BUSINESS COALITION FOR A GLOBAL PLASTICS TREATY

Key elements in the international legally-binding instrument to end plastic pollution

Policy recommendations of the Business Coalition for a Global Plastics Treaty for consideration at INC2

Final Version, updated on 23 May 2023 with an Executive Summary

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About this document

Political context

At its first session, the Intergovernmental Negotiating Committee (INC) requested the secretariat to prepare for consideration by the INC at its second session a document with potential options for elements towards an International Legally Binding Instrument ('treaty'), based on a comprehensive approach that addresses the full life cycle of plastics as called for by UNEA resolution 5/14, including identifying the objective, substantive provisions including core obligations, control measures, and voluntary approaches, implementation measures, and means of implementation. The secretariat, in preparing the document (UNEP/PP/INC.2/4), has, in consultation with the INC chair, drawn on the views expressed by Members during the first session of the committee as well as their written submissions.

Our contribution

The Business Coalition for a Global Plastics Treaty brings together more than 100 organisations from across the plastics value chain, including companies, financial institutions and NGOs who are committed to supporting the development of an ambitious, effective and legally binding UN treaty to end plastic pollution. To support our joint vision and desired outcomes in the treaty negotiations, we develop policy recommendations for each INC meeting. This document builds on our Pre-INC2 submission of 6th January 2023, and further details our positions on key elements that the Business Coalition would like to bring to the attention of delegations attending INC2, including our assessment of how these have been reflected in the 'options paper' prepared by the INC secretariat (UNEP/PP/INC.2/4) mentioned above.

Development process

This document was developed in close collaboration with a Policy Working Group co-chaired by business representatives, and through an extensive consultation with the Members of the Coalition, ensuring a high-level of alignment amongst member organisations. However, it does not necessarily reflect in all aspects the position of every single Coalition Member.

Contact

If you have any questions or would like to request a meeting with representatives from the Business Coalition for a Global Plastics Treaty during INC2, please contact us by email via secretariat@businessforplasticstreaty.org.

Executive Summary

What are Business Coalition members calling for?

Leading businesses want a treaty with **legally-binding global rules and measures to drive change on a global scale** - through harmonised regulations on reduction, circulation, and prevention alongside remediation.

What is expected from the negotiations, in particular at INC2?

Ambitious goals and aspirations to end plastic pollution in a treaty have no value on their own. **The treaty must establish the policy instruments and measures that help us get there**. In this way, we have a rare and real opportunity to make a positive change to our world by reassessing how we make, use, and think about plastic.

At this second intergovernmental negotiation committee meeting (INC2), **the foundations of the treaty must be laid with clear options for core obligations and policy measures to be implemented by national governments**.

On this basis, the **INC must request the development of draft legal text** that forms the basis for further negotiations.

About the Coalition

The Business Coalition for a Global Plastics Treaty brings together businesses and financial institutions committed to supporting the development of an ambitious, effective and legally binding UN treaty to end plastic pollution. The coalition is convened by the Ellen MacArthur Foundation and WWF, in collaboration with aligned businesses and supported by NGO partners. Together they are asking for an ambitious UN treaty that brings plastics into a circular economy and stops them from becoming waste or pollution.

Our policy recommendations for consideration by the INC

By publishing a set of policy recommendations ahead of INC2, **over 100 businesses and supporting organisations** are calling for a treaty with legally binding global measures to create harmonised regulations in three key areas: Reduction, Circulation, and Prevention & Remediation.

1) REDUCTION of plastic production and use through a circular economy approach

- Reduction is critical because recycling alone is not a viable solution to this crisis. **We must reduce our use of all virgin plastics** – with a particular focus on those produced from fossil fuels – if we are to play our part in seeking to stay within the 1.5 degree climate pathway.

- We must prioritise **eliminating problematic plastic applications** with a high probability of leaking into the environment and **reduce our demand for short-lived products** that cannot be circulated in practice and at scale.

- Under the treaty, **binding criteria and timelines should be established for phasing down or phasing out the use of problematic plastics and additives in specific applications**. As part of this effort, we must ensure chemicals and pollutants that pose a risk to human health and nature are prohibited or restricted.

2) CIRCULATION of all plastic items that cannot be eliminated

- **We must establish and enforce globally harmonised standards** as key measures to ensure all plastics are safe to be used, reused, and recycled.

- **Mandatory design for recycling requirements** must be coupled with **targets for scaling of systems and infrastructure** to keep plastics in circulation for longer at their highest value, and so reducing leakage into the environment.

- Defining key common principles and criteria is key for the implementation of well-designed and effective **Extended Producer Responsibility policies** that require all industry players who introduce packaging and other short-lived products to the market to fund their after-use collection and treatment.

- **Informal waste workers play an important role** in collecting, sorting, and recycling plastic waste. The treaty must protect and respect their livelihoods, their health, and their human rights as it enables a safe and just transition to a circular economy.

3) PREVENTION and REMEDIATION of remaining, hard-to-abate plastic leakage

- **Robust waste management practices are required**. Effective regulatory and financial incentives are needed to promote the uptake of circular economy solutions at the local level.

- **We should not ignore existing plastic pollution** – we need tools to tackle the micro- and macro-plastics that are already polluting our environment.

Furthermore, the treaty should pay attention to critical cross-cutting issues: **Economic Instrument and Financial incentives**, as well as **Monitoring and Reporting**.

Building on the example of the Paris Climate Agreement, the treaty must require **making both public and private financial flows consistent with a pathway towards ending plastic pollution and promoting the safe circulation of plastics**.

The treaty must also establish clear steps to **create an effective monitoring and reporting system for governments** to track progress towards national and global objectives. To support this, the treaty should also outline the principles for how corporate information on risks, opportunities, and impacts related to plastic pollution should be considered.

In this context, the treaty should **require plastic-related disclosures by large and/or transnational companies and financial institutions** and ensure that corporate reporting takes place in a harmonised and coherent way.

Introductory elements of the global plastics treaty

Based on the submission of the Business Coalition for a Global Plastics Treaty to the INC secretariat on 6th of January 2023, we briefly recap in this section our thoughts and recommendations for potential introductory elements of the treaty to end plastic pollution.

Objective of the instrument

Protect the environment and human health from negative impacts of plastic pollution

Scope and priorities

Negotiators should underpin the overall objective of the treaty by defining the global outcomes that it aims to achieve. In line with the Vision Statement of the Business Coalition for a Global Plastics Treaty, we suggest three main areas where progress is urgently needed:

- **REDUCTION of plastic production and use through a circular economy approach**, with a focus on eliminating plastics that have high-leakage rates, addressing short-lived products, and decoupling from fossil-based virgin resources.
- **CIRCULATION of all plastic items that cannot be eliminated**, keeping them in the economy at their highest value.
- **PREVENTION and REMEDIATION of remaining, hard-to-abate plastic leakage** into the environment, including robust waste management practices and tackling legacy pollution.

To be successful the instrument must adopt a broad scope, **covering both macro- and microplastics, and addressing all sources and pathways of plastic pollution into the natural environment**.

The core provisions in the treaty need to **address, as a priority, plastic applications with high emissions and those that are at high risk of leaking into the environment, including products and packaging that become waste very quickly**. Additional sector-specific programmes of work could be defined in the treaty but developed at a later stage via the governing and potential subsidiary bodies.

Prioritising action on the key sources of plastic pollution is an important prerequisite. It will enable **the treaty to deliver reduction of plastic pollution in the near term through specific, globally binding rules and obligations for governments, and implemented through harmonised policies and regulations**. For businesses it is paramount that the treaty prevents a patchwork of disconnected national solutions, while creating a level playing field for a globally operating industry.

