

# Food: The Plastics Dilemma

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Part of **Common Threads: Designing Impactful Engagement**



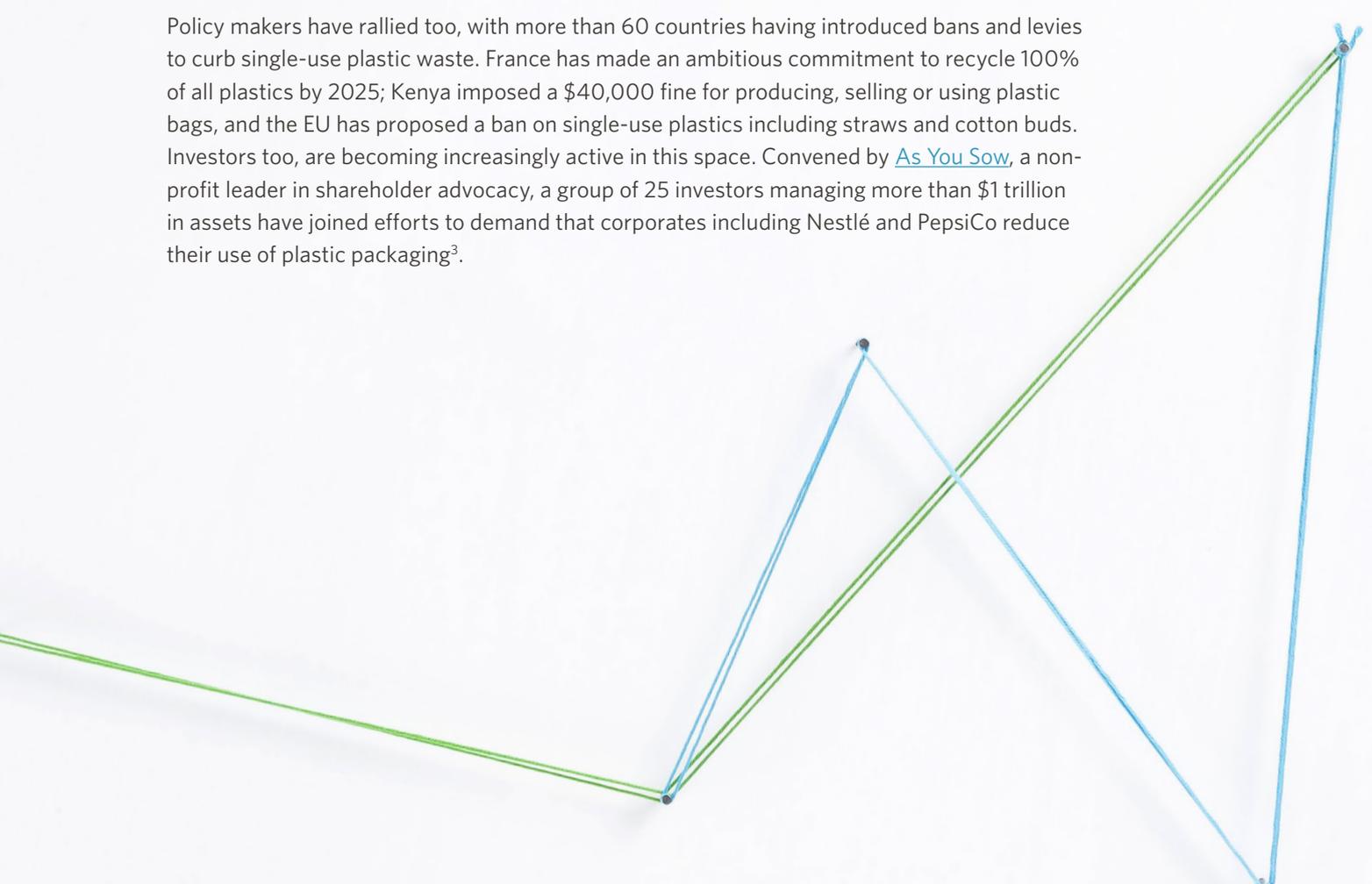
# Introduction

**Plastic is ubiquitous in modern-day society. Due to its low cost, versatility, durability and high strength-weight ratio, packaging is the largest application of plastics, currently representing 26% of the total volume of all plastics used.**

