Mandatory disclosure and the Global Plastics Treaty
Information for investors

The role of corporate disclosure in the Global Plastics Treaty

Plastic pollution poses significant risks to ecosystems and entails extensive financial, legal, regulatory, and reputational challenges for investors worldwide. The Minderoo Foundation estimates that corporate liabilities from plastic-related pollution may surpass US$20 billion in the near-term (2022-2030).

The Global Plastics Treaty is an invaluable opportunity to drive progress towards the global elimination of plastic pollution and waste by providing a framework to guide robust, effective and harmonized legislation.

To address the complex challenges of ending plastic pollution, a collaborative effort among Member States, public, and private financial sectors is key. Financial institutions can play a pivotal role in driving research, development, and implementation of solutions to plastic pollution, through strategic engagement along the plastics value chain of their portfolio companies.

CDP is fully committed to utilizing its well-established global disclosure platform to facilitate ambitious private sector action. This involves preparing the market for plastic-related disclosure and gathering data to inform policymaking that supports private sector initiatives.

The benefits of plastic-related corporate disclosure

Clear, comprehensive data on plastic impacts, risks and opportunities is vital for investors. For example, a company’s growth prospects may be intrinsically tied to the production or consumption of single-use plastic. How the company accounts for bans on single use plastic in its growth strategies and whether it invests in solutions is vital information.

Inaction on plastics poses significant risks to financial institutions. Liability risks related to plastics are ever evolving, and include litigation on hazardous chemicals, greenwashing lawsuits, liability deriving from plastic leakage and reputational damage.
In response to a recent CDP consultation, 81% of capital markets and supply chain members indicated that the information requested by CDP on plastics would be valuable for making financial or procurement decisions.

High-quality corporate mandatory plastic disclosure within the Global Plastics Treaty will enhance the quantity of data available to financial institutions. This will empower financial institutions to mitigate risks and better align capital allocation with the movement to eliminate plastic pollution and waste.

In 2023, 48 financial institutions managing over 3.5T USD of assets signed an open letter from CDP to governments, calling for the inclusion of an ambitious mandatory corporate disclosure mechanism in the Global Plastics Treaty. This should send a powerful signal to negotiators and policymakers of the market support for plastic-related disclosure.

Calls for mandatory corporate disclosure within the Treaty were also included in the UNEP FI Finance Leadership Group on Plastics ‘Finance Statement on Plastic Pollution’. Conducted in partnership with CDP, PRI and VBDO, the letter was signed by 160 financial institutions representing over US$ 15.5 trillion in combined assets.

**About Scaling Plastic Disclosure**

CDP, Minderoo Foundation, The Pew Charitable Trusts, The Ellen MacArthur Foundation and WWF are working together to expand CDP’s global environmental disclosure system to drive accountability and help end plastic pollution.

Collectively, we are building a TNFD-aligned plastics disclosure mechanism comparable to carbon, ensuring that plastic-related disclosure informs decision-making and becomes a business norm, building on existing frameworks including the Ellen MacArthur Foundation and UNEP’s Global Commitment.

CDP is working with key stakeholders across the sector, including the Business Coalition for a Global Plastics Treaty, to advocate for the inclusion of a robust mandatory corporate disclosure mechanism within the Treaty.

Together, we will harness the transparency and accountability obtained through disclosure to drive ambitious action on plastic pollution and waste at scale from companies, investors, governments and regulators.