

PLASTIC BANK: LAUNCHING SOCIAL PLASTIC® REVOLUTION

David Katz
Founder and CEO, Plastic Bank



Haiti

David Katz is the founder and CEO of Plastic Bank, an organization that is revolutionizing the recycling industry in its pursuit to stop ocean plastic. David is the winner of Entrepreneur Organization's Global Citizen of the Year award, the recipient of the United Nations Lighthouse Award for Planetary Health, and recipient of the Paris Climate Conference Sustainia Community Award.

KEYWORDS

- SOCIAL PLASTIC
- SOCIAL FRANCHISE
- POVERTY
- DIGITAL PLATFORM

Plastic Bank is working to stop ocean plastic while reducing poverty. By enabling the exchange of waste plastic for money, goods, or blockchain-secured digital tokens, Plastic Bank reveals the true value of the material, making it too valuable to throw away. This empowers recycling ecosystems around the world, driving responsible economic development in underprivileged communities and reducing the flow of plastic into our oceans.

Most ocean plastic comes from developing nations where no recycling infrastructure exists. Plastic Bank constructs this infrastructure and pays a Social Plastic® premium rate for plastic waste, ensuring that a consistent, liveable income is earned by its collectors. Increased incentives for recycling motivate communities to take action against their everyday pollution. Plastic Bank also enables local entrepreneurs to set up and operate their own Plastic Bank branch as a fully supported franchise.

Plastic collected at Plastic Bank branches is recycled and sold as Social Plastic® to organizations who want to create a more sustainable, eco-friendly, and socially responsible supply chain for their products. The value of Social Plastic® goes beyond the commodity price of plastic: a ladder of opportunity is created for the world's impoverished and our oceans are protected from pollution.

Using its innovative digital platform and its experience in Haiti, Indonesia, and the Philippines, Plastic Bank is creating a digital ecosystem that will allow for a worldwide, open-source Social Plastic® revolution. In the meantime, Plastic Bank continues to expand its recycling infrastructure in these regions and develop new markets, such as Mexico and Brazil.

What is the mission of Plastic Bank which wants to revolutionize the recycling industry?

We are engaging the most globally unifying opportunity in history: plastics in the ocean. The world is becoming aware of the need to act for the health of our planet. People are willing to do something, but they don't know how. In recognition of that, we are simply offering a way for every single person in the world to be a part of creating change.

Plastic Bank provides a consistent, above-market rate for plastic waste, thus incentivizing its collection. Individuals who gather plastic can exchange it for cash, blockchain-secured digital tokens, goods or services, and even tuition. We reveal the value in plastic. To do this, plastic collected through Plastic Bank is recycled and sold as Social Plastic® to companies which want to have a global impact on the environment and social welfare. This creates a closed-loop economy for plastic, reducing the need for virgin plastic production.

Currently over 2,500 Social Plastic® collectors are working in Haïti, Brazil, and the Philippines. We have already collected 3,000,000 kg of waste plastic since 2014, and our operations continue to grow exponentially.

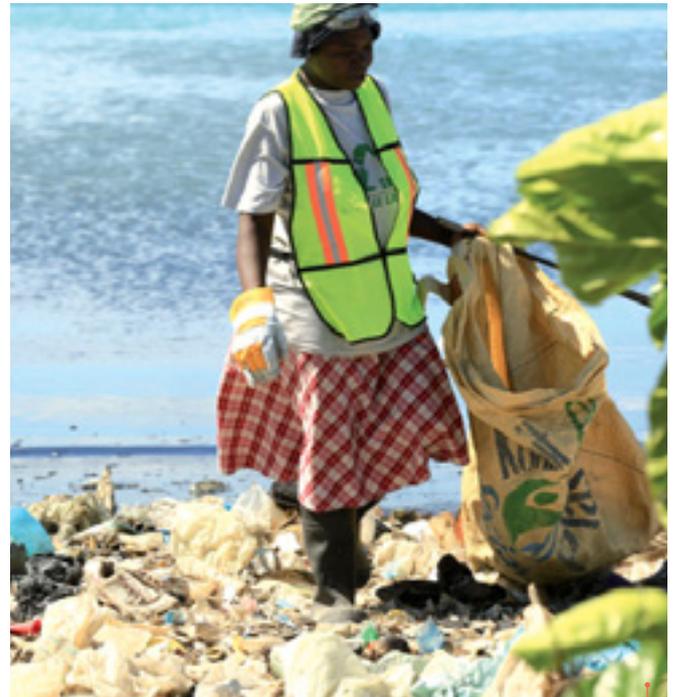
I came to learn that if we could change how people see plastic, that will be part of the solution. The idea came while I was attending a 3D printing seminar and I realized that a piece of 3D printing plastic was sold at 8 times the price of the primary material and that value came only from changing the shape of plastic. That is how I thought that if we manage to change the mindset on plastic, then plastic could become value.

Once I have realized the potential of this idea, the main challenge was about becoming the person who can make the change. All the rest, I have managed to figure out.

Why did you launch Plastic Bank in Haïti?

When I started Plastic Bank in Haïti in 2014, I learned a lot about poverty, illiteracy, fear, scarcity, etc. It's a place where people fight for themselves as there's scarcity everywhere. Collaboration happened as we were able to show that Plastic Bank can create new possibilities for everyone. Perseverance was necessary to go beyond the barriers and show that we can bring value for all.

