

Annex E: REACH - Supplier Risk Identification Matrix

Certain supplier or product characteristics may lead to a higher risk in fulfilling the obligations under REACH. Chapter 6 of the Automotive Industry Guideline on REACH contains a 5 Step Compliance Schedule that is recommended for the Automotive Industry. The Steps 1.2.3 and 1.3.4 recommend that the risk associated with a supplier or their products should be identified in order to define an approach for managing that risk.

The TF-REACH has developed REACH-related risk Identifiers. Explanations have been provided to help clarify the intent. Companies may already have defined identifiers to evaluate suppliers. The following are those that are offered for consideration to manage REACH obligations.

This list is not intended to be used as a survey, or as a way to rank suppliers or products. It is a guide to be used to prioritize any necessary action plans or business strategies to minimize the potential risk associated with REACH obligations in the supply chain.

REACH - Supplier Risk Identification

#	General Risk Identifiers	What constitutes a risk?
1	Supplier fails to respond to customers communication (REACH awareness letter, certain request regarding the intention to register and covered uses, notification)	Customer is unaware whether the supplier understands his obligation. Customer is unaware whether the supplier will register and whether his uses are covered. Suppliers fails to respond or provides inadequate response which gives reason for distrust.
2	Supplier company in receivership	Company has been declared bankrupt and auditors are running the business. Auditor may divest part of the company. REACH obligations may not be taken into account and followed up which could lead to supply chain disruption.
3	The importer or only representative does not fulfil his obligation	Substance do not get registered or authorised for use. Possible supply chain disruption if registration does not take place or certain uses are not covered.
4	Supplier lacks capability or manpower resource. Due to small market share and/or squeezed profit margin, financing of registration/ authorisation is not envisaged.	Substance is no longer available which leads to an alternative solution being sought by the customer
5	Supplier indicates that he will not register/ authorise the substance	Substance is no longer available which leads to an alternative solution being sought by the customer
6	Supplier does not follow 5-steps compliance schedule and/or has no REACH strategy	Supplier is not using 5-step compliance schedule and has no REACH strategy therefore their process is not controlled.
7	Supplier is a distributor being a trading company	Supplier may have wide product range and low technical knowledge and capability. This might become critical if the supplier does not know his obligations
8	Supply chain is very complex	The supply chain is dispersed throughout the world.
9	Supplier is not ISO or EMAS accredited and has no external audits	ISO or EMAS is the foundation for environmental systems and if the supplier is not accredited it is a risk for long term stability.
10	Global headquarters (outside EEA) are deciding the REACH strategy	Headquarter based management may wish to be responsible for communication with customer or supply chain and this may be carried out inefficiently due to lack of understanding.
#	Product Risk Identifiers	What constitutes a risk?
11	Suppliers substance/mixture/article contains Substance(s) of Very High Concern on Annex XIV	The Substance of Very High Concern may not be authorised for use.
12	Supplier's article is made from recyclates.	Data provided via SDS may be insufficient when compared to virgin material.
13	Supplier is the only producer of a particular substance, mixture or article.	Production is at risk if substance is critical to your business. Customer help may be required in making sure that registration, authorisation, communication and notification will be made.
14	The supplier does not report the substances contained in the article he supplies (e.g. via IMDS, MACSI)	If information is not available, necessary REACH obligations in accordance to Art.33(1) and (2) can not be met.
15	The supplier only has one customer for the substance, mixture or article.	Supplier does not intend to register or apply for authorisation of use.
16	Supplier's mixture/article contains a key substance that can not be substituted due to technical properties.	A key substance is one that if supply stops then so does production
17	Supplier's volume (substance, mixture) is very small.	Supplier's volumes are so small that it does not seem to make economic sense to register or authorise if necessary; this may result in supply chain disruption.
18	Supplier's product is price sensitive.	Supplier is sourced because he has a technically good product available at a low price. Any other product offered at a higher price may impact the business case.
19	Supplier's product is technically sensitive.	Suppliers does not intend to register which can lead to possible supply chain disruption.
20	Supplier (manufacturer) of substances and mixtures does not create a SDS even if required.	If no information is available you can not fulfil your REACH obligations according to for example REACH Title V.