

Value chain Cefic works with consumer products industry and retailers to offset de-selection pressures. The power to influence which products the chemical industry can sell on the market is shifting from the regulators to commercial customers. Whereas in the past industry was more concerned about direct regulatory change affecting its products and processes, the focus has shifted more to indirect pressure from the value chain.

Cefic has adapted by proactively reaching out and collaborating with the value chain on a European level. Getting the dialogue started early and organising the exchange of information will help avoid damaging, unilateral moves by customers and build long-term commercial relationships that are built on trust, instead of fear and suspicion.

Customers, brand owners, retailers and consumers are increasingly exerting pressure on the chemical industry to deselect certain substances or chemical products. Rising public concerns about the environment, human health and sustainable development – often fuelled by non-governmental organisations – have prompted stakeholders in the downstream value chain to develop specifications that result in added de-selection pressures for manufacturers.

Occasionally, specifications will take the form of arbitrarily drawn-up “black lists” of substances, products or applications deemed unacceptable. Cefic is consistently and successfully arguing with downstream stakeholders that all authorisation decisions must be taken under the REACH process and not through other, more or less arbitrary means.

REACH, however, also imposes obligations on retailers, importers and manufacturers. Article 33(1) of the regulation requires that the supplier of an article communicate to the industrial customer sufficient information on the substances included in the REACH Candidate list and present in the article in order to allow safe use. And Article 33(2) extends the information requirement to consumers upon request. The information must be communicated within 45 days.

A number of NGOs have been campaigning on consumers’ “right to know.” Retailers, who are more than often the first point of contact for consumers, are concerned about the risks of miscommunication and are seeking support from the chemical industry.

In September 2008, Cefic took the initiative to organise a first workshop on “REACH and Retailer Sustainability.” Participants included representatives of consumer brands such as Electrolux, Ikea, Levis Strauss, Nike, Nokia, l’Oréal, Panasonic, Procter & Gamble, Sara Lee and The Body Shop, as well as European trade associations representing the cosmetics and fashion industries among others. On the retail side, the European association Eurocommerce as well as individual retailers such as Carrefour, C&A and Marks & Spencer were present.

The workshop developed a consensus on the need to share more information up and down the value chain. It was followed a few months later by a second workshop focusing specifically on REACH’s Article 33 and jointly organised by Cefic and Eurocommerce.

In the meantime, Cefic has established a formal chemical-retail platform to organise regular information exchange. The approach is being extended to other sectors such as the electronic appliances and textile industries.

More such initiatives are likely to follow as Cefic gets increasingly involved with the value chain in implementing REACH and, more broadly, to offset avoidable de-selection pressures.