

Disclaimer

The recommendations below are designed to help chemical companies address long-term business risks, meet growing demand for safer ingredients, and future-proof supply chains.

This document was produced with input from asset managers and other investor groups participating in the collaborative investor initiatives behind this statement: Investor Environmental Health Network (IEHN), ChemSec, Planet Tracker and ShareAction. The above initiatives seek to promote the transition to a sustainable and safe chemicals industry. Our analysis and other activities are subject to all relevant laws, including competition and antitrust laws which prohibit agreements and concerted practices that have the object or effect of preventing, restricting or distorting competition. Also, the views and analysis presented in this document do not necessarily represent the positions or perspectives of every investor member of IEHN, ChemSec, Planet Tracker or ShareAction's networks. Investors' endorsement of these recommendations is separate and apart from their independent determinations regarding any company's elections, and should not be understood to imply support or opposition to any directors.

Furthermore, companies considering these recommendations are expected to undertake their own legal and fiduciary due diligence. This includes refraining from or modifying their approach to safer chemical management where legal or fiduciary obligations necessitate otherwise including where fiduciary or competition law analysis precludes adoption.

The Statement¹

Humanity faces a triple planetary crisis of biodiversity loss, pollution, and climate change. With more than half of the world's GDP highly or moderately dependent on nature and biodiversity², these ecosystem losses pose a systemic risk to companies and their shareholders. Pollution, including from chemicals, is one of the major drivers of biodiversity loss and is an increasingly relevant global risk, as highlighted by the World Economic Forum's Global Risks Report 2025³. According to the report, “pollution is the world’s largest environmental risk factor for disease and premature deaths” and by 2035, “the compounded effects of pollution threaten to erode ecosystem resilience, diminishing its ability to sustain life and

¹ This Statement has been jointly drafted and coordinated by Achmea Investment Management, ChemSec, Erste Asset Management, IEHN of Clean Production Action, Mercy Investment Services, Planet Tracker, and ShareAction.

² [PwC, 2019. Managing nature risks: From understanding to action](#)

³ https://reports.weforum.org/docs/WEF_Global_Risks_Report_2025.pdf

deliver essential services.” Efforts to address and mitigate the impacts of nature and biodiversity loss, including from pollution, have been codified in the goals and targets of the Kunming-Montreal Global Biodiversity Framework (KM-GBF) and the Global Framework on Chemicals – For a Planet Free of Harm from Chemicals and Waste (GFC), in addition to a multitude of regional, national, and local regulations.

As investors, we are deeply concerned that the chemical sector, including agrochemical producers, is not sufficiently mitigating the financial risks associated with the impacts of pollution and is overlooking market opportunities from safe and sustainable alternatives. The chemical sector's slow progress is reflected in the results of the Nature Action 100 Benchmark⁴, the World Benchmarking Alliance's Nature Benchmark⁵, and ChemScore⁶, all of which found that companies largely do not yet fully understand how they affect and rely on nature.

In addition, numerous instances of lawsuits costing individual chemical companies tens of billions of dollars and the rising estimates of the societal costs of chemical pollution and its remediation by local governments propel the need for transition to safer chemistries for the environment and human health⁷. Specifically, the chemicals sector should contribute to:

- Reducing pollution risk and the negative impact of pollution from all sources to levels that are not harmful to biodiversity by 2030, as enshrined in Target 7 of the KM-GBF.
- As established in the Global Framework on Chemicals, prevent and minimise the adverse effects of chemicals and chemical waste, including phasing out highly hazardous pesticides by 2035; making reliable information available on chemicals in materials and products throughout the value chain by 2030; generating data on the production of chemicals and making such data available and publicly accessible; and prioritising sustainable solutions and safer alternatives to harmful substances in products and mixtures.

