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Material Compliance – Topics – 01/2025

The aim of this information is to raise awareness among all our suppliers about the topic of Material Compliance in general.

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Conflict Minerals

The Schaeffler Group aspires to ensure, for itself and its suppliers, that all Schaeffler products are free of conflict minerals, sourced from entities, that directly or indirectly finance conflicts in the Democratic Republic of Congo, its surrounding countries, or from mining operations in conflict-affected and high-risk areas.

Your company is required to comply with Schaeffler's Business Partner Code of Conduct | 2024 Schaeffler Group | Schaeffler Deutschland

Please note the following **key expectations** regarding the reporting process:

- All reported smelters must be certified by recognized programs such as the Responsible Minerals Assurance Process (RMAP).
- No High-Risk or Sanctioned Sources: Sourcing from conflict-affected and high-risk areas (CAHRAs), sanctioned regions, or smelters located in Russia are not accepted.
- Please provide a complete and transparent reporting through Conflict Minerals Reporting Templates CMRT and EMRT.
- Comply and conduct your due diligence process in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Conflict minerals are: - Tin

- Tantalum
- Tungsten
- Gold

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Critical Raw Materials

"**Critical raw materials**" are those raw materials economically and strategically important for the European economy, but with a high-risk associated to their supply.

The following list of raw materials represents the top and high priorities for Schaeffler's supply chains:

- Aluminum / Bauxite
- Chromium
- Glass
- Iron Ore
- Magnesium
- Manganese
- Molybdenun
- Palladium
- Platinum Group Metals Metals-Platinum
- Plastics
- Rare Earth Elements (Samarium, Gadolinium, Terbium, Dysprosium, Lutetium, Scandium, Yttrium)
- Rubber (natural)
- Steel
- Zinc

The template used for the topic Critical Raw Materials topic is **Additional Minerals Reporting Template (AMRT)**, a free, standardized reporting template developed by the Responsible Minerals Initiative (RMI).

The main laws applicable are the ***German Supply Chain Act (LkSG)***, the ***Critical Raw Materials Act (CRMA),*** and the ***Corporate Sustainability Due Diligence Directive (CSDDD or CS3D).***

To avoid high-risk sources, it is essential to monitor or become members of the following channels:

- Responsible Minerals Initiative (RMI), with the RMAP and RBA projects
- the Initiative for Responsible Mining Assurance (IRMA)
- the U.S. Uyghur Forced Labor Prevention Act (UFLPA) and the UFLPA Entity List
- Conflict-Affected and High-Risk Areas (CAHRAs)
- applicable Export Control sanctions

The reporting process at Schaeffler begins in June and ends in February next year. We suggest reporting at "Company Level".

In case of nonconformant smelters, a "Product Level" report will be requested.

September is the deadline for the AMRT report submission. If you fail to submit the report until this date or the report is nonconformant, the internal **escalation process** will start.

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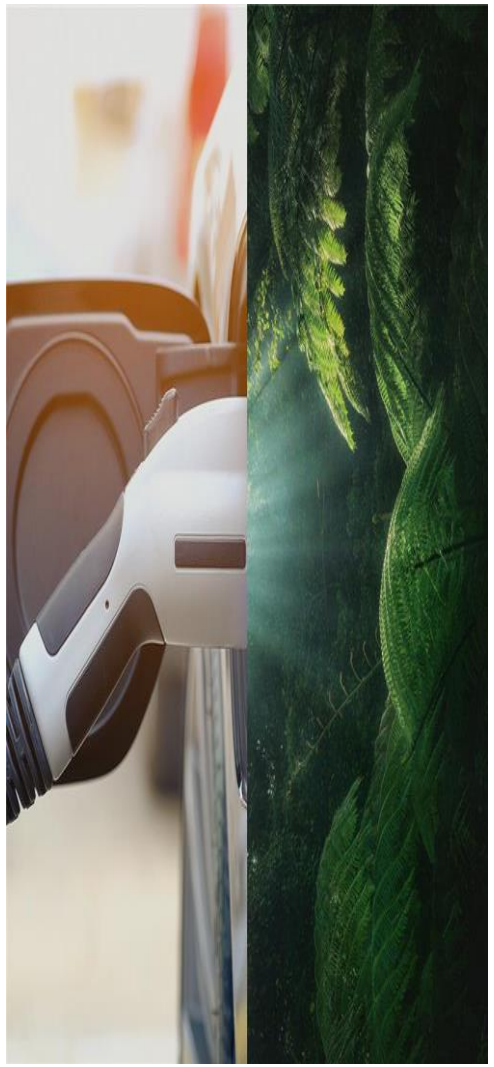
RoHS (Restriction of Hazardous Substances) Directive 2011/65/EU



