



***Each part of REACH  
at a Glance***

***REACH Training Development  
Workshop  
October 15, 2009***

# How will **REACH** Affect the Supply Chain?

- **Aerospace is part of a global supply chain**
  - Import raw materials from the EU
  - Export substances & preparations to the EU
  - Export components & systems to the EU
  - Provide services within the EU
- **REACH could impact the availability of material at any point in the supply chain**



***REACH is an EU Law, but it has a Global Impact***

# The Registration in **REACH**



- Substances, substances in preparations, and substances *intentionally released* from articles require a Registration dossier if you manufacture or import more than 1 metric ton in aggregate per year within the EU
  - This primarily affects chemical / metal manufacturers and importers
- Companies that pre-registered between June 1 – December 1, 2008 benefit from up to an 11 year phase-in of Registration
- Companies that did not pre-register must register now; prior to importing into, or manufacturing within, the EU market
- Manufacturers and importers will need information from Downstream Users

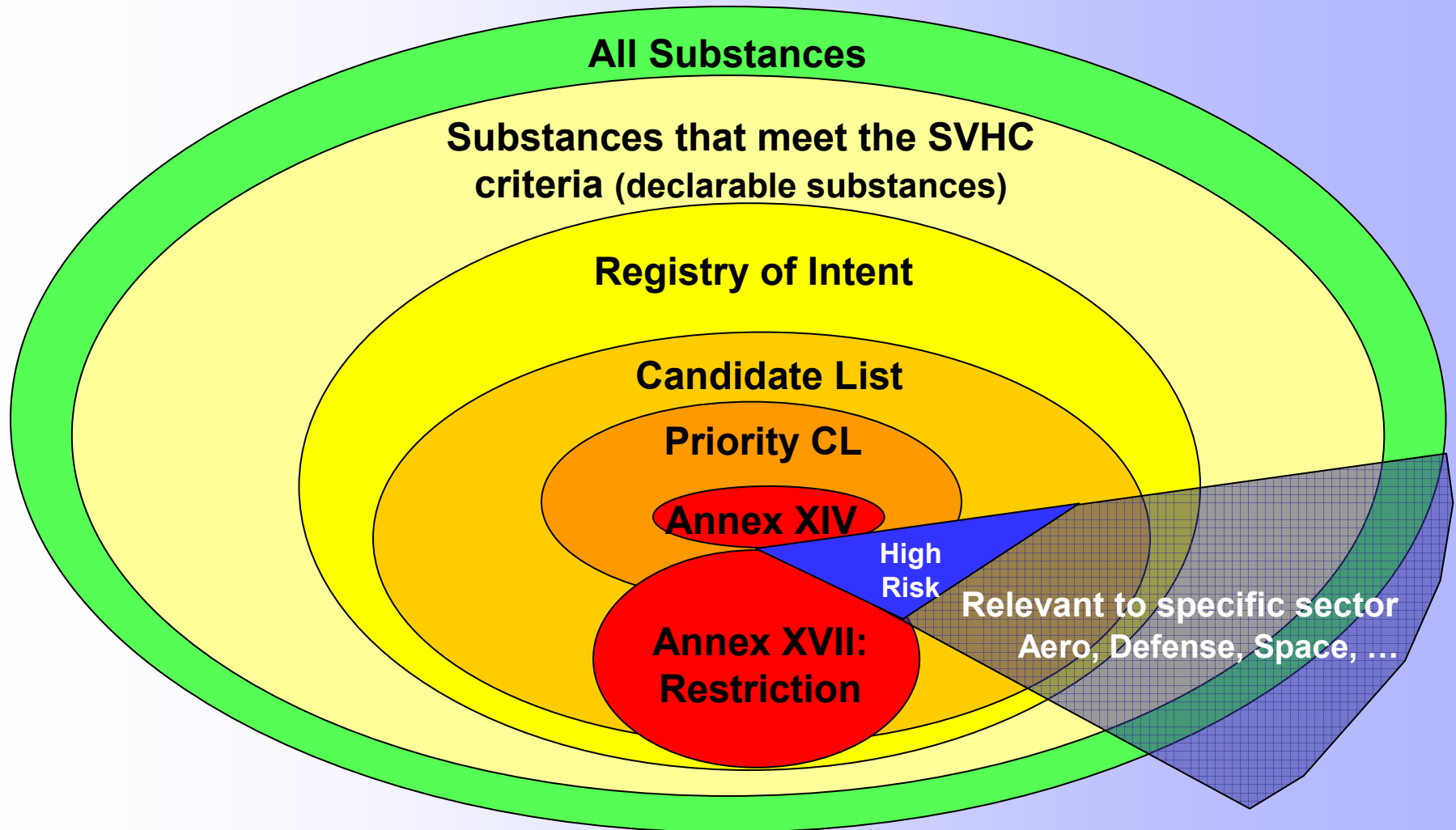


# The Evaluation in *REACH*

- ECHA, with support from Member State authorities, will review the registration dossiers for completeness, accuracy, and compliance with REACH requirements
  - Evaluation expected for ~5% of all registered substances to decide on possible further actions
- Two types of Evaluation possible:
  - Dossier evaluation: Check testing proposals
  - Compliance evaluation: Check for compliance; national enforcement action is possible as a result
- Both options will result in the request for more information from the registrant
- May result in additional information being passed onto other authorities, or additional action being taken
  - Additional Action could be in the form of Authorization or Restriction being proposed for the substance being evaluated



# Substances in our Products and Processes



# The Authorization in **REACH**

## SVHC

- Substances of Very High Concern
  - Carcinogens, Mutagens and Reproductive toxins (CMRs)
  - Persistent, Bioaccumulative and Toxic (PBT)
    - very Persistent and very Bioaccumulative (vPvB)
