



SVHC Data: What U.S. Companies Should Know About SCIP

Today's presenters



Steve Andrews

Assent Compliance

Subject Matter Expert,
Environmental Stewardship & Policy



Neil Smith

Assent Compliance

Manager, Compliance
& Regulatory Programs



Agenda

1. Introduction to Assent Compliance
2. Poll
3. Background on the Waste Framework Directive Amendment/SCIP Database
4. Q&A
5. Conclusion

Introduction TO ASSENT

75%

OF FORTUNE 500
MANUFACTURERS

Work With Assent

500+

CUSTOMERS



FREE

Assent University Educational Resources



WORLD CLASS SOLUTIONS FOR:

Product Compliance | Corporate Social Responsibility | Vendor Management



A GLOBAL PRESENCE

Ottawa,
Canada
(Headquarters)

Columbus,
USA

Amsterdam,
Netherlands

Penang,
Malaysia

Eldoret,
Kenya

Our **regulatory experience** is your advantage.



James Calder

*VP, Compliance &
Regulatory Programs*



Travis Miller

General Counsel



Kate Dunbar

*Subject Matter Expert,
Business & Human Rights*



Abiola Okpechi

*Subject Matter Expert,
Business & Human Rights*



Valerie Kuntz

*Manager,
Product Compliance*



Dr. Bruce Jarnot

*Senior Manager,
Product Compliance*



**Steven
Andrews**

*Subject Matter Expert,
Environmental
Stewardship & Policy*



**Daniel
Zamora**

*Subject Matter Expert, CSR &
Responsible Sourcing*



Raj Takhar

*Subject Matter Expert,
Materials Management &
Chemical Reporting*



Jared Connors

*Senior Subject Matter
Expert, Corporate
Social Responsibility*



**Magnus
Piotrowski**

*Senior Product Environmental,
Social & Governance (ESG)
Stewardship Specialist*



Ben Gross

*Legal Counsel,
Trade Compliance*



**Neil
Smith**

*Manager, Compliance
& Regulatory Programs*



Sarah Carpenter

*Manager, Business & Human
Rights*



Jamie Wallisch

*Screening Solutions
Analyst*



Feature Presentation

POLL QUESTION

How much do you already know about the SCIP database?

- 1) A lot - I've been following the developments closely
- 2) A bit, but I need to know more
- 3) Hardly anything - help!

How It All Began



EU Circular Economy Stakeholder Event — **February 2018**.

Waste stream operators expressed several concerns about the identification of hazardous materials in products.

Decision made to propose amendments to the **Waste Framework Directive (WFD)**.

EU Waste Framework Directive

The European Union (EU) Waste Framework Directive (WFD) (2008/98/EC) applies to all products sold in the EEA, **regardless of manufacturing origin.**

Key Features:

- Introduced binding targets to reduce waste.
- Established a hierarchy for waste processing.
- Facilitated waste recovery through decontamination.
- Improved EU recycling systems.

Amendment agreed in **2018**.

- Mandated ECHA to establish a centralized **Substances of Concern In articles, as such or in complex objects (Products) (SCIP)** database.



What's the link with REACH?

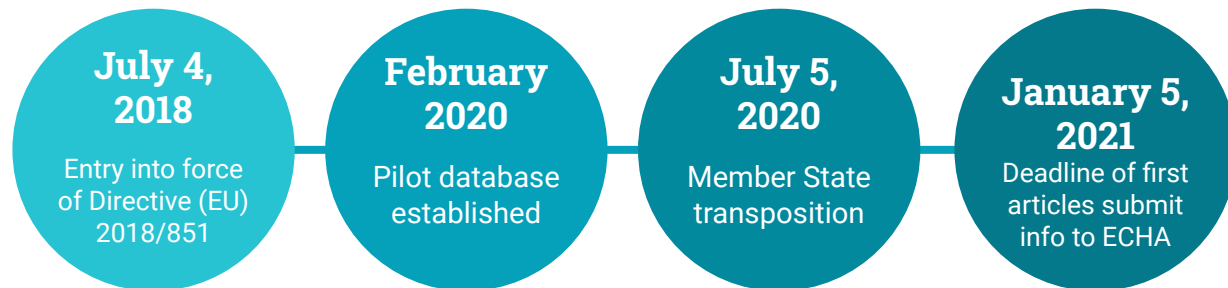
The **R**egistration, **E**valuation, **A**uthorisation & Restriction of **C**hemicals

- The REACH Regulation (EC 1907/2006) has been in effect in the European Economic Area (EEA) since 2007.
- **Goal:** To protect people and the environment from potentially harmful chemical substances.
- Requires the reporting of chemical composition of articles.
- Established a list of substances of very high concern (**SVHCs**) — currently has **219** separate entries.
- The SVHC list is the **starting point** for the **SCIP database**.



Waste Framework Directive & SCIP Database Timeline

Key Dates



- Establish a **database** and **enable submission** of info by EU suppliers of articles
- Provide **access to the database** to “waste treatment operators”, and to consumers (upon request)



- **Transpose** into national law
- **Enforce**

ECHA worked closely with EU member states & key stakeholders on the required information fields for the SCIP database.

Assent sat on the **ECHA IT User Group**.

The EU member state transposition date relates to the implementation of new waste targets, enforcement of reporting and penalties for non-compliance.

