

REACH24H

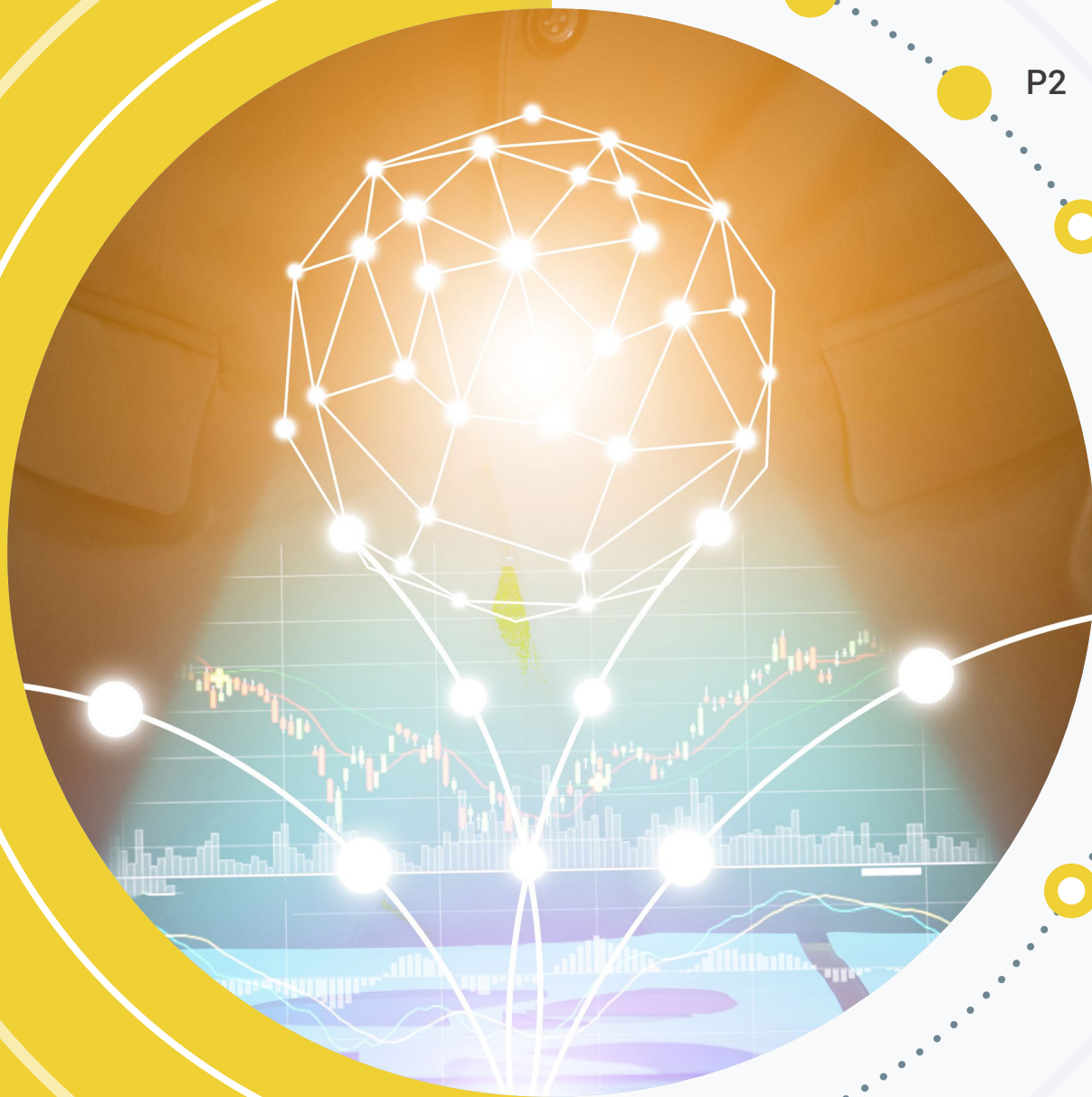
2019

ANNUAL  
REPORT

REACH24H Consulting Group



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# About REACH24H

## Service Provider of Global Market Access

Founded in 2009, REACH24H has long adhered to the mission of Value in Compliance, offering one-step global market access services for companies and businesses in the chemicals, pesticide and fertilizer, food and food contact materials as well as cosmetic industries. To date, REACH24H has helped nearly 9,000 companies worldwide overcome technical trade barriers to smoothly navigate the global market.

