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Why should investors care about toxics?

They are ubiquitous and inextricably linked to other crises:

- Toxics are unavoidable
- It is impossible to address climate, plastics pollution, environmental justice etc. without also addressing toxics

They pose specific risks:

- Regulatory Risks
- Reputational Risks
- Litigation Risks

They are toxic!
Risks to investors

**Regulation**

Existing federal regulations are insufficient, and the regulatory climate is uncertain

**Litigation**

Multi-billion dollar payouts are becoming increasingly common

**Reputation**

**Consumer Trust = Brand Loyalty:**
Customers want assurance that product standards prohibit ingredients of concern

**Companies face heightened risks**
when consumer or retailer demand shifts faster than regulation, or the public learns that their products contain chemicals of concern

**Vigilance is necessary:**
While the NGO community has been very vigilant, companies need to move faster than regulators in some cases to maintain integrity.
Why are KPIs important to investors?

• Chemicals management poses material risks to companies—and their investors

• Often, companies do not provide comprehensive disclosure of these risks—and may not be tracking reliable data on how such risks are managed

• Investors must have clear, comparable information on how companies are managing these risks

Agreed upon KPIs address the above
How do KPIs help investors?

- Fills data gaps and provides standardized disclosure in four key pillars
- Platform for substantive shareholder engagement by identifying leaders
- Encourages companies to be more innovative
- Promotes continuous improvement in disclosure, data quality, & overall performance