



INTERNATIONAL

Annual Report 2005

ChemSec

CHEMICAL SECRETARIAT

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Making Moves Towards a Toxic Free Environment

From before birth via the umbilical cord until a person's death, from the most industrialised areas to the far reaches of the Arctic, chemical pollution now accompanies all biological life on earth. Yet the toxic properties of most chemicals used in our societies are unknown or undeclared. Their individual effects on our health and our environment are mostly unstudied, let alone the effects arising from their mixtures. At the same time, medical and scientific researchers are increasingly positing a link between the rising rates of health afflictions, particularly in young children, ranging from allergies to cancer, and the levels of persistent and bioaccumulative substances found in our bodies.

The laws that regulate chemicals stem from a scientific paradigm in which the amount or concentration of the chemical was considered to have a linear relation to its harmful effects. This paradigm is now coming into question with the appearance of new studies which show effects at levels so low they were previously impossible to measure. Equally, the worker protection objectives which inform most chemical policies are now overwhelmed by the need to protect not only people involved in manufacturing and from a much larger array of chemicals than previously considered. Society now needs to protect those at the consumer end, as well as the entire environment – both as the ecological system in which the manufacture takes place, and in which the final products circulate and decompose.

The International Chemical Secretariat (ChemSec) is working to catalyze the transition towards genuine and efficient toxic use reduction. A radical shift in minds and practices is imperative for most stakeholders; industry, consumers, research and development, politicians, civil servants, and others. The paradigm shift we promote is based on the guiding principles of Precaution, Substitution, Polluter Pays, and Right-to-know. At our opening ceremony three years ago, the Swedish Minister for Environment, Lena Sommestad said "We have got a tough job ahead of us. I would like to see stricter legislation and your job is to put pressure on us to do a good job."

Our work spans seminars and workshops, booklets and talks, all geared towards informing and enlightening public debate on the necessary steps towards a toxic free environment. This year, we brought scientists to the public, to explain what information they need in evaluating chemical risks,

and the limits of their assessments. We published booklets that explain what companies who work with chemicals will have to do when a new European law comes into force, and what aspects of that law could serve their needs. Many stakeholders recognise and praise our work. For instance, the Director General of the European Commission's Environment Directorate General, called our 'Surviving REACH' report "one of the best publications on the REACH proposal that I have seen and I will recommend it to anyone who wants to understand REACH".

Since our inception, we have concentrated most of our work on the legislative reform that currently offers the greatest potential for this paradigm shift. This legal reform is taking place in Europe, through the formulation of a new law called REACH. We continued to work to strengthen the REACH proposal during the political process in the Parliament and the Council.

Whilst chemical producers maintain their heavy opposition, we need to engage other industry sectors to support reform. Here our work is to promote the active engagement of forward-looking business leaders in supporting progressive measures, both legal and commercial. Both the business work and the European policy work are strongly related.

Further complementary work involved three areas:

Global Strategies – monitoring the development of and building networks around global chemical policy. We participate in various international political fora to promote the guiding principles, and to act as a watchdog on implementation.

Strengthening NGO capacity – supporting the work of NGOs by facilitating their strategy development, coordination and training; and providing quality materials which complement their work.

Education on the precautionary principle – communicating to politicians, industry and the scientific community. We work to motivate decision-makers to incorporate the principle into legislation, risk assessment and other political decision-making fora and instruments.

*Gothenburg in April 2006
Per Rosander, Director*

Projects 2005

PROJECT 1: "MAKING THE EU A FORERUNNER"

The reform of EU's chemical regulation (called REACH) is an unparalleled opportunity to create a leading model for chemical regulation that provides inspiration to other countries. Entering 2005 the decision-making path in the EU institutions still offered the chance to retain the key new elements, although the law proposal had already been watered down in the consultation process. In 2005, as the law proposal entered a very intense public decision-making phase, ChemSec continued to work on improving the public debate and understanding of the law with numerous important contributions.

The proposed REACH regulation has been a long time in the making, with the European Commission having issued the initial 'White Paper proposal in 2001. All along environmental, health and other civil society NGOs, have been campaigning for an effective reform. The REACH system has the potential to break new ground in chemicals regulation in several ways. For instance, it puts the onus for proving the chemical's safety where it belongs – on those introducing a chemical into society. Despite a strong backlash from the chemical manufacturing industry, the basic framework and principles for the REACH proposal remained mostly intact prior to the Parliamentary and Council sessions in 2005.