Key principles for the design and implementation of effective policy measures

- **Adopt a comprehensive lifecycle approach with legally-binding global rules and measures** to drive change from plastic production to re-circulation or final disposal, respecting the hierarchy of waste management options[1], to help design solutions to end plastic pollution and assess their environmental, health, social, and economic impacts.
- **Complement and support global efforts to combat the climate and biodiversity crisis** by limiting the production and use of fossil-based virgin plastics, and by taking a precautionary approach towards minimising other environmental risks linked to plastic pollution.
- **Complement and support other existing international efforts to ensure the human right to a clean, healthy, and sustainable environment,** and to safeguard human health, and the

[1] UNEP/ ISWA (2015): Global Waste Management Outlook, page 31

livelihoods, labour, and human rights of all people involved in the plastic value chain. A specific focus is merited for waste workers particularly in informal and cooperative settings as important stakeholders to achieve a safe and just transition to a circular economy.[2]

- **Apply the 'Polluter pays' principle** as a commonly accepted practice for allocating the costs of preventing or managing the risks of plastic pollution.
- **Allow for gradual strengthening of obligations and control measures**, based on a sound mechanism for monitoring progress and evaluating effectiveness, and a decision-making process that allows for regular updating of annexes and the addition of protocols, if necessary.

How is this reflected in the INC2 options paper?

- The Business Coalition is supportive of the objective as listed in Chapter A, paragraph 9, option (b) on page 4 of the options paper.
- Appendix I of the options paper includes additional options for introductory elements in the treaty, including for the preamble (Chapter I, Section A, paragraph 1 on page 26). This list includes several considerations that the Business Coalition called for in the section above, such as
  - (b) Recognition of the need to leverage and further develop a circular economy for plastics
  - (h) Recognition of the importance of a just transition
  - (n) Recollection of the Guiding Principles on Business and Human Rights
- Related to the potential scope of the treaty (Appendix I, Chapter I, Section C, paragraph 4 on page 28) the option paper references the need for a broad scope in option (a) but does not specify the need for prioritisation of high-leakage and short-lived plastic applications.
- As part of the key principles to be referenced in the treaty, the Business Coalition's recommendations above correspond to the following options listed in Appendix I, Chapter I, Section D, paragraph 5 on page 28):
  - (a) Precautionary principle
  - (e) Polluter pays principle, in combination with (f) Extended producer responsibility – for more details see the specific section on EPR & DRS in this position paper
  - (g) Waste hierarchy
  - (h) Human rights, including the human right to a clean, healthy, and sustainable environment
  - While option (i) only refers to avoidance of adverse consequences to the climate, biodiversity and food security, the Business Coalition would like to emphasise the need to create synergies between international legal frameworks tackling climate change, biodiversity loss, and plastic pollution.
- In addition, the last option in Section C on the scope should be listed as a key principle too: 'The instrument is a legally binding instrument that allows evolution and strengthening overtime'. This should be complemented with the potential provisions in the treaty on the periodic assessment of the progress of implementation and effectiveness evaluation as outlined in Chapter D, Section 4, paragraph 33 (see pages 20 and 21 of the options paper).

[2] Building on the UN Guiding Principles on Business and Human Rights and the resolution adopted by the UN General Assembly (UNGA) on 28 July 2022 recognising the right to a clean, healthy, and sustainable environment as a human right

Our policy priorities for consideration by the INC

REDUCTION of plastic production and use through a circular economy approach

Reduction strategy

Global plastic production and use has grown substantially in recent decades, quadrupling in the past forty years[3] and is projected to nearly triple again from 2019 levels by 2060, driven by economic and population growth.[4] By 2050, cumulative greenhouse gas emissions over the full lifecycle, from production to incineration of plastics, could account for 10–13% of the global annual carbon budget that still allows us to contain dangerous climate change within an average 1.5°C degrees of global warming compared to pre-industrial levels.[5]

Key messages

- On a global average, the per capita consumption of plastics will need to be drastically reduced to meet the objectives of the Paris Climate Agreement, even taking into account a very aggressive industry transformation scenario.[6]
- In addition, waste management systems are not at a scale and capacity to deal with current levels of plastic waste being generated globally, and it is unrealistic to expect them to catch up with the growth projections for the decades to come.[7]
- Alongside an increase in the availability and use of recycled materials, a circular economy approach depends on an absolute reduction of plastic production and use, including scaled efforts on elimination, reuse options, and new delivery models, as well as material substitution.
- At the same time, the treaty must include provisions to avoid unintended environmental, social, or economic consequences. A reduction strategy must take the national context into account and should be differentiated by relevant sector and product applications, ensuring that alternatives to plastics have a lower environmental impact.

Policy actions required

1. The treaty should provide economic incentives and financial mechanisms to enable the transition to circular economy approaches and the implementation of reduction strategies.
2. Each government must report on the type and quantity of plastic polymers produced in their country, including information on the origin of the raw materials used.
3. Reduction targets should address all virgin plastics, with a focus on those produced from fossil fuels, and must be aligned with sectoral decarbonisation strategies in line with a 1.5ºC climate change pathway and evolving waste management capacities.
4. Sector-specific strategies to reduce plastic demand should underpin these targets as part of national action plans. Demand-side approaches such as provisions on the phase out of

[3] UNEP (2021): From Pollution to Solution: A global assessment of marine litter and plastic pollution
[4] OECD (2022): Plastics use projections to 2060 | Global Plastics Outlook : Policy Scenarios to 2060
[5] Center for International Environmental Law (2019): Plastic and Climate: The Hidden Costs of a Plastic Planet
[6] Eunomia (2022): Is Net Zero Enough for the Materials Production Sector?
[7] 2 billion people lacked access to waste management in 2020, that number is expected to grow to 4 billion by 2040. Ensuring universal connection would imply expanding collection to over 500,000 people every day. From The Pew Charitable Trusts and SYSTEMIQ (2021): Breaking the Plastic Wave: A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution

problematic plastics and high-leakage applications in the treaty must be combined with efforts to scale plastic recycling and sound waste management practices.

5. If these interventions do not result in a significant lowering of demand for virgin plastics, additional fiscal or regulatory interventions on the supply-side should be explored to ensure sufficient progress towards reduction targets.

Business rationale

If governments agree on plastic reduction targets and develop sector-specific strategies to implement them, businesses can invest in new solutions to promote the elimination, reuse, and substitution of the plastics that they currently use. Such an approach offers companies the greatest incentive to reduce their contribution to plastic pollution, and to achieve greenhouse gas emission savings in line with their net-zero commitments.[8] The private sector asks for a reliable regulatory environment that enables them to innovate and shift away from today's predominantly linear business models, reducing their dependence on virgin fossil-based plastics. So far, investments to scale recycling systems have not been sufficient to make recycled plastics widely available. Economic instruments and financial mechanisms, including EPR & DRS policies, can strengthen the business case to collect and reprocess plastics after use, and promote circular economy solutions.

How is this reflected in the INC2 options paper?

