



## Chemical Management

Chemicals, whether naturally occurring or man-made, are present in every aspect of our daily lives. But how do we know which ones are safe? Historically, we've relied on government resources to provide guidance on chemicals and their uses. However, that has not always proven reliable as chemicals such as PCBs, pesticides DDT and Dieldrin, perfluorooctane sulfonates (PFOS), or lead were deemed acceptable for use, but now are either banned or being considered for ban or use restriction due to their harmful impact on human health and the environment.

The vast majority of chemicals used today are safe, but examples such as these have led to a global rethinking on chemical management. Many of these new regulations will likely be somewhat based on the "Precautionary Principle", otherwise known as a "better safe than sorry" approach or most recently represented as a "no data, no market" philosophy in the European Union's (EU's) Registration, Evaluation, and Authorization of Chemicals (REACH) Program.

In this global economy, other EU or Asian chemical management rules are finding their way to North America. For example, if your organization imports or manufactures a product in the EU, REACH will likely apply. If your organization is not an importer to the EU, but exports only, your customers will likely request data from you for their REACH compliance. However, it is not necessary to look abroad for new chemical management legislation. Several States have green chemistry initiatives and the Federal Toxic Substances Control Act (TSCA) is up for reauthorization and a more REACH-like TSCA may be forthcoming. Chemical management is one of the fastest growing areas of environmental legislation.

There has been a recent wave of Environmental awareness in the United States. To capitalize on this, some organizations are pursuing a "Green" marketing strategy for their products. This is an excellent way to reach environmentally conscious consumers, but be prepared to face a growing number of activist challenges to your organization's "Green" claims. Watchdog groups have been monitoring "Green" claims for some time and are quick to point out which organizations are "greenwashing" their activities, products, or services. This practice sets up the debate to define "how green is green" and what party makes that determination.

The solution to chemical management issues is to have a comprehensive, product stewardship strategy. As new chemical management laws are promulgated, and with long lead-time production items, organizations are finding that these requirements are best managed during the design phase of the product where material selection is made. This process is often called Design for Environment (DFE), and is a part of a product's Life Cycle Assessment (LCA) which can be a critical part of your "Green" Marketing Plan.

BB&E's experienced staff has assisted Fortune 150, Corporate Environmental Managers with product stewardship issues and can help your organization navigate through the applicable chemical management rules by providing consultation services such as:

- Product and Supply Chain Mapping;
- Design for Environment;
- Life Cycle Analysis;
- Chemical Management Compliance; and
- "Green" Marketing





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New regulatory requirements will certainly translate into more fees being paid by organizations to market their product. For example, in the EU, REACH Fees have been set by the European Commission and will range from around \$2,000 to more than \$40,000 per substance registered and other fees and cost(s) for risk assessment (s) may apply.

Product liability cases for lead-tainted products imported from China have led to public health concerns, product recall, and one case resulted in fines over \$12MM for one US-based company. In addition to hefty fines, damage to company image could also cause a decline in shareholder investment.

Companies are being forced to defend their "Green" marketing claims by analytical testing, toxicology assessments, or third-party certification, all leading additional product cost.

Having a product stewardship strategy will enable an organization to meet and work within new regulatory requirements and is a key component of any organization's sustainability program. Your customers most likely already require adherence to chemical management rules such as REACH in their purchasing terms and conditions. In addition, having a robust product stewardship strategy could improve your organization's image and give you a competitive advantage.

With the potential costs of managing the complex chemical issues connected with product stewardship, having sound advice on rule applicability, such as the EU's End of Vehicle Life Directive (ELV), the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations (RoHS), or the life cycle assessment of your product is crucial to your organization. BB&E has the experienced team that can help you sift through the regulatory requirements of Product Stewardship and achieve your "Green" goals.

