

Managing the impact of REACH on the manufacturing supply chain

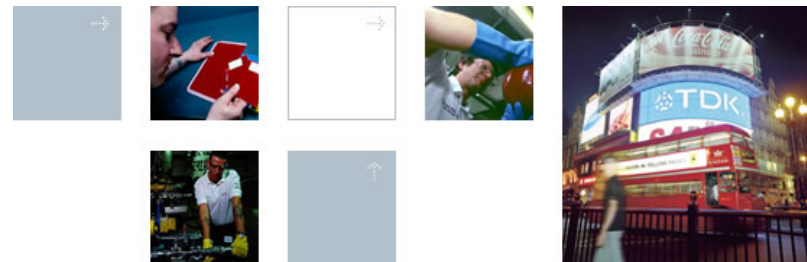
Fiona Smith
Regulatory and Registration Manager

- **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**

Introduction to Lucite International



- **World leader in methacrylate materials**
 - **Successor to acrylics businesses of ICI and Dupont with additional strategic acquisitions worldwide**
- **Produces a range of high quality products comprising monomers (substances), acrylic sheet (articles), polymers and resins (preparations)**
 - **owner of market leading Lucite® and Perspex® brands**
- **15 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**



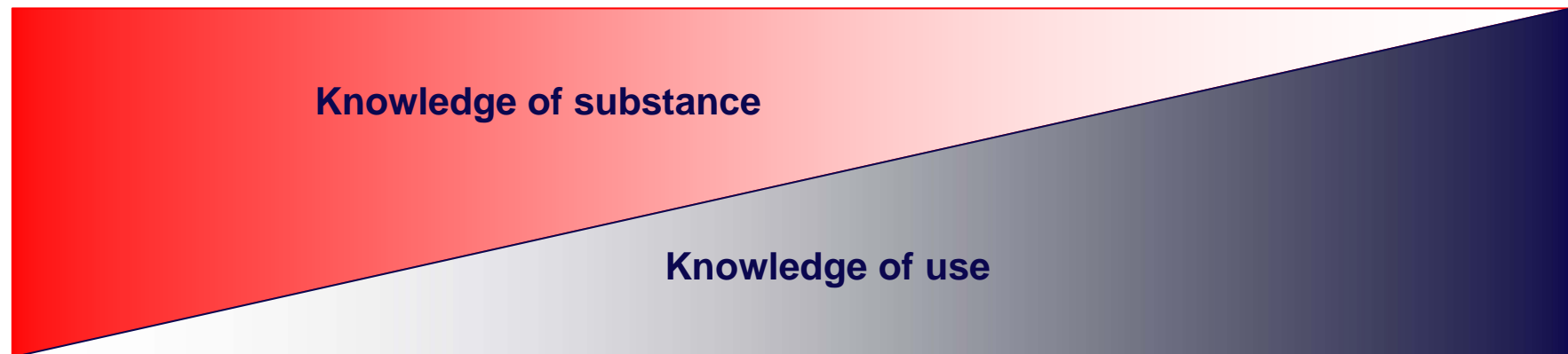
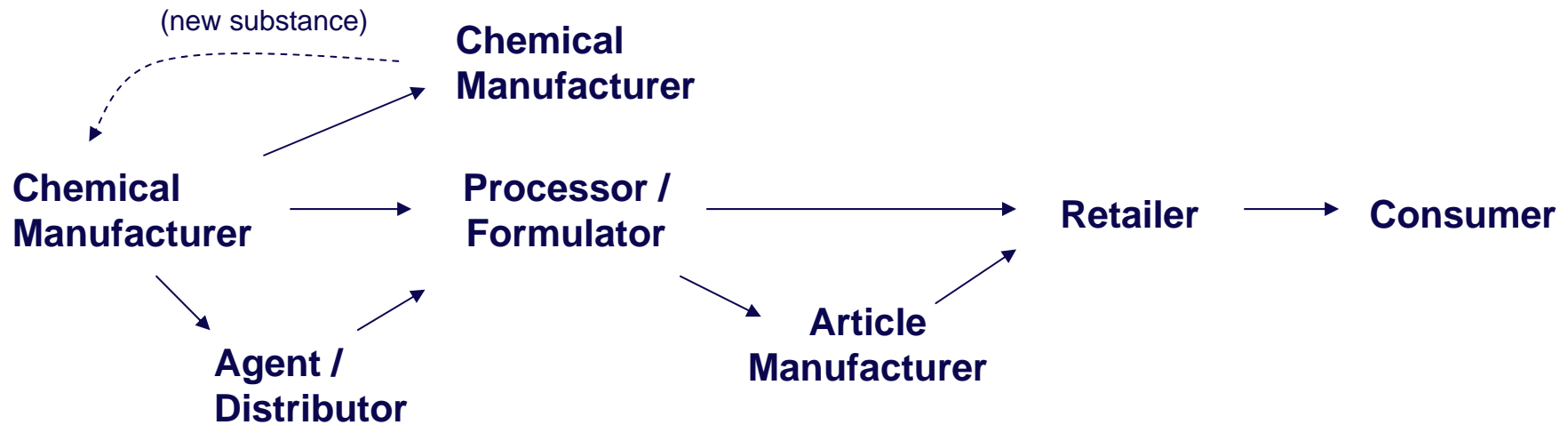
Changes to Responsibilities under REACH



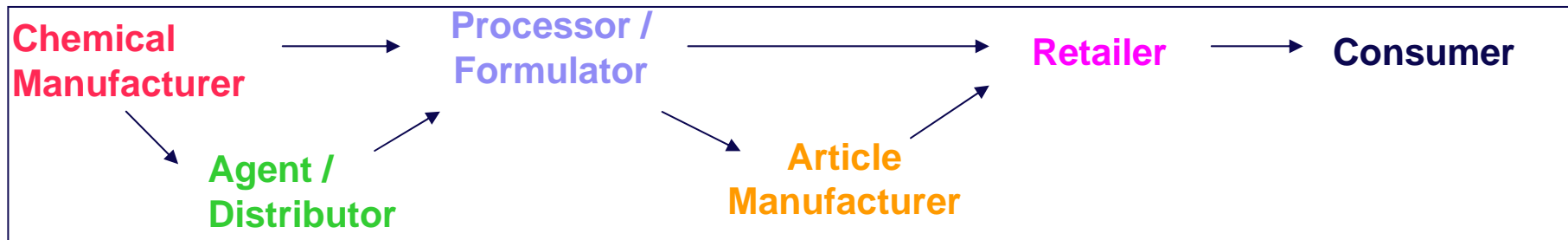
REACH moves the responsibility to industry to demonstrate safe use of the substances manufactured and placed on the market

Pre-REACH	Post REACH
<ul style="list-style-type: none">•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	<ul style="list-style-type: none">•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

Note: some of these definitions are not within REACH and are LI examples for explanation

Issues within the supply chain



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 >1 tpa 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

Issues within the Supply Chain: Agents / Distributors



- **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**

Issues within the Supply Chain: Processor / Formulator



- **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



- **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



➤ **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:

reach.info@lucite.com

Or alternatively visit our blog at:

www.reach-and-you.info/

Find out more about Lucite International at:

www.luciteinternational.com