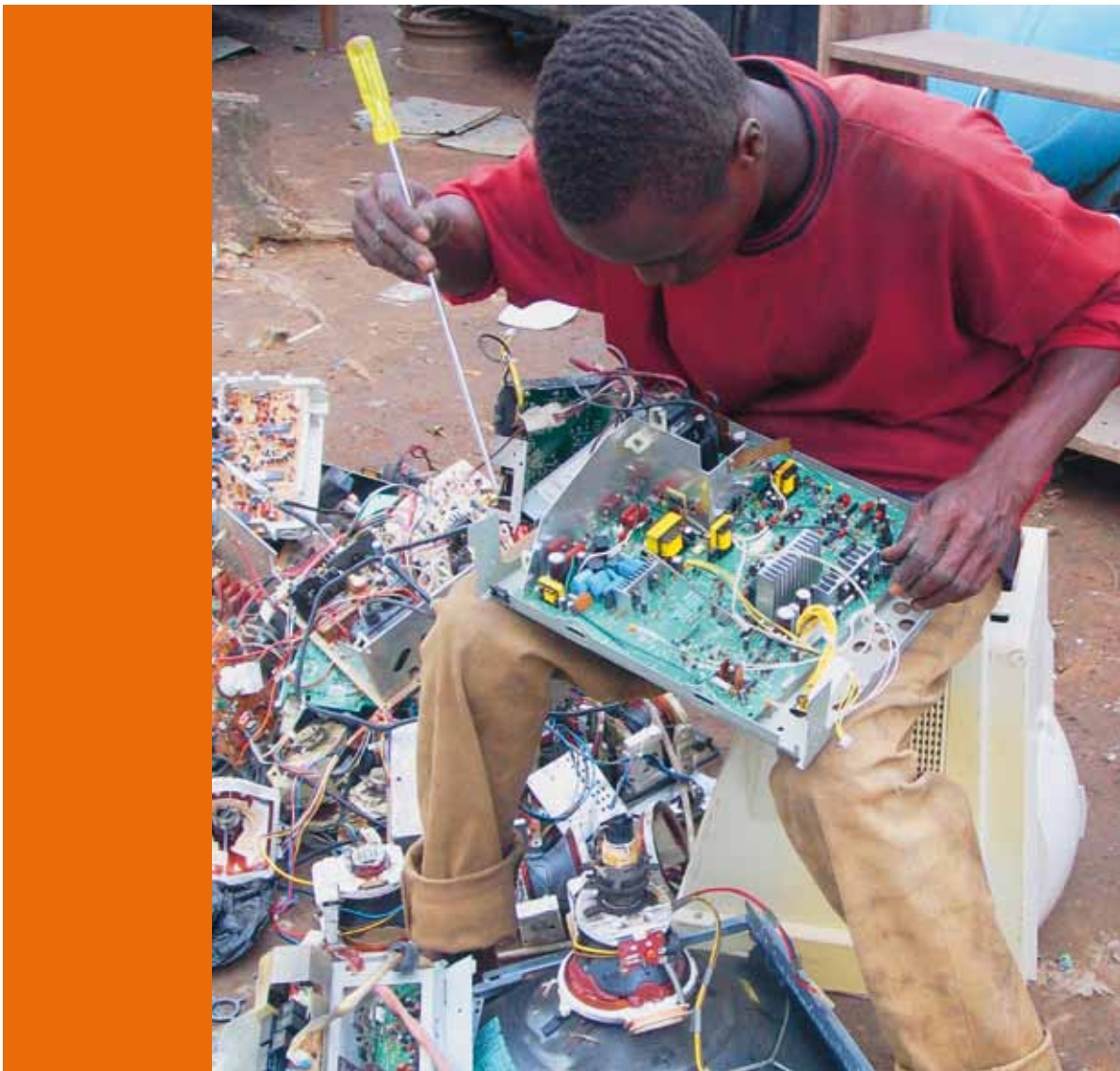


# ANNUAL REPORT 2010



A low-angle photograph looking up into a dense canopy of green leaves. A bright sun is visible through the foliage on the right side, creating a prominent starburst effect with multiple rays of light. The leaves are various shades of green, and the overall scene is bright and natural.

