Plastic Solutions Investor Alliance

Investor Declaration on Plastic Pollution

We, the undersigned investors, have formed a Plastic Solutions Investor Alliance to engage publicly traded companies on the threat posed by plastic pollution, a clear corporate brand risk. We believe our community of socially and environmentally concerned investors can have a positive impact due to longstanding relationships with many companies.

While plastic has many beneficial uses, its production has grown exponentially for many years without sufficient regard to its environmental impacts. This trend is expected to continue as plastic production is projected to triple by 2050, yet currently only 14% of plastic packaging is collected for recycling. Most plastics are burned, buried, or littered onto land or oceans. 95% of plastic packaging material value ($80–120 billion annually) is lost to the economy after a short first use. Without fundamental redesign and innovation, about 30% of plastic packaging will never be reused or recycled.[1]

Nearly all plastic is derived from fossil fuels. Plastic's contribution to global warming is substantial with greenhouse gas emissions from the plastics sector expected to grow to 15% of the total global annual carbon budget by 2050.[2] There are also special concerns about the impact of plastic on oceans, which contain an estimated 150 million tons of degraded plastic, with four to 12 million tons added annually.[3] The environmental cost of plastic production for the consumer goods industry is estimated at $75 billion annually, including a preliminary estimate of $13 billion of damage to marine ecosystems, including losses incurred by fisheries, and costs to tourism and for beach clean-ups.[4]

Scientists predict oceans will contain more plastic than fish by 2050 if no actions are taken.[5] Nearly 700 species have been affected by marine trash, most of which is plastic, including every species of sea turtle, and more than half of all whales, dolphins, porpoises, and seabirds. Toxins can become concentrated in degrading plastic in water, and may be transmitted to marine food webs. With more than one billion people depending on protein from the ocean, the potential human health implications are concerning.[6]

Our current focus as investors is on plastic packaging. Twenty-five percent of plastic is made into packaging, making it the largest single use category, and one where much negative impact has occurred.[7] Much of this packaging is for single use applications where materials are used briefly and then discarded. These materials can persist in the environment, partially degraded, for hundreds of years, which, as well as causing damage to marine life, could also have a material impact by exposing companies to reputational damage.

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[1] Ellen MacArthur Foundation, *The New Plastics Economy, Rethinking the future of plastics* (2016); *The New Plastics Economy: Catalysing Action* (2017). https://newplasticseconomy.org

[2] See note 1, 2016 report

[3] Jambeck et al, *Plastic waste inputs from land into the ocean*, Science, Feb. 13, 2015.

[4] UNEP, *Valuing Plastics: The Business Case for Measuring, Managing and Disclosing Plastic Use in the Consumer Goods Industry* (2014) http://wedocs.unep.org/handle/20.500.11822/9238

[5] Ellen MacArthur Foundation, *The New Plastics Economy, Catalysing Action (2017).*

[6] UNEP-GEF Scientific and Advisory Panel, *Impacts of Marine Debris on Biodiversity* (2012) https://www.cbd.int/doc/publications/cbd-ts-67-en.pdf

The inability to recycle or safely contain in landfills significant amounts of plastic packaging suggests that society needs to carefully assess the continued growth of plastic use, especially for single use applications. If governments and industry cannot manage to recycle even one-fifth of plastic packaging, it is unclear how they can make sufficient progress to keep plastic out of rivers and oceans if production of plastic triples by 2050.

In December 2017, nearly 200 nations at a UN Environment Assembly in Nairobi signed a resolution to eliminate plastic pollution in world oceans. In January 2018, the European Commission released a plastic strategy calling for all plastic packaging in the EU market to be recyclable or reusable by 2030 and reduced consumption of single-use plastic.

Reducing plastic pollution makes demonstrable progress towards fulfilling multiple United Nations Sustainable Development Goals: Responsible Consumption and Production (SDG 12), Life Below Water (SDG 14), Life on Land (SDG 15), Good Health and Well-being (SDG 3), and Sustainable Cities and Communities (SDG 11).

Companies that place plastic packaging on the market need to demonstrate awareness of these challenges and prioritize actions to resolve them. Companies using plastic packaging should:

- Transition plastic packaging to be recyclable, reusable, or compostable to the fullest extent possible.
- Disclose annual plastic packaging use.
- Set plastic use reduction goals.
- Develop alternatives to plastic for packaging purposes, especially for single use packaging.
- Acknowledge responsibility and play a significant role in funding and facilitating collection and recycling or composting of packaging in markets where they operate (i.e. producer responsibility).
- Support public policy measures on reducing plastic waste and broadening producer responsibility.
- Accelerate research on the potential for technology and innovation to provide solutions.

Signatories as of September 4, 2018

Actiam N.V.
Aviva Investors
Adrian Dominican Sisters
As You Sow
Bailard Inc.
Barrow Cadbury Trust
Candriam Investors Group
Congregation of St. Joseph

Daughters of Charity, Province of St. Louise
Dignity Health
Domini Impact Investments LLC
EdenTree Investment Management Ltd.
Epic Capital Wealth Management
First Affirmative Financial Network
Green Century Capital Management
Hermes Investment Management
Hull Family Foundation
Impax Asset Management LLC
Interfaith Center on Corporate Responsibility
JLens Investor Network
Nia Impact Capital
Pax World Funds
Pensions & Investment Research Consultants Ltd
Mercy Investment Services
NEI Investments
P1 Investment Management
Robeco
Sisters of St Francis of Philadelphia
The Ecumenical Council for Corporate Responsibility
The Joseph Rowntree Charitable Trust
The Sustainability Group of Loring, Wolcott & Coolidge
Trillium Asset Management
Veris Wealth Partners
Walden Asset Management

This group is convened by As You Sow. For further information, contact Conrad MacKerron, Senior Vice President, As You Sow, email: mack@asyousow.org.