

Key Messages Brief

Addressing plastic waste through responsible business conduct: Experiences from Southeast Asia

Background

This key message brief summarizes comments and reflections made during the joint OECD–ILO–UNEP webinar on addressing plastic waste through responsible business conduct, held on 16 March 2022.

The event focused on how businesses can address plastic waste through responsible business conduct, drawing on experiences in Southeast Asia. Participants reflected on the role of current international instruments such as the ILO MNE Declaration, the OECD Guidelines for Multinational-Enterprises and the upcoming international global plastic agreement. Speakers highlighted the need for innovative business practices, the promotion and adoption of responsible business practices across supply chains, and called for collective action to shift away from business as usual to an inclusive, circular, sustainable and resource-efficient plastics economy. The webinar was organized under the Responsible Supply Chains in Asia programme, implemented by Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO) and funded by European Union (EU).

Context

Technological advancement and product innovation, coupled with evolving consumption patterns, have led to significant increases in the production of plastic goods. The increase in production and consumption, combined with limited infrastructure and ecosystems for recycling and re-use has led to considerable amounts of plastic waste in the environment and oceans; of all the plastic produced from 1950 to 2017, an estimated 70% has become plastic waste.¹

At present, an estimated 75 million to 199 million tons of plastic waste find their way into the oceans annually – with six out of the 10 ASEAN member states (collectively) contributing 31 million tons each year.² Plastic waste cause significant social, health and environmental impacts threatening ecosystems and livelihoods, and an estimated \$6 billion is lost annually from single-use plastics in Southeast Asia that are not recycled or recovered.³ Market assessments of plastics circularity, waste and pollution are required to eliminate unnecessary single use plastics, increase collection and recyclability, and to promote innovation.

A [human rights based approach](#) to preventing waste and plastic pollution can contribute to safeguarding the environment. The protection of the environment and ecosystems also contributes to the fulfilment of human rights and human well-being, including health, an adequate standard of living and decent work. Progress against these goals is essential to achieving sustainable supply chains, a low carbon economy and promoting decent work. However, this transition will have complex impacts on employment in the value chains. It calls for re-skilling, formalisation of enterprises in the waste-

¹From Pollution to Solution: A Global Assessment of Marine Litter and Plastic Pollution, United Nations Environment Programme, <https://wedocs.unep.org/bitstream/handle/20.500.11822/36963/POLSOL.pdf>

² The ASEAN Member States Adopt Regional Action Plan to Tackle Plastic Pollution, The World Bank <https://www.worldbank.org/en/news/press-release/2021/05/28/asean-member-states-adopt-regional-action-plan-to-tackle-plastic-pollution>

³ World Bank Sees \$6 Billion Wasted on Southeast Asia Plastics, Bloomberg, <https://www.bloomberg.com/news/articles/2021-03-23/world-bank-sees-6-billion-wasted-on-plastics-in-southeast-asia>

management sector and access to social protection to the thousands of people working in sectors related or linked to the management of plastic waste.

An equitable transition that provides opportunities for decent work will not happen automatically, and targeted interventions and collective responses are required. **Business strategies** must be informed by holistic assessments of social and environmental impacts across value chains, factoring in the gender dimension. **Governments** in turn need to empower businesses through an enabling environment that supports adoption and pursuit of responsible practices. International instruments such as the [ILO MNE Declaration](#), [OECD Guidelines for Multinational-Enterprises](#) and the mandate for the upcoming legally binding global agreement to tackle plastic pollution, provide frameworks to support and drive efforts of all stakeholders to adopt a holistic approach to addressing plastic waste and their impact on the world of work.

Given this context, the speakers at the event shared insights and experiences as well as innovative business practices for plastic circularity, highlighting business actions that are needed or underway to shift away from business as usual to an inclusive, circular and more sustainable and resource-efficient plastics economy.

Responsible Business Conduct (RBC)

The OECD outlined why a Responsible Business Conduct (RBC) approach is relevant to business and society in addressing the plastic waste crisis. RBC provides a framework to help businesses avoid and address negative social and environmental risks and impacts in their operations and value chains while contributing to sustainable development. RBC standards and tools help businesses integrate environmental and social considerations into core business risk management processes through risk-based due diligence – a process through which businesses identify, assess and mitigate their actual and potential negative impacts and account for how those impacts are addressed. This approach extends the notion of due diligence beyond simply identifying and managing material risks to the enterprise to include the risks of adverse impacts to the environment, to stakeholders and rights holders.

