PUBLISHED REPLACEMENT EU ACT ASSESSMENT OF IMPACT

Reference: Regulation (EU) 2026/2382
Date: 11 November 2026
Department: Department for the Economy

Published Replacement EU Act

Regulation (EU) 2026/2382 of the European Parliament and of the Council of 21 October 2026 amending Regulations (EC) No 1907/2006, (EC) No 1272/2008, (EU) No 528/2012, (EU) 2019/1021 and (EU) 2021/697 as regards defence readiness and facilitating defence investments and conditions for defence industry ***OJ L, 2026/2382, 3.11.2026***

Which amends

Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC Protocol Annex 2, Heading 23 on Chemicals and related

Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 Protocol Annex 2, Heading 23 on Chemicals and related

Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products Protocol Annex 2, Heading 24 on Pesticides, biocides.

Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (recast) Protocol Annex 2, Heading 23 on Chemicals and related

Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 not part of the Protocol

Summary of the Act

Regulation (EU) 2026/2382 forms part of the Defence Readiness Omnibus and amends five EU Regulations. Four are listed in Annex 2 to the Windsor Framework:

(i) Regulation (EC) No 1907/2006 on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH);
(ii) Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures (CLP);
(iii) Regulation (EU) No 528/2012 on biocidal products (BPR); and
(iv) Regulation (EU) 2019/1021 on persistent organic pollutants (POPs).

The Act broadens the scope for national defence exemptions under REACH, CLP and BPR, while retaining the requirement that exemptions must be necessary in the interests of defence.

The POPs amendments require defence readiness and defence-sector supply chains to be considered when preparing socio-economic information for risk-management evaluations under the Stockholm Convention. They also permit exemptions from reporting requirements to protect sensitive information concerning Union or national defence interests, provided international reporting obligations are respected. These amendments do not introduce a general defence exemption from POPs prohibitions or restrictions
.
The fifth Regulation, Regulation (EU) 2021/697 establishing the European Defence Fund (EDF), is not listed in Annex 2. Its amendments simplify and adjust funding procedures, award criteria, work programmes and other arrangements, including support for testing involving Ukrainian entities.

Changes since the original proposal

Compared with the Commission's proposal, COM(2025) 822 final, the adopted Act retains the substance of the REACH, CLP and BPR amendments. The POPs provisions have been clarified to expressly link consideration of defence readiness to socio-economic information under Annex F to the Stockholm Convention and to specify that reporting exemptions may protect Union or national defence interests. The safeguard requiring compliance with international reporting obligations is retained. These amendments are clarificatory in nature and do not materially alter the substance or practical effect of the original proposal in relation to the provisions within the scope of the Windsor Framework.

More substantive changes concern the EDF, outside Annex 2. These include revised SME definitions and funding incentives, mandatory assessment of excellence and implementation quality, and more detailed safeguards governing access to project results. The proposed general provision for testing outside the EU has been replaced with a targeted provision for cooperation with Ukrainian entities. Retrospective application from 1 January 2025 is limited to that testing-

cost provision and does not extend to funding-rate amendments, as originally proposed.

Department(s) Responsible

The policy areas covered by Regulation (EU) 2026/2382 fall within the responsibilities of different United Kingdom (UK) Government departments.

The Secretary of State for Defence has overall responsibility for defence research, capability and procurement. Individual Ministers from other Government departments are responsible for the Government's consideration of specific initiatives in their respective policy areas.

The Secretary of State for Work and Pensions, advised by the Health and Safety Executive (HSE), is responsible for policy questions arising from this document that relate to the classification, labelling and packaging of chemicals and biocidal products.

The Secretary of State for Environment, Food and Rural Affairs (Defra) is responsible for policy questions arising from this document that relate to REACH and POPs.

Defence is an excepted matter. The Department of Agriculture, Environment and Rural Affairs (DAERA) and DfE share competence for REACH. DfE leads on CLP, with the Department of Justice (DoJ) responsible for explosives for civil use. DAERA holds competence for POPs. DfE holds competence for BPR.

Assessment of Impact

On the evidence available, application of the Act does not appear likely to have a significant impact specific to the everyday life of communities in Northern Ireland in a way that is liable to persist.

The amendments concern targeted defence exemptions and related administrative processes, rather than changes to the general requirements applying to everyday use of chemicals and biocidal products. The UK Government's assessment anticipates no practical implications from the REACH, CLP and BPR amendments, as their scope is consistent with existing exemption arrangements. The POPs amendments concern consideration of defence readiness during international risk-management evaluations and protection of sensitive information; they do not introduce a general exemption from substance prohibitions or restrictions.

