

Responsible Packaging

Guide #3

AUGUST 2021

Introduction

Welcome to part 3 of the Responsible Packaging Guide series - our way of supporting you as you embrace a worthwhile journey our planet will thank you for.

HOW TO USE

This guide is broken out into sections based on the different stakeholders involved in the process of achieving and socializing your responsible packaging goals. It will give you high-level insight on how to speak with various stakeholders when setting expectations and creating alignment, gaining commitment, and finally executing. We realize that everyone's journey, products, and supply chains do not look the same, but our hope is that you can learn from our story and solutions to help jump-start your own brand's journey into responsible packaging.

WORDS OF WISDOM

Communicate, communicate, communicate! The more you can clearly communicate with your various stakeholders on goals and progress, the more successful you will be. Remember that not everyone may be as invested as you are in making this internal shift. Make the information easy to understand and regularly share it through multiple streams of communication. This will greatly contribute to the success of your projects.

In order to effectively engage with each audience in this guide, you will need to be organized in your project management and build trust. Be sure to review the Responsible Packaging Guide #2 for more tips on project execution.



Internal Teams

How to talk to your internal teams about your responsible packaging in order to gain commitment and align efforts

SETTING EXPECTATIONS AND CREATING ALIGNMENT

Set clear goals. We find the best way to set expectations is by defining clear goals with a by-when deadline. Once you have this, ensure alignment through regular, consistent communication and language. Using your business platforms (town hall sessions, seasonal business meetings, and email updates), to consistently share goals, plans, and status updates along the way creates an internal movement that is supported by all members of your company.

HOW TO GAIN COMMITMENT

Educate on "the why". Educating our teams on why our goals are important to the brand, and then linking it back to our individual passions and values, creates a personal connection and commitment to the goal. We know our team wants to live their values, so we give them opportunities to do that when setting our brand goals. They are now invested and feel like a part of something bigger!

EXECUTION

Ownership

Get buy-in at the top. Execution starts with engagement and buy-in at the highest level in your company. By building the internal capacity within your executive leadership to understand, digest, and feel true ownership in meeting your established goals you will empower your team. It will enable them to make consistent progress and create an achievable commitment to the mission within the company.

It is critical that your executive leadership team understands and aligns with your company's packaging goals. Their commitment will then cascade throughout your organization. This will aid in creating "buy-in" and alignment among the rest of your team with the ultimate goal being that 100% of your team is committed toward making your mission become a reality.

Education

Education is the fastest way to gain commitment. Based on our experience, this is the best way to get employees at all levels of the org chart to understand the brand's "why" as well as the "department/individual why" when it comes to responsible packaging. We also know that this can be an arduous process, as everyone learns in different and diverse ways. By creating multiple channels for education through opportunities such as company meetings, educational sessions with experts, emails, presentations, surveys, and learning days, we offer multiple forms of education with the goal of long-term retention in mind.

Communication

Celebrate the wins! And make this a consistent practice. Regularly communicating successful achievements both big and small and sharing progress back to the employees is a crucial step in ensuring consistent progress on your journey towards responsible packaging. Share regularly and often. Consistent, clear follow-up keeps the fire alive and forward momentum possible.

**See Responsible Packaging Guide #2 to find more about executing your goals

Suppliers

How to talk to your finished goods suppliers about your responsible packaging

SETTING EXPECTATIONS AND CREATING ALIGNMENT

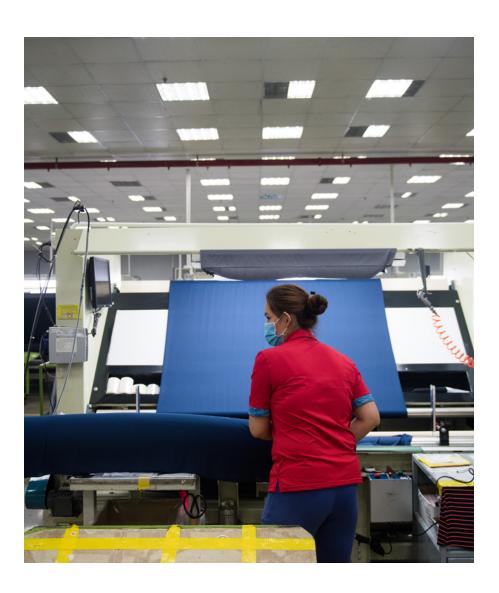
The best way to set expectations and create successful alignment with supply chain partners is with open communication and awareness.. Inviting your suppliers to understand early on the "what", the "how", the "when", and the "why" will increase the level of participation and engagement. Be sure to include not only why it's important to the brand but how it will benefit them as well. It helps to keep the messaging consistent between all your teams, from Sourcing/Buying to Creative/Marketing to Product Creation and Sustainability. When all your teams share the same message with your supply chain openly and often, you will demonstrate alignment and help set expectations.

