MATERIAL COMPLIANCE
GUIDELINE

KAPOS

I. INTRODUCTION

Purpose

This Material Compliance Guideline is designed to ensure material-compliant handling of substances and articles in development, production, trade and use. It is intended for our suppliers to assist them in identifying the relevant legal requirements for their products.

This Material Compliance Guideline provides an overview of all known legally prohibited, regulated substances and substances subject to mandatory declaration at the time of its respective specified publication or revision date. The Atlas Weyhausen Group strives for a continuous update of this guide, yet assumes no responsibility for the completeness and up-to-dateness of this guideline. Consequently, it is the Supplier‘s responsibility to ascertain and comply with the relevant current directives, laws or standards.

In the event that any amendments to the law are not yet reflected in this guideline, this does not release the supplier from the obligation to take these amendments to the law into account and to adhere to the current, respectively applicable, legal requirements.

› The supplier undertakes to source the respective current guideline, laws and standards themselves.

› The Material Compliance Requirements shall be deemed equivalent to other product requirements.

› The Material Compliance Guideline stipulates that all products and their packaging have to comply with its requirements so as to ensure that the products are placed on the market in conformity with the regulations.

› Products and raw materials which are of unknown origin and/or composition, as well as raw materials without sufficient material data, must not be used.

› The technical data sheets of all raw materials and auxiliary materials used are to be submitted to the Atlas Weyhausen Group for initial sampling on request in individual cases. The Atlas Weyhausen Group hereby reserves the right to perform tests and laboratory investigations on materials in individual cases.

› The suppliers of the Atlas Weyhausen Group are obligated to provide the material information that is necessary to verify adherence to the legal requirements and this Material Compliance Guideline at no charge.

› Atlas Weyhausen Group shall provide the Material Compliance Guideline on its website.

› The supplier is under an obligation to check whether the Material Compliance Guideline is available in an updated form at least every 6 months. Upon amendment of the Material Compliance Guideline, this shall replace the previous version and shall take effect immediately.

› The suppliers of the Atlas Weyhausen Group shall not be communicated any changes or versions of this guideline.

› The Atlas Weyhausen Group and those involved in the supply chain are authorised to use and/or reproduce this guide. Approval must be obtained from the Atlas Weyhausen Group for any use of the standard, either in whole or in part, outside the supply chain.

II. SCOPE OF VALIDITY

The Atlas Weyhausen Group is made up of the following organisational units:

Germany
Atlas Weyhausen GmbH Visbeker Straße 35
27793 Wildeshausen
www.weycor.de

Hungary
KAPOS ATLAS Gépgyár Kft. Maschinenfabrik GmbH 7400 Kaposvár, Jutai út 37.
www.kaposatlas.hu

III. TERMS AND ABBREVIATIONS

Substance

Chemical element and its compounds in natural form or derived by a manufacturing process, including additives that are necessary to maintain its stability and impurities arising from the process used, but with the exception of solvents that can be separated from the substance without compromising its stability and without altering its composition (see REACH Regulation Art. 3 No. 1).

Examples of chemical compounds:

› Organic: ethanol, aldehydes
› Metallic: iron, copper; tin
› Mineral: clay, loam

Preparation

Mixtures, blends or solutions of two or more substances (mixture and preparation are synonymous).

Examples of preparations:

› Batch: seeds
› Mixture: alloy
› Solution: octane in petrol

Homogeneous material:

A material with an uniform composition through and through or a material made up of different substances that cannot be broken down or separated into individual substances through mechanical processes such as loosening, cutting, crushing, grinding and sanding (see RoHS Directive Art. 3 No. 20). Examples of homogeneous materials include individual types of plastics, ceramics, glasses, metals, alloys, synthetic resins and coatings.

Added intentionally

The intentional use of a substance that is contained in an article in order to produce a certain property, appearance or quality.

Battery or accumulator

A source of electrical energy made up of one or more (non-rechargeable) primary cells or one or more (rechargeable) secondary cells, generated by direct conversion of chemical energy (see Art. 3 No. 1 of the Battery Directive).

