The U.S. Plastics Pact Frequently Asked Questions

July 2020





Section 1: About the U.S. Plastics Pact

What is the U.S. Plastics Pact and how is it being organized?

The U.S. Plastics Pact ("U.S. Pact") will bring together companies, government entities, nongovernmental organizations (NGOs), researchers, and other stakeholders who will work collectively toward a <u>common vision</u> of a circular economy for plastics, as outlined by the Ellen MacArthur Foundation's New Plastics Economy. This vision aims to ensure that plastics never become waste by eliminating the plastics we do not need, innovating to ensure that the plastics we do need are reusable, recyclable, or compostable, and circulating all the plastic items we use to keep them in the economy and out of the environment. It is a massive undertaking and requires the collective action of all stakeholders throughout the supply and value chains toward measurable progress in just five short years.

By bringing together all stakeholders and driving collaborative action, the U.S. Pact will deliver a step change toward a circular economy, enabling companies and governments in the U.S. to collectively meet impactful goals by 2025 that they could not meet on their own.

The U.S. Pact is a collaboration among the Ellen MacArthur Foundation, World Wildlife Fund ("WWF"), and The Recycling Partnership. The Recycling Partnership is the lead coordinating entity and has formed U.S. Plastics Pact LLC ("LLC"), a subsidiary of The Recycling Partnership, to manage the U.S. Pact. The LLC is working in partnership with WWF and the Ellen MacArthur Foundation to administer the daily workings of the U.S. Pact.

Over the next few months, we will be working together to fully capture the great work already happening in the U.S. toward plastics circularity as well as identify additional needs for our unique geography. For more information specifically on this please see question below: "What role will the U.S. Pact play in relation to other, existing initiatives?"

Are there other plastics pacts and how are they managed?

The U.S. Pact will join a <u>network of Plastics Pacts</u> around the world as part of the Ellen MacArthur Foundation's New Plastics Economy initiative that all share one common vision: aiming to change the way plastics are designed, used, and reused to transition to a circular economy where plastics never become waste. The Plastics Pact network builds a unique platform to exchange learnings and best practices across regions to accelerate the transition to a circular economy for plastics. Success stories from the U.S. Pact can also be amplified around the world for others to learn from.

What will the actual work look like?

The work will focus on four main target areas in line with the Ellen MacArthur Foundation's New Plastics Economy vision and Global Commitment but will be customized to fit the unique needs and challenges of the U.S. system (see Section 2). This will be accomplished through coordinated initiatives which may include actions to advance recyclability of packaging, increase recycling of



materials, support an increased shift to reuse business models, and more. The key to success will be scalability of solutions across the far-reaching geography of the U.S.

One of the first tasks will be to establish a "roadmap" to identify key milestones toward achieving the U.S. targets. This will be done in collaboration, via targeted workstreams, and the goal is to finalize this roadmap by the end of 2020.

What role will the U.S. Pact play in relation to other, existing initiatives?

While new, the U.S. Pact is not intended to duplicate existing efforts underway to address the problem of waste management and plastic waste in the U.S. Instead, it is a collaborative alliance designed to thread together organizations and initiatives that have the potential to move the needle on plastics in the U.S. This effort is critical in creating efficiencies for key stakeholders that are involved in multiple initiatives across the industry landscape and will foster shared learnings and fuel faster progress toward stated goals. For example, we will seek to incorporate representatives from existing initiatives within the U.S. Pact working groups where relevant to leverage their extensive experience for the benefit of all. The U.S. Pact will advance the great work already being done and identify the opportunities needed to bring the 2025 targets to fruition.

Meanwhile, the U.S. Pact's approach to creating a convening mechanism that drives industrywide collaboration and alignment on sustainability targets will be a model suitable for adoption across all material types. This collaborative can serve as a model for a circular economy future in our country where all materials are carefully thought of as resources that deserve just as much investment as plastics. We cannot do this without a unified voice of governments, companies, suppliers, reprocessors, haulers, MRFs, NGOs, academia, and consumers.

What sort of problems are we trying to solve with the U.S. Pact? What types of things are not working in our current waste management system for plastics?