Our work on REACH in 2005 spanned publications to public presentations. Two events and the accompanying materials stand out as important contributions to the public debate on REACH. The companies and businesses that could ultimately suffer the financial consequences of inadequate information about chemicals had received little attention in the debate. So in January 2005, ChemSec published the report *What We Need From REACH: Views on the proposal for a new chemical legislation in the EU*. This anthology comprises views from 7 different companies and stakeholder

organisations on what REACH must achieve and their motives for demanding a strong REACH: retailers H&M; Marks&Spencer / Boots; the construction company NCC; household appliances manufacturer Electrolux; the Coalition of European Trade Unions (ETUC), the European Water Supply and treatment organization (EUREAU), and the European Consumer Cooperation Association (EuroCOOP). More than one hundred people attended the ChemSec launch in the European Parliament at a reception hosted by MEP Lena Ek. We distributed the publication widely, and it was well received. Both NGOs and media often refer to and quote from this report.

In the debates, certain groups in Parliament and Council proposed changes to the informational requirements of REACH. Because many of changes were based primarily on the preferences of the chemical manufacturing association, it was important to inject some scientific parameters into the debate. On October 18th 2005, ChemSec held a seminar entitled "Science and Politics: Where does REACH Stand?" The Seminar, hosted by the Members of Parliament Lena Ek and Guido Sacconi, two of the main rapporteurs on REACH, covered the issues of risk, hazard and exposure. Speakers included leading research scientists and academics, discussed the current scientific understanding of exposure and risk assessment. ChemSec director Per Rosander gave a presentation on how the various Parliamentary proposals differed in providing sufficient health and safety information to enable meaningful risk assessment. Many parliamentary staff and members attended the seminar, and engaged in lively debate and question exchange. Many stakeholders requested the presentations, particularly the one from ChemSec, in the following weeks, and it was widely referred on to others.

OTHER WORK DURING 2005 INCLUDED:

- *Publication of Surviving REACH: A guide for companies that use chemicals, in both English and German. This report discusses the duties and benefits of REACH for downstream user companies. We distributed it widely, and it was particularly popular in Brussels and Germany.*
- *In-depth "REACH" informational meetings, to educate and inform Members of the Parliament about the purposes and functioning of various components of the REACH law.*
- *Contacts with various European companies and business associations e.g. FIEC (European Construction Industry Federation) discussing REACH and development of positions regarding the legislation.*
- *Establishing a network in Germany with interesting stakeholders since Germany is one of the key countries. Last parts of the German project begun in 2004 which investigated the opinions on REACH among the German downstream user industry and clarified the factors and arguments these opinions were built upon. The final report suggested how downstream users can become more involved in support of efficient chemical legislation.*
- *Fact sheets on key topics in parliamentary debates, circulated to decision-makers.*
- *Prepared amendments for the Parliament on the proposed chemical legislation.*
- *Close collaboration with the Swedish construction industry regarding chemical management and legislation.*
- *Seminar presentation for German key stakeholders from industry and authorities.*
- *Seminar presentations in Tokyo on REACH. As REACH has created much interest in Japan, various meetings were arranged for both Japanese industry and NGOs.*
- *Lectures on REACH at various events*

PROJECT 2: "PROGRESSIVE BUSINESS LEADING THE WAY"

To achieve effective legislation and precautionary approaches to chemical use, we need broader support from a wide range of economic actors. Whilst chemical producers maintain their heavy opposition, we need to engage other industry sectors to support reform. The goal of this project is to transform the perspective that industry only stand to lose from reform and to promote the active engagement of business leaders in supporting progressive measures to eliminate use of toxic chemicals.

Much of the work in this project prior to and during 2005 has been oriented to facilitating participation of industry stakeholders in the public debate on REACH. Two prior years of project work has resulted in numerous large companies and associations taking active part in defending REACH. This has caused a partial and significant change in how industry is perceived in relation to REACH. ChemSec, has identified the need to organise a more formal group which will comprise an 'avant-garde' for progressive advocacy on chemical legislation. The core group of companies can then offer a business model for subsequent companies becoming active,

and which would serve as a networking and exchange resource for recent and founder members.

