



Ofi invest
Asset Management

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THE PLASTIC CRISIS: HOW SUSTAINABLE FINANCE CAN DRIVE CHANGE

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WHY DOES THE PROTECTION OF BIODIVERSITY AND OCEANS MATTER?

1. Biodiversity is as key as climate in terms of responsibility for investors

- ex: French Law on Energy & Climate, SFDR, CSRD
- International negotiations
- Scientific findings drawn up by experts

2. It is urgent to act for biodiversity

- Biodiversity situation deteriorating faster than climate situation (Stockholm Center for Resilience)
- As of today, 46,300 species are threatened with extinction (IUCN), including 44% of reef building corals, 37% of sharks and rays.
- Populations of vertebrated species declined by 73% in 50 years (1970-2020) according to the Living Planet Index

3. According to IPBES*, factors directly responsible for pressure and impacts on biodiversity are:

- Land & sea use changes
- Direct exploitation of resources
- Climate changes
- **Pollution**
- Invasive species

► **Plastic is linked directly or indirectly to all of these 5 factors**

*Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)

KEY FIGURES FROM OECD 2022 REPORT ON PLASTIC POLLUTION

1. **Plastic consumption has quadrupled in 30 years** due to the growth of emerging markets.
2. **World plastic production doubled between 2000 and 2019**, rising from 234 to 460 million tons.
3. **Plastics are responsible for 3.4% of global greenhouse gas emissions.**
4. **Almost half of plastic waste comes from OECD countries.** They have doubled in two decades. They represented 353 million tons in 2019, compared to 156 million tons in 2000
5. **Nearly two-thirds of waste comes from plastic products** with a lifespan of less than five years, such as packaging (40%), consumer goods (12%) and clothing and textiles (11%).
6. Most of them end up in landfills, incinerated or escape into the environment.
Only 9% is actually recycled.

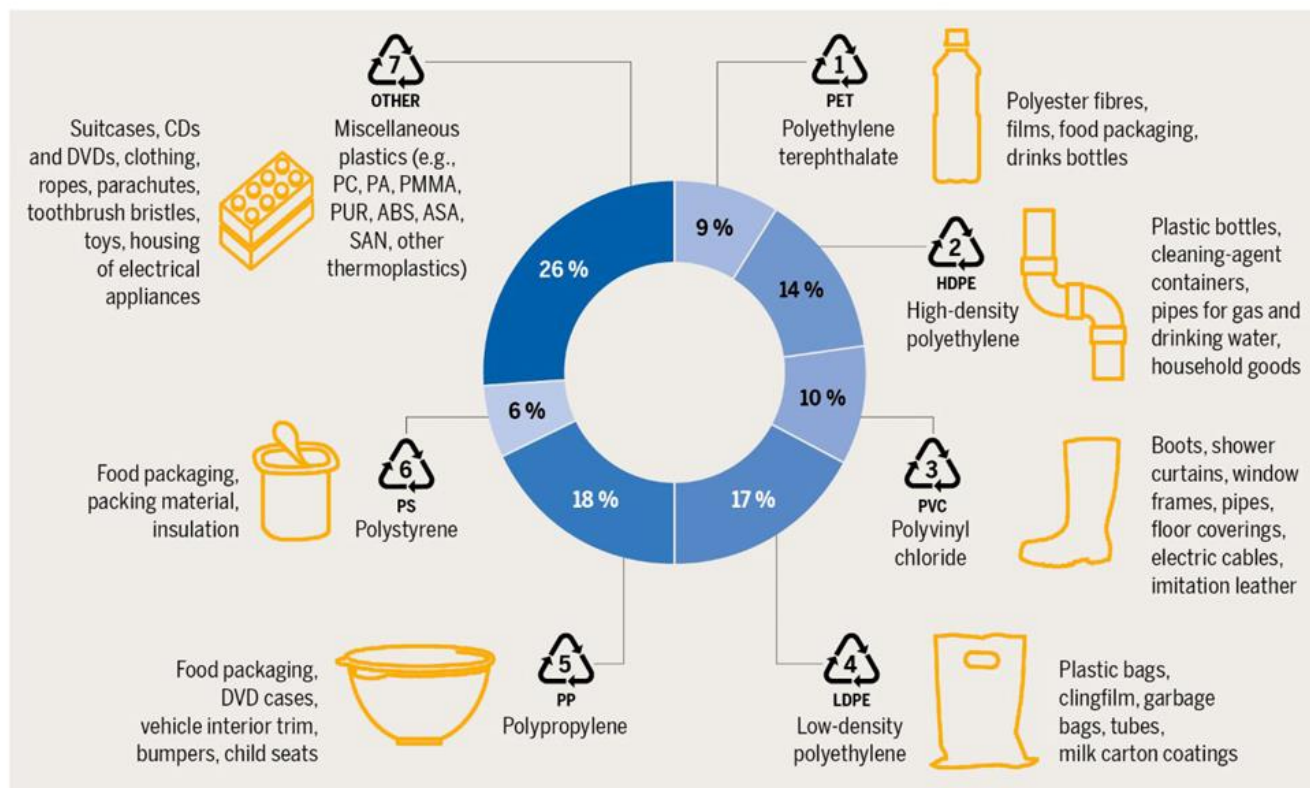
Source: OECD 2022 report on Plastic pollution

