

Shift

Principles for Corporate Engagement on Human Rights with the Informal Waste Sector

EXECUTIVE SUMMARY

November 2022

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Principles for Corporate Engagement on Human Rights with the Informal Waste Sector

Applying the UN Guiding Principles on Business and Human Rights to the Plastic Packaging Recycling Value Chain

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I. WHY ARE THESE PRINCIPLES NEEDED?

The business of recycling plastics plays an essential role in the global economy.¹ Plastics waste and recycling value chains are highly complex, localized and diverse, and involve a broad range of public and private sector actors, including workers in the informal waste sector.² These waste pickers often play a pivotal and valuable role in the value chain.

In many countries, workers in the informal waste sector play a substantial role in the collection, sorting and recycling of plastics and other materials. For example, waste pickers collect as much as 60% of the plastic waste that is collected for recycling globally, diverting it from reaching oceans, open dumping, or burning, and mitigating the consequent environmental and public health impacts.³ Their historical and ongoing contributions to waste management and recycling are significant, and many operators in the sector have considerable expertise and experience. At the same time, they are vulnerable to a broad range of severe human rights impacts.

To date, however, industries and governments have, as a collective whole, not meaningfully engaged with or effectively addressed social conditions and human rights impacts in this sector. At the international level, discussions have now begun in the UN Environment Assembly on a new legally binding instrument on tackling plastic pollution globally, which seeks to encourage action by all stakeholders, including the private sector, and recognizes the important role of waste pickers in this context.⁴ There is therefore both a critical need - and opportunity - to elevate attention to this issue among all stakeholders, which the collaborators in this initiative aim to positively contribute to. (For further background, see Appendix 2.)

II. WHAT ARE THE HUMAN RIGHTS IMPACTS FACED BY WASTE PICKERS?

Despite the crucial environmental and public health role waste pickers play, they often face significant human rights impacts.⁵ This list provides a non-exhaustive description of common human rights impacts experienced by waste pickers in plastics waste and recycling value chains, as well as other factors that may make such impacts more severe or more likely in practice, as reported by waste picker representatives themselves.⁶ 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 that is 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',⁷ 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.
- ◉ **Lack of Bargaining Power in Price Setting:** Prices for recyclable material are, in most cases, set by the aggregators who buy recyclable material from waste pickers.⁸ 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 recyclable 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, Extended Producer Responsibility (EPR) schemes that have led to barriers to waste pickers' access to waste (such as unreasonable registration fees or parallel collection systems), 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.

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 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.

III. WHAT HAS IMPEDED PROGRESS ON THESE IMPACTS?

There are a number of dynamics that have impeded progress in addressing negative impacts on waste pickers' rights. These include:

◎ POLICY AND REGULATION

Government policy and regulation shapes the environment for the informal waste sector. For example, it determines whether waste management is subcontracted to private companies, whether there is adequate waste management infrastructure, whether informal waste sector workers are recognized by public authorities, the access such workers have to waste and where collection takes place, how they are compensated, the extent to which they are organized, their access to public services and social benefits, and the broader positioning of the informal waste sector in society.

Government action – and inaction – can create substantial contextual risk for any company in the plastics recycling value chain. Where governments fail to enact and enforce laws and regulations to ensure protection of human rights, affected stakeholders of all kinds are at greater risk of suffering negative human rights impacts. Companies are then more likely to be connected to these negative impacts because of this contextual risk. Government action may also cause direct impacts on waste pickers' human rights – for example, where they criminalize informal waste sector work or exclude such workers from social protection schemes.

◎ CORPORATE UNDERSTANDING

Many companies in these value chains, including private waste management companies, have limited understanding, experience and exposure to their human rights responsibilities. Many companies do not recognize informal waste sector value chains as part of their own value chains. Moreover, waste management, including plastic waste collection and recycling value chains, lack transparency, and as a result, it is difficult for any actor to know who the other actors in their value chains are and to have visibility into the conditions on the ground for waste pickers.

