



THE PLASTIC NEUTRAL PACT

We are pleased to present the 2020 edition of The Plastic Neutral Pact.

This is an open guide to plastic neutrality developed by the Plastic Credit Exchange (PCEx). This document will be revised and updated periodically to reflect developments in both industry and government policy, standards, and best practice.

The Plastic Neutral Pact is the basis for Plastic Neutral Certifications to be awarded by PCEx to recognize Plastic Neutral products and organizations, and provides a straightforward framework for the implementation of a credible plastic offsetting program.

OUR PRINCIPLES: TRANSPARENCY AND CONTINUOUS IMPROVEMENT

Plastic Neutrality is a voluntary action taken by a business to compensate for the environmental impact from its plastic footprint. Businesses making claims of Plastic Neutrality agree to conservative approaches and to disclosing the methodologies that underlie their claims. PCEx operates in accordance with third-party verification to ensure that claims of Plastic Neutrality have integrity and consistency. A commitment to transparency and continuous improvement shall guide the implementation of the Plastic Neutral Pact when its application to specific cases may be ambiguous.

PURPOSE

The Plastic Neutral Pact is designed for:

- Businesses - to understand the requirements to achieve Plastic Neutral certification
- Third party auditors - to understand the requirements to ensure their assessments are consistent with the guidelines of Plastic Neutral Certification
- The PCEx community - to encourage and promote high standards for plastic waste and offset accounting and transparency.

GLOSSARY

This glossary sets out the definition of key terms and concepts as they apply to The Plastic Neutral Pact to support the issuance of Plastic Neutral certifications and the use of the associated Plastic Neutral badge.

Assessment: The process of quantifying the plastic footprint of a given business through a 3rd party independent auditor, using transparent methods that are consistent throughout every organization.

Certification period: The duration for which a Plastic Neutral Certification is applied to an entity.

Credit registry: A database of plastic credits and their transactions with a unique identifier, and where credits are published upon issuance to offset an equivalent amount of plastic waste.

Independent Director: An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience. (Continued on **APPENDIX B.**)

Plastic/s: Any of a group of synthetic or natural organic materials, including resins, resinoids, polymers, cellulose derivatives, casein materials, and proteins.

Plastic Credit: A transactable environmental tool representing a unit of weight typically 1 metric ton of plastic waste that is used to counterbalance the equivalent amount of plastic pollution emitted into the environment.

Plastic Footprint: the quantity of plastic emitted into the environment during the general and administrative functions, manufacture, distribution, and sale of its products. This represents an inventory, in units of mass (kg or metric ton) of plastic waste.

Plastic Neutral: The state which is achieved when the net plastic footprint associated with a company, brand, or product is reduced to zero for a defined period.

Plastic Offsetting: The act of purchasing plastic credits that will fund the collection, delivery, and processing of plastic waste to compensate for plastic waste released into the environment.

Verification: Independent evaluation conducted by an qualified third party/ies to check that the quality of input data, plastic footprint assessment, or that the use of a

Plastic Neutral badge meets the requirements of a Plastic Neutral certification and is in line with the approach and principles of The Plastic Neutral Pact.

PLASTIC NEUTRAL CERTIFICATION

There are five steps to achieving Plastic Neutral Certification.

- 1. Define.** We work with you to determine whether to make your whole business or a particular brand or product a Plastic Neutral Partner. The entity applying for Plastic Neutral certification must be clearly defined by name with a description of relevant legal and/or geographical boundaries. The desired certification period must also be defined, with a minimum period of 1 year.
- 2. Measure.** You must contract an independent auditor to identify the data needed to be gathered from the business then calculate your total plastic footprint as defined above for uniformity of compliance.

Your assessment partner should understand the full set of data that should be included based on the given definition of Plastic Footprint outlined above. As their calculation of your plastic footprint underpins your qualification for Plastic Neutral certification, you must provide PCEx with a true and certified copy of this audit document.

- 3. Offset 100%.** After measuring your plastic footprint, you may now purchase the equivalent amount of plastic credits through PCEx. In exchange of your contribution, PCEx will be providing you with the breakdown and documentation of all related costs to offsetting the plastic footprint: from sourcing, delivery, and finally the processing of the plastic waste with 3rd parties. Your plastic credits and supporting documentation shall also be published on the PCEx credit registry, with an identifier unique to your entity.
- 4. Verify.** Independent directors of PCEx will review the 3rd party audit of your plastic footprint against the plastic credits you have purchased to determine whether your company qualifies as an official Plastic Neutral Partner. Accomplish and submit a copy of The Plastic Neutral Certification Form (see **APPENDIX A**) for verification by the Independent Board.
- 5. Communicate.**

When you successfully reduce your plastic footprint to net zero through the purchase of plastic credits, you will receive a Plastic Neutral Partner Collaterals Kit to guide your communication efforts and publicize your Plastic Neutral status.

