

financial **statement** 2024

Financial Statement

The International Chemical Secretariat (ChemSec)
Corporate ID No. 802412-7717

The Board of Directors hereby presents its account of the association's development during the financial year 01-01-2024 – 31-12-2024.

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Management Report 2024

PURPOSE AND ORGANISATION OF THE INTERNATIONAL CHEMICAL SECRETARIAT (CHEMSEC)

ChemSec was founded in 2002. It is a religiously and politically independent non-profit organisation that works to strengthen environmental and health protections against harmful chemicals.

The organisation's purpose is to enhance environmental and health protections by:

- Monitoring, influencing, and informing about the development of EU and other international chemical policies from an environmental and health perspective.
- Serving as a resource and support on chemical issues primarily for the organisations backing ChemSec.
- Encouraging and pushing international industry organisations, companies, research institutions, and civil society to pay greater attention to the environmental and health aspects of chemicals.

ChemSec's vision is a world free from harmful chemicals.

GOVERNANCE

The General Assembly is the organization's highest decision-making body and is held annually. Members exercise their rights to participate in the organization's affairs at the General Assembly. A new board was elected at the General Assembly in May.

The office is located in Gothenburg and is led by the Executive Director. Anne-Sofie Bäckar was appointed by the board and has led the organisation since 2006.

The board consists of representatives from the Swedish Society for Nature Conservation (Naturskyddsföreningen), the World Wide Fund for Nature (WWF), Nature and Youth Sweden (Fältbiologerna), and Friends of the Earth Sweden (Jordens Vänner). The board represents the organisation, safeguards its interests, and makes decisions on its behalf in all matters not otherwise prescribed by the statutes.

In 2024, the board held five recorded meetings with an average of five members present. The current board members are listed in bold below, with their attendance noted in parentheses.

Cecilia Hedfors (Chair) (5)	Swedish Society for Nature Conservation (Ordinary)
Johan Widheden (5) (Vice Chair)	WWF Sweden (Ordinary)
Liv Olausson (3)	Young Nature Conservationists (Ordinary) (elected at the Annual Meeting on May 14)
Stig Peterström (4)	Friends of the Earth Sweden (Ordinary)
Christina Snöbohm (1)	WWF Sweden (Alternate)
David Gunnarsson (2)	Swedish Society for Nature Conservation (Alternate)
Sven-Erik Sjöstrand (3)	Friends of the Earth Sweden (Alternate)
Tobias Larsson (1)	Young Nature Conservationists (Alternate)

At the Annual Meeting, Kristian Thore, Baker Tilly SEK AB, was elected as the auditor, while Anna Hedin, Baker Tilly AB, was appointed as the deputy auditor. Kåre Olsson, from the Swedish Society for Nature Conservation, was elected as the trust auditor.

The member organisations act as nomination committees in accordance with their own internal guidelines and are responsible for proposing an ordinary board member and an alternate at the Annual Meeting.

KEY EVENTS DURING THE FISCAL YEAR

ChemSec combines expert knowledge with collaboration with businesses and investors, providing constructive proposals and solutions to top-level EU policymakers. Our work is based on a scientific foundation and our vision: a world free from harmful synthetic chemicals – a world where neither children nor adults have to worry about the impact of everyday chemicals on their health and the environment. Our vision aligns with the Swedish Parliament's environmental goal of a "toxic-free environment" (Giftfri miljö).

SUSTAINABLE INVESTMENTS

In 2024 we published ChemScore for the fifth consecutive year. This annual ranking has now established itself as a benchmark for sustainability in the chemical industry. Engagement from chemical companies with ChemScore has increased significantly since its launch. In 2024, 71% of companies responded, a steady increase from 54% in 2020. A key indicator of ChemScore's influence is that U.S. chemical giant DuPont decided to re-engage with the ranking this year after essentially boycotting it for the past two years.

