

September 19, 2022

State Street Global Advisors

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Dear Board Member,

As we are one of your long-term investors and a responsible steward of our clients' capital, environmental management – spanning topics that include circular economy, natural resources, land use and biodiversity – has been a thematic stewardship priority for our program for several years.

We believe that plastic waste and pollution present a financial risk to our portfolio companies in the plastic packaging value chain, and this risk should be disclosed and managed like any other business risk. Projections suggest that emissions from plastic could account for 10 percent to 13 percent of the Earth's remaining carbon budget by 2050 if plastic production and use grow as currently planned.¹ With most plastic packaging used only once, 95 percent of its potential economic value (USD 80 billion – USD 120 billion annually) is lost.²

Given heightened regulatory, reputational, climate-related, human health and wider environmental risks, boards and management teams at companies that operate along the plastics value chain should respond accordingly. Therefore, in 2022, we intend to engage with containers and packaging producers in our global portfolios to better understand how they manage the aforementioned risks, what opportunities associated with product innovation they have identified to influence/reduce the use of plastics, and to encourage transparent reporting on progress towards a circular economy for plastic.

We would welcome the opportunity to engage with your company leadership and subject matter experts to understand your strategies, commitments and actions around plastic. Please reach out to us at GovernanceTeam@ssga.com to facilitate this conversation.

Respectfully,



Ben Colton
Managing Director, Asset Stewardship
State Street Global Advisors



Aneta McCoy
Voting Policy Lead, Asset Stewardship
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¹ PRI (2018) [The plastics landscape: Risks and opportunities along the value chain](#)

² Pew Charitable Trusts and SystemIQ (2020), [Breaking the Plastic Wave: A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution](#)
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4951749.1.1.GBL.RTL Exp. Date: 09/30/2023