*Imagine a world  
that is free of harmful chemicals.  
We are working  
to make it happen.*



## Who we are


ChemSec, the International Chemical Secretariat, is a non-profit organisation working for a toxic free world.

To achieve this, we strive to reach broad acceptance in society of the key principles of Precaution, Substitution, Polluter Pays and the Right to Know. We work to highlight the health and environmental risks of hazardous substances, make accurate, science-based information readily available, engage business and speed up legislative processes.

This approach puts ChemSec in a unique position to promote open dialogue between authorities, business, science, and civil society so that effective action is taken.

ChemSec is based in Sweden and was founded in 2002 by four environmental organisations.





*2010 represented yet another exciting year for ChemSec, building further on our effort to reduce the use of toxic chemicals throughout society. In collaboration with like-minded environmental groups, politicians, scientists, and corporations, we continued to push for legal, policy and market changes, to free the world from toxic threats to health and environment.*

## Director's note

2010 was the year when we wholeheartedly pushed the issue of greener electronics, with the main aim of influencing the EU politicians to strengthen the EU Directive "Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment" (RoHS). We revealed data which showed that lots of companies are already producing products for today's market that are free from such harmful chemicals as brominated and chlorinated flame retardants. ChemSec also presented a major study commissioned by the UN Environmental Programme (UNEP), recommending how the lack of knowledge about toxic chemicals in electronics can be addressed from a global perspective.

REACH, the EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals, is an important issue for ChemSec since years. Two years ago we released the SIN List, a list of substances identified by ChemSec as Substances of Very High Concern based on the criteria established by REACH. In 2010 more and more companies are using our SIN list in their product development and to communicate with their suppliers. The EU Commission itself has managed to list 46 Substances of Very High concern on the candidate list,

the first step towards a ban on their manufacture and use throughout the union. However, there is still a long way to go to address the 356 substances presently on the SIN list.

Another big step for ChemSec was to begin to engage with the financial sector. With support from non-profit foundations in the US and UK, we are establishing ourselves as an expert advisor on chemical issues to ethical investors. The big questions we try to answer are: which of the large chemical companies in Europe are the best or worst in terms of sustainability? What are their chemical strategies and how involved are they in the production of very hazardous chemicals? The goal is to present data that gives investors much better tools to estimate the environmental performance of the chemicals sector, which in turn will put more pressure on the companies to make the transformation to greener chemistry.

*Anne-Sofie Andersson  
Director*

*Per Rosander  
Acting Director\**

*\*During September–December 2010, due to Anne-Sofie Andersson's maternity leave.*



*During 2010, much of our focus was on the promotion of greener electronic products, ensuring stricter legal rules in the European Union, and exploring the information exchange on chemicals among stakeholders involved in the life cycle of electronics.*

## Towards elimination of toxic chemicals in the electronics sector

### For a tighter EU regulation on hazardous chemicals in electronics

The revised EU RoHS directive (Restriction of certain Hazardous Substances in electrical and electronic equipment) contained, when adopted by the end of 2010, a clear methodology for future restrictions in the directive. This methodology is in line with ChemSec's objective to restrict the use of brominated flame retardants and PVC in electronic products due to the environmental and human health problems these substances create at end-of-life.

*"The transition away from environmentally sensitive substances, such as brominated flame retardants and PVC is well under way."*

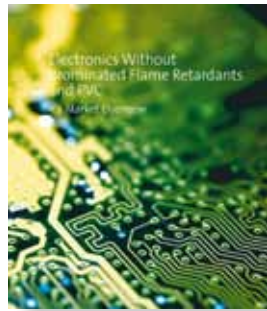
– Acer

ChemSec was closely involved in the revision of the RoHS directive. We showed that brominated flame retardants and PVC are responsible for human and environmental health problems and that alternatives to these substances are readily available on the market. We showed that important actors in the electronics industry are moving away from brominated flame retardants and PVC, and engaged leading electronics companies in active dialogue with EU legislators on how to achieve more sustainable electronics. These companies have been advocating for stronger legislation and for a restriction of brominated flame retardants and PVC in the RoHS directive.