This year's publication coincided with global negotiations on a binding UN treaty on plastic pollution. ChemScore's revelation that European plastic manufacturers are lagging behind the rest of the world in reducing their toxic footprint – showing no improvement over the past five years – was highlighted by the Financial Times.

The Investor Initiative on Hazardous Chemicals (IIHC), founded and coordinated by ChemSec, continued its rapid growth in 2024. It now includes 74 investors managing or advising \$18 trillion in assets, a sum larger than China's GDP. This achievement is particularly significant given that many other investor initiatives have faced strong headwinds.

We dramatically expanded the number of corporate engagements, covering 31 companies, exceeding our target. IIHC investors are becoming increasingly knowledgeable, asking relevant questions that pressure companies to move beyond vague statements and address critical chemical safety issues. Several companies, for example, are now actively working on PFAS alternatives in response to financial risks associated with these chemicals.

IIHC hosted multiple educational webinars and workshops for its members and published a report titled *A Profitable Detox: Why Safer Chemistry Makes Financial Sense*, which outlines the business case for safer chemicals. Some IIHC investors also actively engaged with policymakers, including through a confidential letter to four environmental commissioners in the new EU Commission, signed by 39 investors managing \$10 trillion in assets, urging stronger PFAS regulations.

BUSINESS ENGAGEMENT AND DIALOGUE

Companies frequently seek our assistance, particularly regarding sensitive issues. They trust our ability to handle matters discreetly and know that we support them when possible. ChemSec engages in numerous discussions with businesses to understand their challenges, learn about their innovative solutions, and share

our expertise on current chemical issues. Many companies strive for ambitious sustainability goals, something that is not always clearly visible in public debates. Strong legislation helps these businesses set demands on their suppliers and promotes all those working towards a better future. It also benefits the environment. This is where ChemSec and the business sector meet.

A key part of ChemSec's work involves organising business dialogues. Through these meetings, we continue to play an important and almost unique role as a link between industry and lawmakers. In 2024, we placed particular emphasis on internal corporate communication. To convince a company to make a change, all departments – not just the sustainability division – must be involved and understand the value of the transition.

We have also continued discussions with companies regarding PFAS challenges. Many businesses still require extensive information and knowledge to understand how to proceed with the issue. It is worth noting that the vast majority of Swedish companies we have spoken to are highly focused on phasing out PFAS from their applications, if they have not already done so. They also have high expectations that stronger future legislation in this area will be beneficial for their operations.

Our business engagement efforts are based on our formal Business Group, which consists of fourteen companies from different industries, including Apple, LEGO, IKEA, and H&M. This year, the French waste and recycling company Veolia joined as a new member. The purpose of the group is to gather companies that want to be leaders in chemical safety and share their experiences. Within the group, open discussions are held, and projects are coordinated, with ChemSec acting as the hub and catalyst. Several meetings were held throughout the year. Veolia was also added to the group to broaden perspectives and enhance the understanding of recycling materials that contain chemicals.

SIN LIST & MARKETPLACE

Our online tools, SIN List and Marketplace, continue to serve as essential guides for companies in their chemical management efforts. The SIN List had approximately 40,000 unique users throughout the year, with most visitors coming from the United States, Germany, and Sweden. China and India also rank among the top ten countries, which is expected given the global supply chain structure.

During 2024, we began preparing for the upcoming update of the SIN List in autumn 2025, when new substances will be added. This update is crucial to continue supporting companies that want to be proactive in their chemical management strategies.

Marketplace, ChemSec's platform for companies seeking safe alternatives to hazardous chemicals, follows a similar trend. Currently, Marketplace has approximately 50,000 users and nearly the same top ten countries as the SIN List. At present, the platform hosts 711 listings for safer alternatives, and, on average, two interactions take place daily between interested parties. This tool will also be updated in 2025.

In preparation for this relaunch, we developed a new design last year to further enhance the accessibility of safer alternatives. We have also identified additional alternatives to PFAS, which will be introduced alongside the update. These alternatives are of great importance in enabling robust PFAS regulation.