    - Substances of equivalent concern (endocrine disruptors)
- Substance that has "scientific evidence of probable serious effects to human health or the environment which give rise to an equivalent level of concern"
  - Evaluated & identified on a case-by-case basis



# The Authorization in **REACH**

- Updates to the Candidate List of SVHCs overseen by ECHA
  - Initial Candidate List of 15 substances released October 28, 2008
  - Next update expected to be released before the end of 2009
  - 15 proposed substances for the 2<sup>nd</sup> Candidate List
- Any substance on the Candidate List could be added to the Annex XIV list for Authorization
  - 7 of first 15 Candidate List substances added to first proposed Annex XIV list of substances requiring Authorization for use
  - After comment period, proposed substances are sent by ECHA to the European Commission for final approval & addition to Annex XIV
- Note that Imported Articles are not subject to Authorization requirements of REACH



# The Authorization in **REACH**



- Upon approval for Authorization, there will be a “Sunset date” after which manufacturing & use of an Annex XIV substance is only allowed when covered by an ECHA Authorization
- Manufacturers/Importers will need to
  - Develop a substitute plan and move to alternatives when applicable
  - Create a ‘socio-economic analysis’ and substitute as soon as an alternative is available
    - Both options may require obtaining Authorization for the use of the existing SVHC until a viable substitute is available for replacement

# The Notification in **REACH**

- Notification of SVHCs in articles to ECHA will be required
  - If you manufacture or import an article that contains a SVHC in sufficient quantities\*, you will be subject to Notification
    - \* = SVHC content >0.1% w/w of the article AND article is M/I at quantities >1 metric tonne per year per SVHC
  - Notification is not required if the producer or importer can exclude exposure to humans or the environment during normal or reasonably foreseeable conditions of use
    - Includes disposal of the substance
    - Notification also not needed if the substance has already been registered for that use
  - Notification goes into effect on June 1, 2011