Non-application of the Act

On the evidence available, non-application of the Act does not appear likely to have a significant impact specific to the everyday life of communities in Northern Ireland in a way that is liable to persist.

Non-application would retain the existing provisions in Northern Ireland rather than introduce the amended defence exemptions and POPs processes. As the amendments to the EU REACH defence exemption are consistent with how that exemption is already defined in UK legislation, non-application in Northern Ireland could create divergence with the rest of the UK. In principle, this could mean that a particular defence exemption could be justified in Great Britain but not Northern Ireland. The practical implications would depend on whether such an exemption was sought and how the relevant legal tests were applied; these implications have not been confirmed with policy experts. While this possibility should be recognised, there is no evidence currently available to indicate a significant and persistent impact on everyday community life from non-application.

UK Government Explanatory Memorandum

The UK Government's Explanatory Memorandum was led by Defra, with input from HSE on classification, labelling and packaging (CLP) and biocidal products. It identifies the REACH, CLP, Biocidal Products Regulation (BPR) and persistent organic pollutants (POPs) amendments as falling within the Windsor Framework.

The European Defence Fund amendments are outside its scope and have no direct application in Northern Ireland.

The assessment anticipates no practical implications from the REACH, CLP and BPR amendments, as the proposed scope of the defence exemptions is consistent with existing UK or Northern Ireland arrangements. The POPs amendments concern consideration of defence readiness during the Stockholm Convention process and exemptions from reporting requirements to protect sensitive information, subject to international reporting obligations.

DfE officials were consulted on the draft EM and subsequently engaged with Defra on whether the final text required an updated assessment. In October 2026, Defra confirmed that its original assessment remained unchanged. We understand that a revised EM will not be provided, as the UK Government considers that the final text agreed by the European Parliament and the Council contains no substantive changes to the Commission's original proposal. The changes made during negotiations are considered minor and clarificatory and do not alter the overall purpose, scope or practical effect of the proposal as assessed in the EM submitted by the Department for Environment, Food and Rural Affairs on 19 January 2026. We expect the UK Government to publish confirmation of this position shortly.

European Commission assessment

No formal impact assessment accompanied the proposal. The Commission explained that the proposal was designed to support the rapid adaptation of the European defence industry to the new unstable geopolitical environment and that an impact assessment could not be completed within the available timeframe.

In addition, the European Council in its Conclusions of 6 March 2025 called on the Commission to accelerate the "work on all strands to decisively ramp up Europe's defence readiness within the next five years". Furthermore, in the same conclusions the European Council has expressly called on the Commission to rapidly follow up with simplification on security and defence.

When presenting the Defence Readiness Omnibus, the Commission stated that it would provide a Staff Working Document within three months of adopting the proposal to justify the legislative action and explain its appropriateness for achieving the identified policy objectives in accordance with the relevant Better Regulation rules.

The Commission described the proposal as targeted changes based on experience of implementing the legislation, intended to make implementation more efficient and effective. It considered that their targeted nature and the lack of relevant policy options meant that an impact assessment was not necessary. The accompanying Communication considers the potential impact of the measures, including the results of an EU public survey undertaken in this context.

Departmental Engagement

The Department engaged with UK Government policy leads and technical experts to inform its assessment. Given the targeted nature of the amendments and the UK Government's assessment that no practical implications are anticipated for existing defence exemption arrangements, a separate public consultation would not appear proportionate. The time available also did not permit a separate public consultation.

Annex – UK Government Explanatory Memorandum

EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION/DOCUMENTS WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND THE WINDSOR FRAMEWORK
COM (2025) 822 FINAL

PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATIONS (EC) NO 1907/2006, (EC) NO 1272/2008, (EU) NO 528/2012, (EU) 2019/1021 AND (EU) 2021/697 AS REGARDS DEFENCE READINESS AND FACILITATING DEFENCE INVESTMENTS AND CONDITIONS FOR DEFENCE INDUSTRY

Submitted by the Department for Environment, Food and Rural Affairs on 19 January 2026

SUBJECT MATTER
1.This proposal, part of the “Defence Readiness Omnibus”, amends four European Union (EU) chemicals Regulations and an EU defence Regulation. The four chemicals Regulations are in scope of Annex 2 of the Windsor Framework, and the amendments will introduce new and broader defence exemptions in EU chemicals and environmental law that will automatically apply in Northern Ireland (NI).