PLASTIC IS EVERYWHERE IN CONSUMERS' LIVES

STAKES AND CHALLENGES FOR THE ENVIRONMENT (1/2)

THE PLASTIC ROUNDABOUT

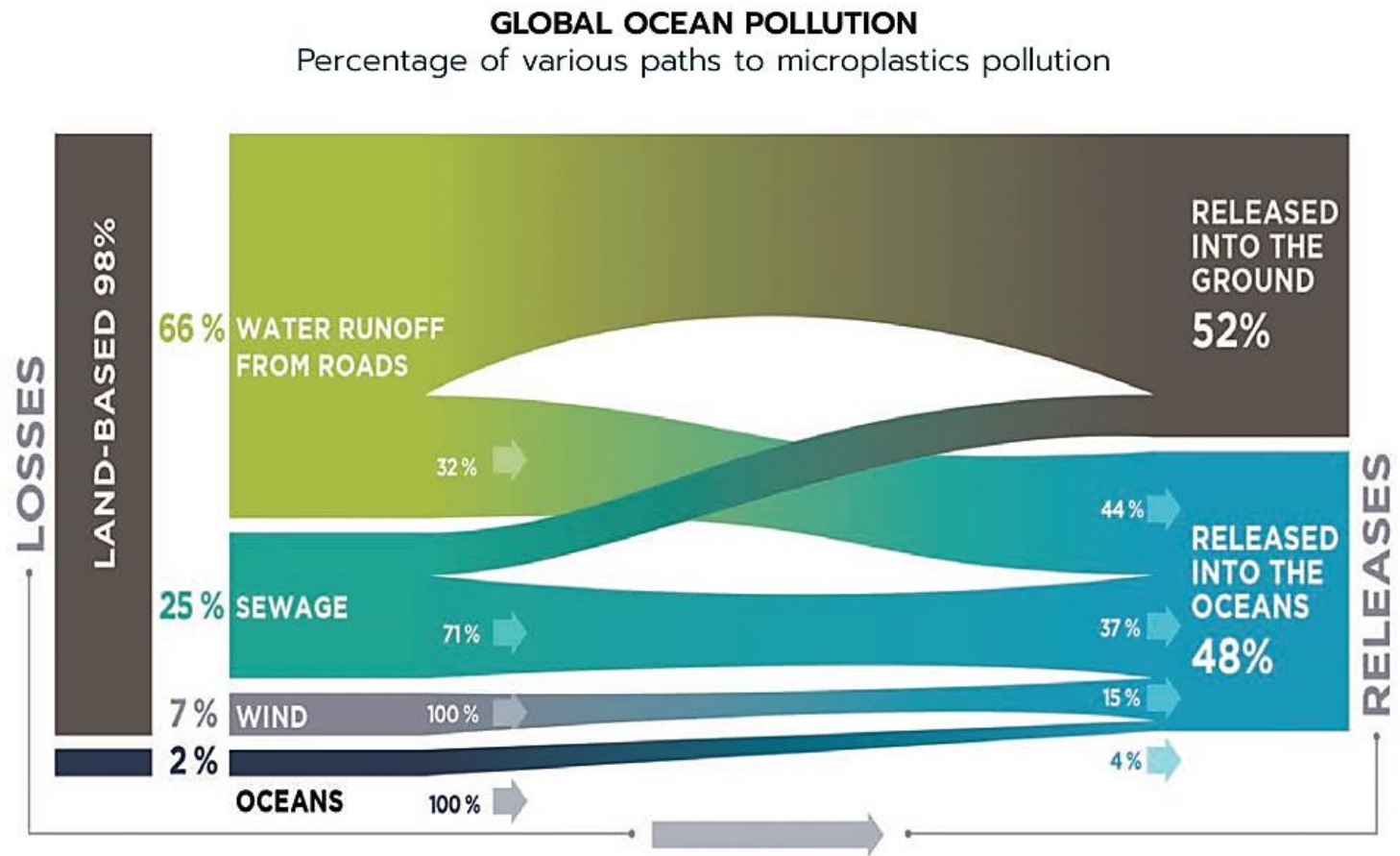
Seven recycling codes defined by the European Commission and percentage of total quantity produced worldwide, 2015



