



THE NATURAL STEP'S COMMENTARY ON VINYLPLUS PROGRESS REPORT FOR 2018

The Natural Step (TNS) acts as an external advisor, stakeholder intermediary and capacity builder to VinylPlus. The writing of commentary coincides with the 20-year milestone of our work within the chemical industry, and with PVC in particular. With just a few years remaining in the current VinylPlus commitment period it provides a moment for reflection on where the industry has come from, current progress and important reminders in preparing future steps beyond 2020.

What have we learned?

In 1999, at the request of retailers in the United Kingdom under pressure from Greenpeace about their use of PVC, The Natural Step was asked to bring stakeholders to the table to analyse the challenges and opportunities for PVC. Could the material play a role in a sustainable society, and if so, what challenges would need to be solved? The conclusion from the process was that all materials have their strengths and challenges to be sustainably managed and that the PVC industry in Europe would need to tackle a set of key challenges – those now incorporated into the VinylPlus commitment. By using scientific principles, it has been possible to clearly define challenges, set goals to address them and work toward a common vision.

Solid progress, year on year

Despite some stakeholders continuing to have concerns about PVC, VinylPlus is clearly succeeding in providing direction and leadership to address them. We observe a shift in awareness within industry, good recognition and improved perceptions by important stakeholders and solid year on year progress reported against multiple targets. Notable achievements during 2018 include progress on recycling volumes, verified PVC products appearing on the market (VinylPlus® Product Label), outreach and engagement with other parts of the PVC, plastics and chemical industries and work to assess additives in the context of the circular economy, something we have contributed to directly.

New targets on recycling

VinylPlus commitment to plastic industry circularity programmes and announcements of recycling targets beyond 2020 are also welcomed. For the first time these include an absolute percentage of waste targeted for recycling. This is something we view as important in helping stakeholders understand progress. Nevertheless, we have also noted to VinylPlus management that the commitments should be bolder given the learning and investment in a common platform over the years. When demand for recycled rigid PVC is high, as noted in this progress report, this already suggests that there is scope for increasing recycling rates. The real sustainability goal is still controlled-loop PVC management.

Sustainability as a driver of innovation

The role of a voluntary sustainability commitment is to go beyond what is required by law but 'doing more than what's asked' misses the point. The vision, a desire to achieve it and recognition of the necessity and benefits of doing so should energize the change. One topic we have raised with VinylPlus is working to ensure all parts of the industry are really using sustainability to drive innovation. The progress report gives an overall picture of activities at industry level but how well do

individual companies internalize knowledge about sustainable PVC management when making decisions about product development, for example? We would like to hear more about that and believe that VinylPlus could investigate this more. For example, through evaluating the company-level impact of the product label, benchmarking company practices, outcomes from the assessment of additives etc.

How much progress is enough?

The pace of change in industry and society is far too slow given what we know about sustainability. This needs to be remembered when discussing the progress being made year on year. The reality is that business models are still largely based on the linear economy, the majority of PVC waste is still not being recycled, regulators and industry continue to struggle with how to manage legacy additives and the climate is changing faster than even leading scientists expected. We therefore encourage VinylPlus to make all efforts to increase the sense of urgency in tackling the key challenges for PVC. We will keep reinforcing that 2020 is not the finish line, but a milestone on the longer sustainability journey.

Changing context and the global situation for PVC

The circular economy, Paris Accord and the UN Sustainable Development Goals are further evidence that the context for VinylPlus is changing. Pressure to act will continue to mount. Ultimate success must be to future-proof the industry at a rate that meets stakeholder expectations, demonstrating where and how PVC serves societal needs better than alternatives. Therefore, we recommend that VinylPlus begin the process of consulting stakeholders on where the industry needs to go next, including how to address bottlenecks and speed up progress. With PVC production now mostly in Asia, it will be important that progress in Europe is also expanded. Global standards are clearly needed if different levels of PVC sustainability performance are to be recognized. This should be an important priority for industry and policy-makers in Europe from a competitiveness perspective, and it is critical for overall progress toward sustainability.

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Stockholm, February 2019