



PACE

Platform for Accelerating
the Circular Economy

Annual Report

2021

Messages from the Co-Chairs of the Board:

We need to double global circularity by 2032

Despite changes to consumption in 2021 as the world continued to respond to the pandemic, global resource use hit a record high, with 101.4 billion tonnes of virgin raw materials used. Our current rate of consumption is unsustainable. The production and consumption of goods is a root cause of two of the greatest challenges the world faces: climate change and biodiversity loss. Nearly half (45%) of greenhouse gas (GHG) emissions come from the way we make and use products and produce and consume food, and more than 90% of biodiversity loss is due to the extraction and processing of natural resources.

Transitioning to a circular economy can help turn this around and PACE is committed to making this happen. A circular economy decouples consumption from producing more emissions, reduces pressure on the environment, improves raw material security, stimulates innovation, boosts economic growth and creates jobs. It has the potential to reduce global greenhouse gas emissions by 39% and tackle interlinked crises such as biodiversity loss and over-extraction of resources.

As the 2021 Circularity Gap Report showed, our current trajectory of virgin raw material resource use is incompatible with the aim to limit the global temperature rise to 1.5C. Currently, only 8.6% of materials are cycled back into the economy. Globally, if the portion of resources that re-enter the circular economy each year doubles by 2032, we will be on track to achieve climate goals.

That's why under our new strategy created in 2021, **PACE has a Global Goal to help double circularity by 2032, working towards climate-neutral and inclusive economies.**

Systemic change is possible. Successful circular models are operating in many different sectors and locations across the world, but the current adoption of a circular economy is still too low. To achieve the goal, we need to accelerate action and work together to scale a circular economy. There is a need to improve metrics so that companies, countries, and cities can understand their progress towards achieving the goal; where PACE works with partners in the Circular Economy Indicators Coalition to improve circular transition indicators. The Circular Economy Action Agenda released in 2021, also guides action towards the Global Goal, setting out 10 calls-to-action across five focal areas designed to optimize impact and overcome barriers.

As we look to 2022, we call on more businesses, countries, and cities to join us in realizing our mission! Let us share experiences, inspire each other, and identify opportunities for concrete actions, in the context of our Platform for Accelerating the Circular Economy (PACE). With more leading organizations joining, we can speed up and scale up, working towards doubling global circularity, creating a healthy planet, and tackling the interlinked crises of climate change, biodiversity loss, pollution and inequality.



Frans van Houten
CEO, Philips



Stientje van Veldhoven
Vice President and Regional Director,
World Resources Institute Europe

Message from the Global Director

While working through persisting socioeconomic and environmental global challenges throughout 2021, our partners continued to step up with a sense of urgency and a passion for converting commitments into action. From the movement towards a treaty on plastics to [over 70 countries incorporating circularity](#) in their climate commitments, your voices are being heard and your actions followed.

The year was a pivotal year for PACE. With the hard work and insights from over 200 individual contributors, we launched the [Circular Economy Action Agenda](#) to over 2,000 people from 1,200 organizations across 100 countries, setting a clear vision for plastics, electronics, food, textiles, and capital equipment, with 10 calls-to-action to address. Over 200 [actions aligned to the calls-to-action](#) are underway within the PACE Community, highlighting best practices and projects that can provide pathways towards scale.

Along the way, PACE's Board of Directors approved a new four-year strategy, complimenting the Action Agenda with a collective ambition to double global circularity in the next ten years for climate-neutral and inclusive economies. To drive the speed and scale of action, we will continue to gather our leaders at critical moments in the year, like the World Economic Forum's Annual Meeting, World Circular Economy Forum, and UNFCCC Conferences of the Parties.

As part of the new strategy, PACE aims to add critical new areas of action aligned to the triple planetary crisis of climate change, biodiversity loss, and pollution—with a specific focus on ensuring that our programs cover 80% of the potential global emissions impact of circularity.

We look forward to mobilizing action toward our [Global Goal](#) and hope to see many more organisations join us in working toward doubling global circularity.



David B. McGinty
Global Director, PACE

About PACE



Photo by Vivaan Trivedii/Unsplash

WHO WE ARE

Since 2018, PACE has become the global collaboration platform for key public and private decision makers to share a vision, best practices, and scale the circular economy together. Nearly 100 leaders from governments, companies and civil society, across continents and sectors, have joined PACE's Leadership Group to help accelerate the transition to a circular economy globally.

Our vision is a global, circular economic system that enables human and environmental well-being. Our mission is to catalyze global leadership from business, government, and civil society to accelerate the transition from a linear to a circular economy that will improve human and environmental well-being for current and future generations.

Our goal is to help double global circularity working towards climate-neutral and inclusive economies.

WHAT WE DO

PACE is the global platform for public and private leaders to:

- ▶ Address the most challenging barriers to the circular economy with concrete solutions and actions, enabling them to go further and faster together
- ▶ Identify and promote best practices and knowledge based on the best available science to unlock scale
- ▶ Align language, metrics, and guidelines to counter fragmentation
- ▶ Reinforce individual efforts to drive commitment to ambitious circular economy goals with other actively engaged, frontrunning leaders

PACE was created in 2018 by the World Economic Forum and is now hosted by the World Resources Institute, facilitated by a full-time team in The Hague, Netherlands.

Board of Directors

PACE Board Members are public, private, and civil society executives with internal commitments to the circular economy who are also committed to support other leaders in taking circular action at speed and scale.



Frans van Houten (Co-Chair)
CEO, ROYAL PHILIPS



Jyrki Katainen
PRESIDENT, SITRA



Stientje van Veldhoven
(Co-Chair)
VICE PRESIDENT AND REGIONAL
DIRECTOR, WORLD RESOURCES
INSTITUTE



Gim Huay Neo
MANAGING DIRECTOR, CENTRE FOR
NATURE AND CLIMATE,
WORLD ECONOMIC FORUM (WEF)



Leslie Johnston
CEO, LAUDES FOUNDATION



Inger Anderson (ex-officio)
EXECUTIVE DIRECTOR, UN
ENVIRONMENT PROGRAMME (UNEP)



Robert-Jan van Ogtrop
FOUNDER AND BOARD MEMBER,
CIRCLE ECONOMY



Peter Lacy (ex-officio, Strategic Advisor
to the Board)
CHIEF RESPONSIBILITY OFFICER AND
GLOBAL SUSTAINABILITY SERVICES
LEAD, ACCENTURE STRATEGY



Naoko Ishii
DIRECTOR, CENTER FOR GLOBAL
COMMONS, UNIVERSITY OF TOKYO



David B. McGinty (ex-officio)
GLOBAL DIRECTOR, PLATFORM FOR
ACCELERATING THE CIRCULAR
ECONOMY (PACE)