- Americans lack basic infrastructure for curbside recycling and composting, and access to affordable reuse schemes are unavailable or do not yet exist at scale. Communities that offer recycling or composting services often cannot maintain sustainable programs as funding is in constant competition with other municipal services like schools and roads.
- End of life considerations for plastics are often not taken into account in the product design phase, which limits their potential for reuse and recycling and makes it likely that they will become waste.
- Consumers are confused about how to properly recycle packaging at home, work, school, or during travel because there are many types of plastics. Labeling and education is inconsistent across the country due to a lack of unified labeling guidelines.
- The recycling system in the U.S. is operating with a system built for outdated products. Packaging design and sorting technology have outpaced the ability and costs required by MRFs to keep up.
- Uniform policy at the national and state levels is lacking and yet needed to bring one voice to packaging guidelines, education, labeling, access, and infrastructure. Multiple



attempts have been unsuccessful in the past because these issues are often portrayed with partisanship or are viewed as protective of corporate interests. If we continue in this direction, a circular economy will never be realized in the U.S.

A lot is happening already, so why do we need the U.S. Pact?

Our individual actions and piecemeal activities alone will not get us any closer to a circular economy for plastics. A very large number of companies with U.S. operations have signed on to the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. The intent of the U.S. Pact, along with other Pacts, is to identify ways to support the achievement of these goals taking into account specific national contexts.

The U.S. Pact will create a unified national framework for a circular economy for plastics, creating structure, coherence, aligned targets, and associated reporting.

The intent of the U.S. Pact is not to duplicate efforts but to streamline them to ensure existing investments work better and deliver more. The U.S. Pact can help to fill gaps that are currently open and identify gaps in the landscape for pilots. The U.S. Pact can also help to pool funding to support areas that are recognized as needing significant collective attention to help achieve the targets. In addition, the U.S. Pact provides an opportunity to begin engaging companies that are not yet supporting efforts to change the status quo.

Based on experience from other countries, the U.S. Pact has the potential to act as a strong investment signal for plastics recycling infrastructure.

Lastly, the U.S. Pact also has the potential to reduce confusion for elected officials, companies, and consumers and bring forward a unified voice around plastics.



Section 2: The targets

What targets have been agreed upon for the U.S. Pact?

By joining the U.S. Pact, Activators (defined in Section 3) agree to collectively deliver toward these four action items:

TARGET 1: Define a list of packaging that is to be designated as problematic or unnecessary by 2021 and take measures to eliminate them by 2025.

TARGET 2: By 2025, all plastic packaging is 100% reusable, recyclable, or compostable.

TARGET 3: Undertake ambitious actions to effectively recycle or compost 50% of plastic packaging by 2025.

TARGET 4: By 2025, the average recycled content or responsibly sourced bio-based content in plastic packaging will be 30%.

How did we arrive at the targets?

The targets, which are required as a framework in order to launch the U.S. Pact, were derived from the overarching targets in the Ellen MacArthur Foundation's New Plastics Economy Global Commitment and were created in discussion and collaboration with a number of Global Commitment signatories, key stakeholders and other interested participants over several months between November 2019 and April 2020.

Why are the targets so ambitious?

The targets are ambitious. But we must aim high with clear, concrete definitions and an understanding of what the real, achievable steps are along the way to 2025. We recognize the timeframe to accomplish these targets is short and the workload is immense, but we also realize that if we choose to do nothing, the vision of a circular economy across the U.S. will give way to the status quo.

Target 3 (effectively recycled) is very ambitious. Is it really achievable?

A high ambition for this target is necessary in order to meet two of the other targets: there will be a threshold for average effective recycling in order for packaging to be considered "recyclable" as part of target 2, and we also need to consider the supply of recycled content that will be available to meet target 4.

Target 3 is not achievable without radical change – it is deliberately a "moonshot" goal. The U.S. Pact is intended to make a collective step change, not just incremental progress. We are following <u>ambitious precedents</u> set by other Pacts around the world, and the response from those countries has been fantastic. We believe the U.S. will step up.



What is the relationship between the U.S. Pact targets and the Global Commitment (that includes a number of other goals)?

The Plastics Pact network and the New Plastics Economy Global Commitment are working toward the common <u>vision</u> of a circular economy for plastic. Achieving this vision will require unprecedented levels of collaboration and innovation, both globally, but also at national and regional level, with solutions tailored to local contexts.