Schaeffler is a global company with customers in all areas of the industrial application and is doing continuous efforts to meet product material requirements to comply with regulatory requirements in the market.

Your cooperation is essential in maintaining compliance and assuring the highest standards across our Supply Chain. This is why we want to inform you about the **latest news in RoHS legislations**.

The European Commission wants to add **various new exemptions in Annex III** in the RoHS directive regarding the presence of **lead in materials (electronic components, alloys, solder) used for specific applications.**

Honorable mention: There is no variant of the planned new exemptions in RoHS existing in Annex II of ELV directive (2000/53/EC); only for already existent exemptions there are similar exemptions implemented in ELV.

The third draft of the delegated acts published by the EU Commission on January 13, 2025, contains amendments to existing legislation to reflect scientific progress are:

- **Lead as an alloying element in steel** (existing: 6(a)(valid until Dec 31, 2026), **new**: 6(a)-I, 6(a)-II)
- **Lead as an alloying element in aluminum** (existing: 6(b)(valid until Dec 31, 2026), **new**: 6(b)-I and 6(b)-III)
- **Copper alloy containing up to 4 % lead** (existing: 6(c)(valid until Dec 31, 2026)

Delegated act link

- **Lead in high melting temperature solders** (existing: 7(a) (valid until Dec 31, 2026), **new**: 7(a)-I – 7(a)-VII) → Delegated act link

- **Lead contained in electrical or electronic components made of glass or ceramics** (existing: 7(c)-I (valid until Dec 31, 2026), **new**: 7(c)-II, 7(c)-V , 7(c)-VI) → Delegated act link

For the **new delegated acts,** the validity period is **Dec 31, 2027**.

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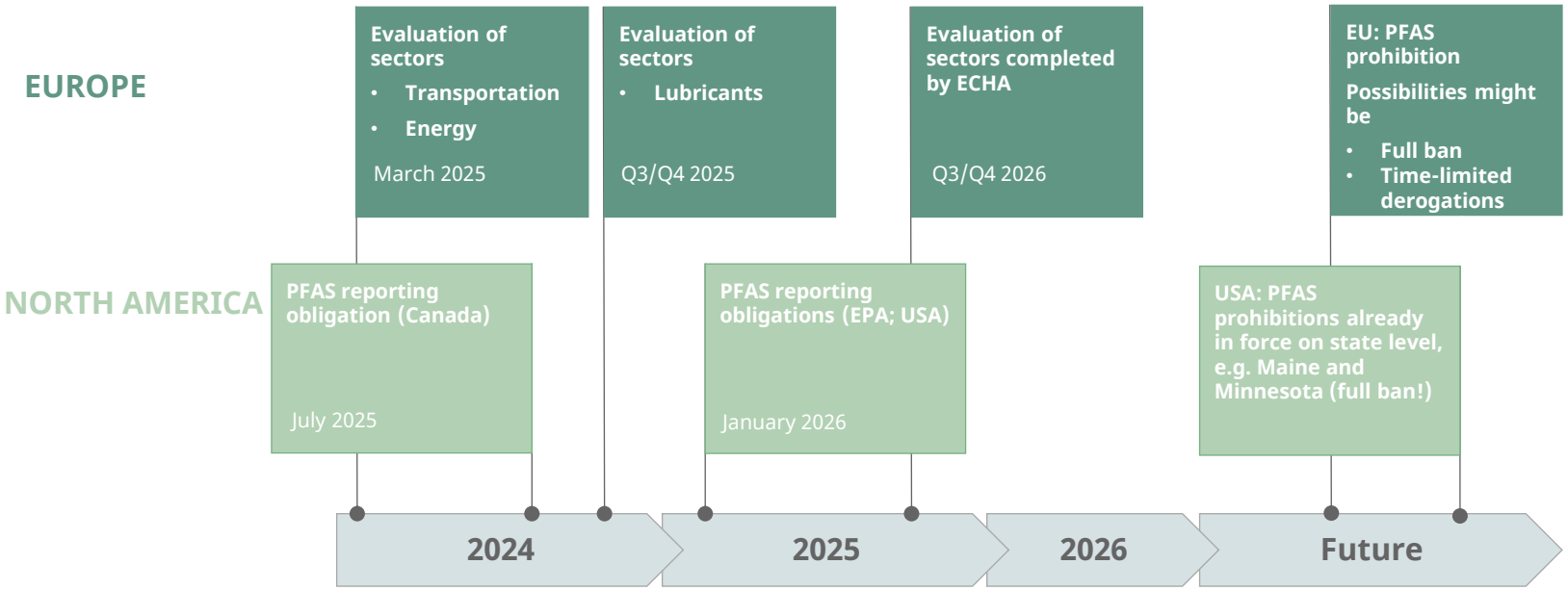
PFAS (per- and polyfluoroalkyl substances) Regulations

