

PROFILE:

First Affirmative
Financial Network

As an investment advisor focused on sustainable, responsible, impact investing, First Affirmative Financial Network has engaged with our portfolio companies on the issue of safer chemicals management for over 10 years. We expect corporate policies and practices that support the long-term health of people and planet and contribute to a sustainable economy.

As CEO of FAFN, my education about the dangers presented by toxic chemicals in our environment, and the need to do something about it began long ago. I grew up on a family farm near what was then a heavily polluted Lake Erie. As a child I was admonished to “keep your head out of the water” when swimming to avoid getting sick. As young as I was, I still understood that there was something inherently wrong with using our natural environment as a dumping ground for toxic chemicals, and this lasting memory inspired me to pursue a career that has focused on investing for the common good.

There is high awareness of chemical risk when it comes to highly hazardous chemicals that present immediate threats to human health. However, the more insidious, longer-term risks presented by the vast array of chemicals used in everyday products — plastics, construction materials, pesticides, personal care products, furniture, food packaging, textiles — have yet to be sufficiently addressed by companies and disclosed to investors and the public.

The emergence of COVID-19 has highlighted the significant role that endocrine disrupting chemicals play in compromising healthy immune systems. Populations with compromised immune systems, as well as the primarily black and brown communities that live downstream from chemical emissions and hazardous waste sites, are developing debilitating symptoms and dying at disproportionate rates from COVID-19. The ongoing and staggering human, social,

and financial costs can be addressed in part by accelerating the adoption of effective chemical risk management policies.

First Affirmative Financial Network is a long time signatory to the Chemical Footprint Project because it provides investors with the necessary framework for companies and their investors to measure, manage, and reduce these chemical risks, while enhancing quality of life for people and planet.

Completing the CFP Survey assists a company in filling in crucial data gaps by providing a robust standard with which to track major components of their chemicals management system — the company’s management strategy, its knowledge

of the chemicals in its products and supply chains, its efforts to reduce chemical hazards and encourage use of safer alternatives, and its actions to publicly disclose information on chemical ingredients in its products. It supports proactive rather than reactive chemical risk management and enables benchmarking of performance against peers.

Companies that respond to the CFP Survey are well positioned to meet both the Sustainability Accounting Standards Board reporting standards and the Sustainable Development Goals relevant to hazardous chemicals. The CFP Survey is an excellent tool to better inform its chemicals

management strategy and provide meaningful disclosure to investors and the public. Ultimately, First Affirmative would like to see all companies with financial risks associated with reliance on chemicals of high concern set public goals to measure, reduce, and disclose their chemical footprints in the same way many companies are measuring and reducing carbon footprints. Participation in the Chemical Footprint Project as a signatory or as a corporate Responder can help us get there. We hope you will join us.

Holly Testa, Director, Shareowner Engagement and
George Gay, CFP, AIF, Chief Executive Officer

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