PFAS REGULATION AND AVAILABLE ALTERNATIVES TO PFAS

PFAS represents a large group of chemicals that do not break down and remain in nature and in our bodies indefinitely. Supporting companies in phasing out PFAS, identifying alternatives, and highlighting the significant impact of these substances has been one of the organisation's highest priorities during the year.

PFAS is a highly relevant political issue due to the restriction initiative led by Sweden, along with three other EU countries and Norway.

The key debate revolves around identifying where alternatives exist and where they do not, as well as determining when exemptions from the PFAS ban should be granted. Therefore, we have worked intensively to highlight viable alternatives, both on Marketplace and in our PFAS Guide, which was published in 2023.

At the beginning of last year, ChemSec assisted the European Commission in organising an internal workshop on available alternatives to PFAS applications. The event was attended by 100 Commission staff members and received overwhelmingly positive feedback. This was best exemplified when Aurel Ciobanu-Dordea, Director of Circular Economy, stated during a panel discussion that he saw no need for broad exemptions in the upcoming PFAS regulation.

As a follow-up, we organised a webinar series throughout the year to provide detailed clarifications on alternatives for specific, highly debated applications, such as heat pump technology.

Last year, ChemSec also had a significant impact on the PFAS restriction debate by contributing the business perspective, providing direct input to decision-making documents, and working to balance the discourse, which has at times been both alarmist and factually incorrect.

For example, through articles and webinars, we have clarified and corrected misinformation regarding fluoropolymers. We also actively participated in SEAC meetings (the Socio-Economic Analysis Committee of the European Chemicals Agency) on PFAS throughout the year. There, we engaged alternative producers and experts to contribute to the review process.

THE EU CHEMICAL STRATEGY AND REACH REVISION

At ChemSec, we have a long history of being a constructive driver of change, combining environmental and health concerns with sustainable business practices. Our high level of credibility among both EU institutions and businesses means that we are often invited to public events and closed meetings on topics such as chemical legislation, safer alternatives, and investor interests in chemical issues.

Because of our strong network of businesses and investors, ChemSec holds a unique position in the ongoing policy debate. In 2024, we were repeatedly invited to discuss the development of EU chemical legislation (REACH) and the PFAS restriction with German Chancellor Scholz's senior advisors. These meetings allowed ChemSec to convey the perspective of businesses and investors, offering a balanced view on, for instance, the possibility of achieving the green transition even without PFAS.

Last year, we were also highly active in the development of REACH. To balance the discussion, ChemSec placed particular emphasis on the ongoing process regarding substitution planning. We contributed by publishing multiple articles, position papers, and participating in bilateral meetings. Additionally, we organised workshops for member states. This work aims to facilitate the substitution of hazardous chemicals, enhance the competitiveness of EU-based companies, and drive investment in sustainable solutions.

COMMUNICATION

ChemSec's target audience consists of people working with environmental issues in various capacities, and we are continuously expanding within this group. In 2024, our website had more than 120,000 unique visitors, an increase compared to the previous year. We also have over 13,000 dedicated newsletter subscribers.

Given our audience, we primarily use LinkedIn for social media communication. We currently have 11,000 followers, which exceeds that of the Swedish Chemicals Agency (Kemikalieinspektionen).

Last year, we also launched a major awareness campaign on social media, including Facebook, Instagram, and YouTube. The campaign aimed to educate the public on the chemical crisis and how it affects them and their surroundings. It was a great success, reaching approximately 7 million people, generating 19.5 million views, and leading to significant engagement.

Before launching the campaign, we estimated an engagement rate of 2%, based on standard benchmarks for digital marketing campaigns. However, the actual engagement rate exceeded 10%, demonstrating the strong interest and concern among the public.

In 2024, ChemSec also achieved significant media coverage. Over the year, we were mentioned 778 times in the press, including in major international news outlets such as Financial Times, The Guardian, Reuters, Associated Press, and Le Monde.