As a first step, we invited a select group of companies to a one day workshop. The workshop was to discuss work on developing safer materials and products and to stimulate better communication between industry and environmental NGOs concerned about materials and chemical policy.

The seminar took place in Gothenburg in February 2005, and included the participation of 10 US and 10 European NGOs. The companies represented were: B&Q UK, the Danish Paint Association, the Swedish Construction Industry Federation the construction group Skanska, Nokia and Dell. All participants engaged in an intensive discussion. ChemSec organised this meeting in collaboration with Clean Production Action, a US based consultancy group.

ChemSec held a follow-up meeting in Copenhagen on November 3rd, which was attended by a similar group of companies. In the discussions, we further developed our ideas about the role and functions of the core business group, and the initial actions which the group will undertake.

OTHER WORK DURING 2005 INCLUDED:

- *Presentation at a business conference organised by Greenpeace Netherlands*
- *Ongoing collaboration with US NGOs that like ChemSec work with US based companies. Investigating possibilities for collaboration between companies on toxic issues on both side of the Atlantic.*

PROJECT 3: "GLOBAL STRATEGIES"

The Stockholm Convention on Persistent Organic Pollutants entered into force in May 2004. It is a good example of a global legally-binding agreement to control chemicals. However, ChemSec, like many other NGOs, believes that the agreement is only as good as its implementation, and much work remains to be done. The United Nations Environment Programme has developed in parallel the "Strategic approach to International Chemical Management (SAICM). This process also offers a possible avenue for a global chemicals control system. ChemSec participates in these political fora to promote the guiding principles that are key to achieving a toxic-free environment and to act as a 'watchdog' on implementation.

ChemSec participated in the first Conference of the Parties of the Stockholm convention in Uruguay. As an active member of the International PoPs Elimination Network (IPEN), ChemSec advocated broadening the list of chemicals to be covered by the convention (at present 12 substance/substance

groups). A review committee was set up by the conference to discuss new substances to be included. ChemSec continues to monitor this work.

ChemSec also participated in the third preparatory meeting of SAICM, which took place in Vienna in September. The third 'prepcom' was to produce the final text for an international agreement in February 2006, including a declaration on the principles of global chemical control, an action plan, and a financing mechanism to cover some of the implementation costs. ChemSec, along with other NGOs, advocated retaining the rather ambitious text proposed. The Vienna meeting however ended in much disappointment, since a small number of countries objected to much of the content of SAICM, and managed to block progress. After much work to salvage an acceptable final agreement, SAICM was adopted in February 2006.

In addition, as a member of IPEN, ChemSec is continuing to network on global issues. ChemSec is member of the steering committee of IPEN, and in this role, we are engaged in discussing global strategies for chemical control with other member NGOs.

PROJECT 4: "STRENGTHENING NGO CAPACITY"

Like with many other environmental issues, in chemicals politics, civil society organisations generally suffer a lack of resources compared to their industry and trade association counterparts. To make progress, it is important that NGOs receive assistance and materials that bolster their work. Although NGOs have great legitimacy amongst the public and decision-makers, they need practical support to develop their strategies, coordinate amongst themselves, and obtain the necessary training. ChemSec sees its role as a facilitator, drawing on our extensive networks, to help provide such tools, and as a generator of quality materials which the NGOs can use to complement and enhance their own work.

To help accelerate the successes of our campaigns, and develop new, innovative strategies and campaigns, it is important to have a strong network and ongoing collaboration with our colleagues in the USA. In February, ChemSec arranged a US-Europe NGO workshop, in Mollösund, Sweden. We organised the meeting in cooperation with Clean Production Action, an NGO that conducts similar work in the US. The Panta Rhea Foundation financed the workshop. Twenty NGO representatives attended, half from Europe and half from the US. The NGOs agreed to set up a project called the 'Transatlantic Collaboration on Chemicals, the aim of which is to strengthen and broaden the collaboration between NGOs in Europe and the US working on chemical issues.

During 2005 ChemSec started to collaborate with environmental NGOs in Eastern Europe; Mama-86 in Ukraine, FRI in Belarus and Eco-Accord in Russia. A first, multistakeholder seminar was arranged by Eco-Accord in Moscow on November 13-14, 2005. The seminar addressed health and environmental impact of toxic chemicals and chemicals management policies in Russia and EU countries. This was the first multisectoral seminar on the subject in the EECCA region bringing up the opportunities to harmonize national chemical management legislations of the EECCA countries with REACH.

