

# VELUX GREEN SUPPLY CHAIN MANAGEMENT FOR THE PROTECTION OF THE ENVIRONMENT AND HUMAN HEALTH AND SUSTAINABLE DEVELOPMENT. VELUX RESTRICTED SUBSTANCES MANAGEMENT STANDARD (VRSMS)

1 September 2020

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## INTRODUCTION

For more than 75 years the VELUX Group (hereafter “VELUX”) has created better living environments by bringing daylight and fresh air into people's homes and commercial buildings all over the world. Our products help create bright, healthy, energy-efficient places in which to live, work, learn and play. VELUX has manufacturing and sales operations in more than 40 countries, with an extensive distribution network. Our products include a wide range of residential applications such as roof windows, skylights, flat roof windows and a wide range of commercial applications such as modular skylights with a wide range of installation solutions, roller shutters, blinds, decorative elements and remote controls.

VELUX designs our products to minimise their impact on the environment and human health during sourcing, manufacture, use and disposal. To ensure that, we – as a downstream user - take a proactive and precautionous approach to managing restricted substances and substances of high concern, VELUX has established a global chemical management process. Further, VELUX has established a management process for sustainable development.

Our suppliers must be committed to support VRSMS generally and must comply with all environmental laws and regulations applicable for their business and must comply with VELUX internal restrictions in addition to the restrictions required by law or regulation (“VELUX Thresholds”) for the protection of the environment and human health as well as sustainable development. Further our suppliers must support us in our compliance with all environmental laws and regulations applicable for our business, including the issuance of compliance certificates and notification of first supply of substances.

Traditionally, our supplier selection was based on ability to meet quality requirements, delivery times, price, service and support. However, in our current and future supply chain management necessary and/or appropriate willingness and ability to comply with environmental laws and regulations is required. With effect from 1 October 2018 all suppliers have been and continue to be obliged to execute and deliver the VRSMS to confirm compliance.

The VRSMS is intended as a tool to support compliance. Environmental and health and safety laws and regulations are continuously increasing in number and scope and differ between countries around the globe. Numerous doubts and uncertainties exist. Consequently, it is essential for all companies to monitor and implement changes. It's the responsibility of all our suppliers to comply at all times with all applicable environmental laws and regulations for their business and to support VELUX in our compliance with the laws and regulations applicable for our business and our VELUX Thresholds.

VELUX will clarify or modify the VRSMS as and when deemed necessary or appropriate. Updates to the VRSMS will be communicated at (<https://www.velux.com/what-we-do/sustainability/policies>) – Chemical compliance for suppliers. **However, it is the responsibility of the supplier to always ensure compliance to the newest version of the VRSMS.**

If a supplier is currently supplying VELUX with restricted substances, substances of very high concern (SVHC's) or substances not acceptable to VELUX as a result of our internal VELUX Thresholds, the supplier is obliged to promptly inform VELUX in writing thereof.

All suppliers are expected to have the necessary and/or appropriate environmental management systems that monitor and document all pertinent matters related to the protection of the environment and human health and sustainable development and identifies a pollution prevention process that can be continuously improved over time. Suppliers who can obtain environmental management certifications such as ISO14001, EMA or for example IECQ QC 080000 HSPM are expected to apply for and maintain such certifications.

All suppliers are expected to be able and willing to document compliance. Suppliers not willing to sign the VRSMS or who – when requested by VELUX – do not provide documentation for compliance with the VRSMS or who do not commit to an effective policy and plan to implement compliance will not be accepted as a supplier to VELUX.

Supplier warrants that all documentation related to the products delivered to VELUX is correct, not misleading and based on good faith. VELUX may at their discretion determine that all or specific suppliers need to perform and send to results of tests on content. VELUX will contact the supplier if such tests may be needed.

This VRSMS covers in Europe, among others, the EU legislation EC 1907/2006 “REACH”, the RoHS II Directive (65/2011/EU) and the Biocidal Product Regulation (528/2012/EU).

To fulfil the REACH Regulation, the supplier is required to send information on components or articles containing Substances of Very High Concern (SVHC) with values over 0,1%, stating the name of the SVHC and its safe use, to the VELUX location(s) to which the component or article are delivered. The information on SVHC's in components or articles will be used to ensure the safety of VELUX employees, to inform our customers and to be submitted in the SCIP Database (<https://echa.europa.eu/scip-database>). All Suppliers, who have submitted information on SVHC substances in articles supplied to VELUX in the SCIP Database, are obliged to share the SCIP number from the submission report with us.

In order to fulfil the requirements in the RoHS II Directive, the suppliers must review their compliance with the RoHS II Directive at least every second year. VELUX shall be informed in writing if there have been any changes in the RoHS II compliance for any substances supplied to VELUX. There are some exceptions in the RoHS II Directive; some applications are exempted for specific RoHS II substances. If a supplier uses any of the RoHS exceptions in substances supplied to VELUX, VELUX shall be informed in writing.