*"We hope EU decision makers revise RoHS to prohibit the use of PVC and BFRs in electrical and electronic equipment."*

– Dell

To support our campaign, we produced three straightforward and educational short films aimed at both decision-makers and electronics companies. We conducted research regarding electronic products without brominated flame retardants and PVC currently on the market. The resulting Market Overview has not only acted as a source of information for politicians, but for the broader electronics sector as well. We established good relations with the producers of alternatives to brominated flame retardants and encouraged them to inform legislators about their products and their view on the transition away from brominated flame retardants.



*Report: Electronics without Brominated Flame Retardants and PVC – a market overview. Listing more than 500 products from 28 companies free or almost free from brominated flame retardants and/or PVC and available on the market as of April 2010.*

*"We believe the electronics industry has a responsibility to move proactively to find substitutes to replace BFR and PVC and are therefore calling on EU legislators to show leadership on this issue by voting to tighten the RoHS directive."*

*– Sony Ericsson*

## UN Study on Information on Chemicals in Electronic Products

Within the global framework of the Strategic Approach to International Chemicals Management (SAICM), in the second half of 2010 ChemSec carried out an in-depth study on information on chemicals in electronic products.

Collaborating with Stanford University in the US, the Institute for Global Environmental Strategies (IGES) in Japan, and DanWatch in Denmark, ChemSec has explored the current situation for information exchange among stakeholders involved in the life cycle of electronics. These include producers of chemicals and materials, component manufacturers, brand owners and retailers, consumers, recyclers and electronic waste handlers.

The resulting study takes a closer look at different stakeholders' needs for information and makes recommendations to improve information availability, with the overarching objective of improving the capacity for safe handling of chemicals in electronics among all stages of the life cycle.

The findings of the study will be important in the development of recommendations for the International Conference of Chemicals Management (ICCM), which is the decision making body of SAICM. The next ICCM is ICCM3 which is scheduled for May 2012. The study will be presented at various UN events during 2011.

*"We are working with suppliers globally to remove these chemicals from personal computing product lines."*

*– Hewlett Packard*



Since its instigation in 2008, the ChemSec SIN List has been a concrete and well used tool in identifying high concern chemicals. It contains substances that have been identified by ChemSec as Substances of Very High Concern in accordance with the official REACH criteria. The SIN List 1.1 lists 356 such substances.

# The SIN List – increasing number of users and spurring the EU to speed up the pace

In 2010 the European Commission officially announced target numbers for the enlargement of the REACH Candidate List in line with the size of the SIN List. EU Commission DG Environment and DG Enterprise & Industry, in dialogue with ECHA and EU Member States, stated that by the end of 2012 in total 136 substances should be included in the REACH Candidate List, and “all relevant” Substances of Very High Concern will be added to the Candidate List by 2020.

In June, ChemSec presented a new and more user-friendly database listing the substances on the SIN List. The new database presents information on the substances’ common uses, production volume, health and environmental concerns, as well as cross references with other EU lists of high concern substances. This will help users find out which SIN chemicals are, for example, used in textiles, are toxic to reproduction,

and which also appear on the EU Candidate List of Substances of Very High Concern.

*“The latest version of the database makes it much easier to home in on relevant chemicals, the ability to search by area of use is particularly valuable”, says Roy Miller, Social Responsibility Advisor at B&Q, the third largest home improvement retailer in the world.*

In January, the Nordic Council recommended that Nordic governments use the SIN List when establishing procurement policies on hazardous substances for public authorities.



