do you think each of the following packaging types are?

²Polyethylene terephthalate.

Source: McKinsey Packaging Survey, March 2025 (n = 5,068)

McKinsey & Company

could be that European consumers generally perceive brand owners as large material users and generators and perceive packaging producers as having the most control over packaging options.

However, when it comes to willingness to pay for sustainable packaging, European survey respondents are showing increased cost sensitivity. The share of consumers unwilling to pay more for sustainable packaging rose between 2020 and 2023 and has remained at a higher level in 2025 (Exhibit 7). At least part of this shift may be due to inflationary pressures, which continue to affect

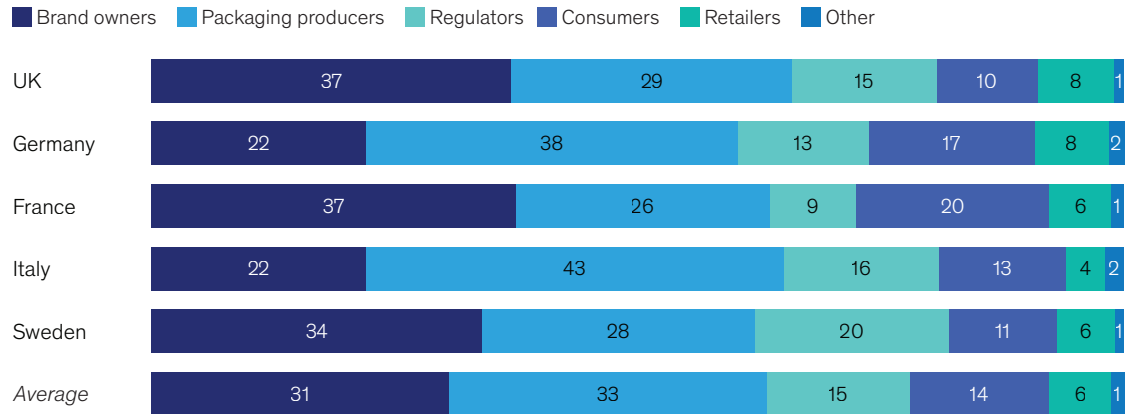
household budgets and make affordability a critical factor (as discussed above). While there are small differences between countries, France consistently reports a lower willingness to pay for sustainable packaging than other European markets surveyed.

These findings highlight a dual challenge for companies: meeting consumer expectations for sustainable packaging while addressing cost concerns. By focusing on innovative, cost-effective solutions, brand owners and packaging producers can lead the way in driving sustainability while maintaining affordability for European consumers.

Exhibit 6

European consumers view brand owners and packaging producers as the most responsible for sustainability in packaging.

Perceptions of responsibility for sustainable packaging,¹ % of respondents



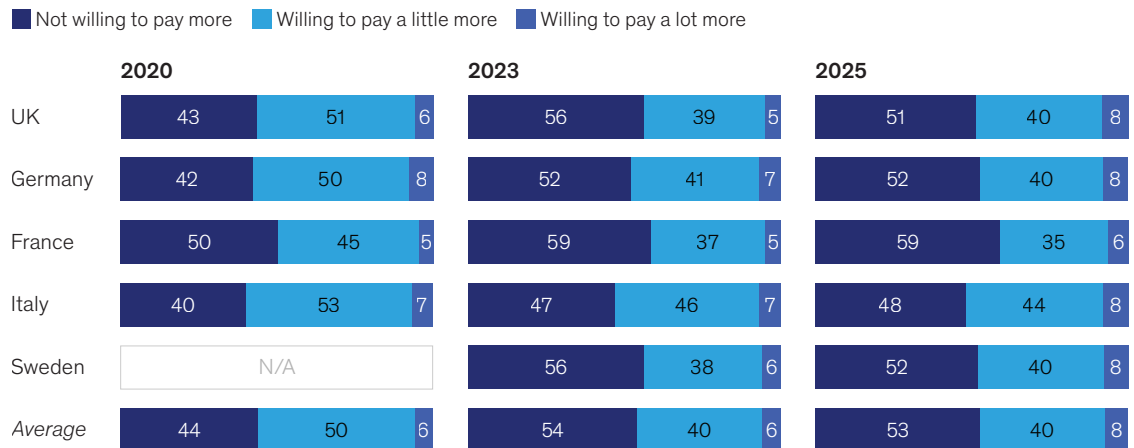
Note: Figures may not sum to 100%, because of rounding.
¹Question: Who do you see as most responsible for sustainability in packaging?
 Source: McKinsey Packaging Survey, March 2025 (n = 5,068)

McKinsey & Company

Exhibit 7

All geographies have a group willing to pay more for sustainable packaging.

Willingness to pay for sustainable packaging,¹ % of respondents



Note: Figures may not sum to 100%, because of rounding.
¹Question: To what extent would you be willing to pay more for sustainable packaging?
 Source: McKinsey Packaging Survey, August 2020, March 2023, and March 2025

McKinsey & Company

Navigating sustainable packaging in 2025: Key actions for success

The 2025 market for sustainable packaging across Europe presents a mix of opportunities and challenges for packaging players. While food safety and shelf life remain consumers' top priorities, interest in sustainable packaging solutions remains strong, particularly in options that emphasize recyclability, reusability, and circularity. However, market differences in consumer preferences, willingness to pay, and perceptions of responsibility highlight the need for more-tailored strategies.

