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TJX Companies, Inc.—Over 44% of the retailer’s shareholders voted for action to reduce chemical risk

First resolution of its kind on chemical footprinting

Somerville, MA—A near majority of shareholders asked TJX Companies, Inc., a leading off-price apparel and home goods retailer worldwide to issue a report on the company’s plans to reduce its chemical footprint at its Annual General Meeting (AGM) this week. TJX has 4,000 plus stores and more than 21,000 merchandise vendors of apparel, footwear, accessories, home goods, personal care among other product categories.

Trillium Asset Management and First Affirmative Financial Network filed a shareholder proposal asking the company to issue a report describing if and how it plans to reduce its chemical footprint. The Proponents noted in supporting statements that developing a comprehensive chemical policy and increasing the scale, pace and rigor of existing initiatives are important steps to reducing chemical risks.

“Growing consumer concern around the impacts of toxic chemicals and the rapidly changing landscape of global regulations have created significant risks for companies,” said Susan Baker, Vice President, Trillium Asset Management, LLC. “This strong vote sends an important signal to TJX and other consumer facing companies that investors want to understand how companies are reducing unwanted chemicals and moving toward safer alternatives in their products and supply chains.”

Leading retailers like Target and Walmart have launched safer chemicals policies and participate in the Chemical Footprint Project (CFP) to benchmark their chemicals management programs against an independent assessment structured on comparable metrics. In 2017, Walmart, the world’s largest retailer with 700 global suppliers of 90,000 consumable products, publicly committed to reducing its chemical footprint, with a goal of 10% reduction for chemicals of high concern for certain products by 2022.

Reporting standards for investors like the Sustainable Accounting Standards Board (SASB) now include chemical risk and product safety as a part of their materiality index for retailers like TJX Companies, Inc. The Chemical Footprint Project provides common data and metrics companies can use to report to these standards.

“Corporations participating in the annual Chemical Footprint Survey are leading the way forward towards metrics and disclosure on toxic chemicals that reduce risks for their investors and customers,” said Dr. Mark S. Rossi, co- founder of the Chemical Footprint Project and Executive Director of Clean

Production Action. “In four years of the Chemical Footprint Project Survey, returning companies reported reducing 461 million pounds of chemicals of high concern – the equivalent weight of 628 Boeing 747 airliners.”

CFP focuses on chemicals, like endocrine disruptors that are a material risk for companies because they are recognized by authoritative bodies to cause harm to human health and the environment. A 2017 study by Philippe Grandjean with the Harvard T.H. Chan School of Public Health and Martine Bellanger of the EHESP School of Public Health in Paris concluded that the health costs of chemically related diseases including cancer, infertility, and learning disabilities total \$11 trillion worldwide, or 10% of global GDP. Covid-19 creates new risks for consumers and workers with compromised immune systems from these diseases.

“First time shareholder proposals often receive support levels in the single digits, as investors need time to evaluate the issues addressed”, said Holly Testa, Director of Shareowner Engagement with First Affirmative Financial Network, LLC. “This exceptionally strong first time vote has implications for the retail industry in general—the vote clearly demonstrates that this issue is resonating with investors and that they are already assessing the risks presented by inadequate management of chemical risk and expect companies to reduce their chemical footprint.”

Target was among the first of large-scale retailers to begin to phase out toxic substances, removing some parabens, sulfates and phthalates from certain products in response to market shifts. According to a 2016 *Wall Street Journal* article, Target’s sales of “safer, better for you” skin care products rose 20 percent for the first quarter in that year alone.

“It’s time TJX establish a path to reduce its chemical footprint. A clear chemicals strategy will reduce potential costs from regulations changes and market shifts, and importantly contribute to a world free from the harms of toxic chemicals for customers, associates, communities and the environment,” noted Baker.

For the past three years, TJX received an “F” in the “Who’s Minding the Store?” Retailer Report Card, which benchmarks retailers on their safer chemicals policies and implementation programs. The company has also received questions on this issue at last year’s AGM from representatives of Clean Water Action, the Mind the Store, and Don’t Take That Receipt! campaigns.

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Trillium Asset Management is an employee-owned investment management firm with \$2.8 billion in assets under management as of March 2020. Trillium integrates Environmental, Social, and Governance (ESG) factors into the investment process as a way to identify the companies best positioned to deliver strong long-term performance. A leader in shareholder advocacy and public policy work, Trillium leverages the power of stock ownership to promote social and environmental change while providing both impact and performance to our investors. Trillium is a certified B Corporation.

First Affirmative Financial Network, LLC manages investment portfolios for socially conscious investors since 1988 and is a member of **Investors Environmental Health Network**. Directing investment capital toward businesses that offer solutions to some of the world's most pressing environmental and social challenges, we work with money as a tool for transformation. For over two decades, we have been helping investors do more by combining innovative financial management with investment strategies that

consider the environmental, social, and governance aspects of potential investments. First Affirmative is a certified B Corporation.

Trillium Asset Management and **First Affirmative Financial Network, LLC** are members of the **Investor Environmental Health Network (IEHN)**. IEHN, a project of Clean Production Action, is a membership-based, investor collaborative that promotes the use of safer chemicals to enhance shareholder value, public health, and the environment. IEHN recognizes that a company's brand reputation, public trust, and market share are linked to the environmental and human health risks and safety of its products. Through direct corporate engagement IEHN members advance solutions and strategies to transform business practices through strategic tools and partnerships that include the Chemical Footprint Project.

The Chemical Footprint Project (CFP) is an initiative of investors, retailers, government agencies, non-governmental organizations (NGOs), and health care organizations that aspire to support healthy lives, clean water and air, and sustainable consumption and production patterns through the effective management of chemicals in products and supply chains. CFP Signatories, representing over \$2.7 trillion in assets under management and over \$800 billion in purchasing power, are engaging corporations in CFP. The participants in CFP recognize chemicals as they do carbon, understanding that a global transition to a reduced chemical footprint is necessary. CFP gives Signatories an invaluable tool to discern which firms bear the highest chemical risk and which are best positioned to capture new markets with safer products. The founding organizations of CFP are Clean Production Action, the Lowell Center for Sustainable Production at the University of Massachusetts Lowell, and Pure Strategies.

Clean Production Action is non-profit organization whose mission is to design and deliver strategic solutions for green chemicals, sustainable materials, and environmentally preferable products. We are a solutions organization. Our tools and collaborations simplify the complexity of toxicity by providing the resources and capacities essential for identifying and replacing hazardous chemicals with safer solutions. GreenScreen® for Safer Chemicals, Chemical Footprint Project, BizNGO, and Investor Environmental Health Network are all programs of Clean Production Action.