



Scoring Methodology  
and Data Analysis

## CHAPTER 3

## Scoring Methodology and Data Analysis

In 2015, the Chemical Footprint Project released its first annual survey to assess the current state of corporate-wide chemicals management. It includes 20 questions scored to a total of 100 points, covering four key performance categories related to managing chemicals in products and supply chains:

- **Management Strategy (20 points):** This section asks about the scope of corporate chemical policies and their integration into business strategy, accountability, and employees' incentives for safer chemical use, as well as support of public policies for safer chemicals.
- **Chemical Inventory (30 points):** This section asks about the efforts a company has taken to identify chemicals of concern (CoHCs) in its products, the extent of chemical data collected

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from its suppliers, and its systems for managing chemical data and ensuring supplier compliance with its reporting requirements.

- **Footprint Measurement (30 points):** This section asks about the goals that a company sets to reduce CoHCs, its efforts to establish a





baseline chemical footprint and measure progress, and its process for assessing and implementing safer alternatives.

- **Disclosure & Verification (20 points):** This section asks if a company publicly discloses the chemicals in its products beyond regulatory requirements, if it discloses its participation in the Chemical Footprint Project and its answers to the questions, and asks if its answers have been independently verified by a third party.

For a complete list of common terms used in the survey and this report see Appendix 1. For the questions and associated point values see Appendix 2.

In 2015, the Chemical Footprint Project along with Signatory investors and purchasers reached out to over 100 leading brands and manufacturers to participate in the first annual survey. Companies submitted answers to the survey questions via an online tool. For each question, participants were asked to submit supporting documentation to provide concrete evidence of their efforts. For example, companies were asked to provide their chemicals policy as evidence for Management

Strategy indicator M1: *Does your company have a chemicals policy that aims to avoid chemicals of high concern?* Other examples of supporting documentation include: information from a company website about goals for reducing use of CoHCs; public reports on progress toward goals; or non-public documents, such as an internal chemicals policy or descriptions of employee incentive and accountability programs with regard to reducing CoHCs and using safer alternatives. For a complete list of questions and response options see the *Chemical Footprint Project Guidance for Using the CFP Assessment Tool*.<sup>29</sup>

The Chemical Footprint Project scored companies by reviewing their self-assessments and the documentation they provided. Where documentation supported a company's response and aligned with definitions and guidance provided by the Chemical Footprint Project, we awarded the assigned point value.

Chapter 4 includes an assessment of respondent scores overall and by key performance category (Management Strategy, Chemical Inventory, Footprint Measurement, and Disclosure & Verification). In addition, Chapter 4 analyzes



how firm size, product type, and business strategy affected scores. These terms are defined as follows:

- **Firm size** defined based on revenues. Large firms have revenues greater than \$5 billion. Medium firms have revenue ranging from \$0.5-\$5.0 billion. Small firms have revenues less than \$0.5 billion. For privately held firms, revenues were estimated based upon publicly available data.
- **Product type** defined as formulated products and/or articles. A “formulated product” is a preparation or mixture of chemical substances that can be gaseous, liquid, or solid (for example, paints, liquid cleaning products, adhesives, coatings, cosmetics, detergents, dyes, inks, and lubricants). An “article” is an object that during production is given a special shape, surface or design which determines its function to a greater degree than its chemical composition.
- **Business strategy** defined on the basis of how companies integrate proactive chemicals management into business practices (versus chemicals management that is focused only

on meeting regulatory requirements). We categorized participating companies as employing either a Continuous Improvement or Design for Health strategy. “Continuous improvement” companies integrate safer chemical policies, procedures, and practices into existing products and new product development. “Design for Health” companies implement safer chemical policies, procedures, and practices into all elements of their business, including research and design, supply chain management, and marketing. Companies employing a Design for Health strategy use either safer chemicals or natural materials by design.

Chapter 5 includes an assessment of how companies manage the “chemical risks”—the financial liabilities—of regulation, reputation, and redesign. To gain a preliminary understanding of how well companies manage these risks, we categorized the 20 questions in the survey by risk type and assessed how companies performed.