

Chemicals management after REACH



A business guide

Executive summary

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
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Executive summary

Adopted on 18 December 2006, the EU REACH Regulation is an ambitious and globally unprecedented programme to gain information and control over the risks of the many thousands of chemicals on the market today. It will do this by giving responsibility to industry to assess its products as a pre-condition of sale on the EU market.

It requires manufacturers and importers to talk to their customers and vice versa about the hazards of substances, and what risks are incurred during their use and disposal. For many firms, this exercise in speed-dating may prove an awkward and perhaps sensitive process.

The Regulation also aims systematically to identify and phase out where possible all substances of very high concern, not just in their own right but also in products, whether produced in the EU or imported from outside. This will require firms to consider closely how the risks of such substances are controlled and whether alternatives are available.

Under the Regulation, much more data will become publicly available about the hazards of substances, and consumers will have a right to know about the most dangerous substances present in products.

In the face of these momentous challenges, companies have a number of options to respond. The choices they make will determine whether they ultimately emerge as winners or losers from the REACH regime.

Opportunities or burdens?

The consensus emerging among those who began preparing to implement REACH some years ago is that you need the buy-in of top executives to make these choices. You can consider the Regulation as another compliance burden or you can take a more holistic view of your operations to spot the business opportunities. To maximise such opportunities will require optimal cooperation between several corporate departments.

This *Chemical Watch* guide offers practical and straightforward advice to consider what REACH means for your business, aiming to turn the process of compliance into issues of commercial necessity and common sense. It concentrates on the needs of the first few years in order to help companies embark on the right path.

It will be useful for business managers as well as specialist teams that are looking for inspiration as they get to grips with implementation. It will also appeal to those who need to catch up quickly to communicate with others in their companies or supply chains.

In Chapter One, we introduce companies to the REACH Regulation, describing its key provisions in a short and accessible REACH Fact File. But we also look at the economic, social and political drivers that have created the demand for better chemicals management and make the case that companies should consider the Regulation as a business opportunity rather than a threat.

Chapter Two looks at examples of how the risks of chemicals have challenged companies and sectors in the past, including the automotive, electronics and personal care industries, and how they have responded to these, drawing out the lessons learned.

Chapter Three considers where companies should start with identifying their chemical risks, citing excellent tools to help firms compile inventories and understand what substances they are dealing with.

Chapter Four offers the advice of experts on how companies should organise themselves to make sure that communication is optimised in order to maximise every opportunity offered by the marketplace changes that REACH will bring. This is illustrated through case studies from diverse companies: the global formulator and retailer **Boots**, the multinational speciality chemicals manufacturer **Ciba** and the giant upstream producer **Shell Chemicals**.

Chapter Five provides guidance on the mechanisms available for communicating outside your firm – with suppliers and customers. It offers tips on how to do this while describing what companies such as **BASF** and **S. Black** as well as trade associations, are saying and doing at this stage of REACH implementation. It also looks back on the experience of the prescient HERA project, in which detergent formulators worked with their suppliers to compile risk data for the substances they use.

Chapter Six delves into the nitty-gritty of collecting risk assessment data, with expert advice on risk-based strategies to make data collection a manageable and meaningful exercise. This is elaborated in detailed appendices by one of the EU's top test-houses, **SafePharm**, on intelligent testing strategies and the factors to consider in choosing registration consultants and testing laboratories.

Chapter Seven examines the difficult issue of “substances of very high concern” describing the requirements under the REACH Regulation and prompting businesses to ask vital questions in drawing up their strategies to manage these. It outlines global construction firm **Skanska**'s steps to phasing out chemicals of concern and points readers to other useful insights.

Chapter Eight concludes with a challenging look at the ideal features of a company that is sustainably managing its chemical risks. It examines how **Dow** and **DuPont** are securing their futures through transparent and proactive steps to address chemical risks.

A first-hand update from the team at **REACHReady** – the commercial service provider of the UK Chemical Industries Association – describes the moving goalposts under the REACH Regulation in Appendix One: the technical guidance, the IT systems that have been produced (and those awaited) and the implications of the European Commission's just published draft Regulation incorporating the UN's Globally Harmonised System (GHS) of Classification and Labelling.

Finally, in two separate appendices we consider the implications of the REACH regime for animal testing and the drivers behind a brand new European NGO that will focus on chemicals risks.

What does it look like when you get there?

The advice in this guide will give you an idea of the steps you need to take to put in place a sustainable chemicals management policy, whatever your line of business. But how do you know when you have achieved this?

What it won't be is a peaceful existence where issues never arise with the chemicals you use. Suppliers, regulators and customers will continue to make new demands and new scientific findings and permutations will constantly challenge your policies and processes. If you have a well-known brand, the chance remains that NGOs will target substances in your products.

Below is a list of attributes that would define your firm as one that is sustainably managing its chemicals, which can be used to benchmark your actions.

Your company...

- ★ Can cope efficiently and effectively with new consumer and regulatory demands when they arise because it will have anticipated them.
- ★ Knows more about the chemicals it uses and the risks they pose than anyone externally and will have demonstrably adequate risk management measures in place.
- ★ Has well-oiled communication mechanisms to ensure that suppliers and customers are cooperating with your company's policies.
- ★ Is able to give proactive and well-referenced arguments in support of the decisions you have taken. This does not mean you will always have all the answers. Scientific knowledge is evolving, laws can be vague, guidance is not always adequate. All these factors can lead to potential areas of dispute over chemical risks.
- ★ Is not afraid of being caught in non-compliance with the REACH Regulation or any other. Rather it will use its own compliance as a marketing opportunity.
- ★ Is not alarmed by compliance costs because every business unit will have budgeted in advance for its share of the costs.
- ★ Proactively seeks public debate on emerging issues rather than living in fear of being dragged into engagement.
- ★ Has assigned every relevant department an objective to minimise the risks posed by chemicals through out the life cycle of your products. They will be motivated to turn this aim into business opportunities.
- ★ Is one of the winners, not losers to emerge in the post-REACH world.

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“Required reading for business as well as regulatory people. Presents some interesting thoughts which, if successfully adopted, should lead to business opportunities”

Dave Buckland, Corporate Regulatory Affairs Manager, Akzo Nobel NV

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