Position Paper

No Plastic in Nature April 2025

WWF Position: Plastic Crediting and Plastic Neutrality

Summary of Position

Plastic does not belong in nature.

In order to achieve No Plastic in Nature by 2030, a combination of various coordinated strategies must be pursued. Strategies driven by the private sector must include reducing single use plastic, shifting to sustainable inputs for necessary plastic, improving end-of-life management, designing longer-living products, and extended producer responsibility. These approaches must be paired with government and consumer action including international policy, improvements to waste management, and increased public awareness.

WWF is cautious in regard to plastic crediting because depending on how they are developed, crediting mechanisms may enable companies to claim they are taking action without making substantial changes to their business. Business as usual will not solve the global plastic pollution crisis. WWF acknowledges that, if developed appropriately, plastic crediting has the potential to drive investment towards circular systems.

WWF believes only credible plastic crediting systems that contribute to transformational change should be pursued. Plastic crediting activities may serve as an ADDITIONAL approach to robust plastic waste reduction strategies if a strong and credible standard for crediting exists and is adhered to, prerequisites are defined and met, and strong social and environmental safeguards are upheld. Any claims based on credits must be supported by transparent reporting of the company's plastic footprint, such as through the plastics module of CDP's questionnaire. WWF does not support the use of the terms "plastic neutral" or "plastic neutrality" as they do not clearly convey true environmental impact. WWF does not support the practice of offsetting with plastic credits or making any claims regarding offsetting.

Theory of Change

In order for plastic crediting to be effective, a plastic waste crediting system must demonstrate continuous improvement, support the creation of circular systems and in particular, drive towards comprehensive Extended Producer Responsibility (see the WWF EPR Position here). With this end-goal it may be possible for a crediting mechanism to successfully drive investment in legitimate, concrete projects and circular systems for plastic.

To achieve No Plastic in Nature by 2030 we must transform the entire plastic value chain to reuse, recapture, and reprocess this material. We need companies to address not only their plastic footprint but the linear model that allows for the proliferation of plastic litter in the environment. This means eliminating unnecessary plastic (plastic that, if not used, would not create adverse environmental or social trade-offs), switching to alternatives to conventional plastic where beneficial, and improving reuse, recycling, and composting systems. We need companies and organizations to actively work to fix the entire plastic system rather than focusing solely on the downstream collection of plastic from the environment.

Position on Plastic Crediting

WWF advocates for companies to pursue a holistic strategy on plastic waste and pollution. Companies should only engage in plastic credits if they have taken action to eliminate unnecessary plastic, move to responsible sources for remaining plastic, and taken steps to increase the reuse, recycling and composting of their products. As a supplementary action there may be value in purchasing plastic credits which comply with the best available standard and have sufficient environmental and social safeguards. Purchasing plastic credits is not sufficient action from a company to address plastic pollution. WWF encourages a

cautious approach to plastic crediting.

Crediting activities should support the development of circular plastic systems and provide measurable progress towards this goal. The purchase of plastic credits must be transformational, meaning they catalyze the creation of a more sustainable plastic management system with the end goal to stop the flow of plastic into nature and, in so doing, ultimately render the crediting mechanism to clean up plastic pollution unnecessary in the future. Plastic crediting activities may have potential to advance and innovate the technology and operating models to collect (keep in the system) and recycle more plastic. A robust and standardized methodology for on-the- ground collection projects (regardless of whether a crediting mechanism exists as well) can help improve transparency and data collection.

Both plastic crediting and the associated claims that are made as a result of credited activities carry significant risk for greenwashing. Claims resulting from the purchase of plastic credits need agreed-upon best practices, and guidelines from standard organizations should be followed.

Safeguards

Safeguards are designed to manage risks, uphold human rights, and ensure conservation projects deliver better outcomes for communities and nature. Safeguards can help ensure that the implementation of credits is conducted in a credible manner and does not result in unintended environmental or social impacts.