- Possible core obligations on reducing the supply of, demand for, and use of primary plastic polymers are listed in Chapter B, section 1, paragraph 10 on page 5 in the options paper.
- The Business Coalition sees options for targets under sub-item (a) as complementary in line with the considerations outlined in this chapter.
- The Business Coalition is supportive of tracking types and volumes of plastic polymers, precursors, and feedstocks manufactured, imported, and exported as well as the quantities and types of chemicals applied in production through transparency and reporting requirements, as listed as option (iii) under sub-item (b) as a prerequisite to establish baselines for any reduction targets under the treaty.
- Related to option (c) on options for economic tools, we refer to our specific section on recommendations for economic incentives and financial mechanisms under the treaty.
- In general, the Business Coalition agrees with the need to define control measures to 'promote innovation and the use of safe, sustainable alternatives and substitutes' to underpin sector-specific reduction strategies for the production and use of virgin plastics, with a focus on those produced from fossil fuels. However, the options listed in Chapter B, Section 8, paragraph 17 are not yet well defined and lack the necessary level of granularity to be effective (see page 10 in the options paper).
- In general, the options paper does not yet recognise the need to tailor control measures to the specifics of different sector and product applications, e.g. via technical annexes.

[8] The Pew Charitable Trusts and SYSTEMIQ (2021): Breaking the Plastic Wave: A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution

Elimination criteria

Some plastic items, components, or formats are far more likely to end up in nature than others, and therefore pose a significantly higher risk to the environment. From a technological perspective, there are also certain plastic materials or products that will not be recyclable or that currently constitute contaminants in the recycling process. In addition, the use of chemical substances in the production process, specific polymers, or plastic additives may pose risks to human health and the environment. As a consequence, there is a need to create global rules under the treaty to mandate and coordinate the phasing out or phasing down of the most problematic plastic types per sector or product application.

Key messages

- Building on the examples of the Minamata Convention on Mercury and the Montreal Protocol on Substances that Deplete the Ozone Layer, the new treaty to end plastic pollution must establish binding criteria and a harmonised approach that allow governments to define what type of plastics shall no longer be placed on the market in a consistent manner.
- Based on these criteria, parties to the treaty should be required to set targets and to determine the timelines for phasing down or phasing out the use of problematic plastics and additives in specific applications.
- These criteria should take into consideration the risk of a plastic item or component ending up in nature, its potential to be recycled in practice and at scale,[9] and/or its impact on human or environmental health.
- Provisions in the treaty must complement other relevant international policy frameworks that have already established rules in these areas, for example on transboundary movements of hazardous waste or the sustainable management of chemicals.

Policy actions required

1. The elimination criteria in the treaty must help governments to establish:
    a. Plastic applications that are at high risk of ending up in nature and should be prioritised for elimination if circulation does not work in practice and at scale
    b. Material combinations and product designs that technically or economically hamper the recycling of specific waste streams
    c. Chemical substances used in the production process, specific polymers, or plastic additives that pose a significant health or environmental risk over their product lifecycle, including for workers in the informal waste sector.

2. Governments should start applying these elimination criteria by compiling an initial list of problematic plastics and additives in the form of technical annexes to the treaty, differentiated by sector and product applications that can be amended, updated, or extended over time, based on the best available scientific evidence and technological developments.[10]
3. The treaty should require countries to facilitate the coordinated implementation of targets and timelines to phase-out non-circular plastic products, and to prohibit or restrict the manufacturing, sale, or use of problematic plastics and additives in specific applications in line with these technical annexes to the treaty.

[9] We need to reduce the variety and complexity of the plastics being used in order to ensure waste streams that are consistent and recyclable, in line with a vision for a circular economy.
[10] There is already significant alignment regarding the materials, formats, and components most frequently identified as unnecessary or problematic plastic packaging –- for more details please see for example Appendix A in the pre-INC-2 submission from the Ellen MacArthur Foundation.

Business rationale

An increasingly fragmented regulatory landscape drives growing compliance costs for businesses in the plastics value chain. Aligning globally on the criteria to determine which plastic applications, material combinations, product designs, or chemical substances should be phased out, would provide businesses with more clarity and confidence to incentivise research and development efforts towards alternative solutions and to redirect their investments towards establishing recycling systems for the remaining plastics to work at scale. It would also reduce concerns about the availability and quality of recycled plastics.

How is this reflected in the INC2 options paper?

- Regarding the possible core obligation on banning, phasing out and/or reducing the use of problematic and avoidable plastic products in Section B, Chapter 2, paragraph 11 (see pages 5 and 6 in the options paper), the considerations above correspond to option (b) in combination with options (c) and (d).
- In addition, Section B, Chapter 3, paragraph 12 (a) of the option paper (see page 6) covers the complementary options (i) and (ii) for regulating chemicals and polymers of concern.
- While the Business Coalition has not yet taken a position on the specific options for increasing transparency in paragraph 12 (b), these control measures are linked to our policy recommendations on corporate transparency.
- The options paper does not yet recognise the need to tailor control measures to the specifics of different sector and product applications. This could happen via a technical annex to the treaty.

Reuse options and new delivery models

Scaling reuse options and new delivery models is a key strategy to reducing companies' material consumption, decreasing single-use plastic applications, and taking effective actions against plastic pollution.[11] The treaty represents a unique opportunity for promoting different reuse and refill models in targeted supply chains with the most significant environmental impact, in particular in the packaging sector.[12] Currently, there is a lack of clear policy frameworks to promote reuse options and new delivery models at the economic scale required. Although solutions are already available in some market segments, more consistent policy support is needed to encourage further investments into reuse and refill systems. Reuse policies need to provide realistic targets combined with effective economic incentives, definitions, and metrics to shift supply chains.

Key messages

- In the packaging sector, more stringent public policies and regulations to establish reuse and refill systems are starting to emerge for example in France, India, Chile, and Australia.[13]
- Considering the importance of cross-border trade and global supply chains, scaling reuse options and new delivery models requires harmonised definitions, measurement metrics, and design standards.

[11] The Pew Charitable Trusts and SYSTEMIQ (2021): Breaking the Plastic Wave: A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution
[12] Ellen MacArthur Foundation (2019): Reuse – rethinking packaging
[13] World Economic Forum (2022): How national policies can accelerate the shift to a reuse economy

- For establishing effective and sector-specific reuse and refill systems that can be operated across markets, investment in shared and standardised infrastructure (e.g. large scale sorting, washing facilities, shared standardised packaging) will be necessary.
- Any reuse policy or target should include provisions to avoid or limit adverse environmental impacts, such as water use or transport-related greenhouse gas emissions, when scaling different systems.

Policy actions required

1. The treaty should mandate robust and harmonised reuse definitions, metrics, and standards, with the aim of establishing the conditions needed to demonstrate sound environmental benefits.
2. Based on the above, and tailoring the approach towards different plastic applications, countries should start setting binding, quantitative, and time-bound reuse targets to be achieved by economic actors in priority product segments that would be strengthened and expanded over time through their national action plans.[14]
3. The treaty must provide guidelines to governments to facilitate a globally coordinated implementation,[15] in line with relevant WTO obligations and global standards ensuring hygiene, safety, and quality management of reuse and refill systems, and as part of an integrated approach towards waste policies.[16]
4. Governments should provide incentives and financial support to direct reuse investments from the private sector towards setting up and operating shared infrastructure and reverse logistics.

Business rationale

Individual countries and businesses alone cannot realise the shift to reuse and refill solutions at a global scale without supportive legislation applied consistently across markets. Scaling reuse options and new delivery models requires a globally coordinated approach to create the system and market conditions for supply chain cooperation, infrastructure harmonisation, and an economically viable level playing field. This will also help build consumer habits and acceptance of reuse and refill models.

How is this reflected in the INC2 options paper?

- Chapter B, Section 7, paragraph 16 mentions a possible core obligation and corresponding control measures on encouraging the reduction, reuse, and repair of plastic products and packaging (see on page 9 of the options paper).
- The Business Coalition is supportive of setting reuse targets (a), taking into account the conditions outlined above. This would include options for regulating and encouraging the reduction and reuse of plastics, in particular options (i) and (ii) under (b).
- However, this would require further work in terms of definitions, metrics, and standards for reuse systems and delivery models in the form of a technical annex to the treaty.

