

**Important information concerning
forthcoming Government legislation**

**DIRECTIVE ON WASTE ELECTRICAL AND
ELECTRONIC EQUIPMENT (WEEE)**

**DIRECTIVE ON THE RESTRICTION OF
USE OF CERTAIN HAZARDOUS
SUBSTANCES (ROHS) IN ELECTRICAL
AND ELECTRONIC EQUIPMENT**

Actions you need to take

dti

defra
Department for Environment
Food and Rural Affairs

MESSAGE FROM STEPHEN TIMMS MP

To the Managing Directors and Chief Executives of all UK electrical and electronics companies.

Required compliance with EC Directives

The information contained within this document is of vital importance to UK electrical and electronics companies. It sets out the requirements for compliance with two new items of EC legislation that are to be introduced in the UK as regulations. There are risks as well as opportunities and it is important that businesses start planning now. Many of your business processes will be affected, ranging from financing and supply chain management, to logistics and data processing.

The Directives involved are on Waste Electrical and Electronic Equipment (WEEE) and the Restriction of Use of Certain Hazardous Substances (ROHS) in such equipment. The WEEE Directive will require producers (manufacturers and importers) to take responsibility for treating and recycling their products when they become waste. The ROHS Directive requires a number of potentially hazardous substances to be phased out by July 2006.

This document has been prepared to bring to your attention the importance of the legislation and the need for you to take prompt action. Both Directives will help reduce the environmental impact of electrical and electronic goods at the end of their life and contribute towards our sustainable development agenda. Those companies who start to plan now can minimise additional costs and gain market advantage through demonstrating to their supplier, and customer, base that they are WEEE/ROHS compliant.

To help you and your management team respond to this situation, a separate document accompanies this overview. It has been prepared to guide your marketing, design and operations executives in understanding the legislation and actions that your business needs to take.

I strongly urge you to read and act upon the information contained in this brief overview and to pass the accompanying document on within your senior business team. These Envirowise guides aim not only to explain what needs to be done, but also the opportunities that can arise.

Stephen Timms

Minister of State for Energy, E-Commerce and Postal Services

Call to action

Directive on Waste Electrical and Electronic Equipment (WEEE)

Directive on the Restriction of Use of Certain Hazardous Substances (ROHS)

In order to meet the requirements of new European Union environmental legislation that will become law within the United Kingdom from late 2004 onwards, UK companies in the electrical and electronics industry need to take immediate action if they are to avoid incurring excessive and unnecessary costs in meeting recycling and environmental compliance in manufacturing.

For those firms that ignore these early warnings for pre-emptive action, their eventual failure to meet these Directives' requirements may result in their products being banned from sale, as well as incurring fines.

This document gives you an overview of the issues involved and explains why you need to act NOW. On the following pages you will find answers to questions on:

- **What exactly is the legislation**
- **The aims of the legislation**
- **Who is affected**
- **The implications for UK companies**
- **What are the likely costs**
- **What are the advantages of acting now**
- **What do some leading companies think**
- **What to do next**

This overview is accompanied by a more comprehensive document that explains both the marketing and environmental implications of the legislation. It is suggested that you pass this other document on to those senior executives on your management team who are responsible for marketing, product development and manufacturing issues.

Further copies of these documents are available on request. Details of how to obtain copies, together with references to further sources of information, are given at the end of this document.

WEEE and ROHS Directives

What exactly is the legislation?

The legislation applies to the disposal of waste electrical and electronic equipment and the banning of certain hazardous substances.

The WEEE Directive requires producers of electrical and electronic equipment to finance collection arrangements for their products at the end-of-life. This includes the costs of appropriate treatment and meeting specific targets for recycling and recovery. The Directive does not just apply to new products. Producers will be made responsible collectively for goods already on the market.

The ROHS Directive restricts the use of lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBBs) and polybrominated diphenyl ethers (PBDEs).

Producers are defined as any company that manufactures affected electrical or electronic equipment, rebrands equipment produced by other manufacturers, or that imports such equipment. UK legislation is currently being defined. The next detailed consultation document will be issued towards the end of 2003. Further information will be posted at www.dti.gov.uk/sustainability

The aims of the legislation

WEEE legislation aims to conserve landfill and to support more sustainable development by providing an impetus to boost recycling.

ROHS legislation aims to reduce environmental impacts of waste and improve recyclability.

Who is affected?