Legitimacy

- There is a need for proof of legitimacy that credits are in fact being generated fairly, that collected plastic is reaching the claimed end of life destination, and that no social or environmental harm is done by the activities generating plastic credits.
- ISEAL compliance can provide assurance that crediting programs are credible and uphold safeguards. Meaningful and equitable stakeholder participation, third-party independent auditing, transparency, and public reporting will also all be necessary.

Environmental

- Environmental safeguards are necessary to ensure that projects do not negatively impact wildlife or their ecosystems.
- Each project that is developed within the scope of plastic recovery activities should ensure that environmental damage is avoided. Some possible issues include:
    - Climate impacts from processing and transportation of waste, especially burning.
    - Damage to species or habitats from the physical removal of waste, and the associated human presence and activity.

Social

- At a minimum, projects should provide all persons involved in the collection and processing of waste with a living wage. (“A living wage meets a worker’s basic needs to maintain a safe, decent standard of living for the worker and their family”, Social Accountability International.)
- All projects should ensure fair and safe working conditions, including necessary personal protective equipment.
- Care should be taken to ensure projects meet the needs and expectations of the informal sector, local communities, and other stakeholders whose livelihoods could be affected.
- This should include a public stakeholder process and a grievance mechanism in line with ISEAL requirements.

If all of the above considerations are met (risks are mitigated, key considerations for credits are taken into account, and safeguards are upheld), companies can use plastic crediting to communicate how much plastic pollution is reduced as a direct result of a project or investment. No amount of plastic credits purchased and retired (taken out of circulation) should be taken to mean a company’s plastic impacts are negated or neutral. Purchasing verified plastic credits may be a piece of a company’s broader strategy in working towards a future with less plastic pollution but this should not be pursued as a main strategy to reduce impact.

Position on the Use of Associated Claims ("plastic neutral", "plastic neutrality", "net zero")

Even with plastic credits (held to a high standard) as a potential, temporary piece in the suite of solutions to the plastic pollution crisis, crediting does not mean that companies can truly go "plastic neutral". Crediting systems should provide restrictions around what claims can and cannot be made with purchased credits, and guidance should be provided for communicating honestly and effectively about plastic recovery activities and associated credits.

The terms "plastic neutral", "plastic neutrality", and "net zero plastic" are not recommended by WWF for companies or for products. These terms are ambiguous and inherently misleading as long as a company is using and selling plastic. The collection of plastic to "offset" plastic that is polluted elsewhere cannot be exact enough to claim neutrality because there are many variables and pathways that determine where plastic ends up. If plastic ends up in nature, a company cannot ensure they are consistently collecting their own plastic pollution, nor can they ensure it is being collected in every place it is being polluted.

Further, any plastic that is in the environment, even if it is eventually collected, can leave lasting impacts, and the plastic that does not get collected remains in the environment for a long time. Therefore, recovered plastic that is paid for or given credit for does not represent the full range of impacts that the recovered plastic had on the ecosystem from which it was collected.

There is concern that for a company that still produces or uses any amount of plastic, the terms above send a message far from the current reality and equates to greenwashing. These terms do not convey true environmental impact. More precise and readily understandable terminology should be used to explain a company's plastic impacts. Transparent monitoring and public reporting should serve as fundamental prerequisites to any communication on crediting.

WWF re-emphasizes that purchasing plastic credits is not sufficient action from a company to address plastic pollution.

Table of Contents

Introduction

No Plastic in Nature

Plastic pollution is a global issue that threatens ecosystems around the world. An estimated 11 million tons of plastic waste enters the oceans annually. Plastic pollution has been found in even the most remote environments. It takes hundreds or even thousands of years to degrade in nature and it affects wildlife through entanglement, ingestion, and habitat impacts. The plastic pollution crisis is the result of a multitude of factors including a broken material management system that cannot adequately recover the material entering the system, the underlying "take-make-dispose" model of the economy, and a pattern of overproduction.