## Trade Knowledge-Business Intensive Services

As a talent and knowledge-business intensive services company, over 60% of REACH24H's employees hold a Master's or higher degree in environmental sciences, chemistry, toxicology, food, medicine, pharmacy, and other fields of science. In addition to this, REACH24H counts on the support of toxicologists, safety evaluators and risk assessment experts with international certifications who provide high-level professional technical and consulting services to the clients.

## Boosting the Industrial Competency and Development Potential

REACH24H helps enterprises and high-quality products take an initiative to trade, improving their understanding of technical barriers and assisting international trade departments and businesses to move from passive to active in the global market. By promoting the concept of full compliance, REACH24H aims for the industry's development, in terms of technological advance and management, to thus support the sustainable upgrade of the supply chain.



# Letter from the Chairman

Time stops for no one, and seasons keep changing. In the blink of an eye, we waved goodbye to 2019. This year has been extraordinary for REACH24H. We embraced and created changes, which added a strong stroke to REACH24H ten-year development. I believe the best way to sum up this 2019 we are now leaving behind is through the words: Restart, opportunity and gratitude.

## Restart

Ten years ago, with the aim to help Chinese enterprises cope with EU REACH regulations, REACH24H opened a new era in China for the first generation of consulting companies, focused on providing compliance technical services. Over the past ten years, REACH24H has achieved continuous and steady development through many efforts and changes, extending the breadth and depth of its services, reaching multiple industries such as chemicals, agrochemicals, food, cosmetics, etc., allowing it to provide full compliance support to nearly 9,000 high-quality enterprises worldwide.

2019 is the tenth anniversary of the REACH24H, a year for new beginnings. This year, I successfully made a bid for 100% of the shares of REACH24H. I introduced strategic investment to accelerate the business development pace, strategically focused on the development of our core business, while I continued to expand the industrial range, so that we have more opportunities and room for being creative in the future. This year REACH24H completed the upgrade of its organizational structure, bringing in outstanding professional talents. I am extremely proud to say our REACH24Hers worked together with a clear and firm goal.

## Opportunity

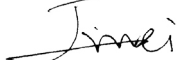
In a global environment of escalating trade friction, we see new legislation and measures being adopted by countries around the world to strengthen trade barriers, market access in various industries is getting higher and more expensive, and the process of survival of the fittest is picking up speed. REACH24H plays an important role in the process, helping high-quality manufacturers get more global business, boost industrial development concepts, technologies and management upgrades.

Economic globalization has brought about a more open and closely connected international market. In the future, REACH24H will do even more. This year, REACH24H continued building its professional and technical capabilities, launched innovative services to meet the market's needs for health, safety, green and sustainable development, and integrated technology and industry resources to tap more into product evaluation, substitution, innovation and market value. In the future, we will provide even more services and solutions, creating value for clients, always with the goal of supporting the green development of the industry.

## Gratitude

A single silk fiber does not make a thread, the same way a single tree does not make a forest. The development of REACH24H cannot be separated from the huge effort put in by our REACH24Hers and all members of our global society. So, to our clients and partners who day after days supported and trusted our path, thank you, it is because of you REACH24H is able to offer high-quality products and services. We intend to continue proving ourselves worthy through action. And to those who contributed to the growth of REACH24H, our true REACH24Hers, thank you for your hard work and for being part of our family.

A new era has begun. For this new year, let us seize the day and live it to the fullest. Let us help make a better future together!

