



Companies urged to disclose data on plastic to cut pollution and improve resource efficiency

Companies could become more sustainable by improving the way they measure, manage and report the amount of plastic they use in their business operations and supply chains, according to groundbreaking new research by the Plastic Disclosure Project, the UN Environment Programme and natural capital analysts Trucost.

The report, entitled *Valuing plastic: the business case for measuring, managing and disclosing plastic use in the consumer goods industry*, was published today (23 June) at the UN Environment Assembly in Nairobi, Kenya.

The research is the first-ever assessment of the environmental costs of plastic in business. It calculates the amount of plastic used by stock exchange listed companies in sixteen consumer goods sectors and assesses levels of corporate disclosure on plastic. Its aim is to help companies understand the risks and opportunities of plastic and build a business case for improving its management.

Trucost calculates the total natural capital cost of plastic in the consumer goods industry to be more than US\$75 billion per year. The cost comes from a range of environmental impacts including the harm done by plastic litter to wildlife in the ocean and the loss of valuable resources when plastic waste is sent to landfill rather than being recycled.

The consumer goods sectors assessed are: athletic goods, automobiles, clothing and accessories consumer electronics, durable household goods, food, footwear, furniture, medical and pharmaceutical products, non-durable household goods, personal products, retail, restaurants and bars, tobacco, toys and soft drinks.

The research shows the value at risk for consumer goods companies if they fail to mitigate the threat by taking positive action. Tighter regulation, competition and consumer demand may force firms to pay the natural capital costs.

Smart, forward-looking companies can take advantage of opportunities from improving management of plastic such as cutting costs through more efficient use of plastic, developing 'closed loop' business models that recover resources locked up in plastic, and winning customers by creating sustainable products. Further benefits include creating brand value, attracting investment and improving employee satisfaction.

The research will interest investors keen to protect and enhance the value of their investments in plastic-intensive companies. The results could help inform their engagement activities with companies on environmental issues.

Plastic use in the food sector has the largest impact in absolute terms, responsible for almost a quarter of the total natural capital cost. The toy sector has the largest natural capital intensity, as the natural capital cost of its plastic use is equivalent to 3.9% of its annual revenue.

The most significant downstream impact of plastic use by the consumer goods sector is marine pollution, which has a natural capital cost of at least \$13bn. This is likely to be an underestimate due to the need for further scientific research, for example, on the impact of small particles of plastic known as microplastic. The most significant upstream impact is greenhouse gas emissions released from producing plastic feedstock, which is responsible for almost a third of the total natural capital cost.

The impacts of plastic vary around the world. Companies face higher natural capital costs if they purchase or dispose of plastic in Asia compared to North America, Europe or Oceania due to the higher pollution intensity of manufacturing in Asia and its lack of adequate waste management facilities.

The research makes a series of recommendations for companies designed to help ensure a sustainable future for plastic. Foremost is the need for companies to measure, manage and publicly report their use of plastic as many companies already do with carbon emissions.

At present, levels of disclosure are poor with only half of the 100 consumer goods companies assessed reporting at least one item of data on plastic use. Disclosure rates vary widely, with no companies in the athletic goods and footwear sectors reporting any usable data compared to almost 90% of firms in the durable household goods sector.

In the longer term, progress on plastic will require companies to work in partnership with other stakeholders. This includes collaborating with government to develop effective legislation and waste management infrastructure, especially in developing countries. Innovation will require companies along supply chains to work together, possibly with an official body acting as coordinator.

At the recent 'Our Ocean' conference hosted by the US State Department and Secretary John Kerry, plastic pollution was one of three topics on the agenda. This report is a timely discussion of the need for solutions which can have a positive benefit for our communities and environment.

Andrew Russell, director of the Plastic Disclosure Project, said: "The research unveils the need for companies to consider their plastic footprint just as they do for carbon, water and forestry. By measuring, managing and reporting plastic use and disposal through the PDP, companies can mitigate the risks, maximize the opportunities, and become more successful and sustainable businesses."

Richard Mattison, chief executive of Trucost, said: "Natural capital valuation has the power to help organizations understand their environmental impacts, including pollution of the world's oceans. By putting a financial value on impacts such as plastic waste, companies can further integrate effective environmental management into mainstream business. By highlighting the savings from reuse and recycling, it builds a business case for proactive sustainability improvements."

"Plastics have come to play a crucial role in modern life, but the environmental impacts of the way we use them cannot be ignored," said Achim Steiner, UN Under-Secretary-General and UNEP Executive Director. "These reports show that reducing, recycling and redesigning products that use plastics can bring multiple green economy benefits—from reducing economic damage to marine ecosystems and the tourism and fisheries industries, vital for many developing countries, to bringing savings and opportunities for innovation to companies while reducing reputational risks."