To succeed in this dynamic market, packaging companies should consider the following critical actions:

- *Prioritize circularity while addressing functional needs.* Consumers from the European countries included in this survey value packaging solutions that align with circularity principles, such as recyclability, reusability, and the use of recycled content. However, these sustainability features must not come at the cost of core functional attributes such as food safety, shelf life, and durability. Packaging players should focus on designing solutions that meet the full spectrum of consumer needs, which means combining strong sustainability credentials with flawless practical performance.
- *Address cost sensitivity through the use of affordable sustainability solutions.* Packaging players must innovate to deliver cost-effective sustainable solutions that do not alienate price-conscious consumers. Identifying and targeting those segments willing to pay a premium for sustainability could also unlock new opportunities.
- *Adapt to regional preferences and recycling systems.* Consumer perceptions of sustainability vary significantly across Europe. For example,

glass and paper-based packaging are widely favored, but their perceived sustainability differs by country, as does the acceptance of materials such as PET bottles. This variation is based on a range of factors, including regulations and the availability of established recycling systems. Packaging players must adapt their strategies to local preferences and recycling infrastructures to maximize impact and consumer acceptance.

- *Collaboration between brand owners and packaging producers can help meet consumer needs.* European survey respondents hold brand owners and packaging producers primarily responsible for driving sustainability in packaging, with regulators and individual consumers seen as less accountable. Packaging companies should collaborate closely with brand owners to develop innovative, sustainable solutions that resonate with consumers and align with their expectations.
- *Educate consumers and build trust in sustainability claims.* Preferences and knowledge about sustainability in packaging often vary by geography and, to a lesser extent, demography. Packaging players should prioritize marketing and consumer education to clarify the benefits of their solutions, highlight their sustainability efforts, and help build trust. Transparent communication can serve as a powerful differentiator in an increasingly competitive market.

Based on our work with clients, we see that the European packaging market is evolving rapidly, shaped by shifting consumer preferences, regulatory developments, and economic pressures. By focusing on these five key actions, packaging players can better position themselves to meet consumer expectations, navigate local market and regional complexities, and drive growth in a market that values sustainability but is not prepared to compromise on functionality or affordability.

Daniel Nordigården is a partner in McKinsey's Toronto office, **David Feber** is a senior partner in the Detroit office, **Felix Grünwald** and **Markus Pley** are partners in the Zurich office, **Annie David** is an associate partner in the Brussels office, and **Mark Conrad** is an associate partner in the Stockholm office.

The authors wish to thank Alfred Janz, Anne Grimmelt, Axel Ihrfelt, Maxime Zehnder, Oscar Wiss, and Rebecca Ng for their contributions to this article.

Copyright © 2025 McKinsey & Company. All rights reserved.



4 Sustainable packaging 2025: Top barriers for packaging purchasers?

Our research finds six barriers hindering adoption of sustainable packaging, but packaging purchasers that invest and collaborate to find innovative solutions can unlock transformative growth.

This article is a collaborative effort by Abhinav Goel, Daniel Nordigården, David Feber, Greg Vainberg, and Oskar Lingqvist, representing views from McKinsey's Packaging & Paper Practice.

The global packaging sector continues to be attractive and is expected to grow faster than global GDP.¹ Industry demand for—or at least interest in piloting—sustainable packaging is also rising as a result of pledges by companies across the value chain to reduce material use, increase circularity, and make more use of recycled materials.²

Over the past five years, McKinsey has published more than 20 articles on the topic of packaging sustainability. With this article, we continue building on this body of insights to offer a view on developments in sustainable-packaging adaptation, taking the purchaser's perspective. Purchasers include fast-moving consumer goods (FMCG) companies as well as retailers, private label product producers, and co-packagers.

In particular, this article seeks to understand why—despite pressures from consumers and regulators, as well as the growing body of evidence that integrating sustainability concerns can be a profitable strategy for retailers³—the adoption of sustainable packaging materials has been comparatively slow. To date, and looking across regions and end use areas, our research has not observed any major categories make a concerted shift to more-sustainable packaging. Is this slow adoption a result of “sticky” consumer preferences? Could it be margin compression among FMCG and retail companies? Or are other factors potentially involved?

To better understand these factors, we carried out primary research and conducted multiple interviews with retailers, FMCG companies, distributors, and packaging industry executives in major end user markets and across the main substrates. Our work also draws insights from our comprehensive global survey, which explores consumers' attitudes toward sustainable packaging. We have conducted this research globally with tens of thousands of consumers since 2020,⁴ and our 2025 survey

round encompasses eleven countries across four continents.⁵

Based on our interviews and research, we have identified six key barriers across the value chain that are contributing to slower overall adoption: affordability, performance, lack of alignment on the meaning of sustainability, lack of clarity on regulatory standards, limited or unreliable supply, and—in some cases—incomplete knowledge of existing and developing solutions.

Despite these barriers, however, the significant commercial value and sustainability benefits at stake means that this is not the time for packaging purchasers or others within the value chain to walk back on ambitions or slow the pace of progress. On the contrary, the current moment offers a valuable window of opportunity for those that are prepared to invest and collaborate to develop and roll out innovative solutions that meet consumer demands and regulatory requirements. This article concludes with a list of key questions that companies can use to gather the inputs they will need to formulate a market-leading strategy for sustainable packaging.

Sustainability in packaging: A packaging purchaser perspective

Historically, packaging purchasers report having one primary objective: lowering costs. This objective has led to a strong focus on procurement as a way to decrease packaging weight and materials usage. Results have included changes in substrate usage, with growth in, for example, the use of flexible-packaging formats.⁶

Over the past decade, however, packaging purchasers have also made bold sustainability commitments. By 2020, our research showed that almost all the top 100 FMCG companies (in terms of revenue) had already made declarations and commitments to improving various aspects

¹ “Sustainability in packaging 2025: Inside the minds of global consumers”, McKinsey, June 24, 2025.