[14] For packaged consumer goods, a category-by-category approach to reuse and refill systems will be needed, recognising the differences between food, beverages, personal care, and household products.
[15] More details could be developed in the form of a technical annex to the treaty.
[16] UNEP/ ISWA (2015): Global Waste Management Outlook, page 31

CIRCULATION of all plastic items that cannot be eliminated

While each topic mentioned in this section requires specific policy actions, it is important to note that only a holistic and integrated approach can successfully promote the effective and safe circulation of materials. This starts with linking mandatory product design requirements to effective mechanisms to establish, operate, and expand waste collection and recycling systems at the same time as developing markets for the use of recycled plastics and protecting the livelihoods, health, labour, and human rights of all people involved in the plastic value chain, with specific recognition of workers in the informal sector.

Product design and recycling systems

The treaty should focus on matching product design standards with corresponding systems for the mechanical recycling of plastics as a priority, while promoting other end-of-life pathways only as complementary approaches when proven to be effective in diverting plastics that are not mechanically recyclable from landfill, incineration, or waste-to-energy.[17] Plastics that will not meet the above-mentioned standards, or that will not be considered to be recyclable in practice and at scale by a certain target date, must eventually be phased out.

Key messages

- Policy actions on product design must be aligned with the need to reduce plastic production and use through a circular economy approach. Policy should support efforts on elimination, reuse, and waste minimisation through longer product lifetimes, in line with the waste management hierarchy[18].
- Compliance with globally harmonised standards is the key to ensure that plastics are safe to be made, used, reused, and recycled.
- Matching harmonised design requirements for plastic materials and products with the setting up and scaling of infrastructure and systems for their after-use recirculation is a prerequisite to keep them in the economy at their highest value for as long as possible.
- The treaty should adopt a start-and-strengthen approach, focusing first on plastic products that have high-leakage rates and/or are short-lived, such as packaging or apparel, while adding other sectors and plastic applications over time.

Policy actions required

1. The treaty should identify and prioritise high-impact sectors and plastic applications based on existing data[19] to develop mandatory product design standards while setting obligations to establish the corresponding collection, sorting, and recycling systems.
2. The treaty should mandate the development of binding sector-specific product design requirements based on harmonised criteria[20] and listed in a technical annex to the treaty with

[17] European Commission (2023): Environmental and economic assessment of plastic waste recycling
[18] UNEP/ ISWA (2015): Global Waste Management Outlook, page 31
[19] OECD (2022): Global Plastics Outlook
[20] The first step is to ensure that products containing plastics are 'designed for recycling' or 'technically recyclable'. Many guidelines already exist for this, and while they have some differences, they are broadly aligned across the world. Currently, these voluntary guidelines focus mostly on packaging items. A few examples include: The Consumer Goods Forum Golden Design Rules, The Association of Plastic Recyclers (APR) Design Guide, China National Resources Recycling Association: 'General guidelines for the evaluation of plastics products', Indian Plastic Pact Design Guidance, Australian Government: National Plastics Plan, and Plastics Recyclers Europe RecyClass Guidelines.

a focus on enabling and scaling mechanical recycling. The treaty should include provisions for when products within scope must be redesigned to become compliant with the design requirements to be 'technically recyclable', noting that this alone will not ensure 'recycling in practice and at scale' (see policy actions 3–5).

3. Under the treaty, all governments must be required to set national targets and standards for the collection, sorting, and recycling[21] of all plastics, starting with high-impact sectors and applications.
4. The treaty should establish common global rules on how to account for the international trade of both plastic products and waste:[22] (1) when products are shipped to a country where a suitable (mechanical) recycling system does not yet exist at the scale needed, and (2) when plastic waste requires processing in a third country to achieve the national targets mentioned above.
5. On packaging specifically, all governments must set clear minimum requirements for all packaging put on market to be 'technically recyclable' by a certain date and to be 'recycled in practice and at scale'[23] by a later date. Countries should agree on some flexibility regarding the timelines for achieving their targets, but the treaty should define clear global and regional thresholds when a 'technically recyclable' plastic product is to be assessed as being 'recycled in practice and at scale', or identified to be phased out if no sufficient recycling infrastructure is ultimately built.

Business rationale

By taking a more harmonised and mandatory approach towards 'design for recyclability' and by ensuring that plastic materials are 'recycled in practice and at scale', the treaty will improve the economics and quality of plastics recycling. Such regulations would give a clear signal to the private sector to align their innovation strategies and investment plans accordingly. Businesses should be encouraged to use the materials that are easiest to recycle and result in high-value recycled plastics. Recyclers would benefit from receiving a finite set of materials of known quality and composition to be able to sort and reprocess them to be used again. The treaty will help businesses reduce operational complexity, and manage compliance risks and costs across markets, including through more effective Extended Producer Responsibility (EPR) schemes.

How is this reflected in the INC2 options paper?

- The Business Coalition supports the possible core obligation to foster design for circularity as listed in Chapter B, Section 6, with reference to the options (a) to (c) in paragraph 15 as potential control measures (see on page 9 of the options paper).

[21] Recycling must generate recycled plastics as outputs that can be incorporated into new products, excluding waste-to-energy or plastics-to-fuel technologies and processes.
[22] In line with other international agreements such as the Basel Convention Plastic Waste Amendments
[23] This 'in practice and at scale' approach is already used by more than 130 large businesses in the Global Commitment to assess the recyclability of their plastic packaging portfolio in a 2025 timeframe. The recyclability of a packaging design is proven 'in practice and at scale' only if that packaging achieves a 30% post-consumer recycling rate in multiple regions, collectively representing at least 400 million inhabitants. The EU proposal for a Packaging and Packaging Waste Regulation (PPWR) also acknowledges the need to go beyond just design for recycling. It sets an objective for all packaging to be recyclable 'at scale' by 2035, meaning packaging is collected, sorted, and recycled through infrastructure covering at least 75% of the European Union's population.

- This should be combined with the application of harmonised product design standards, certifications, and requirements for certain plastic products and packaging as mentioned in Chapter B, Section 7, paragraph 16, option (iv) with regard to potential control measures on encouraging the reduction, reuse, and repair of plastic products and packaging (see on page 9 of the options paper).
- Chapter B, Section 5, paragraph 14 (b), option (iv) establishes indicators and obligations for plastic waste collection, sorting, and recycling, especially at the national level (see page 8 of the option paper). This option requires further substantiation and specifications to become an effective control measure in the treaty in line with the recommendations above.
- Governments must further consolidate and align on options related to the transboundary movements of plastic waste mentioned in paragraph 14 (c), notably options (iv), (v) & (vi).
- To achieve plastic recycling 'in practice and at scale', additional control measures must be defined in the treaty.
- These must be tailored to the specifics of different sector and product applications, eg. via technical annexes.

EPR and DRS

Governments must enhance regulatory mechanisms to ensure dedicated, ongoing, and sufficient funding for the collection and treatment of plastics, including through the adoption of mandatory, well-designed, and fee-based 'Extended Producer Responsibility' (EPR) schemes. The integration of EPR policy instruments into national legislation should be linked to clear objectives to promote a circular economy such as the prevention of consumer waste, eco-design of products and packaging, and the financing of waste collection in collaboration with municipalities, local communities, and if relevant, the informal sector. Almost two-thirds of total plastic waste comes from applications with "in-use lifetimes" below five years: packaging (40%), consumer products (12%), and textiles (11%).[24] EPR policies should help address these sectors with a sense of urgency.