Packaging

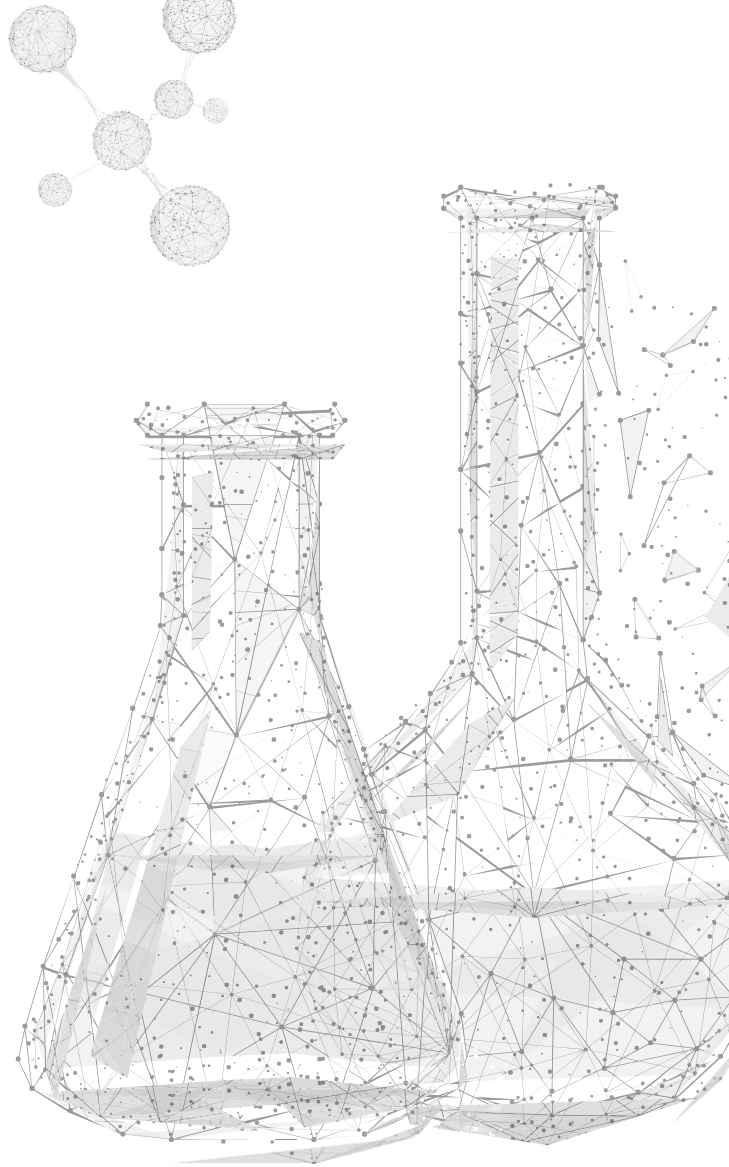
Products derived from any substance and intended to be incorporated for the protection, handling, delivery and presentation of goods, ranging from raw materials to processed products, which are transferred from the manufacturer to the user or consumer. Also, all „disposable articles“ used with the same purpose are to be regarded as packaging (see EU Packaging Directive Art. 3 No. 1 UA. 1).

Packaging components

Parts of the packaging separable by hand or by simple mechanical processes. Additional elements directly suspended or attached to a product and serving a packaging function are regarded as packaging unless they form an integral part of the product.

Restricted substances

Banned substances are not allowed to be contained in articles, components, materials, preparations as well as auxiliary and operating materials in excess of the limit values specified in this document. Such substances must only be present as natural impurities, not intentionally added. Impurities with these substances must be specified in qualitative terms.



III. TERMS AND ABBREVIATIONS

Substances subject to mandatory declaration

Substances that are classified as subject to declaration are undesirable in some applications and must be declared in excess of the specified limits. The substances listed have to be specified for each article, component, material, substance preparation, auxiliary or operating material. Limits of content are specified for the individual substances in the document. Declarations below these limits are not required.

Application

Means that the limit value of the substance is related to the material or the part where the substance is contained to achieve a desired functionality.

Product

Object that, during manufacture, is given a specific shape, surface or configuration that determines its function to a greater extent than its chemical composition.

Application deadline (Latest application date)

An application for authorisation must be submitted by this date in accordance with the REACH Regulation (date is at least 18 months prior to the expiry date) in order for the substance to remain in use (deadline).

Information regarding the application for admission and the formal procedure of an application for admission can be found at: https://echa.europa.eu/applying-for-authorisation

Expiry date (Sunset date)

Placement on the market and use of a substance listed in Annex XIV of the REACH Regulation is not permitted after this date, except in cases where an authorisation has been granted.

