

## Channer REACH Position Statement

The Registration, Evaluation, and Authorization of Chemicals Regulation, otherwise known as REACH, came into force June 1, 2007. REACH is not specifically a product substance restriction requirement like RoHS, but rather a regulation that is designed to ensure substances have been properly evaluated, registered and the method of safe-use effectively communicated to the end user. This Regulation consolidated European Union (EU) chemical laws into a unified piece of legislation with the intent of improving the control over chemicals that adversely affect human health and the environment. Government oversight is present through the establishment of a European Chemicals Agency (ECHA).

The REACH Regulation applies to all substances (“chemical elements and their compounds in the natural state”) that are manufactured or imported into the EU. These substances may be in their natural state or as part of and “article”. An article is an “object which during production is given a special shape, surface or design which determines its function to a greater degree than does its chemical composition”. Examples of articles include cell phones, computers, and electronic components, such as wire leads, harnesses, and connectors.

The requirements for compliance with the REACH Regulation differ depending on whether a company is an importer of an article or maintains operations in the EU. Channer does not maintain any operations within the EU, therefore, we will be concerned with products that we manufacture and will be imported to the EU.

For products that are imported to the EU, there are primarily three criteria that dictate whether registration, notification to ECHA, or SVHC communication to customers is required. The first criterion is that the substance in question must be intentionally “released” under normal conditions of use. An example of the intentional release would be a fragrance from a scented eraser. In addition, the substance being released must be present in those articles in quantities totaling over 1 metric ton per year per producer/importer. **To the best of our knowledge, we do not produce any articles that fall under this criterion and therefore do not expect to have to register any Channer products with ECHA.**

The second criterion includes notification to the ECHA of substances. Under Article 7.2, any article producer or importer whose products meet certain conditions must notify the ECHA. The timeline for notification to the ECHA does not start until June 1, 2011. Channer does not anticipate meeting the conditions for notification at this time but we will continue to assess our products for applicability to this requirement.

The third criterion concerns a list of “substances of very high concern” or SVHC. In October, 2008, ECHA published a list of SVHC which includes 15 substances. **The presence of an SVHC in an article has no impact on the ability to sell a product into the EU. It only regulates the need to communicate SVHC in the product to the customer or consumer.** According to Article 33, any supplier of an article containing an SVHC which meets the criteria of Article 57 and is in concentration above 0.1% by weight in the article, shall provide the recipient (e.g. customer) of the article with sufficient information to allow safe use. At a minimum this information should include the name of the SVHC found in the article.

Finally, Channer does not design or manufacture the raw materials or components used in the part production for their customers, nor does Channer support analytical testing for SVHC or chemical content. Any SVHC information will be based on the knowledge of materials used in the finished products and would be obtained from third parties normally specified by you, our customers. **If customers need to verify REACH/SVHC compliance, we suggest that you provide a list of parts that will ship to the EU, and we will request individual component compliance from our suppliers.** In that suppliers can be deluged with compliance requests, we ask that only EU bound products be scrutinized at this time. Channer is committed to managing the use of chemical substances in accordance with governmental regulations, industry standards, and customer specific requirements in order to protect human health and the environment.

1 December, 2008