



# The Business Value of Chemical Footprinting

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Founded in 2015 to measure corporate progress towards safer chemicals

CFP assesses overall corporate chemicals management performance through a 20 question survey that examines:

1. Management Strategy
2. Chemical Inventory
3. Footprint Measurement
4. Public Disclosure and Verification

## Founders



pure | STRATEGIES



# Steering Committee



**KAISER PERMANENTE**



**Dignity Health**



**Investor Environmental Health Network**  
HEALTHY PEOPLE...HEALTHY BUSINESS

**EDF**  
ENVIRONMENTAL DEFENSE FUND  
Finding the ways that work



# Chemical Footprint Definition



Total mass of **chemicals of high concern** in a company's **products sold**, manufacturing operations, suppliers' operations, and packaging



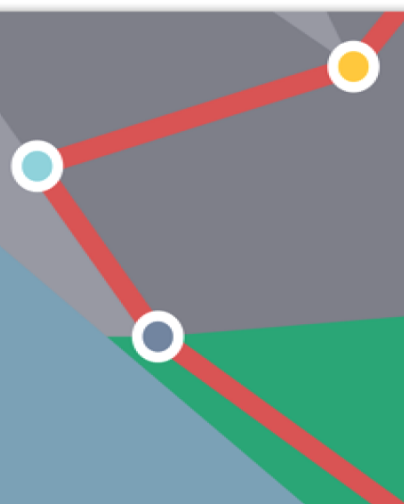
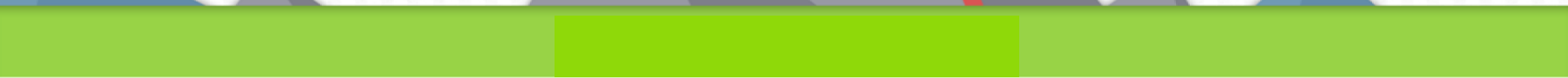
# A mosaic of organizations support the project

Signatories		Responders
<ul style="list-style-type: none"> <li>Investors</li> <li>Retailers</li> <li>Purchasers</li> </ul>		<ul style="list-style-type: none"> <li>Suppliers</li> <li>Manufacturers</li> <li>Brands</li> </ul>
<p><i>Boston Common Asset Mgt</i>  <i>Calvert Investments</i>  <i>CVS</i>  <i>Dignity Health</i>  <i>Kaiser Permanente</i>  <i>Staples</i>  <i>Trillium Asset Management</i></p>		<p><i>Becton Dickinson &amp; Co.</i>  <i>Johnson &amp; Johnson</i>  <i>GOJO Industries</i>  <i>Levi Strauss &amp; Co.</i>  <i>Radio Flyer</i>  <i>Sealed Air</i>  <i>Seagate Technology, PLC</i></p>
<p><b><i>\$300 billion in purchasing power</i></b></p> <p><b><i>2.3 trillion in assets under management</i></b></p>		<p><b>Leading brands in eight sectors</b></p>