 Chairman

REACH24H Consulting Group

# REACH24H's Timeline: 10 Years of Growth

## 2009-2011 REACH24H is Born

- 2009 REACH24H is established, offering 24-hour compliance consulting services
- 2010 REACH24H becomes a strategic partner to China National Petroleum Corporation for EU REACH
- 2011 Recognized as the first firm in China to provide compliance services as lead registrant



## 2012-2016 Accumulating Knowledge

- 2012 ChemLinked, China's first Asia-Pacific regulatory news platform, is launched
- 2013 Selected as "Zhejiang Key Enterprise Technology Center"
- 2014 REACH24H USA Inc. is established
- 2015 Taiwan regional office begins operations
- 2015 REACH24H is the first agency outside of Korea to successfully submit a K-REACH registration dossier
- 2016 REACH24H is recognized as "National High-tech Enterprise"



## 2017-2018 Speeding Up

- 2017 BRICS Standardization Research Alliance
- 2018 China Petroleum and Chemical Industry SME Public Service Demonstration



## 2019 A Fresh Start

- Mr. Jim Wei, chairman of REACH24H, acquires 100% of firm's equity, REACH24H steps into a new stage of development
- REACH24H KOREA CO.,LTD and REACH24H CONSULTING (UK) LTD are established

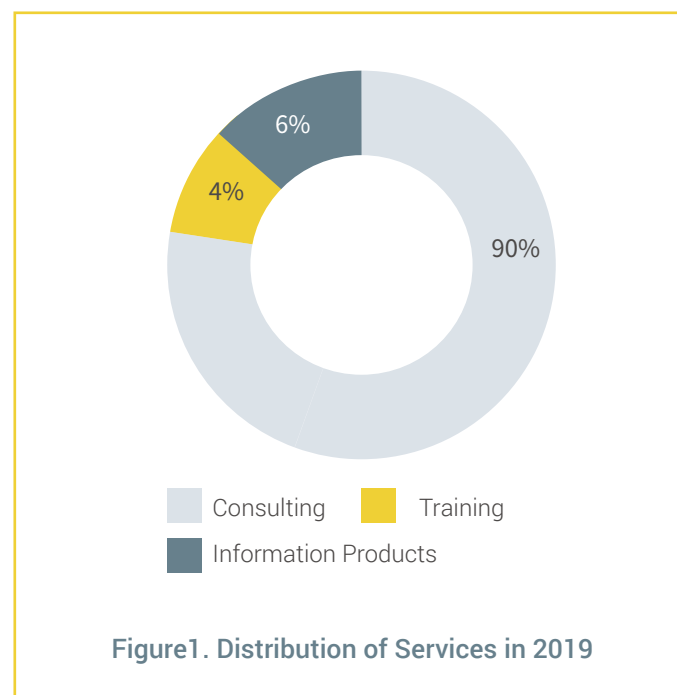


# 2019: Standing Against the Wind and Bringing About Changes

## Witness Development

### Business Development

Facing challenges raised by increasingly complex trade measures, changing trading environments and the uncertainty of enterprises' dominant position, REACH24H keeps pace with major market developments, continuously innovating in accordance with the supervision requirements, cultivating the field of global trade regulations and establishing a pattern of "market trends analysis + supervision of regulatory dynamics + effective compliance programs" to ensure the smooth progress of global trade. In this new stage of comprehensive compliance transformation and upgrading of various industries, REACH24H takes practical measures to help enterprises solve trade problems and continue to inject new impetus into the development of the industry.