The OECD Guidelines for Multinational Enterprises is an international soft law instrument that provides non-binding principles and standards for RBC. For instance, the Environment Chapter of the OECD Guidelines includes recommendations for businesses to address the impacts of goods and services over their complete life cycle. The Consumer Interests Chapter recommends that companies promote consumer education in areas that relate to their business activity to improve the ability of consumers to i) make informed decisions, ii) better understand the economic, environmental and social impacts of their decisions and iii) to support sustainable consumption. In this way, the OECD Guidelines provide a holistic framework to support the efforts of all stakeholders to achieve a circular economy. The OECD Due Diligence Guidance for Responsible Business Conduct provides practical support to enterprises on the implementation of the OECD Guidelines by providing plain-language explanations of its due diligence recommendations and associated provisions.

According to the ILO, a 5% annual increase in recycling rates for plastics, glass, wood pulp, metals, and minerals could generate around 6 million additional jobs worldwide. However, an equitable transition that provides opportunities for decent work will not happen automatically. The OECD highlighted that in 2019, only 9% of plastic waste was recycled while 22% was mismanaged.⁴ Businesses will need support to avoid and address adverse impacts to workers associated with operations, supply chains, or business relationships, re-skilling of the workforce to meet the demands of new sectors such as recycling and waste management.

⁴ OECD Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options (2022): <https://www.oecd.org/environment/plastics/>

Convergence of RBC and Plastic circularity

Speakers highlighted key practices that businesses may need to embrace to facilitate RBC in the plastics industry in order to adapt to a system of sustainable consumption and production. This involves both Extended Producer Responsibility (EPR) and Human Rights Based Approaches (HRBA).

Extended Producer Responsibility (EPR)

Speakers at the event touched upon the need for business to embrace zero waste, extended producer responsibility (EPR), and circular economy models. The concept of EPR works on the basis of producers being responsible for managing waste generated by their products. Since the inception of EPR in the 1990s in other industries, it has significantly increased recycling rates and reduced public spending on waste management in various countries.⁵

Speakers emphasized that in the Southeast Asian region, EPR is at an early voluntary stage and will soon become mandatory based on differing levels of progress that countries are making in incorporating it in law and aligning responsibilities with their national action plans or roadmaps for addressing plastic pollution. The Philippines, for example had a bill institutionalizing the practice of EPR on plastic products (House Bill No. 10696, “the Extended Producer Responsibility Bill of 2022”) approved in 2022. Mandatory EPR in Vietnam has been initiated via a Decree implementing Articles in the Law on Environmental Protection (“Decree No. 08”), and the Circular on the Detailed Implementation of some Articles in the Law on Environmental Protection (“Circular No. 02”), both effective 10 January 2022. In Malaysia and Indonesia, the private sector has started establishing PROs (Producer Responsibility Organizations) to support the EPR efforts.

The need for businesses to be prepared to address such developments and their relevance to the discussion around RBC was also discussed. It is important to look at EPR from a human rights-based approach in order to assess how businesses can mitigate risks in efforts around EPR given high dependence on the informal sector.

Human Rights Based Approach (HRBA)

Speakers highlighted that each stage of the plastic life cycle can impact on human rights – and this necessitates a need to adopt a human rights-based approach (HRBA), not just during waste management but from the initial stages of raw material extraction and production.

HRBA covers multiple components: a safe climate, clean air, toxin-free places, clean water, and sustainable food. Resilient biodiversity and ecosystems also include a procedural, environmental, and human rights dimension, which would involve supporting access to information, impact assessment, and education on sustainability. Respect for science, freedom of expression, and assembly encourage participation in environmental decision-making and access to justice.

The speakers emphasized the importance of a ‘Just Transition,’ a process through which climate change actions advance job creation, social justice, and fair transition for workers, enterprises, and communities. Although there are different ‘Just Transition’ pathways in different countries, the transboundary dimensions and interconnected nature of the plastic crisis requires shared goals across countries.

Instituting respect for human rights and the environment are interconnected. Human rights due diligence facilitates the identification, alleviation, and remediation of risks and impacts on rights holders in business operations and supply chains. Integrating a human rights framework into business strategies will enable business to promote a Just Transition. Social Dialogue and a Systems Approach involves

⁵ The State of Play on Extended Producer Responsibility (EPR): Opportunities and Challenges, OECD
<https://www.oecd.org/environment/waste/Global%20Forum%20Tokyo%20Issues%20Paper%202030-5-2014.pdf>

government, industry, workers and civil society to turn this into a reality. The comprehensive and holistic nature of OECD standards and instruments on RBC can support business-led action on plastic pollution that is implemented with integrity, accountability and responsibly – taking into account impacts on both people and the planet, and driving just transition priorities.