Sources: Heinrich Böll Stiftung, La Fabrique Écologique, Break Free from Plastic - "2020 Plastic Atlas"

PLASTIC IS EVERYWHERE IN CONSUMERS' LIVES

STAKES AND CHALLENGES FOR THE ENVIRONMENT (2/2)



Source: « *Microplastiques primaires dans les océans : évaluation mondiale des sources* », February 2017 – Julien Boucher, Damien Friot

THE CONCEPTUAL APPROACH VS THE EXPERIMENTAL APPROACH

PLASTIC POLLUTION IN THE LAND-SEA CONTINUUM:

FROM AREAS OF MACRO-WASTE ACCUMULATION TO THE FORMATION OF MICROPLASTICS

- **Conceptual approach** by Jambeck et al. (2015)
 - 2% of plastic consumption leak, and 15/40% reach the Ocean, 100-400g/hab/year, **4-12 M tons/year**
- **Experimental approaches** : “scientists counting over bridges”
 - 1 500 rivers = 80% of global flows
 - 397 kg waste production collected + 3 kg waste per urban surfaces per inhabitant per year, respectively 0,001% and 3-6g/hab/year reach the river (Stritter, Ledieu et al 2024)
 - Plastic pollution in rivers and estuaries: hydrological cycle, geomorphology and spatial footprint, Low water levels vs Floods
 - Significant accumulation zones in the estuary, with dynamic sites and sink sites, Anthropocene fossils
 - Seine River, Tramoy et al (2021), 6 to 11 g/hab/year, so only 0,01 to 0,02% of 60 kg of plastic consumption per inhabitant per year
 - European River, Gonzalez et al (2021), 1 to 10 g/hab/year
- Best global estimation on macroplastic waste to reach the Ocean by Gonzalez is **0,8 to 2,7 M tons/year**

If macroplastic pollution leak is only 0,02%, **“we must ask ourselves about a massive plastic consumption change”**

On microplastic, initial estimate, flow of 300k to 600k tons by Toulouse university

Source: Johnny Gasperi, Research Director, Université Gustave Eiffel , presentation at Fondation pour la Recherche sur la Biodiversité’s day on May 29th 2024

ACTION LEVERS FOR INVESTORS AND RISKS TO CONSIDER

LEVERS FOR ACTION

1. Understand and better know impacts generated by P&S offered by companies, alongside the value chain
2. Raise awareness among investees about plastics impacts and how it matters to mitigate risks, be transparent and tackle the topics, propose alternative, work on plastic-reduction trajectories
3. Measure biodiversity footprint of portfolio
4. Proposing financing solutions for alternatives to plastic

