



Annual Report 2008

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Introduction

2008 was an intense year for ChemSec, when among other things the "Substitute It Now" (SIN) project was launched in Europe and the US. At the same time a number of environmental organisations, mainly in Eastern Africa, received financial support and assistance in their work on chemical related issues through ChemSec. One culmination of that work was a successful NGO conference focused on the hazardous of and capacity building around heavy metals in Dar es Salaam, Tanzania, during the autumn.

In addition to our EU-work (mostly concerning REACH and RoHS) ChemSec has also been engaged in influencing efforts to raise the health- and environmental demands within the new global classification and labelling system GHS, as well as within the international standards establishment work. Our collaboration with progressive companies has been even more strengthened and resulted in the companies acting publicly in advocacy of ChemSec work in a variety of contexts.

The 2008 activities have been carried out in accordance to the approved Annual Plan. In the following pages the more important events and activities are described project by project, along with financial and staff/personnel issues.

*Per Rosander, Acting Director
Gothenburg, Sweden, March 2009*

Projects 2008

PROJECT 1: THE EU PROJECTS "REACH IMPLEMENTATION & EU FORERUNNER"

With 170 participants at the SIN project launch in Brussels and follow-up coverage the impact was huge. The database and the website had thousands of visitors during the first week, mainly from the US. Other countries that have showed a big interest were Germany, UK, France and Japan.

The launch of the list was carried out through an event in Brussels on the 17th of September, when some of the participants of the ChemSec Business Group presented their work and their view of the list. A special release was done in the US in cooperation with the environmental organisation Environmental Defence Fund who has produced a report describing which American companies today import or produce SIN substances. The launch in the US was backed up by a report from the New York based investment analysis firm Innovest who analysed how the SIN List might have an impact on major international producers of chemicals from a financial point of view.

The major part, approximately 75%, of those who received the information (at the launch in Brussels and on the website) about the SIN List are interna-

tional companies, clearly reflecting the interest these players have for the project and its potential effect on their work.

ChemSec participated in several conferences with companies and NGOs, in New York and Washington among others, to promote the SIN Project. The list is now also translated into Japanese and was launched in Japan by the network Toxic Watch. The list has also been presented at conferences in United Kingdom, Hungary, Belgium and Sweden.

Several communication tools have been produced during the year, among them a comprehensive report directed at industry: "Substitution 1.0 – The art of Delivering Toxic Free Products. A brochure named "SIN List – The fast track to a toxic free future", has also been disseminated at several events. ChemSec has moreover started the work of reforming the ChemSec website, the release of the new website is planned for spring 2009.

Collaborating partners in the project can be divided into two groups, the Advisory Committee of nine NGOs from Europe and the US and the ChemSec Business Group (see page 5).

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Geert Dancet, European Chemicals Agency (ECHA) Executive Director, gives presentation at the ChemSec Substitution Conference.



PROJECT 2: THE BUSINESS PROJECT “PROGRESSIVE BUSINESS LEADING WAY”

Chemsec business group is a collaboration between market-leading companies from across sectors, industry groups and ChemSec working to inspire progress on toxics use reduction.

The SIN List activities have been coordinated with the work with the group of companies ChemSec has collaborated with during the last years.

Several of the companies participated as speakers at the 17 September conference, among them Dell, Skanska, Sony Ericsson, H&M, and Sara Lee. Several of the speakers described how they intend to work

actively with the list as a support to their toxic use reduction programmes. One main speaker at the conference was the new European Chemicals Agency (ECHA) Executive Director Geert Dancet. Several of the companies also contributed to the Substitution 1.0 report that was launched at the conference.

The ChemSec Business Group gathered for an internal follow-up meeting in London in November, during which the companies' work stemming from the SIN List was discussed. The companies expressed their willingness to increase their engagement in the group and carry out more public activities. A number of activities focusing on substitution are therefore planned for 2009.



PROJECT 3: GLOBAL SOUTH PROJECT

ChemSec has worked for three years, together with IPEN and the Swedish Society for Nature Conservation, to support environmental organisations in the Global South regarding chemical issues.

