

THE NATURAL STEP'S COMMENTARY ON VINYLPLUS PROGRESS REPORT FOR 2019

The Natural Step (TNS) acts as an external advisor, stakeholder intermediary and capacity builder to VinylPlus. Our commentary highlights some of the areas where we see good progress and others where further attention may be needed. Whilst we acknowledge VinylPlus is largely on track toward its commitments we continue to emphasize the dynamic nature of sustainable development and the need to match ambitions with changing awareness and expectations.

✓ PROGRESS TOWARDS CONTROLLED LOOP PVC MANAGEMENT

One of VinylPlus's key achievements is recycling. With continued focus on plastics in the circular economy we are pleased once again to see that recycling volumes are edging closer to the 2020 target.

Recalling our commentary from last year we also note that recycling volumes should be related to the actual amounts of "waste arising" and available for collection in any given year. The work on dynamic modelling of post-consumer waste is therefore important as it enables prediction of future waste streams and context-based target-setting. This should help to plan collection infrastructure and lift recycling rates.

We are also encouraged by the continued development of industry-sector projects, studies addressing recycling and waste management and investment in new recycling technologies. These are all critical given the increased waste volumes to be handled within Europe's borders.

Topics such as traceability and product design now also appear to be getting much-needed focus and we are pleased VinylPlus is able to take a leadership role within the Circular Plastics Alliance.

✓ CONCERNS REGARDING LEGACY ADDITIVES

As noted in the progress report, close engagement with regulators and other stakeholders on the topic of legacy additives needs to continue. Market acceptance of products with recycled content depends upon an assurance that where legacy additives are present, they have been deemed safe for reuse.

Studies to identify the presence of legacy additives in recyclates and to understand legacy additive leaching demonstrate the industry's commitment. Better communication about secondary applications and traceability is needed with clearer blue-prints for intentional material cycles through consecutive 'generations' of PVC products.

With recent political uncertainty on this topic we add our view that the goals of a non-toxic environment and a resource-efficient, circular economy need to be pursued simultaneously but not at the expense of one or the other. To do so misses the point that these are both important parts of the larger sustainability transition for society

✓ SUSTAINABLE USE OF ADDITIVES

TNS provided support during 2019 to customize our strategic life cycle assessment (SLCA) protocol for the assessment of additives. The resultant Additive Sustainability Footprint tool is intended to help take a wider perspective on the life cycle of chemical products, identify hotspots and areas for action to move toward a clear set of criteria.

We believe the use of this tool can help in the design of new additives and it allows for pre-emptive screening for potential

unforeseen issues that are not the focus of regulation. Foresight is clearly necessary when chemical legislation is advancing. We now look forward to additive manufacturers beginning to adopt the new tool.

✓ CLIMATE CRISIS CALLS FOR A STRONGER RESPONSE

When considering the global youth movement demanding climate action, more visible signs of climate change and an accelerating clean energy revolution, we believe that industry progress on energy and climate issues, while reasoned, is stalling and needs a rethink.

Given carbon neutrality is likely to become part of EU policy in the emerging EU Green Deal, we would like to see VinylPlus communicate more action on this front. At the company level we do note that some actors are now commercializing 'bio-based' and 'circular' ethylene which yield a dramatically lower climate impact. This is very promising.

✓ SUSTAINABILITY PERFORMANCE BENCHMARKS

Blanket treatment of "plastics" as one category is a growing problem we see. The same is also true within the PVC family. We need to learn to distinguish between materials based on their different life cycle footprints, formulations, applications and the value they provide. Tools like the VinylPlus Product Label and the VinylPlus Supplier Sustainability Certificate are great examples demonstrating that there is a new class of performance to choose from. We are encouraged that these tools are making a difference.

✓ THE HOME STRETCH OR THE WARMUP ACT?

At this year's VinylPlus Sustainability Forum, we presented on the changing approaches to sustainability within businesses, lessons learned from engaging with industry and ideas for accelerating innovation. As we enter 2020 and the last year of the current industry commitment, we are hoping that VinylPlus's will continue to reflect on these themes. The year ahead should focus on delivering on existing targets and setting the foundation for a new programme with even braver ambitions.



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