

Investors call for urgent action to reduce plastics from intensive users of plastic packaging

17 October 2023

The whole plastics lifecycle poses a serious and growing threat to the environment, climate, biodiversity, human rights and public health. Accumulating research continues to emphasise the gravity of these impacts but the picture is already clear: intensive production and use of plastics is causing untold damage to the health of people and planet, with scientists affirming that “clean-up is futile” if production continues at current rates.¹

We, investors and their representatives, believe that companies must set their sights higher and act more swiftly to address the plastics crisis through reducing their dependence on single-use plastic packaging, working to bring production and consumption of plastics within the limits of the planetary boundaries and alignment with the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework. This statement is directed at companies in the fast-moving consumer goods and grocery retail sectors, including (non-exhaustively) those listed in the Appendix to this statement.

Financial risks to companies and investors

Plastics imposes an estimated externality cost on society of \$US 350 billion per year arising from greenhouse gas emissions, ocean pollution and collection costs - at least US\$ 1000 per tonne of plastic produced.² As action from policymakers steps up to address the plastics crisis and society demands accountability from corporate actors perpetuating the problem, companies on the value chain are exposed to significant and mounting plastic-related risks.

These risks include regulatory risks arising from bans, taxation and extended producer responsibility costs, reputational risks, increased momentum in plastic-related litigation³ and increased raw material costs⁴. As responsible investors, we are concerned that companies that do not proactively address these risks with actions aimed at reducing their dependence on single-use plastics may face higher costs or lose business opportunity, therefore putting long-term value creation and investment returns at risk.

¹ Eriksen et al, “A growing plastic smog, now estimated to be over 170 trillion plastic particles afloat in the world’s oceans – Urgent solutions required”, PLOS ONE 18(3): e0281596 (2023). , [“More than 170tn plastic particles afloat in the oceans, say scientists”](#), 8 March 2022.

² Carbon Tracker, [“The future’s not in plastics: Why plastics demand won’t rescue the oil sector”](#), 2020.

³ ClientEarth, [“Plastics on trial: a briefing series on evolving liability risks related to plastics, vol. II Hazardous chemicals”](#), 2022.

⁴ Planet Tracker, [“Packaging labels: Don’t lose your bottle over the label”](#), 2023.

Our expectations for accelerated corporate action on plastics

Actions taken by companies to date have failed to have impact on the scale and at the rate required. As noted in the Ellen MacArthur Foundation's 2022 Progress Report, signatories to the Global Commitment are not on track to meet their 2025 target that all packaging be reusable, recyclable and compostable.⁵ Efforts on reduction, implementing reuse⁶ and addressing toxicity remain very limited⁷.

We expect companies to make a real and scalable change by setting more ambitious targets and taking stronger actions. Companies must set a clear vision to drastically reduce consumption of single-use plastic packaging in absolute terms, phase out hazardous chemicals and, crucially, advocate for - not against - the policy framework needed to support these actions. To this end, we expect companies that intensively use plastic packaging (notably the FMCG and grocery retail sector) to:

1. Support ambitious plastics policy for effective outcomes

Global Plastics Treaty

The plastics crisis is a problem without borders not least because many companies are producing and placing on the market plastic products and packaging in many different markets. Efforts to negotiate a new Global Plastics Treaty will be decisive for turning the dial on the plastics crisis while also reducing operational complexity and compliance risk across markets.

We expect companies to support international efforts for an ambitious plastics treaty by joining the [Business Coalition for a Plastics Treaty](#) and advocate for legally binding measures designed to reduce production and consumption and boost reuse.

EU Packaging and Packaging Waste Regulation proposal

The European Commission's proposal for the revision of the Packaging and Packaging Waste Regulation (PPWR) contains much-needed focus on prevention and reuse, and could go a long way in reducing packaging consumption, notably by addressing overpackaging and scaling up reuse systems.⁸ It is therefore concerning that a recent analysis of European consumer product sector engagement on the PPWR revision identified that the sector's *"industry associations are engaged overwhelmingly negatively with the PPWR"*, noting that lobbying efforts had already succeeded in lowering the targets and weakening the measures considered by the European Commission.⁹

⁵ Ellen MacArthur Foundation, "The Global Commitment 2022: Progress Report", 2022.

⁶ Ibid.

⁷ VBDO, "[Plastic Perspectives: An overview of the plastic footprints, ambitions and plastic lobbying activities of listed European and UK grocery retailers and FMCGs](#)", 2022.

⁸ Proposal for a revision of EU legislation on Packaging and Packaging Waste, 30 November 2022. Available online:

https://environment.ec.europa.eu/publications/proposal-packaging-and-packaging-waste_en.

⁹ InfluenceMap, "[The consumer products sector and the EU's circular economy policy for packaging and packaging waste](#)", 2023.

We expect companies to publicly support the ambition of the PPWR reform, to refrain from lobbying to reduce this ambition and to ensure that industry associations to which they are a member act in accordance with this position.

2. Commit to – and start delivering – absolute reduction of single-use plastic packaging, including through implementing reuse systems

It is clear that drastically reducing production and consumption of plastics is the priority action needed to address the plastics crisis. This includes upscaling of reuse systems. Well-designed reuse systems provide significant environmental benefits - a reduction in resource use, energy, toxic substances, water use, contributing to reducing carbon emissions and preventing pollution.¹⁰

We expect companies to establish a clear plan of action to reduce material consumption in absolute terms, prioritising eliminating the need for single-use packaging altogether, including through upscaling reusable packaging systems, to be achieved by clearly defined timescales and subjected to external verification.

