

Finance Campaigning to Block Petrochemicals and Plastics and Create Safe Communities

Plastics pollute throughout the supply chain – from fossil fuel extraction to processing and manufacturing at petrochemical plants to waste that often escapes into the environment. While beach cleanups and single-use plastics bans are crucial, stopping the expansion of new petrochemical plants will address plastic pollution at the source. We must divest from petrochemicals and invest in safe alternatives to preserve human health and allow our shared climate and oceans to thrive.

Friends of the Earth works with grassroots organizations to stop specific projects like the Formosa Plastics’ “Sunshine Project” in St. James Parish, Louisiana, and the buildout of new petrochemical plants nationally. **We’re demanding big banks, like Bank of America, JP Morgan Chase, and Wells Fargo, refuse to do business with petrochemical companies that are building or expanding facilities. Instead, they should put their resources towards community-led projects.**

What are petrochemicals and how are they used in plastic?

[Petrochemicals](#) are derived from fossil oil and gas and are the building blocks of plastics. Fossil gas is obtained through a polluting process called hydraulic fracturing, then separated into methane and natural gas liquids.¹ The natural gas liquid ethane is further processed into ethylene at a “cracker” facility. In the process, toxic [air pollution](#) and greenhouse gases are released.

Ethylene is used to make one of the most common forms of plastic, polyethylene. The ethane crackers’ final product is tiny polyethylene balls, called nurdles.² Nurdles often escape into the environment during production and shipping, contaminating rivers, oceans and soil. The nurdles are finally combined with a variety of other toxic chemicals to produce different plastic materials.³

36% of plastics are produced for packaging, including for single-use items like beverage and food packaging.⁴ These single-use items and other plastics often end up in the ocean, where they contaminate the food chain, from

tiny shrimps⁵ to massive [whales](#).⁶ When plastics enter the environment, they break into smaller and smaller pieces that transport toxic chemicals throughout the world, from the [Marianas Trench](#)⁷ to [Mount Everest](#).⁸

The health and environmental toll of plastics



You can go [to] every household in this area, and talk to someone in that family, and they will tell you who was sick and died, and who is sick right now with cancer”

[Sharon Lavigne](#)

Founder/Director, RISE St. James⁹

Chemicals from plastics found throughout the human body – including babies in the womb and breastmilk.² No one is safe from plastics, but the residents of communities in which plastics are being manufactured bear the brunt of the pollution they generate. Petrochemical manufacture releases toxic pollutants and fine dust, or particulate matter, which result in a range of negative health effects for surrounding communities, from cancer to reproductive harm.²

Plastic manufacturing and disposal are outsourced to predominantly poor communities and communities of color, both in the Global South¹ and within Global North countries.² In the United States, these “sacrifice zones” are concentrated in [the Gulf Coast of Texas, along the Mississippi River in Louisiana, and the Ohio River Valley](#).¹⁰ In Louisiana, the area is referred to as “[Cancer Alley](#)” because of the increased rates of cancer in the communities there.¹¹

¹ The Global South refers to countries in Africa, Latin America, and parts of Asia and Oceania that are often low-wealth and have a history of being colonized and marginalized.

The petrochemical industry consumes more energy than any other industry in the world and is the third highest industrial carbon dioxide emitter.¹² Petrochemical facilities in the United States produce as much greenhouse gas pollution as [116 coal-fired power plants](#),¹³ or nearly half the [number of US coal plants](#)¹⁴ – one the of the dirtiest forms of energy production. When plastics are exposed to sunlight, they continue to release greenhouse gases, exacerbating climate change throughout their long existence.¹

The U.S. petrochemical buildout

Due to the pressure to act on climate change and reduce greenhouse gas emissions, fossil fuel companies are grasping at ways to stay relevant and continue to turn a profit. [Expanding the petrochemical industry](#) is one way for them to continue being profitable, especially with the availability of cheap and plentiful fossil gas obtained by fracking the shale fields of the United States.¹⁵ As of 2018, 14% of oil and 8% of fossil gas went into petrochemicals.



“Petrochemicals... will have a greater influence on the future of oil demand than cars, trucks and aviation.”