Despite the significant role it plays in protecting vulnerable products and preserving our food for longer, plastic packaging is typically a single-use product and after its intended useful life of typically less than a year, it is discarded. Around 95% of the value of plastic (worth \$80 to \$120 billion annually<sup>1</sup>) is lost to the economy and to the environment, particularly to our oceans, where its harmful impacts on natural systems – and even our health – are increasingly being understood and documented by scientists.

With several high-profile anti-plastic campaigns from the likes of [Greenpeace](#)<sup>2</sup> as well as increased media attention, the last couple of years have seen a global surge in stakeholder awareness. Powerful images, among them evocative videos of sea turtles having plastic straws removed from their nostrils, have inspired the attention of individuals on an unprecedented scale. Prompted by NGOs, consumers are increasingly exercising their purchasing power by refusing single-use plastics, most notably straws and coffee cups, and calling on retailers and manufacturers to reduce unnecessary plastic packaging.

Policy makers have rallied too, with more than 60 countries having introduced bans and levies to curb single-use plastic waste. France has made an ambitious commitment to recycle 100% of all plastics by 2025; Kenya imposed a \$40,000 fine for producing, selling or using plastic bags, and the EU has proposed a ban on single-use plastics including straws and cotton buds. Investors too, are becoming increasingly active in this space. Convened by [As You Sow](#), a non-profit leader in shareholder advocacy, a group of 25 investors managing more than \$1 trillion in assets have joined efforts to demand that corporates including Nestlé and PepsiCo reduce their use of plastic packaging<sup>3</sup>.



# Companies step up

**To proactively address growing concern from stakeholders businesses have made ambitious commitments to address plastic in their product packaging.**

But no one consumer goods company will be able to solve the plastic dilemma. Instead, effective stakeholder engagement will be imperative if we are to move away from incremental, small-scale changes to systemic, transformative shifts that match the scale of the challenge. This is even more pressing in light of the complex and highly fragmented nature of the plastics value chain, which has partly arisen from a historic lack of coordination and engagement. This has resulted in a proliferation of materials, labelling, collection schemes and reprocessing systems – all of which have hampered the development of effective markets.

To streamline approaches and work together to advance a circular plastics economy, a growing number of multi-stakeholder efforts have highlighted the importance of engagement, not only across supply chains and industries, but with governments and civil society. Most notably, the [Ellen MacArthur Foundation](#) has been instrumental in raising global awareness of the issue of plastic waste. Aiming to create a “New Plastics Economy,”<sup>4</sup> the foundation has catalyzed action from both regulators and industry.

On a national scale, the initiative has launched the concept of Plastic Pacts which bring together national and local authorities, businesses involved

in designing, producing, using and recycling plastics, as well as NGOs, innovators and citizens. The [UK Plastics Pact](#), led by WRAP, is the first of these unique collaborations, with a second currently being developed in Chile.

As much as initiatives like these are a step in the right direction, government measures will be fundamental to providing the necessary infrastructure and create an enabling regulatory environment. All too often in the past, industry and government have pursued different, and sometimes even conflicting, agendas. It is now widely acknowledged that constructive dialogues between industry and policy makers will be critical, with government regulation needed to underpin voluntary schemes.

Finally, many businesses are proactively engaging with consumers around the issue of plastics, with several even starting to influence consumer behavior by encouraging the use of more recyclable and reusable products. With research having shown the most common barrier to recycling remains uncertainty over which plastics can be recycled,<sup>5</sup> education will also play an important part of this engagement.

# Case Studies

Unilever



## Engaging locally as well as globally

**In 2017 Unilever made an industry-leading commitment to ensure all plastic packaging will be designed to be fully reusable, recyclable or compostable by 2025.<sup>6</sup>**

In addition to engaging with industry through the Ellen MacArthur Foundation, with consumers to shift behavior and with policy makers to advocate for more efficient and effective waste infrastructure, Unilever supports local collections and infrastructure by engaging with local authorities and retailers.

