



# Fair Circularity Initiative

Respecting Rights in  
Circular Value Chains

## Principles for Corporate Engagement with the Informal Waste Sector Aligned with the UNGPs

- 1. Recognize the critical role of informal waste sector workers<sup>1</sup> in plastics waste and recycling value chains<sup>2</sup>.** Waste pickers play a crucial role in global recycling – collecting and sorting as much as 60% of the plastic waste that is recycled. Yet they routinely experience some of the most severe human rights impacts and represent some of the most vulnerable workers across global business value chains. Meeting this principle in practice requires public and private sector actors in plastics value chains to include waste pickers as relevant and legitimate stakeholders – and their interests and concerns as essential considerations – in

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<sup>1</sup> In this report, the terms ‘informal waste sector’ and ‘waste pickers’ refer to a group of workers in the informal sector who collect, sort, aggregate and valorize recyclables from post-consumer waste streams. Historically, various names have been used interchangeably for this group, including those used here as well as ‘workers under informal and cooperative settings’ (per the UN Environmental Assembly plastics treaty mandate – see UN Doc UNEP EA.5/Res.14)

<sup>2</sup> The project collaborators recognize that these principles are the result of a process focused on plastics packaging recycling value chains, but they are likely to be applicable to other recyclable materials as well.

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local, national and international dialogue and policy-making arenas and in business decision-making.

- 2. Acknowledge the responsibility to respect the rights of informal waste sector workers by preventing and addressing human rights impacts experienced by those workers, in line with the nature of the company's involvement.** All companies in plastics packaging recycling value chains should take appropriate steps to prevent, mitigate and remedy impacts they cause or contribute to, and seek to prevent and mitigate impacts that may be linked to their operations, products or services, in line with their human rights responsibility.

Companies across all tiers and sectors of these value chains must recognize the informal waste sector as part of their own company's value chain. This is true for companies at both ends of the value chain – those that produce or utilize plastic waste eventually reclaimed by waste pickers, and those that use recycled content that has been reclaimed by waste pickers. Human rights impacts experienced by waste pickers are clearly within the scope of those companies' responsibility to respect human rights under the UNGPs, which extends throughout their value chain. The severity of human rights impacts and the vulnerability of informal waste sector workers suggests that, for many of these companies, human rights impacts in the informal waste sector should be addressed as a salient human rights issue.

- 3. Engage all partners in plastics packaging recycling value chains towards coherent and comprehensive approaches.** Public and private sector actors across all stages of plastics packaging recycling value chains – from production and use, to waste management, and through the circular economy – should presume that, at a minimum, they are linked to these impacts on informal waste sector workers. The most meaningful outcomes for informal waste sector workers will require collaboration among these actors, even as they may be connected to impacts on waste pickers in different ways (cause, contribution or linkage) and may have different roles to play in developing, implementing, and supporting effective approaches.

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- 4. Engage government actors to create enabling environments for rights-respecting business practices.** State law and policies and public authorities, at national and local levels, play central roles in shaping the context, infrastructure, working conditions and societal conditions for informal waste sector workers. Meaningful outcomes for informal waste sector workers will require governments to fulfill their existing human rights duties in relation to informal waste sector workers, including enabling: their access to public services and the formal social safety net; their protection from societal discrimination and marginalization; and their inclusion as relevant stakeholders and actors in processes to shape the regulatory frameworks and policies that govern waste management. Failing to take these steps can have a direct impact on informal waste sector workers; it also can, and often does, create heightened contextual risks of human rights impacts on workers. Companies should use and build their leverage, as appropriate to the nature of their involvement with the impacts, to engage government actors to meet these expectations in practice.
  
- 5. Engage meaningfully with informal waste sector workers.** Engagement with affected stakeholders is central to the concept of human rights due diligence. Companies in plastics packaging recycling value chains should engage meaningfully and respectfully with informal waste sector workers, in ways that acknowledge their human dignity, in order to inform those companies' understanding of risks and impacts, and in the design of efforts to prevent and address those impacts. This may look different for companies at different tiers of the value chain. For waste management companies and aggregators, it may require taking significant steps to create direct engagement with waste pickers that address existing mistrust. For other companies further upstream or downstream (such as resin producers and suppliers, recycled plastics producers and plastics users, including FMCG companies), it may mean engagement with legitimate representatives of the informal waste sector community, or credible proxies for their views, to align on expectations and action.