Plastic does not belong in nature. WWF has a global strategy in pursuit of the vision of No Plastic in Nature by 2030. WWF is working to stop the flow of plastic into nature, eliminate unnecessary plastic, and improve the sustainable production and management of the remaining necessary plastic.

WWF Plastic Waste Strategy

WWF's key strategies to achieve *No Plastic in Nature* begin with the elimination of unnecessary plastic. WWF does not advocate for elimination of all plastic because when one material is eliminated from the global material system, environmental costs can be transferred to another part of the system. Material substitution can cause its own trade-offs and the benefits of plastic may be lost (for example plastic packaging can keep food fresh, protected and safe, and therefore minimize food waste). Still, eliminating unnecessary plastic is the first mitigation strategy that should be considered and pursued wherever possible. Switching from disposable to more sustainable reuse systems (where health and safety requirements are met) is another important piece of the plastic waste strategy as well as substitution to recycled content and responsibly sourced biobased plastic. Finally, increasing recycling and composting is a high priority as it will ultimately help keep plastic in the loop.

Overview of Plastic Crediting and Plastic Neutrality

As efforts to combat the plastic pollution crisis have increased in recent years, new strategies, such as plastic credits, have emerged. Conceptually, a plastic credit is a transferable unit representing a specific quantity of plastic that has been collected and possibly recycled from the environment*. While plastic credits have the potential to drive investment into circular systems, without the proper safeguards in place, plastic crediting has the potential to create extensive greenwashing and derail legitimate efforts. Other terms, such as the umbrella term "outcomes-based finance mechanisms" are sometimes used to describe plastic credits, and these mechanisms are still subject to the same concerns listed in this paper.

Crediting activities may lead to claims of "plastic neutrality" and other potentially misleading language around offsetting. These terms are being brought into the conversation to communicate achievements in this space. "Plastic neutrality" as it is often being used refers to the ability to completely offset a plastic footprint (whether an individual, company, organization, etc.) by directly investing in projects that collect or recycle plastic, or more indirectly by purchasing credits from a third party organization that is tied to projects which collect from nature and/or drive additional recycling. There is no single definition for this term at this time, so it may be used to communicate other information in different situations. When the term "plastic neutral" is used to communicate an entity's plastic pollution impacts it is sometimes used in conjunction with the phrase "net zero plastic"**. The term "plastic offsetting" refers to purchases of plastic credits generated through activities that reduce the stock of plastic pollution in nature.

The concept of plastic credits has developed partly in response to the challenges companies face in managing their post-consumer waste in complex waste management systems. Plastic neutrality was introduced as a way for companies to "balance" their plastic footprint by paying for the removal of plastic waste from the environment which is equivalent in volume to their production of plastic.
Theoretically, a plastic crediting activity works as follows:

- An organization collects and/or recycles plastic waste either directly from the environment or as part of a waste management process. This activity may or may not need to fulfill the requirement of additionality (depending on the program) through collecting or processing plastic material which would otherwise not get collected or be processed.
- A standardized "credit" associated with the collected or recycled plastic is created and sold to another party.

**The field of plastic crediting is new and evolving quickly. Definitions provided in this paper are based on WWF's analysis of current efforts in this space and are subject to change.*
***Net zero is a systems concept and should not be applied to individual products or materials. If used in these ways the term can be misleading to the public. The IPCC Special Report on Global Warming of 1.5°C refers to this concept at a global level, calling on countries to collectively achieve a balance between anthropogenic emissions and removals in the coming decades. Currently no strong consensus exists for the definition of net zero in the plastic crediting space and for this reason we recommend avoiding its use.*

- The organization who collected or recycled the material is paid for this credit, and the organization who purchased the credit can make a public claim about the credit.
- The organization who collects or recycles plastic and generates credits must adhere to a standard for this activity and be audited as part of this process.