DEVELOPMENT OF THE SECRETARIAT

At the end of the year, ChemSec had 12 permanent employees and two long-term consultants, working from Germany and Denmark, respectively.

The organisation actively works on both gender equality and diversity, which is a crucial aspect of our recruitment processes. By the end of the year, 50% of the employees were women, and 43% of the board members were women.

ChemSec adheres to a collective bargaining agreement and is a member of the Employers' Alliance (Arbetsgivaralliansen).

The organisation also actively works on internal environmental policies. The office only purchases eco-labelled cleaning and electricity products. ChemSec does not own company cars, and both employees and Board members are encouraged to travel by public transport or train whenever possible, in accordance with our travel policy.

As far as possible, ChemSec also prioritises organic and/or locally produced food options as well as vegetarian alternatives for meetings and conferences.

FINANCIAL PERFORMANCE AND ORGANISATIONAL ECONOMY

The organisation's total revenue amounted to 20 395 429 SEK (2023: 16 304 956 SEK), with an operating result of -40 861 SEK (2023: -1 372 262 SEK) and a net result of 570 917 SEK (2023: -1 254 442 SEK). Any funds received within a financial year but not utilised are carried forward as equity capital.

The balance sheet total amounts to 19 223 770 SEK (2023: 19 006 485 SEK), of which approximately 13 percent (2023: 11 percent) consists of equity capital. For further details on the organisation's financial position and results, refer to the income statement and balance sheet with accompanying notes.

The organisation does not have any taxable income.

Funds that ChemSec receives through grants and donations are continuously allocated to various ChemSec projects. The only long-term financial resource that ChemSec retains is a reserve of 100,000 SEK per permanent employee, intended to ensure an orderly wind-down of the organisation should it become necessary. This reserve capital is invested solely in low-risk, sustainable funds with reasonable returns, ensuring that investments align with a strong sustainability profile.

FUNDING

The total revenue for 2024 amounted to 20 395 429 SEK (2023: 16 304 956 SEK). The largest contributor was the Swedish government, which provided a general grant. Grants from foundations are typically earmarked for specific projects run by the organisation or allocated to support core activities.

Since the end of 2017, ChemSec has held a 90-account, meaning it is under the supervision of Svensk Insamlingskontroll. This organisation ensures that ChemSec manages its fundraising activities responsibly, ensuring that donations go towards their intended purposes without excessive administrative costs.

ChemSec's 90-account numbers are:

- Bankgiro: 900-6123
- Plusgiro: 90 06 12-3

In 2017, ChemSec also became a member of the industry association Giva Sverige, which promotes ethical and professional fundraising. ChemSec has committed to following Giva Sverige's ethical guidelines and regulations.

FUTURE DEVELOPMENTS

In 2025, PFAS restrictions and the revision of REACH will be among the most significant regulatory issues within the EU, and thus also for ChemSec. These legislative changes will be crucial in shaping chemical regulations within the EU for the coming decade. ChemSec will continue to provide information, recommendations, and solutions that align both with environmental priorities and the interests of forward-looking businesses.

A key focus will be to support businesses in their efforts to phase out hazardous chemicals and identify effective, safer alternatives. In the coming year, ChemSec will launch a completely new version of its free-to-access B2B platform, "ChemSec Marketplace". This platform assists companies in finding safe alternatives for their products. Naturally, alternatives to persistent substances such as PFAS are of great interest to the industry.

Furthermore, the SIN List – another free online tool for businesses – will be updated with persistent substances. Many companies rely on the SIN List as a guide for prioritising hazardous chemicals in their chemical management strategies, as substances included on the SIN List are known for their highly harmful properties.

ChemSec also coordinates and facilitates a network of over 70 investors managing a total of 18 trillion USD in assets under management or advice. These investors engage in dialogues with chemical producers, with the aim of making chemical companies more sustainable.