At the global level, over 450 organizations have signed up to the New Plastics Economy <u>Global</u> <u>Commitment</u>. Signatories include companies representing 20% of all plastic packaging produced globally, as well as governments, NGOs, universities, industry associations, investors, and other organizations. Business members have set ambitious, timebound, individual commitments to 2025 for their organization, at a global level, committing to:

- 1) Take action to eliminate problematic or unnecessary plastic packaging by 2025.
- 2) Take action to move from single-use toward reuse models where relevant by 2025.
- 3) 100% of plastic packaging to be reusable, recyclable, or compostable by 2025.
- 4) Set an ambitious 2025 recycled content target across all plastic packaging used.

The Plastics Pacts in the Ellen MacArthur Foundation's global <u>Plastics Pact network</u> are committed to the same vision of a world without plastic waste or pollution and a set of concrete, ambitious group targets to 2025, aligned with those of the New Plastics Economy Global Commitment. The target percentages are adapted to the local market, taking into account the country/regional baseline, but the focus areas remain consistent to drive progress toward a circular economy for plastic in the local market.

Consistency in both the vision and the target areas across different Plastics Pacts and the targets set by businesses globally offers a common framework to drive concerted action toward a circular economy for plastic.

How can individual companies or organizations work collectively to achieve the targets?

Where possible, it is desirable that individual organizational targets are aligned, but not all of the targets are intended to be achieved by individual organizations alone. Therefore, in practice this means:

- Incorporating targets into organizational goals where possible;
- Actively collaborating with other stakeholders from across the value chain in relevant U.S. workstreams and activities;
- Actively reviewing internal packaging and product portfolios to identify opportunities to improve recyclability, recycled content, and consumer messaging in accordance with U.S. Pact targets;
- Contributing knowledge and insights to cross-value chain research and analysis;
- Working with suppliers to obtain accurate data for tracking and reporting progress;
- Developing clear accountability internally; providing objectives and training to internal teams to help meet U.S. Pact targets;



- Engaging with citizens through education campaigns, as applicable to organizational reach;
- Investing in changes and technologies to support the achievement of U.S. Pact targets; and,
- Reporting annually in alignment with global reporting through WWF's ReSource: Plastic Footprint Tracker. Reporting scope will include the volume, weight, polymer type/form/source of the products companies sell in the U.S. This data will contribute to the aggregated reporting for the U.S. Pact. More information on the Footprint Tracker can be found in Section 6.

Should we be viewing this as a 5-year commitment? Do you envision new targets being defined for 2025 onwards?

The work of all Plastics Pacts toward the ambitious targets are on a 5-year timeline aligned with the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. Read <u>more</u> about the progress of the Pact network. For the U.S. Pact, the ReSource: Plastic Footprint Tracker will allow us to review our progress with trends year-over-year, at which point the Advisory Council may recommend to the Steering Committee that the U.S. Pact pivot and refocus.



How do the targets differ from other countries' goals and positions, and why?

The targets differ from other countries' goals in that they reflect U.S. national priorities and realities while still pushing us into a position where the U.S. can seek to be on par with the achievements of other developed nations in its management of plastic waste.

Here is an overview of the targets of other Pacts in comparison with the targets of the U.S. Pact:

Global Commitment Focus Area	UK PACT	DUTCH PACT	CHILEAN PACT	SOUTH AFRICAN PACT	U.S. PACT
1. Eliminate problematic or unnecessary plastic packaging	By 2021 Define a list of problematic/ unnecessary plastic packaging and items and agree to measures to address.	Eliminate problematic or unnecessary single-use packaging.	Defining a list of problematic or unnecessary packaging & which measures should be taken to have them eliminated by 2025.	Unnecessary & problematic plastic materials are avoided through reduced use, more reuse &/or use of alternative, more sustainable materials.	Define a list of packaging that is problematic or unnecessary by 2021 and take measures to eliminate them.
2. All plastic packaging is 100% reusable, recyclable, or compostable	100%	100%	100%	100%	100%
3. Percentage of plastics packaging effectively recycled or composted	70%	70%	30%	70%	50%
4. Percentage of recycled content across all plastics packaging used	30%	35%	25%	30%	30%



Section 3: Participating in the U.S. Pact

How do I contact the U.S. Pact team to find out more?