We call on chemical companies to align their business strategies and political engagement activities with the KM-GBF and GFC, strengthen their biodiversity-related disclosures, and develop a robust biodiversity strategy that will lead to the

⁴ <https://www.natureaction100.org/company-benchmark/>

⁵ <https://www.worldbenchmarkingalliance.org/publication/nature/>

⁶ <https://chemsec.org/reports/chemscore-2024-key-findings/>

⁷ In the US alone, it is estimated that drinking water utilities will need to invest over USD50 billion over the next 20 years to install and operate treatment technologies to meet PFAS regulation [[here](#)]. In Europe, the water purification costs to address PFAs contamination are estimated at EUR238 billion [[here](#)]. Companies in the chemicals sector, such as Cheomurs, Du Pont, Corteva [[here](#)], 3M and Bayer have experienced debilitating litigation costs [[here](#)], with some of them currently facing ongoing lawsuits.

phase-out of highly hazardous chemicals and the transition to safer alternatives for biodiversity and human health.

COMPANY RECOMMENDATIONS

We recommend chemical companies:

- (i) **Commit** to align business and political activities with the KM-GBF and GFC, in particular:
 - Commit to reducing the hazards and impacts of the company's chemical products to levels that are not harmful to biodiversity and ecosystem functions and services, considering cumulative effects by 2030, in line with Target 7 of the KM-GBF and Target A7 of the GFC. Target 7 of the KM-GBF includes reducing the overall risk and impacts from pesticides and highly hazardous chemicals by at least half by 2030.
 - Commit to carrying out their political activities responsibly to support, rather than undermine, the objectives of Target 7 of the KM-GBF and Target A7 of the GFC.
- (ii) *Develop a robust **biodiversity strategy** that includes:*
 - Develop a credible, transparent, and comprehensive methodology to assess the risks and impacts of the company's operations and products on biodiversity. The Task Force on Nature-Related Financial Disclosures (TNFD) and the Science-Based Targets Network (SBTN) provide guidance that companies might find helpful in initiating this process.
 - Conduct a baseline hazards and impacts assessment for all of the company's chemical products using the aforementioned methodology.
 - A transition plan with clear, meaningful and credible hazard-based, quantitative targets and milestones to reduce the baseline hazards and impacts by 50 per cent by 2030, in line with Target 7 of the KM-GBF and Target A7 of the GFC, alongside annual disclosures of progress towards these targets.
 - A clear plan to transition the company's product portfolio to safer (i.e., non-toxic) solutions, supported by a concrete finance (for example, Capex) plan and timeline for this transition.

(iii) Strengthen their **biodiversity disclosures** to include:

- The list of Highly Hazardous Chemicals⁸ the company produces, their production volumes, and the definition of Highly Hazardous Chemicals used. Examples of existing lists that a company can use as a basis for this disclosure include the [SIN List](#), the Chemical Footprint Project's [Chemicals of High Concern reference list](#), and Pesticide Action Network International's List of [Highly Hazardous Pesticides](#).
- Volumes of R&D and capital expenditures dedicated to hazardous chemicals and to safer alternatives (i.e., non-toxic chemicals).
- Revenue dependency from the production and/or use of hazardous chemicals, as well as from the production and/or use of safer alternatives.
- Nature-related advocacy and lobbying positions and activities, including membership in trade or sector organisations.

With chemical sales expected to almost double in 2030 compared to 2017 (UNEP, 2019), and the strong market potential for sustainable and safer alternatives⁹, the industry must align with the KM-GBF and GFC objectives and broader sustainability outcomes if companies in this sector are to maintain their long-term competitiveness and social licence to operate. Increased public awareness and scientific understanding of the long-term health and environmental consequences of chemicals are leading to a rise in litigation and regulation, representing substantial business risks for chemical companies.

We are also aware of the pivotal role governments must play by providing clear and harmonised policy signals to the industry. Rigorous, transparent and aligned global policy frameworks are essential to enable a race to the top in the chemicals industry and support the reduction of the impacts it currently presents to the global environment and human health.

⁸ For this statement, we define Highly Hazardous Chemicals [HHCs] as any substance meeting the criteria of being either a Substance of Very High Concern (SVHC) according to REACH; or meeting the criteria of being a Substance of Concern (SoC) according to the CSRD or that is listed as a HHC by the US OSHA.

⁹ For example, a market study by NYU Stern Center for Sustainable Business found that from 2015-2019 green chemistry marketed products grew at a much faster rate than their conventional peers by 12.6x ([Golden et al., 2021](#))

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