In theory, there are several potential benefits that may come to fruition as a result of a strong and credible plastic crediting system. Plastic crediting systems are intended to help finance organizations that work on responsible, well-managed projects that address global plastic pollution. These projects often have a social mission in addition to an environmental one, for example, by supporting local economies, providing living wages for waste pickers, and generating new job opportunities.

Activity and progress in the plastic crediting space is moving quickly – this has both benefits and drawbacks. If transparent and effective standards are developed quickly, crediting systems may be implemented faster than legislation, including extended producer responsibility policies, and provide more immediate benefits. However, there is risk that crediting systems have not been developed in adherence with ISEAL best practices, and don't have sufficient safeguards and validation processes in place.

Ideally, crediting would bring investment and improvement to local waste management infrastructure, building the capacity of waste management systems to keep plastic in the system and out of nature. Credits may provide benefits in that collection/recycling activities may be more targeted towards reducing plastic pollution impacts in especially vulnerable ecosystems and towards collecting/recycling low value plastic waste that is especially prone to leakage.

At this point in time, plastic crediting programs have been established by a number of different companies/organizations, however, there is currently no formal, agreed-upon standard or methodology against which these programs must conform. WWF has not endorsed any plastic credit standard or system.

Potential Risks of a Plastic Crediting System

The use of plastic credits to communicate information related to collection and recycling activities could potentially help to create a system to finance the collection and recycling of plastic waste which would otherwise pollute the environment; however, it also poses many risks. An exploration of these risks makes clear the need for safeguards and specific requirements that must be met for a credible crediting mechanism and to ensure that it serves as a complementary plastic waste reduction strategy. WWF's recommendations to mitigate the risks are listed below.

List of Risks

Note: This is not an exhaustive list of all risks associated with plastic crediting systems, more may exist and/or arise as the systems evolve.

Continued pollution without transformational change

By simply purchasing plastic credits, companies can make claims such as "plastic neutral" while still polluting from their own supply chain and operating under business-as-usual conditions. Responsible companies need comprehensive strategies to address their entire plastic footprint. Companies should not be able to pursue plastic crediting activities as a singular strategy without also making changes to their own operations or products; this would be counter to the strategies outlined by WWF's *No Plastic in Nature* vision.

There is a risk that the creation of plastic crediting systems could normalize/legitimize, and possibly even incentivize, undesirable polluting behaviours from individuals, companies, and authorities. Organizations that profit from the generation and sale of plastic credits pose the potential risk of encouraging a market for plastic pollution.

In cases of individuals purchasing plastic credits to offset their personal footprint, the positive feelings generated by the purchase of plastic credits may actually incentivize the continuation of plastic use and consumption.

To effectively mitigate ongoing pollution, any crediting system must not only build capacity and infrastructure for plastic waste management but also drive meaningful progress toward a future where plastic no longer pollutes nature. Companies should only make claims about their use of plastic credits if they can demonstrate that they have already exhausted all available measures to reduce plastic waste within their own operations. Additionally, they should be required to:

a) Publicly report their plastic footprint through CDP.
b) Share their plastic pollution strategy, including measurable progress.
c) Communicate how they are addressing their footprint—only after fulfilling the above steps—including the role of plastic credits.

Lack of a credible standard

WWF does not endorse any plastic credit standard or certification scheme. Without a credible standard, there is a risk that plastic offsetting activities for which credits are given are not validated sufficiently or are entirely illegitimate. This may take many forms, from insufficient transparency for external stakeholders, to insufficient environmental and social safeguards, lack of additionality or outright fraud.

Plastic credits should be governed by a credible standard. Standards should be developed in compliance with ISEAL's Code of Good Practice for Setting Social and Environmental Standards to ensure transparency is upheld, grievance mechanisms are in place, and stakeholder management is structured and effective. WWF advises adherence to the WWF Principles for Standards and Certifications (which require compliance with ISEAL) a set of 16 principles considered as minimum requirements for WWF to actively endorse or recognize effective credible standards and certification schemes.