◎ CORPORATE RESPONSES

Many companies have primarily been driven by compliance with environmental regulations, which is a requirement for the business. Where companies have engaged with human rights impacts on waste pickers, it has largely been approached through the lens of voluntary social programs, rather than as a matter of corporate responsibility under the UN Guiding Principles for Business and Human Rights (UNGPs) (with some notable exceptions). There is a need for more robust approaches to using leverage at scale where companies are linked to such impacts, drawing on experiences tackling other systemic human rights issues in value chains, and for corporate advocacy on impacts on informal waste sector workers. The opportunity to invest in informal waste sector value chains to improve efficiencies and improve environmental and social footprints is also under-explored.

◎ STAKEHOLDER ENGAGEMENT

The informal waste sector is not organized into entities that companies are used to engaging with, making stakeholder engagement more challenging. The social stigmatization experienced by waste pickers is not only an impact itself, but also represents an additional barrier to meaningful action as it normalizes the existing situation for such workers.

IV. HOW ARE THE UNGPS RELEVANT TO PREVENTING AND ADDRESSING IMPACTS ON WASTE PICKERS?

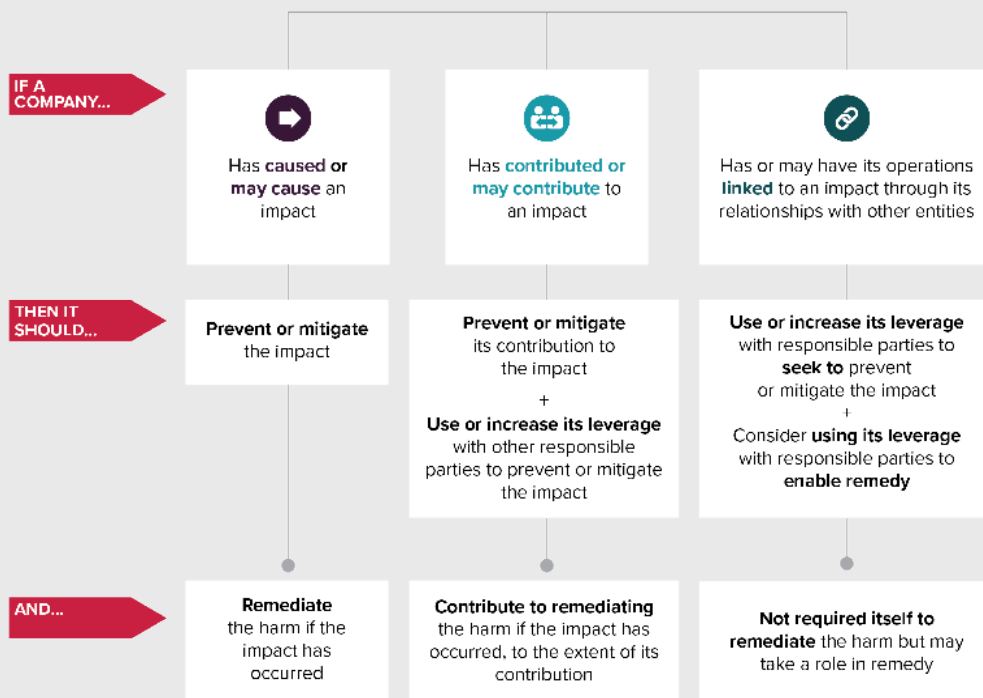
The UN Guiding Principles on Business and Human Rights (UNGPs) are the authoritative global framework for preventing and addressing business-related impacts on people. Unanimously endorsed by the UN Human Rights Council in 2011, they have been adopted by leading companies, utilized by civil society organizations and trade unions, and increasingly serve as the basis for national and regional legislation across a range of sectors and issues. The basic expectation of the UNGPs is as simple as it is powerful: that states and companies have complementary but differentiated roles to prevent and address harm to people that is connected to corporate operations and value chains. This section summarizes some of the key implications of the UNGPs that informed the development of these principles.