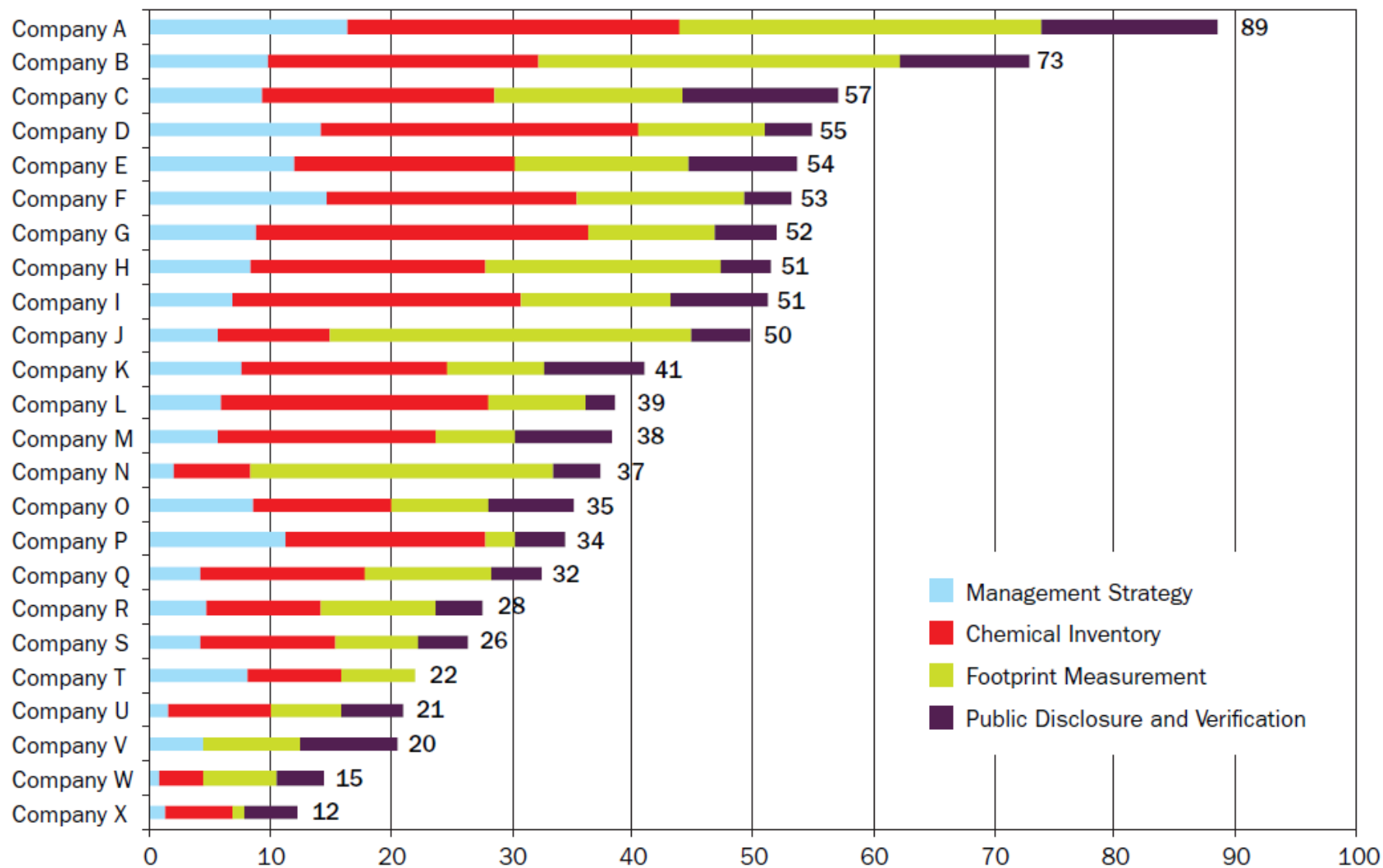


# Annual Survey

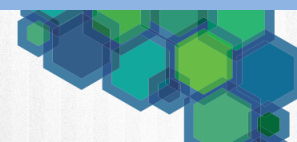
20 Questions - 100 pts



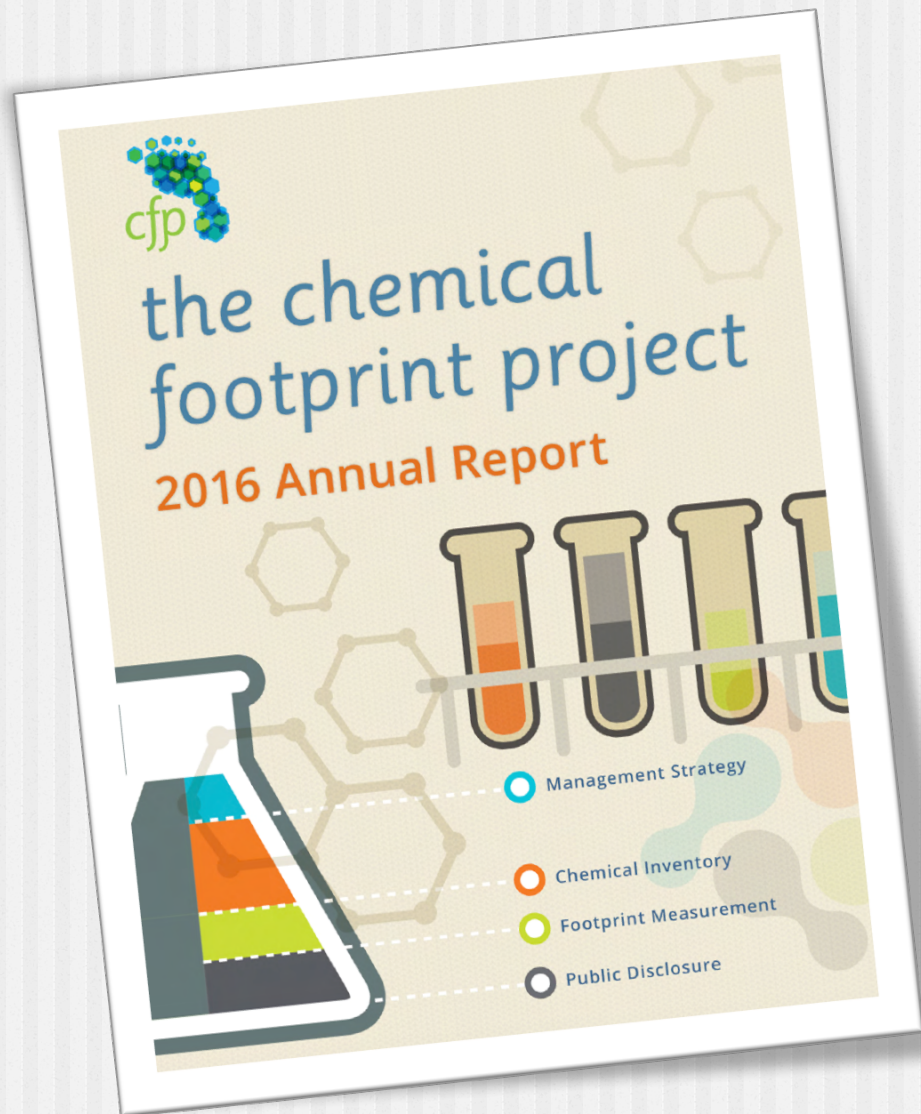
**FIGURE 2 Chemical Footprint Project Survey: Points Scored by Each Company**



