



The Honorable Lorena Gonzalez
State Assembly
Sacramento, CA85814

The Honorable Ben Allen
State Senate
Sacramento CA95814

Re: Support AB1080 and SB54

Dear Assembly Member Gonzalez and Senator Allen,

We, investors representing \$15.5 billion in assets under management, are writing to demonstrate our support for the California Circular Economy and Plastic Pollution Reduction Act, SB 54/AB 1080 (henceforth referred to as the “Act”). The Act provides a comprehensive framework to counter the risk of rising pollution from single-use packaging and products, while saving millions of dollars in clean up and disposal costs.

Approximately 8.3 billion metric tons of plastic have been produced since 1950. Of this, only 9% has actually been recycled, with the remainder ending up in landfills, incinerators, or the environment, particularly in our oceans.¹ Yet despite inadequate disposal, projections show that plastic production is set to triple by mid-century.² Plastic pollution adversely impacts ocean ecosystems, has harmful implications for human health, and contributes to a reliance on fossil fuels, worsening the impacts of climate change.

Investors are increasingly recognizing plastic pollution as a material risk that can pose a financially material risk to our portfolios.

As countries position themselves to transition to a low-carbon economy, continued reliance on single-use plastics poses a material risk. Plastic is one of the most energy intensive—and, subsequently, carbon-intensive—materials to create.³ This year alone the production and disposal of plastic will produce emissions equivalent to 189 new 500-megawatt coal-fired power plants.⁴ At current projections plastics are set to account for 20% of oil consumption and 15% of the carbon dioxide budget by 2050, which positions companies that continue to rely on single-use plastics to face consequential climate transition risks.⁵

Additionally, plastic pollution is a corporate brand risk as prominent branding on litter has led to reputational damage. This is particularly relevant for the fast-moving consumer good companies and retailers that are being highlighted in NGO reports such as “Crisis of Convenience” and “Branded”.⁶⁷ For example, in a highly publicized report reporting on litter collection on beaches around the globe, it was possible to identify a clear consumer brand on over 65% of the trash collected.⁸

¹ Geyer, Jambeck, Law, 2017. “Production, use, and fate of all plastics ever made.” *Scientific Advances*. 3 (7).

² World Economic Forum, 2016. “The New Plastics Economy: Rethinking the future of plastics”

³ Center for International Environmental Law, 2019. “Plastic & Climate: The Hidden Costs of a Plastic Planet.”

⁴ World Economic Forum, 2016. “The New Plastics Economy: Rethinking the future of plastics”

⁵ Center for International Environmental Law, 2019. “Plastic & Climate: The Hidden Costs of a Plastic Planet.”

⁶ Greenpeace, 2018. “A Crisis of Convenience.”

⁷ Break Free from Plastic, 2019. “Branded: In Search of the World’s Top Corporate Plastic Polluters.”

⁸ *Ibid.*



As investors with significant exposure to companies located within California, we strongly believe that the Act is an important step to help mitigate the risks faced by portfolio companies that use plastics. We therefore support the Act and California's leadership towards this growing risk.

Sincerely,

AJF financial Services, Inc.
Andrew Friedman

As You Sow
Conrad MacKerron

Congregation of Sisters of St. Agnes
Sister Ruth Battaglia CSA

Figure 8 Investment Strategies
Nancy Jones

Green Century Capital Management
Leslie Samuelrich

Impact Investors
Shane Yonston

Newground Social Investment
Bruce Herbert

Northwest Coalition for Responsible Investment
Judy Byron, OP

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