The SIN List project is carried out by ChemSec in close collaboration with an NGO Advisory Committee made up of representatives from nine mainly European NGOs dedicated to working with environmental, health, and consumer issues.

- The Center for International Environmental Law (CIEL)
- The European Consumers' Organisation (BEUC)
- The European Environmental Bureau (EEB)
- Friends of the Earth Europe (FoEE)
- Greenpeace European Unit
- The Health and Environment Alliance (HEAL)
- Instituto Sindical de Trabajo, Ambiente y Salud (ISTAS)
- WWF European Policy Office
- Women in Europe for a Common Future (WECEF)





2010 saw ChemSec initiate a new focus area in our quest for a toxic free world – the work of financial investors. The financial sector, and in particular asset managers and rating agencies within Socially Responsible Investments (SRI), have been targeted in an effort to increase awareness of the financial risks stemming from the production and use of hazardous chemicals.

## Encouraging “sustainable investments” to move away from hazardous chemicals

The SRI sector is a diverse and booming branch within the European financial industry. However, climate change and energy efficiency are by far the most highlighted environmental factors and chemicals criteria have so far played a very subordinate role.

ChemSec has initiated a dialogue with key stakeholders within the field, and introduced the SIN List as a concrete tool for identifying not only health and environmental hazards, but also financial risks.

The likely inclusion of the SIN List chemicals on the REACH Candidate List within ten years makes the SIN List a useful tool for investment analysts and asset managers to identify financial risks of companies producing or using chemicals in their products or processes.

Several of the major actors on the SRI market in Europe, as well as some in the US, are now using or considering using the SIN List in their investment analysis of companies.

*“The SIN List boils down the huge variety of existing chemicals to the most hazardous ones. It is a tool, which allows anticipatory, risk-minimising action.”*

*– Mr. Holzer, Vice President and Sustainability Analyst, Bank Sarasin.*

*Leaflet: The SIN List – a tool for investors.*





# Providing a platform for exchanging hazardous substances with safer alternatives

Together with partners in other European countries, in 2010 ChemSec also initiated a project aimed at developing a substitution web-portal.

This portal will contain information to facilitate the replacement of hazardous substances with safer alternatives. This includes legislation, black lists, methods for substitution and assessment, as well as a database of safer alternatives.

The portal will support companies in fulfilling substitution requirements of EU legislation, as well as

function as a resource and interactive forum for other stakeholders such as authorities, environmental and consumer organisations, and scientific institutions.

The project is being developed together with the German consultancy Kooperationsstelle Hamburg, the Spanish trade union Iistas, and the Danish consultancy Grontmij, and will run until end of 2012.





# The Stockholm Convention initiative for POPs-free products

In autumn 2010 the Secretariat of the Stockholm Convention on Persistent Organic Pollutants (POPs) initiated a “POPs-free project”. To raise awareness about POPs and their successful, practical substitution, interested companies were asked to send in products for testing to prove that they were POPs-free. Furthermore, the companies were asked to disclose information on used alternatives, their performance and equivalent function.

ChemSec took part in this project as a steering group member and gave input to the concept and realisation of the project. Using its business contacts, ChemSec also encouraged manufacturers of consumer products who have phased-out POPs to participate. The results of the project will be presented during spring 2011.

The companies that have been most involved in the POPs-free product initiative include

- Paxymer
- H&M
- Sympatex
- Puma



# ChemSec Business Group: continued dialogue for less toxic consumer products

Throughout 2010 the electronics companies in the ChemSec Business Group, together with a broader coalition of producers of electronic goods, took the lead in striving for tighter EU chemicals policy on electronics.

In June, the ChemSec Business Group met in London to discuss chemicals regulations updates, the development of version 2.0 of the SIN List, challenges and possibilities with supply chain management and the connection of socially responsible investments and hazardous chemicals.

