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BY REGISTERED MAIL (Copy by e-mail)

26 January 2017

Alexander Manolev
State Agency for Metrological & Technical Surveillance
52A, "G.M.Dimitrov" St.
Sofia 1797
Bulgaria

Dear Mr Manolev,

Notification of potential non-conformity issue under the RoHS II Directive

We are writing to give you notice of a potential non-conformity issue under Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (the "RoHS II Directive"). This is with respect to a limited number of finisher devices for commercial (B2B) copy/printing units branded and distributed by Xerox (the "Xerox Equipment Units").

Xerox estimates that the number of such units placed into your country is 2

Xerox has reason to suspect that the maximum concentration value for cadmium (*i.e.* 0.01%) as permitted by Annex II of the RoHS II Directive may have been exceeded in the plastic casters (wheels) of optional finisher units ("Finishers") manufactured between July and December 2016 and used for certain Xerox Equipment Units (listed below). The caster is a wheeled device mounted to the Finishers that enables relatively easy rolling movement (See appendix 1). Similar casters are commonly found on products such as wheeled office chairs.

In the event of a potential non-conformity, the RoHS II Directive requires specific actions including a duty to inform the competent national authorities in the Member States where potentially affected equipment has been made available.

FACTUAL BACKGROUND

- Top Caster Co., Ltd. ("Top Caster") is a third-party manufacturer of casters based in South Korea. Top Caster supplied parties assembling the Finishers with casters that may contain excess cadmium. The casters were subsequently incorporated into certain Finishers, by third-party companies supplying Finishers to Xerox. The potential non-conformity issue was identified through sample testing of incoming supplier parts using X-Ray Fluorescence ("XRF").

- The plastic caster that contains the excess cadmium weighs between approximately 20 to 45 grams, with cadmium concentrations up to 0.18% (approximately 0.036 to 0.081 grams of cadmium per caster as a 'worst case' scenario). The weight of the part varies by model and by where the non-compliance occurs within the caster part (roller, frame of wheel or both).

Based on information provided to us by Top Caster, we understand that the excess cadmium was introduced into the plastic when a Top Caster employee inadvertently used recycled plastics from its chair caster manufacturing process in error, to produce the casters for this application. This was contrary to Xerox's explicit supplier requirements, which specify that only RoHS-compliant parts and components should be supplied to Xerox.

- The cadmium is bound up in the hard resin material of the caster and cannot reasonably become subject to grinding, abrasion or leaching of any kind in connection with routine use or repair of the Xerox Equipment Unit or Finisher. A user of such equipment would not normally have to touch or remove a caster at any time during its operation.
- Products affected are Finishers for:

WorkCentre Models 53XX/58XX/59XX/72XX/78XX/79XX
 Xerox Colour 60/70
 Xerox Versant 80 Press
 ColorQube 93XX

- Xerox Limited (with registered office at Bridge House, Oxford Road, Uxbridge UB8 1HS, UK), is the branding company and distributor of the Xerox Equipment Units/Finishers. Some of those Finishers are also distributed via separate third parties who are also being notified of this issue.
- Xerox believes that the potentially impacted Xerox Equipment Units/Finishers may have been placed on the EU market in most or all Member States (and accordingly we are informing the competent authorities in each such country).

CORRECTIVE MEASURES TO BRING THE XEROX EQUIPMENT UNITS IN TO CONFORMITY

- Upon determining that a potential non-compliance may have occurred and completing some initial testing, Xerox Equipment Units/Finishers in Xerox-controlled channels were promptly placed on hold. Those Xerox Equipment Units/Finishers have undergone a retrofit with compliant casters prior to being made available for onward distribution or sale. All non-compliant inventory parts have been purged.
- Xerox's suppliers of Finishers are now utilising compliant parts in production and Top Caster has implemented corrective actions. The latter include (i) providing its employees with improved training, and important signage in the factory being updated to be multilingual (thereby covering all of the workforce), (ii) increased frequency of testing to monitor for compliance, and (iii) assembly facilities also testing incoming products via XRF to ensure ongoing compliance.
- Xerox continues to work with Top Caster and its other suppliers to improve due diligence and ensure future RoHS compliance.

- Xerox estimates that a total of approximately 1428 potentially impacted Xerox Equipment Units/Finishers may have been made available across the relevant Member States (including your jurisdiction) and may either be installed with end customers and/or in distribution beyond Xerox's control. Note that an additional 1090 potentially non-compliant Xerox Equipment Units/Finishers were within vendor warehouses, Xerox's warehouses and/or distribution channels but have now been retrofitted prior to release.
- For Xerox Equipment Units/Finishers which have already been installed at customer sites or are otherwise outside of Xerox's control, Xerox will manage these units at end-of-life through normal WEEE-compliant recovery processes. This solution is preferred to customer site retrofits, because the potential negative impact of premature disposal of parts and the carbon footprint impact of customer site visits, heavily outweighs the minimal environmental benefit of removing the excess cadmium per caster. As indicated above, similar casters are in common usage on other products not regulated by the RoHS II Directive and there is no customer exposure/safety concern associated with the casters.

We trust that this notice satisfies the requirements of the RoHS II Directive and that Xerox has sufficiently addressed this matter in a timely and effective fashion in accordance with its requirements.

Please feel free to contact me for further information.

Yours sincerely,



Andy Cosgrove
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