

REACH and its impact on base oils and lubricants markets

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REACH is the European Union regulation covering the Registration, Evaluation, Authorisation & restriction of Chemicals. REACH came into force on 1st June 2007 as Regulation EC1907/2006 contains over 840 pages, plus many guidance documents.

What is the intention of REACH?

REACH places the responsibility on the 'chemical' industry to demonstrate the safety of its products throughout the supply chain and it is designed to provide a high level of protection to human health and the environment. Base oils and lubricants are seen as part of the chemical industry under these regulations.

The REACH process will ensure that any data gaps between EINECS (existing chemicals) & ELINCS (new substances) are completed. REACH provides a single EU regulatory system with an efficient decision making process and clear timelines. REACH was designed to encourage innovation and there is some evidence that this is happening.

Where does REACH Apply?

The REACH regulation impacts all substances manufactured in or imported into REACH impacted countries, which are detailed below,* in quantities greater than one tonne per year

*Austria, Belgium, Bulgaria, Cyprus, Czech Rep., Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK, Iceland, Liechtenstein, Norway, French Guiana, Guadeloupe, Martinique, Reunion, Channel Islands, Isle of Man and the Dutch Antilles.

The European Chemicals Agency (ECHA – based in Helsinki) has been established to manage REACH.

What is regulated by REACH?

Manufacture or import chemical substances or mixtures of chemical substances (preparations). The production or importation of articles (for example construction materials, electronic components, toys or vehicles) which contain substances included in a list of 'substances of very high concern' or which are released during their use.

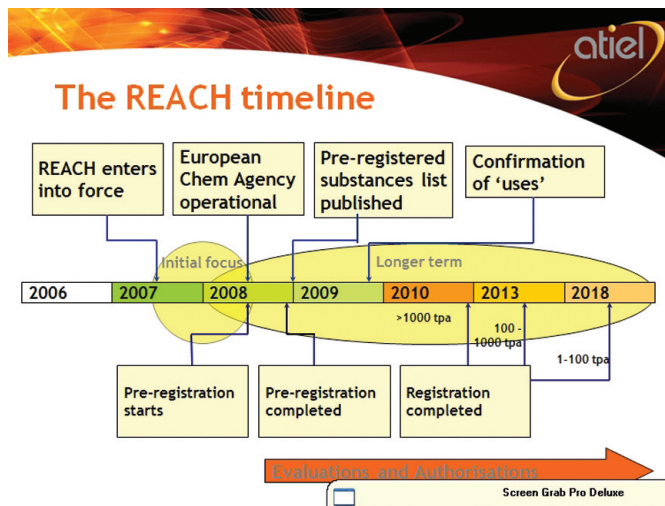
The processing of chemicals or formulation preparations (a mixture of substances) for end use (e.g. cleaning products,

paints or motor oils and all other lubricants) and the use of formulated products professionally by a 'downstream user'.

Does REACH affect base oils & lubricants?

Yes, REACH impacts on both base oils and blended lubricants as they are substances and preparations respectively and their raw material components.

- Base oils are substances
 - includes base oils that are manufactured in the EU
 - includes base oils that are imported into the EU
- Blended lubricants are preparations
 - includes lubricants blended in the EU
 - includes lubricants Imported into the EU
 - includes blended lubricants may be used in 'articles' e.g. vehicle gearboxes



REACH challenges

Pre-registration phase closed on 1st December 2008 for all substances manufactured or imported at > 1 t/a. Suppliers and manufacturers who completed the pre-registration process could continue to manufacture and / or continue importation.

- Importantly pre-registration is substance and registrant specific and needed for each manufacturing site (where sites are owned by different legal entities)