Lisa Jackson
VICE PRESIDENT ENVIRONMENT,
POLICY AND SOCIAL INITIATIVES,
APPLE

Leadership Group

COMPANY

Flemming Besenbacher	Carlsberg Foundation & ONE\THIRD, Chairman
Jesper Brodin	Ingka Group, President and CEO
Bertrand Camus	SUEZ, CEO
Ernesto Ciorra	Enel Group, Chief Innovability Officer
Michael S Dell	Dell Technologies, Chairman and CEO
Stefan Doboczky	Lenzing Group, CEO
Mikela Druckman	Grey Parrot, Founder and CEO
Antoine Frérot	Veolia, Chairman and CEO
Ron Gonen	Closed Loop Partners, Founder and CEO
Per Heggenes	IKEA Foundation, CEO
Svein Tore Holsether	Yara International, President and CEO
Frans van Houten	Royal Philips, CEO
Lisa P. Jackson	Environment, Policy and Social Initiatives, Apple, VP
Leslie Johnston	Laudes Foundation, CEO
Alan Jope	Unilever, CEO
Lars Fruergaard Jorgensen	Novo Nordisk, President and CEO
Xu Kaihua	GEM, Chairman
Alan Knight	Corporate Responsibility, ArcelorMittal, General Manager
Peter Lacy	Accenture Strategy, Chief Responsibility Officer
Enrique Lores	HP, President and CEO
Carlo Messina	Intesa Sanpaolo, CEO
Gonzalo Muñoz	TriCiclos, Co-Founder and Former CEO
Larry Page	Alphabet, Co-Founder and Board Member
James Quincey	The Coca-Cola Company, Chairman and CEO
Holy Ranaivozanany	Huawei Technologies, Head of Corporate Social Responsibility
Chuck Robbins	Cisco Systems, Chairman and CEO
Steve Schmida	Resonance, Co-founder and Chief Innovation Officer
Carlo van Kemenade	DLL Group, Chairman and CEO
Malek Sukkar	Averda, CEO
Tom Szaky	TerraCycle, Founder and CEO
David S Taylor	Procter & Gamble (P&G), Chairman, President and CEO
Dimitri de Vreeze	Royal DSM, Chairman and CEO
Christian Wessels	Sunray Ventures, Co-Founder

GOVERNMENT

Mohammed Mahmood Abubakar	Federal Ministry of Environment Nigeria, Minister of State for the Environment
Gabriel Quijandría Acosta	Ministry of Environment Peru, Minister of the Environment
Carlos Correa	Ministry of the Environment, Colombia, Minister of the Environment
Barbara Creecy	Forestry and Fisheries South Africa, Minister of Forestry and Fisheries and Environmental Affairs
Kwabena Frimpong-Boateng	Ministry of Environment, Science, Technology and Innovation of Ghana, Minister of Environment, Science, Technology and Innovation
Werner Hoyer	European Investment Bank (EIB), President
Roald Lapperre	Ministry of Infrastructure and Water Management Netherlands, Vice-Minister of Infrastructure and Water Management
Orlando Jorge Mera	Ministry of the Environment and Natural Resources Dominican Republic, Minister of the Environment and Natural Resources
Andrea Meza	Ministry of the Environment and Energy Costa Rica, Minister of the Environment and Energy
Jeanne d Arc Mujawamariya	Ministry of Environment Rwanda, Minister of Environment
Luhut B. Pandjaitan	Coordinating Ministry for Maritime Affairs Indonesia, Coordinating Minister for Maritime Affairs
Joseph Seka Seka	Ministry for the Environment and Sustainable Development Cote d'Ivoire, Minister for the Environment and Sustainable Development
Virginijus Sinkevičius	European Commission, European Commissioner for Environment, Oceans and Fisheries
Frans Timmermans	European Commission, Executive Vice-President
Lea Wermelin	Ministry of Environment and Food of Denmark, Minister for Environment
Dr. Tsuyoshi Michael Yamaguchi	Ministry of the Environment Japan, Minister of the Environment
Li Yonghong	China Council for International Cooperation on Environment and Development (CCICED), Assistant Secretary-General

ORGANIZATIONS

Inger Andersen	United Nations Environment Programme, Executive Director
Peter Bakker	World Business Council for Sustainable Development (WBCSD), President and CEO
Martijn Lopes Cardozo	Circle Economy, CEO
Aniruddha Dasgupta	World Resources Institute, President and CEO
Michiel Elich	Enviu, CEO
Nancy Gillis	Global Electronics Council, CEO
Marcus Gover	Waste and Resources Action Programme (WRAP), CEO
Naoko Ishii	University of Tokyo, Director, Center for Global Commons
Janis Jones	Ocean Conservancy, CEO
Zhao Kai	China Association of Circular Economy (CACE), VP and Secretary-General
Jyrki Katainen	The Finnish Innovation Fund Sitra, President

ORGANIZATIONS

Marco Lambertini	World Wide Fund for Nature (WWF), Director-General
Rob Lederer	Responsible Business Alliance, CEO
Katrin Ley	Fashion for Good, Managing Director
Dame Ellen MacArthur	Ellen MacArthur Foundation, Founder
Jane McDonald	International Institute for Sustainable Development (IISD), Executive Vice-President
William McDonough	Stanford University, Adjunct Professor, Department of Civil and Environmental Engineering
Luis Neves	Global e-Sustainability Initiative (GESI), CEO
Anthony Nyong	African Development Bank, Director of Climate Change and Green Growth
Janez Potocnik	International Resource Panel (IRP), Co-Chair
Alfredo Giró Quincke	Inter-American Development Bank (IADB), Institutional Engagement, IDB Lab
Carlos Manuel Rodriguez	Global Environment Facility, CEO
Guy Ryder	International Labour Organization (ILO), Director-General
Martin Stuchtey	SYSTEMIQ, Co-Founder and Managing Partner
Izabella Teixeira	International Resource Panel (IRP), Co-Chair
Stientje van Veldhoven	World Resources Institute Europe, Vice President and Regional Director
Keli Yu	China National Resources Recycling Association (CRRA), Secretary General, Electronic Products Recycling Division
Houlin Zhao	International Telecommunication Union (ITU), Secretary-General
Wen Zongguo	Tsinghua University, Professor, School of Environment

Highlights

LAUNCHING THE ACTION AGENDA

In February, we released the [Circular Economy Action Agenda](#) in a virtual event to over 2,000 people from 1,200 organizations, across 100 countries. Developed by more than 200 experts from more than 100 businesses, governments and civil society organizations, the Action Agenda is a rallying call for organizations to work together to accelerate the transition to a circular economy in five focal areas: Food, Electronics, Textiles, Plastics, and Capital Equipment. The release shared what a circular economy would look like, its potential impact, barriers impeding the implementation or scaling circularity, and importantly, 10 calls-to-action designed to optimize impact and overcome barriers. The Action Agenda was promoted throughout the year via the website, social media, and events.

MAPPING ACTIONS WORKING TOWARDS THE ACTION AGENDA

Over 200 [actions](#) working towards the Circular Economy Action Agenda were mapped in 2021 from 90% of PACE's Community, across regions and the five focal areas. For a project to be mapped, the action needed to be ongoing or having ended recently, involve a PACE Partner, and illustrate a strong connection to at least one of our calls-to-action. Most importantly, the action needed to show replicability, to inspire other business and governments to adopt it. Around 40% of the actions mapped were then [highlighted on our website](#) to inspire subsequent action.

NEW PACE STRATEGY

In September 2021, a new four year strategy for PACE was approved by the board centered around a new Global Goal to help double global circularity by 2032. To achieve this, PACE Leaders will drive action at scale through the calls-to-action in the Circular Economy Action Agenda, with the creation of PACE Programs for leaders to share ideas and build collaborative, high impact actions. Leaders will also move faster and further through collaboration on cross-cutting initiatives, such as metrics and strengthen engagement and communications to align leaders on a clear circular economy agenda and narrative towards our Global Goal.