The following companies and associations were part of the ChemSec Business Group 2010:

- B&Q
- Boots UK Limited
- Dell
- EUREAU
- L'Oréal
- Nokia
- Sara Lee
- Skanska
- Sony Ericsson
- The Swedish Construction Federation



# Communications and press coverage

Our internal and external communication tools evolved during the year. In June, the website design and structure was improved and the website is more frequently updated and fact-packed than ever before. It has also been made easier to follow ChemSec news through the introduction of RSS and Twitter feeds, besides our newsletters. ChemSec has attended and given presentations at numerous conferences throughout the year, mainly in Europe, but also in other regions such as North America and Asia. Some press coverage is listed below.

## **Journal of Epidemiology & Community Health**

Volume 64, Issue 8, 2010, Article: *The SIN List as model for identification of Substances of Very High Concern*, by Jerker Ligthart, ChemSec.

**New Scientist** 10 March 2010 – *Retailers are increasingly putting pressure on suppliers to restrict or ban suspect chemicals such as those on the Substitute It Now (SIN) list drawn up by the International Chemical Secretariat (ChemSec), a pressure group based in*

*Sweden. [...] "There is a lot of talk but the fact that we have a sin list means there is a way to go yet," says Nardono Nimpuno of ChemSec. "But smarter companies can see there is a market opportunity here."*

**ENDS Europe** 11 May – *Electronics firms have plans to make products free of brominated flame retardants (BFRs) and PVC by 2014 for most categories of electronic and electrical equipment (EEE) that would be affected by a potential ban, Swedish NGO ChemSec said on Tuesday.*

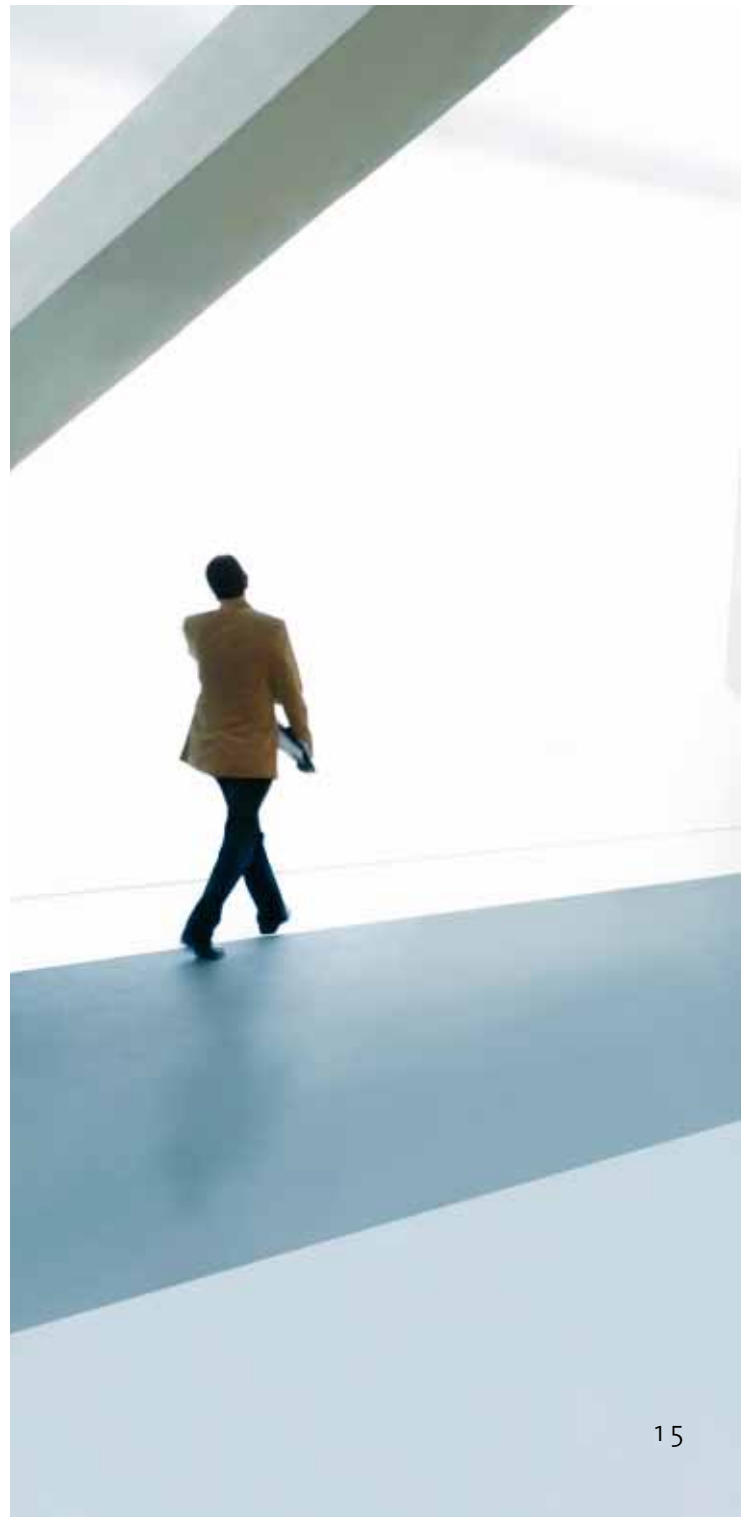
**Svenska Dagbladet** 15 May – *(In Swedish) Bisphenol A has been put on the international environmental movement's list (SIN List) of chemicals considered to pose the greatest threat to the environment and should be replaced as quickly as possible.*