Outlook on legislative processes in the EU and North America

Progress update on PFAS restriction released by ECHA (European Chemicals Agency) on November 20th, 2024.



Supplier engagement requested

- Global legal monitoring for PFAS restrictions to ensure compliance of sold products
- PFAS-free alternatives should be offered as an option wherever possible

Key Aspects

Schaeffler Group Standard:
Prohibited and declarable substances (S132030-1)

- **All PFAS must be declared acc. to S132030-1!**
- As reference for PFAS group GADSL is acknowledged
- Suppliers provide proactive support and regularly update their declarations

The cooperation of suppliers is appreciated.

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Medium-Chain Chlorinated Paraffins (MCCPs)

Chlorinated paraffins (CPs) with carbon chain lengths in the range C14-17 and a chlorination level at or exceeding 45% chlorine by weight.

Varity of **uses** such as a secondary plasticizer in polyvinyl chloride (PVC), adhesives, sealants, paints and coatings; flame retardant in PVC and rubber compounds; extreme pressure lubricant and anti-adhesive for metal working fluids.

Will be prohibited via Stockholm Convention and subsequent regional **legislation on persistent organic pollutants (POP)** within **2025**.

More than 110 CAS No affected.

Exemptions and limits might vary regionally!

Please declare any MCCP content (above AND BELOW 0,1%) in your scope of delivery to Schaeffler using IMDS or other forms of communication to:
OR-HZA-S132030-1@schaeffler.com

Substance Restrictions

Restricted substances as well as drafts and restrictions going into force in 2025 will have a big impact on the supply chain.

To mention only a few: **Dechlorane Plus**, **UV-326**; **UV-328**; **DOTE**; **microplastic particle,** these existing and upcoming restrictions cause:

- Demands on extended reporting obligations within the supply chain
- Supply chain disruptions
- Substitution plans

Actions:

- Comply to reporting obligations (e.g. microplastic particles)
- Inform your Schaeffler contact about possible supply chain disruptions
- Discuss the implementation on restrictions and substitutions plans as early as possible with your Schaeffler contact

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Declaration Obligations

Because Schaeffler has committed to offer **safe and compliant** products, various **Material Compliance** requirements must be passed down the supply chain. Please take over your responsibility by requesting necessary information from your suppliers as well and inform Schaeffler about **regulated substances** in products you provide.

EU REACh Regulation No 1907/2006 requires a **proactive declaration of SVHC** (**S**ubstances of **V**ery **H**igh **C**oncern listed on the "candidate list") with attention to the frequent adaptions of the list.

Recently, the European Commission added **six new substances to the list**. You can find the complete SVHC list at the **ECHA** website link. Please **inform** Schaeffler **immediately**, if those new substances are present in products you provide above the declaration limit.

