

REACH: the chemicals regulation and its significance for industrial procurement

REACH stands for “Registration, Evaluation, Authorisation and Restriction of Chemicals” and is the central EU chemicals regulation (Regulation (EC) No 1907/2006). It obliges manufacturers, importers and downstream users to demonstrate the safe handling of chemicals along the entire supply chain. REACH is relevant for technical buyers because practically every component, workpiece or auxiliary material can fall within its scope via its material composition. Anyone who systematically integrates supplier requirements and documentation obligations into the procurement process avoids supply failures, liability risks and costly complaints.

Key facts

- REACH governs the registration, evaluation, authorisation and restriction of chemicals in the EU and applies to substances, mixtures and, in part, articles.
- Core principle: no data, no market – substances above the annual registration threshold may not be placed on the EU market without valid registration.
- As a non-sanctioned commercial actor, the buyer is frequently a “downstream user” and must fulfil specific information and notification obligations.
- The Candidate List of substances of very high concern (SVHC) is continuously extended; from a content of typically more than 0.1 per cent by weight, information obligations apply.
- Responsibility for material conformity is frequently contractually transferred to suppliers – buyers should secure this assurance in writing.
- REACH overlaps with related regulations such as CLP and RoHS; clear demarcation is important for complex manufactured parts.

Definition: REACH

REACH is a European regulation on the registration, evaluation, authorisation and restriction of chemicals. It covers substances on their own, in mixtures and, in certain cases, in articles, for example where substances may be released under normal conditions of use. The regulation applies directly in all EU member states and does not first need to be transposed into national law.

Registration and evaluation

Manufacturers and importers must register substances that they produce or import in quantities of typically one tonne or more per year with the European Chemicals Agency. Registration involves a data package covering, among other things, physico-chemical properties, toxicology and ecotoxicology. The Agency evaluates the dossiers on a sample basis or on occasion and may impose additional requirements. Without valid registration, the principle applies: no market without data.

- Threshold: typically 1 tonne of substance per year and company
- Joint registration via substance information exchange forums is common

- Mandatory with registration: safety data sheet in CLP format

Authorisation and restriction

Substances of very high concern (SVHC) may be added to the Candidate List and later made subject to authorisation. For substances requiring authorisation, the user needs a permit; restricted substances may only be used under specified conditions. The lists change regularly, so regular review forms part of governance in category management for every chemistry-relevant assortment.

- The SVHC list is typically extended twice a year
- The authorisation list (Annex XIV) and restriction list (Annex XVII) are practically relevant
- Expiry of an authorisation deadline can interrupt supply chains at short notice

Demarcation from CLP and RoHS

REACH governs substance identity and usability, while the CLP Regulation defines classification, labelling and packaging. RoHS, in turn, restricts certain substances in electrical and electronic equipment and therefore affects different product groups. These rules are often queried together in procurement; unambiguous requirement profiles in the specification prevent subsequent debates with A-suppliers.

The buyer's role as a downstream user

Companies that use substances or mixtures in the course of their industrial or professional activities are deemed downstream users under REACH. This role brings its own obligations, even if the company itself does not register anything. Procurement is often the first point of contact because it steers the supplier relationships and procurement documentation.

Information and notification obligations

Downstream users must check whether the safety data sheets available to them cover the actual uses. If this is not the case, communication with the supplier may be necessary in order to have the use reported or to be alerted to unsupported uses. In practice, the safety data sheet is therefore a mandatory element of every supplier file and should be archived with each revision.

Exposure scenarios and extended safety data sheets

For registered substances in quantities above typically ten tonnes per year and registrant, the extended safety data sheet contains exposure scenarios. These describe the conditions under which safe use has been assumed. Manufacturing plants must reconcile their actual processes – for example spraying methods, temperatures or protective equipment – with these scenarios and address deviations operationally.

Integration into the procurement process

REACH requirements can be efficiently anchored in standard processes: from requirements analysis through to the request for quotation and release of orders. Request documents should explicitly state the required substance conformity, for example together with a query on Candidate List relevance for each line item. Anyone extending vendor lists or material master data with REACH attributes can have compliance status automatically maintained in the order point procedure.