**Circuits Assembly** 18 May – *The battle between non-government organizations over the next set of RoHS rules is heating up. IPC last week took a shot at ChemSec over its advocacy for adding brominated flame retardants to the list. ChemSec today fired back, citing support from a bevy of big-name OEMs.*

**European Voice** 4 November 2010 – *Some environmental campaigners would like to see PVC banned in the EU, along with flame-retardants, which would go beyond the current RoHS proposals. “We would like to see brominated flame-retardants and PVC in the directive,” said Frida Hök at the ChemSec campaign group. “These chemicals are used so extensively in electric and electronic equipment [and] they are awful from an environmental and health point of view.” ChemSec is concerned about poor waste treatment of Europe’s electrical rubbish outside the EU’s borders. “There is a problem because a lot of [waste] is being incinerated in very bad facilities,” said Hök.*

**Chemicals Watch** 24 November 2010 – *Frida Hök project coordinator from the NGO ChemSec said it was “disappointing to note that the review of RoHS does not add a single new substance to the Directive, in spite of the fact that the electronics industry is moving away from chemicals causing severe problems, such as brominated flame retardants and PVC.”*

ChemSec and the SIN List have also been listed on the European Commission website regarding Initiatives for Chemicals Management and Safety.





# Staff, office and board

ChemSec's director Anne-Sofie Andersson was on maternity leave during September to December 2010, and during her absence Per Rosander was acting director.

Eight people were formally employed at ChemSec by the end of the year. In addition, several people have been contracted on a consultancy basis for various periods.

The ChemSec head office continued to be located at Norra Allégatan 5 in Gothenburg, Sweden, with branch offices in Munich, Germany, and Amsterdam, Netherlands.

The board elected in 2009, which sat until ChemSec's Annual General Meeting 7 May 2010, consisted of the following members:

- Peter Westman, *WWF (chair)*
- Gun Rudquist, *Swedish Society for Nature Conservation*
- Martina Jalava Löfstedt, *Friends of the Earth Sweden*
- David Nyberg, *Nature and Youth Sweden*

From 7 May the board has consisted of the following members:

- Gun Rudquist, *Swedish Society for Nature Conservation (chair)*
- Anna Forslund, *WWF (vice chair)*
- Kim Corein, *Friends of the Earth Sweden*
- Johanna Salmi, *Nature and Youth Sweden*



# Financial Statement

ChemSec's income in 2010 increased by about 1 million SEK compared to 2009. The total income in 2010 was 5.5 million SEK. The largest contribution was

obtained from the Swedish Government. Other major contributors are shown in the table.