CIRCULAR FOOD SYSTEMS FOR RWANDA

A new initiative, funded by the IKEA Foundation and led by WRI Africa with support from partners including PACE, will strengthen and accelerate the development of [Rwanda's circular economy for food](#) by linking technological innovations, such as circular business models, with policy and regulatory change. The project consists of two components: a development track that provides technical and business development support to small- and medium-sized enterprises to improve their ability to utilize circular business models; and a policy track, which aims to create an enabling regulatory framework, and stakeholder engagement, for catalyzing circularity in food systems transformation.

Our Strategy



Photo by Joshua Sortino/Unsplash

Time to accelerate the circular economy is now. We use far more resources than the Earth can sustainably supply - 100 billion tons of raw materials annually, of which only 8.6% comes from cycled resources. Circularity is now firmly recognized in tackling the root causes of climate change, biodiversity, and pollution, but adoption is still too low, despite strong ambitions and good examples. Now, the world needs to connect the dots to deliver practical action plans, policy shifts, and execution at scale.

Therefore, PACE has set a Global Goal:

To help double global circularity by 2032, working towards climate-neutral and inclusive economies.

Through scaling the circular economy, measured by our Global Goal, we aim to mainstream more sustainable consumption and production, which requires changes in policy, practice, and behaviors.

PACE is the global **collaboration platform** for key public and private decision makers to share vision, promulgate best practices, invoke action in priority areas that lag, and scale a circular economy together with stakeholders to achieve our Global Goal.

PACE LEADERS AIM TO:

- ▶ Drive action at scale by establishing and adapting over time a clear Action Agenda approach for focal areas aligned with our Global Goal
- ▶ Enable frontrunners to move faster and further through cooperation and simultaneous action by aligning partners around priority calls-to-action in critical cross-cutting themes, such as metics
- ▶ Strengthen engagement and communications to align PACE Leaders on the circular economy agenda and narrative towards our Global Goal

TO GET THERE, PACE LEADERS, SUPPORTED BY THE SECRETARIAT:

- ▶ Endorse the Global Goal and commit to cooperate in furthering priority calls to action
- ▶ Commit to action aligned to the Action Agenda, sharing learnings and progress
- ▶ Engage in the cycle of PACE events to drive momentum, commitments, and remove roadblocks to contribute to our Global Goal

Program Overview

To operationalize PACE's new strategy of 'Drive action at scale through the calls-to-action in the Circular Economy Action Agenda' and 'Move faster and further through collaboration on cross-cutting themes' PACE set up six programs in 2021: Electronics, Capital Equipment, Food, Textiles, Plastics, and Metrics.

PACE Programs serve two key functions, they:

1. Build collaborative actions, guided by the Action Agenda, driven by champions, and focused on collaborations between sectors, industries, and geographies.
2. Facilitate exchange and knowledge sharing within and beyond the PACE Leadership Group.

Champions

A champion is a global leader who commits to promote and drive one, several, or all calls-to-action in the Action Agenda through collaborative actions.

CURRENT CHAMPIONS:

**Lisa Jackson**

VP Environment, Policy and Social Initiatives, Apple
ELECTRONICS PROGRAM

**Alette van Leur**

Director, Sectoral Policies Department at the International Labour Organization (ILO)
ELECTRONICS PROGRAM

**Naoko Ishii**

Director, Center for Global Commons, University of Tokyo
FOOD PROGRAM

**Steve Schmida**

Chief Innovation Officer, Resonance
FOOD PROGRAM

**Frans van Houten**

CEO, Royal Philips
CAPITAL EQUIPMENT PROGRAM

**Martijn Lopes Cardozo**

CEO, Circle Economy
METRICS PROGRAM
CAPITAL EQUIPMENT PROGRAM

**Stientje van Veldhoven**

Vice President and Regional Director, World Resources Institute Europe
METRICS PROGRAM

From Action Agenda to Actions

The PACE Secretariat will work with champions and the Leadership Group to design and set up collaborative actions, to address issues too complex to tackle alone. The aim is by 2024, 60% of all calls-to-action will be activated.



*PACE has mapped its leadership community's ongoing initiatives to the various calls-to-action to create an overview.

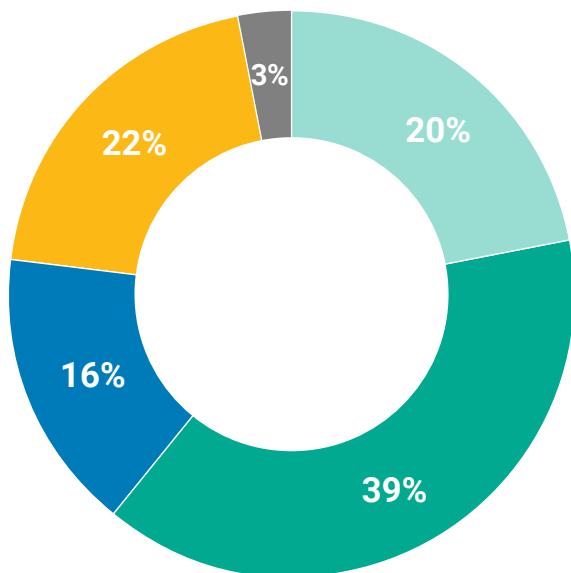


Action Mapping

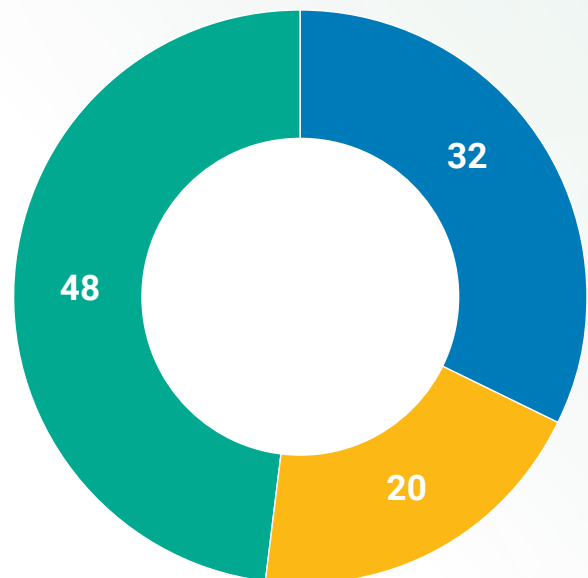


To build an overview of current efforts working towards the Action Agenda, the Secretariat reached out to the PACE Community to collect and map ongoing initiatives addressing the calls-to-action. Over 200 actions involving PACE Leaders were received across the focal areas and sectors as follows:

■ Plastics
 ■ Textiles
 ■ Capital Equipment
 ■ Food
 ■ Electronics



■ Organizations
 ■ Companies
 ■ Governments



The Secretariat will continue to update mapped actions on an annual basis. Each program page below gives an overview of the mapped actions.



Food

In 2021, there were 53 actions by PACE Leaders that address calls-to-action in the Circular Economy Action Agenda for Food.