Articles, products and the 0.1 per cent threshold

Even without chemical production, the supply industry is affected: articles may contain substances that trigger REACH obligations. The decisive question is whether a substance is incorporated into the structure of the article or determines it in an essential way, and whether it can be released.

SVHC content in items

If an article contains a Candidate List substance at a concentration of typically more than 0.1 per cent by weight, information obligations towards commercial customers and, on request, towards private consumers apply, and in some cases a notification duty to the Agency as well. The threshold relates to the article as a whole or to identifiable components, which must be checked for each product configuration. Components made of distance tubes, coatings or elastomers are common drivers.

- 0.1 per cent by weight as the trigger for information obligations
- Full material versus component assessment is frequently disputed in practice
- Documentation as a basis for customer audits is required

Completeness check of supplier statements

Statements such as “REACH-compliant” without substance detail are regularly insufficient for commercial buyers. Buyers should demand a specification-based confirmation, ideally stating the Candidate List revision checked and CAS numbers of relevant substances. Material, unit and currency master data can be extended with such certificate attributes so that revision statuses remain traceable.

Traceability of materials

Traceability of materials across several supply tiers is the greatest practical challenge. Contract manufacturers and subcontractors must be subject to the same substance information as the direct contractual partner, otherwise blind spots arise. For close partnerships with an A-supplier, a regular compliance certificate as part of the supplier segmentation criteria is recommended.

Key KPIs and control variables in REACH management

REACH compliance can be measured and integrated into existing KPI landscapes. Suitable indicators show how comprehensively substance information is available and how quickly the organisation responds to list changes.

Coverage rate of substance information

The coverage rate indicates the proportion of purchased chemistry-relevant item positions for which complete, up-to-date declarations of conformity are available. In practice, mature organisations aim for values of typically more than 95 per cent. The remainder is frequently followed up via escalation processes in the procurement process.

Response time to Candidate List updates

SVHC lists updated twice a year demand a structured response. The KPI “time to update of the own product specification after list update” shows how quickly the operation identifies new substances and completes impact analyses. Short response times are a quality feature that is also rated positively in customer audits.

Share of critical suppliers without evidence

Within supplier segmentation, it can be established how many preferred A-suppliers for chemistry-relevant categories do not hold valid evidence. If this share falls continuously, it documents successful supplier development measures and reduces audit risk.

Risks and controls

REACH violations can lead to sales bans, sanctions, customer complaints and reputational damage. For buyers, an additional operational ripple effect arises: if a substance loses its authorisation, variants and upstream materials disappear.

Supply chain and substitution risks

A classic risk is the irreplaceability of a softener subject to authorisation, a flame retardant or a chromated coating system. Anyone who qualifies alternative materials in good time achieves cost avoidance, because expensive short-notice conversions are avoided. Alternative qualifications should therefore be included in the requirements analysis for long-running products, ideally coordinated with the S&OP cycle.

Contractual safeguards

The terms and conditions should regulate the supplier's REACH assurance in a binding manner: applicable list revisions, evidence obligations, information obligations in the event of changes and limitation of liability. In international procurement with FOB or FCA as the agreed delivery term, REACH nevertheless applies independently of the transfer of transport risk, since it is a market placement rule and not a transport rule.

Audits, freight and document controls

Transporting chemical goods creates, alongside substance conformity, logistical verification tasks; here freight management can be interlinked with freight audit and freight cost management, as hazardous goods transports typically carry surcharges. In the event of damage, structured processes such as 8D containment help to isolate affected batches quickly. An institutionally anchored process with defined roles is in every case preferable to ad hoc management.

Current developments and outlook

REACH remains in motion: lists are extended, evaluation practice is refined and the regulation itself is being reformed. Buyers must identify trends before they become frozen into supplier contracts or product specifications.

REACH revision and the PFAS debate

A far-reaching revision of the regulation has been discussed for years, with the aim of streamlining procedures and raising protection standards. In parallel, restriction initiatives for substance groups such as per- and polyfluoroalkyl substances (PFAS), which affect very broad applications, are increasing. Suppliers of seals, coatings and electronic components should include alternative strategies early on in the award maturity assessment.