EU WFD SCIP Database Article 9 Requirements

The Legal Basis

Article 9.1(i) – Current legal requirement to report data:

Member States shall take measures to prevent waste generation. Those measures shall, at least:

(i) promote the reduction of the content of hazardous substances in materials and products, without prejudice to harmonised legal requirements concerning those materials and products laid down at Union level, and ensure that any supplier of an article as defined in point 33 of Article 3 of Regulation (EC) No 1907/2006 of the European Parliament and of the Council ^() provides the information pursuant to Article 33(1) of that Regulation to the European Chemicals Agency as from 5 January 2021*

Article 9.2 – Legal Text requirement for ECHA to generate database as per their own discretion.

2. The European Chemicals Agency shall establish a database for the data to be submitted to it pursuant to point (i) of paragraph 1 by 5 January 2020 and maintain it. The European Chemicals Agency shall provide access to that database to waste treatment operators. It shall also provide access to that database to consumers upon request.

So Who Needs to Supply the Information?

EU Legal Entities

The following **suppliers of articles** need to provide information to ECHA:

- EU producers and assemblers.
- EU importers.
- EU distributors of articles and other actors who place articles on the market.

Companies outside of the EU are not allowed to submit SCIP notifications, but the importers of articles in the EU, however, **need to turn to their non-EU suppliers of articles** and request information that they need to fulfill their regulatory obligations.

An EU importer may set up contractual agreements with their non-EU suppliers of articles to act on their behalf (as a **“foreign user”**).

A “foreign user” can perform actions on behalf of the company that grants him permission to use an account from their own ECHA account.

Reporting Is Made at the “Article” Level

But What Is an “Article”?

An **article** is an object which, during production, is given a special shape, surface, or design that determines its function to a greater degree than does its chemical composition.

Each **component** within a complex product is considered an article in itself.

Article 33 of Regulation No 1907/2006, as amended, must be interpreted as meaning that, for the purposes of application of that provision, it is for the supplier of a product one or more constituent articles of which contain(s) a substance of very high concern identified in accordance with Article 59(1) of that regulation in a concentration above 0.1% weight by weight of that article, to inform the recipient and, on request, the consumer, of the presence of that substance by providing them, as a minimum, with the name of the substance in question.

eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A62014CJ0106



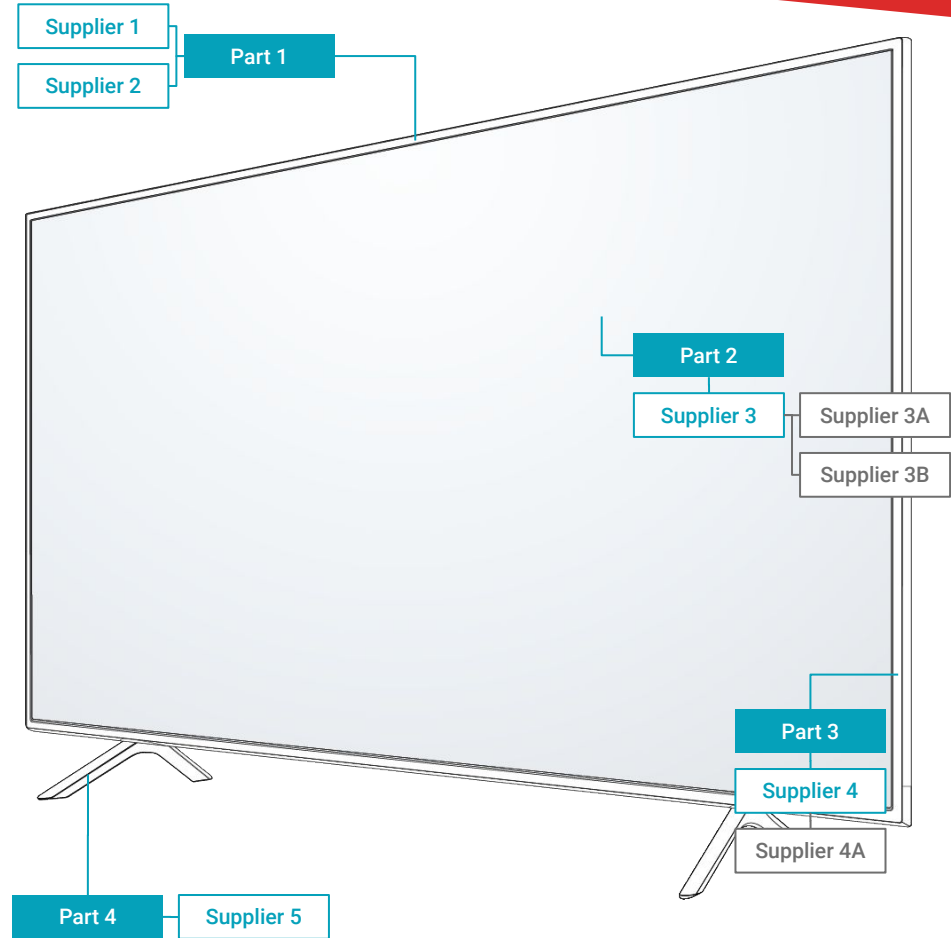
KEY INSIGHT: Resistors, capacitors, inductors, diodes, transistors, and connectors are usually complex articles made of smaller articles.

