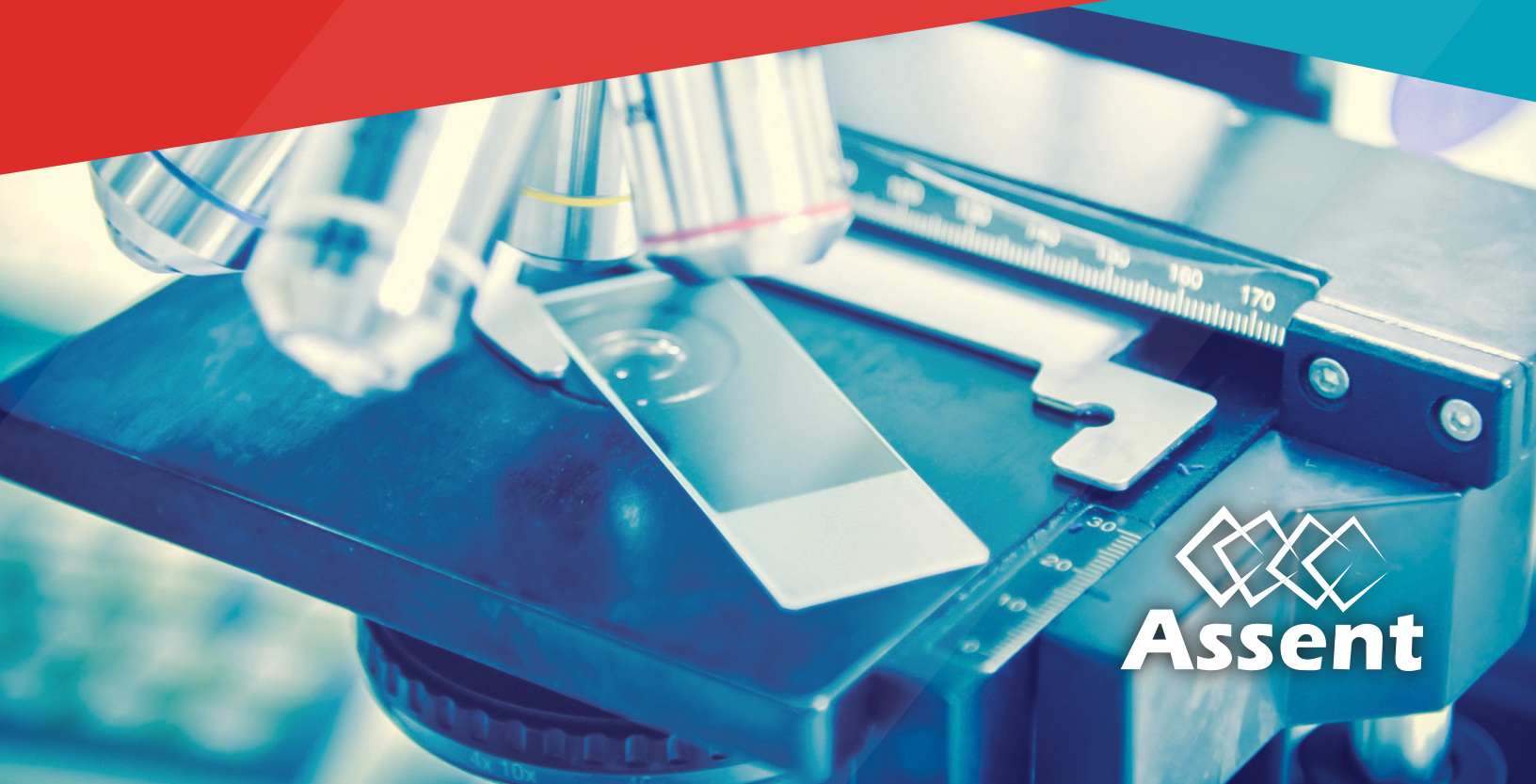
GUIDE

REACH IN 2020 & BEYOND



REACH IN 2020 & BEYOND

The European Union (EU) Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation has grown exponentially in scope since it entered into force in 2007, and shows no indication of slowing. With recent updates, including the 2015 "Once an Article, Always an Article" ruling by the Court of Justice of the European Union, the impact has been felt at every level, as complex articles must be broken down into their most basic parts and reported against.

Though resources such as the Guidance on Requirements for Substances in Articles[1] are available to help companies gain a clearer picture of what they must do to remain compliant, the evolving nature of the regulation creates significant challenges. Because the ultimate goal of the REACH Regulation is to remove harmful substances from the EU market entirely, each subsequent update to the regulation has built upon that goal.

In 2020 and beyond, in-scope companies will face additional requirements under the regulation. Non-governmental organizations (NGOs) and some of the more progressive member states are also challenging Annex XIV Authorizations, making REACH compliance less predictable and increasingly difficult.

