



# Fair Circularity Initiative Progress Report

September 2024



# The Fair Circularity Initiative (FCI)

**The Fair Circularity Initiative (FCI) brings businesses together around the aim of helping to ensure the human rights of workers within the informal waste sector are respected and their critical role in circular value chains is recognised.**

In many countries, these workers play a substantial and valuable role in the collection, sorting and recycling of packaging waste and other materials. At the same time, they are vulnerable to a broad range of severe human rights impacts – meaning that even as recycling delivers positive environmental impacts, it requires human rights due diligence from companies involved in plastics waste or recycling value chains. According to the UN Guiding Principles on Business and Human Rights (UNGPs), companies have a responsibility to respect human rights throughout their operations and value chain if they caused or may cause an impact, contributed or may contribute to an impact, and have or may have their operations linked to an impact through relationships with other entities. While some work has been done, there is an opportunity to increase collaborative work between industries and governments to address the social conditions and human rights impacts in this sector.

The Fair Circularity Initiative was launched by The Coca-Cola Company, Nestlé, PepsiCo, and Unilever, and convened by Tearfund, in November 2022. While these companies had each been taking steps locally and globally to address social impacts in the informal sector, they recognized the opportunity for businesses to take on more cohesive and

collaborative approaches across the value chain to tackle these impacts. The Fair Circularity Initiative was launched to advance dialogue and collaboration on these issues and to include the perspectives of rights-holders.

To carry on its mission and decision-making process on the initiative's strategy and priorities, an interim governance structure has been set up through the Interim Steering Group formed by the four founding members, Tearfund and BSR, who was chosen in 2023 to act as Secretariat and develop FCI's stakeholder engagement. BSR is a sustainable business network and consultancy focused on creating a world in which all people can thrive on a healthy planet. BSR teams have created, incubated, grown, and spun out more than 50 collaborative initiatives. A process is underway to design a governance structure that will determine decision-making processes and allow for FCI membership to grow. Tetra Pak has recently joined the initiative as a corporate member.

By joining the initiative, all members commit to advancing and adopting the Fair Circularity Principles in company operations and value chains in collaboration with waste picker organisations, to encourage others to join the initiative, and to report on their progress annually. Members have eighteen months to begin reporting, from the date that they join the FCI, and must do so according to reporting requirements adopted by the Interim Steering Group.

This report aims to provide update on the progress made by members respectively and collectively.



# The Fair Circularity Principles

The Fair Circularity Principles were developed by the FCI's founding members, in collaboration with Shift, and were informed by the perspectives of rights-holders. They apply the responsibilities outlined in the UN Guiding Principles on Business and Human Rights to the informal waste sector and are designed to elevate attention to this issue among all stakeholders.

The Principles were first published in Shift's (2022) Executive Summary: Principles for Corporate Engagement on Human Rights with the Informal Waste Sector – Applying the UN Guiding Principles on Business and Human Rights to the Plastic Packaging Recycling Value Chain.

The full principles for corporate engagement with the informal waste sector are available [online](#) in English, Arabic, French, Portuguese, Spanish and Swahili.

## FAIR CIRCULARITY PRINCIPLES

1. Recognize the critical role of informal waste sector workers in plastics waste and recycling value chains.
2. Acknowledge the responsibility to respect the rights of informal waste sector workers by preventing and addressing human rights impacts experienced by those workers, in line with the nature of the company's involvement.
3. Engage all partners in plastics packaging recycling value chains towards coherent and comprehensive approaches.
4. Engage government actors to create enabling environments for rights-respecting business practices.
5. Engage meaningfully with informal waste sector workers.
6. Apply a gender lens in efforts to address human rights impacts in the informal waste sector.
7. Drive local approaches, tailored to local contexts.
8. Advocate for the inclusion of informal waste sector workers as relevant stakeholders in policy-making processes that may affect their livelihoods.
9. Promote greater integration of the informal waste sector into formal value chains.
10. Identify and address barriers to promoting rights-respecting practices in the informal waste sector.



# FCI Strategy: Sept 2023 - Sept 2026

In 2023, the FCI founding members underwent a process to develop a strategy and vision for the next three years. We are pleased to be able to share our 'strategy house', which illustrates the FCI's mission and its approach to achieve its objectives.

## We want to:

Create an ecosystem to implement the Fair Circularity Principles within global, regional and national policy, and within waste and recycling value chains\* to ensure the human rights of workers within the informal waste sector are respected and their critical role in circular value chains is recognised.