² “The drive toward sustainability in packaging—beyond the quick wins”, McKinsey, January 30, 2020; “Materials Circularity”, McKinsey, accessed August 22, 2025.

³ “Consumers care about sustainability—and back it up with their wallets”, McKinsey, February 6, 2023.

⁴ “Sustainability in packaging: Inside the minds of global consumers”, McKinsey, December 16, 2020.

⁵ “Sustainability in packaging 2025: Inside the minds of global consumers”, McKinsey, June 24, 2025.

⁶ “The drive toward sustainability in packaging—beyond the quick wins”, McKinsey, January 30, 2020.

of sustainability over the coming years.⁷ While reduction of total material usage continues to be a focus, there has also been increased emphasis on full recyclability and using a higher degree of recycled content, as well as innovation and the promotion of change in the use of packaging. In some cases, these goals are complementary, while in other cases—as we will see later in this article—there may be tensions between them.

In recent years, there has also been a global acceleration of packaging regulation to encourage more circularity,⁸ ban the use of several chemical substances,⁹ and lower packaging leakage by encouraging reuse.¹⁰ And pressure for change is coming from consumers as well as regulators; McKinsey research undertaken alongside NielsenIQ has shown that products making claims related to environmental, social, and governance (ESG) issues averaged 28 percent cumulative in the five years before the study, versus 20 percent for products that made no such claims.¹¹

Taken together, the combination of ambitious commitments from packaging purchasers and rising regulatory and consumer pressure seems to indicate considerable momentum within the industry toward increasing sustainability. However, the rate of adoption of sustainable packaging materials has been slow. The remainder of this article looks at the barriers that may explain this apparent paradox.

Six key barriers to the widespread adoption of sustainable packaging material

Based on our interviews and analysis, six barriers may be impeding the widespread adoption of sustainable packaging materials by packaging purchasers and across the value chain.

Affordability

Sustainable materials often have a higher price tag.¹² Therefore, for companies to maintain their profit margins, they will generally have to pass these costs onto consumers. For example, high-quality recycled polyethylene terephthalate (rPET) often comes at a much higher cost than virgin resin, given supply constraints.¹³ This price differential is likely to be sustained, at least in the medium term. Should all retailers meet their sustainability pledges, the demand for recycled plastics could reach about 90 million metric tons by 2030, far higher than the projected global supply of about 60 million metric tons, which will put upward pressure on prices and impact retailers' margins.¹⁴

Feedback from our interviews has also indicated that new material innovations such as high-performing polyhydroxyalkanoates (PHA) for rigid plastics, or at-home compostable films for flexible packaging, for example, could cost four to five times more than traditional polyolefin, pending barrier requirements and packaging specification. This price difference could increase the price of the final packaged good by 2 to 5 percent.

Raising prices can be challenging. While a significant portion of consumers in our 2025 packaging survey stated that they would be willing to pay for more-sustainable packaging, many others would not.¹⁵ Actual purchasing behavior may also differ from stated willingness to pay. This challenge came up repeatedly during our interviews with packaging purchasers.

Performance

It is not always straightforward to find new materials that can match the performance of traditional materials, especially for thermostability and film forming as well as the potential to include recycled materials (exhibit). Both brick-

⁷ "The drive toward sustainability in packaging—beyond the quick wins", McKinsey, January 30, 2020.

⁸ "Sustainability in packaging: Global regulatory development across 30 countries", McKinsey, February 7, 2022.

⁹ "Navigating regulatory uncertainty in packaging: A new wave of chemical-substance regulations", McKinsey, July 22, 2022.

¹⁰ "The potential impact of reusable packaging", McKinsey, April 5, 2023.

¹¹ "Consumers care about sustainability—and back it up with their wallets", McKinsey, February 6, 2023.

¹² "Consumers care about sustainability—and back it up with their wallets", McKinsey, February 6, 2023.

¹³ "Filling the gap: Boosting supply of recycled materials for packaging", McKinsey, September 5, 2023.

¹⁴ Steve Hoffman, Alexandre Kleis, and Daniel Rexhausen, "Reimagine, reuse, recycle: How to reach sustainable packaging targets in retail", McKinsey, December 14, 2023.

¹⁵ "Sustainability in packaging 2025: Inside the minds of global consumers", McKinsey, June 24, 2025.

and-mortar and e-commerce retailers can face additional concerns around the performance of new materials during transportation, storage, and shelving. In particular, our interviewees reported that some new material innovations applied in packaging may have a higher breakage rate or may spoil more quickly, for example, and that some substrates may not have the same strength or capacity to hold print as the original, leading to poorer presentation once on the shelf.

Several interviewees stated that performance could be improved with additional modifications—such as investing in new machinery or combining materials (for example, plastic and paper)—but that the resources required to make such modifications, including capital expenditures, were not always readily available. Combining materials could also

affect recyclability, creating a trade-off across different facets of sustainability. Additionally, industry experts said that understanding and adopting the production equipment and processes needed to accommodate sustainable materials can also be a challenge.

Lack of alignment on the meaning of sustainability

As mentioned in the previous subsection, sustainability has several facets and debate remains over which should be prioritized. This is an issue observed across the value chain. Stakeholders are generally aligned on the need for increased sustainability,¹⁶ but they may have different views as to whether the priority ought to be to decrease leakages, improve circularity, decrease carbon footprints, or some combination of the three.

Exhibit

Sustainable packaging does not always match traditional materials in key metrics for packagers and consumers.

