Report of the Breakout Sessions

Track Two: Supply Chain

Co-Moderators

Lane Hallenbeck, Vice President, Accreditation Services
American National Standards Institute

Michael Kirschner, President
Design Chain Associates

ACTION AND REACTION

Developing a sustainable approach to emerging chemical issues

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What we came together to discuss

❑ Duty of Care vs. Duty of Proof

— *Who has the burden of proof? Are suppliers responsible for verifying compliance with regulations, or is the final manufacturer responsible?*

❑ Crossing Borders

— *Different countries and regions are defining different environmental regulations and expectations around common issues – the EU's RoHS directive, for instance, has mutated as it has been adopted around the world and the same should be expected for REACH. What is the implication to the supply chain and to product delivery?*

Who came to the table

❑ Brief description of the group

— 19 and 26 participants in respective sessions

— (1st session) Chemical, semiconductor, aerospace, automotive, IT sectors (8 participants), federal regulator (1), NGOs (4), academia (1), consultants (3), legal (1), media (1)

— <u>Well mannered and good humored</u>

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A quick summary of the issues we identified

❑ Burden of proof –

    — Regulator or Customer?

❑ Legal issues

❑ Current models

❑ Collaborative frameworks

❑ Regulation mutation

❑ Supply chain risk

❑ Compliance mechanisms

❑ Other concerns

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Where there was overlap

❑ Thirst for communication and information

❑ Better education (especially executive) required

❑ Better planning required

What's underway now

❑ Collaborative frameworks
  — EU mandate for collaboration incomplete/unrealistic
    ▪ Bidirectional questionnaire?
  — RoHS absence of collaboration was bad
  — Upstream not best informed, downstream more industrial hygiene than toxicology
  — Preregistration (upstream) solves most of the (proprietary) problems, except SVHC

❑ Basic supplier management & control may return
  beyond "trust but verify"

What do we still need?

❑ Push to provide information from Regulators

❑ Educate community on how standards gaps are identified and process to instigate standards to fill them

❑ Bidirectional information exchange up and down the supply chain ("coffee klatsch")

❑ Method to prove compliance

Suggestions for an Action Plan

❑ Survey SDOs to identify relevant standards

❑ Band together and formulate pointed questions for EU

❑ Create compendium of countries, organizations, acronyms, standards (a la Wikipedia)

❑ Identify appropriate management system standard to apply or consider specific variant in this context

Topics to start with….

- ❑ What's the requirement – regulatory or customer driven?
- ❑ Legal/contractual obligations?
- ❑ Current models for comparable issues (responsibility)?
- ❑ Collaborative frameworks?