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Managing the impact of REACH on the manufacturing supply chain

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- **Introduction to Lucite International**
- **Responsibilities under REACH**
- **Information Availability within the Supply Chain**
- **Determining Position in the Supply Chain**
- **Issues within the Supply Chain:**
 - **Manufacturers**
 - **Importers**
 - **Agents / Distributors**
 - **Processor / Formulator**
 - **Article Manufacturer**
 - **Retailer**
- **Summary of Issues Within The Supply Chain**
- **Key Learning**

- **Chemical Manufacturing Company**
 - **Successor to acrylics businesses of ICI and Dupont with additional strategic acquisitions worldwide**
- **Product range includes chemicals, preparations, polymers and articles**
- **17 manufacturing sites around the globe so distribute chemicals that we both manufacture and import into the EU**
- **Customers in more than 100 different countries covering industrial, professional, medical, dental and consumer markets**



REACH moves the responsibility to industry to demonstrate safe use of the substances manufactured and placed on the market

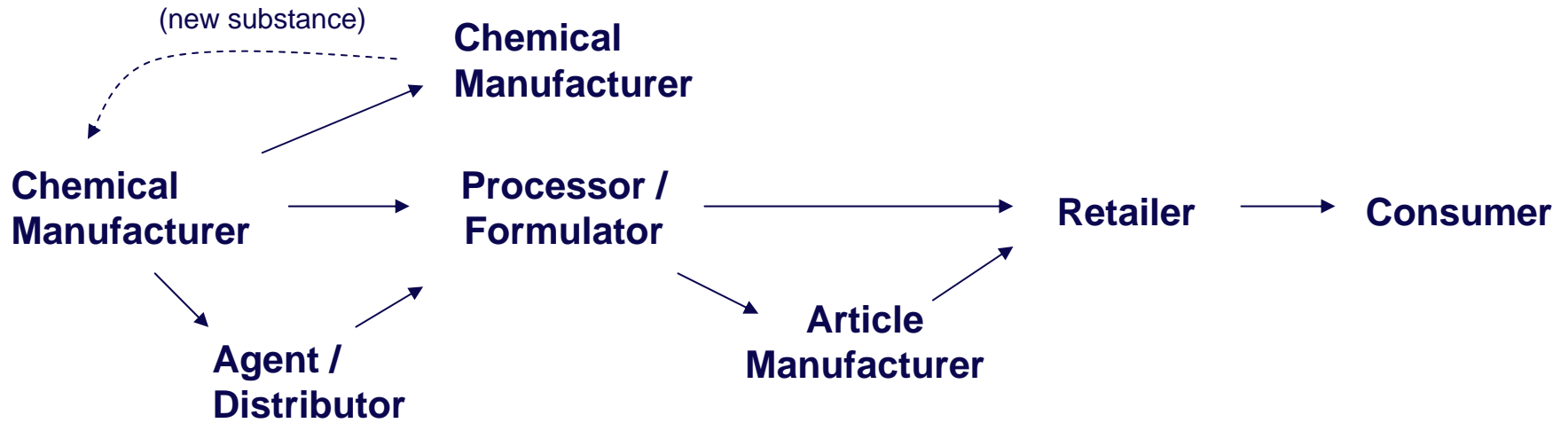
Pre-REACH

- Responsibility is with the authorities to assess safe use of chemicals
- Generic information on the substance is provided by the producers
- Appropriate controls are identified and implemented by the users
- Little information on use is required to be supplied by downstream users

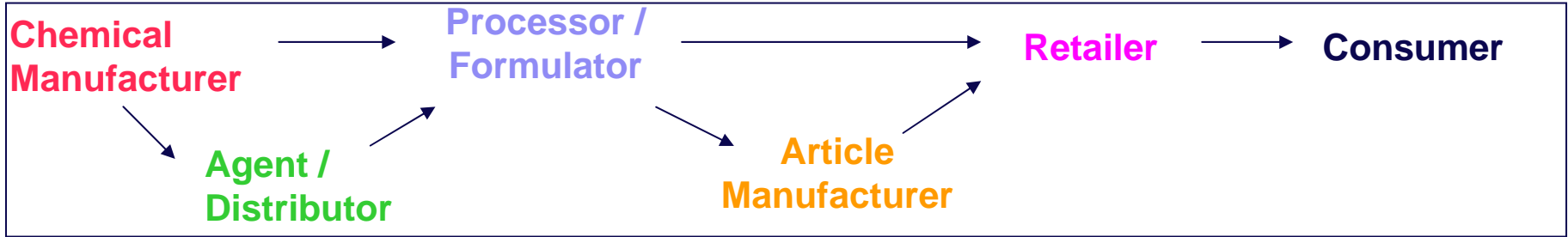
Post REACH

- Responsibility is with industry to generate and evaluate substance data
- Industry is required to **assess exposure** associated with each identified use against the substance data
- Appropriate risk management measures need to be **agreed** between suppliers and downstream users
- Downstream users are required to identify use of each substance and ensure it is **communicated** up the supply chain

Information Availability Within The Supply Chain



Determining the position in the supply chain



Manufacturer

- Any legal entity manufacturing a substance within the European Community

Importer

- Any legal entity established within the European Community responsible for import