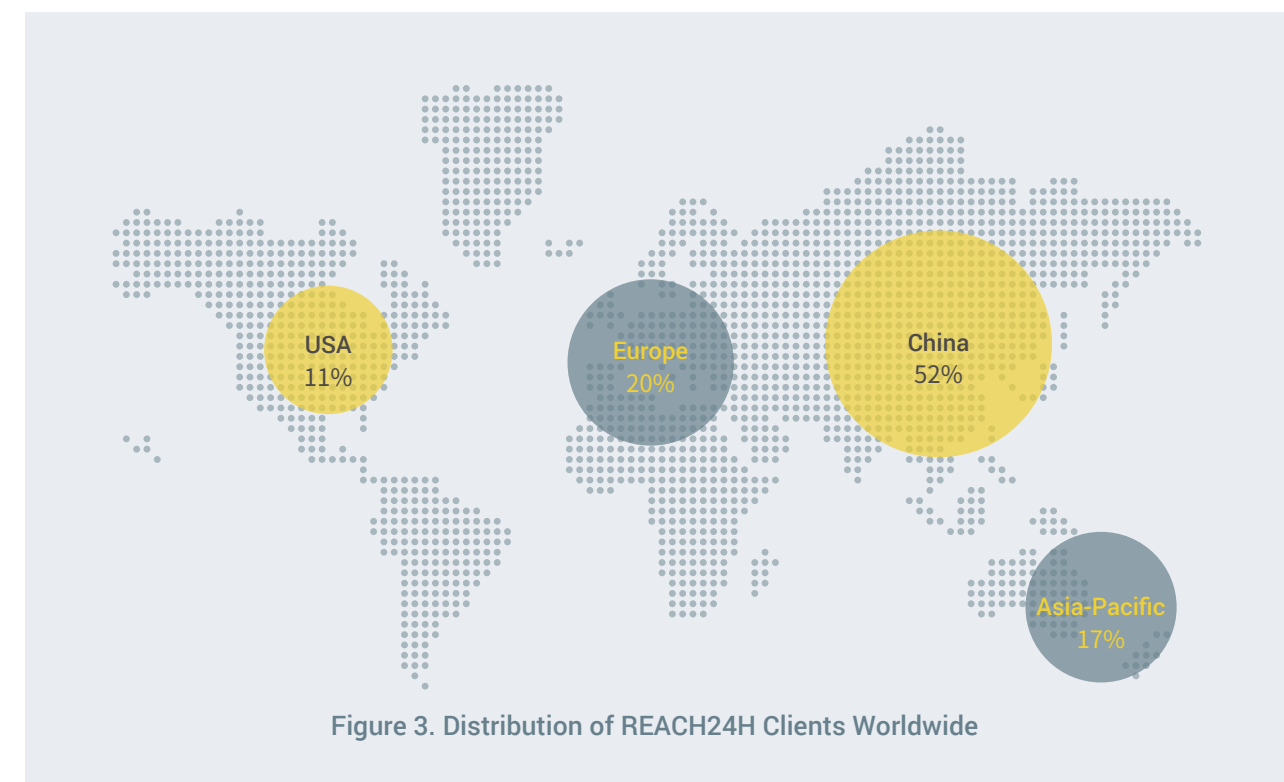
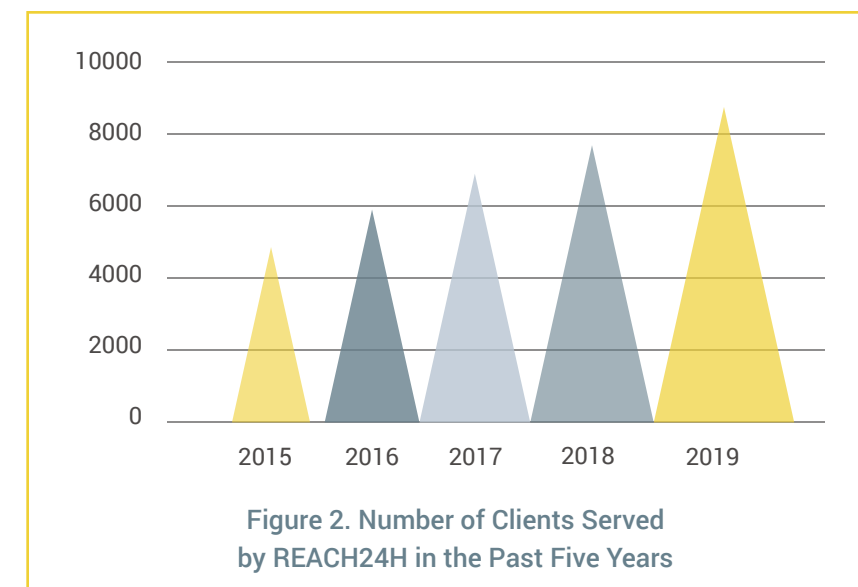