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- 6. Apply a gender lens in efforts to address human rights impacts in the informal waste sector.** Women waste pickers face particular vulnerabilities. Human rights impacts, including those affecting personal safety and security, discrimination and harassment, and further impacts on livelihoods should be analyzed and addressed with an intentional gender lens. This requires meaningful engagement with women waste pickers, or credible proxies for their views, in order to understand how human rights impacts are experienced by them and how they should best be addressed.
  
- 7. Drive local approaches, tailored to local contexts.** Given the diversity and localized nature of plastics packaging recycling value chains – and how the informal waste sector is positioned within those value chains – effective approaches will need to be informed by, and tailored to, local contexts. At the same time, local approaches should be guided by global alignment on principles and broader engagement with actors throughout these value chains. Meeting this principle in practice will require effective mapping of local supply chains to understand the actors involved in those supply chains, the impacts experienced by waste pickers, and the national and local policy and regulatory frameworks that shape conditions for informal waste sector workers. A range of potential leverage approaches can exist, including setting expectations for suppliers, engaging with business partners, building capabilities, partnering with NGOs, promoting worker voice, collaborating with peer companies, enhancing supply chain transparency, making investments in supply chain efficiency, and advocating for appropriate regulations that support rights-respecting business practices.
  
- 8. Advocate for the inclusion of informal waste sector workers as relevant stakeholders in policy-making processes that may affect their livelihoods.** In many cases, informal waste sector workers have suffered systematic exclusion from the decision-making processes that affect their lives. Companies cannot ensure that waste picker representatives and perspectives are included in policy-making processes led by governments. However, businesses can and should use their own voices to advocate for the inclusion of waste

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picker representatives in dialogue and policy-making arenas, at the local, national and international levels. Where these efforts are unsuccessful, companies should nevertheless seek to ensure that the interests and concerns of the informal waste sector are considered in and inform decision-making.

**9. Promote greater integration of the informal waste sector into formal value chains.**

Companies at different tiers of the value chain should look for ways to promote the greater integration of the informal waste sector into more formal private sector value chains, tailored to local contexts. However, formalization should not become a requirement for waste pickers to maintain access to recyclable materials. These principles are intended to encourage companies throughout the plastics packaging recycling value chains to engage and invest in these value chains to build greater capacity, promote greater efficiencies, and build greater resiliency, informed by the views of informal waste sector workers themselves.

**10. Identify and address barriers to promoting rights-respecting practices in the informal waste sector.**

Human rights impacts on waste pickers are systemic in nature. They are not likely to be caused by a single corporate actor or business decision, though such decisions may heighten the risk of negative impacts if they are not informed by due diligence. There are a number of underlying root causes that collectively lead to vulnerability and human rights impacts on informal waste sector workers. Companies across plastics packaging recycling value chains should examine their own business practices – from purchasing practices, to supply chain relationships, to lobbying activities, and more – and what role they might be playing with regard to specific impacts. They should also examine how broader market conditions – including the ways in which prices are set and workers are compensated – may create structural economic barriers to rights-respecting practices and be prepared to work with others to address these factors.

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## Annex A:

### Description of common human rights impacts experienced by waste pickers

The historical and ongoing contribution of waste pickers to waste management and recycling are significant, and many operators in the sector have considerable expertise and experience. However, despite the crucial environmental and public health role they play, waste pickers often face significant human rights impacts. Under the UNGPs, internationally recognized human rights are defined in the International Bill of Human Rights and core ILO standards.<sup>3</sup> This list provides a non-exhaustive description of common human rights impacts experienced by waste pickers in the plastics value chain, as well as other factors that may make such impacts more severe or more likely in practice.<sup>4</sup> While not all of these impacts and factors will be relevant to all waste pickers across all contexts, impacts on waste pickers' human rights are often extremely severe.

- 1. An Inadequate Standard of Living:** Everyone has the right to a standard of living adequate for the health and well-being of themselves and their families, including adequate food and nutrition, clothing, housing and access to medical care when necessary. For waste pickers, there are various factors that can affect their enjoyment of this right.
  - Inadequate Income:** Far from the metric of a 'living income',<sup>5</sup> most waste pickers live well below the poverty line in their home countries. They are paid for their materials, but not for their labor or the public service they provide by collecting waste.

