

REACH in a multinational company

IISI REACH workshop

October 2008

Rob Versfeld

Manager, REACH

Corus Group

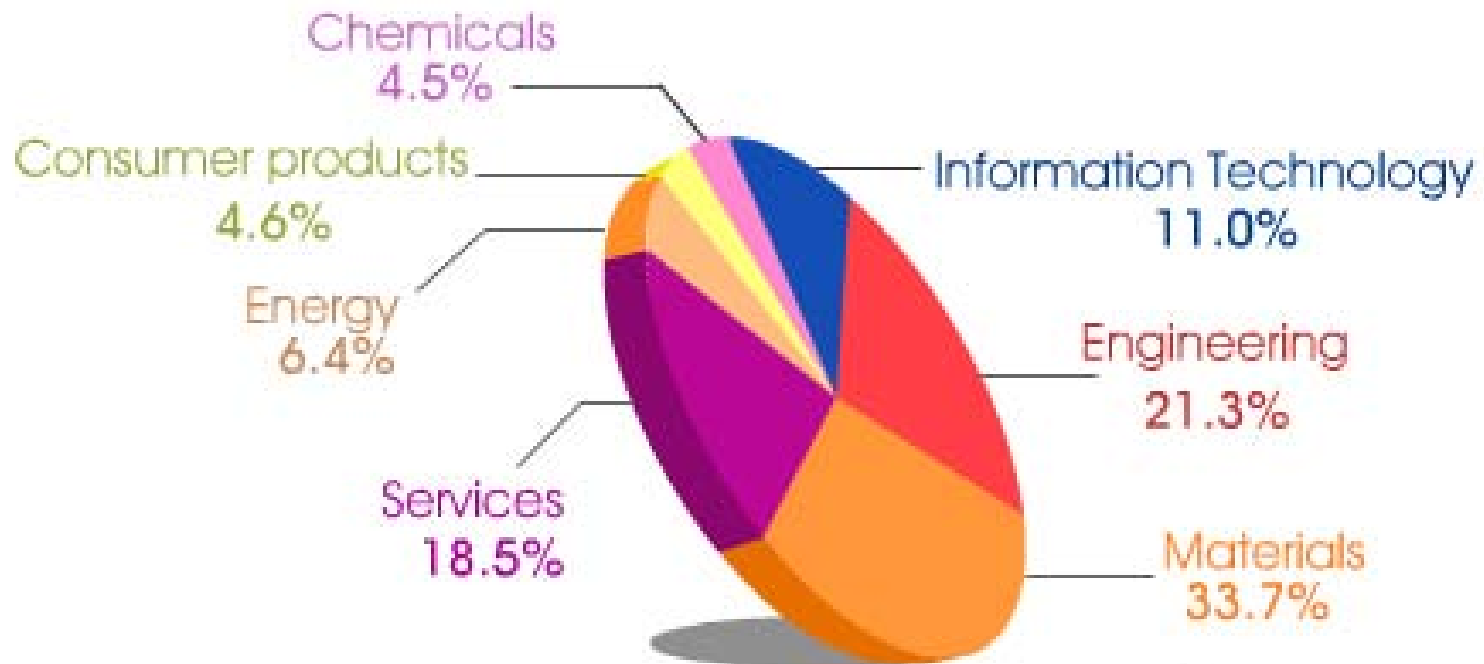
- About Tata and Corus
- Roles under REACH
- The definition of importer
- Substances, preparations and articles
- Implementation in a multinational company
- Final remarks

About Tata Group



Tata Group:

- Employees: 290,000
- 7 sectors; all over the world
- Materials: Tata Steel 6th largest steelmaker of the world (26 Mt)



About Corus



- Corus is a subsidiary of Tata Steel.
- Europe's second largest steel producer.
- Crude steel production of over 20 Mt.
- Employees: 42,000.
- Divisions: Strip products, Long products, Distribution & Building Systems.
- Business Units: Every division has a number of BU within it. 17 BU's relevant in REACH context.
- Legal Entities: about 10 LE's will pre-register.
- Only a few works outside EU; mainly sales offices outside EU.

Roles under REACH



- Importer of substances/preparations and articles from outside EU
- Manufacturer
- Downstream user
- Distributor

Focus in this presentation on first role

The definition of importer under REACH (1)



REACH definition:

- “Any natural or legal person established within the Community who is responsible for the physical introduction into the customs territory of the Community of a substance, on its own or contained in a preparation or an article”.