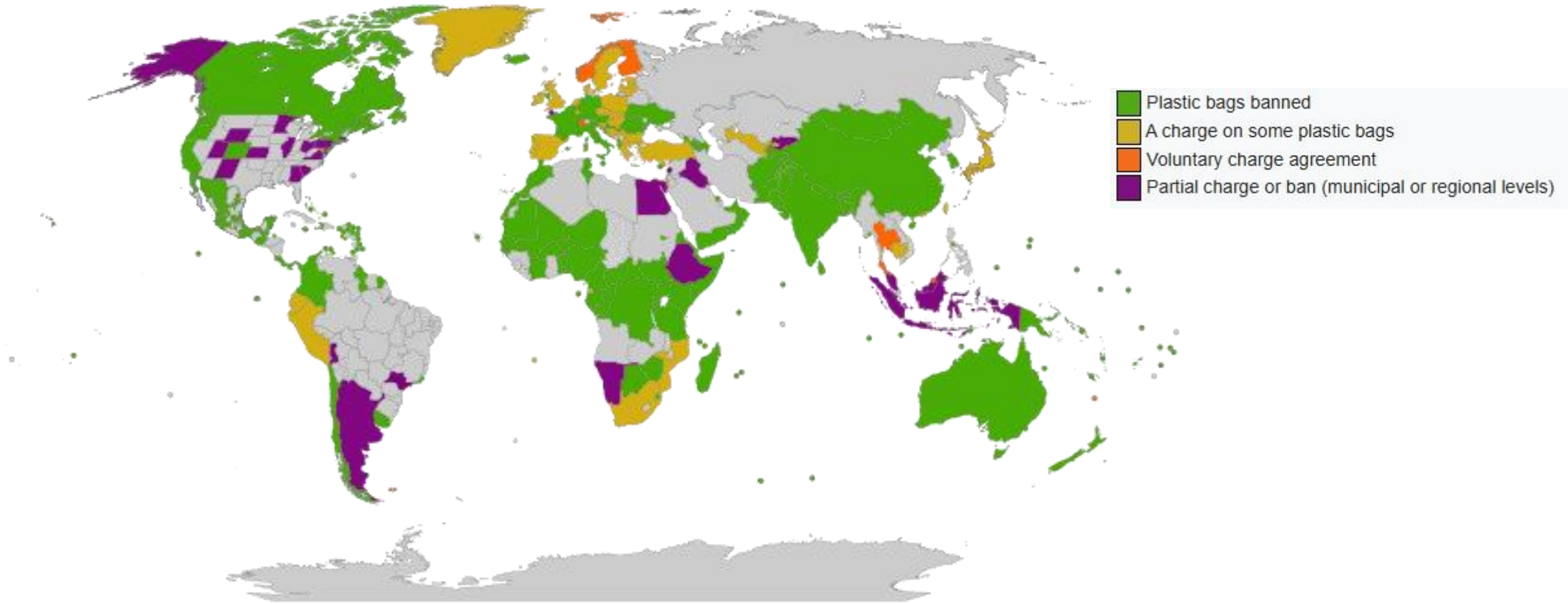
RISKS TO CONSIDER

1. Manage negative impacts linked to ecosystem pollution
2. Manage risks related to controversies (reputational, legal, operational health-related...)
3. Adapt to regulatory changes
4. Work on portfolio de-plastification trajectories

Source: Ofi Invest AM

LEGISLATION AIMED AT PHASING-OUT THE USE OF SINGLE PLASTICS

GLOBAL CURRENT LEGISLATIVE EFFORTS REGARDING LIGHTWEIGHT PLASTIC BAG LAWS.



Source: [Wikipedia](#) (March 2025), laws passed but not yet in effect are not shown on map

KEY FINDINGS OF OFI INVEST ENGAGEMENT CAMPAIGN ON PLASTIC POLLUTION (1/2)

19

companies polled



plastic pollution is considered as a significant risk, but plastic is not necessarily identified in their due diligence plans

1

company integrate a sustainability criterion related to the increase of recycled plastic

2/3

of companies committed to reducing the amount of plastic in their packaging



a majority of these companies are not taking the necessary measures to achieve their goals

94%

percentage of issuers do not have implemented a policy on microplastics yet



Source: The OFI Invest AM report « Combatting plastic waste to protect the ocean » is available [here](#)

KEY FINDINGS OF OFI INVEST ENGAGEMENT CAMPAIGN ON PLASTIC POLLUTION (2/2)



GOOD PRACTICES

- All companies in the panel are members of associations (WWF, Forum Consumer Good, Ellen McArthur Foundation) or initiatives to combat plastic pollution.
- Funding local NGOs in developing countries to encourage the collection of plastic waste in ecosystems.



UNDER IMPROVEMENT

- Companies exposed to microplastics make limited efforts to reduce their impact.
- The commitments of companies mainly focus on the recyclability of packaging, there is still room for improvement, particularly in absolute plastic reduction targets.



GAPS

- Plastic is rarely taken into consideration in sustainability suppliers policies
- "Double standard" between developed and developing countries.
- A distant prospect, with an unwillingness to completely abandon plastic for packaging
- Lack of report on the volume of plastic used

RECENT SETBACKS

Corporate behemoth relinquished on their commitment on plastic

- Unilever, previously committed to halving its use of virgin plastics by 2025, is now aiming for a one-third reduction by 2026.
- Coca-Cola, previously committed to use 50% recycled materials by 2030, is now aiming at 35%.

Negotiations at the fifth Intergovernmental Negotiating Committee (INC) failed to deliver

- The late 2024 session in Busan, South Korea to negotiate a legally binding international agreement to put an end to plastic pollution by United Nations member-nations released a “non-paper”. The “High Ambition Coalition” disagreed with the “like-minded” countries of oil-producing states which opposed setting any kind of plastic production reduction target.

Expected Global Plastics Treaty timeline



Source: Geneva Environment Network

STARTER KIT FOR INSTITUTIONAL INVESTORS (1/2)

ON MACROPLASTIC AND SINGLE-USE PLASTIC

Petrochemical companies producing virgin polymers bound for single-use plastic

- The Minderoo Foundation launched the 'Plastic Waste Makers' index in 2021, which includes 20 companies responsible for half of the single-use plastic waste thrown away worldwide, click [here](#).
- The Plastic Waste Makers Index was updated in 2023 and captures the 50 largest producers of single use plastics and ranks them via a circularity score reflecting efforts to increase plastic circularity. The circularity score is based on 13 sub-topics, including targets, engagement, and compensation alignment, click [here](#).