2.The proposal addresses the urgent need to strengthen the capacity of the European
Defence Technological and Industrial Base (EDTIB) and achieve EU defence readiness by 2030 by removing regulatory barriers.

3.The proposal amends the following Regulations:
(i) Regulation (EC) No 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)
(ii) Regulation (EC) No 1272/2008 on classification, labelling and packaging of chemical substances (CLP)
(iii) Regulation (EU) No 528/2012 on Biocidal Products (BPR)
(iv) Regulation (EU) 2019/1021 on Persistent Organic Pollutants (POPs)
(v) Regulation (EU) 2021/697 on the European Defence Fund (EDF)

4.The amendments to REACH, CLP, BPR and POPs broaden the scope for national defence exemptions for substances, mixtures, and articles in the EU. Since these acts are in scope of Annex 2 of the Windsor Framework, the new EU provisions on defence exemptions will apply in NI.

5.The amendments to Regulation (EU) 2021/697 streamline the EDF, notably by allowing multi-annual work programmes, simplified award criteria, and eligibility for testing activities outside the EU (e.g. Ukraine). This Regulation is not in scope of Annex 2 of the Windsor Framework and therefore has no direct application in NI.
SCRUTINY HISTORY

6.There is no Parliamentary scrutiny history relevant to this Explanatory Memorandum.
7.This Explanatory Memorandum is submitted to the relevant Parliamentary Scrutiny Committee to note the proposal, its significant policy context, and, specifically, its direct application and impact under the terms of the Windsor Framework.

MINISTERIAL RESPONSIBILITY
8.Policy areas within which COM(2025) 822 proposes amendments concern different departments of the United Kingdom (UK) Government.

9.The Secretary of State for Defence has overall responsibility for defence research, capability and procurement. Individual Ministers from other Government departments are responsible for the Government's consideration of specific initiatives in their respective policy areas.

10.The Secretary of State in the Department for Work and Pensions advised by the Health and Safety Executive (HSE), is responsible for policy questions arising from this document that relate to the classification, labelling and packaging of chemicals and biocidal products.

11.The Secretary of State in the Department for Environment, Food and Rural Affairs (Defra) is responsible for policy questions arising from this document that relate to REACH and POPs.

INTEREST OF THE DEVOLVED GOVERNMENTS
12.Defence is not a devolved matter, but the Devolved Governments have an interest in European defence industrial policy.

13.Regulation of chemicals in the UK engages a mix of reserved and devolved competence. Environmental protection and public health are devolved to Scotland, Wales and NI. Occupational health and safety is devolved in NI. Scottish, Welsh and NI Ministers therefore have an interest in elements of chemicals regulation that affect these areas.

14.Regulation of chemicals in the UK, including assimilated legislation on REACH1 ,CLP2, BPR3 and POPs4, falls under the Chemicals and Pesticides Provisional Common Framework, developed jointly by Defra, Devolved Governments including the Northern Ireland Executive (Department of Agriculture, Environment and Rural Affairs (DAERA) and the Department for Economy (DfE)), HSE and the Environment Agency. This framework facilitates cooperation between these parties to support regulatory consistency across the UK and enable the functioning of the UK internal market while acknowledging policy divergence.

15.In NI, the EU REACH, CLP, BPR and POPs Regulations apply under the terms of the Windsor Framework to enable its dual access to both the UK Internal Market and EU Single Market. Competency in NI for these regimes lies with the following NI departments:

a. REACH – DAERA and the Department for the Economy (DfE) share joint

competence.
b. CLP – DfE are the lead NI government department while the Department of Justice has responsibility for CLP solely with regards to explosives for civil use. HSE provides scientific and expert advice on matters relating to CLP issues to the NI government departments.
c. BPR – DfE have sole competence.
d. POPs – DAERA have sole competence.

16.The devolved governments have been consulted in the preparation of this Explanatory Memorandum and raised no concerns.

LEGAL AND PROCEDURAL BASES
17.
I. Legal Basis: To the extent that the proposal amends REACH, CLP and BPR, Article 114 of the Treaty on the Functioning of the European Union (TFEU). To the extent that the proposal amends POPs, Article 192(1) TFEU. To the extent that the proposal amends EDF, Article 173(3), Article 182(4), Article 183 and Article 188 (second paragraph).