Dr. Fatih Birol

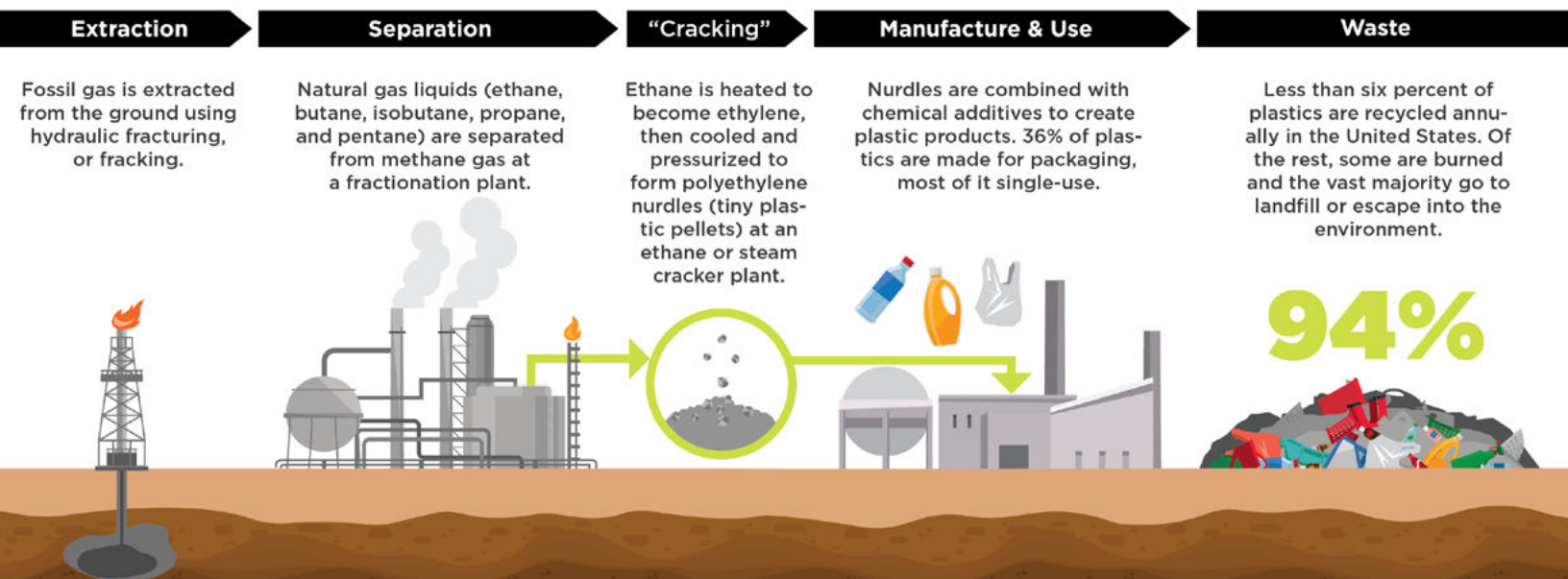
Executive Director, International Energy Agency¹⁶

The International Energy Agency predicts that by 2030, petrochemicals will comprise a third of the growth in oil demand and seven percent of the growth in gas demand. In the United States, [334 petrochemical projects](#) valued together at \$204 billion have been announced since 2010. As of 2019, 53% had been completed or were ongoing, and 40% were undergoing planning.¹⁷ **New petrochemical plants are the last thing we need.**

Finance campaigning against petrochemicals

There are currently 1,555 institutions either partially or fully divested from fossil fuels according to the Global Fossil Fuel Divestment Database. However, this only accounts for coal, oil and gas. It does not yet include petrochemical production.¹⁸ Petrochemical projects are particularly suited to finance campaigning, especially when accompanied by other types of campaigning like legal strategies and grassroots support. These projects are complex and difficult to bring to a financial close, so finance campaigning, especially in the early stages of a project, can create major roadblocks.

So, what *should* financiers fund? We work with grassroots organizations and fence-line communities to connect with and attract alternative businesses and financing sources that support what communities do want, from small business loans to clean, renewable energy projects, to reuse infrastructure. Communities know what’s best for them, and it’s up to all of us to uplift these visions rather than allowing Big Plastic to continue creating sacrifice zones.



Endnotes

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