Visit our website: <u>usplasticspact.org</u> Email us: <u>takeaction@usplasticspact.org</u>

When will U.S. Pact start its activities?

The time to confirm your interest to shape this critical initiative is now! We will start work as soon as we meet our minimum fundraising and value chain representation thresholds. Pending these thresholds, the U.S. Pact intends to launch in summer 2020, with roadmap and workstream building expected to begin at the same time. The aim is to publish the Roadmap outlining how we plan to achieve the targets by Q1 2021.

What are the benefits to my organization of joining the U.S. Pact?

Being a part of the U.S. Pact is a way to:

- Make progress toward the New Plastics Economy Global Commitment
- Benefit from the knowledge of other organizations
- Influence national goals and outcomes
- Better coordinate for change
- Be recognized for organizational contributions to U.S. Pact goals

How do I become a member? Is there a fee?

Members, or as we are calling them, "Activators", of the U.S. Pact will fall into two different categories: For-Profit Activators and Not-for-Profit Activators.

1. For-Profit Activators

Businesses of all sizes play a critical role in stimulating the circular economy and as such will be core activators of the U.S. Pact. Fees are outlined in Section 4.

Benefits:

- Opportunity to demonstrate dynamic industry leadership
- Create new cross-value partnerships with businesses, NGOs and governments to catalyze progress toward national targets and the New Plastics Economy Global Commitment
- Align actions with current business goals and investments
- Help shape the U.S. Pact's national strategy and workstreams
- Recognition as an Activator in U.S. Pact publications and news releases and events
- Early access to research and innovation
- Access to expert advice on sustainable (plastics) strategy

Responsibilities:

- Actively support progress toward the U.S. targets and the vision of the New Plastics Economy
- Be an active member participating in regular meetings and workstreams



- Pay annual membership fees
- Report annually

Future fee structures are to be determined but will seek to take account of the cost to deliver specific workstreams, as well as Activator financial participation in action-oriented initiatives.

2. Not-for-Profit Activators

Governments and not-for-profits of all sizes are enablers of circularity and will be critical stakeholders of the U.S. Pact. There is no annual fee for Not-for-Profit Activators.

Benefits:

- Opportunity to demonstrate dynamic leadership
- Create new cross-value partnerships with businesses, NGOs and governments to catalyze progress toward national targets and the New Plastics Economy Global Commitment
- Help shape the U.S. Pact's national strategy and workstreams
- Recognition as an Activator in U.S. Pact publications and news releases and events
- Early access to research and innovation

Responsibilities:

- Actively support collective progress toward the U.S. targets and the vision of the New Plastics Economy
- Be an active member participating in meetings and workstreams
- No fees
- Report annually

What does it mean to be an Activator of the U.S. Pact?

Being an Activator in the U.S. Pact signals to other companies, the federal government, voters, and consumers that our country cannot wait any longer to take real action on climate change, prevention of marine debris, and waste management. The power of the U.S. Pact is the strength of collective action on the ground in communities and retail and through purposefully designed legislation.

Why is government participation essential to the success of the U.S. Pact? How can my agency or municipality get involved?

State and local governments will be a critical link to support progress toward achieving the national targets. By actively collaborating with other stakeholders from across the value chain in relevant U.S. workstreams and activities, governments will have the opportunity to participate in grant-funded pilot project implementation in coordination with other government agencies, NGOs, and private entities to support actions, such as infrastructure improvements and education and outreach. Unlike other Activators, governments can share important legislative or regulatory input and expertise with the U.S. Pact stakeholder network. Additionally, local governments are often the main interface with citizens, and education is an important aspect of achieving the targets. More information can be found in the Not-for-Profit Signatory Document.



How are you bringing more companies and stakeholders to the table rather than engaging the same leaders in this space?

We are actively in conversations with stakeholders throughout the value chain, and we are happy to take recommendations on additional value chain members who should be contacted or made aware of the U.S. Pact. As we complete the landscape analysis in 2020, we expect to have a better understanding of new stakeholders who could be engaged.

How will the U.S. Pact relate to existing initiatives already underway that my organization is funding/contributing?

