

ChemSec
The International Chemical Secretariat

ChemSec's investors work

Sonja Haider, Business and Investors Advisor
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“During the development of the new EU chemicals regulation (REACH), ChemSec actively contributed and gave voice to businesses in favour of a strong regulation. The ChemSec involvement in the REACH process played an important role in shifting the balance towards a more progressive chemicals regulation within the EU.”



Margot Wallström, former vice president, European Commission



Sweden-based non-profit organisation

Founded by four NGOs representing the Swedish environmental movement

Since 2002 working internationally to eliminate the use of hazardous chemicals

Funding from governments and charity funds

Offering concrete tools and highlighting positive examples



Political processes

→ Effective chemicals regulations



Business dialogue

→ Products free
of hazardous chemicals

Financial investors

→ Avoid investments in
high concern chemicals

Political processes

→ Effective chemicals regulations

Vision:
A World Free of Hazardous Chemicals



Business dialogue

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Investors work



Intentions, Activities, Opportunitites

Investors dialogue: Intentions

Investors: powerful allies in phasing-out hazardous chemicals and foster innovation in safer product development

- Rating agencies and asset managers use chemical criteria when evaluating corporate environmental performance
- Investors engage directly with companies, raise questions, get information and support sustainable development

Need: Increase of transparency

What is in it for investors? 2 examples:

Neonicotinoids:
EU ban for 2 years

- Main producer in EU are Bayer and Syngenta
- Syngenta's turnover: \$ 14,2 bn, neonicotinoids representing 10 %

Fir0002/Flagstaffotos

Bisphenol A in cash receipts

- 2010 BPA used in thermal paper got public
- Major retailers globally buy alternatives

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Bisphenol A in cash receipts

- 2011 the pub
- Ma glo alte



It's all about money:

Loosing

- Litigation fines
- Recalls
- Reformulation costs
- Reputation loss
- Costs for waste management, storage, transport, treatment, disposal
- Upcoming restrictive legislation globally

Gaining

- Market opportunities for safer alternatives
- Workers health
- Reputation gain
- Saving costs
- Higher margins / higher market share
- Environmental and health aspects

EU	REACH, product directives (toys, cosmetics, RoHS,..)
Japan	Chemical Substances Control Law
Canada	Chemicals Management Plan
US	Toxic Substances Control Act TSCA; California: Safer Consumer Products Regulation – 1 st Oct – products containing priority chemicals have to undergo alternative assessment; Proposition 65 Washington: classification of chemicals with high risk to children
Australia	Industrial Chemicals Act NICNAS
South Korea	Toxic Chemicals Control Act (REACH-like)
Taiwan	Toxic Chemical Substance Control Act (REACH-like)
China	Measures for the Environmental Administration of New Chemical Substances; 58 priority chemicals; presentation of an elimination and restriction list announced till 2015
Russia	Federal Law About Technical Regulation on Safety of Chemical Regulation
Philippines	Philippine Inventory of Chemicals and Chemical Substances
Turkey	Chemicals Management Regulation (bridge to REACH)
Brazil	GHS-compliance



Successful fight for transparency

SIN producer list publications



SIN Producers List
– lists the 708 companies producing or importing SIN List chemicals in Europe



SIN Producer List for Investors
– lists the stock-exchange listed companies (MSCI, STOXX)

Investor Meetings in London and Paris

Aims of meetings:

- Raise awareness about chemicals and REACH
- Creating critical mass around engagement



*Organised by the
asset manager WHEB*



Invitation of FIR
Forum pour L'Investissement
Responsable
Asset managers, rating agencies

Results

- Network of investment professionals: 10 rating agencies, 150 asset managers
- Active group in UK and France:
 - Single company engagement
 - Exploring general engagement via UN PRI clearing house
- Influencing Global Reporting Initiative to list sector specific questions

2014: New version of SIN producer list

How to get much broader interest?

More information / More transparency

- How big is the financial risk?
- Who is producing hazardous chemicals?
- In which volumes?
- How much do those chemicals contribute to profits?
- Are alternatives available?