CAS number

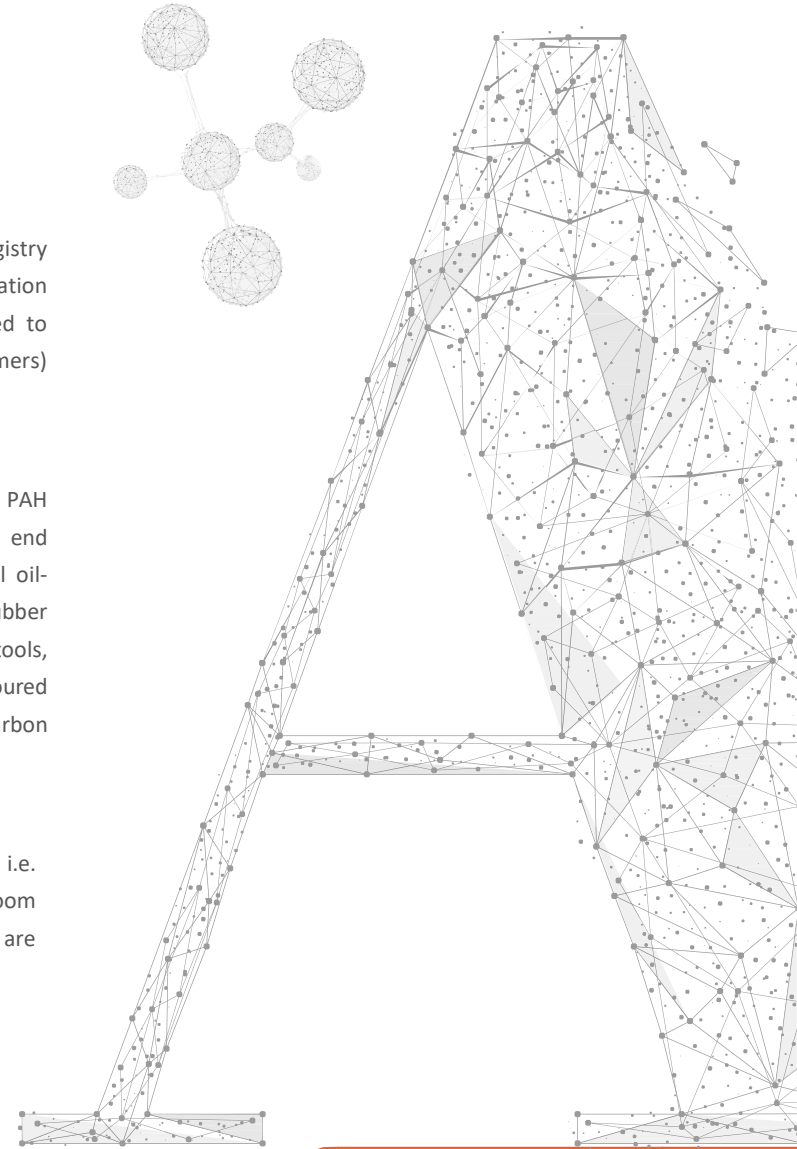
The CAS number (also CAS Registration Number and CAS Registry Number, CAS=Chemical Abstracts Service) is an international designation standard for chemical substances. A unique CAS number is assigned to each chemical substance (including biosequences, alloys, polymers) registered in the CAS database.

PAH

PAHs are polycyclic aromatic hydrocarbons. Only a few individual PAH compounds are produced in a targeted manner and are used as end products or intermediates. PAHs are a natural component of mineral oil-based extender oils. These find application in soft plastics (e.g. in rubber products). Black rubber products (e.g. car tyres, rubber handles on tools, artificial leather) tend to exhibit a higher PAH content than light-coloured rubber articles. This, however, strongly depends on the type of carbon black used and/or its proportion in the rubber compound.

VOC

Volatile organic compounds (VOCs) is the collective term for organic, i.e. carbon-containing substances that pass into the gas phase at room temperature or higher by evaporation (colloquially „vaporisation“), i.e. are volatile.



IV. SOURCES OF SUPPLY/HELP

› **http://eur-lex.europa.eu/**

Platform for European regulations, directives and resolutions, in all existing versions and official European languages **– the year of publication and the publication number must be entered in the search mask.**

› **https://echa.europa.eu/support/guidance**

Support area of the European Chemicals Agency (ECHA)

› **http://www.reach-clp-biozid-helpdesk.de/de/Startseite.html**

REACH-CLP Biocide Helpdesk - National Enquiry Point of the Federation:

› **http://www.reach-info.de**

REACH Helpdesk - German Federal Environment Agency

› **https://www.reach.baden-wuerttemberg.de/**

REACH@Baden-Württemberg

› **https://www.gesetze-im-internet.de/**

Platform for German laws

V. OVERVIEW OF THE LEGALLY REGULATED SUBSTANCES

1 Substance regulations and prohibitions

For substances, mixtures, articles

The requirements under substance law described under point 5.1 have to be tested for all substances, mixtures and articles supplied to the Atlas Weyhausen Group.

