



**WHEREAS:** Plastic, with a lifecycle social cost at least ten times higher than its market price, actively threatens the world’s oceans, wildlife, and public health.<sup>1</sup> Concern about the growing scale and impact of global plastic pollution has elevated the issue to crisis levels.<sup>2</sup> Of particular concern are single-use plastics (SUPs)<sup>3</sup> which make up the largest component of the 11 million metric tons of plastic ending up in waterways annually.<sup>4</sup> Without drastic action, this amount could triple by 2040.<sup>5</sup>

In response to the plastic pollution crisis, countries and major packaging brands are beginning to drive reductions in virgin plastic use.<sup>6,7</sup>

Several studies demonstrate that a significant absolute reduction in virgin plastic demand is critical to curbing the flow of plastic into oceans.<sup>8</sup> One of the most robust reduction pathways is presented in the widely-respected report, *Breaking the Plastic Wave*, which found that plastic leakage into the ocean can be feasibly reduced by 80% under its System Change Scenario (SCS), which is based on a significant absolute reduction of virgin SUPs.<sup>9,10</sup>

BP has recognized the potential disruption that global SUP reductions could have on the oil industry in its *2019 Outlook*, where it found a global SUP ban by 2040 would reduce oil demand growth by 60%.<sup>11</sup>

The future under the SCS – one built on recycled plastics and circular business models – looks drastically different than today’s linear take-make-waste production model. Several implications of the SCS, including a one-third absolute demand reduction

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<sup>1</sup> [https://wwfint.awsassets.panda.org/downloads/wwf\\_pctsee\\_report\\_english.pdf](https://wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf)

<sup>2</sup> <https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution>

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN#page=8>

<sup>4</sup> <https://www.minderoo.org/plastic-waste-makers-index/findings/executive-summary/>

<sup>5</sup> <https://www.nationalgeographic.com/science/article/plastic-trash-in-seas-will-nearly-triple-by-2040-if-nothing-done>

<sup>6</sup> <https://www.pbs.org/newshour/science/bold-single-use-plastic-ban-kicks-europes-plastic-purge-into-high-gear>

<sup>7</sup> <https://www.unilever.com/news/press-releases/2019/unilever-announces-ambitious-new-commitments-for-a-waste-free-world.html>

<sup>8</sup> <https://www.theguardian.com/environment/2021/jul/01/call-for-global-treaty-to-end-production-of-virgin-plastic-by-2040>

<sup>9</sup> [https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave\\_report.pdf](https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf)

<sup>10</sup> <https://www.science.org/doi/full/10.1126/science.aba9475>

<sup>11</sup> <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/energy-outlook/bp-energy-outlook-2019.pdf#page=18>



(mostly of virgin SUPs) and immediate reduction of new investment in virgin production, are at odds with Exxon’s planned investments.<sup>12</sup>

Exxon was recently identified as the largest global producer of SUP-bound polymers (5.9 million metric tons in 2019, an estimated 50% of its total polymer production) and exposed for lobbying against plastic pollution laws.<sup>13,14</sup> While Exxon states it is acting to “address plastic waste,” it fails to meaningfully address the potential for regulatory restrictions and/or significant disruption in demand for virgin plastic, both of which could result in stranded assets.<sup>15,16</sup>

**BE IT RESOLVED:** Shareholders request the Board issue an audited report addressing, at reasonable cost and omitting proprietary information, whether and how a significant reduction in virgin plastic demand, as set forth in *Breaking the Plastic Wave’s* System Change Scenario for reducing ocean plastic pollution, would affect the Company’s financial position and assumptions underlying its financial statements.

**SUPPORTING STATEMENT:** Proponents recommend that, at Board discretion, the report include:

- Quantification (in tons and/or as a percentage of the total) of the Company’s polymer production for SUP markets;
- A summary or list of the Company’s existing and planned investments that may be materially impacted by the SCS;
- Plans or goals to shift Exxon’s business model from virgin to recycled plastics and use of recycling technologies that are cost-effective, process and energy efficient, and environmentally sound.

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<sup>12</sup> <https://www.bloomberg.com/news/articles/2019-06-13/exxon-sabic-greenlight-new-texas-plant-to-process-shale-output?sref=TtrRgti9>

<sup>13</sup> <https://www.minderoo.org/plastic-waste-makers-index/data/flows/#/sankey/global/10>

<sup>14</sup> <https://gizmodo.com/we-now-know-how-exxon-secretly-fights-crackdowns-on-pla-1847220288>

<sup>15</sup> <https://corporate.exxonmobil.com/Sustainability/Sustainability-Report/Environment/Plastic-waste-management#Addressingplasticwaste>

<sup>16</sup> <https://www.forbes.com/sites/scottcarpenter/2020/09/05/why-the-oil-industrys-400-billion-bet-on-plastics-could-backfire/?sh=6e099bd843fe>