STATE DUTIES WITH RESPECT TO HUMAN RIGHTS

The UNGPs focus on the state duty to protect individuals within a state's territory and/or jurisdiction from human rights harms, including those involving business. However, states also have duties to respect and fulfill human rights for these individuals – including informal waste sector workers. This includes: ensuring that the activities of informal waste sector workers are not criminalized and, more generally, that they are not discriminated against in law or in practice; that they have access to the formal social safety net and to adequate livelihoods; and that they can participate as equal stakeholders in public discussions and policy-making processes. Failure to meet these fundamental duties underlies many of the human rights impacts experienced by waste pickers. It can also make it far more challenging for companies to meet their human rights responsibilities in practice.

AN INDEPENDENT CORPORATE RESPONSIBILITY TO RESPECT

Under the UNGPs, companies have a responsibility to respect human rights throughout their operations and value chains – meaning to prevent and address actual and potential impacts with which they are or may be involved, in line with the nature of that involvement. The UNGPs identify three ways that a company might be involved with an impact, with corresponding expectations for action as set out in the graphic below.



The nature of a company's involvement with impacts is always context-specific, and not pre-determined by an actor's location or role in the value chain. In each case, it requires looking at a specific impact and the specific actions of different entities that led to that particular impact. For example, an aggregator that sets very low prices for recyclable material might be causing or contributing to an impact on waste pickers' livelihoods,⁹ while companies further downstream might then be linked to that impact. Companies across the plastics packaging recycling value chain should presume today that – at a minimum – they are linked to human rights impacts on waste pickers.

◎ IDENTIFYING AND PRIORITIZING IMPACTS FOR ATTENTION

Companies should carry out human rights due diligence to identify, prevent, mitigate and account for how they address impacts with which they are involved and take action in line with the framework above. Where necessary, companies should prioritize those impacts for attention that may be most severe from the perspective of affected stakeholders. For companies across plastics waste and recycling value chains, impacts on informal waste sector workers are likely to be among their most salient or severe human rights impacts that should be prioritized for attention.

◎ MEANINGFUL ENGAGEMENT WITH AFFECTED STAKEHOLDERS

This concept is central to human rights due diligence. It is particularly relevant in the informal waste sector, where one of the key impacts highlighted by waste picker representatives is their marginalization and exclusion from policy-making processes and programs that affect them, including those that could potentially threaten their livelihoods. While the UNGPs prioritize direct engagement by companies with affected stakeholders (or their legitimate representatives) whenever possible, there are significant challenges to meeting this expectation in the informal waste sector. Nevertheless, companies throughout the value chain should be taking steps to ensure that their due diligence is credibly informed by the perspectives of affected stakeholders – in their understanding of risks, their prioritization of impacts, and in the design of prevention, mitigation or remedy actions.

◎ EXPANDED USE OF LEVERAGE

Given the presumption that companies in the recycled plastic packaging value chain are in a situation of linkage, the primary expectation of them under the UNGPs would be to use their leverage with other actors, potentially including those that are causing harm, to seek to prevent and mitigate impacts on waste pickers. This includes adapting existing approaches, for example to extend efforts beyond the first tier of their supply chains, and where necessary, to take steps to increase their leverage, with the objective of seeking to achieve better outcomes for informal waste sector workers.

◎ ENABLING REMEDY FOR WASTE PICKERS

Workers in the informal waste sector have experienced, and continue to experience, a range of severe human rights impacts for which they need access to remedy. Who should provide that remedy will depend on which actors caused or contributed to those impacts. In linkage situations, companies do not have the responsibility under the UNGPs to provide or contribute to remedy directly. However, businesses that are linked to impacts still have important roles to play in using their leverage to seek to prevent or mitigate continuing or recurring harms – which can include enabling remedy for past harms by encouraging or supporting those parties that caused or contributed to impacts to provide or contribute to remedy.

◎ INTERNAL BUSINESS ALIGNMENT

When companies' operations, products or services are or may be linked to impacts through their business relationships, there can be a tendency to focus on the behaviors and practices of other actors that could cause an impact. However, a company's own activities can play a role in making impacts more or less likely to occur – for example, through their purchasing practices or through lobbying for government policies or regulations that would reduce human rights protections. The UNGPs expect companies to identify and tackle any such lack of alignment between their responsibility to respect human rights and their own activities.