Investors Interest in your company

Think Starter:

- Show quantitative indicators, be transparent
- Show your chemical management strategy including timed phase-out plans
- Revenue of products using Green Chemistry or safer ingredients



Thank you for the attention!

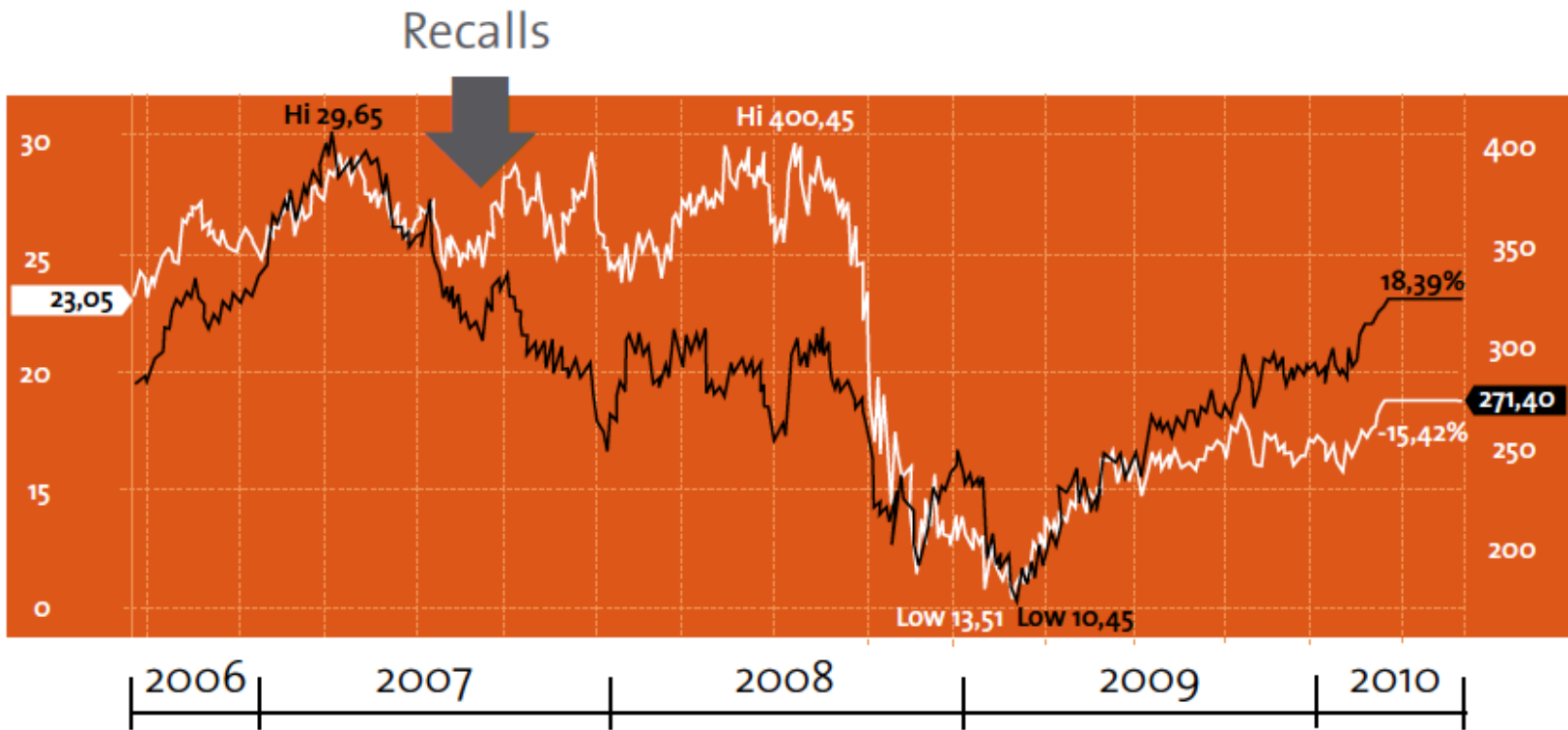
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Underperformance due to hazardous chemicals in products



— *Mattel Stock Price*

□ *Dow Jones Toy Industry index*