

Material Compliance Standard



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1. Introduction

This material compliance standard (hereafter referred to as "MCS") of der Motorenfabrik Hatz GMBH & CO. KG („HATZ“) describes the requirements concerning all known legally prohibited, restricted and declarable substances. The applicable version of the MCS is available online at www.hatz-diesel.com/unternehmen/materialwirtschaft/einkaufsplattform

The MCS is designed to ensure a handling of substances and products that conforms with the material in their development, production, trade, and use.

Should possible legal changes not be reflected in this MCS yet, this will not release the supplier from the obligation to comply with these legal changes and observe the latest and respectively applicable statutory requirements.

Suppliers are required to procure the current directives, laws and standards as amended from time to time for themselves.

The material compliance requirements are as applicable as other product requirements of HATZ and do not replace them.

The supplier pledges that all products and their packaging meet the statutory requirements and requirements of this MCS to ensure that their placing on the market and disposal conform with the regulations.

Products and raw materials of unknown origin and/or composition, or raw materials no adequate material data are available for, must not be used.

In the individual case and upon request, HATZ needs to be provided with the technical data sheets of all the raw and auxiliary materials used, for a first article inspection. HATZ reserves the right to subject materials to tests and laboratory analyses in individual cases. If it turns out that a substance fails to meet the statutory requirements or requirements of this MCS, the supplier needs to cover the costs of these tests and laboratory analyses.

The supplier pledges to provide the material information required to verify compliance with the statutory requirements and this MCS free of charge, and to file the requested material data information in the DataCross platform.

The supplier will not be notified about changes of the MRN or versioning of this standard and pledges to check every 6 months as a minimum whether the MCS is available in an updated form. The respectively latest version replaces the preceding version and is applicable with immediate effect.

This material compliance standard has been created by tec4U - Solutions GmbH, Saar-Lor-Lux-Strasse 13, D-66115 Saarbrücken. MOTORENFABRIK HATZ GmbH & Co.KG and the parties involved in the supplier chain are permitted to use and/or copy this standard. Any other use of this standard, in whole or in parts, outside the supplier chain requires permission by tec4U - Solutions GmbH.

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2. Terms and Abbreviations used

Chemical compound:

Chemical element and its compounds in the natural state or obtained by a manufacturing process, including the additives necessary to preserve its stability and the impurities resulting from the process used, but excluding solvents which may be separated from the substance without affecting its stability or changing its composition (see REACH Art. 1 para. 1).

Examples of chemical compounds

organic: formaldehyde, ethanol

metallic: iron, copper, tin

mineral: clay, loam

Preparation:

Mixture, mixtures or solutions made up of two or more substances (mixture and preparation are synonyme).

Examples of preparations:

Mixture: seed

Mixture: alloy

Solution: octan in fuel

Homogeneous material:

A material of uniform composition throughout or a material consisting of different materials which cannot be broken down or separated into individual materials by mechanical processes such as unscrewing, cutting, crushing, grinding and sanding (see RoHS Art. 3 para. 20). Examples of homogeneous materials are individual types of plastics, ceramics, glasses, metals, alloys, synthetic resins and coatings.

Intentionally added:

Generally known as the intentional use of a substance contained in a product to produce a particular appearance or quality.

Battery or accumulator:

A source of electrical energy consisting of one or several (non-rechargeable) primary cells or one or several (rechargeable) secondary cells, which is produced by the direct conversion of chemical energy.

Packaging:

Products manufactured from any material for the purpose of protection, handling, supply and presentation of goods which may range from the raw material to the processed product and which are passed on by the manufacturer to the user or consumer. All "disposable articles" used for the same purpose must also be considered as packaging (see EU Packaging Directive Art. 3 (1)).

Packaging components:

Parts of the packaging that can be separated by hand or by simple mechanical processes. Additional elements which are directly attached or attached to a product and which fulfill a packaging function are considered to be packaging unless they are an integral part of the product.

Prohibited substances:

Prohibited (banned) substances may not be contained in articles, components, materials, preparations, auxiliaries and supplies above the limit given in this document. These

substances may only be contained as naturally occurring contaminations; they may not be added intentionally. Contaminations with these substances shall be indicated qualitatively.

Declarable substances:

The substances classified as declarable are undesirable in several applications and shall be declared if above the given limit. The lists substances shall be given for each article, component, material, preparation, auxiliary or supply material. Content limits for the individual substances are specified in the document. Declaration is not necessary below these limits.

Use:

Means that the limit of the substance applies material or part in which the substance is contained to achieve a required function.

Article:

Means 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.

Latest application date

An application for authorization shall be submitted by this date (date is at least 18 months before the expiry date), so that the substance can continue to be used. (Deadline)
Information on the application for authorization and formal procedure can be found at:

<https://echa.europa.eu/de/applying-for-authorisation>

Expiry date:

After this date it is prohibited to use and place a substance listed in Annex XIV of the REACH Regulation on the market, unless an authorization has been granted.