NUMBER OF ACTIONS ADDRESSING THE CALLS-TO-ACTION FOR FOOD

1. Enable Transitions to Planetary Health Diets	6
2. Scale Productive and Regenerative Agriculture Practices	15
3. Increase Value of Nature-Regenerative Food Production To Farmers	2
4. Better Understand Hotspots of Food Loss and Waste	22
5. Integrate Food Loss and Waste More Broadly in the SDG Agenda	10
6. Increase Investment in Food Loss and Waste Reduction	18
7. Reframe Wasted Food and Byproducts as Valuable Resources	21
8. Facilitate Secondary Market Development and Access	3
9. Enable Sanitary Cycles for Human Waste	0
10. Increase Information Accessibility and Data Utilization	12



Example actions – explore more on [our website](#).

Food Waste Reduction Challenge

Launched by the Canadian Government at the end of 2020, the Food Waste Reduction Challenge awards funding to innovators with business model solutions that can prevent or divert food waste at any point from farm-to-plate, as well as to modern technologies that extend the life of food or transform food waste into new foods or value-added products.

Partner: The Government of Canada

CTAs addressed: 6, 7, 8

Champions 12.3

Champions 12.3 is a voluntary coalition of leaders committed to accelerating progress toward achieving SDG Target 12.3 by 2030. The Champions lead by example by showcasing successes and communicating the importance of food loss and waste reduction. They also advocate for improving the enabling conditions for reducing food loss and waste and acting together to solve specific challenges facing the food loss and waste reduction movement.

Partners: World Resources Institute, DSM, Rabobank, UNEP, Unilever, WBCSD, WWF, WRAP, Ministry of Agriculture and Food Quality of the Netherlands.

CTAs addressed: 4, 5

Circular Coffee From Peru: Creating Value Across the Chain

By training 1,600 farmers on circular coffee practices and implementation, this project introduces circularity principles in the coffee value chain from Peru to the Netherlands. In addition, this project increases food security by implementing an integral agricultural management system and producing fertilizer of the organic material, which is currently discarded. Finally, the profits derived from the recycling of used coffee grinds collected in the Netherlands will contribute to the creation of a circular coffee fund (CCF) that can be used as an agricultural loan for farmers in Peru.

Partners: The Government of the Netherlands, Netherlands Enterprise Agency, Cuanca del Huallaga Asociacion de Productores Agropecuarios, Servicio Nacional Forestal y de Fauna Silvestre - SERFOR, Olam Agro Peru S.A.C., Solidaridad Peru, Koninklijke Douwe Egberts B.V., Stichting Solidaridad Nederland.

CTAs addressed: 4, 7

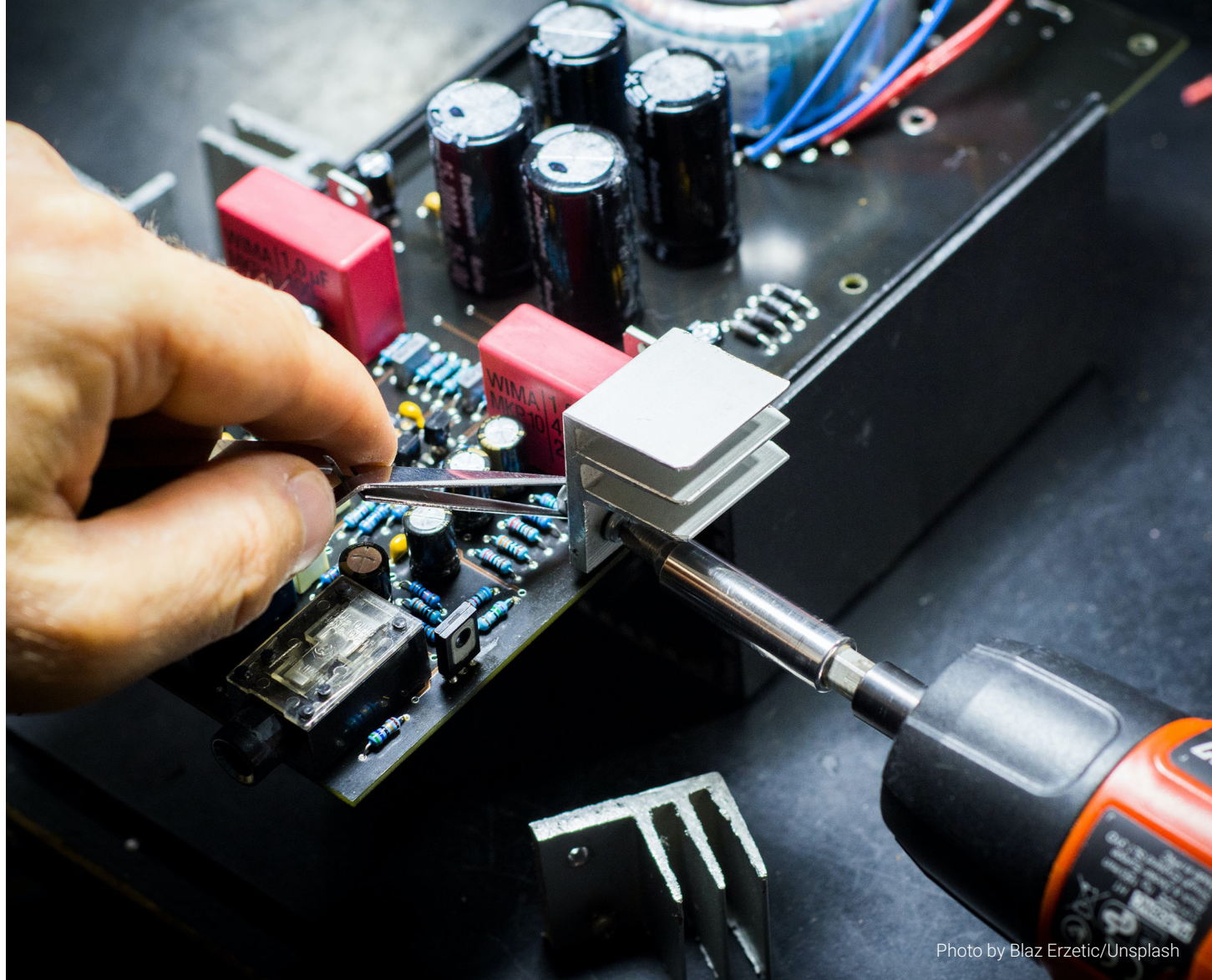


Photo by Blaz Erzetic/Unsplash

Electronics

In 2021, there were 48 actions by PACE Leaders that address calls-to-action in the [Circular Economy Action Agenda for Electronics](#).

NUMBER OF ACTIONS ADDRESSING THE CALLS-TO-ACTION FOR ELECTRONICS

1. Incentivize and Support Product Design for Circularity	9
2. Enable Producers to Increase Sourcing of Recycled Content	8
3. Transform Consumption Modes to Increase Market Demand for Circular Products and Services	5
4. Guide and Support New Business Models for Environmental, Financial, and Social Triple-Win	14
5. Encourage Bring-Back by Consumers	9
6. Set Up Effective Collection Systems	15
7. Enable Efficiency and Transparency in Compliant and Responsible Transboundary Movement	5
8. Strategically Plan and Install Sorting, Pre-Processing, and Recycling Operations	7
9. Increase Incentives for Investment in Recycling Technologies and Facilities	2
10. Integrate and Advance Decent Work in the Transition to a Circular Economy for Electronics	11



Photo by Sam Albury/Unsplash

Example actions – explore more on [our website](#).

