



Stewart Investors

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# Moving beyond carbon tunnel vision

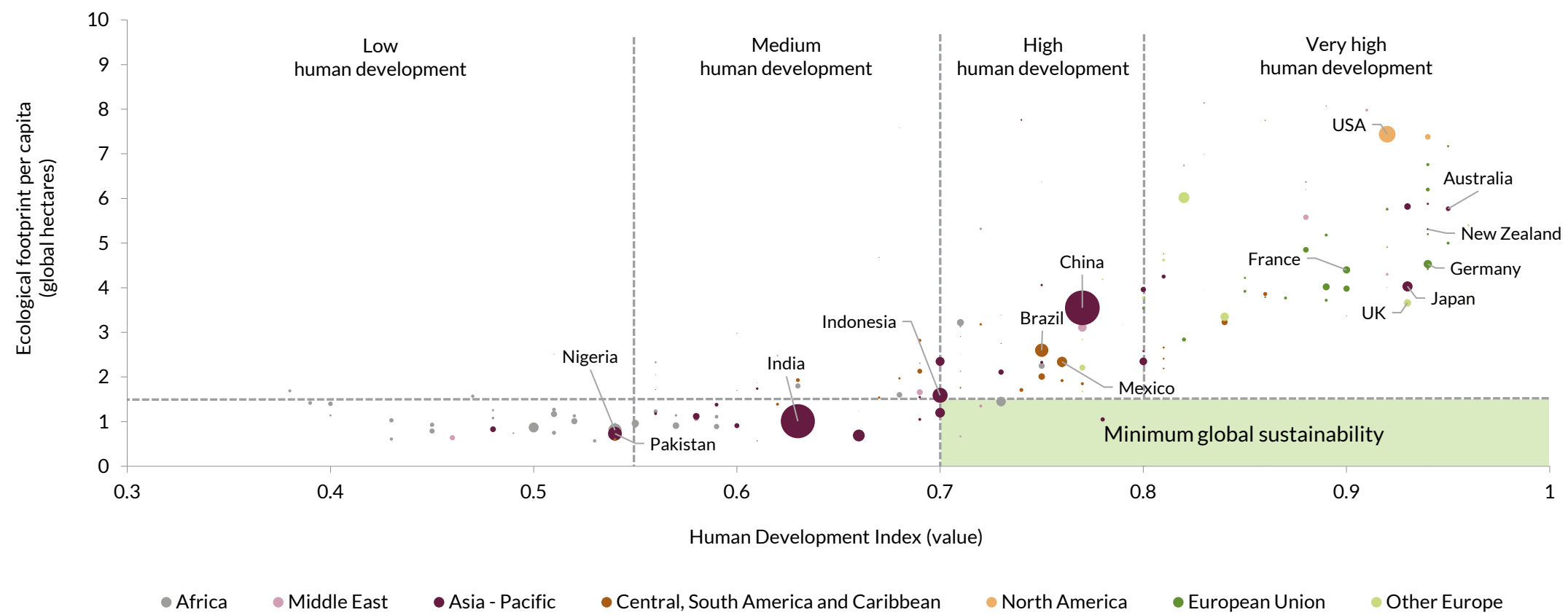
Clare Wood  
Pensions For Purpose – 24 September 2024

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For Professional/Institutional Investors only