Management Strategy  
 Chemical Inventory  
 Footprint Measurement  
 Public Disclosure and Verification



# 2016 Annual Report Findings



- Senior leadership matters
- Chemicals in products (versus manufacturing, supply chains, or packaging) were the focus of majority of companies
- Disclosure lags practice
- Footprint measurement – new & challenging





## How investors use CFP Survey data



Insight into chemical management and supply chain management



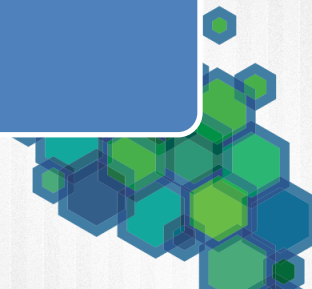
Proxy for good corporate governance practice



Engagement – those that do not address the issue can find themselves a target



Investment decision ideas



# Creating Business Value

## Reduce Costs

- Proactive – not reactive
- Systematize and align

## Reduce Risks

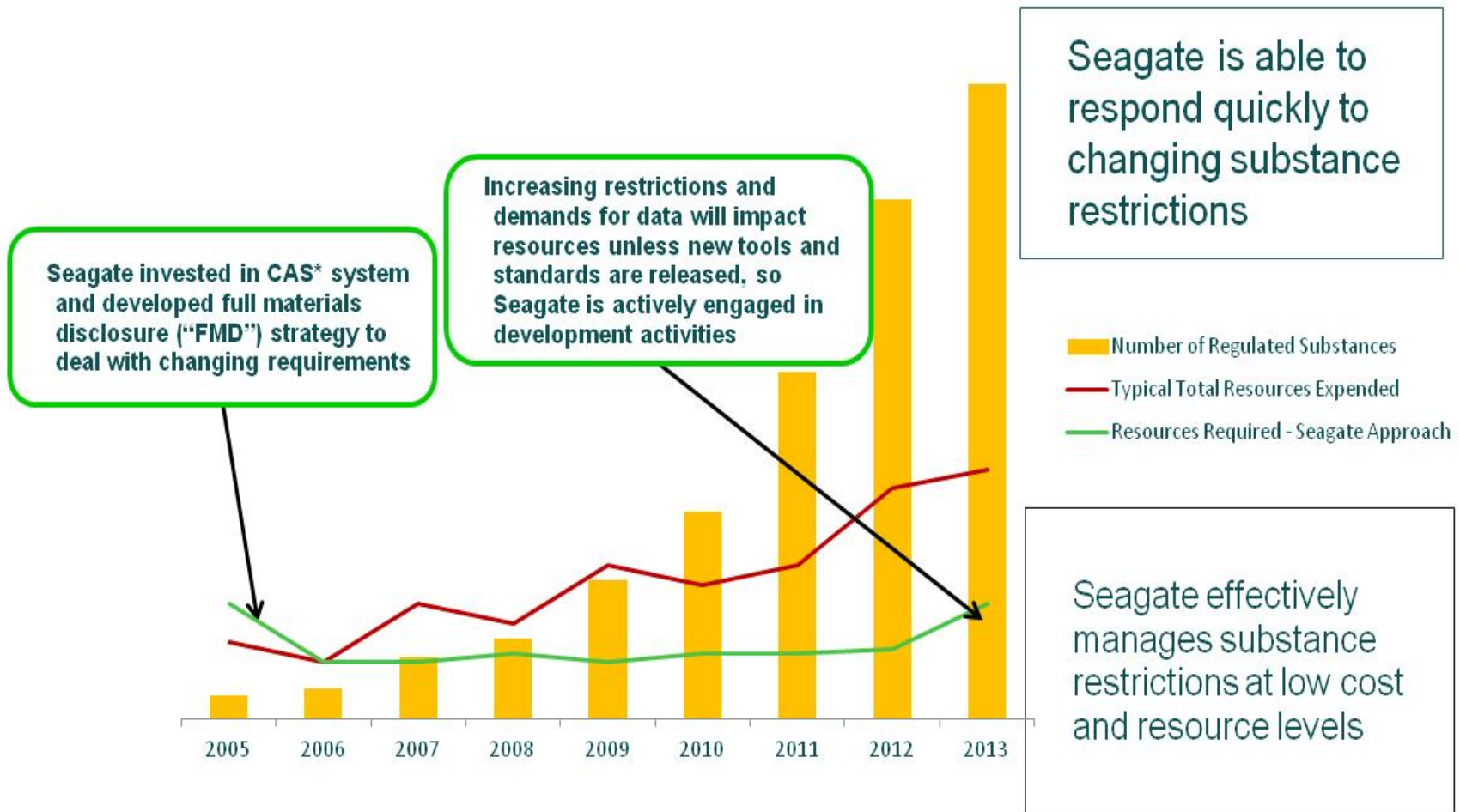
- Chemical du jour
- Supplier alignment
- Reputation