Disregard of other waste types

The narrow focus on the collection and recycling of only plastic waste may lead to the neglect of other waste streams (like beverage cartons). While the collection of some waste is better than none, it is important that new collection and waste management activities support comprehensive circular systems, together covering the entire waste management system.

A credible accounting system must account for impacts on the rest of the waste stream, and the existence of the credit system should not detrimentally affect other waste collection activities. A crediting mechanism should build up an inclusive waste management system and should not be pursued as an alternative to existing waste management or undermine existing systems. Voluntary plastic credit systems may add value to waste management in places where there are insufficient municipal systems in place and no existing EPR policy.

Neutrality claims as greenwashing

There is a risk that credit claims are not clear or explicit in what they represent. Without strict requirements by the standard setters for what claims can and cannot be made through the purchase of plastic credits, there is a risk of misrepresentation.

At present, most consumers have a limited understanding of the complexity of the environmental and social impacts of plastic use and waste and terms such as "plastic neutral" or "plastic negative" can easily be misunderstood. In most cases, the plastic that is collected and recycled is typically downcycled into lesser quality products, meaning that more virgin plastic is needed to produce the original product which may carry the "plastic neutral" claims.

Crediting information needs to be communicated in conjunction with information related to the company's actual footprint. Any plastic crediting activities should be communicated in addition to efforts to reduce a company's direct plastic footprint. No products should be allowed to carry a plastic neutral brand. Claims should only be made at a company level, when they can be communicated properly and verified. Plastic credits should not be used to offset or cancel plastic impacts, nor to claim "plastic neutrality" even when plastic credits are part of a comprehensive strategy and only account for small, final volumes of difficult-to-manage leakage. Even in this case, plastic credits should not be communicated as mitigating part of a company's footprint but as a separate piece of their plastic pollution strategy. As paralleled from the carbon

crediting space, WWF believes that plastic credit claims must meet certain criteria to be considered credible. See Appendix A for a list of these criteria.

Pricing

Many of the credits currently being sold on the market are priced too cheaply such that they are seen as a cheaper alternative to substantial action by businesses to address their plastic footprints.[1] In many cases, the cost of these credits does not fully cover the expenses associated with collection, sorting, and recycling. Additionally, there are concerns that these low-cost credits may be tied to supply chains where human rights abuses occur, particularly in informal waste management sectors. By not paying the full cost, companies risk perpetuating environmental harm and social inequities.

Credits must be priced in such a way that they support the sustainable collection and recycling of plastic waste, as well as ensure a living wage for workers involved in the generation of plastic credits.

Crediting may undermine authorities' efforts to establish effective Extended Producer Responsibility (EPR) or municipal waste management systems

There is a risk that crediting activities are not integrated into national/local waste management systems/EPR schemes or that crediting is seen as an alternative to EPR.

Plastic crediting poses a challenge to authorities and municipalities in establishing a collective effort for a systemic solution to improve waste management systems through EPR schemes. Disparate crediting mechanisms can also make it more difficult for municipalities to plan when developing their solid waste management systems.

Extended Producer Responsibility (EPR) schemes require producers to take responsibility for the entire lifecycle of their products, including waste management and recycling. In contrast, plastic crediting allows companies to purchase credits to offset their plastic waste without being directly involved in the recycling process. EPR schemes typically require producers to pay fees designed to cover the actual costs of waste collection and processing, which help fund national or municipal waste management efforts and these fees can vary under eco-modulation policies. Plastic crediting, however, operates in a market-driven environment, where the price of credits is determined by supply and demand and therefore, is not guaranteed to cover the operational costs.

In countries where EPR exists, full adherence to regional EPR policy should be ensured before companies engage in crediting activities. Plastic credit standards should take EPR schemes into account and ensure that no projects in the same jurisdiction are double-counted.