Certified Plastic Neutral businesses or brands should communicate their action through the use of the Plastic Neutral badge.

All communications relating to one's Plastic Neutral certification must be factually based, clear, and transparent. All partners must publicly disclose their plastic footprint assessments and offsets relating to their Plastic Neutral certification.

The use of the Plastic Neutral badge must conform to the following terms laid out on **APPENDIX C**.

APPENDIX A

Plastic Neutral Certification Form

As this form is updated from time to time, please ensure you are using the latest version by downloading it from APPENDIX A of [this link](#).



Plastic Neutral Certification Form

As this form is updated from time to time, please ensure you are using the latest version by downloading it from www.plasticcreditexchange.com/plasticneutralform.

This application serves to safeguard that Plastic Neutral Partners have reported the information required to carry the Plastic Neutral badge according to The Plastic Neutral Pact.

Three parties are involved in the completion of this application:

1. The Plastic Credit Exchange (PCEX) must receive the accomplishment and signed form.
2. The 'Applicant' must complete and submit this form to PCEX.
3. The 'Third Party Independent Auditor', a qualified assessment auditor contracted by the Applicant, must certify that the measurement of the applicant's plastic footprint conforms with the stipulations of The Plastic Neutral Pact.

DEFINE

1. Certification applicant, e.g. name and description of company, brand, and/or product:

2. Certification duration, from mm/dd/yyyy to mm/dd/yyyy

MEASURE

----- To be completed by the Third Party Independent Auditor -----

3. Date of completion of plastic footprint assessment, mm/dd/yyyy

4. Period of data used for the plastic footprint assessment, from mm/dd/yyyy to mm/dd/yyyy

----- To be completed by the Third Party Independent Auditor -----

5. Date of previous of plastic footprint assessment, if applicable (mm/dd/yyyy)

6. Date of previous of plastic footprint assessment, if applicable (mm/dd/yyyy)

7. Total Plastic Footprint, metric tons

8. I certify that the total plastic footprint stated has been calculated in conformance with the framework set out in the Plastic Neutral Pact. (please check)

☐

9. I certify that the input data and calculations that underpin the above Plastic Footprint are attached to the submission of this Certification Form. (please check)

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10. Name of Third Party Independent Auditor assessing applicant's Plastic Footprint:

11. Authorized signatory of the Third Party Independent Auditor:
Signature

12. Name

13. Job Title

14. Date signed (mm/dd/yyyy)

15. Contact information

----- End of section to be completed by the Third Party Independent Auditor -----

OFFSET 100%

16. Amount of Plastic Offsets purchased on PCEx, metric tons

17. Serial Number/s of Credits Issued (e.g. #201900010)

TESTIMONY

I attest that the information provided on this certification form is a true and accurate representation of my product, brand, and/or company to the best of my knowledge.

I attest that I am authorized to submit this data and execute this certification form on behalf of my company.

18. Signature

19. Name

20. Job Title

21. Company

22. Date signed (mm/dd/yyyy)

23. Contact information

----- End of Certification Form -----

Please submit this certification form and all supporting documents to info@plasticcreditlexchange.com addressed to the Independent Directors of PCEx for verification.

APPENDIX B

Definition of Independent Director

An independent director in relation to a company, means a director other than a managing director or a full-time director,-

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. who is or was not a promoter of the company or its holding, subsidiary or associate company; who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per or more of its gross turnover or total income or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither him/herself nor any of his/her relatives

- i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed;
- ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed, of
 - 1. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - 2. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm; or
- iii. holds together with his relatives two per cent or more of the total voting power of the company
 is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company
- f. who possesses such other qualifications as may be prescribed.

APPENDIX C

Additional Terms of Use: Plastic Neutral Partner Badge

5.1 You may not copy, reproduce, or otherwise use the Plastic Neutral Partner badge without receiving prior written permission from PCEx.

5.2 All packaging and materials that use the PCEx name or bear the Plastic Neutral Partner badge must be approved by PCEx.

5.3 To ensure no ambiguity about which entity has achieved Plastic Neutral certification, the certification badge can only be used by the company in their own communications and not those of their customers. Further, only products or packaging that have achieved the certification may carry the badge respectively.

5.4 You may only carry the certification badge for the duration of the Plastic Neutral Partnership as defined and must discontinue use when neutrality is no longer proven.