



Henrik Cotran
Sector Analyst
The SASB Foundation & The SASB
1045 Sansome Street, Suite 450
San Francisco, CA 94111

January 31st, 2018

Dear Henrik:

On behalf of the Investor Environmental Health Network (IEHN) and the Chemical Footprint Project (CFP), we are writing to demonstrate the critical base of support in the marketplace for the indicators that account for the materiality of using chemicals of high concern in products and technologies. IEHN, represents a network of 30 investment organizations managing assets of approximately \$60 billion. The CFP represents institutional purchasers with purchasing power of \$670 billion and investors with assets under management exceeding \$2.3 trillion. CFP Signatories include Legal & General Investment, Aviva Investors, BNP Paribas, Bank J Safra Sarasin, Kaiser Permanente (largest non-profit health care system in the U.S.), Dignity Health (4th largest health care system in the U.S.), CVS Health, and Environmental Defense Fund. Companies including Walmart, Johnson & Johnson, Hewlett Packard and BD with over \$600 billion in sales participate in the Chemical Footprint Project and reported reductions of 416 million pounds in toxic chemicals in 2017.

CFP is designed as the first common standard to inform investors and companies of regulatory, reputation and redesign risks in their portfolios and supply chains. The CFP was established to encourage companies to report on efforts to reduce their chemical footprint, in much the same way that other footprint tools address greenhouse gases, water, and other critical natural resources. CFP focuses on four areas: management strategy, chemical inventory, footprint measurement, and public disclosure and verification. This approach aligns with the chemical indicators in the “Consumer Goods” Exposure Draft that require:

at a minimum:

- A “description of processes to assess and manage risks and/or hazards associated with chemicals in products”

at a maximum (included in the Household and Personal Products section):

- a. Revenue from products that contain REACH substances of very high concern (SVHC);
- b. Revenue from products that contain substances on the California DTSC Candidate Chemicals List;

- c. Discussion of process to identify and manage emerging materials and chemicals of concern; and
- d. Revenue from products designed with green chemistry principles.

Given that chemicals are the foundation of our material economy (i.e., all materials are made of chemicals), we recommend that SASB establish more harmonization and consistency in its approach to chemical indicators in the 79 industry sectors covered in the standard. For example, at a minimum, all companies should both a) provide a description of processes to assess and manage risks and/or hazards associated with chemicals in products and b) know the revenue from products that contain REACH SVHCs. Knowing REACH SVHCs in products and supply chains is the de minimis global standard that all corporations will be held to—this includes China. To the greatest extent possible, replication of the chemical indicators in the “Consumer Goods” across more industry standards in SASB would help harmonize a reporting approach that would be of value to investors, institutional purchasers and companies.

Thank you for the consideration of this recommendation. We look forward to the finalization of the standards and their important and positive impact in the marketplace.

All the very best,

Dr. Mark Rossi
Executive Director, Clean Production Action
Co-founder, the Chemical Footprint Project

Alexandra McPherson
Consulting Program Manager
Investor Environmental Health Network

CC

Katie Schmitz Eulitt, Strategic Advisor, Stakeholder Outreach