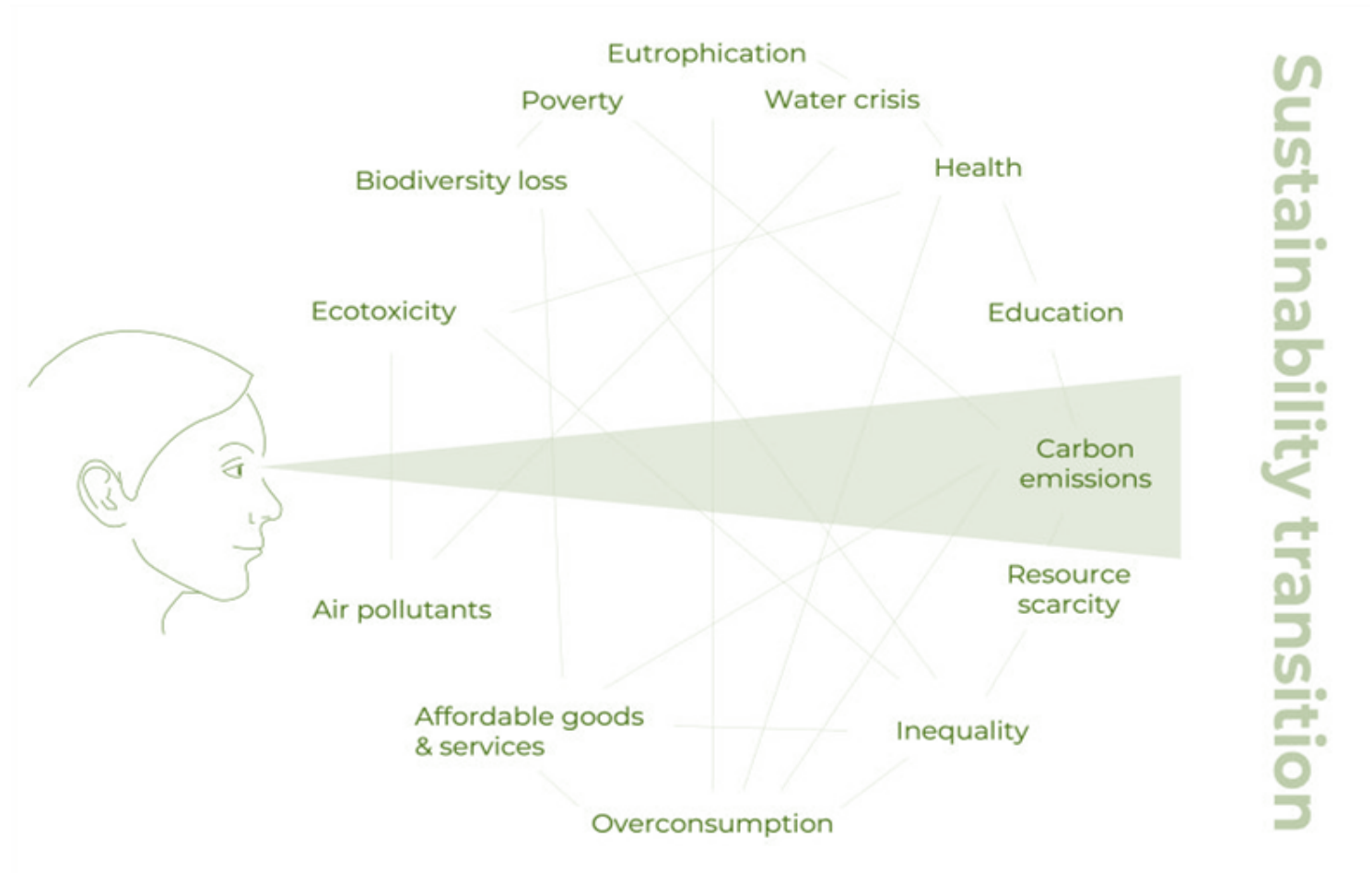
# What we mean by sustainable development

Sustainability furthers human development while reducing ecological footprint



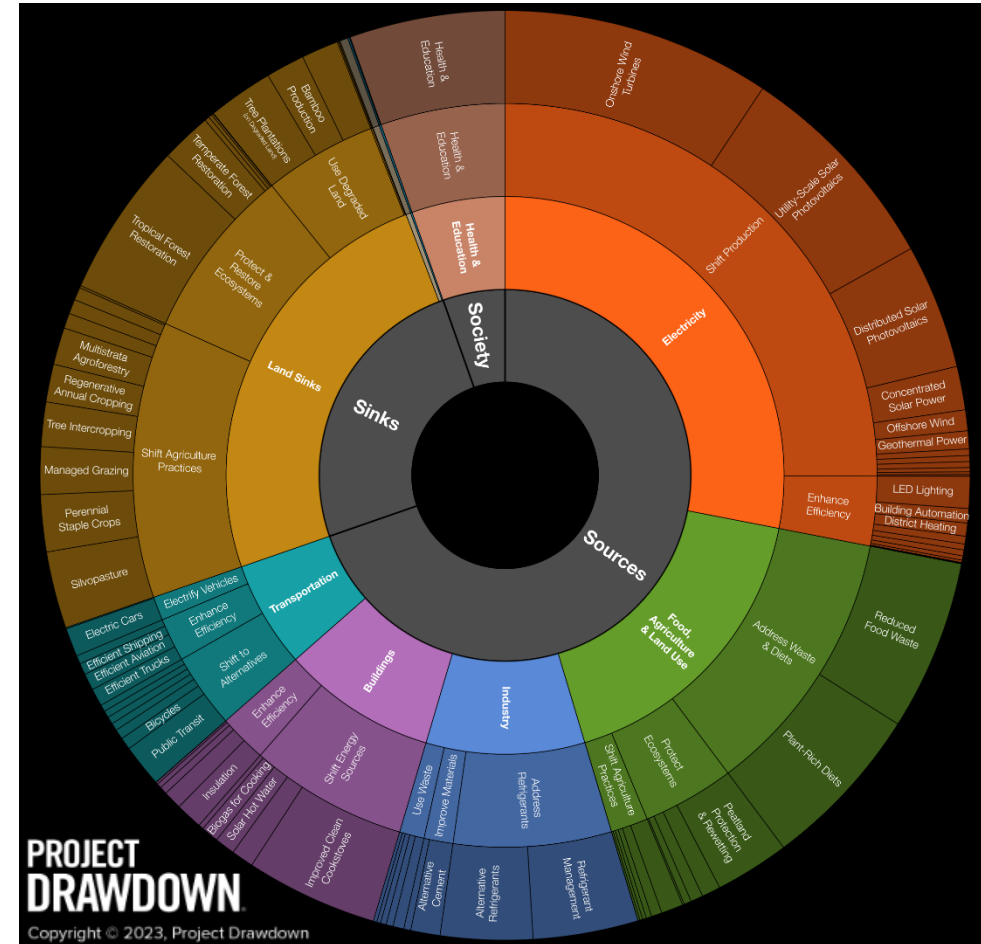
Source: Footprint Data Foundation, York University, Global Footprint Network, 2023 National Footprint and Biocapacity Accounts. Note: last three years are estimates. Downloaded 30 May 2024 from <https://data.footprintnetwork.org>. Latest country data for the Ecological footprint is 2021. Graph scale is limited to 10 on the ecological footprint axis and excludes countries with either a footprint above 10 or where no data is available.