Consumer Impact Action Panel – Electronics Club

This European multi-stakeholder initiative generates, applies and tests consumer behavioral insights in circular strategies. As part of this initiative, the Electronics Club has brought together about ten organizations from different stakeholder groups in the electronics sector who are committed to boosting their take-back schemes as well as improving product maintenance and increasing the repairing of electronics.

Partners: Sitra, CSCP, Deutsche Bundesstiftung Umwelt (DBU)

CTAs addressed: 3, 5, 6

Circular and Fair ICT Pact

This Pact is an international procurement-led partnership initiated by the Netherlands to accelerate circularity, fairness and sustainability in the ICT sector. It aims to connect networks of procurers in every participating country or region internationally to share knowledge, work out harmonized criteria, guidelines and tools, and talk to the market about future developments. The Pact was signed on June 2021 and will install a Steering Committee, with the objective of taking action to promote the uptake of CFIT commitments and ambitions by individually procuring organizations and buyer groups.

Partners: The Netherlands (I&W: Ministry of Infrastructure and Water Management), UN One Planet Network, Circular Innovation Council of Canada, Governments of Belgium (FIDO), Germany (BMU), Norway (DFO), the United Kingdom (DEFRA), Austria (BMNT) and Switzerland (FOEN)

CTA addressed: 3

BOOST Tech to Build

BOOST Tech to Build aims to accelerate Kenya's circular economy as well as providing computers to those who need them. As part of this program, high-quality, second-hand computers from Belgium and the Netherlands are refurbished. Some of BOOST's other aims are to create 50 direct jobs and 300 indirect jobs by the year 2022 as well as highlighting the hazards of e-waste and the importance of properly maintaining and disposing of it.

Partners: The Government of the Netherlands, MDF Training and Consultancy, CrossWise Works, GoodUp, Close The Gap, NITA

CTA addressed: 4, 8, 10



Photo by Berkin Üregen/Unsplash

Textiles

In 2021, there were 39 actions by PACE Leaders that address calls-to-action in the Circular Economy Action Agenda for Textiles.

NUMBER OF ACTIONS ADDRESSING THE CALLS-TO-ACTION FOR TEXTILES

1. Incentivize and Support Design for Longevity and Recyclability	12
2. Produce Virgin Natural Fibers Sustainably, Including Land Use	5
3. Encourage the Market to Use Less Clothing, and for Longer	7
4. Guide and Support New Business Models for Environmental, Financial, and Social Triple-Win	20
5. Where Used Textiles Trade Occurs, Ensure Environmental and Socio-Economic Benefits	3
6. Strategically Plan Collection, Sorting, and Recycling Operations	7
7. Increase Efficiency and Quality in Textiles Sorting	5
8. Make the Recycled Fibers Market Competitive	10
9. Integrate and Advance Decent Work in the Transition to a Circular Economy for Textiles	5
10. Investigate the Socio-Economic Impacts of a Circular Economy for Textiles	5



Example actions – explore more on [our website](#).

Policy Hub

The Policy Hub works to accelerate circular practices in the apparel and footwear industry by uniting the textile industry and its stakeholders to speak in one voice. Their goals are to ensure climate neutrality is recognized as a strategy objective, to promote holistic policy approach in the textiles value chain, and to establish guidelines for consumer facing transparency. In June 2021, the Policy Hub published a Position Paper on Accelerating Transparency for Apparel & Footwear.

Partners: Laudes Foundation, Sustainable Apparel Coalition, Global Fashion Agenda and Federation of European Sporting Goods Industry

CTA addressed: 4

In Tex: Innovative Business Practices and Economic Models in the Textile Value Chain

Innovative Business Practices and Economic Models in the Textile Value Chain (InTex) promotes co-innovation and product environment footprints in SMEs in Africa. On the global level, InTex focuses on LCA and impacts assessment such as scenario modelling on sustainable economic models in the textile value chain. The InTex project was officially launched in June 2021 and it will end in August 2023.

Partners: UNEP, Moi University in Kenya, the Centre for African Resource Efficiency and Sustainability in South Africa, the National Cleaner Production Centre of South Africa and the International Centre for Environmental Technologies of Tunis

CTAs addressed: 4, 10

Innovation Platform

The Fashion for Good Innovation Platform aims to connect sustainable innovations with brands, retailers and funders to bring new ideas and technologies from niche to norm. It runs the 9-month global and Asia Accelerator Programs, designed to help selected innovators scale, as well as offering bespoke support and access to expertise, customers, and capital. The Good Fashion Fund also aims to catalyze access to finance for shifting to scale to more sustainable production methods.

Partners: Fashion for Good, Laudes Foundation, Adidas, C&A, CHANEL, BESTSELLER, Galeries Lafayette Group, Kering, Levi Strauss & Co., Otto Group, PVH Corp., Stella McCartney, Target, and Zalando, and regional and affiliate partners Arvind Limited, Birla Cellulose, HSBC, Norrøna, vivobarefoot, Welspun and W. L. Gore & Associates

CTAs addressed: 1, 4



Photo by Naja Bertolt Jensen/Unsplash

Plastics

In 2021, there were 93 actions by PACE Leaders that address calls-to-action in the Circular Economy Action Agenda for Plastics.

NUMBER OF ACTIONS ADDRESSING THE CALLS-TO-ACTION FOR PLASTICS

1. Agree Which Plastics Can Be Eliminated and Prepare the Market to Phase Them Out	23
2. Incentivize and Support Product Design for Reuse and Recycling of Plastics	50
3. Address Hygiene and Safety Concerns to Promote Plastics Reuse	5
4. Stimulate Consumer Adoption of Plastic Reuse	10
5. Guide and Support New Business Models for Environmental, Financial, and Social Triple-Win	42
6. Set up Functioning Collection Systems	22
7. Strategically Plan Sorting and Recycling Facilities, in Compliance with Trade Regulations	15
8. Make the Recycled Plastics Market Competitive	12
9. Integrate and Advance Decent Work in the Transition to a Circular Economy for Plastics	10
10. Investigate Environmental and Socio-Economic Impacts of Renewable Material Inputs for Plastics	8



Example actions – explore more on [our website](#).

Plastics Pact Network

To realize the vision of the New Plastic Economy, initiated by the Ellen MacArthur Foundation, will require unprecedented levels of collaboration, both globally and at national and regional levels. In this spirit, the Ellen MacArthur Foundation's Plastics Pact Network aims to bring together businesses from across the plastics system, governments, NGOs and others in the national and regional context to implement solutions towards a circular economy for plastic, tailored to each geography. To date, there are pacts covering 27 countries across North America, South America, Europe, Africa and the Pacific.

Partners: The Ellen MacArthur Foundation, The Governments of Canada, Chile, the Netherlands, South Africa and WRAP

CTAs addressed: 1, 4, 6

Call for a UN Treaty on Plastic Pollution

Progress was made on this call on March 2, 2022, when UN member states agreed to adopt a mandate for an International Negotiating Committee to develop a legally binding UN Treaty on plastic pollution. By harmonizing regulatory standards, mandating the development of national targets and action plans, defining common metrics and methodologies, and supporting innovation and infrastructure development, a UN Treaty on plastic pollution would be able to help drive the transition to a circular economy for plastic at speed and scale.