Performance of sustainable packaging vs that of traditional materials, illustrative and nonexhaustive

Worse Better

Key performance metrics		Polylactic acid (biodegradable)	Polyethylene terephthalate (PET, traditional material)
Thermostability	The ability to retain mechanical properties when heated		
Film forming	The ability to evenly wrap around a surface and rapidly form film, neither peeling off nor bonding		
Stiffness	The ability to locally resist the compression into the surface		
Mechanical strength	The ability to withstand fracture and excessive deformation		
Durability	The ability to maintain good performance and appearance over time despite external influences		
Transparency	The nature or condition of light transmission		
Recyclability or ability to include recycled materials	Includes recycled content (eg, recycled PET) or packaging is recyclable with current recycling infrastructure		

McKinsey & Company

¹⁶ "True packaging sustainability: Understanding the performance trade-offs", McKinsey, July 28, 2021.

A version of the same issue has been observed when assessing consumer preferences. Many companies do not have a detailed understanding of what consumers want,¹⁷ but even those that do must grapple with considerable nuance and complexity. As our consumer surveys have highlighted, there can be significant variation across countries—as well as demographic groups—on what packaging materials are considered the most sustainable.¹⁸ The regional surveys also found variation on which facet of sustainability is deemed most important, with some sets of consumers considering recyclability more than use of recycled content, for example, and vice versa. Understanding and responding to consumer preferences is further complicated by the fact that consumer perceptions of product sustainability may not always reflect the reality.¹⁹

Disagreements on both the meaning of sustainability and the hierarchy among sustainability-related characteristics affect not only individual assessments of current level of sustainability but also how to choose the future path to pursue or how to balance different sustainability-related goals. For example, a number of major consumer-facing companies have committed to reaching net-zero emissions or otherwise significantly reducing their greenhouse gas emissions. But to date, their sustainability focus within packaging has mainly revolved around improving recyclability and increasing recycled content.²⁰

Evolving regulatory standards

As previously mentioned, a suite of new regulations have affected the packaging industry over the past decade. These regulations can be at the country, state, or even the city level²¹ and can cover a variety

of different topics, including goals for packaging formats and reusability.²²

Our interviews indicate that geographic variation in the details and scope of these changes, as well as uncertainty around how and when they will be implemented, may create barriers to the adoption of sustainable packaging materials. For example, compostable-packaging regulations vary significantly between Europe and United States, and intraregional variation is also common (such as within the European Union.²³ For FMCG companies and retailers operating across regions or even globally, there will be an increased need to understand how requirements differ across countries and other geographical areas.²⁴

Limited or unreliable supply

Sustainable materials may not always be available at a consistent quality or in the volumes required, which inhibits companies from using them. For example, collection levels of high-quality recycled material in the United States are expected to be more or less flat, creating supply challenges for brand owners and packaging companies as they look to ramp up their use of recycled content.²⁵ Recent research shows that packaging purchasers may not be able to achieve their sustainability goals because of an anticipated shortage of recycled materials,²⁶ and such shortages could also further push up the price of these materials. For example, if packaging purchases with public recycled-content commitments follow through on their plans, the US demand for rPET in 2030 would be about three times higher than projected supply.²⁷

Interviewees gave a number of real-world examples of how these supply risks affected their go-to-market strategy. One food-focused brand owner,

¹⁷ "Sustainability in packaging: What do European consumers value in 2025?", McKinsey, July 25, 2025.

¹⁸ "Sustainability in packaging 2025: Inside the minds of global consumers", McKinsey, June 24, 2025.

¹⁹ "Do US consumers care about sustainable packaging in 2025?", McKinsey, June 4, 2025.

²⁰ Steve Hoffman, Alexandre Kleis, and Daniel Rexhausen, "Reimagine, reuse, recycle: How to reach sustainable packaging targets in retail", McKinsey, December 14, 2023.

²¹ "Sustainability in packaging: Global regulatory development across 30 countries", McKinsey, February 7, 2022.

²² "The potential impact of reusable packaging", McKinsey, April 5, 2023.

²³ "Sustainability in packaging: Global regulatory development across 30 countries", McKinsey, February 7, 2022.

²⁴ "Reusable packaging: Key enablers for scaling", McKinsey, October 28, 2022.

²⁵ "Filling the gap: Boosting supply of recycled materials for packaging," McKinsey, September 5, 2023.

²⁶ "Sustainability in packaging: Five key levers for significant impact", McKinsey, September 29, 2022.

²⁷ "Filling the gap: Boosting supply of recycled materials for packaging," McKinsey, September 5, 2023.

for example, had the ambition to switch five stock keeping units (SKUs) to a promising sustainable material but could source enough of that material to switch only one SKU. At that more limited scale, however, the company struggled to justify the investments required to change suppliers or market the use of the new material.

In some cases, a heavy concentration of suppliers for a particular sustainable material was also a potential issue for those we interviewed. There are, for example, limited manufacturers of at-home-compostable plastics. Many sustainable materials may also lack close alternatives that could be used as substitutes. Over the longer term, such issues could undermine supply chain resilience, which is a risk that many companies may not be willing to take.

Incomplete knowledge of existing and developing solutions

Packaging purchasers and others in the value chain may not have full knowledge of the sustainable-packaging options available to them. New innovations come online regularly, and our interviewees indicated that gathering all the relevant data on possible packaging options—including performance, sustainability credentials, and the likely evolution of cost, supply and relevant regulations—can be cumbersome and time-consuming, especially given the pace of change. As a result, several of those we interviewed said they relied on existing suppliers to share innovations, which suggests they may not have a full understanding of developments outside of those suppliers' substrates.