Numerous organizations and initiatives have been developed over many years, solving for a range of different challenges. Some are plastic-specific, while others address a range of materials and means to reduce waste. One of the goals of the U.S. Pact will be to identify action-focused initiatives that can become part of the Pact network. Another will be to identify gaps, and ultimately fundraise to support the launch of new initiatives and pilots that will be essential to achieving the agreed targets; scalability of actions across recycling, reuse, and composting will be the key to success.

If we are unable to formally participate as an Activator, what other opportunities will there be to monitor progress with the U.S. Pact?

The U.S. Pact will provide resources on its website and assuming funding allows, maintain a mailing list of interested parties.

We have received questions about the relationship between membership in or support of The Recycling Partnership, WWF's ReSource Plastic platform and/or Ellen MacArthur Foundation programs, and the U.S. Pact as well as questions regarding how those organizations relate to U.S. Plastics Pact LLC.

Here are some clarifying points:

Current funding partners of The Recycling Partnership, sponsors of WWF's ReSource Plastic platform and supporters of Ellen MacArthur Foundation programs are not automatically Activators of the U.S. Pact. They are being asked to contribute to the U.S. Pact separately from contributions to such organizations and initiatives. As part of the U.S. Pact Roadmap development process, we will be exploring ways to reconcile such contributions by Activators with their involvement in (and support of) the U.S. Pact.

U.S. Plastics Pact LLC is a subsidiary of The Recycling Partnership, established to lead and coordinate the work of the U.S. Pact. The Recycling Partnership and WWF support U.S. Plastics Pact LLC in a variety of ways, including providing guidance and resource sharing. The Ellen MacArthur Foundation acts as an advisor to the U.S. Pact.



Section 4: Fees and Fundraising

What are the fees for For-Profit Activators?

For-Profit Activators are required to pay a 2020 fee to the LLC based on U.S. sales revenue for the most recently ended fiscal year:

Business Size (U.S. Sales Revenue)	Annual Fee	
Large (\$1B+)	\$50,000	
Mid-size (\$101M - \$1B)	\$25,000	
Small (\$1M - \$100M)	\$10,000	
Start-Up (< \$1M and < 2 years old)	\$2,000	

Will these fees vary year over year?

We do not anticipate significant variations in fees for subsequent years.

Do Global Commitment signatories involved in other pacts have to pay U.S. fees?

To date, New Plastics Economy Global Commitment signatories have paid a membership fee to the lead organization of the Plastics Pact to which they belong. The U.S. Pact fees are for the local lead organization to run the local Plastics Pact to tackle the local challenges. The participation of the U.S. Pact in the Ellen MacArthur Foundation's global Plastics Pact network and the associated benefits are provided without fees.

If I sign up to the U.S. Pact right away, what will my money be used for?

Fees will be distributed to the U.S. lead organizations to fund activities in the U.S. for the benefit of U.S. stakeholders. Until now, all of the work done to establish the U.S. Pact has been funded from the existing resources of The Recycling Partnership and WWF. Annual Activator fees will fund the daily workings, research, and actions of the U.S. Pact, including tasks like acting as the main point of contact for Activators; leading and implementing the U.S. Pact with strategic input from the Advisory Council; identifying, formulating, and managing the workstreams and activities of the U.S. Pact; acting as the main point of contact for interaction with the Ellen MacArthur Foundation's Plastics Pact network; and managing Pact network requirements, including annual reporting and the budget.



Section 5: Governance

What is the intended composition of the Advisory Council?

Inaugural Advisory Council (2020) members will be appointed by the Steering Committee from founding signatories for the duration of the roadmap development (assumed to be one year). Candidates for subsequent one-year terms, submitted by the Steering Committee, will be voted on annually by Activators in good standing. Advisory Council representation is intended to cover the value chain and consist of 10-15 representatives to provide advice and counsel to the Steering Committee. Composition will be various-sized for-profits, not-for-profits, and government organizations.

Are decisions/statements of the U.S. Pact attributed to the joining entities (i.e., are there any documents that will say or suggest that all entities that have joined subscribe to a decision/statement)?

All decision-making will be in support of the common vision and the achievement of the U.S. Pact targets. Efforts will be made to reach consensus among relevant parties in consultation with the Steering Committee. While we are seeking and anticipate strong alignment before proceeding, there is no expectation that all U.S. Pact signatories will endorse every position, decision, or statement.