	IT, telecoms and consumer equipment	Electrical / electronic tools (large industrial tools are exempt)	Monitoring and control instruments*	Toys, leisure, sports and medical equipment*
Power supplies	●	●	●	●
Housings and electrical/mechanical attachments	●	●	●	●
Motors and drives	●	●	●*	●
Printed circuit boards	●	●	●	●
Electronic components	●	●	●	●
Displays	●	●	●	●
Switches, sockets, connectors and wiring	●	●	●	●

**Under the ROHS Directive, certain exemptions apply to medical equipment systems and monitoring and control equipment.*

Supply chain implications

The costs of collecting, re-using, recycling and disposing of electrical and electronic equipment and the need to ensure they do not contain banned materials are your responsibility.

It means that you must not only comply with the requirements of the legislation, but so must all of your commercial customers and suppliers.

It will be your responsibility to ensure that compliance is met for all products that you make, supply or sell.

Also, if you supply components or equipment to any commercial customer, for example an OEM, you will be required by those customers to prove your ROHS compliance or you risk being removed from their supplier lists.

Implications for UK electrical and electronics companies

UK compliance

WEEE becomes effective from August 2005, but registration will be required before this. By mid-2005, all affected companies must have in place appropriate measures for meeting the Directive. ROHS becomes effective from July 2006. However, there are potentially serious consequences if you do not take immediate action.

At any time soon you may be expected to comply with the requirements of your own supply chain. Producers can opt to meet their recycling obligations directly, or they can join a collective scheme. Companies that take early action will be in a far better position to manage the additional costs involved. Those that ignore these warnings could face serious business consequences in a few years from now.

International and commercial implications

Many leading companies have already assessed their marketing and manufacturing positions and implemented relevant changes. If you supply or sell to them, they will soon ask you to tell them how you intend to deal with the Directives.

Similar legislation, already in force in Japan, is now starting to affect some European manufacturing plants, so you may need to respond within a shorter timeframe than that required to meet UK legislation. If you are unable to provide your (or their) customers with satisfactory answers, you may risk losing the business.

Companies already making changes will strongly influence the entire marketplace.

THE LONGER YOU DELAY ACTION, THE HIGHER YOUR COSTS WILL BE.

What are the likely costs?

Companies operating on marginal profit levels may have to consider price rises.

Estimated costs to the UK economy are expected to be:

- **WEEE - £217-£455 million per annum to comply with the Directive**
- **ROHS - £120 million per annum annualised over 10 years for capital costs and R&D**
- **ROHS - £55-£96 million per annum in increased operating costs of using alternative substances post 2006**

The European Commission estimates this will lead to an average cost increase of between 1 and 2% for most WEEE products and 3 to 4% for a few large or more complex products.

What are the advantages of acting now?

Cost reductions

The costs of implementing the sustainable design changes needed to meet the Directives can be reduced by acting now and planning ahead.

Marketing benefits

Consulting with customers on proposed product changes will help you improve the products you offer. New supply chain market opportunities may also exist in recycling and resale of your products to secondary markets.

Supply chain improvements

Consulting with your supply chain now will help to anticipate and reduce the 'end-of-life' costs of your products. You might also avoid having to replace non-compliant products or components with expensive alternatives.

What do some leading companies think?

Many leading companies are already acting to comply with the Directives. Yet, even though they have, for some time, been getting to grips with the issues, they still do not underestimate the challenges involved.

We are currently looking at over 30,000 components to see what supplier and manufacturing changes are needed.

Robert Turner
Principal Approvals Engineer
Pace Micro Technology

Fujitsu has already operated a take-back service for several years, getting value back from both components and recycled materials. This asset management approach strengthens our customer relationships.

Joy Boyce
Head of Corporate Environmental Affairs
Fujitsu Services

Sustainable product design has proved to be a real eye-opener, resulting in products with significant cost savings and better functionality.

John Peel
Managing Director
Varian Medical Systems UK

The biggest threat in the ROHS Directive is identifying where the banned materials are used. The market implication of not knowing what is in an individual component may mean that some products have to be taken off the market by July 2006.

Sony has started to inform its suppliers of this and is asking them if their parts have any of the banned materials.

Peter Evans
Environment Manager
Sony UK

So, what do I do next?

Pass on to your marketing, design and operations executives the accompanying detailed document on the Directives and ask them to report back to you in detail on:

- **What action to take and how quickly you need to take it**
- **The cost implications and how these can be minimised by taking prompt action**
- **The business threats from increased costs and competition**
- **The competitive marketing advantages and business opportunities to be gained**

Where can I get further information?

Information on both the WEEE and ROHS Directives, and future consultation is available at:

www.dti.gov.uk/sustainability

Further assistance can also be obtained via the Environment and Energy Helpline on

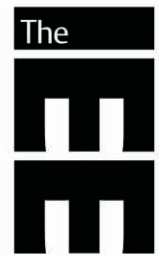
0800 585794

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