Next steps: Accelerating the adoption of sustainable packaging

Despite these multiple barriers, now is not the time for packaging purchasers to roll back their goals or ambitions. Increasing regulatory requirements, growing consumer awareness, and the existence of a significant portion of consumers across countries

that are willing to pay more—or even much more—for sustainable packaging mean that leading in this area remains an important source of growth and competitive advantage.²⁸

Packaging purchasers looking to navigate existing barriers and achieve their sustainability goals can start by asking themselves the following questions:

- *What is the full suite of available sustainable-packaging options?* Packaging purchasers will need to understand the advantages and risks associated with each option, including price, performance, availability, and the possible impact of future regulation.
- *What do consumers value?* A granular understanding of consumer preferences and perceptions—such as for different packaging substrates and the aspects of sustainability they view as most important—will be a necessary factor of any successful sustainable packaging strategy. Understanding consumers' willingness to pay will also be vital for packaging purchasers. Our research and consumer surveys indicate that there are consumers who are willing to pay for sustainable packaging²⁹ and that sustainable products can outperform the market as a whole,³⁰ but in-depth research will be needed to understand which consumers to target and what exactly those consumers are willing to pay for.
- *What impact could any individual packaging choice have on the final product?* Once packaging purchasers have a short list of potential types of sustainable packaging, they will need to do a detailed analysis of what using that packaging type would mean for their processes and product. Our consumer packaging survey consistently highlights perceived quality, price, and convenience as the product qualities most valued by consumers,³¹ so packaging purchasers should carefully assess the possible impact of

²⁸"Sustainability in packaging 2025: Inside the minds of global consumers", McKinsey, June 24, 2025.

²⁹"Sustainability in packaging 2025: Inside the minds of global consumers", McKinsey, June 24, 2025.

³⁰"Consumers care about sustainability—and back it up with their wallets", McKinsey, February 6, 2023.

³¹"Sustainability in packaging 2025: Inside the minds of global consumers", McKinsey, June 24, 2025.

updating packaging across these dimensions in particular. Doing so may require additional targeted consumer research. For example, could current and target customers accept a product that is more sustainable and cost-competitive but offers a shorter shelf life? Or is shelf life nonnegotiable, and consumers would rather pay slightly more to retain existing performance? Packaging purchasers will also have to assess what alterations, if any, would have to be made to design, marketing, and their overall branding strategy.

- *Will possible options scale?* The technical and economic feasibility of a large-scale rollout will vary by packaging type, SKU, and region. While packaging choices can—and sometimes should—be tailored by geography or customer segment, verifying the ability to scale individual choices over time will help packaging purchasers minimize costs and complexity. Thinking through opportunities to use innovation to drive costs down will also be important. Our recommendation is to think about innovation in incremental steps because it is likely unfeasible to immediately achieve the perfect sustainable-packaging solution—which might be, for example, a solution that is fully recyclable and also achieves cost parity with

(and is as convenient as) the traditional material. When thinking through the innovation pipeline, packaging purchasers should also consider prioritizing sustainability dimensions that high-quality data suggests are valued by consumers.

- *What are the key trade-offs across different elements of the sustainability agenda?* It may be, for example, that progress on recyclability will not necessarily improve a packaging purchaser's short-term carbon footprint or lower food waste.
- *What early actions would have the most impact?* An incremental approach to change can help build momentum, but demonstrating early progress on sustainability-related and other relevant KPIs will be crucial. Our previous research has stressed the differential impact that individual types of action can have on the various aspects of sustainability.³²

Packaging purchasers that can give clear answers to these questions will be better positioned to optimize their sustainable packaging strategy. However, getting to this sort of clarity may require collaboration across the value chain—including bringing in material suppliers, packaging converters, retailers, and waste management entities.

Our consumer packaging survey consistently highlights perceived quality, price, and convenience as the product qualities most valued by consumers.

³² "Climate impact of plastics", McKinsey, July 2022.

Industry-wide initiatives will also be important in knocking down or circumventing the barriers identified in this article. For example, the creation of industry standards on sustainability could help to improve alignment on definitions and consumer understanding of sustainability claims, and continued investment in R&D to improve the performance and affordability of sustainable materials will also be important.

The evolution of sustainable packaging is at a critical juncture. While progress in the transition to sustainable packaging may not yet be in line with the stated ambition of many packaging purchasers, decisive action to address key challenges can lead to transformative growth. Those companies that invest in innovative solutions and collaborate across the value chain could have the opportunity to not only meet rising consumer expectations in a market that places significant value on sustainability but also set new industry standards.

Abhinav Goel is a partner in McKinsey's Pittsburgh office, **Daniel Nordigården** is a partner in the Toronto office, **David Feber** is a senior partner in the Detroit office, **Greg Vainberg** is a senior partner in the Montreal office, and **Oskar Lingqvist** is a senior partner in the Stockholm office.

The authors wish to thank Anne Grimmelt, David Michail, Mark Conrad, Rebecca Ng, and Riya Garg for their contributions to this article.

Copyright © 2025 McKinsey & Company. All rights reserved.



5 Winning in sustainable packaging in 2025: Bringing it all together

How do incumbents win in sustainable packaging today? Based on a decade of research, we provide a strategic framework on where to play—and how—to overcome barriers and seize opportunities.

by Daniel Nordigården, David Feber, Gregory Vainberg, and Oskar Lingqvist

Over the past decade, McKinsey has published more than 20 articles on the topic of packaging sustainability.¹ These articles have been informed by the firm's work with clients, extensive interviews with experts, and detailed primary research, including the following:

- *Multiple global surveys.* We have launched multiple global surveys to understand consumer sentiment, and we have published a variety of geographic deep dives based on that work.²
- *Detailed regulatory mapping.* We have examined and considered regulations in more than 30 countries across every major region to understand both market-specific developments and overarching trends.³
- *Rigorous quantitative analysis.* We have undertaken detailed primary research to understand whether including environmental, social, and governance (ESG) claims on product packaging can drive above-market growth (spoiler: The answer is yes).⁴
- *Expert interviews.* Over the years, we have interviewed representatives of hundreds of fast-moving consumer goods (FMCG) companies, retailers, producers of private-label goods, packaging converters, and co-packagers to understand barriers and opportunities.⁵
- *A proprietary data set.* We have developed a deep proprietary database of packaging performance indicators across substrates,⁶ which can be used to offer deep insights into packaging design.⁷

Our research and experience over the past decade have uniquely prepared us to understand how the

topic of sustainability in packaging has evolved. Given ongoing inflationary pressures and economic uncertainty,⁸ as well as issues with destocking⁹ and falling demand,¹⁰ sustainable-packaging strategies that would have worked ten years ago may no longer be fit for purpose.

