NDIA Environment, Energy, & Sustainability Symposium & Exhibition, Denver

Granta 'Restricted Substances Management' Session Track – EPR Consulting Ltd

Abstract Category:

Environment; Compliance

Title:

Managing substance restrictions and bans by taking an integrated business management systems approach; lessons learned from the EU End of Life Vehicles Directive.

Abstract:

In recent years there has been a proliferation of legislation and voluntary initiatives worldwide that place restrictions or bans on substances in products. This shift in focus from site based environmental impacts to product focused impacts is a relatively new phenomenon that manufacturers worldwide have had to respond and adapt to. Managing a constantly changing compliance framework in multiple markets worldwide through complex supply chains is a challenging proposition. The price for non compliance can be extremely severe through product recalls and brand damage due loss of consumer confidence. The number of substance withdrawals and rate of substance withdrawals is set only to increase looking towards the future and therefore compliance with this type of environmental legislation is becoming an ever higher priority for manufacturers.

This paper presents an argument for integrating compliance formally into business management systems throughout supply chains. An overview is provided on the roles that business units of an organisation play in managing compliance, and how compliance as a whole can be formally integrated into the business. Suggestions are also made as to how such an approach could be driven throughout supply chains. For example, through formal integration into existing ISO EMS and QMS systems, or as initiatives driven through industry trade bodies. The advantages of taking such an integrated approach are summarised such as building confidence with consumers and regulatory authorities, and gaining market share for products with high degrees of environmental performance, as well as minimising costs of non compliance.

Reference is made to some of the pitfalls experienced within the automotive industry which was one of the first industries to be given the task of managing substance withdrawals throughout their supply chain. The phase out of hexavalent chromium under the EU ELV Directive is used an example to illustrate some of difficulties experienced in managing this process. It is seen that the top down approach adopted by most vehicle manufacturers, and their requirements to bring forwards deadlines ahead of the legal phase out dates often fell short of their expectations, and in many cases it was commercial pressures on the plating industry which dictated when they switched to hexavalent chromium free alternatives processes. The example highlights the difficulties of managing substance and material phase

outs across an industry. Factors that dictate the timing of substitutions are often complex relating to cost and the availability of technically feasible alternatives.

Managing compliance through formal integration into an organisations business management system cannot be seen as a golden bullet therefore. Activities must still be coordinated at a macro level though close cooperation between industry trade bodies and regulatory authorities. Taking an integrated management system approach can however be seen as the best practice route to take in order to understand exposure to business risk, as well as opportunity, and to then plan and mitigate accordingly.