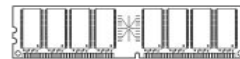
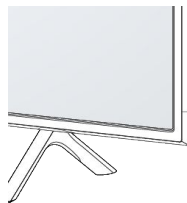
What Is an Article?

An Example From the IT & Consumer Electronics Sector

AN ARTICLE is an individual part of a larger product, such as the, case, switch, or glass or cable assembly in an LCD screen.

A COMPLEX ARTICLE is a product made of many different articles, such as an LCD screen.





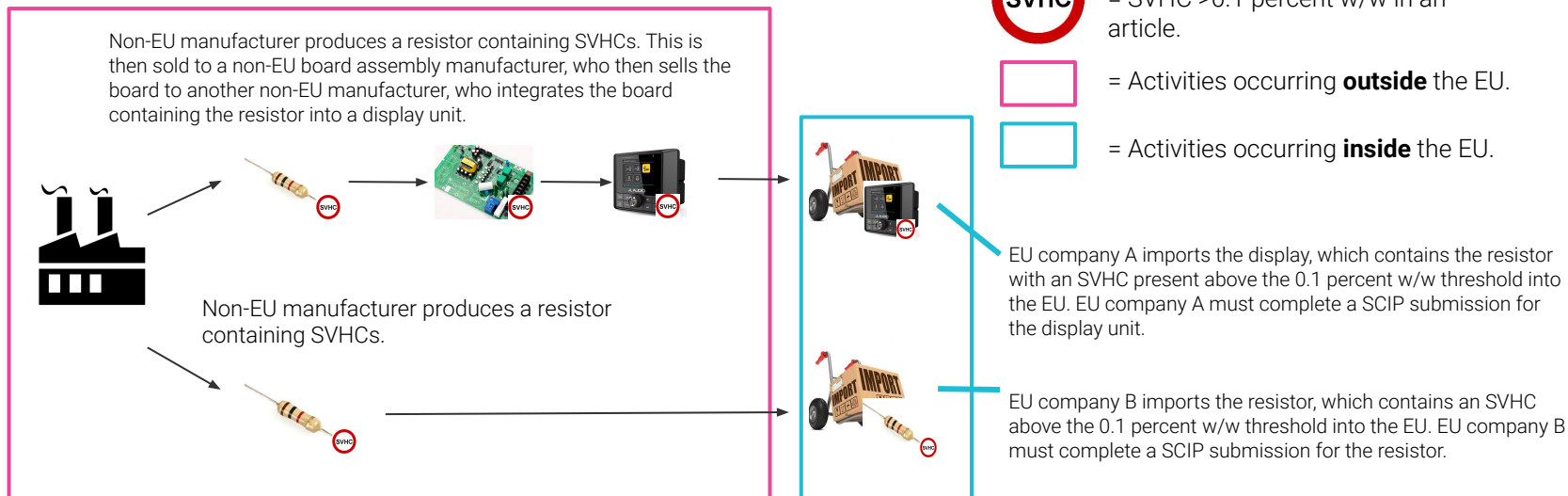
Part Number (Article ID)	GLASS ASSEMBLY (Complex Article)	SWITCH, PUSHBUTTON (Single Article)	LCD MODULE (Complex Article)	CABLE ASSEMBLY (Complex Article)
No. of Units	1	1	1	1
SVHC Information	N,N-dimethylacetamide 127-19-5 ECHA Substance Info	1,2-dimethoxyethane; ethylene glycol dimethyl ether (EGDME) 110-71-4 ECHA Substance Info	2-(2H-benzotriazol-2-yl)-4,6-ditertpentylphenol (UV-328) 25973-55-1 ECHA Substance Info	
SCIP Information	Yes	Yes	Yes	Yes
Article Category/ EU Flag	Yes	Yes	Yes	Yes
Safe Use Information	ECHA Safe Use Guidance	ECHA Safe Use Guidance	ECHA Safe Use Guidance	

What Is an Importer Under the WFD?

The Party That Clears Customs

Importer

- The importer is a natural or legal person (e.g. business) established in the EU that places a product from a third country on the EU market (owns the product after it clears customs).
 - Example

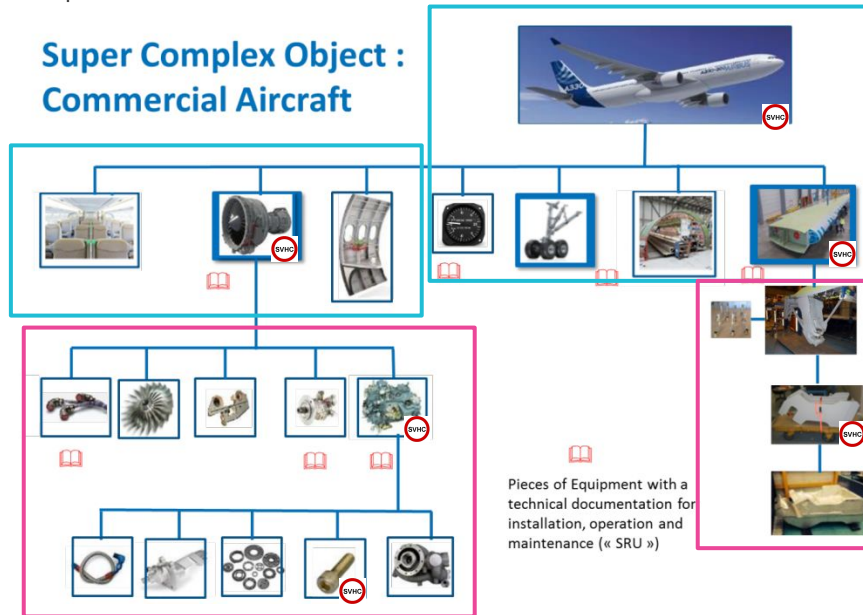


What Is a Producer/Assembler under WFD?

