

EU REACH REGULATION IN 2019

*A Source Intelligence
Regulation Guide*



Supply Chain Compliance Made Easy



Our mission

Our goal is to provide an environment through platform technology where suppliers, partners, vendors, small businesses, and global brands have the ability to proactively address their compliance and transparency needs. Through over 50 supply chain programs on our platform, we aim to carry out our mission, one customer at a time.



Compliance Overview

The REACH Regulation in 2019

REACH is an acronym that stands for “Registration, Evaluation, Authorization, and Restriction of Chemicals.” REACH came into effect on June 1, 2007 with regulation oversight (EC) No. 1907/2006 by the European Parliament under the European Union.

REACH applies to substances manufactured or imported into the European Union in quantities exceeding 1 tonne per year. Many companies who are unsure if they break this threshold will go ahead and register their substances to minimize risk.

A key factor of REACH compliance is that the regulation covers substances on their own, substances in preparation, or substances in article form.

Key Definitions:

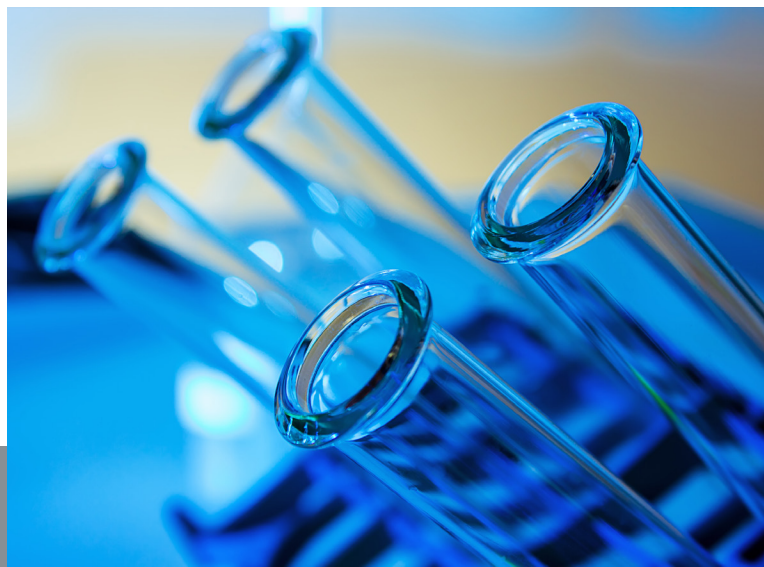
Preparation - A mixture that contains two or more substances. e.g. Ink, detergents etc.

Article - An object that acquires a unique shape, design or surface which determines an improves on its function to a higher degree than its chemical composition. e.g. clothes, toys, accessories, etc.

Why does the REACH regulation exist?

The REACH regulation was created in an effort to develop the following sustainability measurements within the European Union:

- Protect the health of humans and the environment from dangers posed by exposure to chemicals.
- Enhance and safeguard the competitiveness of the EU chemicals industry.
- Promote alternative methods for hazard assessment of chemicals with the goal of reducing the number of lab tests done on animals.



The EU REACH regulation is not restricted to industrial chemical substances, but rather includes all chemicals that we as humans come into contact with in our day-to-day lives; cleaning products, paints, our clothes, food, and electrical appliances. The wide reach of the regulation impacts many companies across the EU.

Snapshot of The REACH Compliance Process



Product Data Collection & Analysis

Through engagement with your in-scope suppliers, you start collecting information pertaining to the material makeup of your product. Data collection is a science in itself - As the regulation evolves, companies take one of two different approaches: Full Materials Disclosure (FMD) or document based collection.



Registration of Substances

Once you've collected your product substance information, you can then register your substances of very high concern (SVHC's) with the European Chemicals Agency (ECHA). ECHA encourages you to collaborate with other companies in your industry who are registering the same substances.



ECHA Evaluation of Registration Forms

The ECHA evaluates individual registrations in terms of their compliance while different EU member states evaluate select substances in regards to local concerns on human health and the environment. ECHA's scientific committees then assess the risks, if any, for the substances registered.



Ruling on Provided Samples

If the relevant committees find hazardous substances in the samples provided, they can either decide to restrict the use, or ban the substance as a whole. In an effort to not put a chokehold on a product category, the ECHA will usually advise on substitution with another product.



Issuance of A Certificate Of Compliance

If the ECHA and supporting committees come to a compliance determination, they will issue you a certificate of REACH compliance, also referred to as a "Certificate of Conformity" or "Declaration of Conformity" after your registration process.



Once your product information is in the hands of ECHA, it is up to them to make a final determination. Here are a few tips you can use to ensure that you're doing your part to successfully register your products and become compliant with REACH.

Tips on REACH Product Compliance

01

Start the compliance conversation early with your suppliers

Start the conversation about REACH compliance with your suppliers at the beginning of your contract. Many companies include REACH compliance requirements in their manufacturers agreements. Setting the tone about compliance related information with your suppliers leads to a successful relationship and will show the supplier that completing compliance related information requests is a top priority.

02

Do the registration with the information you have

If you determine that the product data is sufficient enough to make your claim, you can opt to register your products by yourself. The total fees aren't as expensive as people may think - the costs are charged based on the tonnage and company size. Therefore, MSMEs/SMEs are charged lower fees to enable them to participate in their REACH Registration process.

04

Be willing to accept different types of documentation

In a perfect world, your supplier will send you an FMD accompanied by a certificate of REACH compliance. As you probably know, perfect world situations are a rare occurrence in the world of supply chain compliance. There are several types of documents that contain REACH substance information, and you should be ready to receive them as an acceptable form of a supplier response - here are some examples of documents that contain REACH substance information:

- Safety Data Sheet
- Manufacturers Agreement
- Laboratory Test Report
- Certificate of Compliance
- Statement of Compliance

As mentioned earlier, companies are finding new, creative ways to comply with REACH. One of these is through Product Regulatory Assessments. These assessments are designed to expedite product regulatory compliance. Through the combination of company level and product level document collection, you can quickly identify suppliers who provide you products that are in scope of a particular regulation. You're then able to dive deep into those products to identify the unique substances of very high concern, and address regulatory requirements. Learn more about this concept, [here](#).



Roles of different members in the supply chain

REACH impacts companies at all levels of the supply chain; those that don't consider themselves as being involved in the chemical manufacturing are most at risk. The following are a few of the different entities that are most affected by REACH regulations:

✓ Manufacturer

If the parts and materials you manufacture end up in finished products that are sold in the EU, you have a responsibility to comply with the REACH regulation if you produce raw materials, make sub-components or components, or manufacture finished products. You should have product information ready to pass onto your customers.

✓ Importer

If you purchase items from outside the EU/EEA, yet sell them in the EU, you have the responsibility to comply with REACH. Areas that are historically foggy include:

- Individual chemicals mixtures.
- Finished products such as clothes, plastic goods, household items, and electronics.

✓ Downstream Companies

Companies further down the supply chain who mostly sell finished products have to take a unique approach to REACH compliance. Their large product lines can fall victim to missing a particular product's REACH obligation and suppliers may not pass along critical information. If you're in this area of the supply chain, pay close attention to your product data management, consistent supplier communication, and data organization to minimize your risk of a miss.



Compliance Made Easy

Compliance Resources

● Compliance Coach Blog

Compliance Tips, Regulation Guides, and Industry News Designed for CSR and Compliance Professionals.

www.sourceintelligence.com/blog/

● White Paper Library

Learn about regulation requirements, CSR trends, supply chain compliance best practices and more.

www.sourceintelligence.com/white-paper/

● Video Resources Library

Our video resources page is a place for you to come and learn more about the various regulations and standards you might be facing. These short videos will give you insight into regulation and standards overview, common pain points, and best practices to approach supply chain transparency.

www.sourceintelligence.com/video-resources/

● The Source Intelligence Compliance Platform

Compliance happens with Source Intelligence – a single platform for supplier engagement, document and data collection, supplier intelligence, and real time compliance reporting for over 100 regulatory requirements and sustainability standards.

www.sourceintelligence.com/platform/

About Source Intelligence ©

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