

# The impact of REACH on industry or what to do next

Without any doubt: REACH will not make life easier for the European chemical industry.

However, this is not the time to complain, to tarry, or to contemplate. It is the time to act swiftly and decisively in order to make the best out of the situation in order to maintain and even grow your business in Europe. REACH will be a watershed to a new period, which will see compliance management as a key factor deciding the fate of a company.

We enter a new period that will be characterised by novel standards for the internal structure and organisation of chemical businesses.

So, what needs to be done?

In order to cope with one of the most serious challenges put upon the chemical industry in recent years, it is crucial to have the right structures in place.

In many companies, a REACH implementation team was set up under the leadership of a corporate implementation manager. Ideally, the team consists of implementation drivers from each business segment and members from such areas of expertise as product safety, regulatory affairs, purchasing, technical operations, IT, legal and communications. In many chemical businesses, the REACH implementation project is a key business initiative. In such a case, the project mandate includes ensuring that the company complies with REACH legislation with implementation fully driven by business strategies.

Companies are undertaking a major internal training and communication effort.

The idea is to give the involved actors in the company the necessary information in order to act appropriately in their corresponding field of activity and to enable them to give their input for the REACH strategy building.

Larger companies sometimes decide to run various pilot projects to emulate the future internal processes during the phase-in registrations.

The experiences from these exercises are used to shape or adapt the structures and the workflow. They are also used to refine the resource planning. Companies are creating or updating their databases for regulatory-relevant data. These databases should ideally be used not just as a repository of data but also as a tool for process control. A well-designed database allows for a real-time measure of the progress and to identify bottlenecks of the implementation process. The mentioned measures are generally valid. Obviously, smaller companies with less diverse structures will have downscaled versions of this arrangement.

The design of appropriate business processes is a major challenge for in-house REACH implementation. Many companies are dedicating a major effort in order to draw up detailed workflows. Elements of such workflows are for instance: identification and naming of substances, legal entity, read-across suggestions for pre-registration, volume data, registration time horizons, and others. When shaping the processes - that is the internal workflow - a major concern is to make the entire process business-driven. "Business-driven" means that although the regulatory experts develop and offer the different options to be compliant with the regulation, the business people are the ones who finally decide on the best option for the business strategy.

Data management is a corner stone of the REACH implementation within the company. Preparing for pre-registration boils down to collecting data within the company. For companies with larger portfolios, the creation of a dedicated pre-registration database might be necessary. In this case, tools like status flags and privileges to enter and to edit entries can be used to structure business processes within the company.

Volume tracking is necessary for compliance and active portfolio management. Ideally substance volumes should be traced in real-time to ensure continuous compliance.

Preferably, the volume is traced within the company software.

Interfaces between the different parts of the data management system are very important in order to synchronise the data thus maintaining compliance and avoiding the loss of data.

In this context, it is also very important to decide which of the different elements will be included in the main repository of data. In some companies, this might be the IUCLID database. In others, it might be more feasible to use the software with which the safety data sheets are generated as the main data storage. In the transitional period, it might be sensible to use a "home-made" database which is fed manually or semi-automatically from the different data sources currently available in the company.

Information exchange in the supply chain is a key element of REACH compliance. This procedure will consume a significant amount of resources. For the downstream user, it is the central obligation under REACH.

However, as of now (submission date of this article), the guidance and tools to facilitate this are still under development. Moreover, in this phase of REACH implementation, the preparation of pre-registration and internal data collection is tying up resources. Against this background, industry should strive not to trigger an avalanche of premature inquiries and questionnaires. Furthermore, it does not make sense to circulate unreasonable requests such as requests for open-ended guarantees on supply or purchasing, or requesting written guarantees for self-evident matters such as "we guarantee that our products will always be compliant with REACH".

The first priority now is to collect and structure internal data, not to request external data from commercial partners. Diverse paper formats of enquiries and questionnaires should not be proliferated. Ideally, only standardised electronic data exchange tools should be used, when they finally become available. It has become a cliché to say that REACH will change the way we do business. Anyway, the business environment is always changing. However, there are some special features under REACH. Companies should be aware about the increasing transparency of the European market, and if possible, take advantage of it. There are indeed advantages for innovative companies with clear marketing concepts, well-established supply chains and a strong added value.

Probably, a promiscuous bargain hunt will be somewhat hindered by the administrative requirements of REACH. Comprehensive compliance management will create benefit. Sound compliance management is becoming a strong sales argument. There are also chances for innovative companies: the introduction of new chemical substances becomes easier as compared to the "old" EU legislation.



## IN A NUTSHELL

Implementation of REACH should be business-driven. REACH offers, in many cases, several right solutions in terms of compliance. Your company should find the one which best fits its strategy. Be aware of the increasing transparency of the market and a high availability of substance safety related data. Endeavour to adjust or even directly profit from this development. The in-house implementation might unearth interesting new perspectives about your portfolio. This information should be exploited also for business purposes.

In order to enable business to drive implementation, the staff in the different parts of the company must be trained, communication must be improved, and mechanisms must be established. Accurately identify your registrable substances. Prepare to pre-register all relevant substances - as many as necessary, not as many as possible. Mind the (pre-)SIEFs to be managed. The decision of which substance needs to be pre-registered must be business-driven.

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Try to limit bureaucratic burden caused by the requirements for the exchange of information in the supply chain. This makes matters easier for the industry in general, and thus for you, personally. Endeavour to digitize and automate these procedures with the electronic tools which will become available after the completion of RIP 3.2. Quality of information is more important than quantity.



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