



> THIS IS THE WAY

> THIS IS **NORTEL**TM

➤ Position Statement on WEEE
& RoHS Directives

Document Date: March 2005
Document Version: V1, Issue 1.2



Preliminary Points

This document relates to the following two Directives:

- WEEE Directive 2002/96/EC (“Waste Electrical and Electronic Equipment” Directive);
- RoHS Directive 2002/95/EC (“Restriction on the use of certain Hazardous substances in electrical and electronics equipment” Directive).

The document applies to all Nortel Networks products regardless of the category to which they belong (i.e. Wireless, Wireline, Optical and Enterprise).

Nortel Networks Position Statement on the WEEE and RoHS Directives represents Nortel Networks current understanding of these two Directives. This current understanding is subject to further review and modification since the Directives are in the process of being implemented by each EU member state and these Directives will also be subject to any official interpretation of the Directives by the European Courts or national courts of each EU member state.

Nortel Networks Position Statement on the WEEE and RoHS Directives is not intended to act as a substitute for the WEEE and RoHS Directives or any legislation introduced under or in connection with these Directives. This Position Statement shall also not be construed as a substitute and/or an interpretation of any suppliers’ obligations set out in any legally binding documents between Nortel Networks and its suppliers.

Scope

In February 2003, the European Union issued Directive 2002/95/EC on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment (RoHS) and Directive 2002/96/EC on waste electrical and electronic equipment (WEEE).

The purpose of this statement is to communicate Nortel Networks current requirements for suppliers, Nortel Networks expectations for achieving compliance with the RoHS and WEEE Directives and the timeline.

1. The RoHS Directive requires producers of electrical and electronic equipment to eliminate the use of six environmentally sensitive substances: lead, mercury, cadmium, hexavalent chromium; and the use of PBB and PBDE flame retardants, in electrical and electronic products sold in the European Union beginning July 1, 2006.
2. Our product development is proceeding according to plan and we have made positive progress in transitioning towards RoHS compliant products and processes. However, our progress is dependent upon our suppliers’ readiness and capability to make RoHS compliant parts by late 2005.
3. The target is to have Nortel Networks products RoHS compliant by quarter one 2006. In order to reach this target, our suppliers will need to be capable of delivering RoHS-compliant parts and products well ahead of December 31st, 2005.



4. Nortel Networks currently is putting in place a product take-back and recycling program. We can not yet give a definitive answer on how we will comply since major parts of the WEEE Directive still need to be resolved.
5. Nortel Networks is committed to doing business with environmentally responsible suppliers.
6. Nortel Networks requires its suppliers to comply with all applicable laws, regulations, orders and policies in providing products and services to Nortel Networks or within the Nortel Networks supply chain. Suppliers must comply with Nortel Networks environmental specification for hardware materials, parts and products which is found in the environment NPS Specification.

Nortel Networks General Requirements for RoHS Compliance

Nortel Networks expects all suppliers of its components, EMS, ODI, OEM, hardware and hardware service to be actively progressing toward RoHS compliance. Progress tracking will be an integral part of supplier business reviews. Our target is to have RoHS compliant products by quarter one 2006. Nortel Networks expects suppliers to align their RoHS compliance roadmaps with customer requirements, including the ability to support both non RoHS-compliant and RoHS compliant product builds during the transition period. RoHS compliancy must be consistent with the definitions and interpretations of homogeneous materials per the guidance developed by the European Commission and agreed by TAC.

Nortel Networks expects its suppliers to inform Nortel Networks of any anticipated technology or cost issues that may affect the supplier's ability to support Nortel Networks products during or after the RoHS conversion. Nortel Networks expects all of its suppliers to comply with Nortel Networks Environmental Requirements for Materials, Parts and Products Specification. Suppliers are responsible for notifying Nortel Networks if any restricted or reportable substances are used in materials, parts or products provided to Nortel Networks.

Suppliers are expected to provide a unique manufacturer Part Number for any part that is changed to become lead (Pb) free or RoHS compliant and are expected to have an effective management system to prevent inadvertent mixing of RoHS compliant and non RoHS compliant parts. This should include an effective marking/labeling strategy for packaging, parts, and documentation. Suppliers are expected to inform Nortel Networks of any significant anticipated technological or cost issues that may affect the supplier's ability to support Nortel Networks materials, parts or products during or after the RoHS conversion.

Certificate of Compliance - Suppliers must, on request, demonstrate compliance with the Regulations by providing the enforcement authority with satisfactory evidence of such compliance in the form of relevant technical documentation or information. Member states may accept self-declaration as the basis of the compliance regime. The enforcement authority will carry out market surveillance to detect non-compliant products and may conduct tests for this purpose. Nortel Networks will require delivery of a Certificate of Compliance for all parts provided, plus a Materials Declaration.



The following guidelines are intended to assist producers to demonstrate compliance with RoHS. They are not exhaustive and are not intended to act as a substitute for RoHS and any legislation introduced under or in connection with RoHS: -

1. Producers of EEE should obtain an assurance from their Suppliers that any materials, components, assemblies or equipment provided do not contain more than the permitted level of any of the six restricted substances, except where the application of any of those substances comes within the scope of the RoHS Regulations' exempted applications and Nortel Networks reserves the right to require the Producers to confirm its compliance to the RoHS Regulations on the Producers Certificate of Compliance . Producers are required to keep appropriate records, in accordance with industry practice and standards, after the particular EEE product was placed on the market.
2. Nortel Networks requires suppliers to complete and provide materials declaration data via a Nortel Networks designated template; this allows internal databases to be populated with consistent information.
3. Producers of EEE to be placed on the market may wish to undertake their own analysis of the components or materials that they use in their products, either to verify supplier declarations or to establish the presence or otherwise of the restricted substances in those cases where no declaration is available.
4. Producers may employ any suitable analytical technique in order to establish that their products comply with the maximum concentration values of the six restricted substances. The criteria for analysis will depend on the quantity of product put onto the market (less for small producers than for large producers), the relationship with suppliers, the risk of a banned substance being present, and the potential impact of that substance on the environment. Producers must ensure that they understand and take into account any limitations of the analytical technique they use.

Suppliers are expected to provide, on request, periodic, detailed conversion plans with readiness updates. Conversion plans should include the following:

1. RoHS-compliance Roadmap including:
 - a. Sample availability – dates and lead-times.
 - b. Qualification schedule.
 - c. High volume production availability & lead-times.
 - d. End-of-life plans for non-RoHS compliant materials, parts and products.
2. Suppliers are required to confirm, on request, their sub-suppliers' ability to comply with applicable government legislation RoHS regulations and Nortel Networks requirements.
3. Nortel Networks or a third party may require suppliers to complete and return a Material Declaration document.

All direct or indirect suppliers to Nortel Networks may be asked by either Nortel Networks or a third party to provide RoHS & WEEE related data for the composition of the product(s) they supply.



Reference

- Directive 2002/95/EC on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS).
- Directive 2002/96/EC on waste electrical and electronic equipment (WEEE).
- Current European Union (EU) member states include Austria, Belgium, Denmark, United Kingdom, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, The Netherlands, Portugal, Spain, Sweden, Cyprus, Czech republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. Romania and Bulgaria will join the European Union in 2007.