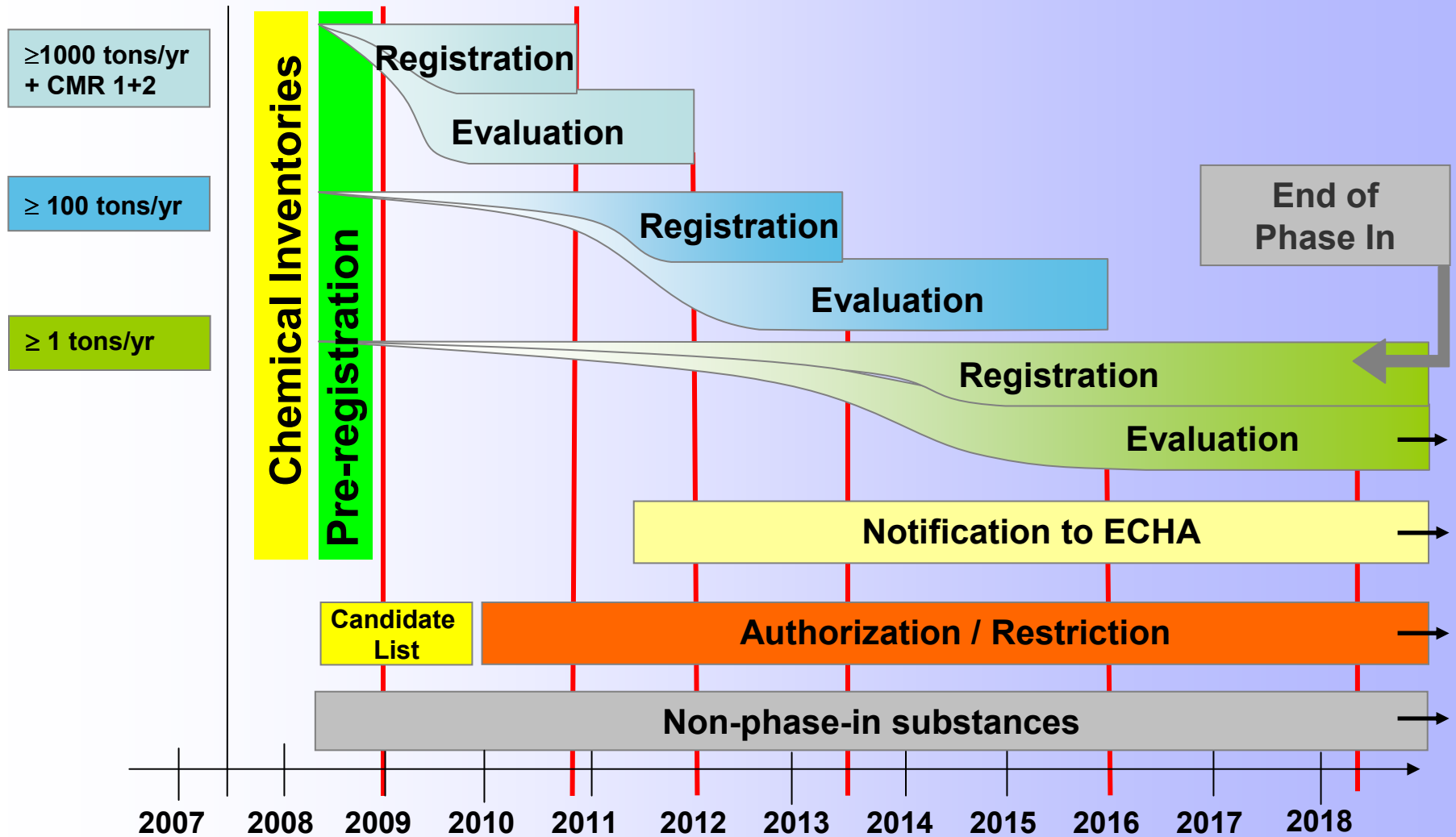


# The Restriction in **REACH**

- Substances posing an unacceptable risk can be restricted in their manufacture, distribution, or use
- Restrictions exist in EU law already
  - In heritage legislation dating back to 1976
  - Existing restrictions include lead in paint, asbestos
- Distinctions between Restriction & Authorization:
  - Restriction is for a specific use of the substance
  - Restriction does not have a waiver or authorization procedure; it must be removed from the product
  - Restricted substances may or may not be derived from the Candidate List of SVHCs
  - Restricted substances are added directly through a directive from the European Commission
  - Imported articles are subject to Restriction

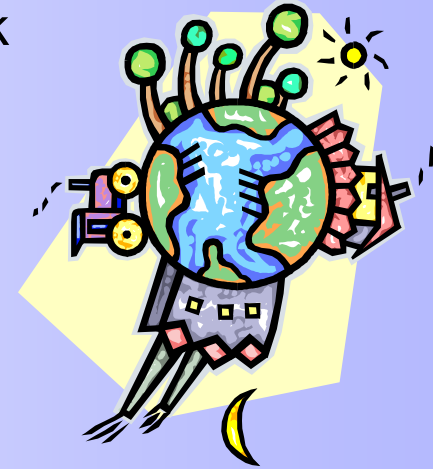


# REACH Time Frame



# REACH Company Impact

- Economic Impact – Product lines could be at risk
- Competitive advantage for companies doing business with, or contained within, the EU that have a compliance process in place
- Effect on the supply chain:
  - Reduction of suppliers
  - Increased supplier management costs
- Lost business opportunity & market access in Europe due to REACH legislative restrictions
- Potential impact to existing deliveries
  - Due to supply chain disruptions
- Financial impacts due to cost of compliance
  - Cost of non-compliance would be higher...



# And inevitably...

- Some **substances** may:
  - not be on the market
    - *suppliers will choose not to register*
  - be in limited supply
  - be more expensive
  - be phased out
- Some will be withdrawn due to Authorization or Restriction
- The chemical industry is a global marketplace, so the effects will be global
  - Impacts of REACH will be felt beyond the borders of the EU



# Questions