This article collects key high-level insights from across our recent body of work to help packaging converters understand and navigate the fast-moving landscape of sustainable packaging. These insights help inform strategic frameworks on where to play and how to win. Of course, one size does not fit all, and these frameworks need to be tailored based on end use, substrate, region, and customer group. Companies that are prepared to invest in developing and implementing these context-specific strategies will be well positioned to overcome challenges, meet regulatory requirements, and seize the opportunities inherent in sustainable-packaging leadership.

Five key shifts shaping sustainability in packaging today

Five key shifts have already begun to reshape the landscape of sustainable packaging and will likely persist in the coming years.

1. Sustainability requires complex trade-offs, with no single packaging substrate leading across dimensions

Our research indicates that there is no one-size-fits-all solution that converters can automatically implement as they work with FMCG and retailer customers on strategies for sustainable packaging.¹¹ Over the years, sustainable-packaging efforts have often centered around three core areas:

¹ "Insights on Packaging & Paper," McKinsey, accessed September 2, 2025.

² "Sustainability in packaging 2025: Inside the minds of global consumers," McKinsey, June 24, 2025.

³ "Sustainability in packaging: Global regulatory development across 30 countries," McKinsey, February 7, 2022.

⁴ "Consumers care about sustainability—and back it up with their wallets," McKinsey, February 6, 2023.

⁵ David Feber, Daniel Nordigården, and Shekhar Varanasi, *No ordinary disruption: Winning with new models in packaging 2030*, McKinsey, May 2019; "The drive toward sustainability in packaging—beyond the quick wins," McKinsey, January 30, 2020.

⁶ "True packaging sustainability: Understanding the performance trade-offs," McKinsey, July 28, 2021.

⁷ David Feber, Lea Kobeli, Oskar Lingqvist, and Daniel Nordigården, "Beyond COVID-19: The next normal for packaging design," McKinsey, July 15, 2020.

⁸ "State of the Consumer 2025: When disruption becomes permanent," McKinsey, June 9, 2025.

⁹ "Understanding the impact of de-stocking for packaging players," McKinsey, October 28, 2024.

¹⁰ "Sustainability in packaging: What do European consumers value in 2025?," McKinsey, July 25, 2025.

¹¹ "The drive toward sustainability in packaging—beyond the quick wins," McKinsey, January 30, 2020.

1. circularity, which includes efforts to increase recyclability and the use of recycled content
2. leakage into the environment, which includes efforts to minimize harm from materials—particularly, but not only, single-use packaging—to the environment
3. reducing greenhouse gas emissions across the value chain, which increasingly involves holistic efforts that consider the full life cycle

While these three core sustainability areas are interlinked, there can also be trade-offs between them for FMCGs and retailers. Increasing recyclability does not always decrease carbon footprints and food waste, for example. Individual assessments about the sustainability of individual packaging materials therefore vary according to which sustainability elements the assessor deems to be the priority.¹²

A related, important, factor for value chain participants to consider is that no single packaging substrate (for example, metal, plastic, glass, or paper) appears to have an advantage across every dimension of packaging sustainability. Each substrate has both positive and negative attributes that may vary by region and by application.¹³

2. Consumers may be placing relatively less weight on ESG factors in their purchasing decisions, though opinions and willingness to pay vary substantially

After a slight uptick between 2020 and 2023, the importance of environmental impact for consumers relative to other characteristics—such as price and shelf life—has either stagnated or declined since 2023. This factor now ranks among the bottom three characteristics across the 11 countries

included in our global survey exploring consumers' attitudes toward sustainable packaging.¹⁴

A significant share of consumers remain willing to pay at least a little more for sustainable packaging. At least 40 percent of consumers in all countries included in our 2023 survey stated they would pay more, including more than 70 percent of consumers in Mexico, Brazil, India, and China.¹⁵ However, the share of consumers who are willing to pay a lot more for sustainable packaging has been relatively small in all three of our survey rounds (2020, 2023, and 2025).¹⁶ Willingness to pay declined between 2020 and 2023 and has not rebounded to 2020 levels in many countries, likely influenced by ongoing cost pressures.¹⁷ Supporting this assessment, the importance of price has generally grown in importance over the surveyed period, solidifying its position—alongside perceptions of quality—as a top decision factor in purchasing.¹⁸

But consumer views are nuanced and often vary by demographics, geography, and the availability of local infrastructure. For example, consumers generally agree that recyclability is the most important factor, but views on the importance of reusability and overall CO₂ impact vary substantially.¹⁹ In terms of preferred materials, respondents in the countries with the highest polyethylene terephthalate (PET) bottle collection rates—Germany, Sweden, and Japan, at 80 percent or more—ranked PET in their top three, whereas countries with the lowest collection rates (such as the United States, at 33 percent) ranked PET much lower.²⁰

Moreover, consumer attitudes are not always strictly consistent and may depend on knowledge and understanding of recycling processes. Our 2025 global survey found, for example, that consumers

¹² "True packaging sustainability: Understanding the performance trade-offs," McKinsey, July 28, 2021.

