

FOREVER CHEMICALS

1 ISSUE

Some manufactured chemicals don't degrade in the environment after use. These are known as 'persistent chemicals' or sometimes 'forever chemicals'.

Experts are concerned in particular about PFAs (per- and polyfluorinated alkyl substances), a family of over 9,000 highly persistent chemicals that don't occur in nature. They've been found in the blood and breastmilk of people and wildlife all round the world. PFA exposure has been linked to numerous illnesses. For example, research suggests they increase the risk of kidney and testicular cancer. The presence of PFAs in consumer products also hinders recycling by making it technically harder.

In many cases, what's holding companies back from ramping up production of sustainable alternatives is short-termism and the convenience of simply doing what's been done before. The International Chemical Secretariat (ChemSec), a Swedish non-government organisation (NGO), also argues that chemicals manufacturers need to do more to educate their customers about the toxicity of their products.

PFAs present a problem to investors in chemicals companies because of the clear litigation risk - a risk that can be reduced since in many cases these products could already be phased out. ChemSec says planning to achieve this is imperative.

2 PROCESS

In September 2022 we teamed up with ChemSec and Aviva Investors to engage with 54 large chemicals companies around the world. We called on them to redouble efforts to phase out harmful persistent chemicals in favour of less harmful, more sustainable alternatives.

Rathbones and other investors with combined assets under management of \$8 trillion signed letters asking target companies to:

- increase transparency by publishing the list of the hazardous persistent chemicals they manufacture
- publish a phase-out plan, with deadlines, for persistent chemicals
- work to improve their ranking in the annual chemical footprint survey ChemScore.

3 OUTCOME

The plan is to run the engagement for a number of years, but it enjoyed a major early win. US chemicals company 3M, which makes more than 60,000 products, announced in December that it would stop making persistent chemicals by 2025 - becoming the fifth company among the 54 to make phase-out commitments. 3M's decision follows years of increasing litigation, regulation, NGO campaigning and public opposition. However, it's clear that investors have influenced this decision, as 3M mentioned investor pressure in their press release.

3M TO STOP MAKING FOREVER CHEMICALS BY 2025