Businesses should not use voluntary crediting to lobby against EPR or prevent the development of EPR in the region. In the absence of an EPR scheme in a geographical area, a voluntary crediting system can be a proof of concept for an EPR scheme that applies to all relevant businesses and it could serve as a temporary, beneficial strategy. Crediting should not be considered EPR because it is a voluntary strategy that addresses only part of a company's waste impacts, does not require the participation of all relevant companies, is not integrated into a municipal solid waste system, and it is run by a private sector actor.

[1] Break Free From Plastic. Smoke and Mirrors the Reality of Plastic Credits and Offsetting. https://www.breakfreefromplastic.org/wp-content/uploads/2023/12/NOV-29-2023_Smoke-and-Mirrors-the-Realities-of-Plastic-Credits-and-Offsetting.pdf

If a crediting scheme is pursued, lessons learned should be integrated into the EPR development process to encourage adoption of EPR and the crediting scheme should also actively support the creation of waste management systems that are safe, sustainable, and effective. It is important to ensure that the plastic credit related infrastructure and system can be easily integrated into EPR systems once they are established.

Since EPR systems realistically take around 5 years to implement, funds from plastic credits can serve as an immediate solution to steer significant amounts of financing into chronically underfunded waste management systems. Activities that are developed or supported through plastic credit finance may be able to populate start-up EPR schemes or become integrated into existing EPR schemes over time. Once integrated into EPR, these activities could transition to being supported by EPR financing. The real- world feasibility of crediting systems to ultimately drive financing to productive waste management systems is unknown at this time.

It is important to acknowledge that creating credible mechanisms for issuing plastic credits requires significant resources as well as strong technical committees and control mechanisms. It should be considered whether these resources are better spent on alternative approaches, for example, the development of EPR schemes. EPR has been identified as a necessary and effective strategy for addressing plastic waste (more info from WWF on EPR, Pew Breaking the Plastic Wave report). As there is not a clear way to mitigate the risk of crediting infringing on EPR progress, this remains a key concern moving forward.

Geography of impact – offsets/crediting need to be in the area of impact

There is risk that on-the-ground activities generating plastic credits may take place in geographies that are different from where a company's plastic pollution impacts are. Plastic crediting activities should not allow companies to "net-out" negative impacts, engaging in beneficial activity in one geographic area but ignoring other areas where their plastic pollution continues to proliferate. The impact of plastic pollution is local; this means that solutions to combat plastic waste must be local as well. Claims associated with crediting activities should provide relevant geographical information in the spirit of transparency.

The many externalities associated with plastic pollution (emissions from plastic waste being incinerated, pollution impacts to local fisheries and tourism, microplastics in our air, water, and food, entanglement and ingestion impacts to wildlife, etc.) often occur far away from where plastic is produced, sold, and used. Companies cannot only engage in plastic crediting activities in geographies of sale but also need to track waste flows and should invest in waste management and plastic recovery activities in the identified areas of impact. Through waste flow analysis, rough estimations of impacted geographies can be made, and mitigation activities can be planned for confirmed and projected geographies of impact. In any case, all claims being made need to be transparent and identify which geography they pertain to.

Type and form of plastic that can be offset – needs to match form and polymer of plastic produced

Similar to the risk wherein plastic credits are generated in a geographic area different from the credit-buyer's geography of impact, there is risk that credits are awarded for recovering different item types than the credit-buyer is responsible for polluting. For example, flexible, light-weight plastic is hard to collect and process and makes up a majority of plastic pollution. Companies that pollute this type of plastic should be responsible for managing this type of plastic. A credit buyer whose footprint is largely composed of one material (e.g., multi-layer pouches) should not make claims based on credits generated for the collection or recycling of another type of material (e.g., bottles).