¹³ *Climate impact of plastics*, McKinsey, July 6, 2022.

¹⁴ "Sustainability in packaging 2025: Inside the minds of global consumers," McKinsey, June 24, 2025.

¹⁵ "Sustainability in packaging 2025: Inside the minds of global consumers," McKinsey, June 24, 2025.

¹⁶ "Sustainability in packaging 2025: Inside the minds of global consumers," McKinsey, June 24, 2025.

¹⁷ "State of the Consumer 2025: When disruption becomes permanent," McKinsey, June 9, 2025.

¹⁸ "Sustainability in packaging 2025: Inside the minds of global consumers," McKinsey, June 24, 2025; "Do US consumers care about sustainable packaging in 2025?," McKinsey, June 4, 2025.

¹⁹ "Sustainability in packaging 2025: Inside the minds of global consumers," McKinsey, June 24, 2025.

²⁰ Collection rates according to China Plastic Recycling Association, the Council for PET Bottle Recycling, IPEN, Mexico Business News, Sensoneo, Sustainable Plastics, *The Indian Express*, UNESDA, and the US National Association for PET Container Resources.

ranked plastic packaging that is either recyclable or made from compostable materials as quite sustainable, but also deemed plastic containers and bottles made from such recycled materials to be among the least-sustainable options.²¹

3. The global regulatory landscape is becoming both more exacting and more complex

Understanding developing regulations on a global scale is complex, given highly varied regulatory maturity across countries—and even at the federal, state, or city level.²² Also, key terminology lacks an established global definition. The term “recycling,” for example, can have different meanings across countries and contexts,²³ leading to potential challenges about inconsistent claims and variability in the impact of recycling-related initiatives.

In addition, the scope of seemingly similar regulations may vary.²⁴ For example, some regulations are focused on multiple categories, applications, end products, and materials, while others have a much narrower focus, potentially leading to regulatory overlap. Further compounding these issues, some regulations—such as those related to reusable packaging targets—are still in the early stages of development, which may lead to uncertainty about undefined scopes, action plans, or targets.²⁵

4. Packaging purchasers are committed but face large barriers to implementing sustainable packaging at significant scale

Until now, actions by retailers and FMCG companies have focused primarily on quick wins—such as reducing material usage and weight—that also enable them to lower their packaging costs. However, over recent years these companies have been proactively making ambitious commitments to improve the sustainability of their packaging, as well as to fundamentally rethink their packaging systems.²⁶

Despite this momentum, adoption of sustainable-packaging materials has been slow. Based on extensive interviews with experts and primary research, we have identified six key barriers to widespread adoption of sustainable-packaging material.²⁷ As discussed above, lack of alignment and lack of clarity account for two of those barriers. The others focus on affordability, performance, the supply of materials, and an incomplete knowledge of available solutions.

- *Affordability.* Sustainable materials often have a higher price tag. To maintain product margins, companies generally have to pass costs on to consumers—which can be challenging. Success requires packaging solutions to combine cost-efficiency with the highest standards of customer convenience, such as easy-opening products and packaging designed for on-the-go consumption.²⁸
- *Performance.* It can be challenging to find sustainable alternatives that can match the performance of traditional materials. Retailers and e-commerce retailers can have additional concerns about the performance of sustainable products during transportation, storage, and shelving.
- *Limited or unreliable supply.* Sustainable materials may not always be available in the consistent quality or volumes required, which inhibits their uptake. Our research identified a number of real-world examples of the impact of these supply risks on the go-to-market strategy of incumbents in relation to sustainability.
- *Incomplete knowledge of existing and developing solutions.* Many packaging purchasers say that they don't have full knowledge of the sustainable-packaging options available to them. New innovations

²¹ “Sustainability in packaging: Investable themes,” McKinsey, March 26, 2021.

²² “Sustainability in packaging: Global regulatory development across 30 countries,” McKinsey, February 7, 2022.

²³ *Recycling – who really leads the world? Identifying the world's best municipal waste recyclers*, Eunomia, June 2019.

²⁴ “Sustainability in packaging: Global regulatory development across 30 countries,” McKinsey, February 7, 2022.

²⁵ The potential impact of reusable packaging, McKinsey, April 5, 2023.

²⁶ “The drive toward sustainability in packaging—beyond the quick wins,” McKinsey, January 30, 2020.

²⁷ David Feber, Daniel Nordigården, and Shekhar Varanasi, *No ordinary disruption: Winning with new models in packaging 2030*, McKinsey, May 2019; “The drive toward sustainability in packaging—beyond the quick wins,” McKinsey, January 30, 2020.

²⁸ David Feber, Daniel Nordigården, and Shekhar Varanasi, *No ordinary disruption: Winning with new models in packaging 2030*, McKinsey, May 2019; “The drive toward sustainability in packaging—beyond the quick wins,” McKinsey, January 30, 2020.

become available regularly, and interviewees indicated that gathering all the relevant data on possible packaging options—including performance, sustainability credentials, and the likely evolution of cost, supply, and relevant regulations—can be cumbersome and time-consuming. As a result, several of our interviewees said they continue to rely mostly on existing solutions or suppliers.

5. Other consumer industry megatrends are having a significant impact on packaging, though details vary by region

Sustainability is not the only trend affecting the packaging industry. Other megatrends—including the shift to e-commerce, rapidly changing consumer preferences (including high price sensitivity), increased focus on health and wellness, and embracing digital (especially gen AI)—are here to stay, though the impact of these trends and the direction of their evolution can vary significantly by region.²⁹ E-commerce, in particular, has been a key growth driver in packaging over the past five to ten years, with several categories on the brink of reaching a volume-related tipping point at which packaging will need to be redesigned to specifically match the need of digital channels.