Due to several drafted and new regulatory requirements (ESPR (EU 2024/1781) link), hazardous substances, also "**S**ubstances **o**f **C**oncern" (**SOC**) will require declaration within the supply chain. Please be prepared to declare **SOC** to Schaeffler in minimum according to GADSL requirements, using **IMDS** or **S132030-1** declaration formats.

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ELV (End-of-Life Vehicles) Annex II Exemptions: Final Report

The Final report of the ELV Annex II was published on 2024-11-27. The exemptions codes 2(c)(ii), 3, 8(e) and 8(g)(ii) were reviewed with new expiry dates.

Automotive parts, which are in the scope of the End-of Life Vehicles Directive (ELV, 2000/53/EC), are to be reported via IMDS.

Please check the material data sheet in order to have the correct ELV application codes assigned to the materials, so that the application codes used can still be put on the market if the vehicle type approval date is before the date specified in Annex II of EU ELV Directive.

Exemption 2(c)(ii): Aluminum alloys not included in entry 2(c)(i) with a lead content up to 0.4 % by weight

- **Expiry* (final report): January 1st, 2027**

Exemption 3: Copper alloys containing up to 4 % of lead by weight

- **Expiry* (final report): [open]; depends on COM decision on RoHS-exemption III-6(c)**

Exemption 8(e): Lead in high melting temperature type solders (e.g., lead-based alloys containing 85 % by weight or more lead)

- **Expiry* (final report): [open]; depends on COM decision on RoHS-exemption III-7(a)**

Exemption 8(g)(ii): Lead in solders to complete a viable electrical connection between the semiconductor die and the carrier within integrated circuit flip chip packages

- **Expiry* (final report): January 1st, 2030**

* Proposal given in final report. The final sunset date is not decided by the EU Commission yet.

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IMDS

International **M**aterial **D**ata **S**ystem (**IMDS**) is used for material reporting. It is necessary for **monitoring** and **documenting** the **compliance with legal and customer-specific requirements** regarding the restricted use of certain substances.

The supplier shall send a revised MDS at the time when a new regulation is published, e.g., with updated application codes in case of changes according to the latest Annex II of the ELV Directive or update of GADSL by disclosing the substances under Jokers being SVHC, declarable or prohibited.

The update must be sent proactively without request by Schaeffler, based on the IMDS Change Management Rules, defined in IMDS Rec001, chapter 3, ensuring compliance with other crucial legal requirements, such as REACh Article 33(1).

To anticipate legally required reporting in the future, Schaeffler strongly encourages to answer the question in section "**Source of material, including circular materials**" for all material classifications (e.g., Recycled material content).
When revising an MDS, for which this section has the status "not yet answered", Schaeffler requires the respective update.
The new **IMDS Recommendation 025** is intended to further guide the correct maintenance of the respective data fields.

Product **C**arbon **F**ootprint (**PCF**) in IMDS: Please note that as from this year, **PCF** functionality will be introduced in IMDS.
Schaeffler encourages all its suppliers to be prepared for an IMDS requirement relevant to PPAP, even if at the time of implementation it will not be a mandatory IMDS acceptance criteria.
All necessary information will be made available to all IMDS stakeholders through **IMDS Recommendation 027**: Rules and Guidelines for Reporting of Product Carbon Footprint (PCF).

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Material Compliance Contact Information

For general questions related to Material Compliance topics and technical questions regarding S132030-1, please contact us at:

MaterialCompliance@schaeffler.com and or-hza-s132030-1@schaeffler.com

REACH / RoHS

For general questions regarding REACH/RoHS, please contact Schaeffler via this special email address:

REACh-RoHS@schaeffler.com

For the latest news and updates, please follow the official channels:
- REACh : https://echa.europa.eu/
- RoHS: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02011L0065-20210401

In case of no information from your, side we will consider that the declarations of compliance previous received are still valid.

Conflict Minerals and Critical Raw Materials

For general information and questions related to Conflict Minerals and Critical Raw Materials, please contact us via email:

ConflictMinerals@schaeffler.com

CriticalRawMaterials@schaeffler.com

IMDS

For IMDS reporting and other topics related to incoming material data sheets, please feel free to contact our specialists:

IMDS@schaeffler.com

Please respect all legal requirements to ensure a good quality of the material declarations in terms of Material Compliance.

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