RIP 3.1:

- “The responsibility for import depends on **many factors** such as **who orders, who pays, who is dealing with the customs formalities**, but this might not be conclusive on its own”.

ECHA position (answer to a question asked by AM) :

- The enquirers have a responsibility to determine their obligations under REACH and may need to provide supporting evidence to justify their determination
- No complementary criteria (REACH definition + RIP)
- Spain follows the ECHA position

France position (answer to a question asked by AM):

- The importer is the person **who is responsible for the customs clearance when the substance enters the EU.**



Legal uncertainty on the meaning of the importer

The definition of importer under REACH (2)



Practical solution could be to use the Incoterms:

- DDP: supplier or somebody else up the supply chain is the importer
- For all other Incoterms, like FOB, CFR, CIF, the buyer is the importer.

Discussion needed with competent authorities / ECHA about this interpretation.

The definition of importer under REACH (3)



| | Load to truck | Export-duty payment | Transport to exporter's port | Unload from truck at the origin's port | Landing charges at origin's port | Transport to import's port | Landing charges at importer's port | Unload onto trucks from the importers' port | Transport to destination | Insurance | Entry - Customs clearance | Entry - Taxation |
|-----|---------------|---------------------|------------------------------|--|----------------------------------|----------------------------|------------------------------------|---|--------------------------|-----------|---------------------------|------------------|
| EXW | No | No | No | No | No | No | No | No | No | No | No | No |
| FCA | Yes | Yes | Yes | No | No | No | No | No | No | No | No | No |
| FAS | Yes | Yes | Yes | Yes | No | No | No | No | No | No | No | No |
| FOB | Yes | Yes | Yes | Yes | Yes | No | No | No | No | No | No | No |
| CFR | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | No | No | No |
| CIF | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | Yes | No | No |
| CPT | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | No | No | No |
| CIP | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | Yes | No | No |
| DAF | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | No | No | No |
| DES | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | Yes | No | No |
| DEQ | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | Yes | No | No |
| DDU | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No |
| DDP | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

Substances, preparations and articles (1)



Substances on their own and in preparations: will have to be registered by the importer or Only Representative.

Examples:

- **Substances:** CaSi, Mg, iron ore pellets (Fe₂O₃), pig iron.
- **Preparations:** FeSi (Fe and Si), HC-FeMn (C??, Fe and Mn), cast ingots (Fe, etc)(final Eurofer position).

Substances, preparations and articles (2)



Articles:

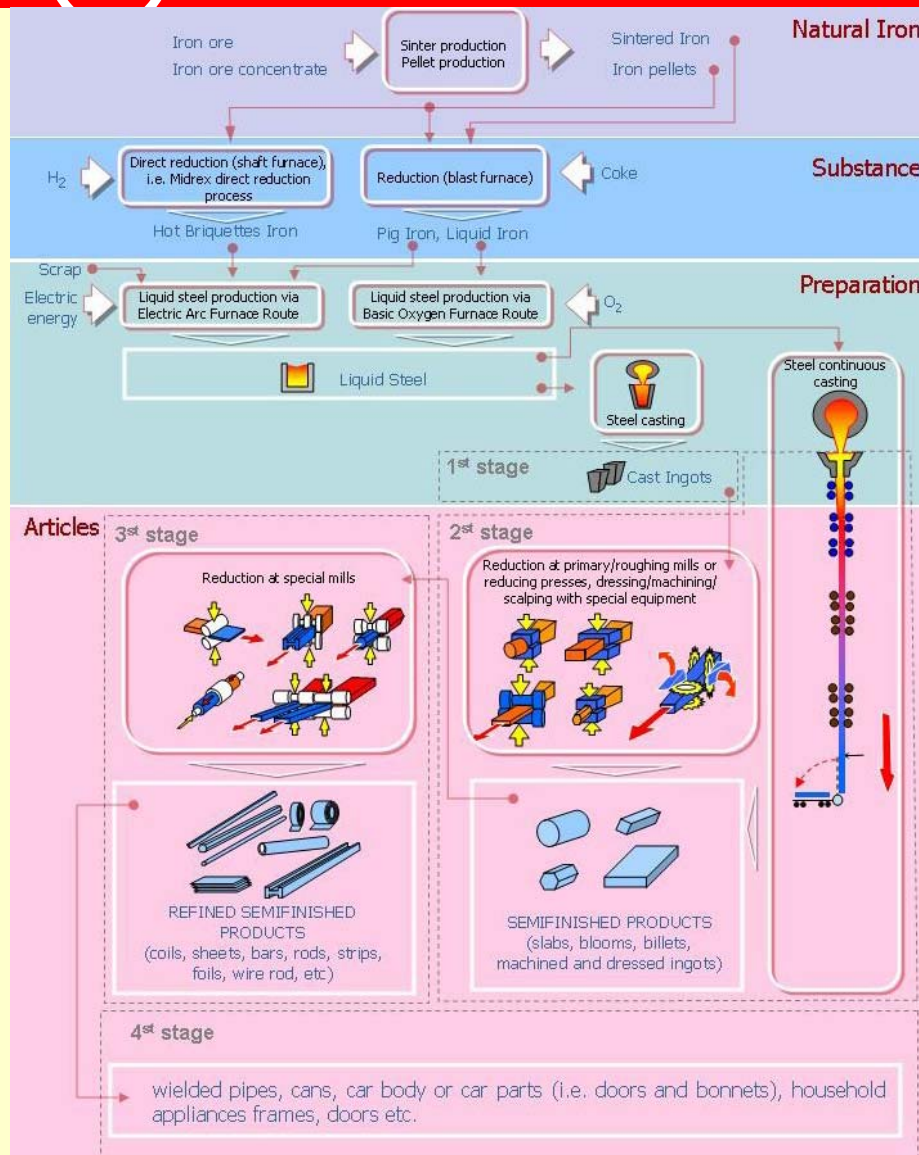
Registration of substances in articles if there is an intended release (>1 tonne). No examples known in steel-business of intended release. Maybe for packaging materials (inhibitors).

