

Reporting requirements against the Fair Circularity Principles

Introduction

The goal of the Fair Circularity Initiative (FCI) is to create an ecosystem to implement the Fair Circularity Principles within global, regional and national policy, and within plastic value chains. Members of the FCI have committed to advance and adopt these guiding principles in their value chains, in collaboration with waste picker organizations and to report on their progress annually. This document outlines what is required of FCI members in terms of their annual reporting on these commitments (brands have eighteen months to begin reporting, from the date that they join the FCI).

These reporting requirements have been designed to dovetail with other external reporting processes (such as the EU's Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive), and companies can fulfil these reporting requirements through their existing reporting channels (rather than creating new ones).

As this is a relatively new area of focus for many companies, tried and tested implementation guidance does not yet exist. The FCI is working with The Circulate Initiative who are developing a harmonised framework for the responsible sourcing of plastics through multi-stakeholder participation. The first version of the framework will be available in 2024, and subsequently implemented in different geographies. The FCI is also developing policy action guidance to equip companies to influence global, regional and national policy in line with the Principles. Many brands are also developing their own frameworks and tools. The following reporting requirements will thus be updated in due course as lessons from these processes are documented and shared. However, given the urgent need to demonstrate progress against the principles and make clear what is meant by member companies' commitment to report annually, these reporting requirements are being published now.

For context, companies shall report generally on the extent to which the informal waste sector is relevant for its business and sustainability priorities, including the specific packaging commodity areas of interest (not solely limited to plastic). Such contextual reporting should include discussion of priority countries where the informal sector is more relevant, depiction of the overall risks and opportunities. If possible, companies should identify from public records the total number of informal waste sector workers that may be within the company's supply chain.

It should be noted that reporting on informal waste sector engagement will be a journey for all companies, and in some countries (and supply chains) there is very limited data. Many companies will need to report generally against the principles before including specific details and examples. Where companies are not yet taking any specific action, they should talk about their plans or how they are creating opportunities to progress towards and meet the principles.

To the extent possible, companies should increase transparency, accuracy and specificity against the principles over time in sustainability and/or human rights reporting. The ability of companies to report will be a function of the maturity of supply chain infrastructure, government engagement/support and collective action.

As in all reporting, when Waste Picker Associations or other specific groups of waste pickers are mentioned, companies must check this content with the group in question, and obtain their consent, before publicising.

Section 1: Base Requirements

Public reporting on the progress of putting the Principles for Corporate Engagement with the Informal Waste Sector into practice should include at minimum:

Principle 1: Recognition

- a. Acknowledge that waste pickers are an important stakeholder in the company's value chains, specifying where in the company's value chains waste pickers are present, or most likely to be present.
- b. state the commitment to putting the principles into practice,
- c. be publicly available (either as part of existing policy or reporting, sustainability section of the company website or similar, not just a single announcement or press release),
- d. state how the commitment is communicated to company employees, business partners and external stakeholders and embedded into company practice,
- e. state which role in the company is responsible for fulfilling the commitment

Principle 2: Taking responsibility

- a. Describe the due diligence that is being carried out by the company to respect the human rights of waste pickers in the company's value chains that may be connected to their operations, products or services, in line with the UN Guiding Principles on Business and Human Rights. This should include at minimum:
 - i. specifying the salient issues affecting waste pickers in the company's value chains. At a minimum, this should include what rights are affected, geographical region and any relevant context of the issues (going beyond general statements such as "poor working conditions of waste pickers globally"), stating where these issues are also salient human rights issues for
 - ii. the company.
 - iii. describing what action the company is taking to prevent or mitigate those impacts

Principle 3: Collaboration

- a. Report on where and how the company is collaborating with others (at national and global levels) in regards to waste pickers and how such actions are helping to streamline efforts (e.g., by increasing awareness of and participation in existing initiatives).
 - i. Report on specific collaborations with other companies and/or local actors to increase positive impact. (Also relates to principle 7)

Principle 4: Engaging governments

- a. Explain in which geographical region, how and on what issues the company is engaging with government actors in order to advance waste picker rights and livelihoods. (Also relates to principle 8)
- b. If the company is not yet engaging with governments, explain what actions the company is taking to create opportunities to engage with government actors, for example through building its leverage or encouraging collaboration with others. (Also relates to principle 3)

Principle 5: Engaging waste pickers

- a. Describe how the company engages with waste pickers or their legitimate representatives at the local, national and international level, and how the company plans to develop this engagement going forward.
- b. Explain what grievance channels are available to waste pickers in the company's value chains, distinguishing between company's own grievance mechanisms and grievance mechanisms provided by other stakeholders (such as those operated by the government, NGOs, industry associations and other collaborative initiatives).