Allergen:

An allergen is a substance that can induce hypersensitivity reactions (allergic reactions) through the mediation of the immune system.

CAS number:

The CAS number (also called the CAS registration number and CAS registry number, CAS = Chemical Abstracts Service) is an international naming standard for chemical substances. A unique CAS number exists for each chemical substance registered in the CAS database (including bio sequences, alloys, polymers).

Sources/assistance:

Platform for European ordinances, directives and resolutions in all existing versions and official European languages – with the year of publication and publication number needing to be entered in the search mask

<http://eur-lex.europa.eu/>

Support section of the European Chemicals Agency (ECHA):

<https://echa.europa.eu/support/guidance>

REACH-CLP biocide helpdesk – national information office of the federal government:

<http://www.reach-clp-biozid-helpdesk.de/de/Startseite.html>

REACH helpdesk – German Federal Environment Agency:

<http://www.reach-info.de>

Platform for German laws:

<https://www.gesetze-im-internet.de/>

3 List of legally regulated substances

3.1 Substance regulations and prohibitions – relevant for all products

The statutory substance requirements described in section 3.1 apply to all materials, preparations and products. The application framework is precisely described in the selected law.

3.1.1 Regulation (EC) No. 1907/2006 (REACH) – List of substances included in Annex XIV of REACH ("Authorization List")

The Regulation (EC) No. 1907/2006 (REACH) entered into force on 01 June 2007.

The inclusion of a substance from the list of substances of very high concern in Annex XIV of the REACH regulation will subject it to an authorization requirement at the end of the procedure. After a transition period, the substance may then only be used with an authorization or its use is prohibited.

Please see section 2 - Terms and Abbreviations used, for explanations of the terms latest application date and expiry date.

You can download the latest REACH Annex XIV from the following link:

<https://echa.europa.eu/de/authorisation-list>

3.1.2 Regulation (EC) No. 1907/2006 (REACH) – Annex XVII – List of restricted substances

Annex XVII of the REACH Regulation regulates or prohibits precisely defined substances in individual applications.

You can download the latest REACH Annex XVII from the following link:

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

3.1.3 Directive 2011/65/EU - RoHS

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 (ROHS directive) came into force on 02 January 2013.

The ROHS substance regulations concern maximum concentrations in the homogenous material of every product.

Table 1: Substance regulations of the ROHS directive

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

3.1.4 Ordinance on the prohibition of chemicals - ChemVerbotsV

The Ordinance on Prohibitions and Restrictions of the Marketing of Dangerous Substances, Preparations and Products according to the Chemicals Act is a German law stipulating specific national requirements over and beyond the REACH Directive. As REACH is directly applicable in EU member states as a directive, an amendment of the ChemVerbotsV that combines the requirements of the REACH and CLP Directives with German chemicals law was passed in the year 2016. This serves the additional stipulation of national requirements for the following substances and substance groups:

Table 2: ChemVerbotsV substances and substance groups

Substances/mixtures
Formaldehyde
Dioxins and furans
Pentachlorophenol
Biopersistent fibers

Please see the wording of the law for the requirements and listed exceptions, which came into force on 01/01/2019:

http://www.gesetze-im-internet.de/chemverbotsv_2017/index.html

3.1.5 Regulation (EU) Nr. 2019/1021 on persistente org. pollutants (POP)

Amongst other aspects, this EU regulation implements the Stockholm Convention on Persistent Organic Pollutants. The Stockholm Convention, aka POP Convention, is an agreement of prohibition and restriction measures that are binding under international law for specific long-lived organic pollutants. The convention thus prohibits or restricts the production, use and sale of hazardous chemicals.

Further information on the Stockholm Convention and substances listed therein is available from the official website at the following link:

<http://chm.pops.int/>

The text of the European implementation is available from the platform of the European Union:

<http://eur-lex.europa.eu/>

3.1.6 Directive 94/62/EC - packaging directive

European Parliament and Council Directive 94/62/EC of 20 December 1994 on packaging and packaging waste limits the concentration of heavy metals in packaging.

Table 3: Packaging substance restrictions

Substance and substance groups	Maximum concentration in packaging or packaging components in ppm mass fraction
Lead, cadmium, mercury, and chromium VI	100*

*Cumulative

3.1.7 Product Safety Act (PSA)

The Product Safety Act (PSA) is the successor of the original Equipment and Product Safety Act (EPSA) and has been in force since 01 December 2011. It is the central piece of legislation for the safety of devices, products and systems.

The PSA and product safety regulations enacted on the basis of its § 8 serve to implement a sum total of 11 European single market directives and Directive 2001/95/EC on General Product Safety in German law.

This law applies wherever products are made available in the market, exhibited or used for the first time in the course of a commercial activity. According to § 3, a product may only be placed on the market if it "does not present any risk for the safety and health of persons under normal or reasonably foreseeable conditions of use".