◎ ADDRESSING EXCLUSION AND PLANNING FOR RESPONSIBLE EXIT

Waste pickers express concerns about several supply chain dynamics that could potentially threaten their livelihoods, by excluding them from access to recyclable content. As reported by waste pickers themselves, these include the introduction by governments of EPR schemes that can exclude informal waste sector workers in some instances, as well as decisions by governments to exclude waste pickers from waste management – for example, in privatizing waste collection and the entry into the market of private sector waste companies in a way that excludes informal workers, or in passing legislation that prevents waste pickers from bidding for collection or recycling work or sometimes even criminalizes their work.

Company representatives report that increasing automation, particularly among private sector waste management companies, and the nascent development of reuse/refill delivery systems that are intended to eliminate single use plastics are other important dynamics to consider.

Companies routinely terminate contracts with suppliers, change sourcing strategies and exit markets for legitimate business reasons. However, just as companies should conduct human rights due diligence on the decision to engage in new activities or with new business partners, they should also conduct human rights due diligence on the potential adverse human rights impacts of these decisions. This type of due diligence is commonly referred to as 'responsible exit'.

V. PRINCIPLES FOR CORPORATE ENGAGEMENT WITH THE INFORMAL WASTE SECTOR

Drawing on the above considerations and analysis, there are some key principles that should inform corporate engagement with the informal waste sector.

1 Recognize The Critical Role Of Informal Waste Sector Workers In Plastics Waste And Recycling Value Chains.¹⁰

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 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.

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 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 addresses 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.

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 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.

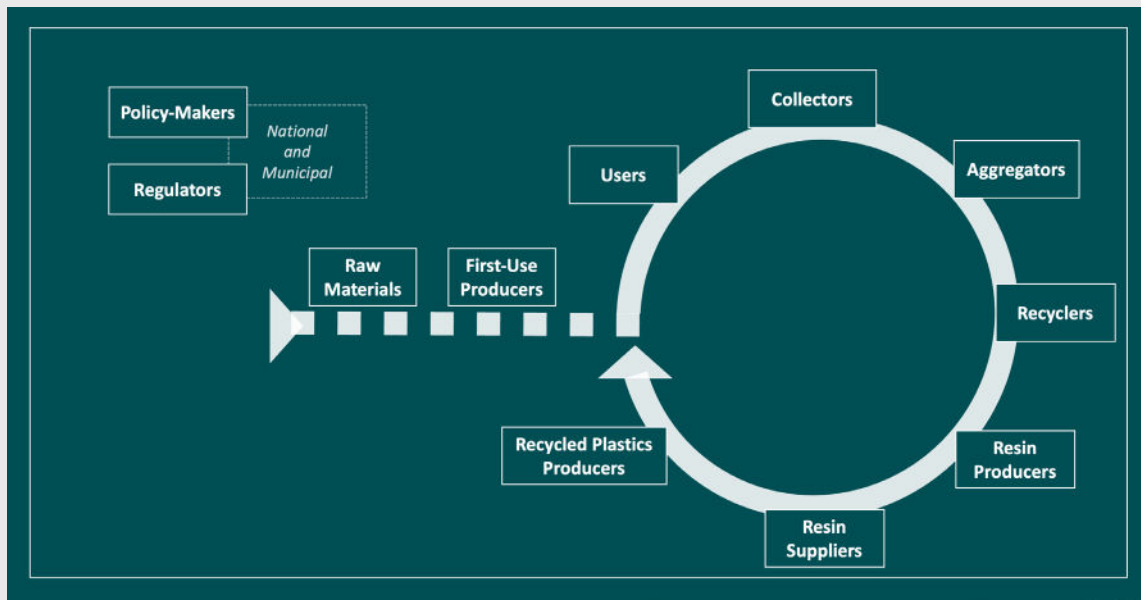
9 Promote greater integration of the informal waste sector into formal value chains.