Financial support from the Swedish International Development Cooperation Agency and the Swedish Chemicals Agency (SIDA/Kemi) has been distributed among organisations working with chemical issues in different areas, such as gold mining, (mercury), cosmetics and e-waste. During the fall, 15 NGO projects were ongoing with support from this programme. The support has primarily been focused on East Africa, but other regions have also been represented by the organisations that have received support. The programme has also financially supported NGOs to participate in and have an impact at international chemicals convention meetings at different levels.

To increase the cooperation between groups and amplify the effect of the programme support, ChemSec, together with the environmental organisation AGENDA in Tanzania organised an NGO workshop in Dar Es Salaam in November. The four day long meeting gathered around 30 participants, mainly from Africa, to discuss the issue of cooperation as well as actions regarding the use of heavy metals. The result of the meeting was among other things a joint call from the participating organisations for a global treaty on heavy metals. The ChemSec participation in the meeting, beyond financial support, also included its organisation and facilitation of the meeting together with AGENDA.

The three year long project providing general support to NGOs in the Global South has been carried out between 2006 and 2008 with support from the Swedish Chemicals Agency. ChemSec's role in this project giving financial support to NGOs in the Global South terminated by the end of 2008.

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NGOs gathering in Tanzania to discuss heavy metals.



GLOBAL AGREEMENTS

ChemSec has also participated as an observer in several international forums, among them SAICM and the Stockholm Convention. As a member of IPEN, ChemSec has contributed with expertise and providing a European presence within the network.

OTHER ISSUES

The EU Directive RoHS regulates the use of a number of hazardous substances in electrical and electronic equipment. During 2008-2009 the Directive is under revision which offers the opportunity to strengthen the directive. ChemSec has initiated cooperation between several NGOs (CPA, EEB, Greenpeace etc.) to gather further support among companies for the environmental movement's demands for stronger legislation. This has been discussed with several leading electronics companies over the year. During the fall statements from companies were produced, with support from ChemSec, and handed over to the European Commission and other authorities. The plan is to intensify the efforts to influence the RoHS Directive during 2009, when it will undergo the European Parliament political process.

During spring ChemSec has been active regarding the work of reviewing the International Electronics Standard, IES 62368. The flame-retardants industry suggested to include demands that would have increased the use of brominated flame-retardants drastically. ChemSec participated through lobbying in the international campaign that successfully managed to stop the proposal forwarded by the flame-retardants industry.

GHS is the new global system for classification and labelling of chemical products. The system will be introduced in all countries, but there are many possibilities to choose from regarding which parts to implement, and in what way. ChemSec has worked for a strengthening of the EU implementation of the GHS system. We are pleased to note that a reference was made that the regulator should take special consideration of PBT substances, an important element that was introduced by ChemSec.

Finances

Core funding during 2008 amounted to almost 5 million SEK, mainly in the form of a grant of 4 million SEK from the Swedish Chemicals Agency. The support to NGOs in the Global South administered by ChemSec has been paid directly from the Swedish Society for Nature Conservation to the NGOs. The exception in this regard is the cost for the conference in Dar-es-Salaam for which ChemSec was the sole funder through a specific contribution of 339 000 SEK. For ChemSec's costs for the Global South project, ChemSec received 399 000 from the Swedish Society for Nature Conservation during 2008.

Other received funds for 2008 amounted to 237 000 SEK. The main part of this (156 000 SEK) came from participation fees from the Substitution Conference

ChemSec arranged in Brussels in September. The remainder (81 000 SEK) included reimbursements for ChemSec expenses in relation to conference presentations.

Late December ChemSec received a contribution from the John Merck Fund in the US. This amount (385 000 SEK) has been transferred to the income statement for 2009.

2008 operations resulted in an overall budget surplus of 463 000 SEK.

For more information, see the annual financial report.

