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Originator: John L Cole
Business Unit: Rolls-Royce U.K. Aerospace
Tel: +44 (0) 1332 245644
Fax: +44 (0) 1332 248807

REACH – European Union Chemicals Regulation

For the attention of the Managing Director

Dear Sir or Madam

Scope:

All global suppliers in receipt of purchase orders covering the delivery of products & services to Business Units and companies that are a part of the Rolls-Royce Group plc.

Preamble:

REACH (Registration, Evaluation and Authorisation (and Restriction) of Chemicals) will change the way in which chemicals are made and used in the European Union (EU). The regulations seek to reduce the negative impacts of hazardous chemicals on human health and the environment through restricting their use and through fostering a culture of greater testing prior to use.

Producers & Importers will need to register their chemical substances and document any hazard and risk in all life stages of the chemical including measures to reduce the risk. This also includes having regard for substances contained in imported 'articles' from outside of the EU. The regulation applies to all substances that are manufactured or imported into the EU in quantities exceeding 1 tonne per legal entity per annum. However, certain chemicals are exempt such as polymers, intermediates in chemical processes, pharmaceuticals, R&D substances and waste. All information will be stored and processed via a newly created central Chemicals Agency to be established in Helsinki in Finland.

REACH also moves the burden of testing and risk management from the regulator to the user of chemicals. Risk, hazard and use information will need to be passed along the supply chain (e.g. via the use of enhanced MSDSs (Material Safety Data Sheets) and for >10 tpa a Chemical Safety Report).

The implementation of REACH will require significant exchange of information up and down the supply chain to ensure that all use and exposure scenarios have been considered e.g., if you use a paint that has only been registered for application by hand and you wish to spray apply it then that additional use and exposure scenario will have to be communicated to the supplier/manufacturer and added to the assessment and MSDS for that substance.

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Key issues expected from the proposed legislation

- Low use speciality products may be removed from the market (uneconomic for the manufacturer to put through REACH)
- Some substances will be liable for Authorisation for continued use
- Time limited Authorisation of substances and requirements for substitution
- Companies will need to register any substances that they import into the EU where they are the only importer and may need to directly register novel uses of substances in their operations
- Companies may need to register substances in imported ‘articles’ (for intended release e.g., ink from a pen)
- Supplier awareness and security of supply
- It is still unclear as to the amount of data that will need to be passed along the supply chain but the exchange of information could have implications for commercial confidentiality and intellectual property rights
- Unique Industry issues e.g., product life cycles, safety and reliability
- Internal company resource/skills to support REACH

What can you do?

There is still considerable uncertainty on the final outcomes of the REACH debates and the practical aspects of the implementation of REACH. However, there are some things that you can start to do now:

- Raise your own awareness of REACH (and that of your supply chain)
- Appoint a champion/co-ordinator for REACH
- Start to produce inventories of the substances and the quantities that you use and identify whether or not you are a ‘manufacturer, importer or downstream user’ as this will significantly affect your future responsibilities under the regulation. (In most cases you will most likely be a downstream user and will not be directly involved in the registration/evaluation process. However, you will need to check that the substances you use have been registered by someone. If not, then they may be withdrawn and you would also be using them illegally)
- Start to identify any use of ‘high priority substances’ that will be targeted for substitution
- Track future developments via professional and trade bodies. (All member states will also in due course be providing REACH Helpdesks as a part of the implementation).

Advice and recommended Websites for further assistance

The effect of the pending REACH regulations will considerably influence the use of chemicals and manufacturing processes operated by Rolls-Royce plc and those of its supply chain. To further assist suppliers the Rolls-Royce website www.suppliermanager-online.com will be modified to advise and contain information regarding the REACH – EU Chemical Regulations.

The proposed REACH legislation which will eventually require the collation and exchange of information between Rolls-Royce plc, chemical suppliers and the Rolls-Royce supply chain, will be the subject of a future Notice To Suppliers once the needs of the proposed regulations are more explicitly known.

Further information, can be obtained from the following websites:

<http://ec.europa.eu/environment/chemicals/reach.htm>

<http://www.defra.gov.uk/environment/chemicals/reach/>

<http://ecb.jrc.it/REACH/>

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Effect of the REACH regulations on your products

The expected outcome of the REACH regulations will be the removal from market, or restriction of use, of certain substances (and their preparations/products). If you are therefore contemplating the replacement, substitution or removal of constituents in the formulation of any products/components you supply to Rolls-Royce plc, then Rolls-Royce must be notified immediately.

Please be aware that this is vital in order to control safety and air worthiness issues and is particularly important in regard to the supply of consumable products supplied to Rolls-Royce, under the guise of CSS (Consumable Supply Specification) control.

If you have any concerns or queries concerning this aspect, please contact, John Cole, telephone +44 (0) 1332 245644 to highlight the issue with Rolls-Royce plc and thereby establish an acceptable way forward to resolve the situation.

**Yours faithfully,
for Rolls-Royce**

Authorised by:



**John L Cole.
Manufacturing Engineering Mgr.
Licence & Operations.**



**Nigel Marsh
Head of Environmental
Management**