



Europäischer Metallgewerkschaftsbund  
Fédération Européenne des Métallurgistes  
European Metalworker's Federation

## EMF policy paper on REACH New chemical legislation in the EU

*(approved by the 100<sup>th</sup> EMF Executive Committee  
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### 1. An overview of the REACH proposal

REACH means Registration, Evaluation and Authorisation of Chemicals. REACH is a proposed new directive, replacing a large number of existing directives.

The purpose of REACH is to

- Protect human beings and the environment
- Improve the competitiveness of the European chemical industry
- Ensure greater transparency
- Limit the use of animals for the testing of chemicals.

The principles of REACH were outlined in a “White paper” in 2001. After issuing a draft proposal in 2002, the EU Commission initiated a major public hearing and discussion phase with extensive use of the Internet. The Commission published its final proposal in October 2003. A working group with representatives from the member states is currently discussing the proposal and is expected to publish a common understanding late 2005 or early 2006. The European Parliament started its first reading in January 2005 and is expected to finish the reading late 2005.

REACH applies to both new (registered since 1981) and existing (in use before 1981) substances. There are est. 3800 “new” substances and est. 100.000 existing substances. The major part of the costs incurred in REACH is caused by registration of the 100.000 substances not previously registered. From those 100.000 approximately 30.000 substances with more than one tone of production have to be newly registered. However, for many of these, basic data already exist due to requirements in other EU legislation, e.g. safety data sheets required by OHS legislation in the Member States.

REACH requires industry to provide data for registration of substances that are produced in Europe or imported to Europe. The data should be sufficient to evaluate the risk of intended use of the substance, and the producer must provide information regarding safe use of the substance. This information will follow the substance from the producer to downstream users through the supply chain.

Requirements concerning the amount of data, testing and documentation, etc. depend on the tonnage (more than one tone) produced. Substances used in large quantities or substances with known risks meet the strongest requirements and must be registered in the first phase (3 years after implementation of REACH). Low volume / low risk substances have reduced data requirements and shall not be registered until 11 years after the implementation of REACH.

The REACH regulations do not change any existing directives concerning health and safety at work. The employer's responsibility for providing safe working conditions, for informing and consulting with workers and for using the least harmful substances remain unchanged. But REACH provides the employers and employees with more information and guidance for the safe use of chemicals at work.

## 2. Estimated consequences of REACH

It is very difficult to estimate the economic impact of REACH. Official Commission estimates have been published, but are questioned by a number of industry associations. The consequences will depend on the way REACH is implemented and managed. REACH implementation must take the competitive position and data protection of European industry versus other regions into account.

According to the Commission, the cost of REACH will be in the range 3–5 billion Euros. When the upper end of the range is amortised over a period of 11 years it corresponds to approximately 0.006% of GNP for all Member States.

In a Danish study the cost for downstream users of chemicals has been estimated based on the assumption that all REACH-related costs for the chemical producers are covered by increases in prices for downstream users. The calculated average price increase for the chemical industry on yearly turnover caused by REACH is less than 0.05%.

Even if one allows for a very large degree of uncertainty in these estimates it is safe to conclude that REACH definitely does not represent a significant threat for European industry.

But large regional differences are to be seen behind this average estimate. REACH may be a huge burden for industry especially for East and Central European countries adequate measures for fair transition must be provided in such cases. The same could be said for individual companies as for example in the textile sector and specifically for SME's.

Therefore a cross sectoral and regional solidarity system concerning the distribution of costs within the REACH regime should be implemented.

The Commission has also estimated the benefits of REACH. The OHS benefits are estimated to 20–50 billion Euros, which is approximately 10 times the estimated costs (within a 30 years time frame).

### 3. Highlights for an EMF position on REACH.

These bullet points address some of the issues raised in the discussions on REACH. They are intended to express a balanced view taking into account both the need for better protection of workers, consumers and the environment and the need for protection of employment in both the chemical industry and for downstream users of chemicals.

1. The purpose of REACH must be to establish a high level of protection for workers, consumers and the environment. It is important that REACH give workers and employers the best information enabling them to use the least harmful substance for a given work.
2. REACH must be based on three guiding principles:
  - Polluter pays,
  - Substitution
  - Precautionary principle.
- Polluter pays: REACH must ensure that the cost associated with registration and with obtaining sufficient data for safe production, use and disposal of a substance will be paid by the producer/importer of the substance.
- Substitution: The REACH registration shall give the user better possibilities for using the least harmful substance in a given situation and to motivate them to use substitutes.
- Precaution: where there is no economic or scientific feasibility of getting sufficient data to establish safe conditions of use for a substance, this substance must be evaluated by the new Chemicals Agency. Authorisation for use must only be given if a major societal need warrants it, and where substitution is not possible.
3. REACH must be implemented in a flexible and cost-efficient way, based on the practical knowledge of producers and users. REACH shall be supplementary to environmental management systems and to good practice for the production, use and disposal of chemicals (EMAS, ISO 14001, Responsible Care etc). REACH shall supplement existing health and safety regulations by giving full information on substances used at the workplace.
4. Only substances that are marketed should be included in REACH. Substances that are only part of production processes in a company should not be registered since the company's production permits or management systems already control them. The use of chemicals inside a workplace must still be regulated by national and EU health and safety regulations.
5. OSOR-principle: The principle of one-substance-one-registration can lead to a cost saving model. After the first registration all producers could count on this.

6. A larger number of substances should be prioritised based on “common toxicological knowledge” and registered in the first phase of REACH before registration based on production volume is put into effect. Substances with known effects as sensitizers (allergens), hormonal disrupters, etc. and substances with problematic exposure scenarios (children, pregnant women, etc.) can be prioritised. Other substances can be downgraded in the REACH registration. Commonly used substances such as steel alloys, wood, building materials etc. should only be subject to limited registration.

7. The cost of registration of “marginal substances” where registration costs are greater than the income from production or import of the substance in Europe must be financed by taxes on chemicals – but only if substitution is not possible. However, EMF expects only a very small number of substances where the registration cost will hinder marketing in Europe.

8. Impact assessments shall be made to compare different ways of REACH implementation in order to choose the most cost-efficient.

9. Special measures to facilitate the implementation of REACH in the new and future Member States must be provided by the Commission.

10. The Commission must work to ensure that a regulation similar to REACH is applied worldwide to the benefit of the environment and to avoid distortion of competition.

11. An adequate system is required to ensure confidentiality and to ensure that information given in REACH registrations is not misused (violation of intellectual property rights).

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