



Excerpts from investor letter sent by the members of the Investor Initiative on Hazardous Chemicals (IIHC) to the 50 ChemScore-ranked companies on November 15, 2023.

The letter outlined the following three asks:

- 1) **Increase transparency.** To help investors appraise relevant risks at the company, disclose both the share of revenue and production volume of products that are, or contain, hazardous chemicals.¹ This information should cover all your operations (including subsidiaries) worldwide.
- 2) **Publish a time-bound phase-out plan of products that are, or contain, persistent chemicals.**² The phase-out plan should include a realistic road map with clear KPIs to track progress.
- 3) **Develop safer alternatives for hazardous chemicals.**³ Following a robust evaluation, substantially ramp up R&D and investment in the development of safer alternatives. Although a universally accepted definition of safer alternatives is still pending, safer products that substitute the use of hazardous chemicals and support accelerated phase-out are likely to present a significant opportunity for value creation.

The letter also stated:

Manufacturers and users of PFAS chemicals are exposed to deep liability and insurance risks, reminiscent of those historically linked to asbestos, which could materially adversely harm the long-term value of companies involved in their manufacture and sale.

¹ Disclosure should be reported on substance by substance. By hazardous chemicals, we mean (A) substances meeting the Substances of Very High Concern (SVHCs) criteria, as defined in Article 57 of the REACH regulation; (B) substances meeting the criteria as Substances of Concern (SoCs) as defined in Annex 2 of the Corporate Sustainability Reporting Directive (CSRD); and (C) persistent chemicals. By persistent, we mean organic substances meeting the persistence criteria in Article 57d of the REACH regulation.

² Defined in footnote 2 as organic substances meeting the persistence criteria in Article 57d of the REACH regulation.

³ Defined in footnote 2 as (A) substances meeting the Substances of Very High Concern (SVHCs) criteria, as defined in Article 57 of the REACH regulation; (B) substances meeting the criteria as Substances of Concern (SoCs) as defined in Annex 2 of the Corporate Sustainability Reporting Directive (CSRD); and (C) persistent chemicals (see footnote 3).

The letter was signed by:

IHC Steering Committee

Eugenie Mathieu, Earth Lead
Aviva Investors

Rachel Crossley, Head of Stewardship, Europe
BNP Paribas Asset Management

Joanne Beatty, Director - Engagement
EOS at Federated Hermes Limited

Cecilia Fryklöf, Head of Active Ownership
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Rashila Kerai, ESG & Sustainability Expert
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IHC Active Members

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Amundi Asset Management

Virginie Derue, Head of ESG Research
AXA Investment Managers

Constantina Bichta, Associate Director of ESG Research
Boston Common Asset Management

Mariët Druif, Responsible Investment Officer
Cardano

Dr. Ece Satar Pfister, Climate Specialist
Credit Suisse Asset Management, a UBS Group Company

Jane Russell, Head of Responsible Development
Comgest Group

Lise Børresen, Head of Responsible Investments
DNB Asset Management

Mary Beth Gallagher, Director of Engagement
Domini Impact Investments

Christoph Biehl, Head Sustainability Center
Fisch Asset Management AG

Emilie Westholm, Head of Responsible Investment and Corporate Engagement
Folksam

Aurora Samuelsson, Head of Sustainability
Handelsbanken Fonder

Julie Gorte, SVP, Sustainable Investing
Impax Asset Management LCC

Deepshikha Singh, Head of Stewardship
La Française Asset Management

Hélène Charrier, Head of Solutions ISR
LBP AM

Kathlyn Collins, Head of Responsible Investment & Stewardship
Matthews Asia

Caroline Boden, Director of Shareholder Advocacy
Mercy Investment Services, Inc.

Kazuki Shaw, ESG and Stewardship Analyst
Rathbones Group Plc

Minoru Matsubara, Managing Executive Officer and Chief Sustainability Officer, Responsible Investment Division
Resona Asset Management Co., Ltd.

Michèle Lacroix, Group Head of Sustainability
SCOR SE

Anita Lindberg, Senior ESG Analyst
Skandia



Investor Initiative on
Hazardous Chemicals
—
Supported by ChemSec

Pia Gisgård, Head of Sustainability & Corporate Governance

Swedbank Robur

Jenny Gustafsson, Head of Etikrådet

The Council on Ethics of the Swedish National Pension Funds (AP 1-4)

Susan Baker, Director of Shareholder Advocacy

Trillium Asset Management

Dick van Ommeren, Chair of the Management Board

Triodos Investment Management

Seb Beloe, Partner – Head of Research

WHEB Asset Management

Viktoria Voskressenskaia, Sustainability Analyst

Öhman Fonder

IHC Supporting Members

Rogier Krens, CIO

Achmea Investment Management

Marilín Llanes, Chair, Portfolio Advisory Board

Adrian Dominican Sisters

Anders Schelde, Chief Investment Officer

AkademikerPension

Flora Gaber, Manager ESG Analysis

AP7 (Sjunde AP-fonden)

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CommonSpirit Health

Karen Watson, Chief Investment Officer

Congregation of St. Joseph

Ophélie Mortier, Chief Sustainable Investment Officer

DPAM

Vincent Kaufmann, CEO

Ethos Foundation

Kaitlyn Mitchell, Shareholder Engagement

Coordinator

First Affirmative Financial Network

John C. Harrington, President & CEO

Harrington Investments, Inc.

Arild Skedso, Senior Analyst – Responsible Investment

KLP Asset Management

Maria Larsson Ortino, Senior Global ESG Manager

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SEB Investment Management

Tom McCaney, Director, Corporate Social

Responsibility

Sisters of St. Francis of Philadelphia

Cathy Rowan, Director, Socially Responsible Investments

Trinity Health

Kelly Hirsch, Head of ESG

Vancity Investment Management



The letter was sent to the following companies:

3M	Lotte Chemical
AGC	LyondellBasell
AkzoNobel	Mitsubishi Chemical
Arkema	Mitsui Chemicals
Asahi Kasei	Nan Ya Plastics
Avery Dennison	Nippon Paint
BASF	Nitto Denko
Bayer	Nutrien
Braskem	PPG Industries
Chemours	PTT Global Chemical
Corteva	SABIC
Covestro	Sasol
Daikin	Sherwin-Williams
DIC Corporation	Shin-Etsu
Dow	Resonac
DuPont	Sika
Eastman Chemical	Solvay
Ecolab	Sumitomo Chemical
Evonik	Teijin
Hanwha Solutions	The Mosaic Company
Honeywell	Toray Industries
Indorama Ventures	Umicore
Johnson Matthey	Wanhua Chemical
Lanxess	Westlake Chemical
LG Chem	Yara