

ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG) FUNDING FOR PETROCHEMICALS

ESG funds promise responsibility, but many are quietly bankrolling the companies fueling petrochemical pollution and climate harm.

Environmental, social, and governance (ESG) funds market themselves as vehicles for socially responsible and sustainable investing. Yet in practice, many ESG products include and financially support the very companies driving toxic petrochemical expansion across the US.

We identified \$10.3 billion in ESG-linked investments in companies fueling US petrochemical expansion, including nearly two-thirds or thirty-three of the fifty-three companies driving the most significant planned expansions.¹

BlackRock alone accounts for more than \$4 billion of these ESG investments, making it the largest single provider of ESG capital in the US petrochemical sector. Impax and Nordea Bank also emerged as major ESG asset managers, primarily due to significant holdings in Linde and Air Liquide, which top the list of ESG-funded companies, ahead of ExxonMobil, Shell, and Enbridge.

Our data shows that ESG funds routinely include some of the world's largest producers of plastics and fertilizers, as well as major oil and gas companies with long records of pollution, regulatory violations, and climate harm.² Hiding serial polluters in ESG funds, known as ESG-washing, misleads the public, undermines corporate accountability, shields misconduct from public scrutiny, and reduces pressure on investors to demand real corporate reform.³

Inclusion in ESG funds is typically based on assessments from ESG ratings agencies such as MSCI, FTSE Russell, and S&P Dow Jones. These ratings focus on financially material risks — those that could affect a company's bottom line — rather than on the real-world environmental, climate, or human rights impacts of its corporate operations.⁴ As a result, companies with massive climate footprints and a history of opposing climate regulation can still receive good ESG ratings.⁵ For example, ExxonMobil appears in various ESG funds managed by BlackRock, Fidelity, HSBC, and



JP Morgan, despite ExxonMobil's well-documented contribution to the climate crisis and long history of lobbying against climate regulations.⁶

ESG FUNDS' TOP PETROCHEMICAL INVESTMENTS

	COMPANY	ESG FUNDS
1	Linde	\$3,444.7 M
2	Air Liquide	\$1,856.4 M
3	ExxonMobil	\$831.1 M
4	Shell	\$809.3 M
5	Enbridge	\$607.9 M
6	Shin-Etsu	\$375.9 M
7	Far Eastern	\$307.7 M
8	Chevron	\$292.2 M
9	Air Products	\$247.4 M
10	ConocoPhillips	\$245.5 M

ESG FUNDS FINANCING PETROCHEMICAL EXPANSION

	FUND MANAGER	ESG FUNDS
1	Blackrock	\$4,028.5 M
2	Nordea	\$550.5 M
3	Impax	\$544.9 M
4	JPMorgan Chase	\$363.3 M
5	DWS Investment	\$324.5 M
6	Cathay Securities	\$283.7 M
7	UBS	\$255.3 M
8	Amundi	\$219.7 M
9	Royal London	\$208.7 M
10	Degroof Petercam	\$201.8 M

ESG ratings also systematically understate the risks associated with plastics, failing to fully account for the carbon emissions of plastic production and ignoring the environmental, social, and health harms that occur at every step of the plastics supply chain.⁷

If ESG funds are to be genuinely sustainable, they must assess the real-world environmental and social impacts of corporate activity across entire supply chains — not merely the risks to a company's bottom line.



ENDNOTES

- 1 ESG-focused data courtesy of Inclusive Development International (IDI). “ESG funds” include all funds listed in the LSEG Eikon database that include “ESG,” “environmental,” or “sustainable” in their names. Data was extracted in November 2025. In the absence of consistent guidance on what constitutes ESG funding — especially in the US, where the US Securities and Exchange Commission (SEC) withdrew proposed guidance on ESG disclosures in June 2025 — this should be considered a snapshot of all ESG-related funding.
- 2 Yann Quilcaille et al., “Systematic Attribution of Heatwaves to the Emissions of Carbon Majors,” *Nature* 645 (2025): 392–398, <https://doi.org/10.1038/s41586-025-09450-9>; Christopher Callahan and Justin Mankin, “Carbon Majors and the Scientific Case for Climate Liability,” *Nature* 640 (2025): 893–901, <https://doi.org/10.1038/s41586-025-08751-3>; Pollution violations of the companies listed in the Top Petrochemical Investments table are documented at <https://violationtrackerglobal.goodjobsfirst.org>.
- 3 Inclusive Development International, “Inclusive Development International Submission to UN Working Group Call for Input,” submission to UN Working Group on Business and Human Rights Call for Input on Investors, ESG and Human Rights, October 13, 2023, <https://www.inclusivedevelopment.net/wp-content/uploads/2023/10/IDI-Submission-to-UN-Working-Group-Call-for-Input.pdf>.
- 4 Inclusive Development International, submission; Organization for Economic Co-operation and Development (OECD, *Behind ESG Ratings: Unpacking Sustainability Metrics*, (OECD, 2025), 23, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/02/behind-esg-ratings_4591b8bb/3f055f0c-en.pdf.
- 5 James Mackintosh, “Is Tesla or Exxon More Sustainable? It Depends Whom You Ask,” *Wall Street Journal*, September 17, 2018, <https://www.wsj.com/articles/is-tesla-or-exxon-more-sustainable-it-depends-whom-you-ask-1537199931>; *ESG Scores*, S&P Global, accessed January 28, 2026, <https://www.spglobal.com/sustainable1/en/solutions/esg-scores-data>. S&P Global gives Linde, Far Eastern, and Enbridge — three companies driving the US petrochemical buildout — ESG scores of 79, 75, and 63 on a scale from 0 to 100.
- 6 “ExxonMobil,” LobbyMap, accessed January 31, 2026, <https://lobbymap.org/company/Exxon-Mobil/projectlink/Exxon-Mobil-In-Climate-Change>; “Exxon: The Road Not Taken,” *Inside Climate News*, accessed January 31, 2026, <https://insideclimatenews.org/project/exxon-the-road-not-taken>
- 7 Facing Finance, *Beneath the Surface: Do ESG Ratings Capture the Risks and Impacts of Plastics?* (Facing Finance, 2024), 34, https://www.facing-finance.org/files/2024/04/Facing_Finance_Beneath_The_Surface_2024.pdf.

PHOTO CREDITS

Photo: © Ted Auch, FrackTracker Alliance, 2019.

Textures: © Texturelabs.com.