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<sup>3</sup> The UNGPs apply to all 'internationally recognized human rights' which means those in the International Bill of Human Rights (ie, the Universal Declaration of Human Rights and the two International Covenants that codify it), as well as the principles concerning fundamental rights in the eight ILO core conventions as set out in the ILO Declaration on Fundamental Rights and Principles at Work.

<sup>4</sup> This list is intended as illustrative and not as a list of specific instances of harm; further assessment would be needed to determine the situation in specific companies' value chains.

<sup>5</sup> A living income is the corollary to a living wage for self-employed workers. Waste pickers are sometimes organized into cooperatives or associations, but they are not formal employees.

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- **Lack of Bargaining Power in Price Setting:** Prices for recycled material are, in most cases, set by the aggregators who buy recycled material from waste pickers.<sup>6</sup> Waste pickers often lack bargaining power in setting a fair price, due in many instances to their dependence on aggregators for market access (particularly where aggregators are the only source of transportation of materials).
- **Income Instability:** The lack of bargaining power, the absence of fixed contracts in the informal sector, and the influence of broader market factors that affect demand (such as the price of crude oil), translates into a lack of any income predictability or stability for waste pickers.
- **Income Insecurity:** In addition to these factors, waste pickers are concerned about, and in some cases report having suffered, loss of livelihoods due to market exclusion in the face of waste sector privatization, EPR schemes that have not included the informal waste sector, and exclusion from public and private procurement supply chains.

Income inadequacy, instability and insecurity – coupled with exclusion from social and financial services highlighted below – have the further impact of creating barriers for waste pickers to earn higher incomes by ‘moving up’ the value chain. Waste pickers often lack access to the financial resources, machinery, training, transportation and land needed to store and aggregate their recyclables.

- 2. Lack of Respect for Freedom of Association / Collective Bargaining:** Not all waste pickers seek formalization of their business activities, in the form of cooperatives, associations or trade unions. However, when they do, they may face barriers to organizing themselves into collective enterprises, including the financial resources required to organize. The ability to organize is often understood as an enabling right, which, if addressed, should help to prevent and address other human rights impacts.

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<sup>6</sup> These are generally informed by current market prices and the quality of the material.

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- 3. Lack of Recognition and Social Stigma:** Waste pickers perceive the social stigma connected to their work. They are often perceived as ‘lesser’ members of society, and are frequently either ignored or mistreated by others – discriminatory conduct which is perceived as acceptable and normal in many societies. This loss of basic human dignity is fundamentally what human rights harms are about, and it is both a cause and effect of impacts related to livelihoods, health and safety and other working conditions. It can also affect waste pickers’ access to recyclable materials.
  
- 4. Marginalization / Discrimination / Lack of Inclusion:** Underlying the protection of many human rights is the idea that people should be consulted and included in the decisions that affect their lives. Waste pickers are marginalized in society and often not recognized as legitimate and relevant stakeholders. They are rarely consulted in the policy-making processes that shape the waste collection sector, nor in the design or implementation of company programs or actions to address impacts they might face.
  
- 5. Exclusion from Social and Financial Services:** Due to the informal nature of the sector, waste pickers are often excluded from the social safety net, including social security and health care. Workers in informal sectors, including waste pickers, often lack access to formal banking systems, and in some cases even identity cards. The lack of financial inclusion serves as a further barrier to stable and secure income, as more formal parts of the economy are often not equipped to engage with the informal sector.
  
- 6. Child Labor and Child Accompaniment:** In certain contexts, child labor is a feature of the informal waste sector. Although not all child work constitutes prohibited child labor, where children are present in this sector they are often engaged in hazardous work and/or are unable to access education as a result. Children may accompany their parents to work because this is deemed safer than leaving them at home, or because they lack access to affordable and convenient childcare. Even where children are not working, they may still be

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at risk when accompanying parent or guardian reclaimers, with impacts on their safety and/or education.

- 7. Impacts on Workplace Health and Safety:** Poor health and safety conditions while collecting waste frequently results in injuries, and even in some cases, fatalities for waste pickers. At landfills, waste pickers work in hazardous conditions, are exposed to potentially hazardous materials and toxic fumes, lack personal protective equipment (PPE), and are at risk of severe injury from heavy machinery and vehicles. In other contexts, the personal safety and security of waste pickers – particularly women – is at risk, especially when collection takes place at night.
  
- 8. Impacts on Other Conditions of Decent Work:** Waste pickers work excessively long hours, often seven days a week without rest, lacking access to bathrooms and basic sanitation, which may again disproportionately impact women.

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