Agent / Distributor

- Takes a substance from a manufacturer or importer and supplies it to another actor in the supply chain (manufacturer / importer or downstream user)

Downstream User

- Any legal entity that uses the substance, either on it's own or in a preparation, in the course of industrial or professional activities

Processor / Formulator

- Uses the substance and adds to it to produce a mixture / preparation / polymer which it then placed back on the market
- Maybe a downstream manufacturer using the substance to manufacture another substance

Article Manufacturer

- Any legal entity manufacturing an object where shape / surface or design determines function rather than chemical composition

Retailer

- Sells goods directly to a consumer



The issues to be addressed may be different depending upon your position in the supply chain

- **Manufacturers**
- **Importers**
- **Agents / Distributors**
- **Processor / Formulator**
- **Article Manufacturer**
- **Retailer**

Issues within the Supply Chain: Manufacturers

- **Pre-registration**
 - In order to take advantage of phase-in status each manufacturer or importer must pre-register between 1st June 2008 and 1st December 2008
- **Data Evaluation**
 - Assessment of availability and adequacy of hazard data
 - Determination of value and ownership of data
 - If testing programme is appropriate must be initiated before 1st June 2008
 - Working within consortia
- **Data Sharing**
 - Working within SIEFs
 - 'REACH ebay' – must have access rights to hazard data required for volume band
- **Development of Exposure Scenarios**
 - RIP guidance incomplete and patchy
 - Identification of use - communication through complex supply chains
 - Level of detail – specific versus generic
- **Registration**
 - Compilation of CSAs / CSRs
 - IT tools and processes
- **Risk Assessment and Communication**
 - Agree Risk Management Measures with Downstream Users
 - Communicate assessments in summary in extended MSDS

Issues within the Supply Chain: Importers

- **Identify all substances within preparations**
 - Each component substance imported in quantity >1tpa must be registered

- **Understand specific requirements for imported materials**
 - Imported polymers require the monomers to be registered by an actor in the supply chain

- **Non-EU Manufacturers Nominate 'Only Representative' within EU**
 - Understand who will carry the costs (importer / supplier)

- **Pre-register all substances**
 - All substances must be pre-registered to take advantage of phase-in status

- **Register with SIEF**
 - Access to the data required for your volume band

- **Communicate with downstream users**
 - Registration and communication issues are as per manufacturers

- **No obligation to register (unless importer)**
- **Communication within the supply chain**
 - Suppliers will require information on use and exposure scenarios
 - Customers will require confirmation suppliers will pre-register, register and support use
 - Duty to pass information on hazards and safe use down the supply chain
- **Timeframes will be dictated by suppliers registration timeframes**
 - May be higher volume and sooner than downstream users anticipate
- **RMMs assessed by suppliers need agreeing with downstream users**
- **Potential for becoming bottleneck in communication process**

- **No accountability for registration under REACH (unless importing)**

- **Potential for loss of raw material**
 - Supplier competence
 - Costs to supplier
 - Substance properties
 - Use not supported

- **Communication through supply chain**
 - Own and downstream uses to be supported by supplier
 - Suppliers may be working to different timescales
 - Consolidation of multiple suppliers eSDS (RMMs and exposure scenarios)
 - Customers likely to be less aware of REACH and timeframes

- **Costs of raw materials may rise**

Issues within the Supply Chain: Article Manufacturer

- **Article is exempt from registration but substances used in manufacture are not**
- **Potential for release needs to be considered**
 - If a substance can be released under reasonably foreseeable conditions of use then it needs to be treated as a preparation and the use of the article covered as an exposure scenario for that substance
- **Availability of raw materials**
- **Costs of raw materials**
- **Variability in supplier timescales**
- **Standardisation of exposure scenario communication to multiple suppliers of a number of substances**
- **Potential loss of function as forced to substitute**
- **Knock-on effects of substitution vs performance specifications**

Issues within the Supply Chain: Retailer



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- **Driven by price**
- **Driven by media and consumer perception**
 - Regardless of industry assessments frenzy over black-lists
- **Availability of substances / products**
- **Consumer purchasing power drives issues in opposing direction through supply chain**

Summary of Potential Issues Within The Supply Chain



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➤ **Complex Communication Networks**

➤ **Potential Rationalisation of Substances**

- Loss of a supplier
- Loss of a raw material
- Loss of a functional element of a material / consumable
- Loss of a product

➤ **Loss of a customer**

Gain business commitment early in the process

- Awareness of risks and ownership of mitigation plans
- Plan as early as possible for tight timescales, resources and budgets

Appreciate the complexity of the regulation

- Understand the requirements for each product type
- Awareness of requirements for manufactured versus imported materials

Understand what you need to register

- What is the structure of the legal entities?
- What is bought / imported, where and is it placed back on the market?
- What is manufactured and sold and to whom?

Collect information within your supply chain

- Understand your position in the chain for each substance
- Gain commitment from your suppliers
- Work to support customers and identify uses
- Complexity of communications

Thank You For Listening

For further information on REACH at Lucite International please contact us at:

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Or alternatively visit our blog at:

www.reach-and-you.info/

Find out more about Lucite International at:

www.luciteinternational.com