FINANCIAL STATEMENT	Note	2008	2007
TOTAL OPERATING REVENUES	1	4 974 699 kr	4 513 815 kr
TOTAL OPERATING EXPENSES	2	4 590 515 kr	4 059 191 kr
OPERATING RESULT		384 184 kr	454 624 kr
RESULT FROM FINANCIAL INVESTMENTS			
Income of interest		32 kr	606 kr
Other financial income		79 367 kr	68 183 kr
Interest expenses		-4 404 kr	0 kr
Other financial costs		-13 790 kr	-13 790 kr
STATEMENT AFTER FINANCIAL INCOME AND COSTS		445 389 kr	509 623 kr
RESULT OF CURRENT YEAR		445 389 KR	509 623 KR
NOTE 1 OPERATING INCOME		2008	
Grant Swedish Government		4 000 000 kr	
Substitution conference		155 879 kr	
Other remuneration (printed matters, lectures etc)		81 079 kr	
Swedish Aid support channeled through SSNC		737 741 kr	
Total		4 974 699 kr	
NOTE 2 OPERATING EXPENSES		2008	
Salaries and other staff costs		2 789 991 kr	
Travel expenses		425 178 kr	
Conference/arrangements		354 114 kr	
Consultant expenses		461 268 kr	
Printed matters		176 416 kr	
Premises (rent, phone, internet etc)		238 734 kr	
Other external expenses		144 814 kr	
Total		4 590 515 kr	

BALANCE SHEET

BALANCE SHEET

2008-12-31

2007-12-31

ASSETS

Fixed assets

Equipment

21 565 kr

35 354 kr

CURRENT ASSETS

Current receivables

Accounts receivables

o kr

o kr

Other receivables

41 581 kr

25 920 kr

Interim claims

103 897 kr

1 819 kr

Cash and bank

184 332 kr

475 093 kr

Fund account

2 056 374 kr

1 284 339 kr

TOTAL ASSETS

2 407 748 kr

1 822 525 SEK

EQUITY AND LIABILITIES

Equity

Balanced profit/loss

468 709 kr

624 960 kr

Result from previous year

509 622 kr

-156 252 kr

Current year result

445 389 kr

509 623 kr

Current liabilities

Debts to suppliers

135 656 kr

335 134 kr

Tax at source of employees

46 841 kr

48 306 kr

Accrued social security charges

52 011 kr

52 210 kr

Accrued special salary tax

69 147 kr

130 867 kr

Other current liabilities

o kr

388 kr

Accrued expenses

680 373 kr

277 289 kr

TOTAL EQUITY AND LIABILITIES

2 407 748 kr

1 822 525 kr

Staff, Office and Board

ChemSec has during the year had in between 4 and 5 employees. The Director Anne-Sofie Andersson has been on maternity leave from April 2008 and has been replaced by Per Rosander up until March 2009.

By the end of the year there were 5 full time positions at ChemSec. One person is on leave for study. The division of labour breaks down as: one Director, 3.5 Project Leaders and one half-time Administrator. For the year 2009 the plan is to increase the team with at least one new Project Leader.

Gender diversity by the end of the year was three men and two women.

In addition to these employees, ChemSec has during the year also had project-based employees for short periods.

The board has had six meetings during the year and been made up of four persons, one from each member organisation.

BOARD 1 JAN – 7 MAY 2008:

- Karl Krook, *Friends of the Earth, Sweden (Chairman)*
- Gun Rudquist, *Swedish Society for Nature Conservation*
- Hans Berglund, *WWF Sweden*
- Sofi Holmin Fridell, *Nature and Youth, Sweden*

Substitute members:

- Martina Jalava Löfstedt, *Friends of the Earth*
- Mikael Karlsson, *Swedish Society for Nature Conservation*
- Lennart Henrikson, *WWF Sweden*
- Vacant, *Nature and Youth, Sweden*

BOARD 7 MAY – 31 DEC 2008:

- Gun Rudquist, *Swedish Society for Nature Conservation (Chairman)*
- Peter Westman, *WWF Sweden*
- Martina Jalava Löfstedt, *Friends of the Earth*
- Sofi Holmin Fridell, *Nature and Youth, Sweden*

Substitute members:

- Mikael Karlsson, *Swedish Society for Nature Conservation*
- Tom Arnbom, *WWF Sweden*
- Karl Krook, *Friends of the Earth*
- Jenny Luukkonen, *Nature and Youth, Sweden*

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