Besides these European aspects, the PSA also has parts of purely German origin, such as the regulations for the GS mark in section 5.

http://www.gesetze-im-internet.de/prodsg_2011/index.html

3.2 Substance regulations and prohibitions – relevant for products from various scopes

In contrast to the substance regulations in section 3.1, suppliers need to check here if their products fall under the scope of the respective requirement. Suppliers unable to clarify this independently need to consult HATZ.

3.2.1 Directive 2006/66/EC – Battery Directive

DIRECTIVE 2006/66/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 6 September 2006 on batteries and accumulators and waste batteries and accumulators and repealing Directive 91/157/EEC regulates the use of mercury and cadmium in batteries and accumulators.

Table 4 Substance regulations of battery directive

Substance	Maximum concentration in product %	Application restriction
Mercury and Mercury compounds	0,0005%	Batteries and accumulators
Cadmium and Cadmium compounds	0,002%	portable batteries and accumulators

3.2.2 Proposition 65 - Safe Drinking Water and Toxic Enforcement Act, 1986

The Californian "Safe Drinking Water and Toxic Enforcement Act" from 1986 (also known as "California Proposition 65" or "CP65") is a Californian law that came into force in 1986 to promote the cleanliness of drinking water. It is also intended to prevent carcinogenic substances and substances from entering consumer products that can lead to deformities.

“No person in the course of doing business shall knowingly and intentionally expose any individual to chemicals known to cause cancer or reproductive toxicity without first giving clear and reasonable warning to such individual.” – California Proposition 65, The Safe Drinking Water and Toxic Enforcement Act, 1986.

Should a substance listed in Proposition 65 be included in the supplied product, HATZ needs to be informed.

3.2.3 Biocides Regulation (EU) No. 528/2012 – Biocide Regulation

On 1 September 2013, the new Biocidal Products Regulation (BPR, EU Regulation No. 528/2012) concerning the making available on the market and use of biocidal products came into effect. With this regulation the authorization of biocides in the European Union is regulated uniformly and takes place in a staged procedure.

Each supplier of HATZ is obliged to fulfill the requirements and obligations for:

- Biocidal products
- Treated articles

to their full extent if their product falls under the scope of the regulation.

All materials and components treated with biocidal substances must comply with the requirements of the EU-Biocide Regulation.

3.2.4 Dodd-Frank Act

Title XV of the Dodd-Frank Act (sect. 1502) imposes documentation and publicity requirements on companies using specific conflict minerals (gold, tungsten, tin, tantalum) which are meant to ensure that no raw materials serving the funding of the armed conflict in the Democratic Republic of the Congo or a neighboring country are used.

In the course of its business activities, HATZ is required to provide its clients with statements about possible conflict materials. We are therefore asking all suppliers whose products contain at least one of the four metals

- gold
- tungsten
- tin
- tantalum

for a conflict mineral statement in the form of the Conflict Minerals Reporting Template of the Responsible Minerals Initiative (RMI) as amended from time to time.

3.3 Declarable substances

3.3.1 SVHC candidate list

The latest version of the official SVHC candidate list as per REACH Regulation (No. 1907/2006/EC) can be retrieved from the address:

http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp

Acc. article 33 of the REACH Regulation every supplier is obliged to the following:

(1) Any supplier of a product containing a substance meeting the criteria in Article 57 and identified in accordance with Article 59(1) in a concentration above 0,1 % weight by weight (w/w), shall provide the recipient of the product sufficient information, to allow safe use of the product including, at least, the name of respective substance.

Substances of very high concern (SVHC candidate list) in

- Components
- Replacement parts
- Accessories
- Packaging

If substances of very high concern published in the so-called candidate list as per Article 59(1) of Regulation No. 1907/2006/EC make up more than 0.1 % weight by weight of the delivered products, the contractor is required to provide all the information as per Article 33(1) with the delivery without prompting. This also applies where such a substance is only included in the candidate list during the ongoing supply relationship.

Private consumers need to make a request which must be answered free of charge within 45 days.

Pursuant to the decision by the European Court of Justice, the concept "once a product, always a product" applies. As soon as a product exceeds the concentration limit of 0.1 %, the presence of this SVHC candidate substance must be communicated.

3.4 Auxiliary production materials and operating materials

3.4.1 Safety data Sheets (SDS)

Safety data sheet (SDS) is the central communication element for hazardous substances and mixtures in the supply chain.

The SDS provides important information on the following features:

- Identity of the product
- Attendant risks
- Safe handling
- Prevention measures
- Emergency measures

The requirements for the contents and formats of safety data sheets (SDS) are defined in Article 31 and Annex II of the REACH Regulation (EC) No. 1907/2006.

The supplier of a substance/mixture is responsible for the safety data sheet being factually correct and completely filled in.

The safety data sheet needs to be provided to HATZ on paper, in electronic form or as a download option free of charge no later than on the day of the first delivery

Suppliers provide updated SDS immediately (Art. 31 (9)) if

- new information becomes available which may affect the risk management measures
- an authorization is granted or withdrawn
- a restriction has been issued

The corrected version needs to be provided to the customer, if the customer has been supplied within the last 12 months.

For reference only; binding is the German version.

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