In 2019, all business segments within REACH24H experienced growth and achieved impressive results. The industrial chemical industry has effectively promoted industrial transformation as well as upgraded and further highlighted its competitive advantages. As agrochemicals companies increase their focus on risk assessment and key technological breakthroughs, REACH24H's influence in the industry grew. Food, cosmetics and sectors associated to healthcare have seen upward trends in

consumption and we have won the trust of more clients through in-depth cooperation projects. The number of global users of ChemLinked information platform is now over 42,000.

### Clients Growth

REACH24H has always maintained a clients-oriented principle, creating value for clients and developing on a continued basis to meet their market needs. As of the end of 2019, we have helped nearly 9,000 companies worldwide overcome technical trade barriers and successfully expand the global business. Among them, 103 Fortune 500 companies have chosen REACH24H as their reliable compliance service partner.





# Main Developments in 2019

## Upgrading of the Strategic Plan



"From embracing changes to provoking changes, REACH24H has entered this new stage of development by upgrading its organizational capabilities and development strategies to achieve greater goals"

- 1) Strategic investments were promoted to enhance core competitiveness and innovation capabilities;
- 2) Firm's development strategy was upgraded and a plan set to have IPO within three years.

## Global Business Layout: Reaching New Heights



"As technology transcends borders, REACH24H also continues to accelerate its interaction in the global context, ensuring its 24-hour compliance service platform provides clients with a first-class service experience."

2019 Highlights:

- 1) Korean subsidiary is established;
- 2) UK subsidiary opens for business;
- 3) Business offices and representatives join REACH24H from Japan, Italy and Argentina.

## Strategic Talents



"Talents are strategic resources that drive the development of an enterprise. By attracting professional talents and creative minds, REACH24H stimulates higher-level collaboration among peers contributes to the company's performance and results".

- 1) Former US EPA technical expert was invited to strengthen technical service skills;
- 2) Absorbed KOL in the chemical industry to further expand the influence in the industry;
- 3) Senior financial CFO joined to promote strategic goals of the company.

## Implementation of Equity Incentive Scheme



"The establishment of an effective incentive mechanism will bring talents together to assume active roles in representing REACH24H's interests, the implementation of equity incentive will bring more talent effectiveness and potentially further greater development.

- 1) Development results have been shared among employees, employee shareholding platform was established;
- 2) A complete employee stock ownership plan was established. The first batch of equity incentives was implemented.