Remember, Anything Outside the EU Is Not In Scope of the WFD

Producer/Assembler

- Assembles a complex object made up of multiple articles (some with SVHCs above the 0.1 percent w/w threshold) within the EU and sells the complex object to an EU recipient.
 - Example:



= SVHC >0.1 percent w/w in an article.



= Activities occurring **outside** the EU.



= Activities occurring **inside** the EU.



= Producer/assembler in scope of the EU WFD/SCIP.



= Out of legal scope of the EU WFD/SCIP.

What About Businesses/Legal Entities Outside the EU?

No legal requirement

However, legal and commercial responsibilities do not always align.

- **A non-EU business:**

- May not wish to rely on third-party importers to meet EU WFD legal requirements.
 - ▶ Failure by the importers could restrict access to the EU market.
- May not wish to provide third-party importers with potential proprietary data for SCIP submissions.
 - ▶ Submissions to the SCIP database without appropriate review could expose trade secret data.
- May wish flexibility in changing third-party importers and control the SCIP submissions.
 - ▶ Having the EU importer cover the submissions could create difficulties with moving to other potential importers.

- **An EU importer:**

- May not wish to be responsible for all activities related to meeting EU WFD requirements.
 - ▶ “Didn’t sign up for this” when they started the relationship.
- May not have the resources to meet any or some of the activities related to meeting EU WFD requirements.
 - ▶ Typically small margins and focused staff without this type of expertise.
- May not even know they have responsibilities to meet the requirements of the EU WFD.
 - ▶ Ignorance is bliss until the product is stopped at the border.
- May not want to consider any activities outside of their commercial agreement.
 - ▶ Supplier-to-importer contract did not establish these requirements or conditions.

Solution

Foreign User

ECHA SCIP Q&A

What if I am a supplier of articles from outside of the EU?

The responsibility for providing information to ECHA lies with the EU importers.

Companies outside of the EU are not subject to this obligation and are not allowed to submit SCIP notifications.

Importers of articles in the EU, however, need to request information from their non-EU suppliers of articles in order to fulfil their regulatory obligations. As a non-EU supplier of articles, you should support your EU customers by giving them the necessary information about the presence of Candidate List substances in your supplied articles.

An EU importer may set up contractual agreements with their non-EU suppliers of articles to act on their behalf (as a “foreign user”), regarding the submission of data to the SCIP database. However, the **responsibility of the SCIP notification and its content still lies with the EU importer** of articles. Please be aware that the third-party user (foreign user) will see the same information as all other users in the ECHA IT tools.

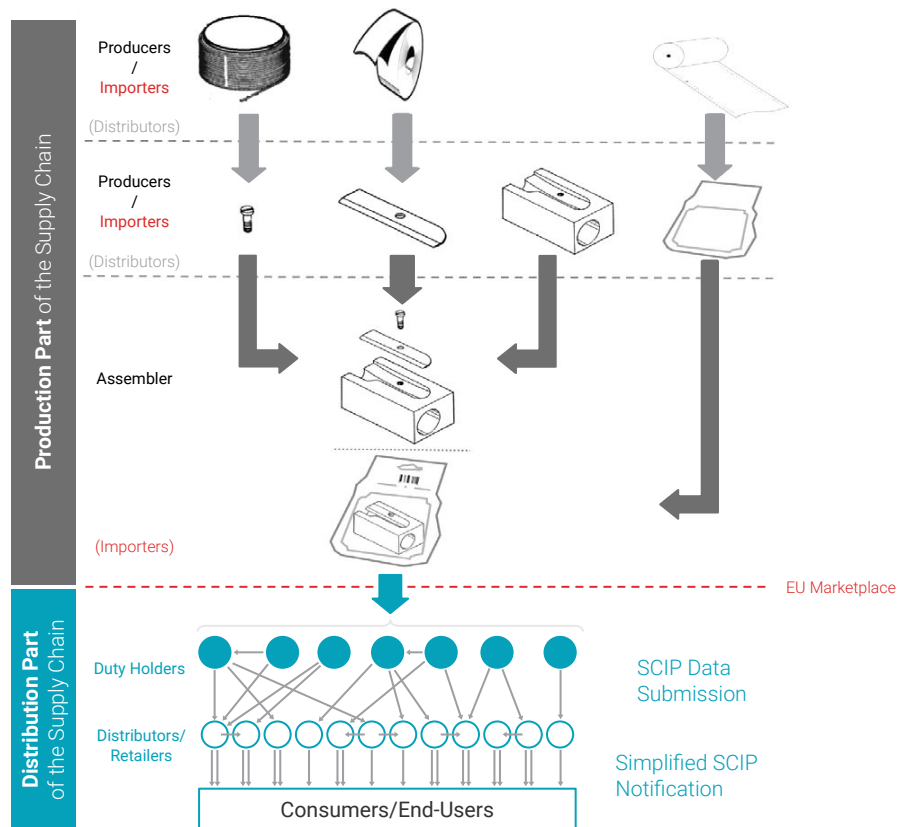
Duty Holder Responsibilities Under the SCIP Database

- i) Do you have a REACH program?
- ii) Do your products contain any SVHCs (above 0.1% w/w) on the most recent list?
- iii) Are you a distributor or importer of record in the EU?

