#### **REACH for Electronics Manufacturers**

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#### **EXECUTIVE SUMMARY**

REACH presents a new set of direct and indirect risks for article manufacturers, including electronics manufacturers. Direct risks arise from obligations explicitly outlined in the REACH regulation itself – article 7 and article 13. Indirect risks arise from upstream and downstream supply chain ripple effects caused by REACH. These ripple effects will impact article manufacturers, including those who do not import directly into the European Union. Article manufacturers – particularly those with complex products and supply chains – are adopting data-driven risk management approaches to help ensure the future viability and profitability of their products. This presentation presents a framework for electronics manufacturers to identify and mitigate their REACH risks, both direct and indirect. A fact based and systematic approach is outlined, describing what product and supply chain data are needed and how to make decisions based on this data. This paper is based in part on the REACH initiatives underway at several large multinational manufacturers.

# REACH for Electronics Manufacturers

A Systematic Approach to Managing Product and Supply Chain Risks

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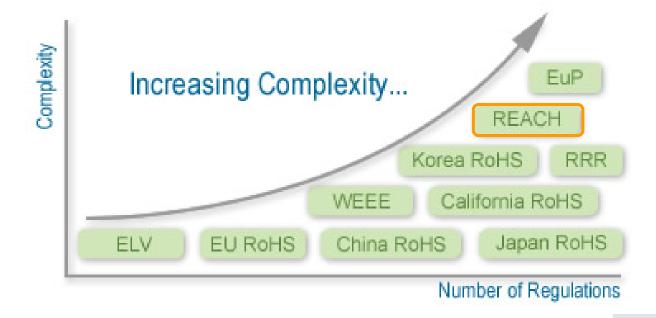


### Recent Headlines

- "Vendor admits to RoHS misconduct"
  - EE Times
- "Lead Paint Prompts Mattel to Recall 967,000 Toys"
  - New York Times
- "Jobs Announces a 'Greener Apple'"
  - Wired Magazine
- "Reebok paying record \$1M fine for recalled lead bracelets"
  - USA Today
- "Greenpeace confirms hazardous materials in game consoles"
  - TGDaily
- "Wal-mart Raises Bar on Toy-Safety Standards"
  - Wall Street Journal