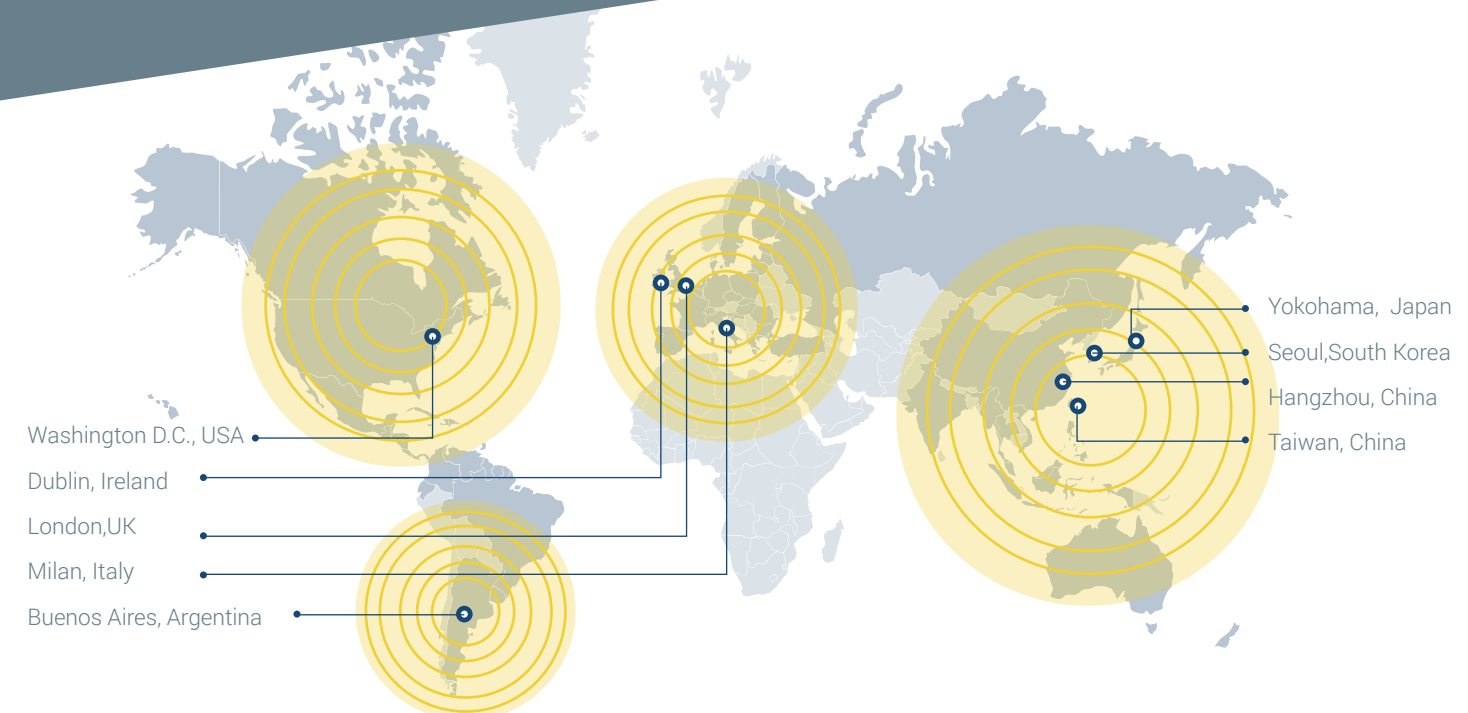


Figure 4. Global Business Layout of REACH24H

# Win-win Development

## Creating Value for Clients

### Compliance Risk Management

REACH24H set up the Regulatory Compliance Unit to protect all clients who have entrusted us and our overseas subsidiaries. Through it, REACH24H opened up channels for importers at home and abroad to maintain regular communication on the upstream and downstream activities of the supply chain. Through this new channel, REACH24H additionally supports all communications and queries with the European Chemicals Agency, executive authorities of EU member states, national customs authorities, enforcement inspection agencies and the internal compliance quality system internal compliance quality management system of companies.

As of the end of 2019, REACH24H resolved 16,000+ trade compliance issues on behalf of its client enterprises, provided SME pre-examination services, helped 65 SMES pass the official examination, saving associated businesses a total of EUR 651,984 in registration costs, and avoided them potential administrative penalties amounting to EUR 1,174,532.5.

## Promoting the Development of the Industry



### Working to Promote the Safe Transportation Management of Dangerous Goods in China

In 2019, commissioned by the German Federal Ministry of Economics and Development BMZ, the German international cooperation agency GIZ and Ministry of Transport of the P.R.C. jointly launched a three-year "Improving the Safety of Dangerous Goods Transportation in China" project to promote China-Germany policies on the transport of dangerous goods. As a member of the project team, REACH24H will continuously contribute professional consulting services on dangerous goods transportation to promote an efficient, sustainable and safe development of China's dangerous goods transportation.



