



REACH - Views from a Downstream User perspective

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Purpose

- The purpose of this presentation is to introduce the response of the Automotive Industry
 - Cooperation with industry
 - Communication
 - Action points
 - Consequences for business



Task Force-REACH: Members

- ACEA: European Automobile Manufacturers Association
- JAMA: Japan Automobile Manufacturers Association
- KAMA: Korean Automobile Manufacturers Association
- CLEPA: European Association of Automotive Suppliers
- SMMT: The UK Society of Motor Manufacturers and Traders
- VDA: German Automotive Industry Association



JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC.



KOREA AUTOMOBILE
MANUFACTURERS ASSOCIATION



CLEPA
*European Association of
Automotive Suppliers*



Verband der
Automobilindustrie



Cooperation with Orgalime

- The main source for the AIG is the first version of the Orgalime Guide, A Practical Guide For Downstream Users, Article Producers And Article Importers (May 2007)
 - Available from the Orgalime (European Engineering Industries Association) website
 - <http://www.orgalime.org/publications/guides/reach.htm>
- In the AIG, content used from the Orgalime guide is highlighted in italic letters



TF-REACH & the AIG

- The TF-REACH cannot impose the AIG recommendations on members
- It hopes they will be widely adopted to avoid duplication of effort and confusion all along the supply chain
- Agreements in the AIG are based on **consensus** between all participants, not on majority votes.
- The AIG will be a living document which will be developed along the time-line of REACH implementation
- It has to be updated with regard to:
 - Outcomes of the REACH Implementation Projects (RIPs)
 - Practical experiences gained during REACH implementation
- The AIG is available free of charge at <http://www.acea.be/reach> , and other trade association websites



Guidance

- Other REACH guidance is available:
 - REACH implementation projects (RIPs)
 - RIP 3 relates to technical guidance for industry
 - Orgalime (The European Engineering Industries Association)
 - Orgalime Guide, A Practical Guide For Downstream Users, Article Producers And Article Importers (May 2007)

- Why do we need separate Automotive Industry Guidance?
 - To harmonise the sector's REACH implementation process
 - To establish a common schedule and external communication strategy
 - To provide industry-specific definitions, interpretations, and examples
 - To address the industry's common roles and obligations under REACH