## To achieve this we aim to:

**Influence policy and public narrative**

**Impact waste and recycling\* value chains**

## Through:

1. **Thought Leadership** – Provide a forum convening civil society and waste picker representatives to set the direction for business action in this area. Maintain an umbrella view of initiatives in the space, seeking to align efforts and avoid duplication.
2. **Policy** – Influence global, regional and national policy in line with the Fair Circularity Principles, including through advocacy projects in strategic countries. Build expertise and be pioneers in business through policy action guidance and capacity building activities.
3. **Communication** – Create an enabling environment for change through strategic communications, events and media opportunities. All communication must be based on substantive progress and approved by the Interim Steering Group. This will improve recognition and representation of waste pickers and showcase the role of business in creating change.

1. **Implementation Guidance for Fair Circularity Principles** – Drive waste and recycling value chain transformation through industry alignment on responsible sourcing frameworks. The FCI will support The Circulate Initiative (TCI) to develop a harmonized responsible sourcing framework.
2. **Supporting Interventions / Implementation** – Where specific barriers to value chain transformation are identified, for example on traceability or on robust grievance procedures, identify the best route to overcoming these barriers in collaboration with industry partners. This could include testing interventions/tools in waste and recycling value chains that deliver on the Principles, in consultation with waste picker groups. The FCI should maintain an overview of these projects to avoid duplication in the ecosystem, leading some and supporting other experts (e.g. TCI) to lead where they are better placed.
3. **Capability Building** – Build expertise within the business community to support value chain transformation, including engagement with waste picker groups. Seek to create pioneers within business through deep engagement, alongside broader understanding within business through wide engagement. The FCI should maintain an overview of these projects, leading some and supporting other experts to lead where they are better placed.

## With:

Robust consultation with stakeholders, including waste pickers / Increased membership from business, with strong community management / Transparent reporting on progress / Network of experts in communication, policy, supply chain transformation, capacity building and project management.

\*With an initial core focus on plastics

# Implementing the FCI Principles

Implementation guidance for companies is needed to support the adoption of the Fair Circularity Principles – both in terms of influencing policy and public narrative, and impacting waste and recycling value chains. The FCI is in the process of developing ‘policy action guidance’ to support companies in influencing policy and public narrative at national and global level. We also worked alongside The Circulate Initiative’s Responsible Sourcing Initiative as they released the [Harmonized Responsible Sourcing Framework for Recycled Plastics](#) to support implementation of the Fair Circularity Principles through responsible sourcing (see [page 06](#) for more details).

We have also developed and launched a practical methodology for estimating a living income in the context of waste value chains. Our report, published with Systemiq in March 2024, offers insights for how a living income might be achieved<sup>1</sup>. In so doing, it aims to support efforts to secure a just transition for waste pickers through the UN treaty on plastic pollution, while informing companies’ implementation of the Principles (see [page 06](#)).

The FCI is also embarking on national-level collaborative projects, with a first collaboration on Living Income launched in March 2024 and a second planned for later in the year. The FCI’s founding members have also started to individually implement these principles into their operations and supply chains through the development of several projects. Insights and learnings from these projects will inform more systemic and collaborative action going forward.

## ENGAGEMENT IN NEGOTIATIONS FOR A UN TREATY TO END PLASTIC POLLUTION

The four founding FCI members are part of the Business Coalition for a Global Plastics Treaty. The Business Coalition supports a just transition for workers in informal and cooperative settings, and is calling for the treaty to establish global policy measures to achieve that goal. These measures should complement and support other existing international efforts to ensure the human right to a clean, healthy, and sustainable environment and to safeguard human rights of all people involved in the plastic value chain. With regards to the informal sector, the Business Coalition is calling on the treaty to provide mechanisms for national governments to support a just transition for all workers, recognizing regional and national circumstances, and to promote opportunities for the greater integration of the informal waste sector within formal value chains. The treaty should also introduce clear rules on traceability and documentation of public and private funding to ensure that supported activities and measures to address human rights impacts result in the intended benefits<sup>2</sup>.

"It is not enough to commit to ensuring a 'Just Transition' by putting well-intended aspirational language in a separate section of the treaty. We must make sure that just transition is made operational in the specific treaty provisions and obligations for UN member states to empower workers in informal or cooperative settings to operate within existing or emerging regulatory systems, such as EPR<sup>3</sup>."

1. [FCI: A living income for the informal waste sector](#)
2. [Business Coalition Recommendations for INC1](#)
3. [Policy briefing to inform the INC discussions on a Global Plastics Treaty](#)







# The Coca-Cola Company

**In 2023, The Coca-Cola Company, along with Minderoo Foundation, funded the Responsible Sourcing Initiative, a new initiative from The Circulate Initiative (TCI) to uplift informal waste workers and address the most pressing human rights issues in the plastic waste recycling supply chain. The initiative is supported by Circulate Capital, First Mile, and Tearfund.**

By convening and facilitating value chain actors to adopt harmonized responsible sourcing practices, the initiative has set to improve livelihoods for an estimated 50,000 informal waste workers, and secure the commitment of over 25 global brands, investors, recyclers, and aggregators by 2025. Against a backdrop of increased urgency, the Responsible Sourcing Initiative offers a systemic approach to building inclusive and resilient recycled plastic supply chains across emerging markets.

