

The Plastic Neutral Pact

AN OPEN GUIDE TO PLASTIC NEUTRALITY



PLASTIC CREDIT EXCHANGE

September 2020

Definition of Terms

Aggregators: An individual or a group of individuals who collect post-consumer plastic waste and forwards to a materials recovery facility or a processing partner.

Assessment: The process of quantifying the plastic footprint of a given entity (business, brand, or product) through a third-party independent auditor, using transparent methods that are consistent throughout every organization.

Awarded Plastic Credit: A plastic credit purchased and assigned to a Client.

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

Client: An individual, a group of people or a corporation purchasing plastic credits

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.

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 verified plastic offset, a transactable environmental tool representing a unit of weight, typically 1 kilogram, of plastic waste.

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



2. Definition of Terms

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 compensating for plastic waste that enters into the environment.

Processors: A facility that receives, treats or converts post-consumer plastic waste into other useful forms through material or energy recovery

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.





Contents

- Rational**
- The Plastic Neutral Pact**
- Scope**
- Guiding Principles**
- Plastic Crediting Process**
- Plastic Neutral Certification Process**
- Safeguard Systems**
- Appendices**





1. Rationale

1.1 Plastic Credit Exchange (PCEX) recognizes the decades-long global challenge of plastic waste. By the year 2040, the annual flow of plastics going into the ocean can reach up to twenty-nine million tons (three times the current estimates). In the Philippines, over two million metric tons of plastic waste is produced each year - eighty three percent (83%) of this plastic is mismanaged, landing in dumps or open, uncontrolled landfills. PCEX sees this plastic waste impact waterways, streets, environment, and communities.

1.2 PCEX believes in sustainable solutions to meet this challenge through plastic offsetting, the act or process of taking responsibility for produced plastic waste that enters into the environment. This solution is done through an integrated platform that enables the aggregation, transport, treatment, processing and disposal of plastic waste, such that plastic waste gets diverted away from nature and prevents any leakage into waterways and dump sites.

1.3 PCEX is a non-profit organization that builds a network of aggregators, processors and partners with sustainability-conscious businesses around the globe to responsibly offset their plastic footprint, ultimately reducing the flow of plastic waste going into landfills and oceans.

1.4 PCEX provides a platform where businesses and organizations can achieve Plastic Neutrality, a state where the net plastic footprint is reduced to zero for a defined period.





2. Plastic Neutral Pact

2.1 The Plastic Neutral Pact is an open guide to achieving Plastic Neutrality. This document will be reviewed every year to assess its effectiveness and updated to reflect developments in government policies, international standards, and industry best practices. This version is effective starting XX September 2020.

2.2 The Plastic Neutral Pact describes a framework for the implementation of a credible and verifiable plastic offsetting program. Offsetting is the act of a Client taking responsibility for the volume of plastic they produce. PCEx, through its network of aggregators and processors, provides a system of physically removing and treating the plastic waste that goes into the environment. Through a fully audited process, PCEx translates the volume of Plastic Offsets to Plastic Credits. Any individual or corporation may purchase Plastic Credits to take responsibility for the plastic footprint that Client utilized.

2.3 The Plastic Neutral Pact covers the processes of Plastic Offsetting and Plastic Crediting. This is the basis for the recognition of Plastic Neutral Certifications granted by PCEx to Clients. PCEx awards Plastic Neutral Certification to a Client that purchased credits equivalent to the Client's Plastic Footprint or the volume of plastic emitted into the environment in their operations, verified by third party, independent auditors.



3. Scope

3.1 Materials. The Plastic Neutral Pact covers a wide range of plastics that go into the waste stream. This includes:

- i. All materials made of the seven types of plastics: Polyethylene Terephthalate (PETE or PET), High-Density Polyethylene (HDPE), Polyvinyl Chloride (PVC), Low-Density Polyethylene (LDPE), Polypropylene (PP), Polystyrene or Expanded Polystyrene (PS or EPS) and Other Plastics (O).
- ii. Any of a group of synthetic or natural organic materials, including resins, resinoids, polymers, cellulose derivatives, casein materials, and proteins which include, among others, acrylic or poly methyl methacrylate, acrylonitrile butadiene styrene (ABS), polyamide (nylon), polycarbonate and polylactic acid.
- iii. (Composite materials containing the plastics and material types listed above, such as multilayer paper boards with polyethylene and/or aluminum layers.