In 2025, ChemSec will continue supporting these investor dialogues. Additionally, ChemSec ranks the world's largest chemical manufacturers based on the types of chemicals they produce. This ranking serves as a critical resource for engagement dialogues and is highly significant for the companies being assessed. Many of these companies are actively working to improve their chemical management in response to this ranking.

MULTI-YEAR OVERVIEW

	2024	2023	2022	2021	2020
Total income	20 395	16 305	16 018	13 708	14 925
Operating result	-41	-1 372	-607	-1 467	3 572
Result after financial items	571	-1 254	634	-945	1 567
Equity	2 578	2 007	3 261	2 627	3 572
Balance sheet	19 224	19 006	9 921	14 060	8 905
Solidity %	13	11	33	19	40

CHANGES IN EQUITY

	Equity	Result for year	Total
Amount at start of year	3 261 068	-1 254 442	2 006 626
Allocation of results according to AGM	-1 254 442	1 254 442	0
Result for year	0	570 917	570 917
Amount at end of year	2 006 626	570 917	2 577 543

ALLOCATION OF RESULT

The following funds are at the disposal of the AGM:

Surplus brought forward	2 006 626
Result for year	570 917
Total	2 577 543

The Board proposes that funds be allocated as follows:

Balance in new account	2 577 543
Total	2 577 543

Remarks on allocation of results:

SEK 1,3 million is reserve capital for the controlled closure of the organisation, if necessary. Other funds are tied to projects that run over the course of the calendar year.

Income statement

	Note	01-01-2024 31-12-2024	01-01-2023 31-12-2023
OPERATING INCOME, CHANGES IN INVENTORY ETC.			
Appropriations and contributions	2	20 248 772	16 156 742
Other income	3	146 657	148 216
TOTAL OPERATING INCOME, CHANGES IN INVENTORY, ETC.		20 395 429	16 304 956
OPERATING EXPENSES			
Project and activity expenses		-4 907 579	-3 373 583
Other expenses		-1 928 642	-1 494 732
Personnel expenses	4	-13 600 069	-12 782 519
Other operating expenses		0	-26 384
TOTAL OPERATING EXPENSES		-20 436 290	-17 677 218
OPERATING RESULT		-40 861	-1 372 262
FINANCIAL ITEMS			
Result from other financial assets	5	477 452	5 406
Other interest and similar income		143 819	117 043
Interest expenses and similar		-9 492	-4 628
TOTAL FINANCIAL ITEMS		611 778	117 820
RESULT AFTER FINANCIAL ITEMS		570 917	-1 254 442
RESULT BEFORE TAX		570 917	-1 254 442
RESULT FOR THE YEAR		570 917	-1 254 442

Balance sheet

	Note	01-01-2024 31-12-2024	01-01-2023 31-12-2023
ASSETS			
Fixed assets			
<i>Financial assets</i>			
Other long-term receivables	6	85 800	85 800
Total financial assets		85 800	85 800
TOTAL FIXED ASSETS		85 800	85 800
Current assets			
<i>Current receivables</i>			
Other receivables		72 963	104 862
Accrued expenses and prepaid income		695 084	490 192
TOTAL CURRENT RECEIVABLES		768 046	595 054
Cash and bank			
Cash and bank		18 369 924	18 325 630
TOTAL CASH AND BANK		18 369 924	18 325 630
TOTAL CURRENT ASSETS		19 137 970	18 920 685
TOTAL ASSETS		19 223 770	19 006 485
EQUITY AND LIABILITIES			
Equity			
Unrestricted equity			
Balance brought forward		2 006 626	3 261 068
Result for year		570 917	-1 254 442
TOTAL UNRESTRICTED EQUITY		2 577 543	2 006 626
TOTAL EQUITY		2 577 543	2 006 626
Current liabilities			
Accounts payable – suppliers		534 117	1 032 557
Other current liabilities		963 683	892 645
Accrued expenses and prepaid income	7	15 148 427	15 074 656
TOTAL CURRENT LIABILITIES		16 646 227	16 999 859
TOTAL EQUITY AND LIABILITIES		19 223 770	19 006 485

Notes

NOTE 1 ACCOUNTING PRINCIPLES

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). 2017 was the first year in which the organisation prepared the financial statement in accordance with BFNAR 2012:1 (K3), which meant a change in accounting principles.