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 the 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.

APPENDIX 1: KEY ACTORS IN THE VALUE CHAIN



- 1) **Raw Materials:** Petrochemical companies are involved in the production of raw materials extraction and processing to produce polymers for virgin plastics.
- 2) **First-Use Plastics Producers / Manufacturers:** Container and packaging companies are engaged in converting polymers into plastics and manufacturing virgin plastics container and packaging products.
- 3) **Plastics Users:** Many companies utilize plastic packaging for their products, or in some cases their primary products are made of plastics. This includes Fast Moving Consumer Goods (FMCG) companies but they are not the only or primary users or producers of plastic products. Other key industries include the electronics, construction, textiles and automotive sectors.
- 4) **Collectors:** Post-consumer use, the plastic is reclaimed – in some cases, from homes or streets, and in others, from landfills. Collection includes both the formal waste sector, which may be public (municipal) or privatized, and includes large-scale waste management companies. It also includes the informal waste sector, made of individuals, sometimes organized into cooperatives or associations, sometimes recognized by regulators and sometimes not.
- 5) **Aggregators:** The material is then aggregated, sometimes in one step and other times through many tiers of aggregation, sometimes still by the informal sector and other times by private sector waste management companies.
- 6) **Recyclers:** The material is then recycled through various processes, so that it can take the form of material that can be utilized by further actors in the value chain. At this stage of the value chain, the actors are now primarily private companies (some local, some multinational business enterprises). In the case of chemical recycling processes, this includes petrochemical companies. In the case of mechanical recycling processes, this involves more traditional waste management companies.
- 7) **Resin Producers:** The material is processed into resin, which can then be turned into a variety of products and packaging.
- 8) **Resin Suppliers:** These are larger private companies that packaging manufacturers purchase their raw material from. Companies in other sectors, such as textiles, electronics and automotive companies also purchase and integrate recycled resin into their products.
- 9) **Recycled Plastics Producers / Manufacturers:** In some cases, recycled plastic is purchased by the same container and packaging manufacturers as earlier in the virgin plastics value chain. They may then supply to the same plastics users as earlier in the virgin plastics value chain, including FMCG companies in the food and beverage and personal care industries, as well as other industries as noted above.
- 10) **Policy-Makers and Regulators:** While public actors at national and municipal levels may play roles in the business value chain, they also play central roles in shaping value chains through their policy-making, regulatory requirements and enforcement functions.

APPENDIX 2: LAUNCH STATEMENT

As a group of leading fast-moving consumer goods (FMCG) companies – The Coca-Cola Company, Nestlé, PepsiCo, and Unilever – we are committed to respecting the rights of workers in the informal waste sector. We are launching the Fair Circularity Principles today and are calling on others, including FMCG companies, companies from other sectors and businesses across the value chain, to join us.

In many countries, these workers play a substantial and valuable role in the collection, sorting and recycling of packaging waste and other materials. At the same time, they are vulnerable to a broad range of severe human rights impacts – meaning that even as recycling delivers positive environmental impacts, it requires heightened human rights due diligence from companies involved in plastics waste or recycling value chains. To date, however, industries and governments have, as a collective whole, not meaningfully engaged with or effectively addressed social conditions and human rights impacts in this sector. As we work to end plastic pollution - including through supporting the development of an ambitious and effective global treaty - we must also drive towards a fairer circular economy for plastics.

As businesses, we have each been taking steps locally and globally to address social impacts in the informal waste sector. However, we recognize the need for more cohesive and collaborative approaches across the value chain to tackle these impacts effectively. We have worked with Tearfund,¹¹ a civil society organization advocating for greater recognition of, and respect for the rights of waste pickers, to advance dialogue and collaboration on these issues and to include the perspectives of rights holders. The resources of the Global Alliance of Waste Pickers and Women in Informal Employment: Globalizing and Organizing (WIEGO) were also key in informing the process.

Our group has, in collaboration with Shift, developed the Fair Circularity Principles. These principles apply the responsibilities outlined in the UN Guiding Principles on Business & Human Rights to the informal waste sector.