Key messages

- Sufficient funding for scaling up waste collection, sorting, and recycling systems worldwide is unlikely to come from public budgets or voluntary industry contributions at the required scale or on a continuous and reliable basis.[25]
- Mandatory, fee-based EPR schemes that require all companies who introduce certain products or packaging to the market to pre-fund their eventual collection and treatment, are a well-established policy tool in many different countries and sectors. In the context of plastic waste, EPR regulations have already been implemented for packaging, consumer electronics, tyres, and end-of-life vehicles,[26] but are also gaining momentum for textiles[27] and fishing gear.[28]

[24] OECD (2022): The current plastics lifecycle is far from circular
[25] Ellen MacArthur Foundation (2021): EPR as a necessary part of the solution to packaging waste and pollution
[26] OECD (2016): Extended Producer Responsibility – Updated Guidance for Efficient Waste Management
[27] Ellen MacArthur Foundation (2022): Extended Producer Responsibility for textiles
[28] IUCN (2021): Position paper: Advocating Extended Producer Responsibility for fishing gear

- Deposit Refund Systems (DRS)[29] have proven effective in increasing collection rates and reducing littering of products such as beverage containers, and can be adapted to other product categories. Placing a value on returning products helps operators to collect a higher quantity and quality of materials for reuse, recycling, or environmentally sound disposal.[30]
- EPR, DRS and associated compliance measures are key elements of a robust regulatory framework in which the responsibility, investments, and operational costs for the circulation and after-use management of plastic products are shifted, partly or fully, to the producing or importing industry.[31]

Policy actions required

1. The treaty should define key principles and criteria for the design and implementation of EPR and DRS policies at the national level, ensuring a harmonised approach across countries, while acknowledging different starting points in their regulatory development.
2. Establishing and enforcing effective and well-designed EPR systems in line with these globally harmonised principles and criteria should be mandatory under the treaty: All countries would be required to either develop new or align their existing EPR regulations to reduce the amount of mismanaged waste, and promote circular economy solutions, starting with priority sectors such as packaging.[32]
3. Fee-based mandatory EPR policies can be complemented by DRS, either as part of a larger EPR scheme or as a tool for phasing in return obligations for specific packaging or product categories that allow countries to build up the relevant reuse or recycling infrastructure.[33]
4. Technical annexes to the treaty could define the scope of covered materials, activities, and targets; the roles and responsibilities of different stakeholders (such as Producer Responsibility Organisations who administer EPR systems, waste management service providers, and informal waste workers); as well as reporting, monitoring, and enforcement mechanisms.[34]
5. A global EPR hub could be established or mandated under the treaty to provide the necessary support for governments to establish the legislative framework, and facilitate knowledge exchange across industries and countries on the development of socially inclusive, harmonised, and transparent systems.

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[29] A Deposit Refund System (DRS) is a policy instrument that requires customers to pay a deposit when purchasing a product that is subsequently refunded at its return to a collection point.
[30] Well-designed DRS for beverage containers will typically provide collection rates of >90%, effectively reducing littering and providing a high volume and high-quality material stream for reuse and recycling. For more details see OECD (2022): Deposit-refund systems and the interplay with additional mandatory extended producer responsibility policies.
[31] WWF (2019): Extended Producer Responsibility (EPR) For Plastic Packaging
[32] Extended Producer Responsibility (EPR) policies come with a long list of benefits, including, but not limited to, internalising costs, supporting better design of products, higher collection and recycling system efficiency, and increased transparency of material and financial flows. (EMF 2021)
[33] Deposit Return Systems (DRS) can help to reduce littering and to collect a higher quantity and quality of materials for reuse or recycling by placing a value on returning a product or packaging item, such as beverage containers. (OECD 2022)
[34] EPR is a policy tool already widely supported by the industry, with existing guidelines for the establishment of optimal EPR schemes in particular for packaging, including guiding principles for eco-modulation of fees – see for example: American Beverage Association (2020): Essential Principles for a Successful Circular Collection System; Consumer Goods Forum (2020): Building a circular economy for packaging (2020); Consumer Goods Forum (2022): Guiding principles for the Ecomodulation of EPR fees for packaging

Business rationale

A level playing field and a basic level of global harmonisation for the implementation of EPR and optional DRS policies will result in operational and economic benefits for businesses. This would include multinational corporations dealing with different regulatory systems in many countries, as well as SMEs who may engage in some international trade, but do not have the resources and capacity to screen and manage compliance risks across markets. Businesses have recognised mandatory EPR as a necessary part of the solution to meet their circular economy commitments, such as scaling the collection and recycling of plastic packaging.[35]

How is this reflected in the INC2 options paper?

- Options for promoting EPR and enabling a market for recycling are listed in Chapter B, Section 5, paragraph 14 (d) – see on page 8 in the options paper.
- The Business Coalition recommends establishing a legal definition of EPR in the treaty, and supports option (iii) to establish EPR systems, taking into account national circumstances. However, neither voluntary action plan programmes nor a set of non-binding guidelines would ensure the consistent and effective implementation of EPR systems.
- There is also a generic reference to EPR schemes, deposit return schemes and product take-back in Chapter B, Section 7, paragraph 16, option (v) to encourage the reduction and reuse of plastic products that require further specifications.
- Finally, Chapter C, Section 1, paragraph 24, option (e), subitem (ii) provides a description of an EPR system as a financing mechanism to help governments to implement the treaty. However, this text still leaves a lot of ambiguity and needs to be strengthened (see page 14 in the options paper).
- Governments should add more specific control measures to support EPR and DRS policies and recognise the need to tailor control measures to the specifics of different sector and product applications.

Recycled plastics

'Recycled plastics' refer to the output of the recycling process that could be used for the manufacturing of new plastic products. To reduce virgin plastic production and use under the treaty, policy support is needed to increase the availability, quality, and competitiveness of recycled plastics. This requires massive efforts to mobilise and stimulate public and private investment to scale collection and recycling of plastics at the same time as developing markets for recycled plastics. Plastic materials and products that are not recyclable, including additives hampering the recycling process or negatively impacting the safety and quality of recycled materials, should be restricted through harmonised elimination criteria and mandatory design standards.[36] Given the complex reality of global value chains, the treaty can also play an important role in aligning trade policies and facilitating the use of recycled plastics.[37]

[35] A call for the implementation of Extended Producer Responsibility schemes for packaging, endorsed by more than 100 leading businesses (2021)
[36] Taking into account regulatory requirements that prohibit recycling for example because of hygiene or safety reasons
[37] WTO – Informal dialogue on plastic pollution and environmentally sustainable plastics trade: Ministerial statement, 10 December 2021

Key messages

- Investment in technologies that would allow for the safe use of recycled plastics in various material and product applications is key. It is critical that regulators recognize the hierarchy of differing quality standards required across industries, for example in medical or food packaging, in contrast to household goods, automotive, textiles or construction applications. Collection and sorting processes that enable high quality mechanically recycled plastics should be prioritised.
- A clear global strategy is needed to close the price gap between virgin and recycled plastics and increase the volume and quality of recycled plastics. This needs to come with a clear imperative to foster closer material loops and reduce downcycling, allowing recycled plastics to replace virgin plastics in similar applications.
- It requires a combination of supply- and demand-side policies: For example, EPR legislation can incentivise appropriate product design and infrastructure development to increase the supply of high quality recycled plastics, while recycled content requirements create important market signals to increase demand for recycled plastics in specific segments of the economy.[38]

Policy actions required

1. The treaty should establish a common methodology, or mandate an international standard, to define recycled plastics, determine quality of recyclates, and manage harmonised limits on the presence of problematic chemicals.
2. The treaty should address current trade barriers for recycled plastics and encourage governments to resolve them by aligning domestic market regulations and border management measures, as well as defining the 'end-of-waste status' for outputs of the recycling process.[39]
3. Based on the above, governments should set targets for minimum recycled plastic content in specific applications and product categories[40], and create the right enabling conditions for the sectors to meet this target, especially for food-related applications.
4. In addition, governments should harmonise national regulations that recognise which technologies will produce specific quality levels of recycled plastics (i.e. meeting contact sensitive / food contact requirements), and determine the permitted use of these materials to meet the recycled content targets mentioned above.

