

Foreword

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The use of hazardous chemicals creates direct risks for workers, communities, and our environment. These chemicals also present reputation, regulatory, and redesign risks across a broad range of industry sectors. Investors need to understand how companies are meaningfully managing these risks.

The Chemical Footprint Project is the first initiative to create a quantitative framework for investors to understand chemical risks (the financial risks hazardous chemicals pose to companies) as well as the chemical opportunities (the financial opportunities available through the use of safer alternatives).

For responsible investors the Chemical Footprint Project:

- Adds a specific focus on health in the Environmental, Social and Governance (ESG) factors that are fundamental to the Sustainable and Responsible Investment industry (SRI).
- Creates a common standard for companies to report their chemical footprinting: to date, investor decisions on chemicals and health have been limited to anecdotal evidence. With the release of this first annual report, the Chemical Footprint Project is on the path to collecting systematic and consistent data that investors can use to evaluate and benchmark companies within the same sector.
- Identifies gaps in corporate chemical management programs by highlighting decisions companies need to make to stay ahead of regulations and trending consumer interests.
- Empowers investors to demand chemical footprints, potentially increasing the value of companies with better management of their hazardous chemicals.

The number of investors who integrate ESG criteria into investment decisions continues to grow. By accessing data from the Chemical Footprint Project, these investors will be better equipped to engage companies and identify leaders who are producing and using chemicals in ways that minimize impacts to human health and the environment.

As a strong supporter of the Chemical Footprint Project, Trillium encourages investors to demand and companies to provide consistent, transparent, data on their use of hazardous chemicals. Integrating this information into our investment processes will help identify industry leaders and reduce company-specific risk in our portfolios.

Together, we can work toward a world where human health and the environment are free from the harms of hazardous chemicals.

Sincerely,