Key drivers enabling convergence

In presenting highlights from the 2022 OECD Global Plastics Outlook report, four key recommendations, or critical levers to reduce the environmental impact of plastics, were highlighted:

1. Bolster markets for recycled plastics
2. Boost innovation for more circular plastics
3. Scale-up international financing and cooperation
4. Increase ambition of domestic policies

Building on this, speakers identified the following drivers that can enable the convergence of responsible business conduct in plastic value chains to promote a circular economy.

Enabling environment and Government support

Speakers highlighted that successful policy interventions act as catalysts to facilitate different approaches to plastic waste, and their success is a function of design, implementation approaches, and monitoring mechanisms. Pursuing dialogue with industry and other stakeholders, contextualizing existing laws from developed markets whilst taking into account the existing infrastructure and business landscape of each country, and adopting holistic value chain approaches are critical to driving RBC.

The speaker from the European Commission highlighted the Commission's strategy for plastics and circular economy, prioritizing the reduction of plastic waste, expanding recycling capacity and increasing market demand for recycled plastic. In 2019, the EU adopted a Directive on reducing the impact of certain plastic products on the environment.⁶ Most recently in 2022, the European Commission adopted a proposal for mandatory due diligence across supply chains.⁷ This proposal sets out a requirement to conduct due diligence to identify, prevent, mitigate, and account for adverse human rights and environmental impacts in company operations, subsidiaries, and value chains. The European Commission highlighted that the EU is working closely with countries across Southeast Asia to support implantation.

The speakers also shared optimism over the results of the UNEA 5.2 meeting in March 2022, and the prospect of a legally binding global agreement to tackle plastic pollution, which may include the marine environment.⁸ The global plastic agreement will likely incorporate a full life cycle approach, adoption of HRBA across the value chain and integrate approaches that take into account the informal workforce and cooperative settings.

Education, Awareness and Empowerment

Speakers highlighted the importance of taking a multi-stakeholder approach and building trust and transparency in value chains while pushing for greater circularity in plastic value chains. Businesses should educate and train workers on environmental risks such as use of hazardous materials, while at the same time encouraging the development of strategies to substitute or reduce the use of toxic substances. Speakers also highlighted that more education and awareness programs are needed at the local level.

⁶ Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment. <https://eur-lex.europa.eu/eli/dir/2019/904/oj>

⁷ Proposal for a Directive Of The European Parliament And Of The Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0071>

⁸ <https://www.unep.org/news-and-stories/press-release/historic-day-campaign-beat-plastic-pollution-nations-commit-develop>

An empowered workforce within the business and supply chain can drive change through the adoption of a sustainability mindset and new consumption patterns, both through influencing business strategy and as consumers themselves. Creating space for the exchange of ideas and solutions across value chain can support the development of benchmarks and market-based solutions that address plastic pollution at source. Engaging youth as future change-makers is necessary for empowerment.

While sharing learnings and successes from a public-private partnership initiative designed to address plastic waste at source in the city of Penang, Malaysia, a speaker enumerated key steps – including educating and empowering the community as key step to ensure meaningful impact.

Innovation

Speakers highlighted why innovation should be central to circular economy approaches – especially in plastic value chains. Innovation can be infused into the design of business models, financing mechanisms, technical solutions and business operations in general.

Discussions outlined why innovative approaches are needed to identify sustainable alternatives to plastic packaging. However, innovation must extend to product design in general to be able to address the plastic crisis and increase demand for circular solutions. It was also highlighted that *innovation* could extend to a people-centered approach by investing in workers' skill training and empowerment in the face of emerging new business models. A people-centered approach to innovation should be anchored in understanding customers' needs and fostering transformation in product development, services, processes, and organizations.

Science based decision making

Speakers emphasized the importance of taking a science-based approach to understanding the plastic landscape and designing effective action plans. There are a number of existing and upcoming science-based products borne out of collaboration between international organizations and scientific/technical institutions. The [Regional Action Plan for Marine Litter 2019 \(RAP MALI\)](#) and [Regional guidance to harmonized national marine litter monitoring programmes](#) are examples used in monitoring efforts.

While discussing the upcoming global plastic agreement, the importance of the 'right to science' was highlighted as critical to the promotion of a human rights based approach. Speakers stated that it is important to identify and generate baseline data on plastic use, recycling, and recovery rates. Investing in data-based approaches, localizing mapping tools based on the specific context, and scaling technology can all influence how we manage plastic leakage.

About the key message brief

This key message brief was developed by SEA circular and is an output of a multi-stakeholder dialogue facilitated in March 2021 by the Responsible Supply Chains in Asia programme and the SEA circular programme.