3.2 Aggregation covers informal waste collection activities, community waste collection from the environment (ocean and river cleanups), and government- or private-led waste collection activities.

3.3 Processing. As the optimal recovery option depends on many prevailing circumstances, life-cycle analysis should be applied to decide, depending on the type and composition of the plastics waste, which options are environmentally more favorable and sustainable. In the case of commingled or composite plastics waste, energy recovery and some feedstock recycling processes often represent the optimal choice. Moreover, plastics waste may be managed utilizing a hierarchical framework comprising life-cycle strategies for prevention and minimization both of the volume of waste and of its potentially adverse environmental impact as described in ISO 17422. In general, plastics recovery technologies can be divided into two classes:

- i. material recovery (mechanical recycling, chemical or feedstock recycling, and biological or organic recycling);
- ii. energy recovery in the form of heat, steam, or electricity generation using plastics waste as substitutes for primary fossil fuel resources.

4. Guiding Principles

4.1 Plastic Neutrality is a voluntary action taken by a business to compensate for the environmental impact from its plastic footprint. Businesses making claims of being Plastic Neutral 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 being Plastic Neutral have integrity and consistency.

4.2 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.





5. Plastic Crediting Process

5.1 A Plastic Credit is a transactable environmental tool representing a unit of weight of plastic waste from documented and verified Plastic Offsets.

5.2. A Plastic Credit can be assigned in the name of an individual or an organization. Attribution on the plastic credit is done upon purchase.

5.3. Purchasing Plastic Credits. Clients may purchase or commit to purchase Plastic Credits for a specified period of time. Assignment of Plastic Credits for the Client starts at the signing of the required documentary requirements.

5.4 Sustaining Ecosystem. PCEx operates on a cost-plus model, proceeds from Plastic Credit purchases enable PCEx operations from aggregation to plastic processing. PCEx continuously collects and banks plastic credits from the plastic waste recovered and processed. Plastic Offsets are tracked and consolidated into the PCEx Credit Registry and shall remain valid for one (1) year from the date of entry into the PCEx Credit Registry. The limit on validity is provided to ensure that there is the fundamental drive to continuously divert fresh plastic waste from the environment.

5.5 PCEx shall release a Certificate of Plastic Credits to the Client with the corresponding supporting documents. These Certificates and the respective support documents will be published on the PCEx Credit Registry and accessible to the public.

5.6 Documentation. Plastic Credits will be based on the actual plastic waste recovered and processed by PCEx through Aggregators and Processors. These quantities shall be supported by documentation submitted to PCEx and shall be incorporated as attachments in the Plastic Credit Certificates. These supporting documents include but are not limited to, the following:

- i. Certificate of processing
- ii. Certificate of pre-treatment
- iii. Delivery receipts





6. Plastic Neutral Certification Process

6.1 Plastic Neutrality may be achieved by any Client when the Client's Plastic Footprint is matched by corresponding Plastic Credits, reducing the Client's net Plastic Footprint to zero for a defined time period.

6.2 The Plastic Neutral Pact is designed to encourage individuals and businesses to make a commitment to take responsibility for their own plastic consumption that ultimately leads to a state of Plastic Neutrality. The process provides options for more to participate while maintaining a degree of transparency and accountability.

6.3 For businesses, Plastic Neutrality may be achieved at different levels of a Client's operations - a product, a brand or the entire company.