Business rationale

Businesses are committed to incorporating more recycled plastics in their products. However, they currently face multiple challenges in terms of costs, supply availability, and quality levels of recycled plastics. Governments can address these challenges by creating a regulatory level playing field for all economic operators to support investments in recycling infrastructure at the scale and quality required, to redesign their plastic products and packaging based on harmonised standards for recyclability and quality, to facilitate access to and trade of recycled plastics, and to close the price

[38] OECD (2022): Global Plastics Outlook: Policy Scenarios to 2060
[39] Facilitating the implementation of other international agreements such as the Basel Convention Plastic Waste Amendments
[40] Verification of recycled plastics content in products on an item-per-item basis is not technically feasible. Therefore, measurements on a portfolio average basis should be accepted to meet recycled plastic content requirements. Portfolio averaging should also be considered on a geographic basis, so that producers have the ability to measure compliance on a regional scale instead of national jurisdictions.

gap between virgin and recycled plastics. These policy enablers would then allow the private sector to scale their own investments into research, development, and technological innovation to improve the quality of recycled plastics and to facilitate their incorporation into a broad range of new products.

How is this reflected in the INC2 options paper?

- As part of the options for promoting EPR and enabling a market for recycling in Chapter B, Section 5, paragraph 14 (d), the Business Coalition supports option (i) on adopting measures to strengthen the demand for secondary plastics (see page 8 in the options paper).
- However, the related control measures in the treaty must be further detailed, and could be linked to the option mentioned in Section 6, paragraph 15 (e) on setting targets for the required minimum recycled content of plastic products on the market, provided that the treaty puts the conditions in place as outlined in the necessary policy actions aforementioned.
- In general, the options paper does not yet recognise the need to tailor control measures to the specifics of different sector and product applications.

Informal sector

Workers in the informal sector play a significant role in the recycling economy – collecting and sorting as much as 60% of the total plastic waste that is recycled globally. Nonetheless, they remain an often marginalised group in society who are vulnerable to a broad range of severe human rights and health impacts. There has been very limited recognition of, and engagement with, workers in the informal sector to date. However, efforts to manage plastic waste and pollution globally will inevitably impact them. Governments and businesses must foster effective social dialogue among all groups impacted.[41]

Key messages

- Effective policies to increase the collection and recycling of plastic waste, as well as to promote a shift to alternative product delivery systems, require a key role for workers in informal or cooperative settings who link the service chain (collection) to the value chain (reuse and recycling) in many countries.
- The treaty must recognise the contribution of the informal waste workers and ensure their inclusion as important stakeholders at all governance levels from international to local policy-making processes.[42]
- The treaty must include provisions to protect and respect the livelihoods, health, labour, and human rights of informal waste workers and enable a safe and just transition[43] to a circular

[41] International Alliance of Waste Pickers (2022): GlobalRec seeks meaningful participation of waste pickers in the first negotiations of Plastics Treaty in Uruguay
[42] Call for Recognition of Waste-pickers in International Legally Binding Instrument on Plastics Pollution
[43] A just transition is defined as ending plastic pollution in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. (Tearfund, Pre-INC2 submission, 12 January 2023)

economy, while putting a strong emphasis on living wages, safety and health at work, child labour prevention and access to education and the prevention of forced labour.
- Provisions on the elimination of problematic plastics and product design requirements must take the current reality of the informal waste sector in many countries into account, and ensure that their workers will benefit from the regulatory changes driven by the treaty.

Policy actions required

1. The informal waste sector should be explicitly recognised in the treaty negotiation process and associated decision-making at the regional, national, or local levels. Formal mechanisms to support informal workers' participation and active engagement must be established.
2. The treaty must provide mechanisms for national governments to support a just transition for all people involved in the plastics value chain, recognising regional and national circumstances.
3. The treaty should promote opportunities for the greater integration of the informal waste sector within formal value chains, including investments to build capacity, resilience, and self-organisation, informed by the views of informal sector workers themselves.[44] This should include the development and establishment of national standards that empower the informal sector workers to operate within existing or emerging regulatory systems, such as EPR.[45]
4. The treaty should require businesses to report on their engagement with workers from the informal waste sector, in line with the UN's Guiding Principles on Business and Human Rights[46] and the Fair Circularity Principles.[47]

Business rationale

Informal waste workers will keep on playing a critical role in facilitating the collection, sorting, and recycling of plastic waste and other materials. Without sound traceability and documentation, public and private funding of these activities won't reach the informal sector in the form it is intended to. With a more reliable policy framework in place, businesses can better support the collaboration of informal waste workers with more formal value chains at the same time as addressing human rights impacts and improving the effectiveness of current collection and recycling systems.

How is this reflected in the INC2 options paper?

- Regarding a possible core obligation and related control measures to facilitate a just transition, including an inclusive transition of the informal waste sector (see page 12 in the options paper), and as outlined in Chapter B, Section 11, paragraph 20, the Business Coalition welcomes the intention to develop such a chapter as part of the treaty and is generally supportive of options (a), (c) and (d), without having developed detailed positions on any of these options at this stage.

[44] UN Habitat & NIVA (2022): Leaving no one behind
[45] These national standards should facilitate, inter alia, the development of collection and sorting infrastructure, which will allow informal waste workers to collect materials in better technical and sanitary conditions; the development of new recycling and reuse channels that generate plastic materials recoverable by the informal sector, allowing them to increase their commercialisation; and the collaboration with local authorities and associations to develop professionalisation and social welfare programmes. For more information see also The Global Alliance of Waste Pickers Position on EPR and the common position paper of Producer Responsibility Organisations on 'Integrate Extended Producer Responsibility within the International Plastics Treaty'.
[46] UN Guiding Principles on Business and Human Rights
[47] Fair Circularity Principles

- In line with the recommendations above, we suggest developing further details on these options in close consultation with representatives of informal sector workers, taking national and regional differences into account.

PREVENTION and REMEDIATION of remaining, hard-to-abate micro- and macro-plastic leakage into the environment

Waste management

Under a business-as-usual scenario, global plastic waste will rise from 353 Mt in 2019 to 1,014 Mt in 2060. Short-lived applications, such as packaging and apparel, will drive this increase, as well as construction activities in emerging economies. In parallel to scaling reuse solutions and recycling systems, it will be necessary to reinforce environmentally sound and safe practices to manage residual waste. Unless additional policy measures are adopted and enforced, a further increase in mismanaged plastic waste of up to 270 Mt/year by 2060 is expected.[48]

Key messages

- In line with the waste management hierarchy,[49] policy efforts should prioritise waste prevention and minimisation. As well as increasing collection rates for both recyclable and non-recyclable plastic waste, countries must also put better controls in place on what happens to this waste after it is collected.
- The treaty should mandate national governments to prohibit certain waste management practices as a matter of priority and make sure that these are replaced with systems that eliminate or reduce plastic leakage into the environment.
- The treaty must provide mechanisms to support countries to transition away from landfill, incineration, and plastic waste-to-energy technologies and towards implementing locally relevant circular solutions over time, including through the use of economic instruments and financial mechanisms.