SEA circular is an initiative of the UN Environment Programme and the Coordinating Body on the Seas of East Asia (COBSEA), with support from the Government of Sweden, to inspire market-based solutions and encourage enabling policies to prevent marine plastic pollution.

The **Responsible Supply Chains in Asia programme** is implemented by Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO) and funded by European Union (EU). The RSCA programme aims to promote respect for human rights, including labour rights, and responsible business standards in global supply chains.

ILO and OECD have been engaging with governments and companies across global supply chains to promote an enhanced respect for human rights, labour and environmental standards by businesses engaged in supply chains. Through the RSCA, the ILO and OECD are contributing expertise on trade and investment, labour and risk-based RBC due diligence to support an enabling environment for RBC, to boost industry capacity, and to raise awareness of the importance of RBC and Decent Work in Asia. The RSCA programme is being carried out in partnership with Japan (an OECD member) and five partner economies, namely China, Myanmar, the Philippines, Thailand and Vietnam.

View details about the event agenda and speakers here.

Event page: <https://www.rscaevents.com/addressing-plastic-waste-in-se-asia>

Additional Resources

- OECD Due Diligence Guidance for Responsible Business Conduct. Available in multiple languages at: <https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm>
- OECD Guidelines for Multinational Enterprises, <http://mneguidelines.oecd.org/guidelines/>
- OECD e-learning Academy on Responsible Business Conduct: <https://mneguidelines.oecd.org/oecd-e-learning-academy-on-responsible-business-conduct.htm>
- OECD Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options (2022): <https://www.oecd.org/environment/plastics/>
- Our Planet is Choking from Plastic, United Nations Environment Programme, <https://www.unep.org/interactives/beat-plastic-pollution/>
- ASEAN Member States Adopt Regional Action Plan to Tackle Plastic Pollution, The World Bank <https://www.worldbank.org/en/news/press-release/2021/05/28/asean-member-states-adopt-regional-action-plan-to-tackle-plastic-pollution>
- UNEA Monitor, February-March 2022 | UNEA 5 | Nairobi – Kenya, <https://wedocs.unep.org/bitstream/handle/20.500.11822/38467/UNEA%20Monitor%20Issue%201%20%281%29.pdf?sequence=1&isAllowed=y>
- World Bank Sees \$6 Billion Wasted on Southeast Asia Plastics, Bloomberg, <https://www.bloomberg.com/news/articles/2021-03-23/world-bank-sees-6-billion-wasted-on-plastics-in-southeast-asia>
- 4 Ways to Reduce Plastic Pollution, World Resources Institute <https://www.wri.org/insights/4-ways-reduce-plastic-pollution>
- Myanmar: Responsible Business Conduct and the OECD Guidelines for Multinational Enterprises, OECD, <https://www.oecd.org/daf/inv/mne/2014-Myanmar-Responsible-Investment-Conference-Background-Note.pdf>
- From Pollution to Solution: A Global Assessment of Marine Litter and Plastic Pollution, United Nations Environment Programme, <https://wedocs.unep.org/bitstream/handle/20.500.11822/36963/POLSOL.pdf>
- The State of Play on Extended Producer Responsibility (EPR): Opportunities and Challenges, OECD <https://www.oecd.org/environment/waste/Global%20Forum%20Tokyo%20Issues%20Paper%2030-5-2014.pdf>

- Extended Producer Responsibility Policy in East Asia, page 5
https://www.iges.or.jp/en/publication_documents/pub/policyreport/en/1661/compiled.pdf
- From Pollution to Solution: A Global Assessment of Marine Litter and Plastic Pollution, United Nations Environment Programme, <https://wedocs.unep.org/bitstream/handle/20.500.11822/36963/POLSOL.pdf>
- Back to the future as innovators seek plastic alternatives, UNEP, <https://www.unep.org/news-and-stories/story/back-future-innovators-seek-plastic-alternatives>

Promoting responsible supply chains in Asia

This webinar was supported by the Responsible Supply Chains in Asia (RCSA) programme⁹ which is implemented together with Organisation for Economic Co-operation and Development (OECD) and the International Labour Organisation (ILO) and funded by European Union. The RCSA programme aims to promote respect for human rights, including labour rights, and responsible business standards in global supply chains.

This programme is carried out in partnership with Japan (an OECD member) and five partner economies, namely China, Thailand, Viet Nam, Philippines, and Myanmar.



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⁹ <http://mneguidelines.oecd.org/globalpartnerships/responsible-supply-chains-asia>