If you can answer **yes** to each of those questions, you're likely **in scope** of the EU WFD as a duty holder.

But what does that mean for you?

- Producers, assemblers, importers, and distributors in the EEA, known as “**suppliers of articles**,” are all in scope of SCIP database reporting obligations.
 - Importers of articles manufactured outside the EU must collect and submit data from the supply chain and report it into the SCIP database.
- **Suppliers** of articles must upload and maintain **dossiers** of all articles entering the EEA that contain SVHCs.
- **Distributors** of articles must submit **Simplified SCIP Notifications** to support article tracking in the EU.



SCIP Dossier Notification Expectations

SCIP notifications include the following:

- Top-level product, and new dossiers for each variation of the product.
- Mid-level product(s).
- Article(s).
- Substance(s) over threshold.



Printed circuit board



Top level entity
(complex object)

'PCB joints' (*)



(Lead, EC 231-100-4)



• Identifiers / categorisation / characteristics



• Safe use instruction(s)



• Complex object component(s)



• Concern elements

(*) **Provide a suitable name, e.g. 'PCB joints'**

Concern element + New item

1 Candidate list substance
Lead | Lead | 7439-92-1

Concentration range
≥ 0.3% w/w and < 1.0% w/w

Material categories + New item

1 Material category

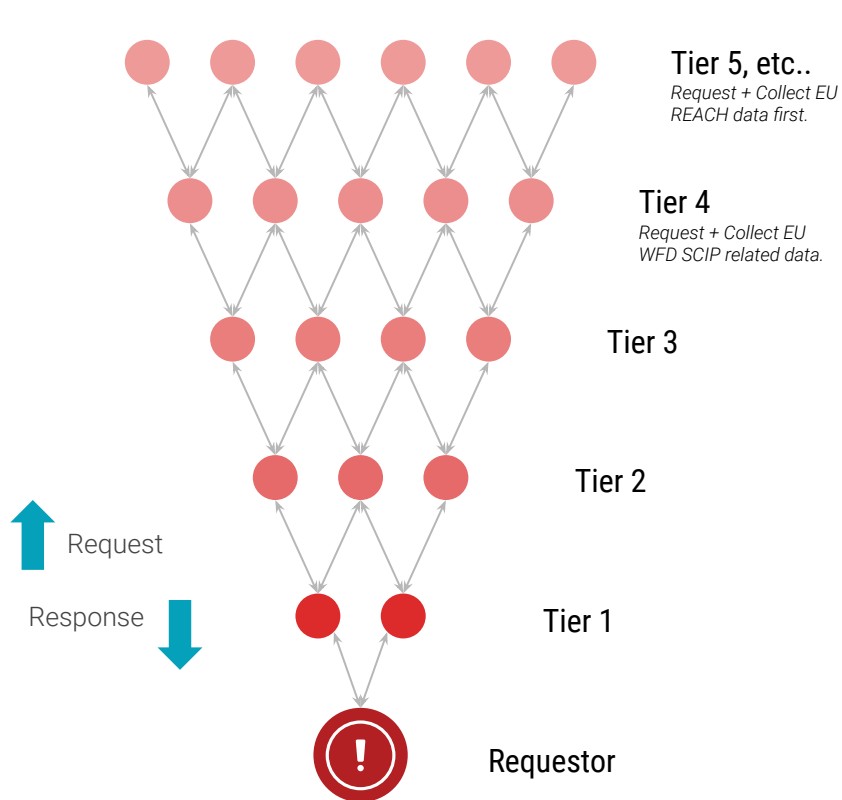
Additional material characteristics
None

Mixture category (EUPCS)
✓ PC-TEC-24 Welding, soldering, and flux products

Note: This approach for a printed circuit board has not been discussed with Member States Competent Authorities; It may not be accepted by those Authorities.

Data flow based

Level of Required Information Needed for EU WFD SCIP Reporting



There is a clear need to go to the **lowest level** supplier in a supply chain to identify any component that contains an SVHC.

Within EU

Manufacturers should be registering and providing downstream users with their SCIP submission ID numbers.

Outside the EU

First importer is responsible → but heavily reliant on data collection from the manufacturer outside the EU to the lowest tier of the supply chain

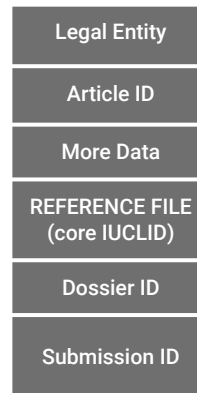
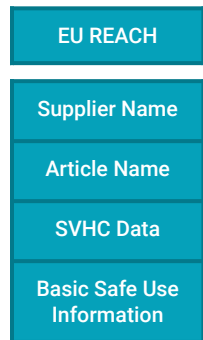
Note - the generation of ECHA Article ID record on SCIP does not replace REACH material declarations

EU REACH & EU SCIP Database Reporting

A Simple Comparison

EU REACH Reporting

- Identification of SVHC substance(s).
- Provide sufficient data to downstream users of products.