Notification to the Agency of SVHCs in articles (>1tonne; >0.1% w/w).

Examples:

- **Articles:** Semi-finished steel products, like slabs, blooms, billets, machined and dressed ingots (final Eurofer position).

Substances, preparations and articles (3)



Substances, preparations and articles (4)



Waste doesn't have to be registered.

Definition of waste different in Member States.

Still discussion in European Commission about **recovered / recycled** materials (25/26 September final discussion before it will be sent to ECHA).

What to do with import from scrap?

- *Pre-registration* of useful constituents (not only Fe)
- No *registration* because of art 2(7)(d)

REACH implementation in a multinational company (1)



Operational Project Management Team Corus Group

- Rob Versfeld (Manager, REACH)
- Daniel de Vreugd (Dutch based manufacturing BU)
- Alex Wilson (UK based manufacturing BU's)
- Hans Butter (BU's with mainly DU activities)
- Pete Quinn (REACH expert)
- Hans Graafland (IT)

REACH Coordinator in each of the 17 relevant Business Units:
responsible for his/her legal entities and sites.

REACH Customer Coordinator in each of the 17 relevant Business Units:
responsible for communication with BU's customers.

Coordinators for some functions:

Supply, commercial, health & safety, legal, communication, IT.

REACH implementation in a multinational company (2)



- Although the legal entity is starting point for REACH, Business Units are the starting point for Corus. So, no specific coordination between Corus and e.g. Brunner Mond (also Tata), because that's a chemical company.
- A BU with plants across the world (e.g. Special Strip) is coordinated by 1 person.
- Reason: REACH is about the supply chain.

REACH implementation in a multinational company (3)



Imports from outside the EU. Inventory by:

- Supplies function NL (BU's in IJmuiden)
- Supplies function UK (most BU's in UK)
- Corus International Trading / Corus Metals (alloying additions)
- Supplies function other BU's (some lubricants, paints, etc)

Coordination by 1 person Corus REACH team to put imported substances in pre-registration list.

Little pro-active communication by our non-EU suppliers whether they plan to establish an OR.

REACH implementation in a multinational company (4)



- REACH is about *EU* legal entities. Parts of your multinational company outside the EU are like every other company. The EU legal entity is the importer.
- So, imports of subst/prep from Tata will be pre-registered by the relevant Corus legal entity.
- Semi finished steel products are articles, so no problems for intercompany transactions.

Final remarks



- Own decisions about interpretation of the legislation (regulation!), so in-depth knowledge of legislation necessary. But align with other companies (Eurofer!) to prevent discussions afterwards.
- Let the competent authorities know about your technical decisions incl. arguments.
- Stay aware and communicate objectives of REACH: improvement of health and environment. Don't become too technical.
- Don't underestimate the pre-registration: e.g. technical questions.
- Communicate to your EU customers about your REACH approach: OR or no OR!

Feel free to direct any questions!