Partners: World Wide Fund for Nature, Ellen MacArthur Foundation - for the Business Case Report, Procter & Gamble, The Coca-Cola Company, Unilever - for the Business Call

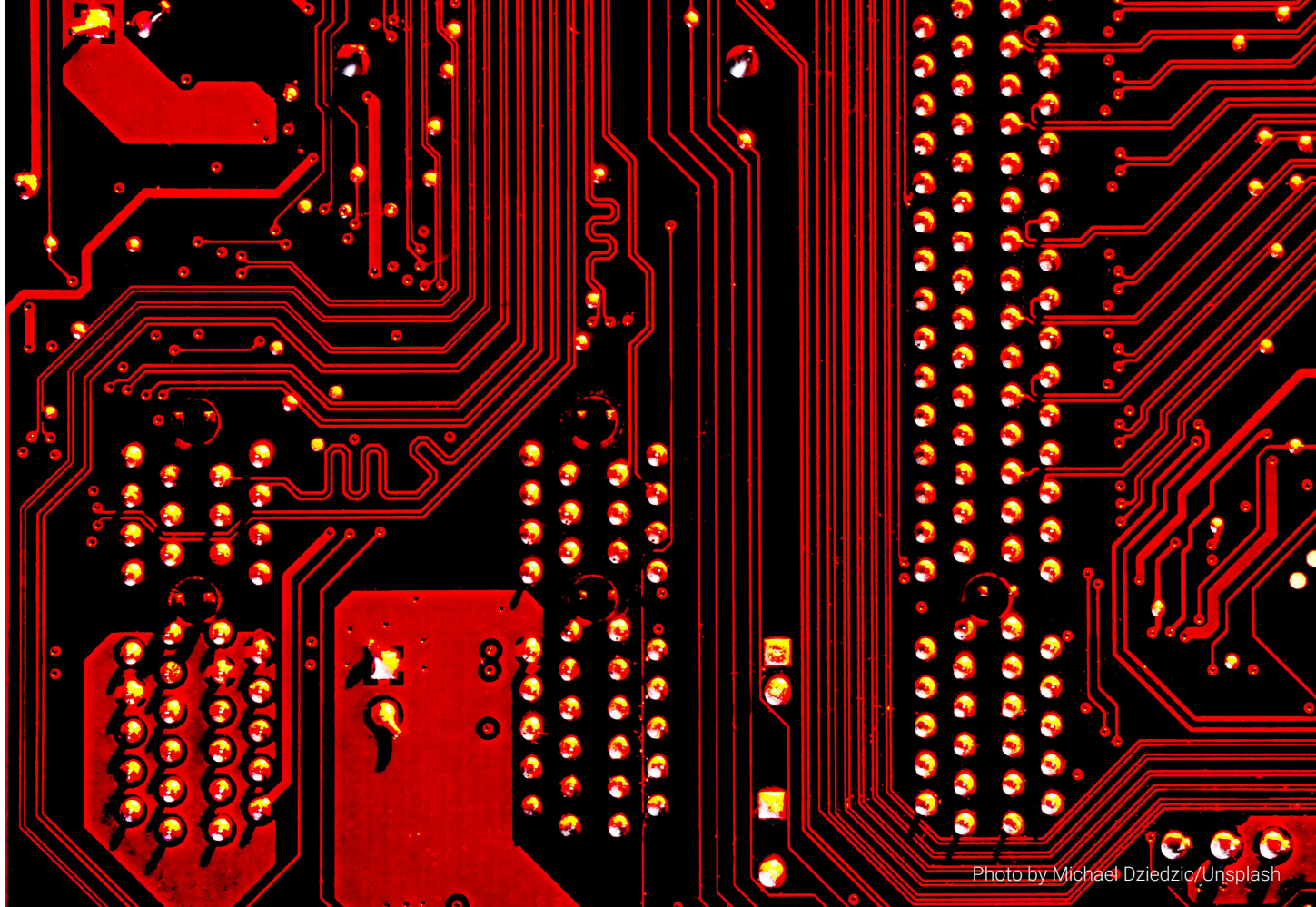
CTA addressed: 1

Closing the Loop: Scaling up Innovation to Tackle Marine Plastic Pollution in ASEAN Cities

The “Closing the Loop” project seeks to reduce the environmental impact of cities in ASEAN countries by addressing plastic waste pollution and leakages into the maritime environment. To support this, an innovative digital tool was developed to assist local governments in monitoring and visualizing plastic waste leakage. From April 2021 onwards, the knowledge gained in the pilot cities is helping to generate funding opportunities to expand the approach in the region and research plastic waste streams and their impacts.

Partners: IGES and the Japan Ministry of Environment, UN ESCAP, Local governments in South East Asia, ASEAN and other partners, UOL, NGOs, universities and academic institutions

CTA addressed: 6, 7

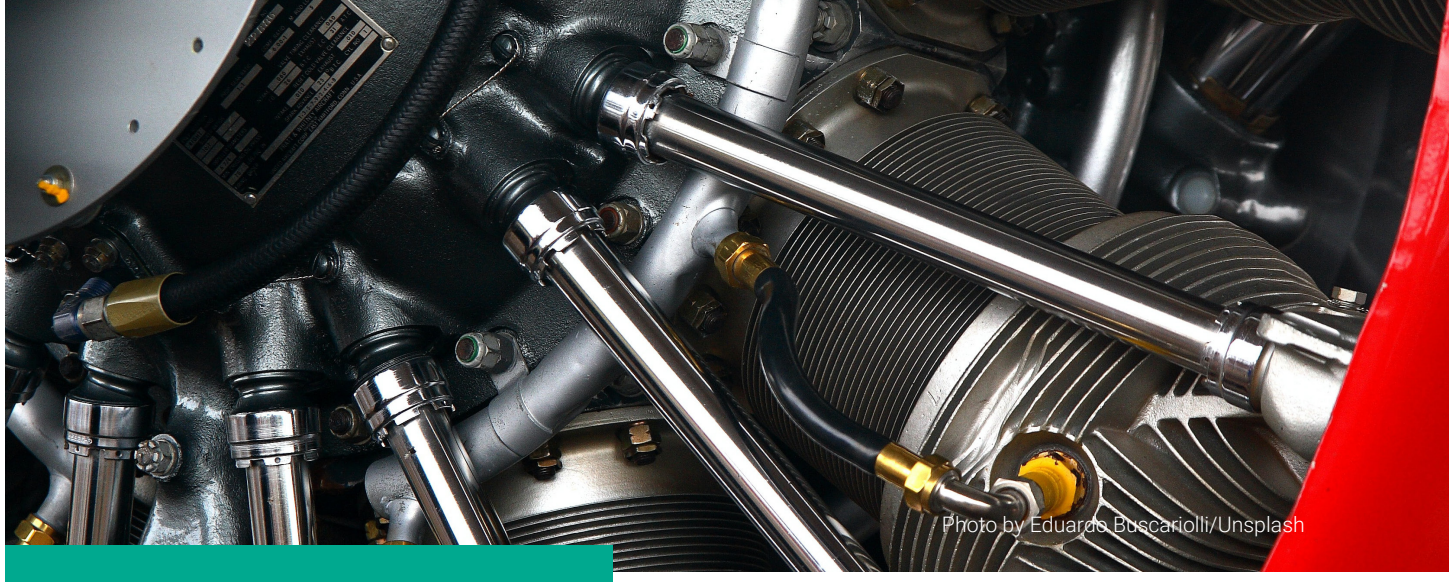


Capital Equipment

In 2021, there were 8 actions by PACE Leaders that address calls-to-action in the Circular Economy Action Agenda for Capital Equipment.

