



Implementation of REACH – Perspectives from General Motors

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ACTION AND REACTION

Developing a sustainable approach to emerging chemical issues

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Overview

□ Agenda

- Background on REACH
- The Challenge for a global manufacturer
- Auto industry approach
- Final thoughts

Background on REACH

- ❑ **EU Regulation – Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) – Entered into force – June 1, 2007**
 - Applies to all EU manufacturers, importers or downstream users of substances (chemicals), preparations (mixtures) or parts/articles
 - First major requirement – Pre-Registration – June –December 2008
- ❑ **Discussions on REACH began in 2000 with the focus on chemicals; requirements for articles/parts did not surface until late 2005**
- ❑ **Interpretive guidance – REACH Implementation Projects (RIPs) – still evolving**

Background on REACH, cont.

□ Major requirements

- Registration (Title II)
- Evaluation (Title VI)
- Authorization (Title VII)
- Restrictions (Title VIII)
- Data Sharing (Title III)
- Information in the Supply Chain (Title IV)
- Downstream Users (Title V)
- European Chemicals Agency (Title X)
- Classification & Labeling (Title XI)

Pre-Registration/ Registration

- ❑ **Pre-registration (and registration) is substance specific for anything manufactured or imported at > 1 tonne/yr**
- ❑ **Appropriate for substances “intentionally released” from articles for manufacturers/importers**
- ❑ **Appropriate for preparations (mixtures) that are imported on their own or contained in articles**
- ❑ **Pre-registration is done by the Legal Entity in the EU responsible for the manufacture or import of materials**
 - Each legal entity in a company must pre-register separately
 - EU “Only representative” can be established for non-EU companies
 - Third party representative may be used by any manufacturer
- ❑ **No charge for pre-registration – may opt out if status changes**

Pre-Registration / Registration

- **Data Requirements for pre-registration**
 - Name of substance, plus EINECS/ELINCS, CAS numbers
 - Identification of registrant
 - Registration deadline (tonnage band)
- **Registration process will begin in 2009 with extensive requirements for submission of health, environmental and usage data**

Pre-Registration

- ❑ **Pre-registration is critical for all manufacturers/ importers – June – Dec 2008**
 - Gives you phase-in (existing chemicals) status
 - Don't have to go through the registration process for 3.5-11 years, depending on tonnage of manufactured or imported materials
 - Allows you to be part of Substance Information Exchange Forum (SIEF), which will be helpful during registration and possibly authorization
 - If don't pre-register, have to start registration in 12 months after June 2008
- ❑ **No data, no market**

Substances of Very High Concern (SVHC)

- ❑ **SVHCs are defined as**
 - Carcinogens, mutagens and reproductive hazards, group 1 and 2, or
 - Persistent, bioaccumulative and toxic (PBT) or very persistent and bioaccumulative (vPvB), or
 - Have endocrine disruptive properties, or
 - Of equivalent level of concern
- ❑ **No official SVHC list yet published**
 - will be 1500-3000 chemicals
- ❑ **Article producers/manufacturers must notify the EU if products contain SVHCs > 0.1% and >1tonne/yr by June 2011**
- ❑ **EU will identify ~ 25 candidate substances per year as SVHCs; these will then require authorization; will essentially be blacklisted**

The Challenge for a Global Manufacturer

- ❑ **Historically, no requirements for chemical data on parts**
 - Auto industry ahead of most other manufacturing sectors due to End-of-Life Vehicle (ELV) Directive
- ❑ **GM is currently specifying materials and parts for 2011 products**
 - Won't know which SVHCs to focus on until 2009 when EU publishes first candidate substances
- ❑ **Complexity of our global supply chain**
 - Thousands of purchased parts imported into the EU from all global regions
 - 21 manufacturing sites in EU; 181 manufacturing sites globally
 - Significant movement of materials from plant to plant, across regions
 - Approximately 3000 parts in a vehicle

Recent Chemical Supply Disruption Example

- **Supplier of a productive sealer notified GM that they would no longer be able to import the product into our Canadian assembly plants**
 - Contained a Non-Domestic Substances (NDSL) material - the max allowed for import would be triggered within a month
 - Supplier had not disclosed presence of NDSL substance on MSDS, in spite of “100% disclosure” document
 - Unknown to GM, supplier had requested permission to import above the max, but was rejected by Environment Canada
 - Supplier refused to disclose to GM what the substance was
 - Supplier tried to make GM the importer of record, which would have made GM liable, without our full knowledge of the situation

Challenges (continued)

- ❑ **Primary REACH impacts to product manufacturers are not in the EU- EU chemical and material suppliers are knowledgeable of REACH requirements**
- ❑ **GM is responsible to make sure that parts *imported* into the EU comply with REACH requirements**
 - How do you educate suppliers around the world in time to meet the Pre-registration requirements?
 - How do you require a supplier outside of the EU to provide you with the required chemical data through the supply chain?
 - How do you verify accuracy of the information?
- ❑ **Currently unknown how the EU will handle compliance**

Auto Sector Approach

- **The European, Japanese, Korean Auto Manufacturers Association (ACEA/JAMA/KAMA), and the U.S. Automotive Industry Action Group (AIAG) are working together**
 - Automotive Industry Guideline on REACH Implementation - posted on ACEA Website
 - Goal is for all communications and requirements to suppliers to be common

Final Thoughts

- **REACH is just the beginning of chemical regulations focused on manufactured products**
 - Lead time is critical
 - Affected manufacturing sectors need to come together early
 - REACH is a data collection and management challenge
 - For all suppliers and their supply chains, especially outside of the EU, that have parts imported into the EU (and may not even realize it!)
 - For any global manufacturer with complex, multi-tiered supply chains

Final Thoughts (continued)

- ❑ REACH is now in the tactical implementation stage
- ❑ Industry, along with government, and other stakeholders need to look strategically at what's ahead
 - Is requiring the world to collect chemical data on articles being imported into the EU by EU legal entities, the best process for reducing health and environmental impacts of chemicals?
 - Can we suggest a different approach/ process to reach the intended objective in order to be more strategic?
 - Where is the U.S. forum for this to occur?