## KEY ACTIVITIES INCLUDE:

- Aligning brands, investors, recyclers, aggregators, and waste worker associations on an action-oriented framework that forms a shared understanding of responsible sourcing, success metrics and how progress will be tracked. The development of such a framework is a key step in helping ensure that companies know how to put the Fair Circularity Principles into practice.
- Working with implementation and local partners across the full value chain to identify and invest in projects in India, Indonesia, Kenya, and Vietnam, to improve human rights practices and increase the supply of responsibly sourced recycled plastics.
- Measuring impact and disseminating findings from local projects to replicate success in other markets.
- Conducting research with global and local partners to fill knowledge gaps and provide localized supply chain assessments.

# PepsiCo

**PepsiCo India launched the Purna Project (“Purna – Unnati ki Sajhedari”, which means “Complete Progress with Collective Partnership”), an initiative that aims to transform the working conditions and livelihoods of the waste workforce by developing a circular, equitable and inclusive model of effective waste management in Mathura-Vrindavan, India.**

Following a pilot conducted in 2022, the project is now being fully implemented in collaboration with PepsiCo India, PLAN Foundation, and the local municipality.

The initiative is focused on diversion of municipal solid waste with improved source segregation. To accomplish this, the program works on capacity building and integration of waste workers throughout the waste value chain with municipal councils, citizens, contractors, and community leaders. The project focuses on creating a recognized and dignified workforce, and helping waste workers have all requisite documents to be acknowledged by the government and community.

Through health camps and awareness programs, the initiative aims to improve access to healthcare and promotes community well-being. It works to empower women waste workers through education and training to help foster gender equality and social inclusivity. This in turn, supports local governance, strengthening of community-local government ties, and may serve as a scalable model replicable citywide. To date, Project Purna has empowered 174 waste workers and diverted more than 1200 metric tons of city waste from 4,000 property units with an outreach to 20,000 citizens.

## KEY LEARNINGS FROM THE PURNA PROJECT:

1. A waste audit and community needs assessment are important to identify key stakeholders and adapt a project to local needs and circumstances. In Purna, PepsiCo learned that community leaders could be heavily influential for behavior change.
2. Equipment or technology upgrades can be very impactful; the project, in collaboration with waste pickers, identified the need for more vehicles to conduct door-to-door collection. We then worked with government to identify the gaps, conducted efficient route mapping, and increased the number of vehicles used for collection.
3. End markets for the waste collected can also serve as a waste to wealth pathway. Established through this project, women-led groups have been able to make items like diyas and jewelry and sell them within the city. The Purna Project helps to unlock additional livelihood avenues for the waste worker communities.





# Unilever

Since 2021, Unilever has been working with VietCycle, a waste collection enterprise, on 'Plastic Reborn' - a circularity initiative that is improving the working conditions and overall livelihoods of women waste pickers in Vietnam. With support from Unilever, VietCycle has established over 150 collection stations across Vietnam and by 2025 are aiming to recycle 80,000 tons of plastic waste every year collected via a community of over 12,000 waste pickers.

A typical waste picker's earnings in Vietnam is very inconsistent because they are paid by weight and type of material in an informal, unreliable collection system. But through the Plastic Reborn Initiative, VietCycle and Unilever Vietnam fostered connections and provided support and training to enhance the expertise of over 2,500 waste pickers.

The project has also played a big role in advocating for their rights to be recognized and formalized. These efforts have had a positive impact on enhancing the status of waste pickers in their communities.

## UNILEVER'S HUMAN RIGHTS FRAMEWORK FOR PLASTIC VALUE CHAINS

In 2023, Unilever open-sourced its human rights framework for plastic value chains to The Circulate Initiative's Responsible Sourcing Initiative.

By open-sourcing the framework, Unilever aims to drive a collaborative and aligned industry-wide approach which significantly reduces duplication and maximizes efforts to transform the global plastics supply chain. Unilever has also shared key learnings from their own work to support the wider peer group as a common industry framework is finalized and implemented.