NUMBER OF ACTIONS ADDRESSING THE CALLS-TO-ACTION FOR CAPITAL EQUIPMENT

1. Provide Incentives and Guidance for Product Design for Circularity	0
2. Transform Customer Perception and Procurement Models to Increase Demand for Circular Products and Service	3
3. Leveraging Servitization, Guide and Support Product Use Rates and Use Life Extension	3
4. Stimulate Consumer Adoption of Plastic Reuse	1
5. Enable Efficiency and Transparency in Compliant and Responsible Reverse Logistics	0
6. Collaborate Across Value Chain and Sectors to Strategically Plan Reuse Operations	3
7. Increase Incentives for Investment in Reuse Technologies and Facilities	3
8. Support Manufacturers to Increase Sourcing of Secondary Components	1
9. Leverage Digital Technologies for the Circular Transition	3
10. Evaluate the Contribution of Circular Capital Equipment to the Sustainable Development Goals	0



Example actions – explore more on [our website](#).

Closed Loop Infrastructure Group (CLIG)

CLIG has committed to building a circular economy supported by strong infrastructure that ensures all valuable materials are recovered after use, kept in circulation and never go to waste. CLIG funds replicable, scalable and sustainable recycling and circular economy infrastructure projects across collection, sortation, processing and new technologies in recycling. Each of the funds in the Infrastructure Group invest alongside one another to bridge existing financing gaps, scale solutions and build on synergies across the funds' networks to scale circular economy infrastructure across North America.

Partners: Closed Loop Partners, the Coca-Cola Company, Procter & Gamble and Unilever. 3M, Colgate Palmolive, Johnson & Johnson Consumer Health, Keurig Dr. Pepper, PepsiCo, The Walmart Foundation, Amazon, Danone North America, Danone Waters of America, Nestlé Waters North America, Starbucks, DOW, Lyondellbasell and Nova Chemicals

CTAs addressed: 7, 8

Life Cycle Asset Management

Through Used Equipment Finance, DLL aims to simplify the process of purchasing preowned assets. It offers customers financing options to acquire used equipment, which creates new second and third-life revenue streams for service plans and spare parts, drives growth for suppliers and helps the environment by enabling the reuse of equipment and technology.

Partners: DLL Group

CTAs addressed: 2, 4, 5, 7

Capital Equipment Coalition

The vision of the Capital Equipment Coalition is a closed-loop capital equipment industry in which value is preserved and recovered across the product lifecycle. To achieve this, the Coalition collaboratively identifies challenges and opportunities, shares best practices and develops solutions to drive change towards a circular economy for Capital Equipment. By openly sharing progress, insights and learnings, the Coalition creates awareness on the need to transition, engages and enables other players in the public and private sector with the knowledge to accelerate collective progress towards a circular economy.

Project Leaders European Cohort: Circle Economy (Regional Host); Philips, DELL Technologies, ENEL Group, ASML, Damen, Lely, Cisco, Vanderlande, KPN, FedEx Express Europe

Project Leaders North American Cohort: U.S. Chamber of Commerce Foundation (Regional Host); Philips, DLL, GE Digital, SAP, Microsoft

CTAs addressed: 2, 3, 6, 7, 9

Metrics Program

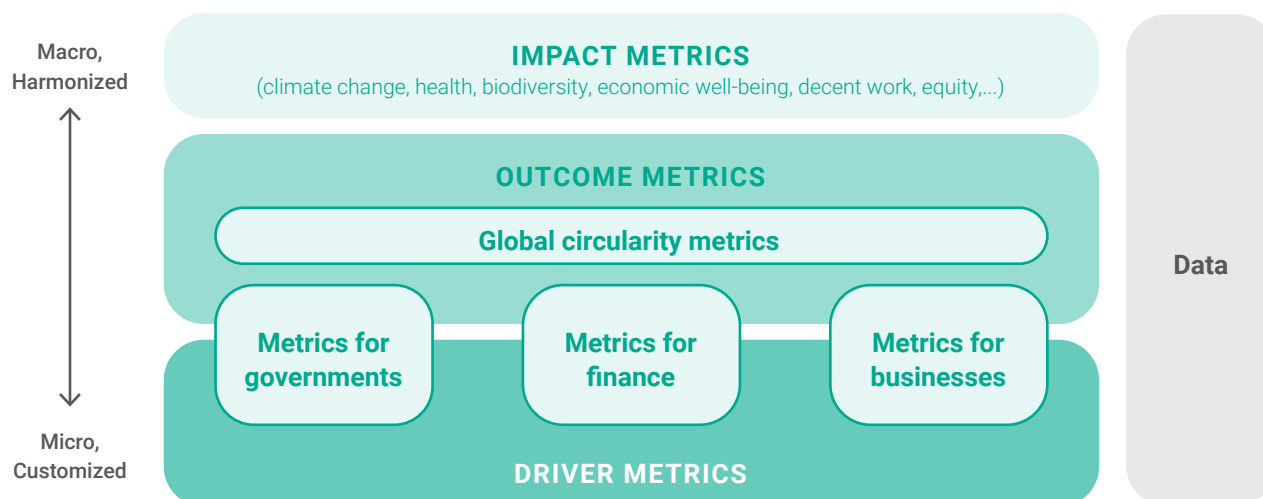
(Coordinated via the Circular Economy Indicator Coalition)

The transition to a circular economy requires systemic change across all sectors and is complex in terms of the goals and the stakeholders it encompasses. Metrics are crucial to steer the transition, build cohesion, monitor progress, and evaluate the impact.

The breadth and variety of indicators to measure circularity has grown significantly in the past few years, with key stakeholders speaking ‘many languages’. Several branded frameworks have emerged as generic guidance on how to measure progress on circularity, and several initiatives exist to work towards standardizing terminology and indicator frameworks at higher levels. However, with a variety of sticky challenges ranging from limitation in indicator coverage to data availability and collection, the circular economy metrics field is still on its way towards maturity. For metrics to be successful in supporting the transition to a circular economy, they must be consistent, meaningful, widely accepted, and easy to understand.

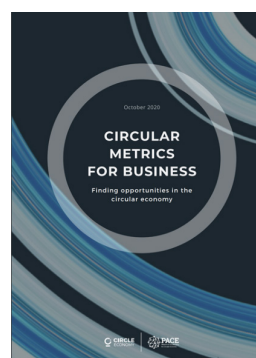
Building on the current circular metrics landscape, the PACE Metrics Program aims to:

1. Facilitate the development and adoption of science-based circular economy metrics at different levels, for different user groups, with interconnections and coherence.
2. Connect key stakeholders, including both developers and different user groups of circular economy metrics, to facilitate exchange, improve alignment, and bridge critical gaps.