- i. Plastic Neutral Product –
- ii. Plastic Neutral Brand –
- iii. Plastic Neutral Company –



6. Plastic Neutral Certification Process

6.4 The Plastic Neutral Certification proceeds as follows:

- i. **Define Scope.** Plastic Neutrality may be achieved at different levels in a Client's operations. It is critical that a good baseline measurement is achieved and the first step is to define the coverage of the operations that will be matched with corresponding plastic credits. In addition to the level of operations, the Client must specify the coverage period where the plastic footprint will be calculated from documentation and other pertinent records.
- ii. **Measure and Verify.** An organization defines the scope of its Plastic Neutrality, whether at a company, brand or product level and assesses its plastic waste Impact. PCEx makes it easy to compute by assisting the organization with the Plastic Footprint Calculator and helps the organization submit its computed plastic footprint to a third-party assessor for auditing. 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 2 years. The entity must prepare and gather data needed from the business, then calculate the company, brand or product's total plastic footprint, which is all the plastic purchased along the value chain starting upon ownership and receipt of raw materials up until use of product or service by consumers in its intended purpose. The entity must contract an independent auditor and this assessment partner should understand the full set of data that will be included based on the given definition of Plastic Footprint outlined above. As their calculation of the plastic footprint underpins the qualification for Plastic Neutral certification, the entity must provide PCEx with a true and certified copy of this audit document.
- iii. **Secure Plastic Credits.** A Client purchases Plastic Credits equivalent to its annualized plastic footprint for the defined period and commits offset credits on future consumption with a minimum period of 2 years, with a view of increasing waste reduction and recycling efforts for the organization. The Plastic Credits and supporting documentation shall also be published on the PCEx credit registry, with unique identifiers to the Client. Audits will be conducted every year to allow for reconciliation for the actual plastic footprint with the purchased plastic credits. The awarded Certificates will be published in the PCEx Credit Registry and registry.

6. Plastic Neutral Certification Process

6.4 The Plastic Neutral Certification proceeds as follows:

- iv. Communicate. When an entity qualifies as an official Plastic Neutral Certified partner, it is granted rights to the use of the Plastic Neutral Certified badge, to signify its action and commitment in its packaging and marketing communications. Plastic Credit Exchange provides the assets and guidance for applying the Plastic Neutral Certified Badge in its packaging and communications. All communications relating to one's Plastic Neutral Certification status must be factually-based, clear, and transparent. All Plastic Neutral Certified 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 usage terms laid out on Appendix A. It is the Client's responsibility to ensure that their claims are compliant with any local guidelines.

6.5 A Client's Plastic Neutral status remains effective with the Client's continued commitment to secure Plastic Credits matching their actual Plastic Footprint. Failure to comply with the Plastic Neutral Pact and agreements with PCEx may result in suspension or termination of the Client's Plastic Neutral status.

6.6 PCEx encourages all businesses to achieve Plastic Neutrality. Specific guidelines for each type of business is provided in Appendix B maintaining consistency with the Plastic Neutral Pact.



7. Safeguard Systems

7.1 Environmental Impact and Pollution Prevention. The Plastic Neutral Pact commits that in the process of reducing the plastic waste, there shall be no detrimental impacts to other aspects of the environment. This includes pollution prevention and abatement, biodiversity and marine conservation, management of natural resources and the welfare of the people. Potential impacts and risk assessment shall be conducted in all aspects of operations and mitigation measures in place when necessary.

7.2 Occupational Health and Safety. The health and safety of the people involved shall be considered in all stages of operations. The risks inherent to the activities shall be identified and addressed prior to the conduct of the activities from aggregation up to processing. Necessary measures shall be implemented to avoid accidents, injuries and diseases arising from or associated to the activities including emergency response and preparedness.

7.3 Feedback and Grievance Mechanism. PCEx recognizes the important role of the communities in the Plastic Neutral Pact. Consultations and feedback mechanisms shall be in place and will be available throughout the implementation of the activities. PCEx incorporates the views of all the stakeholders in the conduct of the activities and the disclosure of Plastic Credits in the PCEx Credit Registry.

7.4 Prohibited Materials and Activities. PCEx shall ensure that the following are not incorporated in the conduct of the activities related to the Plastic Neutral Pact:

- i. Activities involving forms of forced or child labor;
- ii. Activities deemed illegal under international conventions and host country regulations; and
- iii. Activities involving toxic and hazardous materials including weapons, munitions and radioactive materials.