One thing remains constant across geographies and time: Low cost and high convenience continue

to be table stakes for packaging, even if consumers' expectations for packaging may shift.

Winning in sustainable packaging: Where to play and how to win

Systematic and comprehensive efforts will be needed to meaningfully advance the sustainability agenda. For example, companies will need to consider the sustainability of a product's packaging before the product concept has been finalized—which, in our experience, is not always the case today—in order to maximize their options for effective action to increase sustainability. For holistic impact, future efforts will need to cover everything from input materials to marketing to after-sales responsibilities, while carefully managing costs along the value chain.

The fundamental success principle is to invest where it matters.

Putting that principle into practice, however, will be difficult. As we see from above, there are complexities and trade-offs to consider—many of which will be context specific—which means there is no one-size-fits-all solution. Instead, packaging converters will have to collaborate with their FMCG and retailer customers as well as with consumers to find innovative solutions and processes.

The fundamental success principle is to invest where it matters.

²⁹"Sustainability in packaging: Investable themes," McKinsey, March 26, 2021.

Two strategic frameworks—“where to play” and “how to win”—can provide a useful starting point.

Where to play

The aspects of sustainability that matter—and the amount they matter—will vary by end product and consumer segment. To win, packaging players will need to develop a granular understanding of demand and willingness to pay. Developing this understanding will likely require a full strategic assessment of consumer sentiment and the value at stake as well as a forward-looking assessment of possible innovations in the sustainability space, the likely evolution in supply and demand of key materials, and possible regulatory developments.

At the same time, our survey results have made clear that sustainability efforts should not come at the expense of factors that many consumers may deem more important, including durability, food safety, shelf life, or convenience.

A good way to build momentum by registering early success can be to identify no-regret moves. For example, one promising area could be product segments that offer low barriers to switching to a more-sustainable packaging substrate and where most of the work can be done by the individual FMCG company and converter, without the need for coordination across the broader value chain. Promising opportunities will typically exist within product segments where the required actions will have minimal impact on functionality, operating cost or capital expenditure needs, or the attractiveness of the packaging.³⁰

How to win

Our experience with leading incumbents suggests that success in the sustainable-packaging space will hinge on the existence of clear commercial, operational, and technology road maps—as well as an integrated and well-sequenced execution approach.

1. *Align internally on what ‘good’ looks like.* Put together a clear methodology on how to uniquely benchmark packaging products in

terms of sustainability, cost, and convenience—and ensure that all core teams are aligned around this framework.

2. *Formulate clear operational and technology road maps to ensure a robust innovation pipeline.* Most sustainable-packaging materials continue to be constantly refined, with successive generations offering better performance and lower cost. The continuation of this innovation process will be key to securing the large-scale adoption of these materials. Given the challenges involved in R&D, players will require a clear and thoughtful innovation road map that takes into account possible trade-offs between sustainability goals. Companies that decide to direct a high portion of their innovation spend toward increasing recyclability, for example, should be aware of the possible impact on customer food waste—while multilayer film increases shelf life, for instance, it has historically been hard to recycle.
3. *Be clear and consistent in messaging and sales strategy.* Most commercial organizations within the packaging industry are comfortable with selling based on cost and technical areas such as barrier performance. Marketing and sales strategies related to sustainable packaging (which may be more expensive than alternatives, and which may have altered other packaging characteristics in its implementation) may require a different approach. To succeed, sales organizations will need to shift from transaction-based selling to become true value chain partners, working directly with customers to identify their complex needs and provide solutions. This shift may require capacity building to bolster salesforce effectiveness.
4. *Take an ecosystem approach.* It is likely that no one single player in the packaging value chain will be able to understand and navigate all of the evolving complexities around consumer preferences, regulatory requirements, and fast-evolving technologies. Packaging converters should therefore also strengthen collaborations

³⁰“The drive toward sustainability in packaging—beyond the quick wins,” McKinsey, January 30, 2020.

5. across the value chain—from input suppliers to end users—to strengthen both strategic planning and execution. Players should also regularly consider whether a reallocation of resources—or strategic M&A—could assist in scaling solutions or bolstering global reach.
6. *To start, go after the low-hanging fruit.* It can be helpful to have a lighthouse project that provides a long-term organizational goal related to sustainable-packaging development. However, given all the complexities involved in this fast-evolving area and the need to build momentum, we recommend taking an incremental approach to reach that longer-term goal. In addition to enabling relatively rapid iterations, an incremental development

approach can make it easier to ensure the continued high performance of chosen packaging types and to avoid excessive strain on other parts of the process, such as filling systems. Gradual changes can also make it easier to bring consumers along on the sustainability journey.

Sustainability in packaging is both a key industry-shaping trend for the whole packaging value chain and a rapidly evolving area. To stay ahead of the game, packaging players should pursue a policy of strategic urgency. They can start by formulating clear, context-specific strategies on both where to play and how to win.

Daniel Nordigården is a partner in McKinsey's Toronto office, **David Feber** is a senior partner in the Detroit office, **Gregory Vainberg** is a senior partner in the Montréal office, and **Oskar Lingqvist** is a senior partner in the Stockholm office.

Copyright © 2025 McKinsey & Company. All rights reserved.

In this compendium

Do US consumers care about sustainable packaging in 2025?

Sustainability in packaging 2025: Inside the minds of global consumers

Sustainability in packaging: What do European consumers value in 2025?

Sustainable packaging 2025: Top barriers for packaging purchasers?

Winning in sustainable packaging in 2025: Bringing it all together

September 2025

Designed by LEFF

Copyright © McKinsey & Company

Cover and interior photography:

© Getty Images

McKinsey.com