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Revealed: Environment Agency invested £15m in 'forever chemical' firms

Taxpayers' money pumped into companies that produce PFAS, despite health and environmental warnings

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10 January 2024, 10.00pm



All but one UK water company has potentially toxic levels of PFAS in their supplies. | [MediaNews Group/Reading Eagle via Getty Images / Contributor](#)

The Environment Agency has invested nearly £15m of taxpayers' money into companies that produce carcinogenic "forever chemicals", openDemocracy can reveal.

The regulator is meant to "create better places for people and wildlife" and has issued stark warnings against PFAS (per- and polyfluoroalkyl substances), a family of chemicals that can cause "almost indefinite environmental contamination".

But records show the Environment Agency's pension fund has invested millions directly into chemical firms that produce PFAS.

Separately, the pension fund has also invested huge sums into semiconductor companies, which are known to be some of the biggest users of the chemicals.

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PFAS chemicals are widely used and can be found in everything from waterproof clothing and non-stick saucepans to firefighting equipment and electronics.

But according to the Environment Agency (EA), their “extreme persistence... could lead to long-term exposure of both people and wildlife”, and some of the chemicals “have also been shown to cause harmful effects in humans”.

Studies have linked certain PFAS chemicals to cancer, thyroid disease, and immune system and fertility problems in humans, as well as developmental defects in unborn children. But they have become so pervasive that there is not a single population or place on earth untouched by PFAS contamination.

The latest findings come just weeks after recent testing found that all but one water company in England already had potentially toxic levels of PFAS in their water supplies.

Despite boasting in the past about the fund's green credentials and plans to go net zero, openDemocracy found that money had been invested into five chemical companies that produce PFAS: Merck (£11.2m), 3M (£1.2m), Honeywell (£1.2m),

Bayer (£838,000) and Dupont (£158,000), the American company that pioneered the use of PFAS in consumer goods.

Some of these companies have already agreed to payouts over allegations that water systems had been contaminated by PFAS.

In one case, the residents of a town in West Virginia filed a class-action lawsuit after thousands contracted serious conditions including cancer following water contamination. The story was the subject of a Hollywood film called Dark Water in 2009, starring Mark Ruffalo.

Last summer, the chemical giant 3M also agreed to pay up to \$12.5bn to settle a lawsuit over PFAS contamination, described as “the largest drinking water settlement in American history”.

As well as water contamination, close contact with certain PFAS has also been linked to disease in humans.

In one case, firefighter Paul Cotter from Worcester, Massachusetts, had been celebrating his promotion to lieutenant when routine blood tests found worrying levels of PSA, a cancer marker. He was eventually diagnosed with prostate cancer in 2014.

His wife, Diane, told openDemocracy: “He ended up having to have his prostate removed by doctors to remove the cancer.

“My husband was such a healthy firefighter. At 55 years old, he was challenging firefighters that were 25 years old. But he was left incontinent and he could no longer do the work of a firefighter after the cancer.”

She said: “I call it a depression, what came after the surgery. He just couldn't leave his chair for weeks. He was emotionally and physically just deteriorating.”

After seeing how many other firefighters had been diagnosed with cancer and discovering that firefighter gear and foam in the US contained PFAS, Diane Cotter started to suspect a connection. The WHO recently even classified the career as one of the most serious “group one” carcinogens.

Eventually in 2020 a scientific study that Cotter helped organise suggested that firefighting gear was shedding toxic amounts of PFAS into firefighters’ skin. Campaigners say that the companies producing PFAS have been aware of its potentially toxic effects when used in fabric for decades.

Speaking to openDemocracy, the Green Party peer Natalie Bennett said that the Environment Agency should “urgently remove from its investment portfolio any association with companies that are at the heart of its regulatory responsibilities”.

She added: “England is choked with plastics and chemical pollutants, with serious ramifications for public and environmental health. It needs a regulator that is seen to be independent, and up to the job. It does not have that now.”

The chair of the EA’s Pensions Committee, Robert Gould, was the former Conservative leader of Dorset County Council until 2017. He has claimed that the pension fund’s approach is influenced by “the desire to act in the wider public interest”.

As well as pumping money directly into firms that produce PFAS, the pension fund has also invested millions into at least 15 different firms that produce semiconductors. They include Applied Materials, Analog Devices and Nvidia, with whom it had invested £17m, £13.6m and £9.6m a piece, making them among the 30 biggest investments made by the regulator.

The semiconductor industry is one of the main users of PFAS, which are used for critical coating materials and chemical-resistant parts in the chip supply chain. But most of those invested in by the Environment Agency have refused to commit to phasing out the chemicals.

The EU recently rowed back on proposals to ban all of the 10,000 PFAS chemicals, which would have come with a 13-and-a-half-year “transition” period for the chip industry. It followed the industry’s €12m (£10.4m) splurge on lobbying EU institutions the year before.

In the US, the chemical industry has likely spent over \$110m (£87m) during the last two election cycles deploying lobbyists to kill dozens of pieces of PFAS legislation and slow administrative regulation around the “forever chemicals”.

Meanwhile, the cost of dealing with the environmental and health damage caused by PFAS pollution in Europe could be as high as €2.4tn (£2.1tn) a year, according to Chemsec, a non-profit that receives funding from the Swedish government.

While some of the most hazardous PFAS chemicals, including PFOS and PFOA, are mostly banned, there are little to no limits set for the rest of the thousands of other PFAS chemicals despite growing concerns about their health impacts.

In October, the Royal Society of Chemistry called for the UK to “urgently” take a “new approach” to PFAS, including much tougher regulation of the chemicals and increased monitoring of drinking water.

A spokesperson for the Environment Agency told openDemocracy its pension fund was “legally separated from the operational and regulatory functions carried out by the Environment Agency” and said that its third party managers controlled what made up its portfolio.

They added that the regulator was “analysing our investment portfolio for its impact on nature in line with current best practice, which will inform our future discussions with asset managers”.

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