Please clarify the workstreams and how they will be developed.

An initial draft of potential workstreams has been developed. Based on the required input for the Roadmap development in the post-launch period, that draft will be evolved as needed, and further operational details and parameters, including number of participants, rules of engagement, size of groups etc., will be presented to the Advisory Council for review and input before finalizing.

What is the intent with respect to lobbying on a national or state level by the U.S. Pact?

The current intent is the U.S. Pact will not engage in direct or grassroots lobbying because the U.S. Pact recognizes the importance of policy making in achieving our goals. As such, the U.S. Pact will be a central learning-and-sharing resource for all members of the value chain, including state, local, and federal government entities. This Policy Workstream will focus on finding innovative ways to remove barriers to the goals of the U.S. Pact and work to create comprehensive policy proposals that incorporate feedback from all members.



Section 6: Reporting

Will I be responsible for reporting to the U.S. Pact and how frequently?

Results of measurable change in each of the target areas, and transparent reporting on these, are a key outcome of the U.S. Pact. The U.S. Pact will publish a public annual progress report every year of the progress made toward the group targets. Your company or organization will be responsible for reporting results annually in alignment with global reporting through WWF's ReSource: Plastic Footprint Tracker ("Footprint Tracker"). All For-profit Activators will be asked to report using the quantitative component of the Footprint Tracker. The results will be combined into a transparent report that will be made available annually and also shared with the Ellen MacArthur Foundation's annual Plastics Pact Network progress reporting team.

It is important to note that individual results will not be singled out in reporting for failing to meet targets or commitments; instead, progress will be publicly reported collectively for the U.S. Pact. *Confidential and/or individual company data will not be shared publicly*.

In reviewing the landscape of circular economy actions already happening across the country, it is vital that we understand how non-business stakeholders are managing their impacts. To this end, we ask that public and NGO Pact Activators report annually through the Beyond Supply Chain ("BCS") survey, which is the qualitative component of the Footprint Tracker, led by WWF.

The BSC survey questions intend to establish a consistent way to measure how organizations are working beyond their own supply chains to reduce plastic waste, including things like system-level investments, education and outreach, funding cleanups, influencing suppliers, etc.

As the thinking and science around accounting for system-level action advances, this survey is a great starting point to get a better picture of the impactful work happening, which is why your early involvement with the U.S. Pact will be critical in shaping this conversation with the Steering Committee, Advisory Council, and other stakeholders throughout the value chain.

Will it be necessary to use the Footprint Tracker for reporting or is it permissible to use our own tools?

We ask all Activators complete the Footprint Tracker to ensure we are aligned on definitions, methodology, and measurement components. Because all Activators will be using the Footprint Tracker, it allows the tracking of aggregate progress being made toward the U.S. Pact targets.

If a government is already a signatory to the New Plastics Economy, will the reporting for that initiative and the U.S. Pact be the same?

The Footprint Tracker will aid U.S. Pact organizations in their efforts to measure their countrylevel plastic waste footprint. Currently, the Footprint Tracker's technical capabilities do not automatically provide this information to the Ellen MacArthur Foundation or other reporting platforms, but organizations can use the Footprint Tracker results to complete their reporting



requirements. WWF is working toward the development of a webtool and other technical solutions that streamline this further.

If our organization is a global signatory, do we have access to the Footprint Tracker?

Activators are not required to be a member of WWF's ReSource: Plastic Initiative to use the Footprint Tracker because access to the Footprint Tracker is included in annual Activator fees. If, however, your company or organization chooses not to become an Activator, you will need to join WWF's ReSource: Plastic Initiative to access the Footprint Tracker.

How resource intensive is the Footprint Tracker as far as inputting data/requirements, as well as ensuring it is updated?

This typically varies based on the size and global presence of an organization but can take a few weeks to compile and enter the data. WWF is in the process of developing a Footprint Tracker web tool to automate and expedite this process.

Will the Footprint Tracker measure a company's global plastic footprint or their U.S. presence?

For purposes of the U.S. Pact, results will be defined by an organization's U.S. footprint.

How will definitions be determined?

U.S. Pact definitions will be aligned with those from the Ellen MacArthur Foundation, taking onboard important nuances for the U.S. where relevant.