# Avoiding carbon tunnel vision



# Project drawdown

- > A non-profit organisation that seeks to help the world reach 'drawdown'
- > 'Drawdown' – is where global emissions stop climbing and start declining
- > Measure/project the collective impact from scaling over 90 solutions
  1. Reduce sources – bring emissions to zero
  2. Support sinks – uplift nature's carbon cycle
  3. Improve society – foster equality for all



# Direct company engagement initiative – Plastic waste



## Raising the bar on best practice

- Situation

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400 million tonnes of plastic waste produced every year\*

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c.36% of all plastics produced are used in packaging, c.85% of which ends up in landfills or as unregulated waste\*
- What we did

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Commissioned research on plastic waste, benchmarking 17 global consumer goods companies

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Held forum in Mumbai with 11 large consumer goods companies

>

Part funded WRAP to develop an Indian Plastics Pact which launched in September 2021
- How companies have responded

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There has been a significant increase in post-consumer waste collection and increased use of recycled and recyclable plastics in packaging

>

Godrej Consumer Products, Marico, Hindustan Unilever, Tata Consumer Products and Beiersdorf India who attended the forum have become members of the Pact since its launch

	Marico	Godrej	Hindustan Unilever	Tata Consumer Products
% recyclable packaging	100% by 2025	100% by 2025	100% by 2025	100% by 2030
Target % post-consumer recycled plastic in packaging	30%	10%	15%	25%
% post-consumer plastic waste collected	22.5%**	100%#	100%#	100%#

- Next steps

>

Plastic sachet packaging is still one of the most used formats in rural distribution across consumer goods, and remains a key challenge to address both in terms of collection and recyclability

>

We continue to engage with companies on this topic and provide support for the Indian Plastics Pact

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Explore funding WRAP to undertake a research trial proving the business case for companies to move from non-recyclable multi-layered plastic packaging to single layer (recyclable) plastic packaging, helping inform a Roadmap for Tackling Flexibles & Film Plastics

Source: Stewart Investors investment team company research. \*Source: <https://www.unep.org/interactives/beat-plastic-pollution/>. \*\*Marico will fulfil its commitment of 70% in FY23 and 100% in FY24. WRAP (Waste & Resource Action Plan) is a leading sustainability charity. #Equivalent plastic weight of what these companies produce, the plastic collected may include plastic produced by other companies. References to specific securities should not be construed as investment advice or a recommendation to buy or sell the same.



# Research tender on industrial circularity



### Circular economy principles

1. Eliminate waste and pollution
2. Design for durability, reuse, remanufacture and recycle.
3. Regenerate natural systems

### Five areas of focus

	Example
Circular design and production	Bosch
Facilitating life extension and recycling of products	WEG
Direct collaboration	Lincoln Electric
Standard setting and policy engagement	Mahindra & Mahindra
Public reporting	Delta Electronics

### What's next?

- > Prioritise engagement with companies that are early in their circularity journey
- > Learn more about the practical aspects of implementing best practice
- > Better understand the risks and opportunities associated with adopting principals

We need to take urgent action to evolve our economic system from linear to circular

# Research: Smallholder farmers and climate solutions



Visit our website to listen to our smallholder farmer podcast:

[stewartinvestors.com](https://stewartinvestors.com)



## Raising the bar on best practice

### Situation

- > There are c.500 million smallholder farmers globally, many of whom live in poverty or close to it, producing up to 80% of the world's key commodities
- > In many parts of the world they are at the forefront of agriculture-related deforestation

### What we did

- > Commissioned research on smallholder farmers' supply chain challenges
- > Our research found substantial differences in the social and environmental issues by country and commodity which requires a nuanced approach by companies

### Company intervention examples

- > These include capacity-building programs, traceability, co-operative structures, pricing transparency and satellite monitoring

## Project Drawdown solutions related to smallholder farmers

We identified **22 climate solutions** with the potential to **reduce CO<sup>2</sup> emissions by 540 gigatons**

### Next steps

- > We have engaged with all companies covered in the report to share its insights, we will continue to monitor progress and raise specific issues from traceability to supplier payment terms with companies
- > We will continue to raise awareness in the investor community of the critical role smallholder farmers play in company supply chains

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