Our four companies have aligned in support of this statement, and the accompanying principles, to demonstrate our commitment to this issue and to encourage wider uptake of the principles and urgent action on them. We will:

- ⊙ advance and adopt these guiding principles in our value chains, in collaboration with waste picker organisations
- ⊙ report on our progress annually
- ⊙ encourage others to join the Fair Circularity Initiative

Companies interested in joining this initiative can [get in touch here](#)

To access the Fair Circularity Principles and more information about the Fair Circularity Initiative, please visit www.faircircularity.org

ENDNOTES

- 1 This report is focused on the plastics packaging recycling value chain but much of the content is likely to be applicable to other recyclable materials as well.
- 2 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 Environment Assembly plastics treaty mandate – see UN Doc UNEP EA.5/Res.14). Appendix 1 sets out definitions of key actors in these value chains and explains typical roles they often play.
- 3 The Pew Charitable Trusts and SYSTEMIQ (2020) “Breaking the Plastic Wave: A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution”, available at https://www.systemiq.earth/wp-content/uploads/2020/07/BreakingThePlasticWave_MainReport.pdf.
- 4 See UN Doc UNEP EA.5/Res.14, para 3(1), available at <https://wedocs.unep.org/bitstream/handle/20.500.11822/39764/END%20PLASTIC%20POLLUTION%20-%20TOWARDS%20AN%20INTERNATIONAL%20LEGALLY%20BINDING%20INSTRUMENT%20-%20English.pdf?sequence=1&isAllowed=y>.
- 5 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.
- 6 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.
- 7 A living income is the corollary to a living wage for self-employed workers.
- 8 These prices are generally informed by current market prices and the quality of the material.
- 9 As noted above, aggregators' prices are generally informed by current market prices and the quality of the material.
- 10 The project collaborators recognize that these principles are the result of a process focused on plastic waste and recycling value chains, but they are likely to be applicable to other recyclable materials as well.
- 11 Tearfund's Waste Picker Rights advocacy programme is funded by the Norwegian Agency for Development Cooperation (Norad).

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Shift, New York. October 2022

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ABOUT SHIFT

Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights. Shift's global team of experts works across all continents and sectors to challenge assumptions, push boundaries, and redefine corporate practice, in order to build a world where business gets done with respect for people's dignity.

Shift was established following the 2011 unanimous endorsement of the Guiding Principles by the UN Human Rights Council, which marked the successful conclusion of the mandate of the Special Representative of the UN Secretary-General for Business and Human Rights, Professor John Ruggie. Shift's founders were part of Professor Ruggie's core advisory team that helped develop the Guiding Principles.

Shift is a non-profit, mission driven organization headquartered in New York City.

 shiftproject.org

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ABOUT THIS DOCUMENT

This is an Executive Summary of a report prepared by Shift exploring the application of the UN Guiding Principles on Business and Human Rights (UNGPs) to recycled plastic packaging value chains. This formed part of a project involving several FMCG companies – The Coca-Cola Company, Nestlé, PepsiCo, and Unilever – and Tearfund, a civil society organization advocating for greater recognition of, and respect for the rights of, waste pickers (the 'Project Collaborators'). The resources of the Global Alliance of Waste Pickers and Women in Informal Employment: Globalizing and Organizing (WIEGO) were also key in informing the process.

The UNGPs are not, in themselves, a legally binding document and neither they, nor anything in this report, should be construed as implying new legal obligations. The report was not intended to explore individual company approaches to, or involvement in, specific impacts and nothing in it should be deemed or construed as statements made individually by Project Collaborators. The analysis carried out for this report was for the purpose of this report only and the development of the accompanying principles, and is not intended to be understood as findings of fact.

While the 'Fair Circularity Principles' are based on the findings of the report and supported by all the Project Collaborators, not every element of the report, or this Executive Summary, may be endorsed by all of the Collaborators. Further, it is the Collaborators' understanding that changes in circumstances may occur after the finalization of the report which may impact its accuracy in certain aspects.