INCOME STATEMENT	Note	2010	2009
TOTAL OPERATING REVENUES	1	5 537 352 SEK	4 506 184 SEK
TOTAL OPERATING EXPENSES	2	5 589 953 SEK	4 875 820 SEK
OPERATING RESULT		-52 601 SEK	-369 636 SEK
RESULT FROM FINANCIAL INVESTMENTS			
Interest income		6 506 SEK	11 658 SEK
Other financial income		0 SEK	7 754 SEK
Interest expense		0 SEK	-1 235 SEK
Other financial expenses		-7 778 SEK	-13 787 SEK
STATEMENT AFTER FINANCIAL INCOME AND COSTS		-53 873 SEK	-365 246 SEK
RESULT OF CURRENT YEAR		-53 873 SEK	-365 246 SEK
SUPPLEMENTARY DISCLOSURE			
NOTE 1 OPERATING INCOME		2010	
Grant Swedish Government		4 000 000 SEK	
Grant The Ecology Trust		422 511 SEK	
Grant Nordic Council		381 777 SEK	
Grant John Merck Fund		346 358 SEK	
Grant Life+ EU Commission		283 435 SEK	
Other remuneration (printed matters, lectures etc)		104 270 SEK	
Total		5 538 351 SEK	
NOTE 2 OPERATING EXPENSES		2010	
Salaries and other staff costs		3 053 228 SEK	
Project expenses		1 899 201 SEK	
Premises (rent, phone, internet etc)		415 966 SEK	
Expenses for consultants, board and organisations fees		204 492 SEK	
Non-project related travel expenses		17 066 SEK	
Total		5 589 953 SEK	

**BALANCE SHEET**

2010-01-01 - 2010-12-31

2009-01-01 - 2009-12-31

**ASSETS****Fixed assets**

Equipment	0 SEK	7 778 SEK
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**Current assets****Current receivables**

Accounts receivables	0 SEK	18 648 SEK
Other receivables	34 645 SEK	17 331 SEK
Deferred expenses and accrued income	149 654 SEK	110 691 SEK

Cash and bank	831 595 SEK	583 521 SEK
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Fund account	582 309 SEK	575 807 SEK
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Savings	1 000 000 SEK	1 000 000 SEK
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<b>TOTAL ASSETS</b>	<b>2 598 203 SEK</b>	<b>2 313 775 SEK</b>
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**EQUITY AND LIABILITIES****Equity**

Retained earnings	1 423 720 SEK	978 331 SEK
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Result from previous year	-365 246 SEK	445 389 SEK
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Result of the year	-53 873 SEK	-365 246 SEK
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**Current liabilities**