[1] ECHA. (June 2017). Guidance on requirements for substances in articles. Retrieved from https://echa.europa.eu/documents/10162/23036412/articles_en.pdf/cc2e3f93-8391-4944-88e4-efed5fb5112c

HIGHER STANDARDS FOR REPORTING

In 2020, the biggest shift in the REACH Regulation will focus on data quality. The EU Waste Framework Directive (WFD) — a piece of legislation that addresses the impact of inappropriate waste management with the support of REACH's Candidate, Authorisation and Restricted Substances lists — was revised in July 2018.[2]

With this revision, Article 9.2 entered into force, tasking the European Chemicals Agency (ECHA) with the development of a database to streamline product tracking across its entire life cycle. This database is known as the Substances of Concern In articles, as such or in complex objects (Products) (SCIP) database.[3] Beginning on January 5, 2021, suppliers will be required to submit substance information, including details on Substances of Very High Concern (SVHCs), and safe use instructions for every article entering the EU market. Each article will be assigned a Unique Article ID once it has been submitted to the database.

It is important to note that the "Once an Article, Always an Article" ruling still applies, meaning each increasingly complex article comprised of existing articles will also require its own entry into the SCIP database.

[2] EUR-Lex. (14 June 2018). 32018L0851. Retrieved from https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.150.01.0109.01.ENG&toc=OJ:L:2018:150:FULL

[3] European Chemicals Agency. (2019, September 9). SCIP database will improve transparency on hazardous substances in articles. Retrieved from https://echa.europa.eu/-/scip-database-will-improve-transparency-on-hazardous-substances-in-articles

DID YOU KNOW?

If a vehicle has 100,000 moving parts, and five percent of those parts contain SVHCs, the manufacturer would have to submit data on at least 5,000 separate articles, not including the complex articles they make up.

SUBSTANCE CATEGORIZATION

The ECHA is also introducing more comprehensive categorization of substances in scope of the REACH Regulation. Though the Candidate List of SVHCs contains the primary list of substances companies must be aware of, it does not contain a comprehensive list of every Chemical Abstracts Service (CAS) number and compound in scope for many of the substance categories. Because of this, companies that refer only to the official Candidate List of SVHCs are not working off of a comprehensive list of substances. As such, they are at risk of non-compliance if they are not diligent in researching which substances are in scope.

To ensure compliance, a company must report against the REACH Candidate List of SVHCs, the Annex XIV Authorisations List, the Annex XVII Restricted Substances List, alongside the Restriction of Hazardous Substances (RoHS) Directive and the EU Biocidal Products Regulation (BPR) substance lists, among others. This is an arduous task, given that product type and composition can also determine which regulations apply. This in turn brings different substances into scope. Along with a higher standard for compliance, this more thorough categorization of substances will see a greater enforcement of non-compliance across industries.

TIMELINE FOR REACH IN 2020 & BEYOND

JULY 2018

Mandate for the ECHA to develop a new database (the SCIP database), as established in the revised WFD.

FEBRUARY 2020

Anticipated release date for the preliminary SCIP database for testing by the ECHA, with no official obligation on the part of suppliers.

JULY 5, 2020

Deadline for states to transpose the WFD into national law. Member states must outline the penalties for non-compliance with SCIP database submission requirements.

JANUARY 5, 2021

Legislated date for the database to go live, and the deadline for industry to begin entering SVHC and safe-use instructions into the SCIP database.

HIGHER STANDARDS FOR AUTHORIZATION

In addition to the growing complexity of reporting requirements, it is becoming more challenging for manufacturers to obtain and retain authorizations once an SVHC is added to the Annex XIV Authorisation List. In order to receive an authorization for a given substance, a company must provide robust information to demonstrate that no other substance can be used in its place for the purpose specified on the authorization request. Member states and NGOs are also increasingly objecting to the use of certain hazardous substances, aiming to encourage innovation toward safer, more sustainable alternatives.

It is important to note that as companies begin to seek replacements for dangerous chemicals, they must also be aware of the high risk of regrettable/short-term substitutions. Replacing an article that contains an SVHC with another that is likely to be added to the Candidate List of SVHCs is a short-term fix for a long-term problem.

For example, replacing a lead car battery with a lithium-ion battery removes one SVHC, but adds cobalt salts, which are expected to be added to the Candidate List of SVHCs in the next couple of years. Unless a company can obtain an authorization for the cobalt salts, they will also need to be replaced with an alternative substance at some point in the near future.

Companies that can anticipate changes to the Candidate List of SVHCs mitigate the risk of wasting time and resources on solutions that do not bring long-term benefits. However, because staying on top of changes involves frequent, direct interaction with the ECHA and industry associations, relying on an individual or a handful of individuals may be inefficient and impractical long-term.