EU SCIP Reporting

- Identification of SVHC substance(s).
- Provide sufficient data to enable safe disposal and recovery of materials End-of-Life products.

This information was not flowing down to waste stream operators, who had to perform complex testing to identify SVHC content in End-of-Life products.

Comparing REACH & SCIP Declarations

REACH Declaration

SVHC	Article Containing SVHC	Product
110-71-4	1,2-dimethoxyethane, ethylene glycol dimethyl ether (EGDME)	Coin Cell Battery
		Wireless keyboards, tablets, remotes, smartphone accessories and home switches
1120-71-4	1,3-propanesultone	Lithium Battery
		Wireless cameras, wireless headsets, wireless keyboards, wireless mice, tablets, mobile speakers, wireless touchpads, wireless gamepads, remotes
7439-92-1	Lead (RoHS-exempt)	EE Components
		Metal Alloys
		Solder Alloy
		All products

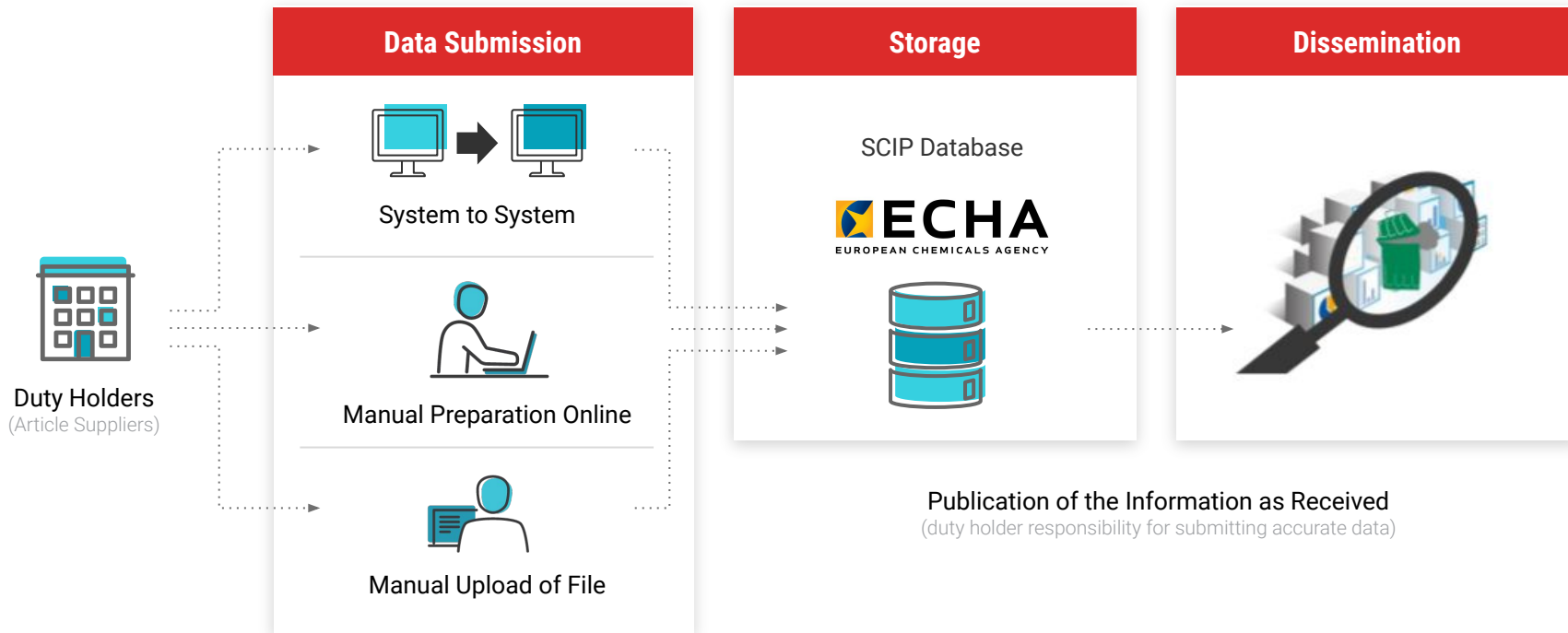
SCIP Declaration

Example 1: O-Ring		
Identifies	Article Name	O-ring
	Other Name	Brand Rubber Joints RJ
		Model 0.05
		Type Rubber-R
	Primary Article Identifier	EAN 583322554477
	Other Article Identifier	Reference Number RJ.0.05R001
	Article Category (Name and Code)	4016 93 00: Articles of vulcanized rubber other than hard rubber; other; gaskets, washers and other seals. 4008 29 0: Plates, sheets, strip, rods and profile shapes, of vulcanized rubber other than hard rubber; of non-cellular rubber; other.
Production in the European Union	Yes	
Picture	[Provide Image]	
Characteristics	Diameter	0.050m
	Weight	0.05kg
Safe Use Instruction(s)	Safe Use Instruction(s)	[Specific Instructions]
Concern Element	Candidate List Verion	ZZZZ/TT
	Candidate List Entry/ Substance	Candidate List substance S; EC xxx-xxx-x; CAS yyyy-yy-y
	Concentration Range	≥ 10.0.% w/w and < 20.0.% w/w
	Material Category	Rubbers and elastomers > Ethylene-propylene-non-conjugated diene rubber (EPDM); vulcanised

Mandatory fields are coded blue and optional fields are coded grey.