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**In the course of our duties on the streets and alleys, we frequently encounter prejudice from passers-by, which, at times, leads me to feel profoundly disheartened. However, upon joining the program, our confidence grew as we finally understood the significance of our job in shaping the future and bettering society.**

– Le Thi Luong, a Vietnamese waste picker



# Nestlé

**Informal waste workers around the world play an essential role in the waste and recycling value chain. At the same time, they are often vulnerable to a range of human rights impacts. In line with our Human Rights Salient Issue Action Plans, the issues that we identified as the most pertinent are Safety and Health at Work, Child Labor and access to Education, and Forced Labor and Responsible Recruitment. This is why we're conducting Human Rights Assessments in Waste Management projects in priority countries.**



## INDONESIA

In 2020, Nestlé became the first food and beverage company to join Project STOP, an initiative to implement circular economy solutions across Indonesia through city partnerships. Since then, our Pasuruan program has developed formalised waste collection services for over 132,000 people. 120 new permanent jobs were created, with workplace health and safety practices and infrastructure. A major milestone was reached in 2023, when the program reached economic autonomy. It is now managed by the local government and community in Lekok and Nguling Municipality.

## INDIA

Project Hilldaari began in 2019 with a partnership between Nestlé India, Recity, and SMS, and now includes the PLAN Foundation. Currently operational in six cities in India, the project supports integrating the informal waste sector into formal value chains, with better working conditions, safety equipment, digital tools, and professional training. Today, over 550 waste pickers now have government-recognized ID cards, granting access to government health schemes and pension and maternity benefits. To ensure alternate sources of livelihood, workers have also been trained in financial literacy, establishing a microenterprise, and communication and team building skills.

## BRAZIL

In Brazil, we are part of the Recicleiros Cidades project. This initiative provides job training, promotes consumer recycling education, and implements waste collection infrastructure in 11 Brazilian states. With an emancipatory learning model, the goal is to provide waste pickers with the necessary operational and entrepreneurial training so that assets and management can ultimately be transferred to the cooperatives. Waste collection partnership projects supported by Nestlé in Brazil today empower more than 8,000 recycling professionals.

While individual and voluntary actions have shown promise in driving change, they will not solve the salient issues on their own. This is why we have joined the Business Coalition for a Global Plastics Treaty to advocate for a legally binding, ambitious treaty that includes a just transition for waste workers, as well as the Fair Circularity Initiative to propel systemic and collaborative action around the world.





## Conclusion

**The Fair Circularity Initiative seeks to elevate attention to both the important role that waste pickers play in the waste and recycling value chain and the broad range of severe human rights impacts that they are exposed to. To do so, the initiative is gathering a group of companies and NGOs committed to respecting the rights of these workers and willing to meaningfully engage with or effectively address social conditions and human rights impacts in this sector.**

Through this collaborative and holistic approach, the FCI seeks to develop a robust dialogue with stakeholders, including waste pickers, increase business membership, ensure transparent reporting on progress, and build a network of experts in key areas such as communication, policy, supply chain transformation, capacity building, and project management.

The FCI is calling on the business sector and NGOs across the value chain to join us and drive towards a fairer circular economy for waste and recycling value chains. By joining the FCI, companies and organizations will participate in developing stakeholder engagement, influencing public policy and narrative and impacting supply chains.

If you are interested in joining the initiative, please visit our [website](https://www.faircircularity.org) or send us an email at [info@faircircularity.org](mailto:info@faircircularity.org).



# Why join the FCI?

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## Tetra Pak

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At Tetra Pak, we are committed to respect human rights across our value chain, and we see the Fair Circularity Initiative as critical to applying that commitment to the collection and recycling of packaging. If we are to help realize meaningful and sustainable change for informal waste collection workers, then companies must take action together with Governments, civil society and the workers themselves.

– Francis West, Social Sustainability Director

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## PepsiCo

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The Fair Circularity Initiative provides an important starting point to examine the packaging supply chain and work with peer companies to strive for a just transition. Waste pickers are key players in waste management systems in many of the markets in which we operate, and it's important we all seek to do our part to protect them. PepsiCo recognizes the role we can play to help improve livelihoods, protect human rights and create a more circular economy for our packaging.

– Jennifer Tsai, Vice President, Global Sustainable Packaging

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## Unilever

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Waste pickers are among the unsung heroes and heroines in recycling, collecting and sorting most of the plastic recycled globally. The Fair Circularity Initiative helps companies work together to make concrete progress in improving their working conditions with participatory and meaningful engagement with waste pickers and their representative organizations.

– Rachel Cowburn-Walden, Global Head of Sustainability (Human Rights)

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## The Coca-Cola Company

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We recognize our important role in helping to address the complex plastic waste challenges facing our planet and society and this includes working to respect the rights of informal waste workers. The scale of the plastic waste recycling supply chain requires collaboration to achieve true impact and we will continue to seek meaningful partnerships, such as our collaboration with the Fair Circularity Initiative, to drive collective action and help empower informal waste workers, while advocating for greater inclusivity.

– Paul Lalli, Senior VP, Global Human Rights

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**Fair Circularity  
Initiative**



[faircircularity.org](http://faircircularity.org)