



Plastic

Supply chain impacts of legislative initiatives and changes in consumer attitudes to this “wonder” material

A world without plastic is unimaginable. This material, invented over 100 years ago with commercial production from the 1950s, has enabled so many aspects of modern life – from computer keyboards to children’s crockery. Plastic’s properties which make it so widely used (impermeable, durable, lightweight, versatile) are also potentially its downfall. Few can have missed the increasing focus on plastic’s negative impacts on the environment. Headline grabbing statistics that unless something is done the oceans will contain more plastics than fish by 2050 and that whilst the world has produced around 8.3 billion tonnes of plastic over the past 60 years only 9% has been recycled are keeping plastic on the agenda.

Legislative initiatives at a UK, EU and global level (see [previous article](#)) and the changing attitude of consumers, regarding the use, reuse and disposal of plastics, particularly single use plastics mean that this issue is not going to go away.



Supply chain impacts

Due to plastics wide usage these initiatives and changing consumer attitude are likely to impact most supply chains, and most sectors. By way of example:

- **Petrochemical producers/plastic resin suppliers** – are likely to see a reduction in demand for polyethylene and polypropylene due to the reduction in single use plastics. The European Commission (“Commission”) has proposed a new EU Directive to target the ten single-use plastic products most often found on Europe’s beaches and seas and has started work on understanding the lifecycle impacts of alternative feedstocks used in plastics production, including biomass. The Commission will look to support the development of those alternative feedstocks.
- **Plastic/Product (including aerospace, automotive, electrical, furniture etc) manufacturers** – are likely to see a reduction in the demand for single use plastics and are expected to be under pressure to reduce the use of plastics in their product and packaging and increase recyclability. This pressure is expected particularly from downstream customers seeking to emphasise their “green” credentials as positive branding.

The Commission has started the process to restrict the use of oxo-plastics and intentionally added micro-plastics through the REACH Regulation (the European chemicals legislation). This is expected to impact cosmetic, detergent and paint manufacturers as well as those that manufacture and/or supply agricultural film, rubbish and carrier bag and food packaging. The UK has already banned microbeads in cosmetics and personal care products. The Commission has also launched an EU-wide pledging campaign to ensure that by 2025, 10 million tonnes of recycled plastics find their way into new products.

- **Packaging suppliers** – are likely to see reduced demand for plastic packaging and greater demand for alternatives. Specifically drinks bottle manufacturers in England are expected to come under increasing pressure to use recycled plastic feedstocks and develop more readily recyclable products due to the introduction of a deposit return scheme. The EU has also stated the objective that all plastic packaging placed on the EU market is to be reusable or easily recycled by 2030.
- **Retailers and food suppliers** – are expected to come under increasing pressure from consumers to ensure their products contain less plastic, more recyclable plastic and less plastic packaging. We are already seeing many retailers benefitting from positive brand messaging through initiatives to reduce the use of plastic in their products. This is only expected to continue and these end suppliers of plastics and plastic containing products are expected to put pressure on their up-stream suppliers to ensure that their customer commitments can be met.
- **Recycling industry** – greater focus on recycling of plastic is expected. Currently more than 85% of plastic waste is shipped to China. However, China has recently decided to ban certain types of plastic waste.

The EU has recognised that plastics recycling businesses are often not profitable and it is key to modernise and scale up recycling plants if plastic recycling is to be economically viable. From 2014 to 2020 the EU has allocated over €5.5 billion to improving waste management. The Commission has also stated that it is committed to working with the European Committee for Standardisation and industry to develop quality standards for sorted plastic waste and recycled plastics.





What should companies be doing?

As with any fundamental shift in supply and demand requirements this represents an opportunity as well as a challenge.

The winners are likely to be plastic producers which can adapt to producing recyclable plastic and using recycled plastic as a feedstock. Companies at all levels of the supply chain should be considering proactively the steps which they can take to reduce plastic use, develop non-plastic containing alternatives, use recycled plastic feedstocks and/or increase the recyclability of their plastic and plastic containing products. However, no level of the plastics supply chain can act in isolation on this issue.

Companies which succeed in taking these steps will be able to use this as positive branding. It may reduce production costs, and they will gain a "first mover advantage" before more stringent regulation on the use of plastic and plastic containing goods comes into force, which is likely.



What we can do to help

We can advise companies on the developing legislative initiatives and their potential impacts. We can also advise companies considering developing new options to recycle plastic or to use plastic feedstock on wider issues including the waste duty of care, end of waste criteria and environmental permitting requirements.

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