ChemSec maintained membership and actively participated in the following network organisations which work on chemical issues:

- European Environmental Bureau (EEB)
- Health Care Without Harm Europe (HCWH), member of the HCWH Steering Committee
- International POPs Elimination Network (IPEN), member of IPEN Steering Committee

OTHER WORK DURING 2005 INCLUDED:

- *The ChemSec Brussels office also coordinated and hosted some NGO meetings on REACH*
- *ChemSec collaborated with Health Care Without Harm and EPHA Environment Network (EEN) via the shared toxics policy advisor position;*
- *Multistakeholder seminar on health and environmental impact of toxic chemicals and chemicals management policies in Russia and EU countries in Moscow on November 13-14, 2005.*

PROJECT 5: "PRECAUTION PAYS"

ChemSec started this new project in 2005 to increase the awareness of the precautionary principle, and to motivate decision-makers to incorporate the principle into legislation, risk assessment procedures, and other political decision-making at both the European and the global level. The project is also designed to communicate to politicians, industry and the scientific community the results of the interdisciplinary Swedish research programme "A new strategy for the risk management of chemicals" (NewS), on toxicology and risk assessment issues.

Much of the work on this project has involved planning and preparation, with the initial activities launched at the end of the year in the form of seminars in the Eastern European region. The first meeting took place in Moscow in November 2005, with

two subsequently being prepared for in early 2006 in Ukraine and Belarus.

In spring 2005, ChemSec started a collaboration with the research project NewS. The programme, founded by the Mistra Foundation in Stockholm, aims to develop new strategies for risk assessment and management of chemicals. NewS has, since its start in 1999, engaged researchers from a variety of academic disciplines. The purpose of the collaboration between NewS and ChemSec is to improve communication between the science community and decision makers. A number of activities were carried out during 2005, including production of info materials, meetings between politicians and scientists. It also involved support to stakeholder workshops in eastern European countries. The materials (both printed and electronic) will be launched in 2006, as the project continues.

Event list

Examples of ChemSec participation in and presentations at meetings during 2005

18 Jan	Release reception in European Parliament: "What we need from REACH"	Brussels
21-23 Jan	Lecture for German stakeholders from industry and authorities	Loccum
2-3 Feb	Transatlantic NGO workshop on Chemicals	Mollösund
4 Feb	1st Business Workshop with US and Europe NGOs	Gothenburg
10 March	Speaking at industry seminar arranged by BASTA project	Gothenburg
2-5 May	First meeting of contracting parties to the Stockholm convention	Ponta del Este
12 May	ChemSec AGM 2005	Gothenburg
6-7 June	EU regional meeting within SAICM	Paris
9 Sept	Lecture for Swedish Association for Environmental Managers (NMC)	Stockholm

Transatlantic NGO Workshop on Chemicals, Mollösund, February 2005





Tokyo, September 2005

*"Science and Politics: Where does REACH stand?"
Seminar, Brussels, October 2005*

15-16 Sept	Press conferences for Japanese media	Tokyo
16 Sept	Lecture, Downstream User seminar	Tokyo
17 Sept	Lecture, Seminar for citizens about REACH	Tokyo
4 Oct	Presentation at Greenpeace Netherlands Business Conference	Amsterdam
18 Oct	ChemSec Science Seminar, European Parliament "Science and Politics: Where does REACH stand?"	Brussels
3 Nov	2nd Business workshop	Copenhagen
17-19 Oct	WHO meeting on precaution and children's health	Vienna

Publications and Communication

Our publications and communications are widely used and appreciated. Our high quality texts, attractive graphics, and trenchant arguments have ensured that our materials have earned an

excellent reputation. Members of the European Parliament also make good use of our website, using it as a real fact finder on the legislative texts.