HOW TO GAIN COMMITMENT

We ask our partners (FGVs aka Finished Goods Vendors) and their teams to join us in this journey towards responsible packaging. We found that by helping our suppliers link these initiatives back to their own personal and business values/goals, we have more success. Supporting our responsible packaging initiative/goals drives individual ownership, and we have seen that the momentum causes our suppliers to look for additional opportunities to reduce our footprint. Over time, we have found opportunities that can create cost savings, improve efficiency in production time and carton packaging and reduce waste. Sharing these best practices across all suppliers helps to gain further commitment.

EXECUTION

Remember that the supplier will execute your packaging. Make sure you lean on their expertise to correct and proceed as you implement this new process. To support our suppliers in executing our goals, we have created packaging manuals and guides for each type of responsible packaging solution. Responsible Packaging Guide #1 is an example of how we communicate and share our roll packing process with our suppliers.



Distributions Centers

How to talk to your distribution centers about your responsible packaging

SETTING EXPECTATIONS AND CREATING ALIGNMENT

Distribution Centers (DCs) have been created to be cost-efficient and have the most effective operations possible. Automation enables them to reduce the number of touch points, speed to fulfillment, and overall efficiency which equates to lowest cost. The modern DCs were built around the assumption and expected efficiency of plastic packaging.

With this in mind, innovating in this space will force our DCs to look at their infrastructure and calibrate systems to accommodate innovative materials. This will take time, internal alignment and possibly, additional financial support.

Creating alignment starts with ensuring you have the right teams at the table. Systemic change will need many voices, and in our transition we considered the following teams: DC Operations, Traffic department & Receiving, Fulfilment, Returns, Considerations-Audits, Storage, Inventory Management, DC Space, Put Away, and Pick and Pack.

HOW TO GAIN COMMITMENT

Consult those in your task force and allow them to help solve the concerns you outlined as a team. The best way to gain commitment is for everyone to participate in the process. Ask your team to "find a way to say yes" to responsible packaging. Engage your distribution team to make a list of potential concerns.

For example:

- 1. How will responsible packaging impact my operation?
 - · Will scanning be impacted?
 - · Will convey-ability be impacted?
 - · Will the new packaging impact any of our equipment?

Residue/Maintenance

Conveyor jams

Will the DC environment impact the product?

- 2. Do I need to change my current system(s) and if so, how?
- 3. How will we pay for the additional costs if needed?

EXECUTION

Our distribution centers find success through efficiency. Implementing innovations or changes to that system will take more effort, time and consideration, but the end goal of efficiency will always remain. Taking time to find the right solution for your DC, through engaging them for input, requesting on-going participation in the solution finding process, and leveraging small scale pilot tests to vet concepts and ideas will support the effort to find solutions for your alternate packaging to be deemed the highest efficiency possible. The more effort you put up front, creating detailed quality steps, the more quality you get in the end result.



Wholesale Accounts

How to talk to your wholesale accounts about accepting your responsible packaging

SETTING EXPECTATIONS AND CREATING ALIGNMENT

When we engage in discussing responsible packaging with our dealer base, we begin by asking questions regarding their goals around sustainability, and specifically the removal of single-use plastics. We share our goals, timelines for execution of our goals, and our plans to eliminate plastic in our shipping and products, engaging them as part of the solution to meet our goals. Focusing on "the why" is an important step, and education and information need to be coupled in this stage. We also share how we plan to message the goals and partnerships to the end consumer. Transparency and consistency is key to creating alignment. We have never been shy about sharing our responsible packaging plans with our dealer base.

HOW TO GAIN COMMITMENT

Show the Proof

While many of our dealers are ready and willing at this point to support alternate packaging or our responsible packaging, there have been some accounts that need more convincing to get on board. With those accounts, we have found it best to walk them through our R&D processes that we have conducted, to help ease their concerns.

- We talk about how many bags we've managed to remove via our roll pack program and the response from our other dealers.
- We openly share testing results both quantitative and qualitative for all forms of non-plastic packaging.
- From there, we use the examples of pilots we have conducted, such as using our Rep samples to test alternate forms of packaging for various product types, or using a smaller program, such as a Direct to Consumer capsule to test the efficiency and efficacy.
- We share results from our fulfillment center and manufacturing partners on how the bags stood up to the international shipping process.

Thanks to the history we now have in this space and the data we can share, we are able to alleviate our dealers' concerns, showing that the goods are protected and return/warranty challenges are unlikely to arise.