1/1 Regulation (EC) No. 1907/2006

REACH-Regulation: Annex XIV - List of substances subject to authorisation

Regulation (EC) No 1907/2006 (in brief „REACH Regulation“) entered into force on 01.06.2007.

There is an authorisation requirement for a substance from the list of substances of very high concern in Annex XIV of the REACH Regulation at the end of the procedure. The substance must only be used with authorisation or its use is banned after a transition period. Explanations of the terms vis-à-vis application deadline and expiry date can be found under point 2 Definitions and abbreviations. You can access the current Annex XIV of the REACH Regulation under the following link:

https://echa.europa.eu/authorisation-list

2 Regulation (EC) No. 1907/2006

REACH-Regulation: Annex XVII – List of restricted substances

Specified substances are regulated or banned in individual/legislatively defined applications in Annex XVII of the REACH Regulation. You can access the current Annex XVII of the REACH Regulation under the following link:

https://echa.europa.eu/substances-restricted-under-reach

3 Directive 2011/65/EU

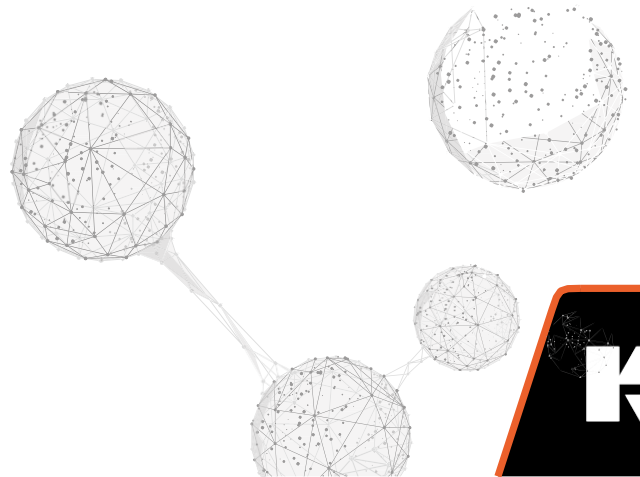
RoHS

Directive 2011/65/EU of the European Parliament and of the Council dated June 8, 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive) came into force on January 2, 2013. The RoHS substance regulations cover the maximum concentrations in the homogeneous material of each article.

Table 1: Substance Regulations of the RoHS Directive

Substance groups	Maximum concentration in homogeneous material in percentage
Cadmium and cadmium compounds	0,01%
Hexavalent chromium (Cr6+) and Cr6+ compounds	0,10%
Lead and lead compounds	
Mercury and mercury compounds	
Polybrominated diphenyl ethers (PBDE)	
Polybrominated biphenyls (PBB)	
Di(2-ethylhexyl) phthalate (DEHP)	
Butyl benzyl phthalate (BBP)	
Dibutyl phthalate (DBP)	
Diisobutyl phthalate (DIBP)	

As of
25.01.2023



V. OVERVIEW OF THE LEGALLY REGULATED SUBSTANCES

4 Chemicals Prohibition Ordinance

ChemVerbotsV

The Ordinance concerning Prohibitions and Restrictions on the Marketing of Hazardous Substances, Preparations and Products under the Chemicals Act is a German federal law prescribing specific national requirements in addition to the REACH Regulation, which also contains national derogations from Annex XVII of the REACH Regulation. Given that REACH is a regulation applicable directly in the EU Member States, an amendment to the ChemVerbotsV was adopted in 2016, which unites the requirements from the REACH and CLP regulations with German chemicals law. In addition, the national requirements for the following substances and substance groups are specified:

Table 2: Substance Regulations of the ChemVerbotsV

Substances
Formaldehyde
Dioxins and furans
Pentachlorophenol
Biopersistent fibres

The requirements coming into force on 01.01.2019, as well as the listed exceptions, can be found in the text of the law:
https://www.gesetze-im-internet.de/chemverbotsv_2017/index.html

As of 25.01.2023

5 Regulation (EC) No 2019/1021 on persistent organic pollutants

POPs

This EU regulation transposes, among other things, the Stockholm Convention on Persistent Organic Pollutants. The Stockholm Convention constitutes an agreement on internationally binding prohibition and restriction measures concerning certain persistent organic pollutants. As such, the Convention prohibits or restricts the production, use and trade of hazardous chemicals. Further information on the Stockholm Convention can be found on the official website at the following link: http://chm.pops.int/

The text of the European implementation can be found on the platform of the European Union
http://eur-lex.europa.eu/

If a substance currently listed in the POPs Regulation is contained in the products you supply to us, please fill out our Excel table *MC Substance Listing Kapos Atlas* in full and send it to us immediately. The Excel table can be found on our homepage https://kaposatlas.hu/en/ under downloads.