Receivables

Receivables are recorded at the amount expected to be received

Other assets, provisions and liabilities

Other assets and liabilities are recorded at cost unless otherwise stated. Receivables and liabilities in foreign currency have been calculated at the exchange rate on the closing date. Exchange gains and losses on receivables and liabilities are added to the operating result

Income

Contributions are reported as income when the conditions for receiving the contribution are met. Contributions received are reported as a liability until the conditions for receiving the contribution have been met. Other income is revenue that is not primary to the organisation.

NOTE 2 CONTRIBUTIONS RECEIVED

	2024-12-31
The Swedish Chemicals Agency	6 000 000
Grantham Foundation	5 090 650
EU Horizont 2020 – Zero PM project	2 599 750
Sigrid Rausing Trust	2 437 765
Broad Reach Fund	1 422 326
The Postcode Foundation	1 200 000
Adessium Foundation	1 154 830
Passport Foundation	796 493
EURENI	618 845
European Environment and Health Initiative	564 570
Marisla Foundation	524 095
Norska Etikrådet	150 000
Grantham Foundation, project from previous year not yet completed	6 324 900
EU Horizont 2020 – ZeroPM project, project from previous year not yet completed	85 009
Sigrid Rausing Trust, project from previous year not yet completed	2 351 688
Broad Reach Fund, project from previous year not yet completed	1 027 680
The Postcode Foundation, project from previous year not yet completed	99 977
Adessium Foundation, project from previous year not yet completed	169 905
Forsythia Foundation, project from previous year not yet completed	1 496 993
Grantham Foundation, project for next year not yet completed	-6 568 220
EU Horizont 2020 – ZeroPM project, project for next year not yet completed	-1 364 432
Sigrid Rausing Trust, project for next year not yet completed	-2 437 764
Broad Reach Fund, project for next year not yet completed	-1 203 954
Adessium Foundation, project for next year not yet completed	-351 480
Passport Foundation, project for next year not yet completed	-489 935
EURENI, project for next year not yet completed	-137 854
European Environment and Health Initiative, project for next year not yet completed	-564 570
Forsythia Foundation, project for next year not yet completed	-748 496
Total	20 248 772

NOTE 3 APPROPRIATIONS

	31-12-2024	21-12-2023
Collected funds	835	1 791
TOTAL	835	1 791

NOTE 4 AVERAGE NUMBER OF EMPLOYEES

The average number of employees is based on attendance hours paid by the company in relation to normal working hours.

	31-12-2024	21-12-2023
Women	5	6
Women (%)	42%	50%
Men	7	6
Men (%)	58%	50%
Average number of employees	12	12

NOTE 5 RESULT FROM OTHER FINANCIAL ASSETS

	31-12-2024	21-12-2023
Exchange rate changes, USD account, EUR account	477 452	5 406

NOTE 6 OTHER LONG-TERM RECEIVABLES

	31-12-2024	21-12-2023
Deposit Wallenstam (rent) 85 800	85 800	85 800

NOTE 7 ACCRUED EXPENSES AND PREPAID INCOME

	31-12-2024
Broad Reach Fund	1 203 954
Horizont 2020 – ZeroPM project	1 364 432
European Environment and Health Initiative	564 570
Adessium Foundation	351 480
Grantham Foundation	6 568 220
Sigrid Rausing Trust	2 437 765
Forsythia Foundation	748 496
Passport Foundation	489 935
Marisla Foundation	548 089
Falkenbergs energihandel	634
Auditor	85 000
Holiday pay owed	694 933
Accrued salaries	26 232
Nätverkstan	64 688
Total	15 148 427