



Plastic Credits and Auditing

Promoting transparency and accountability
in the Circular Economy

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Meet the Speaker



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18+ years of experience in sustainability

Current and past projects:

- EPR Law Compliance
- Waste Management Standards Development and Training
- Decent work and responsible business conduct
- Sustainability Strategy and Framework Development



AGENDA

What are plastic credits?

Who gets audited?

How do we audit plastic credits?



I. What are plastic credits?



Plastic credits

No universally accepted definition at present

*“A **plastic credit** is a transferable unit representing a specific quantity of plastic that is avoided from use, collected and managed, or recycled.”*

- World Bank

How are plastic credits generated?

Plastic credits are generated through upstream and downstream activities. All plastic credits available and sold (at present) are from downstream activities.

Upstream activities

- Plastic avoidance [still conceptual]

Downstream activities [all operational]

- Collection from the environment (cleanups, etc.)
- Diversion from landfills and towards co-processing or waste-to-energy
- Diversion from landfills and towards mechanical recycling

References: [Open Knowledge Repository](#)



Photo: LGU waste in storage prior to shredding and co-processing



Photo: Manual removal of caps and labels on PET bottles prior to recycling

Where do plastic credits fit into the circular economy?

Plastic credits are a financing tool that helps address funding gaps

- Help meet the financing gap for waste management
 - Financing gap of USD 28-40/ton for plastic waste collection services and USD 28-40/ton across plastic recycling value chains in the Philippines, Indonesia, Thailand, Vietnam, and China (Ocean Conservancy 2019).
- Incentivizes sustainable practices
- Provide a framework that is traceable and results-based
- Increased participation and recognition of the informal waste sector in waste management

References: [Open Knowledge Repository](#), [Plastics-Policy-Playbook-10.17.19.pdf](#)



Photo: Local eatery with recycled net bag specifically for collecting plastics

What are the challenges facing plastic credits?

- No uniform standard in credits generation
- Varying levels of maturity and transparency of credit-generating projects
- Varying prices of credits
 - Depends on type of plastic, diversion method, and location
- Possible double counting of credits
- Possible disincentive for plastic generators to reduce plastic usage because they can just “buy” compliance

References: [Open Knowledge Repository](#)



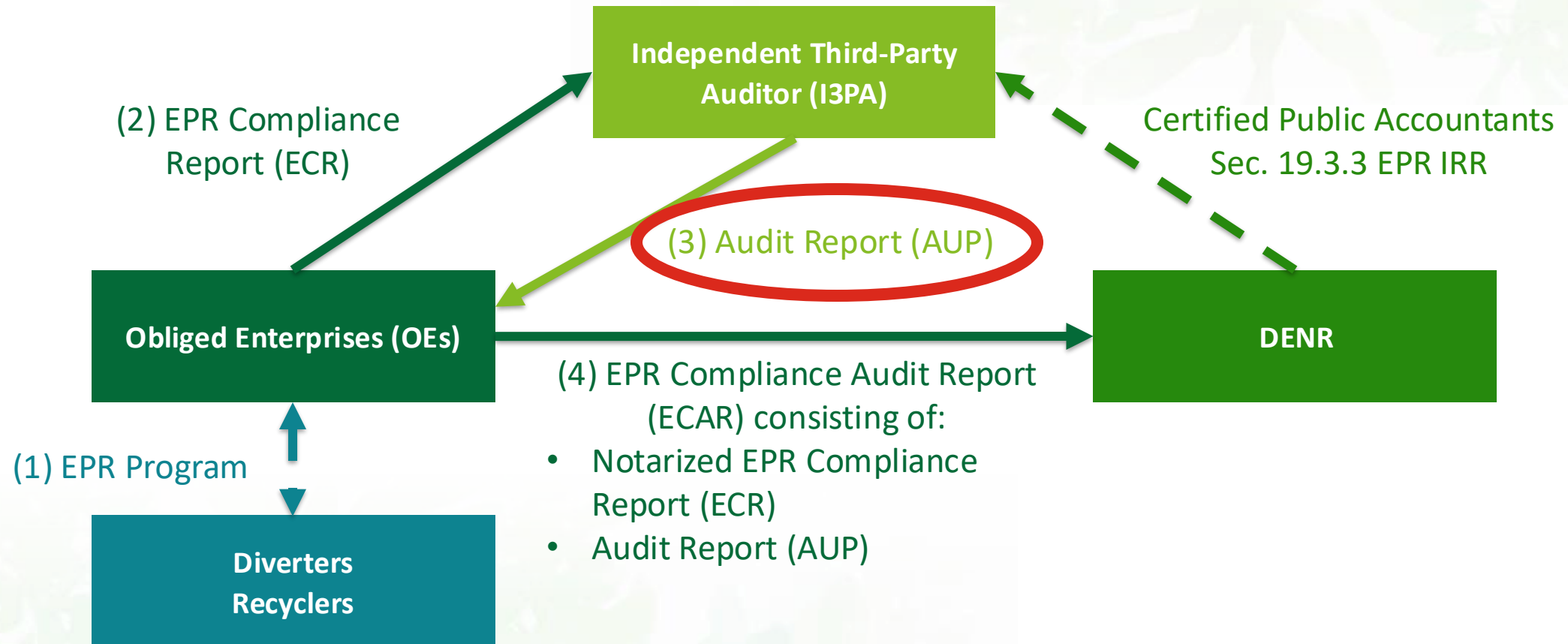
Photo: Collected plastic for final sorting