Fast Moving Consumer Goods companies (FMCG)

- Look at the Global Commitment annual report on the [Ellen McArthur Foundation](#) website, [here](#)
- You will find key progress metrics on plastic packaging for the TOP 10 FMCG companies and some other large companies

STARTER KIT FOR INSTITUTIONAL INVESTORS (2/2)

ON MICROPLASTIC

Textiles and Tyres account for over two-thirds of microplastics

Global clothing companies

- synthetic fibres represent over two-thirds of textiles
- Download the Synthetics Anonymous 2.0 Fashion's persistent plastic problem report published in 2023, by the **Changing Markets Foundation**, [here](#)
- Or their 2024 report, Fashion's Plastic Paralysis: How Brands Resist Change and Fuel Microplastic Pollution, [here](#).

Tyre Industry

- The Euro 7 regulation sets limits for not only exhaust emissions, but for the first time also tyre abrasion.
- On the 8th of May 2024 the [agreed text](#) was published in the Official Journal of the European Union, therefore entering into force at the end of May.
- According to the European Commission, tyres generate 450,000 metric tons of microplastic—particles of plastic of less than 5 mm—per year in the European Union (EU).
- The Union's objective to reduce microplastics released into the environment by 30 % by 2030 and based on state-of-the-art abrasion limits.

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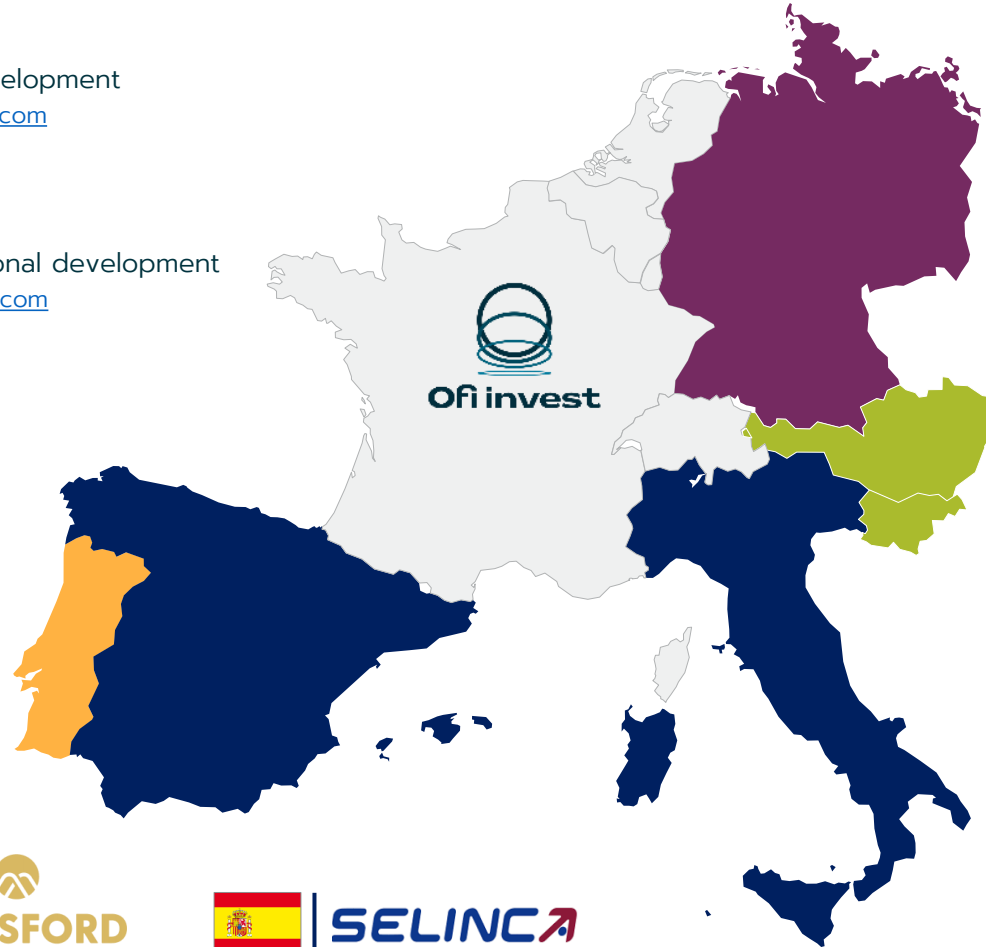


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