ADAPTING TO CHANGES IN THE REACH REGULATION

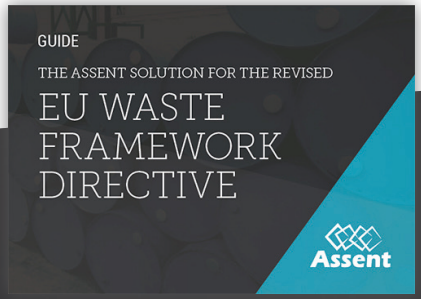
Developing processes that are resilient to change is the key to remaining compliant with evolving regulations. Companies must develop processes that go beyond monitoring changes to the Candidate, Authorisation, and Restricted Substances lists. As the focus on replacing SVHCs in the market grows, companies should work proactively to:

- Collect necessary REACH SVHC data for the SCIP database from suppliers.
- Proactively research SVHC replacements, while anticipating future additions to the Candidate List of SVHCs.
- Build thorough technical documents to meet the burden of proof when applying for authorization.

Knowing which substances are present throughout the supply chain requires clear and efficient communication with suppliers — and successful supplier engagement involves understanding the challenges they face when managing customer requests. These may include language barriers, a lack of training, or multiple requests

for different types of compliance data. Providing suppliers with primary language support, compliance training, and a portal where they can upload all necessary data can help expedite the data collection process.

Given the mandate of regulations such as REACH to remove harmful substances from supply chains, researching replacements for SVHCs is critical to long-term compliance success. Whether that means working with suppliers to change existing processes, or reevaluating existing vendors, finding a replacement for an SVHC or Authorisation List substance ensures a company is not scrambling at the last minute to comply with new regulatory changes.



The Only Complete REACH & SCIP Solution

Acquiring REACH Regulation and EU WFD data and creating a SCIP submission is a complex process. Find out how Assent manages the process in our guide *The Assent Solution for the EU Waste Framework Directive.*

Download Guide

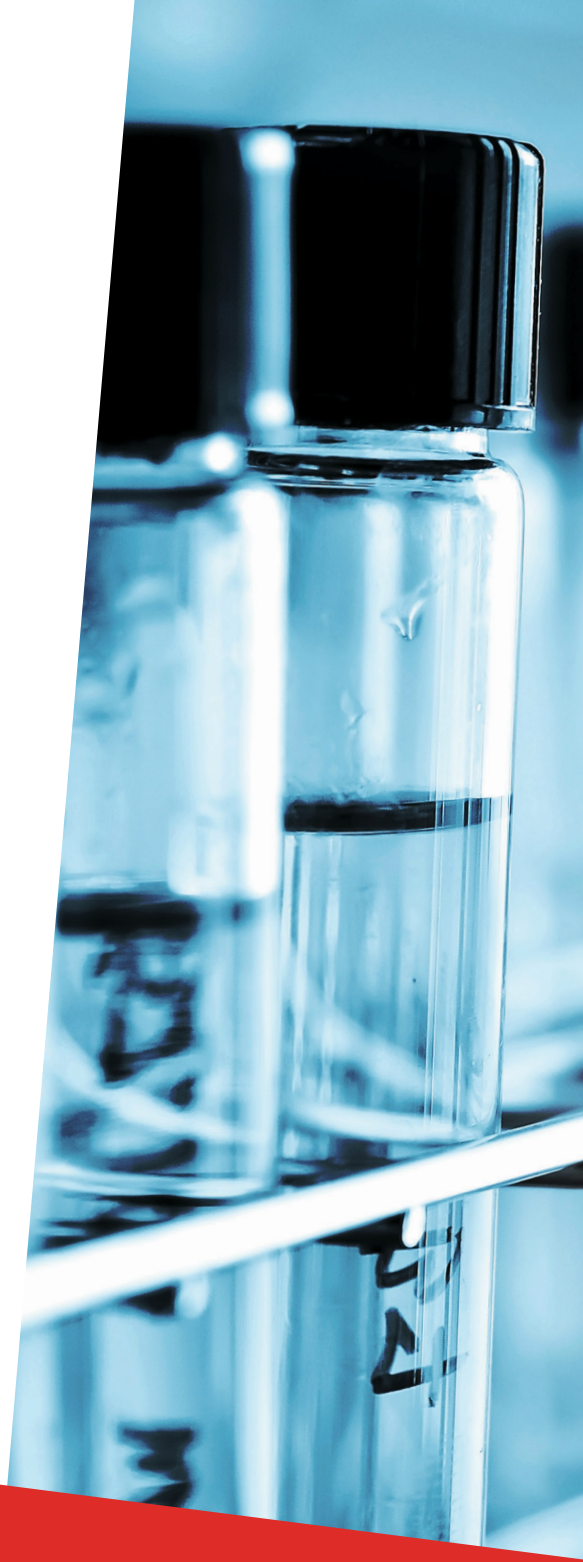
HOW ASSENT CAN HELP

As the REACH Regulation compliance landscape evolves, companies must have robust systems in place to stay up to date on their requirements. The Assent Compliance Platform can help companies collect the information they need from the supply chain and, in doing so, enable them to identify and fully meet their obligations under the REACH Regulation.

As the changes to the REACH Regulation come into effect and the SCIP database is rolled out, the importance of efficient supply chain data management will increase. To that end, Assent's REACH Module is updated regularly when new substances are added to the Candidate List, as part of our robust supply chain data management solution.

LEARN MORE

For more information on the changes coming to the REACH Regulation, contact us at **info@assentcompliance.com.**



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