MAJOR ACTIVITIES IN 2021:

- Publication of the “Circular Metrics for Business” and “Circular Indicators for Governments” landscape reports
- Publication of “Circular Gap Report 2021”, highlighting how circularity can contribute to greenhouse gas emission reduction
- Started landscaping and agenda setting for metrics for governments and for finance



Spotlights

Cross-cutting initiatives

SCALE360°

Scale360° is a global partnership aimed at fast-tracking Fourth Industrial Revolution (4IR) impact in the circular economy by supporting bottom-up innovation and entrepreneurship. In collaboration with government, business, civil society, and entrepreneurs. Scale360° initiatives target specific marketplace challenges in each local economy to stimulate circular economy innovation. Scale360° Impact Partners host active national and city innovation support programs in 21 countries. The Scale360° 2021 Highlights report showed the impact this initiative has had through sharing of knowledge, influencing national policy initiatives and approaches, and equipping stakeholders with key skills.

Partners: World Economic Forum (leading partner); United Arab Emirates Ministries of the Prime Minister, Cabinet Affairs, Climate Change and Environment, and Artificial Intelligence, Chile Ministry of Environment; IDEO, Fashion for Good, Polymateria, WWF, ENEL, SOFOFA, Majid Al Futtaim, Kearney, Google, Phillips, Circulate Capital, Accenture, ScaleUpNation, TriCiclos

THE CIRCULARITY GAP REPORT

The Circularity Gap Report provides a metric that measures the circular state of the world economy and high-level insights into the global metabolism. It also identifies key levers for transitioning to circularity at a global level by mid-21st century. The 2021 publication of the Circularity Gap Report highlights the urgent need to accelerate the transition from a linear to a circular economy and outlined 21 strategies to get there by focusing on 6 areas: housing, nutrition, mobility, healthcare, consumables, and communications.

Partners: Circle Economy (leading partner); DSM, UNCTAD, City of Amsterdam, WWF, Philips.

Regional Alliances

CIRCULAR ECONOMY COALITION FOR LATIN-AMERICA AND THE CARIBBEAN

The Circular Economy Coalition seeks to create a common regional vision and perspective with an integrated and holistic approach. Its mission is to provide a regional platform to enhance inter-ministerial, multi-sectoral and multi-stakeholder cooperation, increase knowledge and understanding on circular economy, provide capacity building and technical assistance for the development of public policies for circular economy and sustainable consumption and production.

Member Countries: Colombia, Costa Rica, Peru, and the Dominican Republic.

Partners: UNEP (coordinator); PACE, World Economic Forum, UNIDO, CTCN, Konrad Adenauer Foundation (KAS-EKLA), Ellen MacArthur Foundation, Inter-American Development Bank.

AFRICAN CIRCULAR ECONOMY ALLIANCE

The Alliance shares best practices for the creation of legal and regulatory frameworks, the building of partnerships and the financing and creation of circular economy projects; advocates for and raises awareness of the circular economy at a national, regional, and global level; and brings about new projects and partnerships within individual or multiple countries.

Member Countries: Benin, Burkina Faso, Cote d'Ivoire, Ghana, Nigeria, Rwanda, South Africa and Sudan.

Partners: African Development Bank (host), PACE, KAS Foundation, European Commission, African Circular Economy Network (ACEN), World Economic Forum, SITRA, UNEP Africa, Finland Ministry of Foreign Affairs, GEF.

Knowledge Partners

PACE Knowledge Partners are organizations leading on research and policy analysis on the circular economy.



Donors

We value all our donors and are very proud to recognize the diverse group of supporters who share our commitment to accelerate towards a global economic system that concurrently enables human and environmental well-being.

The list below includes donors who contributed to support the PACE Secretariat from 2019 to 2021.



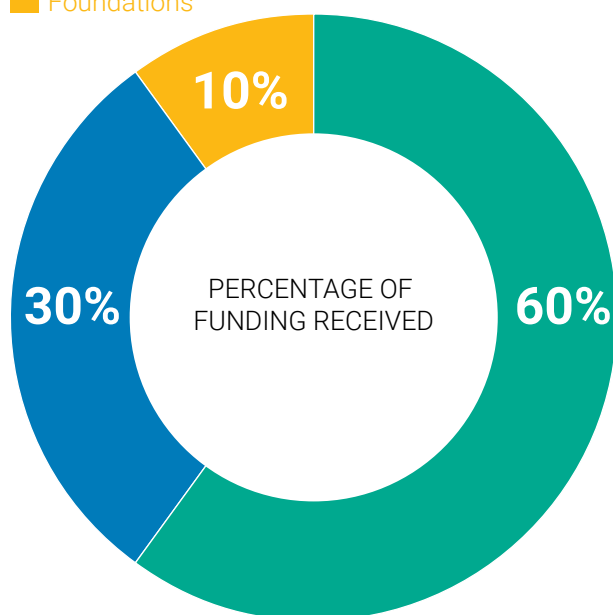
Operations and Finance

The trust and support of our donors is of great importance to the PACE Secretariat and WRI. We receive support from governments, corporates and foundations while working under WRI's strict financial controls to ensure compliance with our donors' needs. WRI income and expenditures are independently audited, thus ensuring PACE allocates its resources credibly and effectively. WRI has received top rankings from charity evaluators, including a four-star rating from Charity Navigator, America's largest independent charity evaluator, 10 years in a row.

PACE strives for operational excellence across our global network. The PACE Board of Directors ensures all contributions to the PACE Secretariat are effectively managed to support PACE's mission, vision, values, and continued growth.

From 2019 – 2021, PACE was supported by donors representing a balanced group of sectors and industries.

■ Government
■ Corporates
■ Foundations



SECRETARIAT

Guided by the Boards' strategic direction, the Secretariat orchestrates PACE funding and overall delivery of the strategy, in line with PACE's vision, mission and values.

David B. McGinty | GLOBAL DIRECTOR

Ke Wang | PROGRAM LEAD

Krista Krufft | LEADERSHIP ENGAGEMENT LEAD

Heather Millen | COMMUNICATIONS LEAD

Heyd Mas | PROGRAM MANAGER

Lotte Holvast | PROGRAM MANAGER

Prateek Diwan | PROGRAM MANAGER

Laura Ombelet | PROGRAM COORDINATOR

Seth Olson (seconded from Resonance)

Jeremy Ravenelle (seconded from Resonance)

We would like to thank our interns who supported PACE staff throughout 2021:

Garima Bisen | COMMUNICATIONS INTERN

Chiara Coluccia | PROJECT COMMUNICATIONS INTERN

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Ernesto D. Lacouture | ENGAGEMENT INTERN

Ramech Muon | PROGRAM INTERN

Lekha Nambiar | KNOWLEDGE INTERN

Andres Olivia | KNOWLEDGE INTERN

Caitlan Read | ENGAGEMENT INTERN

Clara Von Der Ropp | COMMUNICATIONS INTERN

Nadhira Sagita Putri | ENGAGEMENT INTERN

Lisa Walen | COMMUNICATIONS INTERN

In addition, we would like to recognize the support from over 200 experts who have contributed to creating the PACE Action Agenda in 2021.



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