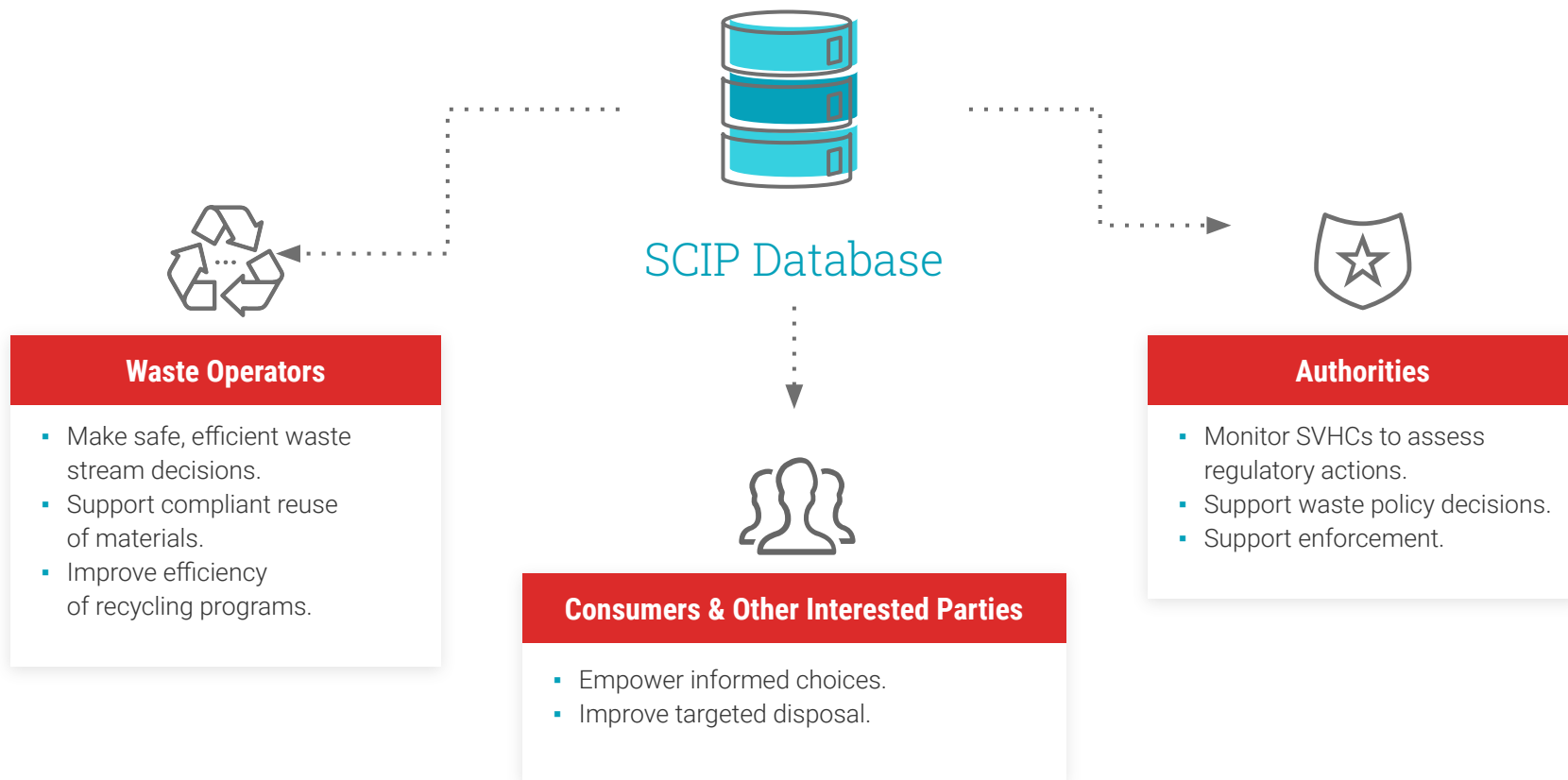
How Data Is Submitted

Responsibilities of Duty Holders



Source: https://echa.europa.eu/documents/10162/24205171/wfd_database_presentation_en.pdf/

How Data in the SCIP Database Is Used



Source: https://echa.europa.eu/documents/10162/24205171/wfd_database_presentation_en.pdf/

SCIP Notifications – Over 7 Million & Rising!

March 25, 2021: ECHA announces > 7,500,000 SCIP article notifications received

January 5, 2021: Effective date that SCIP article notifications are mandatory

December 12, 2020: ECHA announces >2,000,000 SCIP article notifications received

December 2, 2020: ECHA announces > 50,000 SCIP article notifications received

SCIP database launch date:
October 28, 2020



A Quick Word on Enforcement

Who 'Polices' These Rules?

Enforcement is down to the individual member state countries.