Policy actions required

1. The treaty should establish a competence centre and collaborative platform to support the implementation of effective municipal waste management systems tailored to national and local conditions, ensuring high collection and recycling rates, while minimising plastics being littered, landfilled, or incinerated.
2. Countries must commit under the treaty to strengthen their waste management governance and to improve their citizens' access to a clean, healthy, and sustainable environment, which includes adequate and harmonised waste management infrastructure for the safe disposal of plastics.[50]
3. The treaty must establish minimum requirements for the safe and controlled operation of landfill facilities and incineration technologies that minimise emissions and releases of pollutants to water, land, and air. The treaty should also mandate that national governments

[48] OECD (2022): Global Plastics Outlook: Policy Scenarios to 2060
[49] UNEP/ ISWA (2015): Global Waste Management Outlook, page 31
[50] IDB (2023): Sostenibilidad financiera de la gestión de residuos sólidos en América Latina y el Caribe

ban the most harmful practices such as open dumping, burning of plastic waste and unmanaged landfills.

4. The treaty should coordinate global efforts to address the damage caused by ongoing and legacy plastic pollution, protecting the most affected and vulnerable communities and ecosystems, including through mobilising support for clean-up and remediation activities in pollution hotspots, both in locations within and beyond national jurisdictions.

Business rationale

Increasing amounts of mismanaged waste and plastic leakage into the environment are not just a reputational risk for companies involved in the plastics value chain, they also present a material financial risk. With governments increasingly looking to make polluters pay the real cost of waste management, companies may be required to contribute via higher fees or taxes for landfill or incineration of plastics. Minimising the waste management fees or taxes is an important incentive to reduce volumes of non-recyclable plastic waste, and to promote circular solutions like reuse and high-quality recycling.

How is this reflected in the INC2 options paper?

- Regarding a possible core obligation to strengthen waste management, the option paper currently contains a limited and not well-defined set of options in Chapter B, Section 5, paragraph 14 (see pages 7 and 8) that should be significantly expanded and strengthened in line with the recommendations above.
- The Business Coalition is broadly supportive of the options for regulating plastic waste (b), and of the options related to the illegal dumping and disposal of plastic waste (c), in particular options (i) and (ii). However, the exact scope and details of each control measure still need to be clarified.
- The Business Coalition welcomes a possible core obligation and related control measures to address existing plastic pollution as listed in Chapter B, Section 10, paragraph 19, in particular option (b) (ii) for sector-/context-specific measures (see page 11 in the options paper).

Microplastics

To design effective policy measures, the treaty should target all major types of microplastics and cover the full diversity of different sources of pollution:[51]

- **Plastic pellets, flakes, and powders:** Microplastics produced for use in the manufacturing of plastic products.
- **Intentionally added primary microplastics:** Microplastics purposefully designed to be small in size for their application and use, such as in cosmetics or abrasive scrubbers.

[51] Nordic Council of Ministers (2022): Addressing Microplastics in a Global Agreement on Plastic Pollution – Please note that in our view the definitions used in this report facilitate the definition of targeted and effective policy actions under the treaty for each of the four categories of microplastics.

- **Use-phase secondary microplastics:** Microplastics originating from the degradation and weathering of plastics during use, with the majority coming from sources such as paint, tyre abrasion, and textile shedding.[52]
- **Degradation-based secondary microplastics:** Microplastics originating from the degradation and weathering of larger pieces of plastics after they have been deposited in landfills or when lost in the environment. This category also includes microplastics generated unintentionally in the recycling sector.

Microplastics and nanoplastics are now commonly found across marine food chains and they have increasingly been found in animals throughout the food chain, including humans.[53] While releases can be reduced with appropriate measures on certain sources, it is impossible to prevent microplastic releases from all plastic products.[54]

Key messages

- Microplastics should be defined under the treaty in a manner which enables the full diversity of microplastics to be captured (see above).
- While microplastics may need to be treated as a distinct category of plastic pollution under the treaty, warranting specific control measures, the principles of producer responsibility should hold across all types of macro- and micro-plastic pollution.
- Similar to macroplastics, a combination of different control measures should be taken into account to support governments in their efforts to significantly reduce the release of microplastics, including the potential for the phasing out or phasing down of problematic uses or products, and targeting the production, safe design, use, and waste management stages of the ones that cannot be eliminated or substituted.

Policy actions required

1. The treaty should mandate globally applicable standards and requirements for the transport, storage, trade, and stockpile management of plastic pellets, flakes, and powders.
2. The treaty must define what constitutes 'intentionally added microplastics' to enable and harmonise approaches to phase out their production, use, and trade globally, as well as establish clear functions and additional requirements for applications that may be subject to exemptions.
3. The treaty must develop technical annexes to establish harmonised rules for priority product categories such as paints, tyres, and textiles that are known to release the majority of 'use-phase secondary microplastics' in order to prevent or reduce the release of these particles into the environment.[55]

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[52] IUCN (2017): Primary Microplastics in the Oceans: A Global Evaluation of Sources – Please note that this report defines 'primary microplastics' as all plastics directly released into the environment in the form of small particulates, including both an intentional addition to products and when they originate from the abrasion of larger plastic objects during production, use, or maintenance.
[53] Tekman, M. B., Walther, B. A., Peter, C., Gutow, L. and Bergmann, M. (2022): Impacts of plastic pollution in the oceans on marine species, biodiversity and ecosystems, 1–221, WWF Germany, Berlin. Doi: 10.5281/zenodo.5898684.
[54] Nordic Council of Ministers (2022): Addressing Microplastics in a Global Agreement on Plastic Pollution
[55] The knowledge of microplastics and their impacts on the environment and on human health, including methodologies for their detection and control, is constantly evolving. Therefore, these annexes to the treaty should be regularly updated to ensure that harmonised global rules reflect best scientific knowledge and practices.

4. The treaty should mandate the increased use of existing technologies to establish effective micro-filtration processes at defined points for emission control such as textile production plants, washing machines, storm drainage systems, and combined wastewater treatment plants.

Business rationale

Scientific evidence about health impacts linked to microplastic pollution is constantly evolving.[56] If governments establish a dedicated framework of policy actions with clear timelines for their implementation, businesses can innovate and invest in alternatives preventing or limiting the release of microplastics into the environment.

How is this reflected in the INC2 options paper?

- Regarding the possible core obligations to reduce microplastics, the recommendations from the Business Coalition above correspond to option (a) for addressing intentional use and include all options under (b) for addressing unintentional releases as listed in Chapter B, Section 4, paragraph 13 on page 7 in the options paper.
- For all these options, technical requirements and specifications need to be developed in the form of potential annexes to the treaty. In general, the options paper does not yet recognise the need to tailor control measures to the specifics of different sector and product applications.
- In addition, Chapter B, Section 9, paragraph 18 also contains some options for control measures related to the possible core obligation to eliminate the release and emission of plastics to water, soil, and air that are related to the challenges of tackling microplastic pollution (see on page 11 in the option paper).

[56] The Minderoo-Monaco Commission on Plastics and Human Health

CROSS-CUTTING ISSUES

Economic instruments and financial mechanisms

Governments must shift regulatory and financial incentives to make the economics work for circular solutions. Businesses need strong pricing signals to stimulate the necessary innovation, investment, and consumer choice in support of the objectives of the global plastics treaty. Based on our recommendations for the treaty to support Extended Producer Responsibility (EPR) policies, the Business Coalition supports the concept of every plastic material producer paying upfront the costs for its after-use recirculation.[57]

Key messages

- Policymakers should seize an important opportunity to better reflect the carbon content of plastics by strengthening greenhouse gas pricing mechanisms and creating synergies with achieving national net-zero climate targets.[58]
- The use of revenues from any financial mechanism established under the treaty is key, in particular for scaling systems and infrastructure for collection and sorting, reuse and recycling as well as residual waste management in developing economies. Bringing together development and commercial investors can help de-risk investments by the private sector.
- Revising the World Customs Organisation's 'Harmonized Commodity Description and Coding System' would allow governments to differentiate trade incentives and penalties according to countries' capabilities to process, circulate, and/or safely dispose of different types of plastic products and materials.

