CRMs & the Circular Economy

CRM’s in the Defence Industry

Tim Becker
CRM Day 2016
Silken Berlaymont Hotel, Brussels, 27 September 2016
Preliminary note:

This presentation only reflects the view of the author / REACHLaw and not the EDA or defence stakeholder views.

The EDA REACH impact study introduced in this presentation is still ongoing, results cannot be shared today. An Executive Summary will be publicly available.
Introduction

About REACHLaw Ltd

What we do? We provide global regulatory compliance and environmental sustainability services to ensure market access and operational sustainability for global businesses.

KEY FACTS ABOUT US
- Established in Helsinki
- subsidiaries in Brussels, New Delhi and Istanbul
- 30+ toxicologists, chemists, lawyers, socio-econ. analysts, business and environmental specialists
- 20+ local partners in Europe, Asia, Latin-America and the USA
- 350+ REACH registrations by the 2010 deadline
- Language support in 10+ different languages
- more info about Us: www.reachlaw.fi

SERVICE AREAS
- Global chemicals regulatory compliance, e.g.
  - REACH
  - Biocides
  - TCCA-Korea
  - CLP
  - China REACH
  - TSCA-USA

- We prepare the required dossiers to authorities, SDSs, labels and provide related business strategy, legal and monitoring support.
- www.compliantsuppliers.com

OUR CLIENTS
- More than 200 customers from 40+ countries, from Fortune 100 companies to SMEs.
- Major industries served: Oil, chemicals, specialty chemicals, metals, space sector and other downstream users (DU) industries
- Our customers are manufacturers, importers, traders, DU’s, industry associations and governmental organizations.

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AGENDA

• EDA REACH impact study
• CRM’s in the defence industry
• Circular economy
• Conclusions
EDA REACH Impact Study
Challenges posed by REACH / EU chemicals policy

- Defence relies on a very broad spectrum of systems and components, ranging from air, land, naval, space to ammunition, nuclear, electronics et al.
  - High number of substances and regulations impacting defence
  - Many applications are the same/similar in civil sector (dual use)
- Very long lifecycles and often global supply chains for complex equipment
  - Strong mismatch with REACH timelines: Find short-term substitutes for Substances of Very High Concern (SVHCs) at the most reasonable cost
  - Obsolescence risks of materials and processes due to REACH
- Objectives of REACH (Article 1(1)): A difficult balance
  - Ensure a high level of protection of human health & environment
  - while enhancing competitiveness and innovation

Specifically for defence: Ensure the proper development of the European Defence Technological and Industrial Base (EDTIB), as well as the sustainability of defence equipment maintenance processes performed by EU MoDs and related to equipment, of EU or non-EU origin.
Project scope

Study title: "REACH and CLP impact on the defence sector"

EU defence industry and MoDs

Deliverable 1: Impact analysis
- REACH in-depth*
- CLP Identify issues

Deliverable 2: Practical proposals on improvements for the REACH and CLP Regulations and their current implementation regime*

Deliverable 3: Synthesis of information on impacts and a strategy (draft) & proposals for improvements
- BPR
- POP
- ODS
+ other relevant EU Regulations (e.g. F-GAS, RoHS, WEEE) & UN

Project duration: May - November 2016

EDA REACH Impact Study
Stakeholders consulted

- European Defence Agency (EDA) and EU Ministries of Defence
- European Commission (DG GROW and DG ENV)
- European Chemicals Agency
- REACH Member State Competent Authorities
- The AeroSpace and Defence Industries Association of Europe (ASD)
- National Defence Industry Associations
- EU defence companies
- Non-EU defence companies with business in EU and preferably international/globalised supply chains
- (Associations of) Manufacturers with defence as important client
- Trade unions
- Industry initiatives (e.g. REACH Consortia) for selected substances
CRMs in the defence industry
Relevance for the EDA study

- Defence applications rely on the use of various substances linked to on a number of CRMs from the current list, e.g.:

- Study “Raw materials in the European defence industry” (JRC) is nearing completion - basis for a new EC raw material strategy in the defence sector
- The link between CRM policy and REACH is worthwhile to be further explored
  - First attempt to analyse impact of REACH → CRM in Oakdene Hollins and Fraunhofer ISI, Study on Critical Raw Materials at EU Level, 16 December 2013 (Section 5.5.2)
  - CRM Policy → REACH?? Esp. Implications for Risk Management Option Analysis (RMOA) and SVHC Regulation (candidate list and authorisation)
CRMs in the defence industry
Circular Economy and the defence industry

• Challenges
  – Knowledge about substance composition in complex systems (in particular legacy and imported systems) and supply chains
  – Reliance on substances targeted by REACH for maintenance, repair (e.g. surface treatment for corrosion protection) et al.
  ➔ A trade-off to be made in the light of Circular Economy

Ensure longevity and high performance of equipment vs. [if & when Possible ➔]

Minimise waste

Avoidance/substitution of critical substances targeted by REACH (authorisation)

Recycling of benign material
CRM’s in the Defence Industry

Conclusions

• **EU CRM policy** is very relevant for defence as a multi-product and high-tech sector.
  – First dedicated study on CRMs and defence industry is nearly complete.
• **The links** between CRM policy, circular economy and chemicals legislation such as REACH appear still **underexplored** today.
• The importance of a **holistic view** to EU chemicals and related policies / concepts is pertinent for a sector such as defence. It is also being **recognised by the EC** (e.g. by the recent initiatives under EU worker legislation and REFIT looking at non-REACH chemicals legislation) and should be further enhanced.
• **RMOA** under REACH (SVHC Roadmap to 2020) could be an appropriate vehicle for REACH competent authorities to tie in the objectives of related policies, and **ensure that REACH effectively manages risks** - as it should - instead of creating new ones.
Thank you
for your attention!
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EDA REACH Impact Study I Background

Complexities of the Defence sector

- **Design**: Up to 30 years
- **Manufacturing**
- **In-service use & maintenance**: 50+ years
- **Disposal**

**Time**
- Very long equipment lifecycles
- Design and qualification constraints

**Costs**
- Complexity (requirements, components, supply chain)
- Comparably small defence market base

**Obsolescence**
- Military
  - Dual
  - Civil
- Aero
- Naval
- Land
- Munitions
- Electronics
- Nuclear

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