In addition, this is important because different types of plastic (various forms, polymer types, macroplastic versus microplastic) have different impacts in different areas. By contrast to carbon for example, where a ton of carbon dioxide is assumed to have the same impact on climate change regardless of where or how it is emitted or mitigated, different plastic types can have different impacts.

Credits must be matched to projects that offset not only the same quantity of plastic but also plastic of the same polymer and general form (flexible/rigid). The main concern is that only easy-to-collect/recycle plastic or high-value plastic is targeted. This could leave difficult-to-collect/recycle plastic and low-value

plastic without incentive for collection.

Attempts to match plastic that is polluted with plastic that is collected are necessary because the impacts of plastic pollution differ depending on the form and polymer type. These factors have an impact on degradation timelines, greenhouse gases emitted, and how likely the material is to be recaptured through recovery activities. In setting a vision for an ideal crediting system, it is important that those responsible for specific types of plastic pollution are being held accountable for recovering the same type and form of plastic.

Credits must prove additionality

To date, it is still very difficult to have confidence that purchasing credits leads to genuine additionality due to the time lag between the generation and subsequent sale of credits, the lack of a guaranteed purchaser and transparency about how plastic is disposed of/processed, and the inevitable uncertainty over the price to be paid for an individual credit.[2]

Additionality is a key principle in plastic credit schemes. It ensures that the credits are awarded only to projects that result in real, measurable, and additional environmental benefits that would not have occurred without the incentive provided by the credits. The critical aspect here is that the waste collection or recycling activities wouldn't have happened without the specific funding from the credits. If credits are generated by projects that would have existed regardless, it undermines the integrity of the entire system. This is because it allows for "double-counting" of environmental benefits or the creation of "phantom credits" that don't correspond to real environmental improvements. Essentially, it means rewarding activities that do not actually contribute to additional positive environmental impact, thereby failing to drive the change that these schemes are intended to promote. This not only dilutes the effectiveness of environmental initiatives but also misleads stakeholders who believe they are supporting meaningful environmental change.

Credits must **prove** additionality, meaning that if the market and economic incentive for plastic credits did not exist, the project generating these credits would not have occurred. Credits should be very clear to communicate the ultimate fate of the plastic collected, e.g. recycled, incinerated, landfilled etc. There must be proof that the recovered plastic is reaching a beneficial end of life scenario that would otherwise have not occurred without the crediting mechanism.

Because legitimate credits would require assurance that the recovery/recycling of the plastic would not have occurred in a baseline scenario, a credible baseline must be established at the outset of projects. These baselines must also be updated at reasonably regular intervals to continue to set a new status quo and ensure that credits are only being generated by truly additional projects and activities.

Assurance of beneficial final end destination

A major risk of a crediting system is the greenwashing of the activity as a whole. There is a risk that credits are generated for plastic that is recovered from the environment but not responsibly managed after collection. If this plastic makes its way back to nature, the crediting system has failed. There must be assurance that the recovered plastic ends up at a permanent and beneficial destination (for example, recycled, or at the very minimum, permanently contained in a sanitary landfill). There is also the risk of plastic being collected and generating credit but then being exported elsewhere for processing or disposal which can lead to tracking issues and issues of inequitable distribution of global waste.

Some plastic crediting schemes may award plastic “recovery” credits for plastic that has been collected and sent to landfills or even open dumps (where it can be washed away through wind and rain back into nature) or burned at dumpsites or in incinerators to reduce the volume of waste.

[2] BFFP. (2023). Smoke and Mirrors: The Realities of Plastic Credits and Offsetting. https://www.breakfreefromplastic.org/wp-content/uploads/2023/12/NOV-29-2023_Smoke-and-Mirrors-the-Realities-ofPlastic-Credits-and-Offsetting.pdf

The same unit of plastic waste should never be eligible for credits twice. The first credit generated and associated with that unit of plastic must be permanent.

