

Are retailers REACH ready?

Trevor Kilner, Associate Director, WSP Environment and Energy

REACH is the new European Union Chemicals Management Regulation which came into force on 1st June 2007 and requires all chemicals on the market today to be pre-registered with the European Chemicals Agency (ECHA) by 30th November this year. Failure to pre-register a chemical will in most cases mean that products containing that chemical cannot be legally sold. With time slipping away before the end of the pre-registration deadline, retailers are under increasing pressure to prepare in order to ensure that product lines are not affected.

The regulation is driving major changes in any and every industry that uses or processes chemicals and that includes the retail sector. REACH requires all chemicals, on their own, in preparations or in articles where they are intended to be released, manufactured in or imported into the European Union (EU), to be pre-registered and registered. Failure to pre-register by the deadline will mean that a producer or importer of a substance will not benefit from the extended registration deadline, and from 1st December 2008, be required to fully register the substance with the ECHA before it can be supplied to the EU market, which is a major and expensive task.

The retail industry must wake up to the reality that it is particularly at risk from these regulations. Many of the products on supermarket and other retailer's shelves are either manufactured or contain chemicals that are manufactured outside the EU. Products such as shampoo, carpet cleaner, shoe polish, stain remover and bathroom cleaner are often manufactured abroad. Even if they have been manufactured in the EU, they may well contain chemicals sourced from outside the EU.

Whilst the UK retail industry, and in particular the larger companies, has a good level of awareness owing to efforts by the BRC, many retailers are still unprepared for the deadline and some are still simply unaware.

Similarly, whilst manufacturers in the US are slowly starting to wake up to the reality of REACH and are now rushing to pre-register, it is in stark contrast to the situation in some countries in Asia where the market is poorly prepared. Many Asian companies have a basic lack of awareness of the regulation and many smaller companies in these countries may not be able to comply. Retailers sourcing chemicals or products from this region are therefore in the most vulnerable position. This will lead many suppliers to stop importing products. By missing the November pre-registration deadline, companies risk disruption to their supply chain, and negative impacts on consumer relations and business performance.

Whilst first appearances suggest that this legislation is going to be unwieldy and difficult to enforce, the Health and Safety Executive have 'The REACH Enforcement Regulation' out for consultation until the 25th August, once enacted this will provide a legal framework for enforcement. Retailers breaking the REACH regulation will face fines and interruptions to their supply chains, as well as the negative press associated with such cases.

The time to prepare is therefore now. Pre-registration is a relatively straightforward procedure, requiring a minimum amount of data to be submitted to ECHA and will ensure an extended period in which to submit a full registration dossier to the ECHA.

Retailers whose product lines rely on chemicals need to assess their vulnerability to REACH. Some suppliers may decide that it is not financially viable for them to take certain substances through REACH registration and this may impact on the availability of raw materials or products. By speaking to suppliers now, businesses can ensure they have as much warning as possible to any such changes. Retailers should be proactive in checking that their suppliers are committed to pre-registering and will follow up with a full registration to avoid any disruption to supplies.

Retailers must make sure they have a compliance strategy in place to deal with REACH effectively and mitigate any potential risk to their business. The 30th November deadline is fast approaching the time to act is now.

FURTHER INFORMATION

For more information concerning REACH please go to www.reach-answers.com or contact Trevor Kilner, Associate Consultant, WSP Environment & Energy by e-mail at reach@wspgroup.com.