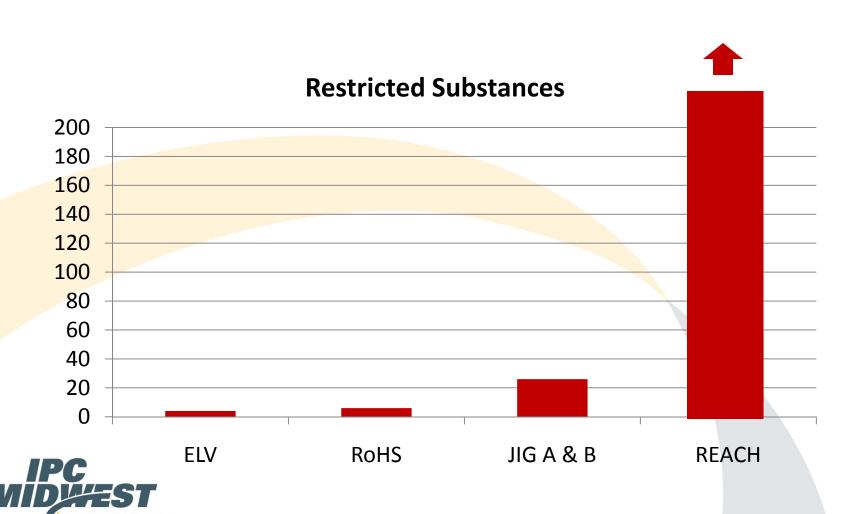


## More regulations = More complexity





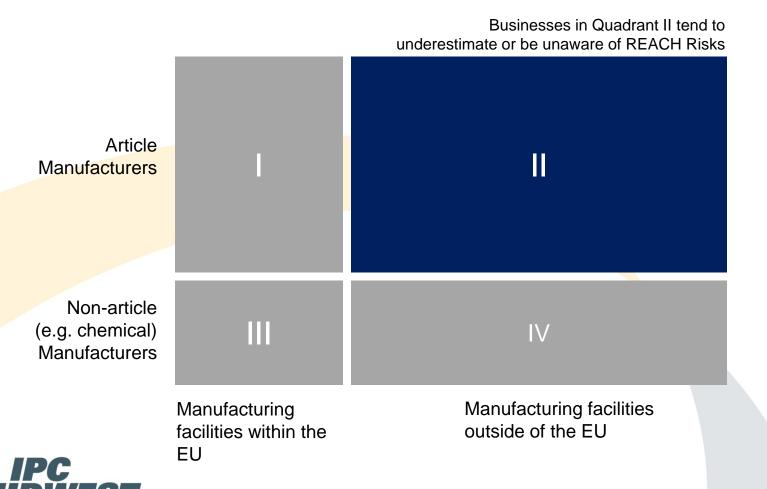
## Trend: More substances in scope



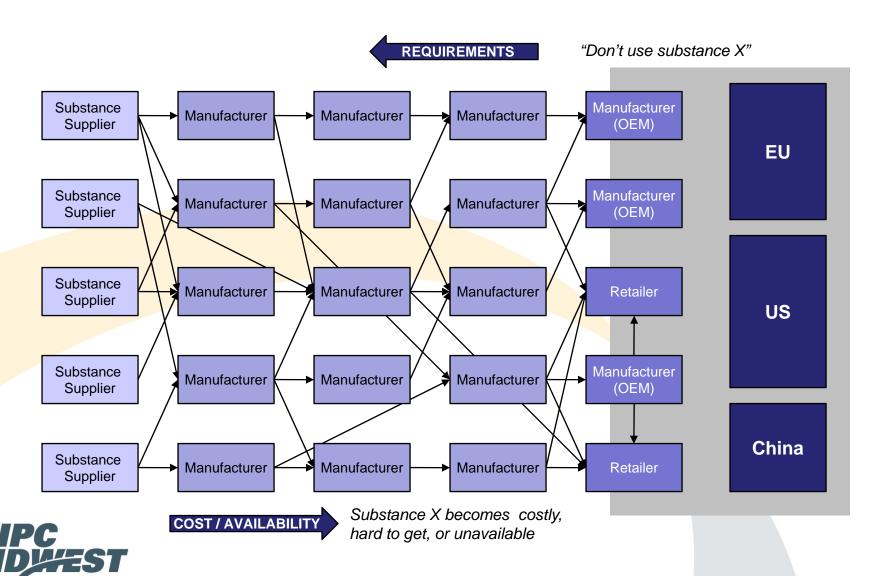
## What's in your product?



### **REACH Awareness**



## Supply chain ripple effects



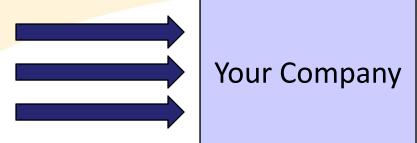
## Caught in the middle

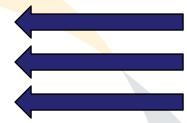
### **Indirect Impacts**

Supply chain ripple effects

### **Direct Impacts**

- Customer requirements
- Regulatory requirements







# REACH impacts article manufacturers in 4 ways

Direct Impacts (products on the EU market)

Impact #1

If your product releases a substance (Article 7)

Impact #2

If your product contains an SVHC (Article 33)

Indirect "ripple effects" (any product)