6 Conflict minerals

CM

The Dodd-Frank Act is a US regulation that was signed in July 2010 and obligates companies listed on the US stock exchange to abstain from using raw materials from conflict regions. Companies that use a conflict mineral have since been required to submit a separate report on the origin. Conflict minerals within the meaning of the law include tinstone, coltan, wolframite and gold, from which the following four metals - known as 3TG - are derived:

- Gold
- Tin
- Tantalum
- Tungsten

Reference to further information on the Dodd-Frank Act:
https://www.sec.gov/News/Article/Detail/Article/1365171562058

The European Union has been imposing supply chain due diligence obligations on Union importers of 3TG from areas of conflict and high risk since May 17, 2017, with Regulation (EU) 2017/821.

Reference to further information on Regulation (EU) 2017/821:
https://eur-lex.europa.eu/legal-content/TXT/?uri=celex:32017R0821

The Excel document of http://www.responsiblemineralsinitiative.org/ is preferred as the declaration medium.

VI. SUBSTANCE REGULATIONS AND PROHIBITIONS

Unlike the substance regulations under section 5.1, the supplier must check here whether their products fall within the scope of the respective requirement. The supplier must consult the ATLAS Weyhausen Group if it is not possible to clarify this matter independently.

1 Directive 94/62/EC

Packaging Directive

DIRECTIVE 94/62/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL dated December 20, 1994 on packaging and packaging waste restricts the concentration of heavy metals in packaging.

Article 11 of the Directive sets the maximum cumulative concentration in packaging and packaging components as of June 30, 2001:

Table 3: Substance Regulations Packaging Directive

Pure substances and substance groups	Cumulative Maximum concentration in packaging or packaging components in ppm by weight
Lead, cadmium, mercury and chromium-VI	100

Stand 25.01.2023

2 Proposition 65

Safe Drinking Water and Toxic Enforcement Act, 1986

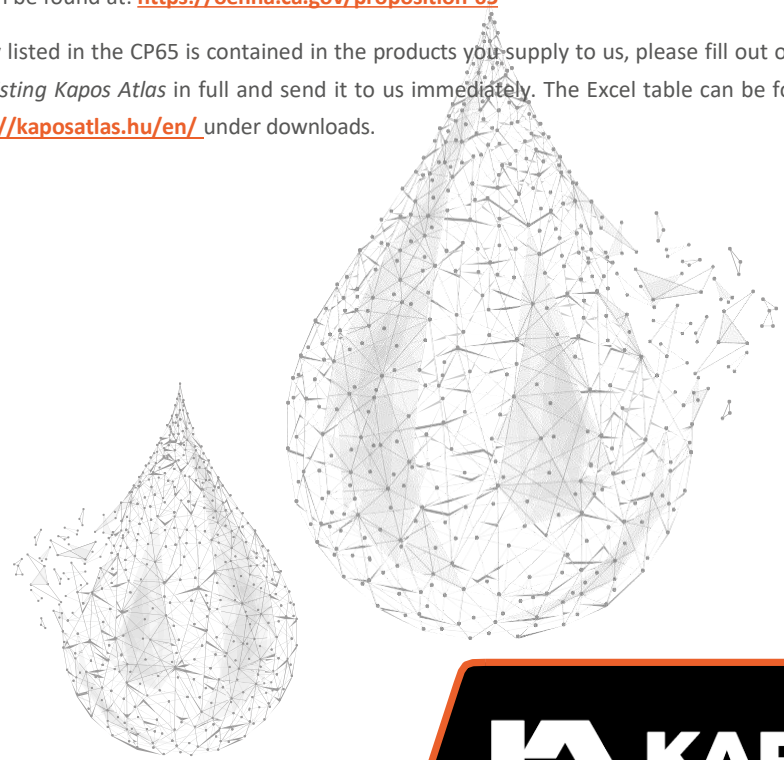
The Safe Drinking Water and Toxic Enforcement Act, 1986 (also known as California Proposition 65) is a law enacted in California in 1986 that promotes the cleanliness of drinking water. It also aims at preventing cancer-causing substances and substances that can lead to deformities from entering consumer products.