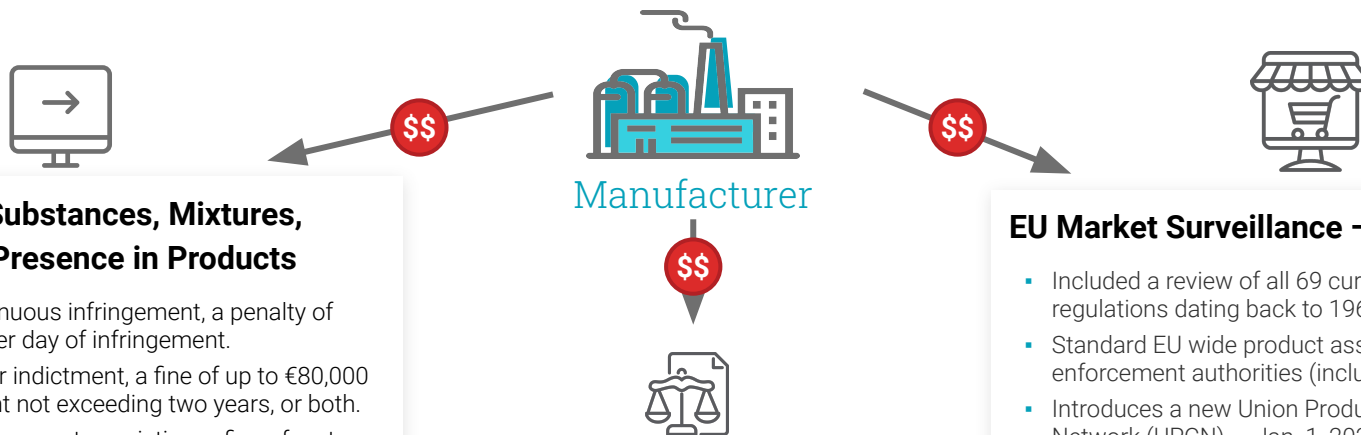
Article 36 of the WFD states that it should be “**effective, proportionate, and dissuasive.**”

Currently, the levels of enforcement differ. But a new Regulation (EU 2019/1020) signals a **harmonization of inspection and enforcement** across the EU & gives the enforcement authorities far greater powers.

In addition, the EU's Chemicals Strategy for Sustainability (published October 2020) calls for **a zero-tolerance approach** to non-compliance.

(<https://ec.europa.eu/environment/pdf/chemicals/2020/10/Strategy.pdf>)

Key Differences Between the EU REACH Regulation, EU Waste Framework Directive, & EU Market Surveillance Regulations



EU REACH – Substances, Mixtures, Inform SVHC Presence in Products

- In case of continuous infringement, a penalty of €100–€1,000 per day of infringement.
- On conviction or indictment, a fine of up to €80,000 or imprisonment not exceeding two years, or both.
- On second/subsequent conviction, a fine of up to €80,000 or imprisonment, not exceeding four years, or both.
- Where applicable, products will be removed from the marketplace.

Published at a time when sustainability and circularity was just a concept.

Information on products containing SVHC not recorded — this becomes known as part of public consultation when substances are proposed for authorization/restricted.

EU Waste Framework Directive (SCIP Reporting)

- Currently waste materials containing SVHCs become classified as hazardous materials (POPS/PIC).
- Identifies SVHC content in products placed onto the marketplace.
- Enables waste stream operators and other users to access data.
- **Feeds Union Product Compliance Network (UPCN).**

EU Market Surveillance – All Products

- Included a review of all 69 current product regulations dating back to 1967.
- Standard EU wide product assessment for market enforcement authorities (including customs).
- Introduces a new Union Product Compliance Network (UPCN) — Jan. 1, 2021.
- UPCN = regulators with own shared IT systems to check products, share data across EU.
- Enhanced surveillance and enforcement.
- **Websites, products and manufacturers face warnings, unlimited fines and products blocked from being placed onto the EEA.**

SCIP

The Key Points

- The SCIP database is already here and the legal obligation to submit data began on **January 5, 2021**, and enforcement activity can now be initiated.
- If you had obligations under REACH, you have obligations under SCIP.
- Companies outside the EU don't have **direct** obligations, **but** the EU companies that import products from US companies rely on information from them to discharge the legal requirements placed upon them.
- **"Foreign users"** can be appointed to take on the task for EU importers.

Budget for Compliance

Budgeting for compliance is a complicated task, and the sooner you begin, the more likely you are to get executive buy-in.

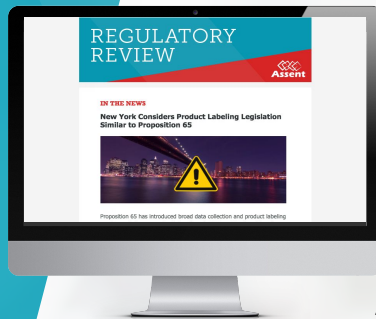
It takes most teams up to six months to figure out their budget and submit it for approval. Assent will help you understand what you should be budgeting for ahead of time — and how much we can help you save.

Book your demo now:
assentcompliance.com/demo



Stay Updated on Supply Chain Data Management News

Subscribe to our newsletter and get webinar invitations, news, and content delivered to your inbox.



As a subscriber, you'll be the first to hear about the latest in regulatory and supply chain data management, including product compliance, corporate social responsibility, vendor management, and more. Never miss an update again!

Subscribe at info.assentcompliance.com/subscribe



Questions?

Any additional questions can be sent to info@assentcompliance.com