II. Legislative Procedure: Ordinary Legislative Procedure (COD) (2025/0176).

POLICY AND LEGAL IMPLICATIONS
18.The proposed amendments are intended to broaden the permitted scope of the EU exemption process which is already in place for chemical regulations, to make it easier to apply and meet the needs of the defence industry. It is designed to fasttrack defence-related chemicals where the current time-consuming administrative process of agreeing exemptions poses a strategic risk to defence readiness, while maintaining a baseline of environmental protection and requiring justifications for the use of exemptions.

19.Within the EU, the defence exemption provisions in REACH, CLP and BPR are permissive; it is for individual Member States to decide whether, and how, to apply exemptions, where necessary in the interests of defence. The amendments to REACH are designed to address industry concerns that defence considerations were not given sufficient weighting previously, for example, with the restrictions on Per- and Polyfluoroalkyl Substances (PFAS) used in military equipment.

20.In the UK, including NI, the defence exemptions process is the same under the assimilated UK REACH Regulation and EU REACH and is applied UK-side by the REACH Enforcement Regulations 2008 (S.I. 2008/2852)5
. The defence exemptions process is administered on behalf of the Ministry of Defence (MOD) by MOD Defence, Equipment & Support (MOD DE&S). The proposed amendments to the defence exemption in the EU REACH regulation are consistent with how this exemption is already defined in the UK regulations. As the existing exemptions are in UK legislation, no practical implications are anticipated from this change and decisions on REACH exemptions can continue to apply across the whole of the UK.

21.In the EU, defence exemptions currently exist under Article 1(4) of CLP and Article 2 of BPR. The proposed amendments to EU CLP are designed to create a specific exemption for defence (where one doesn't exist as present) and designed to be consistent with EU REACH amendments. Proposed EU BPR amendments are designed to ensure specific products essential for maintenance of military equipment can be exempted, for example, prevention of microbial growth in aviation fuels (an issue that came up in late 2024/early 2025 in civil aviation) and protecting other sensitive equipment.

22.The defence exemptions for the assimilated GB CLP Regulation and GB BPR are applied in GB through the respective enforcement regimes under the Biocidal Products and Chemicals (Appointment of Authorities and Enforcement) Regulations 2013 (S.I. 2013/1506)6
. The defence exemptions process in GB is administered by MOD DE&S.

23.In NI, the defence exemption provisions for CLP and BPR are applied by:

(i) The Biocidal Products and Chemicals (Appointment of Authorities and Enforcement) Regulations (Northern Ireland) 2013 (S.I. 2013/206)7
(ii) The Explosives (Appointment of Authorities and Enforcement) Regulations (Northern Ireland) 2015 (S.I. 2015/236)

24.The defence exemptions for CLP and BPR in NI are already consistent with the scope of the proposed EU Regulation. No practical implications are anticipated from this change and decisions on UK-wide exemptions can continue to apply in NI. The defence exemptions process is administered by MOD DE&S. Information on defence exemptions in NI is available on the HSE NI website.

25.The proposed amendments in relation to POPs are designed to tackle issues with PFAS and military equipment. Under the implementation of the Stockholm Convention, exemptions can be granted under the Convention and Parties can choose to apply these when they implement domestically. However, a Party cannot unilaterally grant additional exemptions beyond the list of exemptions adopted under the Convention. One of the amendments to the EU POPs Regulation, therefore, introduces a specific obligation on the European Commission and Member States to consider defence readiness in evaluating substances for inclusion under the Convention to ensure any relevant exemptions can be considered at Convention level. The other amendment allows Member States to make exemptions to reporting requirements under the POPs Regulation on grounds of protection of national or EU security interests.

26.In summary these EU proposed changes are not expected to have any practical effects on the use of UK defence exemptions for these chemical products as the new exemptions proposed are already provided for in UK law. UK-wide exemption decisions can continue to apply UK-wide.

CONSULTATION
27.The European Commission conducted a comprehensive stakeholder consultation, which highlighted concerns from industry regarding the existing

chemicals legislation and the need for defence and security considerations to be taken into account. No impact assessment was carried out due to the urgency of the proposal.

FINANCIAL IMPLICATIONS

28.There are no direct financial implications for the UK public finances. The UK is not a contributor to, or beneficiary of, the European Defence Fund. Any potential financial burden or benefits would be indirect, stemming from business adapting to regulatory changes applicable under the Windsor Framework.

EMMA HARDY MP
PARLIAMENTARY UNDER-SECRETARY OF STATE
DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS