Controlling Risk in your Supply Chain

- Instruments of Change

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Outline

– Key Risks Associated With Registration
  • Cost of Registration
  • Supply Chain Complexity
  • Downstream Uses
  • Extended Safety Data sheet

– Assessing & Mitigating Risk
  • Monitoring REACH Phase In deadlines
  • Identifying Business Critical Substances and mapping Uses
  • Supporting Industry Risk Mitigation Activity
  • Planning ahead
Key Risks Associated With Registration

- Registration fees up to £31K EUR + Preparing Registration, SIEF Participation, Testing, Revised MSDS

- May cause manufacturers / importers of substances to rationalise their product portfolio

<table>
<thead>
<tr>
<th>Registration Cost</th>
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<tbody>
<tr>
<td>Products are worth registration costs</td>
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<tr>
<td>Products are NOT worth registration costs</td>
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Product Lines

Margins on Sales of Product

Cost of registration of substances in preparation

Slide from ADS REACH HazMat
Key Risks Associated With Registration

- Long, complex supply chain
- Substances used in many products
- Low awareness mid supply chain
- Low capability to disclose substance information to mitigate risk
- Article 5: No Data No Market
Key Risks Associated With Registration

Registration Issues for Downstream Users:
1. Registration must cover your Use
   E.g. Sodium / potassium dichromate not registered for use in metal surface treatments (initially)
2. Type of Registration important:
   Isolated Onsite Intermediate
   e.g. Terphenyl – used in adhesives / sealants
   Transported Isolated Intermediate
   e.g. Ammonium Dichromate – (surface treatment)
Key Risks Associated With Registration

Changes in Extended Safety Data Sheet

- Risk Management Measures likely to change, specifically
  - Section 8: Exposure Controls & Personal Protection
    E.g. Human Health PPE / LEV requirements more stringent

  - Section 13: Disposal Considerations
    E.g. No longer able to discharge to sewer
Assessing & Mitigating Risk

- Set up of Agency
- Information in the supply chain (Title IV)
- REACH enters into force
- Authorization
- Registration (Title II)
- Downstream users obligation (Title V)
- Publication of candidate list between 08/08 & 08/09
- List of Pre-Registered Substances
- 1st Version of Priority List for Authorization
- Restrictions (Title IX)
- Notification of SVHC's present in articles 6 month after inclusion in candidate list
- 2nd Version of Priority List for Authorization
- 3rd Version of Priority List for Authorization

Registration of non phase-in substances and not pre-registered substances above 1 t before manufacturing / importing / putting on the market

2007 2008 2009 2010 2011 2013 2018

Pre-Registration

Registration of:
- Phase-in substances above 100 t/a
- Phase-in substances above 1000 t/a & CMR, R50/53
- Above 100 t/a & Substances for Authorization

1st Version of Priority List for Authorization

Restrictions (Title IX)

2nd Version of Priority List for Authorization

Notification of SVHC's present in articles 6 month after inclusion in candidate list

3rd Version of Priority List for Authorization

Publication of candidate list between 08/08 & 08/09

Registration of:
- Phase-in substances above 100 t/a
- Phase-in substances above 1 t/a

Registration of non phase-in substances and not pre-registered substances above 1 t before manufacturing / importing / putting on the market

Slide from ACEA AIG
Assessing & Mitigating Risk

Prioritise Risk Assessment

• Identify Business Critical Substances and preparations:
  – Those that do not have alternatives
  – Critical for production & servicing

• Identify Substances / Preparations in High Risk Categories:
  – Phase in Substances approaching Deadline for Registration, but do not appear to be being registered / incomplete
  – Substances in Cost risk category – low volume, low margin substances / preparations
Assessing & Mitigating Risk

Risk Assessment Activities:
Assess SIEF activity / information from EChA on Substances in Scope of Phase In deadline:
- CMR Substances
- High production volume substances
Check EChA website for Registered Phase in Substances
http://apps.echa.europa.eu/registered/registered-sub.aspx#search
Consider stockpiling
Engage with supply chain
Assessing & Mitigating Risk

No Registration / Incomplete for your purposes?
- Article 5 No data no market – substance cannot be supplied legally
- Contact supplier – they may just be late – import up to 1 tonne from outside EU per annum to bridge gap in supply
- Find an alternative supplier who has stocks
- Find an alternative substance / preparation
Assessing & Mitigating Risk

Mapping eSDS Uses

- Obtain EChA End Use descriptor guidance
- Identify your Use + Gather Human Health / Environmental Controls
- Compare again eSDS
Assessing & Mitigating Risk

Mapping eSDS Uses (Continued)

- Contact supplier if Use is not covered
- Provide all necessary data to have your use added to registration

If that fails:

- Change Use / conditions of use to conform
- Find an alternative supplier who will cover your use
- Prepare a DU Chemical Safety Report
- Find an alternative substance, preparation, process
Assessing & Mitigating Risk

Supporting Industry Risk Mitigation Activity
AIA / ASD / ADS / ACEA REACH Groups
E.g. ASD proactive approach to EChA on ‘At Risk’ substances prior to Dec 2010
Coordinated effort on Henkel to Register Sodium & Potassium Dichromate for use in coatings
Assessing & Mitigating Risk

Risk of Supply Chain Disruption due to registration

Increased Supply Chain Disruption due to SVHC Obsolescence

Pre-registration

>1000tpa / CMR

>100tpa

>1tpa

Slide from ADS REACH HazMat
Possible RSDB Enhancements

Cathy Phillips Risk Indicator:
- Add ETUC List
- Flag H.P.V Substances
- Flag ‘Wide Dispersive Use’ IUCLID 5 / ESIS
- Registration Status Indicator
Questions?