OUR PRINTED PUBLICATIONS THIS YEAR:

- *“What We Need from REACH: Views on the proposal for a new chemical legislation within the EU”, (January 2005) English, German; Japanese (August 2005).*
- *“Surviving REACH: A Guide for Companies that use Chemicals”, (May 2005) English, German*
- *Fact sheet: REACH – Small and Medium-Sized Enterprises, 1 double-sided page (English)*
- *Fact sheet: Testing Requirement under REACH – Making Sense of the Proposed Amendments, 1 double-sided page (English)*
- *Newsletter. Four issues were distributed during 2005. We send the newsletter to around 150 contacts within NGOs, industry, and governments.*
- *Powerpoint presentation. “Science of Risk Assessment: Where does REACH stand?” We posted this presentation, and those of our invited speakers, on the website. We sent the ChemSec presentation to many stakeholders following the seminar, as it was in great demand, being widely referred by audience members.*

OUR ELECTRONIC COMMUNICATIONS INCLUDED:

- *In November, we launched our redesigned ChemSec website. We improved various features, including navigation, availability of in-depth information, and its overall professional image.*
- *Webpage bulletins. Under the section News & Events, we posted incisive REACH political updates and legislative analysis pertaining to the Parliament & Council debates, proposals and votes.*
- *The French version of our ‘Interactive walk-through of REACH’ webpage, which explains the REACH law.*

Board

The board has met four times and has consisted of four persons, one from each member organisation:

BOARD, 1 JAN - 25 MAY, 2005:

- Karl Krook, *Friends of the Earth Sweden (Chairman)*
- Lennart Henriksson, *WWF Sweden*
- Mikael Karlsson, *Swedish Society for Nature Conservation,*
- Maria Brandt, *Fältbiologerna (Nature and Youth Sweden)*

DEPUTY MEMBERS:

- Mona Blomdin-Persson, *Swedish Society for Nature Conservation*
- Martina Löfstedt, *Friends of the Earth Sweden*
- Lars Kristoferson, *WWF Sweden*

BOARD, 25 MAY - 31 DEC, 2005:

- Lasse Gustavsson, *WWF Sweden (Chairman)*
- Mona Blomdin-Persson, *Swedish Society for Nature Conservation*
- Karl Krook, *Friends of the Earth Sweden*
- Maria Brandt, *Fältbiologerna (Nature and Youth Sweden)*

DEPUTY MEMBERS:

- Lars Kristoferson, *WWF Sweden*
- Mikael Karlsson, *Swedish Society for Nature Conservation*
- Martina Löfstedt, *Friends of the Earth Sweden*
- Emma Persson, *Fältbiologerna (Nature and Youth Sweden)*

Financial Report

Our revenues during 2005 amounted to approximately 3.2 million SEK (345 000 Euro). The main

funding source came from a 2 million SEK grant from the Swedish Government.

FINANCIAL STATEMENT	2005	2004
REVENUES		
Ministry of Environment, Sweden	2.000.000	
UBA, Germany	169.697	
Swedish Environment Protection Agency	485.000	
John Merck Fund	228.610	
Travel reimbursement	98.799	
Other reimbursement (publications, lectures etc)	204.898	
TOTAL REVENUE OF THE ORGANISATION	3.187.004	2.315.801
EXPENSES		
Salaries and other staff costs	- 1.885.970	
Travel costs	- 330.144	
Publications	- 207.329	
Premises (rent, telephone, Internet etc)	- 129.159	
Other external costs	- 856.243	
TOTAL EXPENSES OF THE ORGANISATION	- 3.408.845	- 1.898.706
OPERATING REVENUES OVER OPERATING EXPENSES	- 221.841	417.095
Income from interest	177	27
Other financial income	20.523	14.166
Interest fees	- 65	- 43
Other financial costs	- 9.609	- 2.805
STATEMENT AFTER FINANCIAL INCOME AND COSTS	- 210.815	428.440
RESULT OF CURRENT YEAR	- 210.815	428.440

BALANCE SHEET	051231	041231
ASSETS		
Possessions	24.057	0
Cash and bank	191.167	342.650
Other claims	53.234	65.449
Interim claims	9.513	0
Fondkonto	724.754	611.545
TOTAL ASSETS	1.002.725	1.019.644
DEBTS AND ASSETS		
Debts to suppliers	195.775	68.968
Accrued expenses	87.768	26.967
Tax at source of employees	33.035	47.431
Accrued social security charges	51.358	40.205
Other short-term debts	9.829	298
Balanced profit/loss	407.334	
Result from previous year	428.441	407.334
Current year result	- 210.815	428.441
TOTAL DEBTS AND CAPITAL	1.002.725	1.019.644

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