As our inaugural launch, Haïti was the testing ground for the Social Plastic® model and greatly influenced our direction today. Haïti was chosen because of its high poverty rate and immense plastic pollution problem — the majority of ocean plastic comes from impoverished regions with no disposal infrastructure. We had to navigate the challenges of creating a circular economy on an island



Haïti

Thanks to our digital platform and our experience, we can provide a digital ecosystem that can allow for a worldwide, open-source Social Plastic® revolution.

and adapting to a new culture. With the success of Haïti, we're now challenged to adapt to urban centres like Manila, Philippines and São Paulo, Brazil, where conditions are completely unique.

Plastic Bank has developed different models in countries where it operates. How do you work locally?

In Haïti, as there are no recycling facilities, we needed to create storefronts where people can return the material. Because people cannot go too far to return the material, it is based on building and expanding infrastructure. We already have 40 stores. My view is that at least a thousand stores in Haïti will be necessary to cover the needs of the population. In order to scale quickly, we are angling to use small grocery stores and lottery centres as collection locations.

The Philippines are a mature recycling market where there are junk shops already everywhere. People can bring materials to the junk shops and get money for that. We are working with a cooperative of junk shops which represents 150 junk shops to unify them, create social franchises, improve their business platform and profitability, and give them a digital platform.



Philippines

In urban Brazil, recycling cooperatives are already trying to capture the lost value in their environment. Similar to the Philippines, we are establishing a social franchising model to improve the existing recycling infrastructure in Brazil and make it a more viable business venture for local entrepreneurs. However, unlike the Philippines, Brazil is not an island, and its citizens have different needs and cultural values that need to be accounted for.

How do you turn plastic into a currency?

We are changing the paradigm on plastic waste by monetizing it for the world. If every bottle was five euros, how many would you see on the street? Zero. What did we just prove? That the question is not the bottle: it is the value that we give to it. By turning what was once waste into a resource, it becomes a way to end extreme poverty.

There are currently 8.3 trillion kilograms of plastics on the planet. At a price of 50 cents per kilo, that represents \$4 trillion value which can eradicate poverty around the world eight times over.

Plastic Bank is creating a circular economy for plastics by creating the opportunity to use plastic as money. We are providing entrepreneurial experience to the world's impoverished by providing them the opportunity to make a living through plastic collection and have access to basic goods and services.

Our social franchising model provides the ability for local entrepreneurs to set up and operate a convenience store for their community in which plastic waste is the currency. In these convenience stores, plastic collectors can buy sustainable stoves, cooking fuel, clean water, electricity, WiFi, and more. They can also send their children to school through Plastic Bank education initiatives.

How do you engage with brands which are more and more under pressure regarding plastic?

Brands can buy Social Plastic® to use in their supply chain for plastic packaging. For instance, we are providing Henkel with Social Plastic® for use in their home and beauty care products.

We are also offering the opportunity for companies to offset their plastic footprint by funding the collection and recycling of an equal amount of plastic within our ecosystem. For example, Shell is working with us to reduce their plastic footprint. We also offer plastic neutral packages to individual consumers who want to reduce their environmental impact.

Brands are awake and need to ensure that they can continue to sell products packaged in plastic, and consumers are becoming more hesitant. Social Plastic® is one of the only ways to answer this need. Brands which are using Social Plastic® can show their environmental and social commitments on their packaging.



Philippines



Haïti

One of your mission is to alleviate poverty. What are the social benefits of Plastic Bank and how do you measure your impact?

When Social Plastic® is made into new products and purchased by every day consumers, collectors and families in impoverished regions are the direct beneficiaries. Collectors earn a stable living wage and gain access to the goods and services that we take for granted in developed countries. On a bigger scale, it's about humanity coming together to be the cause and the solution. We are uniting humanity to take local actions that create global impact. Anybody can be part of the Social Plastic® revolution.

For me, the impact is about how many children are going to school, which is a direct contribution to alleviate poverty. I did not expect, when I launched Plastic Bank, that this would become one of my main key performance indicators. On the contrary, I thought that it would be volume of materials. But when I speak to plastic collectors, and especially women, they all say that the main benefit is the possibility to send their kids to school.

Of course, we also measure the volumes of materials we collect, the number of collectors who are directly benefiting from our ecosystem, the number of family

members who indirectly benefit, and a wide variety of other metrics.

What are your next steps?

Our priority is to scale up the project. Thanks to our digital platform and our experience with these three different models, we can provide a digital ecosystem that can allow for a worldwide, open-source Social Plastic® revolution.

We have also partnered with an organization called World Vision, an NGO supporting families of 3.2 million children every month by providing meaningful work to parents. We are currently working with World Vision to develop our entrepreneurial project as a solution to alleviate poverty.

In the long term, the aim of the company is not to make money by selling plastics, but to oversee the global plastics trade linked to Social Plastic® and even provide banking services to plastic collection businesses and collectors.

Plastic Bank is creating a circular economy for plastics by creating the opportunity to use plastic as money. We are providing entrepreneurial experience to the world's impoverished by providing them the opportunity to make a living through plastic collection and have access to basic goods and services.

Our ambition is to let the open market determine the price of Social Plastic®, while today we have a fixed price. It will be a great success if Social Plastic® can become cheaper than virgin plastic.