## Enhance Growth

- Safer products
- Enable circular economy



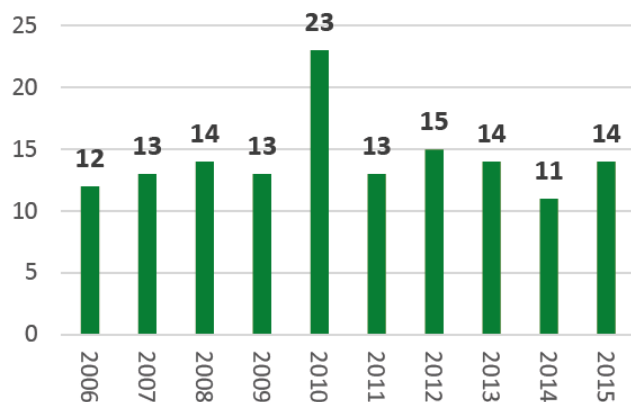
# Seagate Costs of Managing Full Material Disclosure and Conflict Mineral Data



# Shareholder and NGO Activism Driving Risk

Activism	Sector	Pre-2005	2006-08	2010-12	2013-present
	Cosmetics	NGO testing phthalates	Campaign for Safe Cosmetics	322 firms pledge	Cosmetics Without Cancer campaign
	Health Care	Health Care Without Harm launched	\$1.44B sterile medical packaging commit to phthalate removal	\$135B purchasing replies to Practice Greenhealth survey	GreenHealth Exchange launched
	Apparel			Greenpeace Detox campaign; ZDHC launched	Adidas & Puma removed PFCs (1.73B market)

Shareholder Resolutions on Hazardous Chemicals<sup>72</sup>



## Shareholder Resolutions

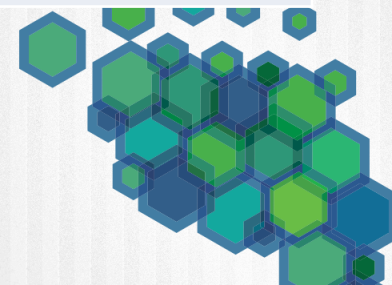
**Source:** Making the Business & Economic Case for Safer Chemistry. TruCost 2015



# Growth rates of safer chemistry outstrip conventional market rates

Sector	Safer Chemistry Market	Conventional Market	Time Period
Building Materials	+2,000%	+175%	2009 - 2030
Chemistry	+3,200%	+133%	2011 - 2020
Personal Care	+10.12% CAGR (US)	4.43% CAGR (Global)	20120 - 2016
Cleaning Products	+20% CAGR	+1.5% CAGR	2007 - 2011

Source: Making the Business & Economic Case for Safer Chemistry. TruCost 2015



# Business Value – what do CFP respondents say?

Value of participation:  
risk reduction  
internal alignment

*“CFP is helpful as a gap analysis to assess what a company can improve on in terms of proactive chemicals management.”*

*“CFP is the only objective measurement tool available to quantify chemicals of concern use within an organization.”*



# Participate in CFP

June 2017: Publish second annual report

September 2017: Release online annual survey

January 31, 2018: Close online annual survey

Be a Signatory

Engage as a Responder

[chemicalfootprint.org](http://chemicalfootprint.org)





# For more information...

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