II. Who gets audited?



Audit requirements vary based on purpose and location

The Philippines' EPR Law's Compliance Reporting and Auditing System focuses on the Obligated Enterprises, rather than Diverters



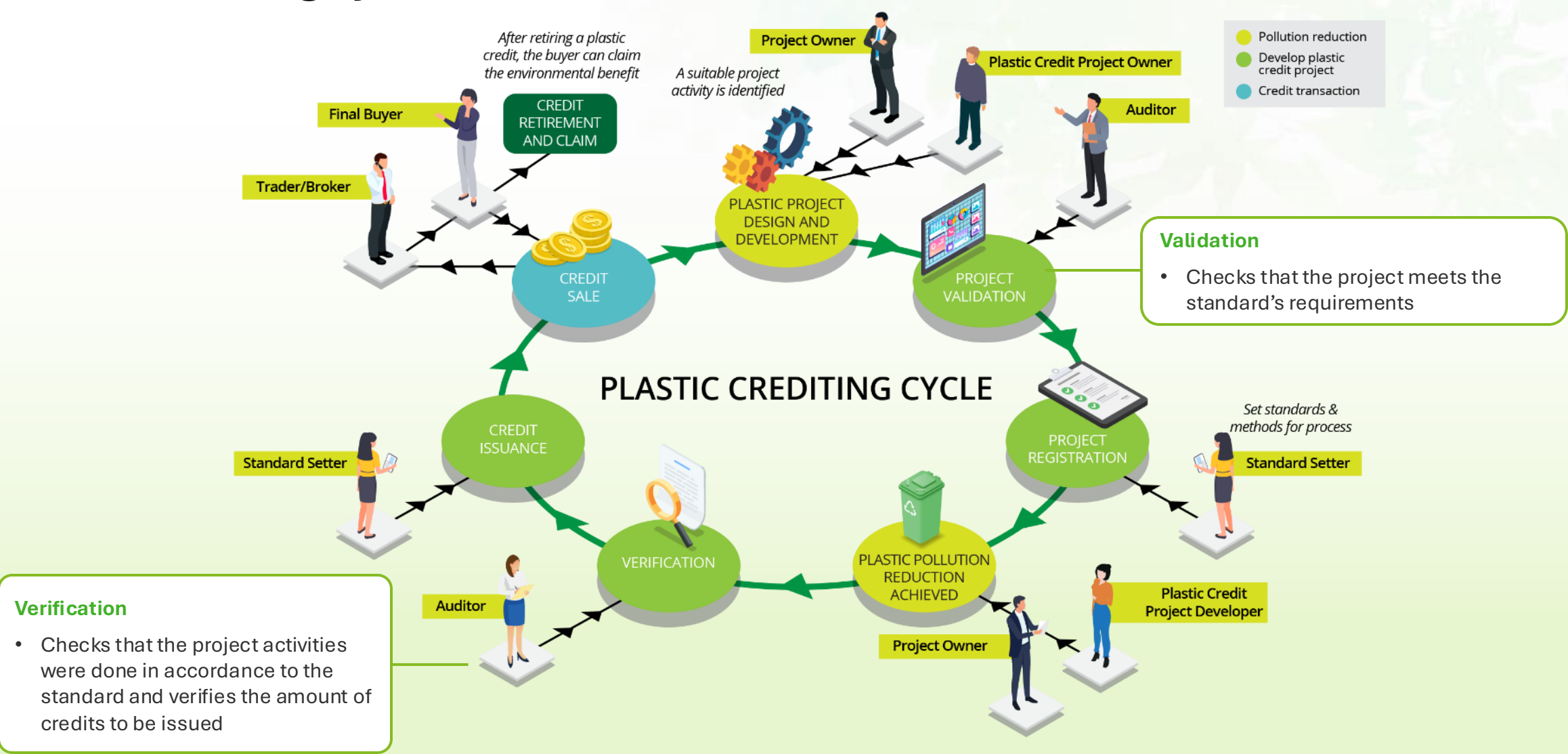
Audit requirements vary based on purpose and location