### Furthering Positive Dialogue on Chemical Risk Management Between China and the Rest of the World

Following the growing focus on the development and implementation of alternative testing methods to improve safety assessment of chemicals without relying on animal testing, China has intensified its work to devise a comprehensive chemical hazard information database composed of domestic national ecological environment calculations and exposure data to predict laboratory. During the 11th Chemical Regulatory Annual Conference (CRAC), REACH24H contributed to the dialogue of chemical risk assessment between the Ministry of Ecology and Environment of P.R.C. and domestic and foreign officials, helping promote the advancement of China's chemical risk management process.

On December 4, 2019, the Institute for the Control of Agrochemicals of China's Ministry of Agriculture and Rural Affairs held a Summary Meeting for Pesticide Registration in Beihai, Guangxi. As the only commercial organization invited to the meeting, REACH24H delivered presentations on basic principles & methods of risk assessment, and the development history of chemicals and pesticides risk assessment to the top officers of the provinces, autonomous regions and municipalities directly under the central government.



### Supporting Policy Implementation and Information Exchange

In 2019, REACH24H held more than 100 online and offline compliance training courses, with over 5,000 attendees. REACH24H has kept up as always with the latest trends in the industry, pushing thousands of notices on implemented norms and regularly releasing dynamic online reports on the latest laws and regulatory changes. This structure is part of the company's continued efforts to deliver the latest industry policy research advances, theoretical research and applied field research to promote the development of the industry, strengthening compliance awareness.





#### May, 2019: Second QSAR Training Course

Promotion of the application of alternative methods to animal experimentation non-test methods in chemical management, predicting properties needed for hazard and risk assessment.



#### November, 2019: Parallel Forums during CIIE Period

The China International Import Expo is a major import trade fair featuring exhibitions of multiple countries and businesses. Due to this fair's increasing relevance in supporting not only trade liberalization but cooperation across industries, during the CIIE, and in response to the invitation of the Consulates of the Philippines and Canada, Costa Rica Procomer, and Poland Investment and Trade Agency, REACH24H held several parallel forums to help improve bonds and support greater understanding of China's market platform and opportunities.



#### August, 2019: Summer Gathering of Imported Food in China

The one-day gathering was an opportunity designed to bring together professionals from embassies, consulates and Chambers of commerce representing more than 20 countries to discuss opportunities and challenges in China's import food market, with the aim of devising future customized projects, services and in-depth solutions for the Chinese market and to promote bilateral trade and commercial exchanges.



#### September, 2019: 11th Chemical Regulatory Annual Conference (CRAC2019)

This year's 11th edition of the CRAC Conference focused once more on the most pressing and ongoing issues in the chemical, agrochemical and food contact materials industries. This year chemical management challenges were specifically addressed throughout the sessions— risk management and assessment, offering an insight into industry trends and focusing on the value of compliance.



#### November, 2019: The Second Chemlinked Food Regulatory Conference

Australia is China's top import market, and China is the number one largest export market for the Australia. This year's Chemlinked Food Regulatory Conference took place within months of the GAC release of measures to accelerate customs clearance and SAMR's launch of its e-commerce inspection and rectification campaign, setting the stage for a full-day discussion on challenges and new opportunities foreign businesses face when exporting to China. The event welcomed professionals from Australia, New Zealand, food enterprises, government regulators, chambers of commerce, and representatives from investment Banks, with presentations on the Chinese food regulatory system, regulatory trends of health foods and infant formula, in addition to a full session on marketing strategies specifically tailored to China.



#### October, 2019: First Regulation Workshop in Paris: Expediting Access to the Chinese Cosmetics Market

Actively responding to the strategy of "One Belt, One Road" and "Bring in and Go out", actively promoting cooperation and exchanges between the Chinese and French cosmetics industries, the REACH24H cosmetics team delivered a workshop in Paris, France to help overseas enterprises understand trends and regulations of China's cosmetics market, to help them devise strategies to successfully enter the Chinese market.