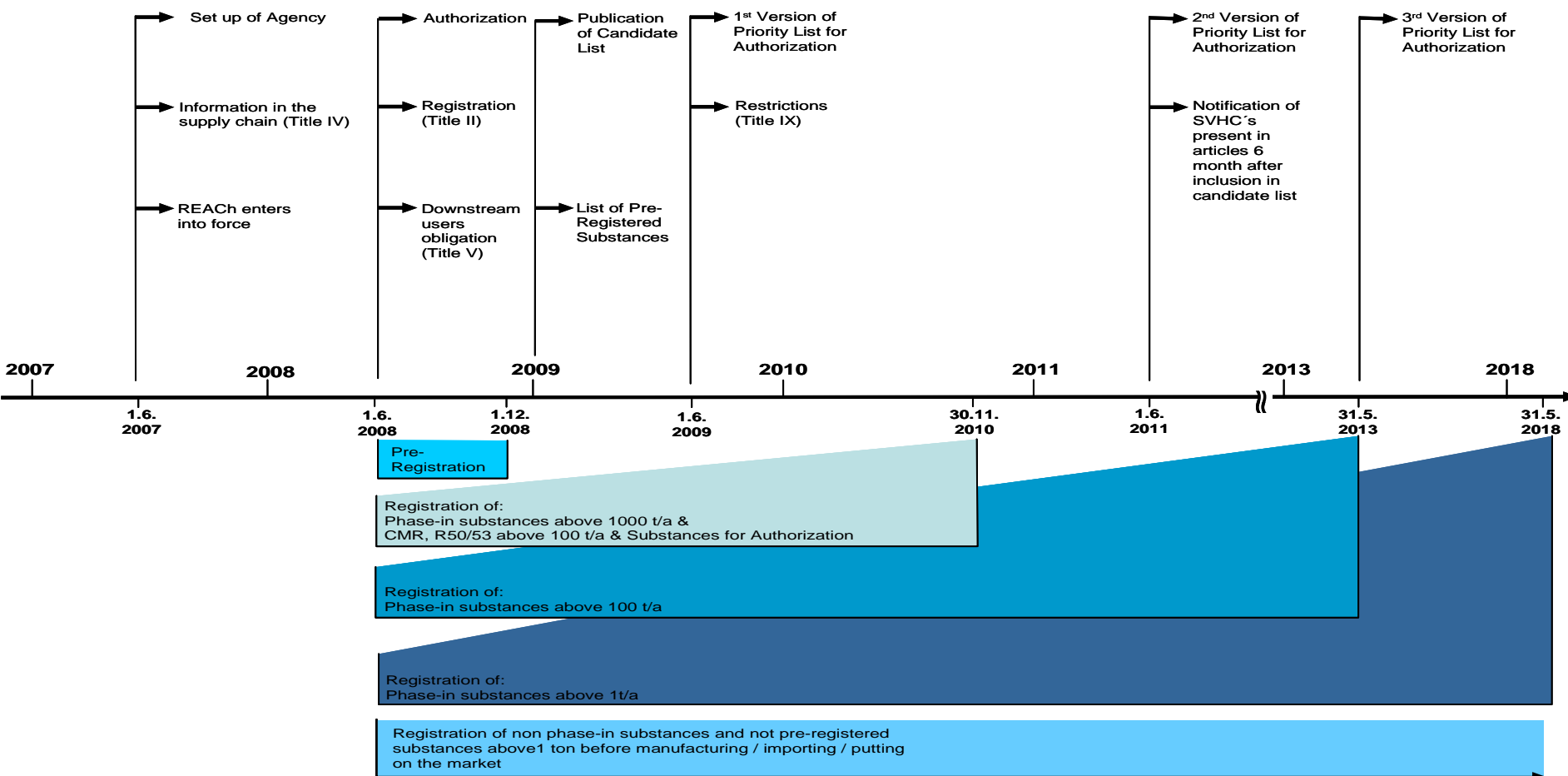


Chapter 1 - Introduction: REACH and the Automotive Industry

- Effect of REACH on OEMs and suppliers immediately, and continuing over the coming 11 years and beyond
- Importance to downstream users and importers of pre-registration
- Importance of the option for non-EU suppliers of appointing an only representative in the EU to take on the responsibilities of an importer
- REACH Myths & REACH Realities – “No data, no market”
- Aims of REACH
- Obligations on industry, Registration
- Specific obligations for producers/importers of articles
- Substances of very high concern (SVHC) and authorisation
- Restriction, classification and labelling of dangerous substances



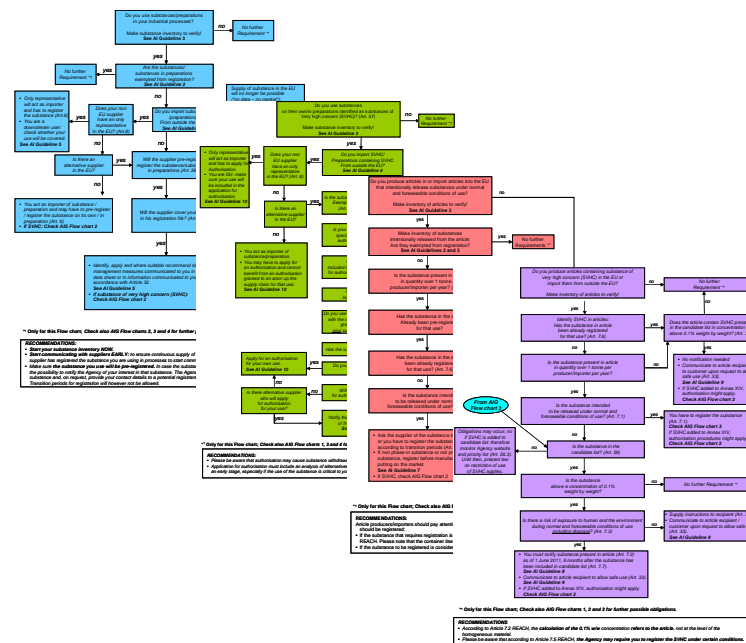
Chapter 3. Important dates and deadlines to remember





Chapter 4: How to comply with REACH - a step-by-step process

- **Flow chart 1:** Registration of substances/substances in preparations used in industrial (including engineering) processes
- **Flow chart 2:** REACH authorisation procedures
- **Flow chart 3:** Registration of substances intended to be released from articles
- **Flow chart 4:** Notification of substances in articles and obligation to communicate information





E.g. AI Guideline 3: Substance Inventory

- Which substances/preparations the company purchases and for what purpose they are used
- Which substances/preparations the company imports
- Which substances are intended to be released from an article that the company produces
- Which substances are intended to be released from an article that the company imports



E.g. AI Guideline 4: Imports of substances / preparations / articles

- The “only representative of a non-Community manufacturer”
- In the absence of an only representative appointed in the EU, downstream users/article importers (for every one of their legally incorporated or registered entities) importing the substance or preparation or article into the Community market are regarded as importers and are responsible for carrying out registration procedures



Chapter 6: Summary of main obligations and recommendations

1. Request/define contact data of REACH representative for each company (customer & supplier)
2. Identify all substances, preparations and articles falling under REACH
3. Identify all substances intended to be released from articles
4. Identify all substances / preparations from inside EU or imported from outside EU, and have not already been registered for our use
5. Identify all substances which will not be pre-registered by a supplier
6. Identify SVHCs in articles
7. Identify imported SHVCs
8. Identify SVHCs used in EU production
9. Identify the risk management measures in the SDS
10. Check the descriptions defined in the exposure scenarios



Annex B: Awareness Letter

- As recommended as Step 1 (Chapter 6), companies should request/define contact data of the REACH representative for each company (customer & supplier) as soon as possible to promote awareness of REACH in the supply chain
- A standard communication letter has been developed – it is recommended that this wording is used and that further information is not requested at this early stage
 - There is provision to permit use of company letterhead, contact information, etc.
 - This document will be available for download in MS Word format



Annex B: Awareness Letter (cont.)

- Cover letter with brief overview of REACH with reference to the Regulation
- Questionnaire includes:
 - Specific recommendations and expectations
 - Pre-Registration of substances
 - Registration of substances
 - Registration deadlines
 - Organisational measures
 - Single Point of Contact data
 - Customer
 - Supplier



Actions

Action	Comment
Internal & Supplier Awareness programme	<i>Two supplier conferences run with other OEM's through Business Sustain; Two more following.</i>
Supplier contact (Letters to suppliers)	<i>Letter based on AIG recommendations</i>
Understand REACH implications including <u>importer status</u>	<i>Confirm that the company is not a manufacturer or an importer of substances as well as a user</i>
Undertake impact assessment	<i>Project Team</i>
Develop company INVENTORY of all substances, preparations & articles with SVHC	<i>(Note: INVENTORY has to be at legal entity level and should be centralised at group level)</i>
Match the chemicals used to the processes	<i>Prioritise those which are essential for business continuity</i>
Identify any products defined as articles from which the component substances are intentionally or foreseeably released into the environment during normal use	<i>Articles where there is no release will be exempted</i>



REACH AUTOMOTIVE SEMINAR



Are you ready for REACH (Registration, Evaluation and Authorisation of Chemicals)?
It WILL affect you!

"Attending the REACH seminar made us realise the impact it will have on our company. It will affect you as well!"

Lawson Hunt
Works Manager, Tappex Group – SME Supplying components to Automotive and general engineering

How the automotive sector can comply - for your business, your customers and your suppliers

22 October 2007, Heritage Motor Centre, Gaydon (Jct 12, M40)

Honda, Ford, Aston Martin, Nissan, Jaguar, Land Rover, TRW, ZF Lemforder, the SMMT, Business Sustain and CAT Alliance are working in partnership to support the automotive sector in complying with the EC REACH Regulation in the most cost effective way.

REACH will have an impact on your business. The proactive companies will be the winners. Will you ensure your company is a winner?

With confirmed speakers from HSE, the SMMT, Allen & Overy, CAT Alliance and Honeywell, this one day conference is designed to give you an understanding of the issues affecting your business and provide help, support and solutions.

The content of the day is based on the Automotive Industry Guidelines (AIG) which provides a common understanding of REACH (definitions, scope, deadlines, key impacts, risk analysis), recommendations on data collection, supply chain communication schedule and strategy, and useful contacts. The AIG has been created by the European Task Force on REACH (TF-REACH¹) which is formed of representatives of all the major vehicle manufacturers and the auto supply chain sector at the European level (ACEA², JAMA³, KAMA⁴, and CLEPA⁵).

"Attending the REACH seminar helped me to understand the impact on our business and the support we need from our suppliers. I will be encouraging all our suppliers to attend and suggest they in turn encourage their suppliers to attend."

Phil Graham CMOOSH
Health and Safety Manager, TKA Talent Chassis Ltd

¹ TF-REACH: see www.acea.be/reach for the latest version of the Automotive Industry Guidelines (AIG)

² ACEA: European Automobile Manufacturers Association

³ JAMA: Japan Automobile Manufacturers Association

⁴ KAMA: Korean Automobile Manufacturers Association

⁵ CLEPA: European umbrella membership organisation for the global Automotive Supply Industry

Business Sustain

<https://www.business-sustain.com/>

22nd Oct, Gaydon,
Warwickshire



Consequences for Business

- Potential disruption of the supply chain
 - Economic withdrawal of substances or uses (*Estm. 5-10% lost*)
 - Prohibition/Restriction of substances

- Materials Substitution
 - A change in formulation requires retesting the product, not just on formulator level but also at downstream level

- Administrative and IT costs
 - Notification of use of authorised substances and potentially new uses of materials
 - Provide information to customers and suppliers



Sourcing

Strong incentive to produce articles outside of the EU:

- EU-produced articles can only contain registered substances, whilst foreign articles imported can contain non-registered substances (dangerous or non-dangerous) unless there is a release. Foreign article manufacturers have full flexibility to use substances in their production process that EU producers do not have.

Incentive for EU producers of articles to source substances and preparations in the EU

- To avoid registration.
- EU producers of articles will be exempted from registering the substances intended or known to be released that have been registered, this exemption will not be available to foreign producers of articles, unless the released substance has been registered by their own supplier for that use.



In Practice

■ Material: Preparation

- Volumes
- Exemptions
- Use
 - Intended release?
- SVHC components
 - data available?
- Critical to Business continuity
 - Alternatives?
- Source
 - EU representative?
 - Importer status?
 - Distribution
 - Elements of preparation may be produced outside EU



Summary

- We all need to respond to REACH

No data, No market



- REACH poses business risk to **ANY** company doing business in the EU
- The Automotive Industry Guideline sets out a common approach for the automotive and related industry to implement REACH
- If supplier has no legal entity in the EU to register, YOU will be identified as 'importer' under REACH
- Business Continuity can be adversely impacted by REACH and supply chains can be disrupted