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.

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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:

**IIHC 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  
Nordea Asset Management

Rashila Kerai, ESG & Sustainability Expert  
Robeco

Victoria Lidén, Senior Sustainability Analyst & Active Ownership  
Storebrand Asset Management

**IIHC Active Members**

Marine Martal, Shareholder Engagement Advisor  
Æquo Shareholder Engagement Services

Dr. Udo Riese, Global Head of Sustainable Investing  
Allianz Investment Management SE

Sabrina Achá Sanz, Senior ESG Analyst  
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
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

IIHC 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)

Laura Krausa, System Director Advocacy Programs
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.

Arlid Skedso, Senior Analyst – Responsible Investment
KLP Asset Management

Maria Larsson Ortino, Senior Global ESG Manager
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Rebeca Coriat, Head of Stewardship
Lombard Odier Investment Managers

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