Tell the Story

Use the power of RPM. Most of these retailers and dealers are selling more than one brand that is already part of RPM. Get comfortable sharing those brand names with your dealer base to create a sense of the scale this will reach. Even with all this information, we have seen some dealers still need more information. It has been successful to showcase these other aspects of responsible packaging:

- · PR we have gained from the Responsible Packaging Movement
- · The other RPM brands who are partnering from all across different industries
- · Consumers' positive feedback around our goals

By talking about these other aspects of responsible packaging we are able to show alternate positive outcomes to their business when getting on board with responsible packaging and show that it's not just us, that the entire consumer goods industry is getting on board. No one wants to miss the boat to the party. FOMO is your friend.

Change is Coming

We always start with a collaborative approach but at the end of the day we are sticking to our goals. Therefore, sharing the game plan early and often and letting your dealer base know that this is not an IF but a WHEN will help them to understand how they can support your efforts and be part of the solution.

EXECUTION

Consider your sales team an extension of your sustainability team. We worked closely to educate and socialize our plans with our sales team. We then armed them with tools and empowered them to initiate the conversations with our dealer base. We worked with our internal team early on in the process and often throughout the process of change. We asked them to plant seeds of change with our dealers, let them know what we were working on, before it was in front of them. These updates were also early on and often, so that there were no surprises. We asked for input from our dealers, asked for support, and ultimately asked them to change with us. We were proactive, assertive and we assumed the sale.



Customers

How to talk to your customers about your responsible packaging journey

SETTING EXPECTATIONS AND CREATING ALIGNMENT

It's important to remember that we don't need to be perfect, but sharing progress and goals can go a long way to help inform consumers as they make purchasing decisions and create loyalty. What's in it for them? A reason to believe in the brand, a reason to purchase, education... all are good ways to create customer/brand alignment. Speaking to consumers/followers about responsible packaging may vary depending on the audience's appetite and education around sustainable practices. No matter the stage in the journey, it's beneficial to invite followers/consumers into the conversation. Spreading awareness of goals, setting expectations for consumers, and creating alignment through transparency builds an equity of trust. It also creates a great opportunity to include them in the efforts to reshape packaging.

HOW TO GAIN COMMITMENT

Tell the Story

After announcing a commitment to responsible packaging through social media channels, we can begin to have broader conversations with customers about packaging goals. This is where marketing and social teams are pivotal to the success, as they understand what's important to consumers/followers and will be the team creating the consumer-facing messaging. They have access to data that can help inform what is and isn't resonating with the audience. This information will be key to assess how deep to go with messaging and what methods of engagement will be most effective. We've curated a number of best practices we use at prAna when it comes to speaking transparently about the journey, and ways to engage customers in meaningful and constructive conversations.

Best Practices:

- · Know the audience and what they care about.
- · Meet them at their level (are they beginner, intermediate or advanced?).
- · Be flexible in communications and know it's ok to pivot and adapt.
- Build trust and care sharing sustainability commitments is a long game.
- · Use a dynamic brand voice.
- Pay attention to what the audience is talking about and how they engage with the content and stories. What's working and what's not.

- · Use social media polling to gauge interest & knowledge.
- · Inspire and engage the audience to make their own responsible packaging choices.
- · Test formats & content types: long-form video, infographics, reels, memes, etc.
- Leverage the power of numbers RPM has 80 brands and counting. This is a precompetitive effort with brands from all over the world working together to innovate and
 evolve packaging best practices. This is a powerful message that your audience should
 be interested in hearing about.

EXECUTION

Ownership and Input

Connect with marketing/social teams as early as possible in the goal-setting process. At prAna, this started from day one. We always consider these teams to be equal owners in the development and execution of responsible packaging efforts. They are our link to the consumer/follower and we lean into their expertise, so it is important to get their input on how to best position our public-facing goals in a way that will resonate with our brand's audience. Aligning corporate sustainability goals with seasonal marketing efforts will help ensure that sustainability and packaging content receives a preferred spot in marketing channel communications.

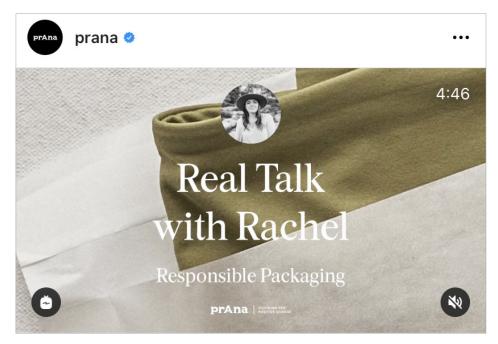


Examples of Social Content:

Content Created for prAna's Channels:







User Generated and Influencer Content:











Thank You

for joining the Responsible Packaging Movement, we're honored to have you stand with us.

For any questions or concerns please contact $prAna_packaging@prana.com.$

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