Digitalisation of substance data

Substance data is increasingly exchanged in machine-readable form, for example via standardised

formats for full material declarations. This facilitates integration into ERP systems and reduces manual maintenance effort. Anyone negotiating pricing models, for example within a pricing sheet or a best and final offer (BAFO), can map evidence obligations as part of the scope of services and thereby create comparability between offers.

Sustainability and compliance merging

REACH issues are increasingly merging with sustainability requirements, product passport discussions and supply chain due diligence. Buyers who maintain compliance data, sustainability data and freight and customs information – for example in connection with HS classification – in one data landscape gain transparency across the entire supply chain. This not only reduces risk but also accelerates enquiry processes, for example in documentary credit business or for declaration-intensive exports.

Typical metrics

Coverage rate of REACH evidence: > 95%

Share of chemistry-relevant item positions with a complete, up-to-date declaration

Response time after SVHC update: < 8 weeks

Time until completed impact analysis per list revision

Share of suppliers without valid evidence: < 5%

Refers to supplier segmentation of preferred suppliers

SVHC content in articles: ≤ 0.1%

Threshold triggering information obligations

Practical example

A medium-sized mechanical engineering company with around 250 employees sources hydraulic assemblies from an A-supplier, which among other things contain an elastomer compensator with phthalate-based plasticisers. Following a Candidate List update, a major customer reports a sales stop for non-compliant assemblies. To date the company had only obtained blanket declarations of conformity without substance details and had to review all factory materials at short notice.

- Introduction of a mandatory field 'REACH/SVHC status' in the material master record, including the list revision
- Contractual anchoring of substance information obligations and notice of changes in the terms and conditions
- Structured requirements analysis and alternative qualification for affected elastomers before expiry of the transition periods
- Quarterly dashboard with coverage rate of evidence as a fixed element of supplier segmentation

Conclusion

REACH is far more than a chemicals regulation for the process industry: it determines material decisions, supply contracts and documentation obligations in almost every manufacturing chain. Buyers who systematically request substance information, maintain material master data and proactively track list changes noticeably reduce supply failure and liability risks. Clear contractual safeguarding is important, particularly with deep supply chains and contract manufacturing. KPIs such as the coverage rate of evidence make the topic manageable and audit-ready. Integrating REACH into the procurement

process rather than treating it as an isolated compliance task creates genuine added value for customers and the risk structure.

Frequently asked questions

What does REACH mean for industrial buyers?

REACH obliges companies that place substances, mixtures or affected articles on the EU market or use them to ensure and document safe handling. Buyers act as downstream users with information obligations. In practical terms, this means requesting safety data sheets, checking SVHC relevance and contractually stipulating evidence of compliance.

Does REACH also apply to components and machinery, not just chemicals?

Yes, also for articles such as components, if they contain certain substances that may be released or that determine essential components. From a content of typically more than 0.1 per cent by weight of a Candidate List substance, information obligations apply. The assessment is made case by case and should, if in doubt, be professionally reviewed.

What is the Candidate List of SVHC substances?

The Candidate List contains substances of very high concern that may potentially become subject to authorisation. It is typically updated twice a year. Companies must check whether their materials are affected and, where the threshold is exceeded, fulfil information obligations.

What evidence may a supplier provide for REACH compliance?

Recognised evidence includes, among others, safety data sheets, full material declarations with CAS numbers, authorisation certificates for Annex XIV substances, and declarations of conformity stating the list revision checked. Blanket statements without substance-related detail are generally not sufficient for commercial buyers in practice. The format should be specified in the request for quotation and the terms and conditions.

Is REACH different from RoHS?

Yes. REACH is a broad chemicals regulation covering substances, mixtures and, in part, articles, whereas RoHS restricts certain substances in electrical and electronic equipment. A product can be RoHS-compliant yet still contain REACH-relevant substances. Both sets of rules must be checked separately.

What obligations apply to importers from third countries?

Anyone importing substances or mixtures from third countries into the EU is generally deemed an importer with registration obligations from typically one tonne per year per substance. For articles, a differentiated regime applies focused on release-based obligations. The precise demarcation is case-dependent and should be legally reviewed.