For voluntary plastic credits, it's the waste diverters. For EPR programs that include plastic credits, it's still mostly the waste diverters.

Countries with EPR	Waste diverters	Obligated Enterprises
UK	<ul style="list-style-type: none">• Register with the Environmental Agency, with annual accreditation• Audited by Environmental Agency (scheduled and surprise inspections)	<ul style="list-style-type: none">• Not audited
Brazil	<ul style="list-style-type: none">• Audited by govt-accredited third-party auditors	<ul style="list-style-type: none">• Not audited
India	<ul style="list-style-type: none">• Register with Central Pollution Control Board• Audited by CPCB-accredited third-party auditor starting 2023 (EPR started in 2016)	<ul style="list-style-type: none">• Not audited at present, but may be audited starting 2025 because there is now a target for recycled plastic usage
Philippines	<ul style="list-style-type: none">• No DENR database for diverters• Audit is voluntary; notarized certs are already acceptable	<ul style="list-style-type: none">• Audited by third-party auditor using DENR AUP• Auditor may be any CPA

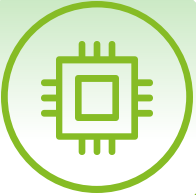
References: [Producer responsibility regulations - GOV.UK](#), [Brazil reverse-logistics-for-packaging-brazils-epr-model_2021_case-study.pdf](#), [UNPACKING EPR FOR PLASTIC PACKAGING IN INDIA: Navigating Challenges and Unlocking Opportunities on JSTOR](#), [RA 11898 – Extended Producer Responsibility on Plastic Packaging Waste | Environmental Management Bureau](#)

Plastic crediting cycle



References: [Open Knowledge Repository](#)

Why get audited?



**Improves internal
systems**



**Builds trust with
stakeholders**



Fights fraud



**Maintains the
market price of
legit credits**

Q&A



Let's continue the conversation



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Our Team's Experience

Climate and Decarbonization

- Climate Risk Assessment
- GHG Accounting
- Technical Advisory

Sustainable Finance

- ESRMS Advisory
- Sustainable Finance Policy

ESG Reporting and Strategy

- Sustainability Strategy
- Sustainability Reporting and Assurance
- IFRS S1 and S2 Compliance

- Diversity, Equity, and Inclusion Advisory

Sustainable Supply Chain

- Supply Chain Due Diligence

Circular Economy

- EPR Advisory
- EPR Audit
- Circular Economy Hub Development

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