

## ENVIRONMENTAL AUDIT COMMITTEE (EAC) CALL FOR EVIDENCE ON PROGRESS IN IMPLEMENTING UK REACH

### CTPA RESPONSE

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#### Who is CTPA?

Representing all types of companies involved in making, supplying and selling cosmetics and personal care products, the Cosmetic, Toiletry and Perfumery Association Ltd. (CTPA) acts as the voice of the UK industry. CTPA represents, at any given time, around 200 member companies of diverse sizes, from SMEs through to multinationals. This collectively represents between 85-90% of a UK market valued at £8.5 billion in 2021 (at retail sales price).

CTPA has been working with the Department for the Environment, Food and Rural Affairs (Defra) and the Health and Safety Executive (HSE) on UK REACH since 2018, providing the relevant Government departments with evidence on the impact of the UK REACH provisions, particularly on downstream users of chemicals. CTPA welcomes the collaborative approach taken by Defra and the HSE and is grateful for the opportunity to work with these departments on the development of the new UK REACH model following the announcement made in December 2021.

CTPA and the UK cosmetics industry strongly support the need for a UK REACH system which protects the environment and human health. UK REACH should be a simple and proportionate framework that allows for information on chemicals to be collected efficiently, enabling effective chemical risk assessment based on the latest science. To ensure relevant and outcomes-focussed risk management, it is important that UK REACH takes into account GB-specific uses of, and exposures to, chemicals.

#### Key Challenges with the UK REACH Provisions Currently in Force

- Current provisions in place for re-registering chemicals under UK REACH are not sustainable for businesses, both from a cost and an administrative burden point of view. From 2010 to 2013, EU REACH cost businesses over €459 million. [Research](#) commissioned by Defra provides estimated figures for costs of re-doing registrations under UK REACH. Costs vary per company, but they generally range between **£1-5 million**; a company estimated costs of up to **£40 million**, and another company estimated costs of approximately **£65 million** if considering also changes to the supply chain.
- For chemicals already registered under EU REACH, full duplication of the registrations under UK REACH will be challenging due to **data access**. Companies cannot legally take the data from the EU dossiers and submit them under UK REACH, without negotiating data access with the relevant EU

lead registrants. This negotiation process is not only costly, but it is also very time consuming. Furthermore, it is not guaranteed that EU lead registrants will provide access to intellectual property within the EU REACH dossiers; in the latter instance, companies would need to unnecessarily repeat costly and lengthy testing to generate that data.

- Current provisions may therefore lead to **supply chain disruptions, increased prices of substances, loss of sales and the UK manufacturing may no longer be competitive vs EU manufacturing**. These factors are likely to lead to **increased costs to consumers for everyday goods**.
- Current provisions **are also likely to lead to additional animal testing** to replicate data already generated to comply with EU REACH, as mentioned in a previous point. Unnecessary duplication of animal testing is costly and firmly opposed by the cosmetics industry, due to the animal testing ban under the UK Cosmetics Regulation.

### New Alternative Transitional Registrations Model

- CTPA and the UK cosmetics industry **welcomed** the announcement by Defra in December 2021 to **review the provisions for registration under UK REACH**. In fact, CTPA has been working closely with Defra, the HSE and other sister associations on the development of the alternative transitional registrations for UK REACH registrations, with the objective of achieving a proportionate and protective framework for chemicals management in GB. This collaboration between Defra, the HSE and relevant industry stakeholders is extremely positive.
- CTPA and the UK cosmetics industry also **welcomed** the public consultation on the **extension to the current deadlines for submitting registrations under UK REACH**. CTPA supported option 1, extending the registration deadlines of 3 years for each tonnage band. The CTPA response to this consultation is publicly available on the [CTPA website](#).
- It is important for the alternative model under development for UK REACH registrations to take into account the particular composition and structure of the GB market. In GB, there is a much **greater proportion of chemical importers and Downstream Users (DUs) compared to manufacturers of chemicals**. The latter are generally those actors in the supply chain which hold data on chemicals and are registrants under a REACH framework. This means in practice that the GB market consists mainly of those businesses that will need to negotiate data access with lead registrants in the EU, or unnecessarily repeat testing to be able to submit UK REACH registrations. Therefore, a UK REACH model needs to take into account the administrative, cost and legal difficulties, in regard to accessing and using existing data for companies operating in GB.
- Furthermore, it is important to highlight that many **UK-based DUs become importers** if bringing finished cosmetic products (as distributors of mixtures) into GB from the EU or other markets. Under the current UK REACH framework, these companies are legally classed as importers and therefore also as registrants (this is related to the definition of importers under UK REACH); **however, from a purely supply chain point of view, these companies are effectively continuing to operate as DUs**, using chemicals at the end of the supply chain to make or import finished products which are intended directly for sale to consumers. This shift in roles and responsibilities will force companies to make a decision between increasing their burden of responsibilities, or rearranging their supply chains, or discontinuing the use of particular substances/products therefore also reducing consumer choice. All of these options would have the implications outlined throughout this document. It is