Accrued expenses and deferred income	1 097 751 SEK	712 180 SEK
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Accounts payable-trade	342 492 SEK	352 329 SEK
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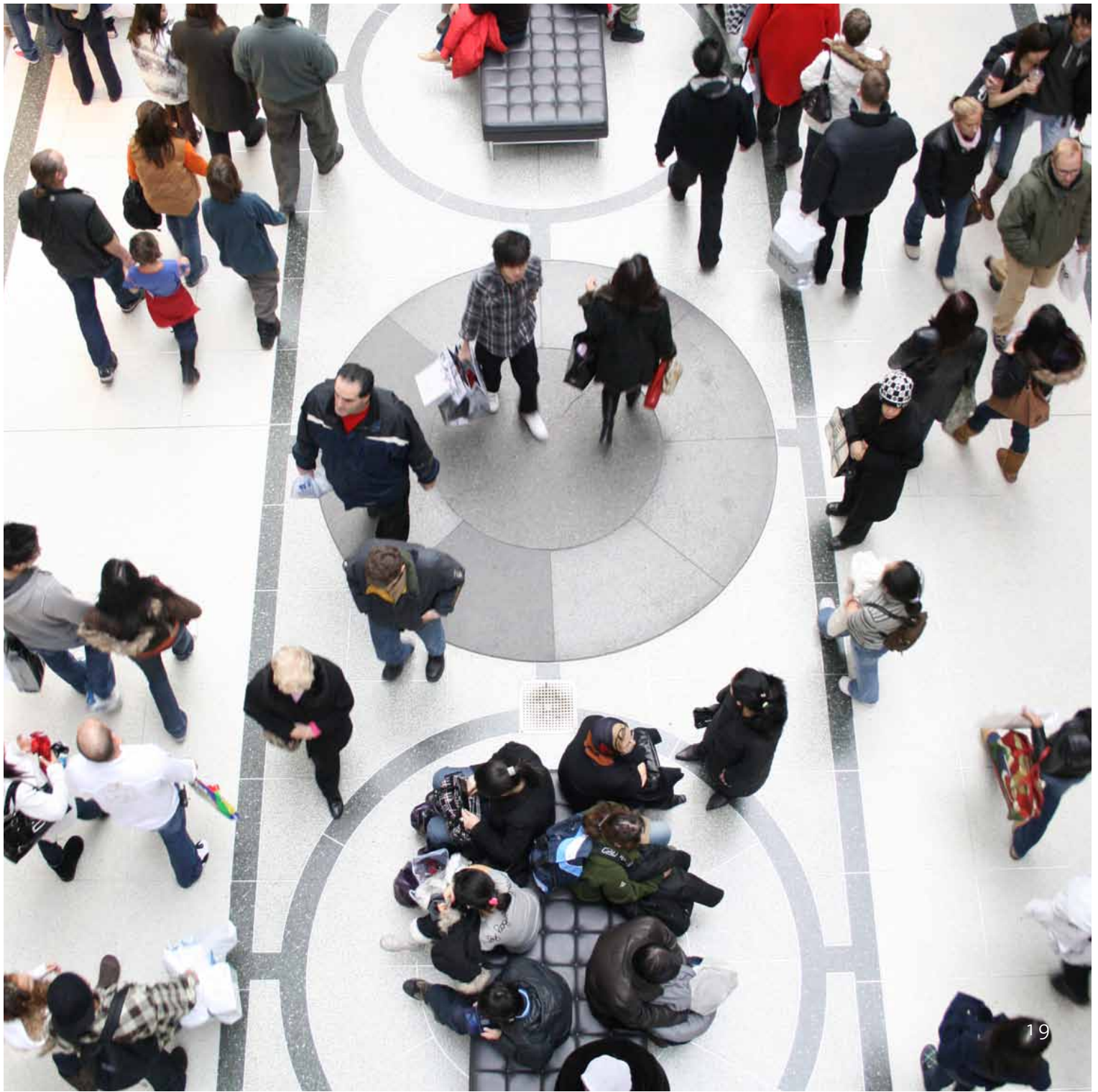
Accrued special salary taxes	67 706 SEK	69 915 SEK
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Accrued social security charges	48 215 SEK	63 704 SEK
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Employee withholding taxes	37 438 SEK	57 173 SEK
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Other current liabilities	0 SEK	0 SEK
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 598 203 SEK</b>	<b>2 313 775 SEK</b>
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ChemSec is a non-profit organisation working for a toxic-free environment. To reach this goal, we work to highlight the health and environmental risks of hazardous substances and to make accurate, science-based information readily available. ChemSec is a dynamic, wide reaching organisation, able to move quickly and work in a positive and active way to achieve concrete results. We are actively engaging business and working to influence and speed up legislative processes – within the EU and around the world. This approach puts ChemSec in a unique position to promote open dialogue between authorities, business, science and civil society so that effective action is taken. Examples of this are the development of the SIN (Substitute It Now!) List of hazardous chemicals and the ChemSec Business Group, a collaboration with companies that are committed to phasing out toxic chemicals from their products. Imagine a world that is free of harmful chemicals. We are working to make it happen.

ChemSec – the International Chemical Secretariat

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