## Undertaking Social Responsibility

### Industrial-academic Research and Cooperation Efforts

REACH24H has always sought for ways to support the development of young professionals through its industry-university-research cooperation programs. In 2018, REACH24H built a training base thanks to its new long-term cooperation plan with Zhejiang University, one of China's top universities based in the city Hangzhou, home to REACH24H headquarters. In July 2019, the Zhejiang University Summer Social Practice Group conducted a "High-tech Enterprise Summer Visit and Social Practice" with REACH24H to help the students understand the talent needs of the company and imagine possibilities for future career development paths. Joint initiatives between Universities and private enterprises can foster talent support for industrial innovation and professional technological upgrade.

On December 27, 2019, Ms. Alva Chen, Risk Assessment Expert of REACH24H, was invited by Nanjing University to conduct chemical health risk assessment training. Risk assessment and risk control of chemicals is a two-pronged approach to source management and the end-of-line management of chemicals. It is also an inevitable segment for the rational disposal and scientific management of chemicals. REACH24H works closely with universities to share the concept of scientific management of chemicals with students, to continue providing technical support for China's chemical management growth.

### Science Popularization

In this information age we live in, the timeliness of network communication enables us to have access to information first-hand, yet the massive amount of data can stand in the way of growth without efficient identification tool. In 2019, REACH24H applied its professional knowledge in the field of compliance and security to share a number of its most relevant and impactful technical articles to deliver accurate, professional and fair scientific content analysis and knowledge to the public. At the same time, in line with its commitment to spreading reliable and updated information on safety and environmental accidents prevention, REACH24H actively shared English analysis on official releases, offering scientific emergency management measures to the public, putting compliance and safety first.



# 2020: Moving Forward, Full Steam Ahead

## *Strategic Cooperation Between REACH24H and Helsinki Chemicals Forum*

In 2019, the Global Chemicals Outlook released during the Fourth session of the UN Environment Assembly referred to the relevance of the safe management of Hazardous chemicals, which continue to be released into the environment in large quantities despite countries commitment to reduce the risk and impact of the industry. This grim report has once more made it clear that urgent action is needed to reduce further damage to human health and the environment. Nevertheless, the linkage between the chemical industry's sustainable development, environmental priorities and economic impact is often overlooked. After all, adapting the chemicals to meet environmental needs is not only the wise and most conscious way forward, it also makes business sense: it is estimated that actions to minimize the adverse effects of chemicals could help generate billions of dollars annually for the industry.

REACH24H understands the key relevance of the safe and green development of the chemical industry and its great potential for society's development as a whole. This requires the concerted action of all relevant stakeholders to raise awareness about chemical risk management and put key sustainability elements into action.

In 2020, REACH24H will join the Helsinki Chemicals Forum to bring together leading decision makers, researchers and all professionals in the global chemical industry, focusing on the global scientific management of chemicals to advance the sustainable development of the chemical industry.

Founded in 2009, the Helsinki Chemicals Forum (HCF) emerged as a result of the joint efforts of the Helsinki Chemicals Forum Association with the European Chemicals Agency (ECHA), the European Commission (EC) and the European Chemical Industry Council (CEFIC). Additionally, HCF has received strong support from agencies and dependencies of the government of Finland, including the City Government of Helsinki, the Chemical Industry Federation and the University of Helsinki, all working together to promote chemicals safety and chemicals management globally through an independent forum.

With its first annual session in 2009, the Chemical Regulatory Annual Conference (CRAC) has for 11 years brought together decision makers from domestic and foreign government agencies, and experts across industries as well as representatives from the business sector to discuss the state of global chemical safety management, and the role of compliance in the promotion of a green, safe and sustainable industry. Over the past ten years, more than 180 domestic and foreign government departments have taken part in multiple high-level discussions and panel talks at the CRAC conferences, making it a growing voice of reference for the chemical industry and cooperation efforts across the region.

## Helsinki Chemicals Forum (HCF) Asia Forum



HELSINKI  
CHEMICALS  
FORUM



CRAC 2020  
by REACH24H Consulting Group

## Chemical Regulatory Annual Conference (CRAC)



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