In order to fulfil the requirements in the Biocidal Product Regulation the Supplier is required to send information to VELUX on the active substances used in either the biocidal product or the treated article, and possible labelling requirements, connected to the active substance.

If a supplier has any questions regarding this VRSMS, as updated from time to time, please contact VELUX.

## 1 SCOPE

VRSMS describes in general terms certain but not all requirements related to substances supplied to VELUX. It includes references to some laws and regulations applicable in the EU, Americas, China, Japan and in Oceania and further substances restricted as a result of our VELUX Thresholds.

The purpose of the VRSMS is to induce the suppliers to comply and to inform of certain conditions for or prohibition of the manufacture, use or placing on the market of substances restricted by law or regulation or our internal policies and plans. Such substances must be excluded or restricted in substances as such, production equipment, tools and production or non-production goods of any type supplied to VELUX.

## 2 APPLICATION

The VRSMS applies globally and to all chemicals and all consumable processing materials, raw materials, finished materials, components, articles and any other item that are supplied to VELUX. The requirements apply to any supplier supplying any VELUX location(s) globally.

## 3 REQUIREMENTS

The primary purpose of the VRSMS is to manage and control restricted substances within formed components or in materials such as minerals or powders or in any other item, which VELUX uses as a downstream user. However, it should be noted that any substance which is intrinsically hazardous, or which forms or releases restricted content during processing, consumption, storage, keeping, treatment, filling into containers, transfer from one container to another, mixing, production of an article or any other utilization, recycling or disposal is also subject to the VRSMS.

**Acceptance of the VRSMS is a precondition for becoming and remaining a supplier to VELUX.**

At the request of VELUX, the supplier shall disclose, if need be in confidence, detailed information on the composition, toxicity and environmental and health and safety impacts of the supplier's deliveries to VELUX.

### 3.1 ALL PRODUCTS

In addition to information required to comply with the VRSMS each supplier must, at request, provide information to VELUX of the substances as such, production equipment, tools and production or non-production goods of any type supplied to VELUX supplied or proposed to be supplied and all data and guidance on TOXICITY, HEALTH, SAFETY and DANGEROUS GOODS TRANSPORTATION.

Before Supplier makes any change to the composition or hazard labelling of such the restricted substances as such, production equipment, tools and production or non-production goods of any type supplied to VELUX, the supplier must inform the affected VELUX location(s).

At request, the supplier must disclose to VELUX information on assessment of disposal or effluent treatment if constituents in substances, production equipment, tools and production or non-production goods of any type are anticipated to be released into AIR, WATER or SOIL, or require special declaration or control.

## 4 SUBSTANCE RESTRICTIONS

Substance restrictions are identified in Appendix 1 by CAS no., substance, category (type of restriction), legislation, chemical classification, threshold value (where applicable), effective date and applications affected/exempted. Certain of the different technical terms used in Appendix 1 are explained below:

**CAS no.:** Chemical identification number

**Substance:** Name of substance

**Category (type of restriction):**

- 1) Banned – in legal contexts: do not use
- 2) Prohibited – in contexts applying to VELUX: do not use
- 3) Restricted – use but with restrictions
- 4) Voluntary – voluntary restrictions, in the form of for instance market requirements

**Legislation:** Name of legislation in which the substance is regulated.

**Chemical Classification:** C: carcinogenic, M: mutagenic, R: reprotoxic, E: endocrine disruptor, A: allergen, Te: teratogenic, I: irritant, P: persistent, vP: very persistent, B: bioaccumulative, vB: very bioaccumulative, T: toxic, N: dangerous for the environment, F: flammable, Fx: extremely flammable, Xn: harmful, Ss: skin sensitising, Sr: respiratory sensitising.

**Threshold Value:** The specific threshold value for the substance in the applicable legislation.

**Effective Date:** The date from when the substance restrictions apply.

**Application:** The substances as such, production equipment, tools and production or non-production goods of any type in which the substance is most frequently used, or the specific material that is governed by a specific legislation. For instance, the Packaging Directive applies to packaging materials.

Substances designated as "Banned" (1) or "Prohibited" (2) must not be in any substances as such, production equipment, tools and production or non-production goods of any type, subject to the stated directions on content threshold values and affected applications.

It is supplier's responsibility to identify all affected substances some of which may not be specifically identified in Appendix 1, but referred to in other sources/lists.

The VRSMS identifies certain but not all substances and applications that are restricted as of the date of this version of the VRSMS, as well as some that will become restricted on a specific future date. The supplier shall prepare compliance with these future restrictions on substances by complying with the dates shown in Appendix 1 of the VRSMS.