"In the course of their business, whether knowingly or unknowingly, no one shall expose others to a chemical which may lead to cancer or neonatal deformities, based on current knowledge, without clearly, prominently and appropriately informing consumers of this risk." – California Proposition 65, The Safe Drinking Water and Toxic Enforcement Act, 1986.

ATLAS Weyhausen Group would like to be informed by the supplier about the presence of Proposition 65 substances in delivered items.

Further information can be found at: **https://oehha.ca.gov/proposition-65**

If a substance currently listed in the CP65 is contained in the products you supply to us, please fill out our Excel table: *MC Substance Listing Kapos Atlas* in full and send it to us immediately. The Excel table can be found on our homepage: **https://kaposatlas.hu/en/** under downloads.



VI. SUBSTANCE REGULATIONS AND PROHIBITIONS

3 Toxic Substance Control Act

TSCA

The United States Environmental Protection Agency (EPA), has now imposed restrictions on five substances in the Toxic Substances Control Act (TSCA) Section 6 (h).

The sale of chemicals, mixtures and products that contain the restricted substances is regulated in the USA. There are currently very many different transitional periods, depending on the substance, and in some cases also exemptions.

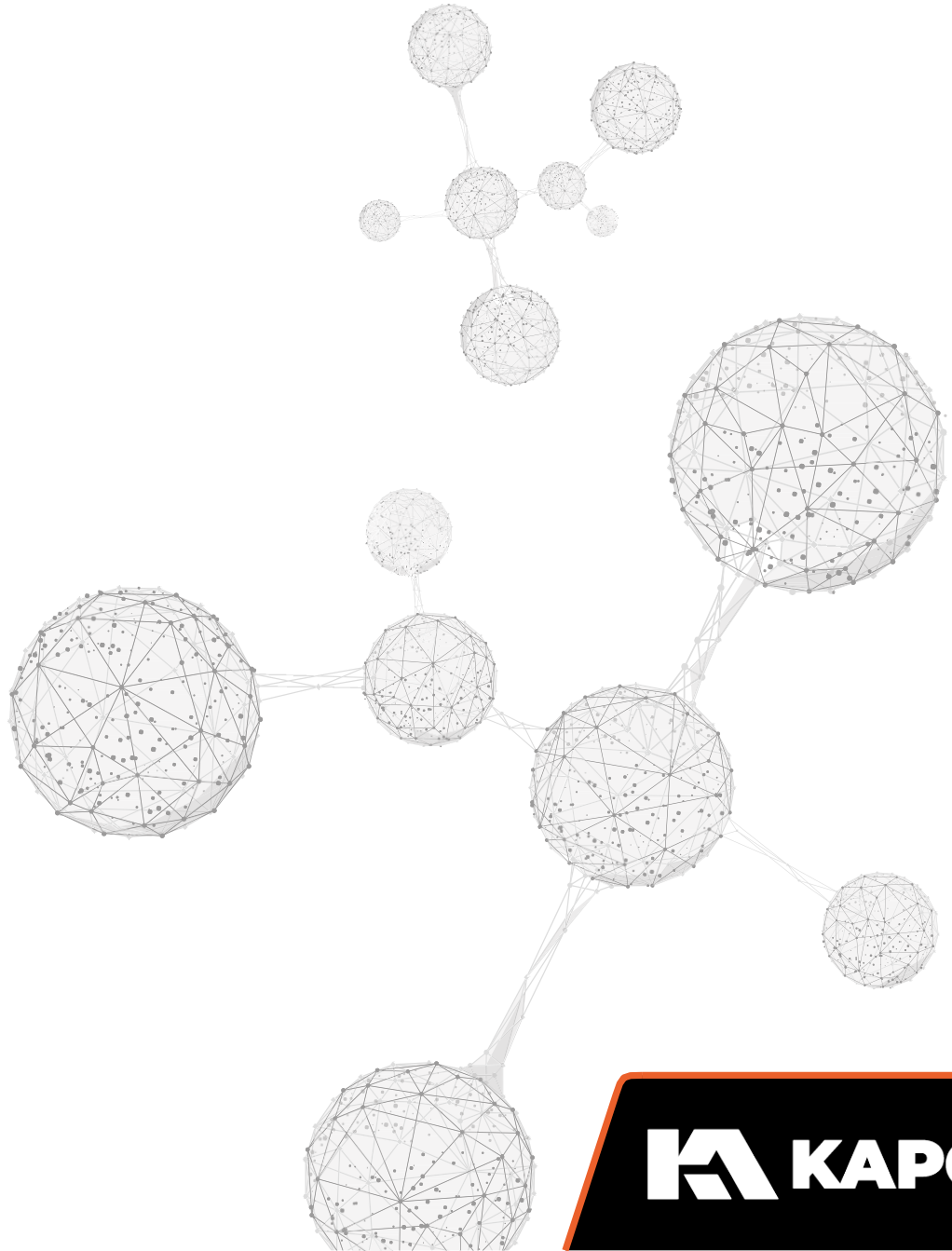
Table 4: Substance Regulations TSCA

Substances	CAS number
Decabromdiphenylether (decaBDE)	1163-19-5
Pentachlorothiophenol (PCTP)	133-49-3
Phenol, isopropylated phosphate (3:1) (PIP (3:1)	68937-41-7
2,4,6 tris (tert butyl)phenol (2,4,6 TTBP)	732-26-3
Hexachlorbutadien (HCBD)	87-68-3
Trichlorethylene (TCE)	79-01-6
Perchlorethylene (PCE)	127-18-4
Carbon Tetrachloride (CTC)	56-23-5

As of 17.01.2025

Communication obligations come into force in addition to the restrictions when one of the five substances is present, which can be seen as comparable to the obligations under Article 33 of the REACH Regulation