3. Address toxicity in value chains

Over 3,000 potentially harmful chemicals have been identified in food packaging, both intentionally and unintentionally added chemicals.¹¹ Failure to address use of these chemicals is contributing to a chemical pollution crisis, with hazardous chemicals ubiquitous in humans, the environment and accumulating in materials and products,¹² posing a significant threat to human health¹³. Increased use of recycled plastics raises serious concerns about the lack of knowledge, traceability and transparency of chemicals in packaging, with research flagging toxicity risk of recycled plastic.¹⁴

We expect companies to commit to identifying and eliminating the use of hazardous substances¹⁵ in products and packaging and to publicly report their progress in doing so.

¹⁰ Rethink Plastic and Break Free From Plastic, "[Realising reuse: the potential for scaling up reusable packaging and policy recommendations](#)", 2021.

¹¹ B Geuke et al, "Systematic evidence on migrating and extractable food contact chemicals: Most chemicals detected in food contact materials are not listed for use", *Critical Reviews in Food Science and Nutrition*, 2022, DOI: 10.1080/10408398.2022.2067828

¹² UNEP, "Global Chemicals Outlook II: From legacies to innovative solutions", 2019.

¹³ UNEP, "[Drowning in plastics: Marine litter and plastic waste, vital graphics](#)", 2021.

¹⁴ Gerassimidou et al, "[Unpacking the complexity of the PET drink bottles value chain: A chemicals perspective](#)", *Journal of Hazardous Materials*, Vol. 430 (2022) 128410.

¹⁵ These should include substances listed in the Understanding Packaging Scorecard list of Food Chemicals of Concern, developed on the basis of research and information from leading NGOs and industry associations, periodically updated to reflect the best science available. The chemicals of concern in the UP Scorecard list are divided into three tiers, with Tier 1 representing a shortlist of priority chemicals of concern to avoid, based on broad stakeholder agreement, and Tiers 2 and 3 presenting more extensive sets of chemicals that should not be used in the manufacture of food contact materials.

We invite other institutional investors to contact us to support this statement and collaborate on efforts to engage with companies including those listed in the Appendix to this statement, as well as to work with stakeholders to encourage the adoption of ambitious targets needed to accelerate progress.

List of Signatories

Note: the following 189 signatories with over USD \$10 trillion in assets are listed in alphabetical order by organisation name.

Achmea	Dana Investment Advisors
Achmea Investment Management	Daughters of Charity, Province of St. Louise
ACTIAM	Domini Impact Investments LLC
Adrian Dominican Sisters, Portfolio Advisory Board	Dorval Asset Management
Aegon Asset Management UK plc	DPAM
Aegon Investment Management B.V.	Ecofi
Alquity	EdenTree Investment Management
Amundi	EOS at Federated Hermes
Anima SGR	Ethos Engagement Pool International
As You Sow	Ethos Foundation
ASN Impact Investors	Everence and the Praxis Mutual Funds
a.s.r. Asset Management	Flexstone Partners
Ausbil Investment Management	Future Super Group
Aviva Investors	Green Century Funds
AXA Investment Managers	Groupe Caisse des Dépôts
Axiom Investors	Groupe La Française
Bailard, Inc.	Handelsbanken Fonder
Candriam	Inyova AG
CCLA Investment Management	Ircantec
Common Spirit Health	La Banque Postale Asset Management
Congregation of St. Joseph	Legal & General Investment Management
Coöperatie VGZ	LGPS Central

Local Authority Pension Fund Forum (LAPFF)	Regroupement pour la Responsabilité sociale des entreprises
MAIF	Resona Asset Management Co., Ltd.
Mercy Investment Services, Inc.	River and Mercantile Asset Management
Mirova	Rockefeller Asset Management
MN	Samara Capital
Montanaro Asset Management	Sarasin and Partners LLP
NEI Investments	SCOR SE
Nia Impact Capital	Stichting Pensioenfonds voor Huisartsen
Niederösterreichische Vorsorgekasse AG	Stichting Pensioenfonds Hoogovens
Nikko Asset Management Group	Sustainable Value Investors
Nordea Asset Management	Sustainable Advisors Alliance LLC
Ofi Invest Asset Management	Swisscanto by Zürcher Kantonalbank
P1 Investment Services	The Sustainability Group of Loring, Wolcott & Coolidge
Pensioenfonds Detailhandel	Trillium Asset Management
Pensioenfonds Medewerkers Apotheken	Trinetra Investment Management
Pensioenfonds Metaal en Techniek	Triodos Investment Management
Pensioenfonds Rail & OV	Trusteam Finance
Pictet Group	Vancity Investment Management
PME Pensioenfonds	Vision Super
Raiffeisen Schweiz	Zevin Asset Management

Appendix

This statement is directed at companies in the fast-moving consumer goods and grocery retail sectors, including (non-exhaustively) those listed below.

Beiersdorf AG	Kellogg Co
Britvic plc	Kerry Group plc
Campbell Soup Co	Keurig Dr Pepper Inc
Carrefour SA	Kimberly-Clark Co
Casino Guichard-Perrachon SA	Koninklijke Ahold Delhaize NV
Clorox Co	Kroger Co
Coca-Cola Co	L'Oreal SA
Colgate-Palmolive Co	Marks & Spencer Group plc
Colruyt Group	Metro AG
Conagra Brands Inc	Mondelez International Inc
Costco Wholesale Corp	Nestlé SA
Danone SA	PepsiCo Inc
Diageo plc	Procter & Gamble Co
Dino Polska S.A.	Reckitt Benckiser Group plc
Essity	Sainsbury's plc
Estee Lauder Companies Inc	Target Corp
General Mills Inc	Tesco plc
Henkel AG & Co. KGaA	Unilever plc