Strong requirements must be made to ensure that plastic which is collected is also properly managed to a beneficial end destination, preferably recycled. The credit generator must be held accountable for ensuring (and being able to prove) an environmental benefit versus the status quo. Credits which lead to plastic being collected in a sanitary landfill may provide some benefit since the plastic is out of nature, but plastic being collected and then openly burned or re-released into nature cannot be credited.

As for the risk of plastic being collected and exported elsewhere for processing or disposal, credits should not be considered valid without a known fate, and the fate of the recovered plastic must be in compliance with The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes.

Informal Sector

There are serious risks to the informal sector if schemes are poorly managed or not effectively monitored, including potentially unfair wages, poor working conditions and harm to human health from toxic air emissions associated with the burning of waste.

To mitigate risks for the informal sector in plastic crediting, it is essential to ensure fair wages through transparent payment systems, worker cooperatives, and minimum price guarantees. Safe working conditions can be improved by providing protective equipment, health training, and medical support. Environmental safeguards should prevent harmful practices like open burning by investing in proper recycling infrastructure and alternative livelihoods. Transparent certification standards, third-party audits, and direct benefit-sharing must ensure that waste pickers receive fair compensation. Legal recognition and policy support can further integrate informal workers into formal waste management systems, promoting equity and sustainability.

Conclusion

While there is a need to reduce the current stock of plastic in nature, steps to actually stem the tide of future plastic flowing into nature need to happen now to stop the plastic pollution crisis from becoming much worse. WWF has and will continue to focus on tackling the unsustainable use of plastic and ensuring that materials are managed responsibly after use in order to keep materials in the system for longer and reduce our demand on earth's natural resources. Plastic crediting systems pose many risks if not developed appropriately; WWF calls for crediting systems to contribute to meaningful, systemic change through continuous improvement, support of circular systems, and progress towards comprehensive Extended Producer Responsibility. Plastic credits, if all relevant risks are sufficiently addressed, may provide a temporary method of communicating a company's involvement in plastic recovery activities but they should not serve as a way for companies to buy a clean image, free of environmental damage.

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Appendix A: Principles for Credible Plastic Credit Claims

1) **Clear to the target audience(s)**
   The claim must be able to be interpreted by the target audience accurately. This clarity can be ascertained through market testing.

2) **Transparent and accessible**
   Underlying information and evidence that substantiates a claim should be transparent and accessible. Claims should not be made at the product level. Claims made for the organization itself (e.g. The purchase of X credits by Company Y has resulted in Z tons of plastic waste recovered from nature) should be paired with accessible, additional information such as the registry data on the plastic credits being used to achieve the claim as well as publicly- available information on the company's overall plastic pollution impacts. A claim that cannot be verified is not credible.

3) **True**
   A claim must be truthful and substantiated by evidence. For example, a claim that implies future achievement (ex-ante) should not be communicated in a manner that implies past performance (ex-post). For instance, a company cannot claim that it is compensating for its entire emissions if it is not compensating for them in the year in which the company is making the claim.

4) **Conservative**
   If there is ambiguity in the data that makes accuracy difficult, companies should be conservative in their estimates and careful to not make plastic credit claims that overstate impact.

5) **Relevant and not misleading**
   A claim must not distract from a company's most detrimental impacts on the climate and environment.

6) **Encourages the target audience to take further action on environmental matters (whether through purchasing activity or other means) or that it at least does not incentivize negative environmental behaviour**
   While a company's claim based on plastic credit purchases may credibly represent a better net environmental impact over a comparable company, it could also trigger more detrimental environmental behaviour if the consumer feels empowered to increase their consumption because they are buying a more environmentally friendly product.

7) **Facilitates stakeholder understanding on how a given claim compares to other claims**
   This could be achieved by providing a direct pathway for the [consumer / stakeholder] to access a more detailed, reputable framework or standard or protocol for plastic credit claims. A third-party claims standard or protocol is useful to ensure ongoing robustness, transparency, and can facilitate stakeholder understanding on how a given claim compares to other claims.

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