Impact #3
If your customers import into the EU

Impact #4

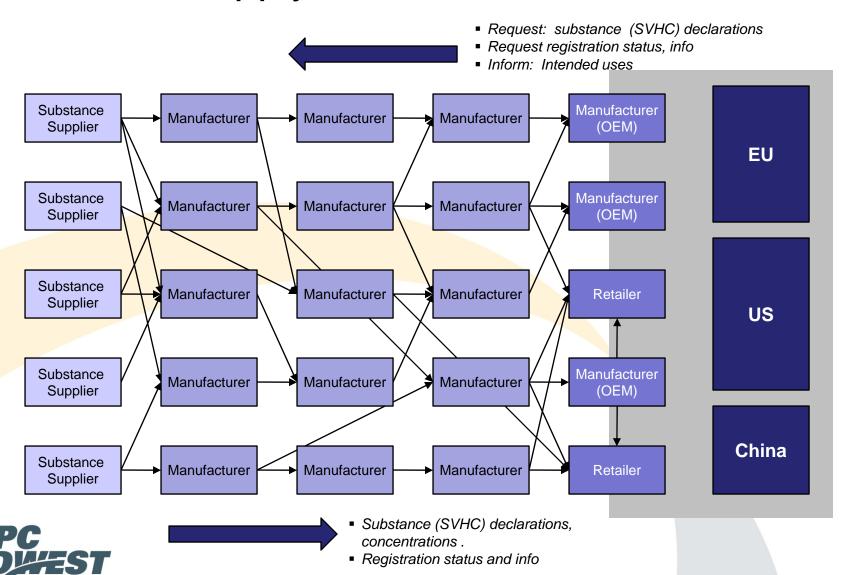
If your suppliers import into the EU

Manage REACH <u>incorrectly</u>: products banned from Europe, missed customer requirements, supply chain disruptions, higher costs of direct materials

**Manage REACH** <u>correctly</u>: protect revenues and profits, lower operational costs, beat competition, gain market share



### REACH supply chain information flows



### **REACH** data readiness

#### **REACH Data Readiness Assessment Form**

	Key Question	Related REACH Article	Source of Data	Data Readiness Assessment		
				Scope/ Coverage	Status	Location(s)
1	What are the substances intended to be released from my products?	Article 7	Internal, Customers			
2	What is the physical amount of each of these substances per as-built product?	Article 7	Internal			
3	Which of these substances have already been registered, by whom, and for what uses?	Article 7	Suppliers, Customers, Internal			
4	What SVHCs are in my products?	Article 33	Suppliers, Internal			
5	What is the physical amount of each of these SVHCs per as-built product?	Article 33	Suppliers, Internal			
6	How are SVHCs used in my product and what are the exposure scenarios?	Article 33	Suppliers, Internal			
7	What are the SVHCs – both "candidate" and "official"?	Article 33	Authorities, Industry experts			
8	What are the SVHCs in the eyes of my customers?	Article 33	Customers			



# Key data management capabilities of best-in-class manufacturers

#### Get the data

(from your suppliers)

- Avoid duplication of effort
- Use industry standard collection forms/formats
- Request data that will fulfill long term goals (i.e. full disclosure)
- Conduct systematic testing and supplier audits

### Manage the data

(analysis and action)

- Store and master data centrally
- Relate data to products (e.g. amount used, concentrations)
- Analyze dynamically (as products, parts and SVHC lists change)

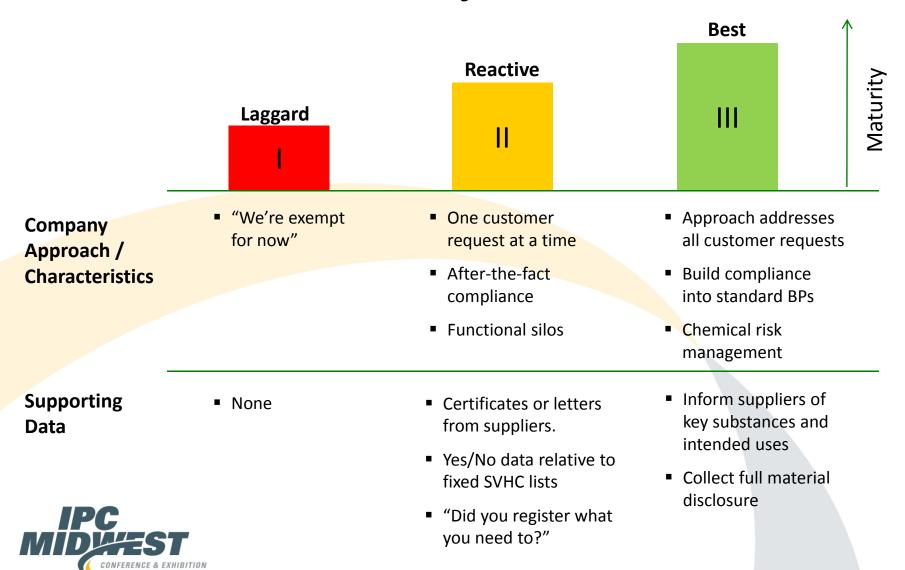
#### Share the data

(internally & externally)

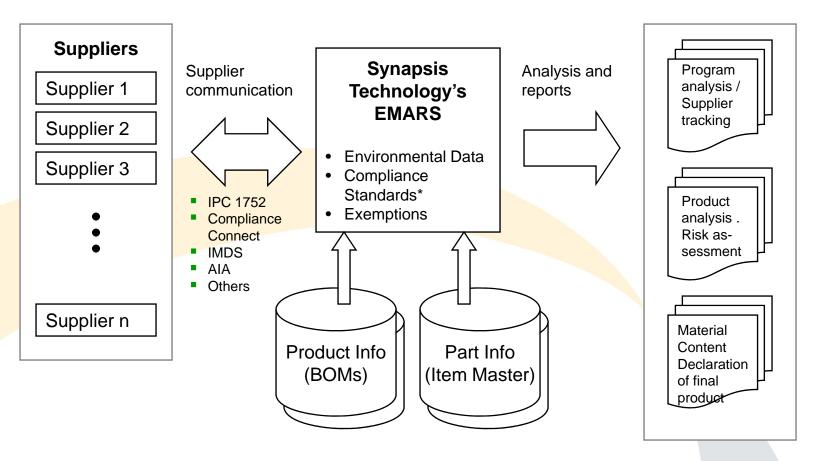
- Internal share data across functional departments
- External produce source data to fulfill all reporting requirements
- External support various discloser levels



## **Maturity Model**



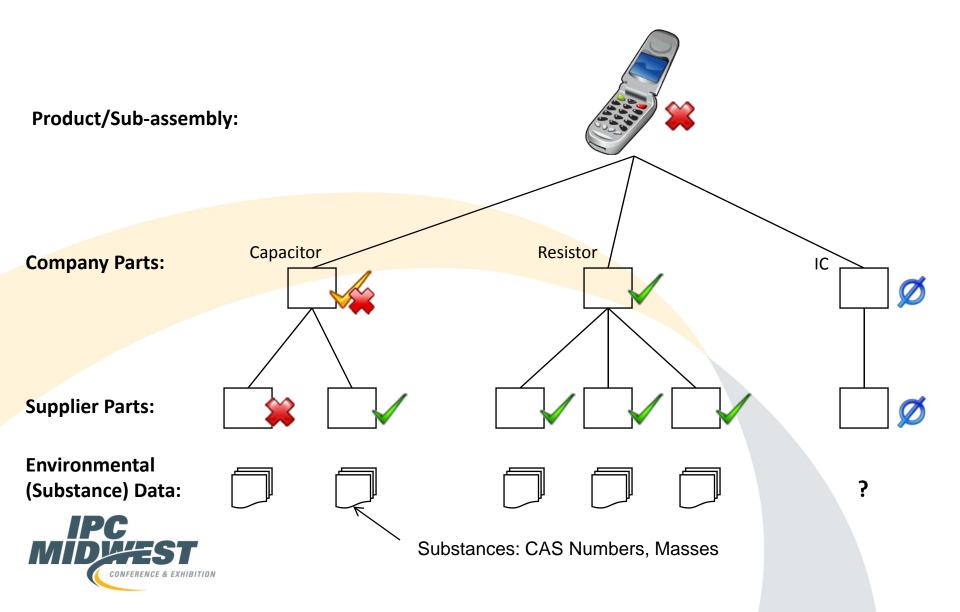
# Best-of-breed tools: leverage existing product data



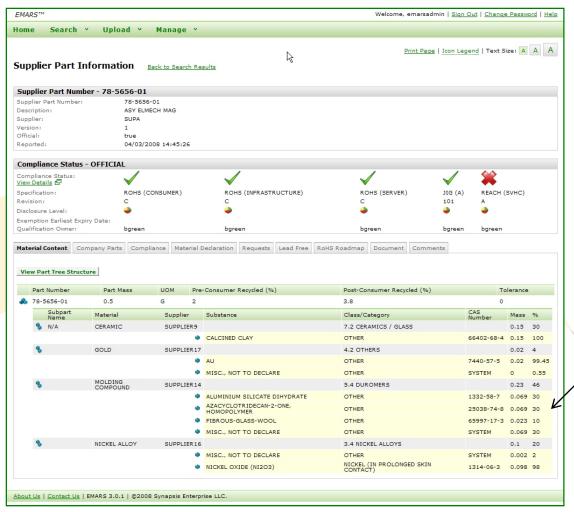


\*Supported compliance standards include EU RoHS, China RoHS, WEEE, ELV, REACH and more

### Key Capability 1: A scalable approach to data



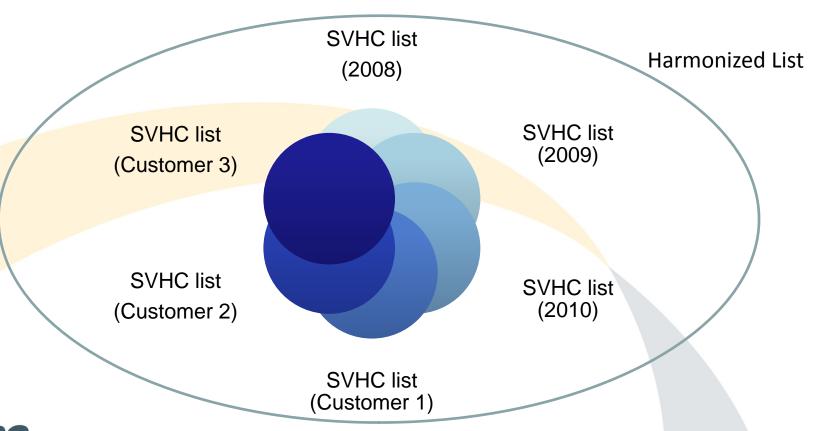
# Key Capability 1 (Continued): A scalable approach to data



Substances: CAS Numbers, Masses



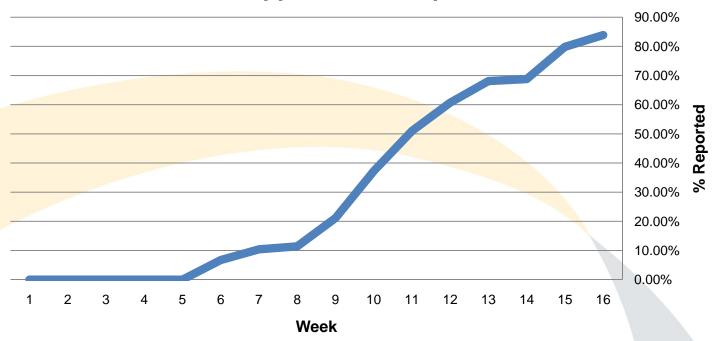
# Key Capability 2: Manage environmental specifications independently of data





### Key Capability 3: Supply chain assurance







\*Results achieved by an EMARS electronics customer collecting full chemical content using IPC 1752 forms.

## Next Steps

### Learn more, stay informed:

- REACH Guidance:
  reach.jrc.it/guidance en.htm
- Guidance on requirements for substances in articles:
   reach.jrc.it/docs/guidance document/articles en.htm
- 10-Step REACH Guide "How to Get Your Products Ready for REACH": synapsistech.com/reach-guide
- Green Design Newsletter stay up-to-date with REACH: synapsistech.com/newsletter



## Next Steps

### Take action:

- Take a chemical inventory of your products
- Complete the REACH data readiness form
- Assess your current organization, process, and systems.
   Processes include:
  - Data Collection
  - Data Quality
  - Supplier Management
  - Product Development / Product Lifecycle Management