In Indonesia, it has engaged with local communities to develop Community Waste Banks,<sup>7</sup> where residents can collect inorganic waste and sell it based on its value. The system works like a regular bank, except that waste is deposited instead of money. Unilever has also collaborated with local municipalities to develop 11 sectoral and three city level waste banks. These support smaller waste banks to channel waste, ultimately reducing the volume sent to landfill.

“We need a complete shift in how we think about

and use resources. This requires partnerships between businesses, suppliers, governments and others to create an enabling environment, such as effective collection schemes and stretching national recycling targets,” said David Blanchard, chief R&D officer at Unilever.

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**David Blanchard**, chief R&D officer at Unilever

Pret A Manger



## Engaging with consumers

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**Pret's CEO, Clive Schlee, takes a hands-on approach when engaging with customers, with many of Pret's sustainability trials, including a plastic bottle deposit scheme and free water stations, having begun life as blog posts.**

Aware of Pret's responsibility to reduce the impact its product packaging is having on the environment, the coffee chain is working alongside customers to tackle the challenge of plastics together.

At the end of last year, Mr Schlee tweeted to ask customers if increasing the discount from 25 to 50p would encourage more to bring in a reusable cup.<sup>8</sup> With the response being overwhelmingly positive, the increased discount was introduced and since January, Pret has seen a ten-fold increase in reusable cup use. Over 85,000 drinks are now

served in a reusable cup every week and customers are on track to avoid 4 million disposable coffee cups in 2018.

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## Blended financing mechanism in Asia

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**Much of the plastic waste currently circulating the world's oceans is thought to originate in developing countries with less effective waste management infrastructure.**

With just five countries in Asia producing as much as 60% of all plastic waste entering the oceans, the region is therefore a key intervention point for addressing the issue. [Circulate Capital](#) – a new impact-focused investment management company, was recently launched with a goal to remove access to capital as a barrier to the development of waste management and recycling infrastructure in Southeast Asia.

Creating a new blended finance mechanism, Circulate Capital brings together intergovernmental organisations and corporates from across the plastic value chain, including food companies, to demonstrate investment viability that will facilitate the allocation of public and private sources of capital to divert plastic waste from the environment. Partners include Ocean Conservancy, 3M, The Coca-Cola Company, Kimberly-Clark, Dow, PepsiCo, Partnerships in Environmental Management for the Seas of East Asia, Procter & Gamble, American Chemistry Council, and World Plastics Council.<sup>9</sup>

“Circulate Capital is the type of active engagement we need to accelerate the implementation of waste management systems with effective recycling processes that keep plastic waste out of the ocean,” said Diego Donoso, president of Dow Packaging & Specialty Plastics.

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**Diego Donoso**, president of Dow Packaging & Specialty Plastics.

# Recommendations for companies

- **Commit to industry-wide voluntary standards**  
Engage with key players along the plastic value chain to innovate for the sustainable design and manufacturing of plastic packaging and containers.
- **Engage policymakers in the development of a more effective system**  
Work with them to provide relevant tools, data and insights related to plastics and plastic packaging.
- **Tap into consumer motivations**  
Give them an incentive to recycle and support them via packaging information. Without their participation, there will simply not be enough material to drive an effective circular economy.
- **Think local as well as global**  
Plastic waste causes global pollution, but solutions need to be intercepted at a local level if they are to have any lasting impact. Interventions should always reflect localized infrastructure which will vary.
- **Look long-term**  
Companies need to adopt a long-term mindset when engaging and accelerating action and awareness. Consumer behavior change is generational and will not happen overnight.

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## Looking ahead

**The plastics agenda is here to stay and solving the challenge will require scaled-up business action and engagement across the entire plastics value chain.**

Together, businesses have an opportunity to reshape the future of plastic through improving and innovating on packaging design; catalyzing finance and establishing infrastructure; incentivizing consumers to recycle; and inspiring and encouraging governments to support the industry by creating an enabling regulatory environment.



# References

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