The requirements that entered into force between March 1 and March 8, 2021, as well as the listed exceptions, can be found in the text of the law: https://www.epa.gov/chemicals-under-tsca



VII. SUBSTANCES SUBJECT TO MANDATORY DECLARATION

1 SVHC candidate list

The current version of the official SVHC candidate list in accordance with REACH (Regulation 1907/2006/EC) can be accessed at any time at the following address **https://echa.europa.eu/candidate-list-table**

Article 33 of the REACH Regulation requires each supplier to ensure the following:

(1) Each supplier of any item containing a substance in a concentration greater than 0.1% by mass (w/w) meeting the criteria of Article 57 and identified in accordance with Article 59(1) must provide the recipient of the item with the information available to them which is sufficient to ensure the safe use of the item, but at least indicate the name of the substance in question.

Constituents of very high concern (SVHC candidate list) in

- Components
- Replacement parts
- Accessories
- Packaging

To the extent that the items supplied contain substances of very high concern in a proportion of more than 0.1% by weight, as published in the so-called candidate list in accordance with Art. 59 Para. 1 of Regulation 1907/2006/EC, the contractor has an obligation to provide all information in accordance with Art. 33 Para. 1 of Regulation 1907/2006/EC together with the delivery on their own initiative. This is also the case if such a substance is only included in the candidate list during the ongoing supply relationship.

Consumers are to be provided with this information at no charge within 45 days upon request.

Following the decision of the European Court of Justice (in case C-106/14 dated September 2015), the concept of „once a product, always a product“ applies. As soon as a product exceeds the concentration limit of 0.1%, it is necessary to communicate the presence of this SVHC candidate substance.

