Foreword

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Hazardous chemicals are increasingly present in our daily lives and create major health and environmental risks. As understanding of such risks spreads, momentum around chemical safety rises and the material implications for companies become clear. For investors, hazardous chemicals represent “the new carbon.” Similar to greenhouse gas emissions, the investment community needs to grasp the implications of this evolution in chemical knowledge and action to fulfill our fiduciary duty and contribute to a more sustainable future.

At Bank J. Safra Sarasin, the assessment of chemical safety, exposure, and management is integral to a company’s sustainability rating. As a result, we avoid companies carrying major business and operational risks as well as negative impacts on human health and the environment. On the other hand, companies fostering change and providing alternatives to substances of very high concern (SVHCs) or developing relevant chemicals to address environmental challenges are likely to benefit from strong business opportunities and are being identified along the investment process.

The four pillars of the Chemical Footprint Project (CFP) Survey—Management Strategy, Chemical Inventory, Footprint Measurement, and Disclosure & Verification—are essential to assessing good chemicals management and governance practices. That is why Bank J. Safra Sarasin Ltd. supports CFP and strongly encourages all companies to participate in the survey.

By sharing their plans and achievements on the path to safer chemicals, companies can demonstrate leadership and enter into a positive dynamic of understanding and progress with investors. No company is perfect, but those that do not disclose their answers leave the door opened to doubts and speculations.

CFP results notably demonstrate how senior executive and board level engagement matters to managing the Regulatory, Reputational, and Redesign Risks of hazardous chemicals. This is essential in the context of regulations such as REACH in the European Union, which are the starting, not the ending, point for chemicals management. Investors worldwide have come to understand the financial risks around chemical hazard and are sending a signal to companies: reduction in use of hazardous chemicals is a priority.

By fostering and measuring corporate progress toward safer chemicals, CFP enables companies and investors to collaborate towards a low-hazard and circular materials economy.

We therefore invite you all to join us in the journey to ensuring that the chemicals in, on, and around us are safe and healthy for people and the planet.