Policy actions required

1. Governments should remove harmful subsidies and/or impose levies specifically linked to fossil-fuel based polymer production and align on how to use these economic instruments to generate funds that are dedicated to support the specific objectives of the treaty.
2. In addition to well-designed EPR policies, governments should make use of other policy instruments such as public procurement or tax depreciation rules for investments. Economic incentives should target different economic agents, starting with differentiating disposal fees for recyclable and non-recyclable waste, pay-as-you-throw schemes, landfill, or incineration taxes.[59]
3. Building on the example of the Paris Climate Agreement, the treaty must require making both public and private financial flows consistent with a pathway towards ending plastic pollution and promoting the safe circulation of plastics.
4. As part of a dedicated financial mechanism supporting countries' efforts to end plastic pollution, public funding needs to be leveraged to mobilise private capital to support the implementation of the global plastics treaty, e.g. through pooled or blended finance solutions.
5. Governments should commit themselves in the treaty to coordinate their trade policies (via the WTO mechanisms, as well as regional and bilateral trade agreements), with the goal of

[57] Consumer Goods Forum (2022): Guiding Principles for the Ecomodulation of EPR Fees for Packaging

[58] This would also support efforts by non-state actors to take rigorous and immediate action to halve global greenhouse gas emissions by 2030 in line with their commitments made under the Race to Zero – Climate Champions campaign.

[59] OECD (2022) Synergies and trade-offs in the transition to a resource-efficient and circular economy | OECD Environment Policy Papers, page 14

differentiating both domestic market regulations and border management measures for circular and non-circular materials and goods.

Business rationale

The current regulatory and financial incentives are hardwired to support a predominantly linear take-make-waste economy for plastics, in which the costs of pollution are outsourced as externalities. To drive business investment in circular solutions, a fiscal framework that levels the playing field for the reuse and recycling of plastics and aligns with next generation trade policies is critical.

How is this reflected in the INC2 options paper?

- The Business Coalition supports the rationale for introducing market-based measures such as price-based measures or removal of fiscal incentives as listed in Chapter B, Section 10, Subitem (c) on page 5 of the options paper.
- Without having developed detailed positions on the options listed in Chapter C, Section 1 on financial assistance, the Business Coalition welcomes the call for 'new, additional, stable, accessible adequate, timely and predictable flows of financial resources' to support the implementation of the treaty (see on page 13 and 14 in the options paper), in particular the proposal in option (e) to explore innovative and other financing opportunities.

Monitoring and reporting

The treaty has a key role to play in improving transparency on plastic flows through the economy, including what is placed on the market either domestically or via international trade, and what has been collected for reuse or recycling, incinerated, or been disposed of in landfills. Harmonised data on plastic production, usage, and waste management can give both governments and businesses important information to support circular economy solutions. The treaty should encourage greater business transparency, building on existing frameworks and standards.

Key messages

- An approach that builds on the recently agreed on Target 15 of the Kunming-Montreal Global Biodiversity Framework[60], and relies on harmonised reporting standards for the private sector and governments is needed to better understand the risks, opportunities, and impacts related to plastic pollution.
- Corporate disclosures should feed into the overall assessment of progress towards the objectives of the treaty.
- This must be complemented with standardising basic data collection and reporting by governments to assess progress on the implementation of the treaty, allowing them to set gradually higher targets and benchmarks, for example with regard to the collection and recycling of plastics.
- The treaty should strengthen the reliability, consistency, and comparability of plastic-related disclosures by large and/or transnational companies and financial institutions, taking lessons

[60] Convention on Biological Diversity (2022): Nations Adopt Four Goals, 23 Targets for 2030 In Landmark UN Biodiversity Agreement at COP15

learned from other multilateral processes into account, and building on the growing consensus that has emerged over the last decade.[61]

Policy actions required

1. The treaty must establish clear steps to create an effective monitoring and reporting system for governments to track progress towards national and global objectives.
2. To support this, the treaty should also outline the principles for how corporate information on risks, opportunities, and impacts related to plastic pollution should be considered.
3. This requires a mechanism to (i) track corporate progress on commitments and targets for plastic pollution reduction; (ii) track government progress on national collection and recycling rates, (iii) independently verify progress; and (iv) link it to the global and national targets under the treaty.[62]
4. The treaty should require plastic-related disclosures by large and/or transnational companies and financial institutions, and ensure reporting takes place in a harmonised and coherent way by building on the current development of the International Sustainability Standards Board (ISSB)[63] and the European Sustainability Reporting Standards (ESRS),[64] as well as voluntary disclosure frameworks such as the New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation and UNEP.[65]

Business rationale

The desire from policymakers, civil society, and other key stakeholder groups to hold large companies and financial institutions to account for their impact on plastic pollution and their contribution to the solutions will only increase as negotiations advance. The treaty can help improve and standardise the way governments want businesses to report on plastics. This must be combined with the way governments themselves track and report progress, and enable both to effectively tackle their plastics footprint and implement circular solutions in line with globally agreed objectives. Facilitating more reliable, consistent, and comparable plastic-related disclosures can also help businesses and investors effectively allocate capital towards activities with improved environmental outcomes, while supporting governments in their efforts to measure progress and improve compliance with the treaty.

How is this reflected in the INC2 options paper?

- Regarding national reporting, part of the recommendations from the Business Coalition above are captured in Chapter D, Section 2, paragraph 31 (see page 18 in the option paper).

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[61] Including, for example, the acknowledgement of the importance of corporate sustainability reporting in paragraph 47 in the outcome document 'The Future We Want' of the UN Conference on Sustainable Development (Rio +20), the Sustainable Development Goals – Target 12.6, and the UN Guiding Principles on Business and Human Rights.

[62] WBCSD (2023): Pre-INC2 submission on potential options for elements towards an international legally binding instrument to end plastic pollution

[63] IFRS: International Sustainability Standards Board

[64] EFRAG: First Set of draft European Sustainability Reporting Standards (ESRS)

[65] In an effort to accelerate wider global harmonisation and adoption of plastic-related reporting, CDP, Ellen MacArthur Foundation, Minderoo, and Pew Charitable Trusts are now working together to expand CDP's global environmental disclosure system to include plastics. For more information, please see the joint Pre-INC2 submission of these organisations that focuses on how national and corporate reporting can reinforce each other.

- Without having developed detailed positions on any of the options listed, the Business Coalition welcomes in particular options (i) and (iii) in relation to the submission of reports on the implementation of the treaty (a), and option (i) on a harmonised format of these reports.
- In addition, the Business Coalition supports the options with regard to the periodic assessment of the progress of implementation and effectiveness evaluation as outlined in Chapter D, Section 4, paragraph 33 (see pages 20 and 21 of the options paper).
- Currently, these options for governmental reporting and monitoring of progress are not clearly linked with transparency and disclosure requirements for the private sector under the treaty. Chapter E, Section 2, paragraph 35 lists potential options for mechanisms related to the exchange of information, including sub-item (iv) that references the need to build on existing voluntary initiatives (see page 22) but without mentioning the need for harmonised reporting standards.