"Our economies are still largely fossil-fuel based, with the environmental, economic and health costs hidden," he added. "For example, in the polar regions, scientists have recently found tiny pieces of plastic trapped in sea ice. Transported by ocean currents across great distances, these contaminated particles eventually become a source of chemicals in our food. The key of course of action is to prevent plastic debris from entering the environment in the first place, which translates into a single powerful objective: reduce, reuse, recycle."

Alongside *Valuing plastic*, the UNEP published its Year Book 2014 reviewing progress on ten environmental issues including plastic waste in the ocean.

Further information

Valuing plastic: the business case for measuring, managing and disclosing plastic use in the consumer goods industry will be available to download from 10am GMT, 23 June at www.trucost.com/published-research/134/valuing-plastic

A press briefing at 4-5pm on 23 June in New York City (venue to be confirmed) will provide an opportunity for journalists to talk to Richard Mattison, chief executive of Trucost, and Mike Biddle, founder and director of MBA Polymers. Please contact Abigail Darke abi@plasticityforum.com for further details.

On 24 June, New York will host the Plasticity Forum, a one-day conference focused on the solutions, innovations and opportunities happening in industry and government to help reduce the impact of plastic on our communities. Trucost chief executive Richard Mattison and William McDonough, chairman of McDonough Innovation and co-author of [Cradle-to-Cradle](http://www.cradle-to-cradle.com), are among a wide range of expert speakers. See www.plasticityforum.com for further information.

PDP, Trucost and UNEP are hosting a series of webinars to discuss the findings of the report. To register your interest contact info@trucost.com

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Endorsements

"We applaud the Plastic Disclosure Project on its ground-breaking 'Valuing plastic' report, and welcome the resultant transparency on how companies manage their plastic footprint as an important initial step in managing and reducing the environmental impact of plastic. By committing to public reporting, companies can advance on a path toward more tangible actions that improve the resource efficiency of plastic use such as improved recycling infrastructure and support of stronger recycling markets." **Conrad MacKerron, senior vice president, As You Sow.**

"Whether it is introducing our ocean plastic packaging, or continually improving the recycled content and recyclability of our plastics, we have always been concerned about our plastic footprint. Our participation in the Plastic Disclosure Project will help with our continuous improvement, and with the release of 'Valuing plastic', we expect other businesses to see the light and follow suit." **Adam Lowry, co-founder, Method**

"We are happy to support the Plastic Disclosure Project, and its mission to encourage transparency of how plastic is measured and managed by organizations globally." **Ben Ridley, Asia Pacific head of sustainability affairs, Credit Suisse**

"There is no doubt that plastic debris contaminates aquatic habitats and wildlife globally. Plastic debris is persistent, bioaccumulative and harms wildlife via entanglement and ingestion. It is time that we work collectively to close the loop and produce materials that are ecologically safer and truly sustainable. That's why I'm keen to see organizations follow PDP's advice and conscientiously measure, manage and disclose their own plastic footprint." **Chelsea Rochman, PhD, a Smith Fellow for the Society of Conservation Biology and postdoctoral researcher at the University California Davis School of Veterinary Medicine.**

About the Plastic Disclosure Project

The PDP is an initiative of the Hong Kong and California-based Ocean Recovery Alliance, a not-for-profit organization focused on bringing innovation, technologies, creativity and collaborations together to address some of the challenges that face the ocean and our broader environment.

PDP asks the business world to measure, manage, reduce and benefit from plastic waste in order to create a world in which plastic adds value for consumers and businesses without negatively impacting the environment.

About Trucost

Trucost has been helping companies, investors, governments, academics and thought leaders to understand the economic consequences of natural capital dependency for over 12 years.

Our world leading data and insight enables our clients to identify natural capital dependency across companies, products, supply chains and investments; manage risk from volatile commodity prices and increasing environmental costs; and ultimately build more sustainable business models and brands.

Key to our approach is that we not only quantify natural capital dependency, we also put a price on it, helping our clients understand environmental risk in business terms.

About UNEP

Established in 1972, the United Nations Environment Programme is the voice for the environment within the United Nations system. UNEP acts as a catalyst, advocate, educator and facilitator to promote the wise use and sustainable development of the global environment.

UNEP's Global Programme of Action for the Protection of the Marine Environment from Land-based Activities was adopted by the international community in 1995 and "aims at preventing the degradation of the marine environment from land-based activities by facilitating the realization of the duty of States to preserve and protect the marine environment."