Principle 6: Applying a gender lens

- a. Explain how the company considers gender in their human rights programs related to waste pickers, specifically:
 - i. Describe the means through which the company is seeking to understand the specific needs of female waste pickers.
 - ii. Explain which salient issues are impacting female waste pickers differently to men and how.
 - iii. Explain what the company is doing to support the needs of female waste pickers when developing and implementing projects or interventions in the informal waste sector.

Principle 7: Driving local approaches

- a. Describe the extent to which the company has mapped, or intends to map, its informal value chains.
- b. Outline what the company does to understand local contexts of informal waste value chains in different geographies, and explain how that knowledge informs company actions.
- c. Give examples of local actions that the company is driving or supporting, and describe which key local actors the company is engaging with in each location.

Principle 8: Advocacy

- a. Explain what measures the company is taking to ensure the inclusion of waste pickers in policy-making, for instance, funding participation or facilitating invitations to meetings for EPR scheme development. (Also relates to principle 9)
- b. Where the company is not yet actively advocating, describe how it is creating opportunities to do so, for instance through building its leverage with relevant actors. This could take different forms, for instance collaborative leverage (teaming up with other companies or relevant actors in taking action), or commercial leverage (using the company's sourcing power to voice concerns and negotiate).

Principle 9: Integration

- a. Describe what the company does to support and contribute to integrating the informal waste sector into formal private sector value chains, with a focus on achieving better work opportunities for waste pickers. For instance, provide examples of engagement with waste pickers to get their views on whether or how their work should be integrated into the formal sector.

Principle 10: Root causes

- a. Explain which root causes have been identified by the company in relation to the salient human rights issues affecting waste pickers. (Also relates to principle 2)

Section 2: Advanced (non-mandatory) reporting:

Principle 2: Taking responsibility

- a. Publish a forward-looking strategy with forward-looking objectives and KPIs on human rights due diligence in this area, including policies covering the identified issues affecting waste pickers. Review annual progress against forward looking objectives and KPIs, with evidence demonstrating their assessment as fit for purpose, and of impact on waste pickers.
- b. Provide evidence that the strategy has been embedded into all relevant human rights, purchasing, and sourcing policies and practices, and across relevant business operations.

Principle 3: Collaboration

- a. Report on working with others to address the structural and economic barriers to rights-respecting practices caused by broader market conditions. (Also relates to Principle 10)
 - i. Such as the existence of EPR schemes and collective effort to make them inclusive of waste pickers rights and needs

Principle 5: Engaging waste pickers

- a. Explain the nature of the engagement, its frequency and how the company takes the views and needs of waste pickers into account in its due diligence and decision-making. This may include describing the company's policies and practices on stakeholder engagement, training provided to staff to help them engage appropriately and effectively with different stakeholders, outcomes of particular stakeholder engagements, and so on.
- b. In addition, if the company is engaging with waste pickers through proxies rather than directly, describe who those proxies are and why they were chosen.
- c. Explain how the company assesses the existing channels 'effectiveness against the UNGP grievance mechanism effectiveness criteria (UNGP Principle 31: Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, Source of continuous learning, based on engagement and dialogue) and how this informs how the channels are adapted and improved over time or new channels set up.
- d. Where multiple grievance channels are available to waste pickers, describe what the company is doing to avoid unnecessary duplication among them and help workers understand which one to choose for their needs or a particular grievance. For instance, instead of setting up company proprietary grievance channels, whether the company could set up a shared channel with other companies present or sourcing from the same value chains.

Principle 6: Applying a gender lens

- a. In projects or interventions the company has invested in to improve the lives of waste pickers, indicate the approximate % of female waste pickers. Also explain how those projects or interventions have been informed by or adapted for specific needs of female waste pickers or their families.

Principle 9: Integration

- a. Provide an indication of which parts of the company's waste value chains are formal, and which include informal actors and the extent of their involvement.

Principle 10: Root causes

- a. Describe actions taken by the company to tackle root causes. These may include:
 - i. Addressing purchasing practices that may be contributing to the human rights impacts affecting waste pickers
 - ii. Assessing how the company's relationships with key actors in the value chains are contributing to the human rights impacts affecting waste pickers.