also important to highlight that **a large proportion of these companies are SMEs, who very likely do not have the expertise, or the financial resources to take on the new registration obligations**; this means that the majority of these companies may have to opt for more extreme business decisions.

- It is vital that the new UK REACH framework is at the **forefront of promoting the use of New Approach Methodologies (NAMs) for chemical safety assessment**. NAMs are cutting-edge scientific methods to chemical safety assessment that do not use animal testing. This is not only beneficial for companies, that can use less costly and burdensome approaches; but it is more importantly an opportunity for **the UK to be a global leader in animal free chemical safety assessment**.
- Despite reducing costs and some administrative burden for companies, the alternative registration model currently under development still presents some challenges. The main challenge is around **accessing and using information about chemical hazards from publicly available databases, as challenges with intellectual property rights have not yet been resolved**. Another industry concern around using publicly available data relates to the fact that some studies that are no longer protected by IP rights may not be the latest available and therefore not represent the latest science. Major companies have also found completing **this type of risk assessment very time consuming and requiring highly expert staff**. Whilst multi-nationals or companies of similar size may be able to complete this work, **SMEs and former DUs would not be able to fulfil these obligations and carry out a high-level risk assessment**. These challenges are being addressed by the relevant Working Groups between industry, NGOs, academia, Defra and the HSE. Work is ongoing to try and ensure that companies will be able to legally use existing hazard data for their safety assessments, as well as to further reduce the cost and administrative burden on companies.
- As previously mentioned, the GB chemicals landscape consists primarily of importers and DUs of chemicals, and a lower proportion of manufacturers of chemicals. Therefore, CTPA and the UK cosmetics industry welcome a focus in UK REACH on how chemicals are used in GB and how the GB environment and worker population are exposed to these chemicals. Prioritising chemicals based on these factors will promote risk management which is targeted at the areas where it will make the most significant difference to human health and/or the environment. CTPA is working with the UK Government on the most appropriate way to enshrine chemical uses and exposures within the UK REACH framework.
  - Furthermore, a model that focusses on uses and exposures may help address some of the challenges that companies face with data access of hazard information. For example, prioritisation by uses and exposures allows for a more targeted hazard assessment, therefore simplifying the hazard data set only for the relevant uses and exposure routes.

### Additional Considerations

- CTPA looks forward to continuing the engagement with Defra, the HSE and other stakeholders on the development of the alternative transitional registrations model.
- Further development and refinement of a new UK REACH model can **benefit the UK chemicals industry, leading to growth of the sector, scientific innovation, better regulation and more targeted and relevant risk management options for chemicals**.

- A UK approach which prioritises chemicals based on exposure and sets New Approach Methodologies (NAMs) at the forefront of data generation is in alignment with other important international markets such as Canada and the US.

### Background to UK REACH

- The Registration, Evaluation and Authorisation of Chemicals (REACH) Regulation is a horizontal chemical regulation which aims to ensure a high level of protection for human health and the environment from the risks that can be posed by chemicals. This framework applies to chemicals manufactured or imported into the GB market over 1 tonne, per year, per legal entity, throughout the supply chain.
- REACH establishes a specific procedure for collecting information on the properties and hazards of substances: companies need to register their substances with the Health and Safety Executive (HSE) by submitting registration dossiers containing specific information; companies can do this by working together as a joint submission group if registering the same substance.
- Depending on the tonnage of the substance, there are specific testing requirements that must be met in order to identify hazards.
- Currently, the UK REACH dossier must replicate and contain the same level of information as the dossiers submitted under EU REACH. This incurs high level of administrative and cost burden, as well as repeating unnecessary testing, which is often animal testing, without an additional benefit for human health or the environment. It is not straightforward to submit the EU REACH dossier under UK REACH: the data and the studies carried out to meet the requirements of the EU chemical regulation are under strict intellectual property and usage rights conditions, meaning that they cannot be automatically submitted to comply with another country's chemical framework.