VII. SUBSTANCES SUBJECT TO MANDATORY DECLARATION

2 SCIP database

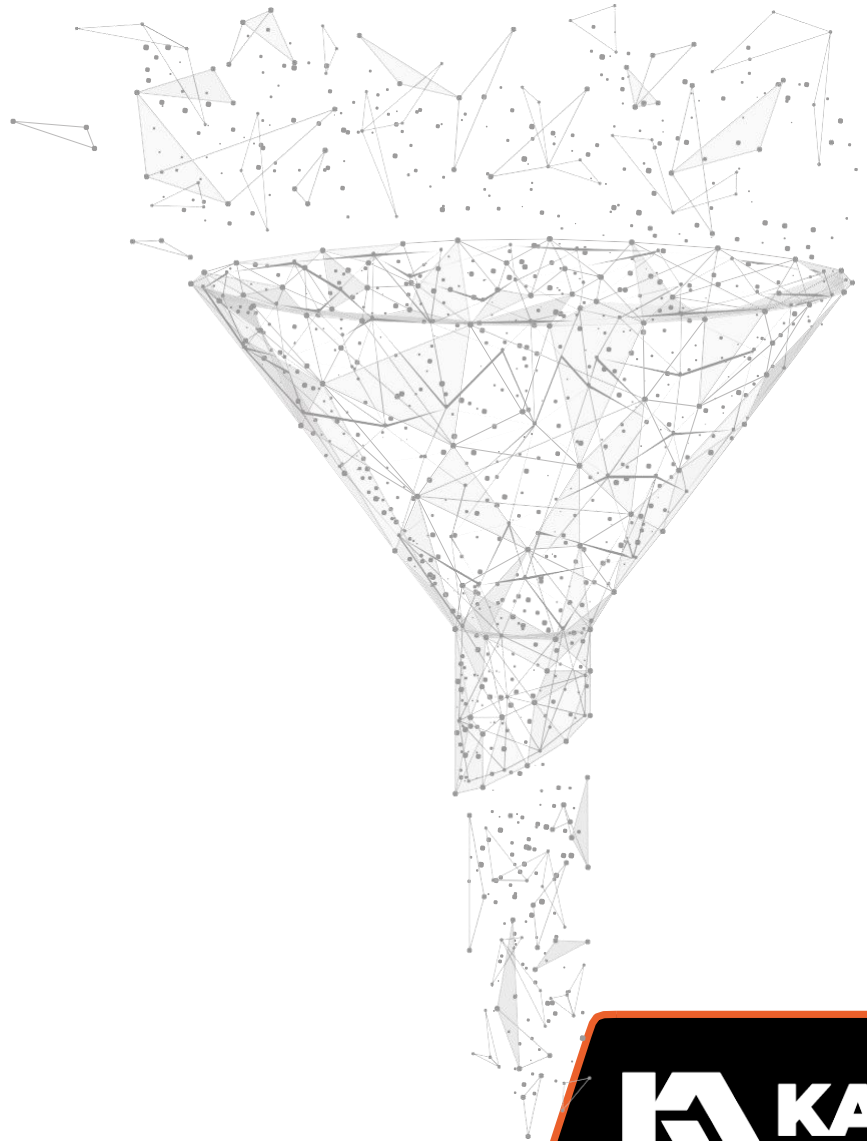
Directive 2008/98/EC dated November 19, 2008 on waste (unofficially the Waste Framework Directive, (ARRL) lays down provisions for member states' policies towards the transition to a circular economy and, in particular, for their waste legislation.

The purpose for introducing the SCIP database can be found in recital (38) of Directive (EU) 2018/851:
„When products, materials and substances become waste, it may be that this waste is not suitable for recycling or for the production of high-quality secondary raw materials due to the presence of hazardous substances. Consequently, it is necessary to promote measures that reduce the content of hazardous substances in materials and products, including recycled materials, and to ensure that sufficient information about the presence of hazardous substances, and in particular substances of very high concern, is made available throughout the life cycle of products and materials, fully in line with the Seventh Environmental Action Programme, which envisages the development of pollutant-free material cycles. Achieving these objectives requires better coordination of Union legislation for waste, chemicals and products as well as the involvement of the European Chemicals Agency in ensuring that information is provided on the presence of substances of very high concern throughout the entire life cycle of products and materials, including at the waste stage."

Article 9, paragraph 1(i) and paragraph 2 of the Waste Framework Directive as well as Article 33, paragraph 1 of the REACH Regulation constitute the basis for establishing the SCIP database.

The EU Member States have to ensure pursuant to Art. 9, para. 1(i) that suppliers of products containing SVHC candidate substances exceeding 0.1% by weight are able to make this information available to ECHA through the SCIP database as of January 5, 2021.

If a substance currently included in the SVHC candidate list is present in a concentration of more than 0.1% by weight in the products you supply to us, please fill in our Excel table: *MC Substance Listing Kapos Atlas* in full and send it to us immediately. The Excel table can be found on our homepage **https://kaposatlas.hu/en/** under downloads.



VIII. PRODUCTION AUXILIARIES AND OPERATING SUPPLIES

Safety data sheets (SDS)

The safety data sheet forms the key element of communication in the supply chain for hazardous substances and mixtures.

It provides important information relating to the following characteristics:

› Identity of the products
› Hazards involved
› Safe handling
› Measures for prevention
› Measures to be taken in hazardous situations.

The requirements for the content and format of the safety data sheet are set out in Article 31 and Annex II of REACH Regulation (EC) No 1907/2006.

The supplier of a substance/mixture bears the responsibility for ensuring that the safety data sheet is technically correct and completed in full.

The safety data sheet will be made available to Kapos Atlas Gépgyár Kft. on paper, in electronic form or to the e-mail listed below at no charge no later than on the day of the 1st delivery, in Hungarian language.

Suppliers shall update the SDS promptly (Art. 31 (9)) whenever

› new information is available that may have implications for risk management measures
› an authorisation has been granted or refused
› a restriction has been imposed

The corrected version has to be made available to the customer, provided that the customer has been supplied within the last 12 months.

Contact email address mc@kaposatlas.hu