Below please find some information on laws and regulations in EU, Americas, China, Japan and Oceania which may be relevant for suppliers:

#### 4.1 SUBSTANCE RESTRICTIONS – EU

Please note that all substances from EU regulations and directives in **bold** are listed explicit in Appendix 1 and all substances in these regulations and directives must be considered individually.

1. **REACH Registration, Evaluation and Authorisation of Chemicals (REACH) European Union (1907/2006/EC) (annex XIV, annex XVII and candidate list). The candidate list may be found at Candidate List of Substances of Very High Concern for Authorisation**  
Link: <https://echa.europa.eu/candidate-list-table>
2. **Restrictions of Hazardous Substances (RoHS) European Union (65/2011/EU)**
3. **Battery Directive (2006/66/EC)**
4. **Packaging and Packaging Waste Directive (EU) 2018/852 + (94/62/EC)**
5. CLP Regulation (EC) No 1272/2008 (Regulation on classification, labelling and packaging of substances and mixtures (EC) No 1272/2008)
6. Biocidal Product Regulation (528/2012/EU)
7. **Substances that deplete the ozone layer Regulation (1005/2009/EC)**
8. **Persistent Organic Pollutants Regulation (2019/1021/EU) + (2020/1021/EU)**
9. **Conflict Minerals (EU) 2017/821) + (EU) 2019/821**
10. **OEKO-TEX® (Edition 01.2019) (only relevant for textiles (decoration materials)**

## 4.2 SUBSTANCE RESTRICTIONS - AMERICAS

1. The Toxic Substances Control Act (TSCA) – 15 U.S. Code Chapter
2. Clean Air Act – 42 U.S. Code s. 7401
3. National Environmental Protection Act (NEPA) – 42 U.S. Code s. 4321 et seq.
4. Clean Water Act – 33 U.S Code Chapter 23
5. Proposition 65 (Safe Drinking Water and Toxic Enforcement Act of 1986
6. Occupational Safety & Health Administration Regulations (OSHA) Regulations & Standards
7. Comprehensive Environmental Response, Compensation, & Liability Act (CERCLA/Superfund) – 42 U.S. Code Chapter 103
8. Resource Conservation and Recovery Act (RCRA) – 42 U.S. Code 82
9. Safe Drinking Water Act (SDWA) – 42 U.S. Code s. 300f et seq.
10. Hazardous Materials Transportation Act – 49 U.S. Code s. 5101 et seq.

## 4.3 SUBSTANCE RESTRICTIONS – CHINA (the PCR)

1. Radioactive Pollution Prevention and Control Law of the People's Republic of China
2. Cleaner Production Promotion Law of the People's Republic of China
3. Environmental Protection Law of the People's Republic of China
4. Law of the People's Republic of China on Environmental Pollution Caused by Solid Wastes Prevention and Control
5. Water Pollution Prevention and Control Law of the People's Republic of China
6. Atmospheric Pollution Prevention and Control Law of the People's Republic of China
7. Environmental Noise Pollution Prevention and Control Law of the People's Republic of China
8. Soil Pollution Prevention and Control Law of the People's Republic of China
9. Regulation on the Safety Administration of the Transport of Radioactive Materials
10. Regulation on the Safety Administration of Radioactive Waste
11. Regulation on the Safety Administration of Hazardous Chemicals
12. Regulation on the Administration of Ozone Depleting Substances
13. Regulation on the Safety and Protection of Radioisotopes and Radiation Devices
14. Environmental Administrative rules on the First Time Imported Chemicals and the Import and Export of the Toxic Chemicals
15. Administrative Measures for the Import and Export of Ozone Depleting Substances
16. Administrative Measures of Licenses for Storage and Disposal of Radioactive Solid Waste
17. Measures for Cleaner Production Review
18. Directory of Hazardous Wastes of the State

## 4.4 SUBSTANCE RESTRICTIONS - JAPAN

1. Act on the Regulation of Manufacture and Evaluation of Chemical Substances
2. Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof
3. Act on the Prohibition of Chemical Weapons and the Regulation of Specific Chemicals
4. Poisonous and Deleterious Substances Control Act
5. Act on the Protection of the Ozone Layer Through the Control of Specified Substances, etc. and Other Measures
6. Act on Rational Use and Appropriate Management of Fluorocarbons

7. Act on Special Measures against Dioxins
8. Air Pollution Control Act
9. Water Pollution Prevention Act
10. Soil Contamination Countermeasures Act
11. Electrical Appliances and Materials Safety Act
12. Waste Management and Public Cleansing Law

#### 4.5 SUBSTANCE RESTRICTIONS - OCEANIA

There is no “one stop shop” of restricted substances in Oceania. In Australia, the laws and regulations fall into three regulatory categories: (i) environmental, (ii) workplace safety and (iii) transport regulation. There are federal and state regimes for each type of regulation.



















