# Chromewell Engineering Private Limited

# Hazardous Substances, Chemicals & REACH Compliance Policy

**POLICY NO: CW-ENV-006 | VERSION: 4.0**

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## 1. Document Information:

| Document Details | | Governance |
|---|---|---|
| **Policy Owner:** EHS Executive | **Scope:** All hazardous chemicals, substances of concern, and restricted substances used in, or potentially present in, Chromewell Engineering's products, manufacturing processes, and supply chain. Applies to all stages from procurement to finished product delivery. | **Reviewed & Approved By:** CEO & CFO |
| **Secondary Owner:** Head of Compliance | **Applies To:** All process chemicals (lubricants, coolants, solvents, surface treatment chemicals, welding consumables), raw materials, and substances that may be present in supplied components or finished automotive parts. | **Review Cycle:** Annual – Once a year |

## 2. Purpose

Chromewell Engineering Pvt Ltd uses a range of hazardous chemicals in our manufacturing processes - including lubricants, cutting fluids, solvents, surface treatment chemicals, electroplating baths, welding consumables, and paints. These chemicals pose risks to worker health, environmental quality, and the compliance of our finished products with EU and USA regulatory requirements.

As an automotive parts exporter to the EU, Chromewell is aligned to the EU REACH Regulation, the RoHS Directive, and the End-of-Life Vehicles Directive restrictions on hazardous substances. This policy establishes Chromewell's systematic approach to chemicals management, REACH compliance, and restricted substance control.

This policy is aligned with:

- EU REACH Regulation (EC) No 1907/2006 - Registration, Evaluation, Authorisation and Restriction of Chemicals
- EU RoHS Directive 2011/65/EU - Restriction of Hazardous Substances in Electrical Equipment
- EU End-of-Life Vehicles Directive 2000/53/EC - Annex II restricted substances (lead, mercury, cadmium, hexavalent chromium)
- UN Globally Harmonized System of Classification and Labelling of Chemicals (GHS) - Safety Data Sheets
- IATF 16949 - customer-specific requirements for automotive chemical management
- Indian Manufacture, Storage, and Import of Hazardous Chemical Rules 1989 (as amended)
- Indian Hazardous Wastes (Management, Handling and Transboundary Movement) Rules 2016
- GRI 301: Materials (2016) and GRI 306: Waste
- CSRD ESRS E2 - Pollution (hazardous substance management)

## 3. Scope

This policy covers:

- All process chemicals used in Chromewell's manufacturing operations - from procurement to use to disposal
- All raw materials, supplied components, and finished products with respect to restricted substance content
- REACH SVHC (Substances of Very High Concern) identification in articles and mixtures
- ELV Directive Annex II restricted substances in all products supplied to EU OEM customers
- Chemical supply chain - smallholder suppliers engaged in surface treatment, electroplating, and coating who supply parts or services to Chromewell

## 4. Key Objectives and Targets

Chromewell Engineering defines overarching environmental objectives at the management system level. Detailed objectives and targets for each sustainability issue are set in the respective sub-policy.

| Chemical/ Substances Issue | Key Objectives | Target |
|---|---|---|
| **REACH SVHC Compliance** | Identify all REACH Substances of Very High Concern (SVHC) present in articles and mixtures above 0.1% w/w threshold and communicate presence to customers as required by REACH Article 33. | SVHC screening: completed for all product lines annually<br><br>SVHC present above threshold: notified to all EU customers within 45 days<br><br>SVHC substitution plan: developed for all substances on SVHC Candidate List used in products |

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| **ELV Directive Restricted Substances** | Ensure zero presence of ELV Directive Annex II restricted substances - lead, mercury, cadmium, and hexavalent chromium - in all automotive parts supplied to EU OEM customers, except where exemptions apply. | Zero non-compliant parts supplied to EU customers<br><br>Restricted substance testing: 100% of product families annually by XRF and laboratory analysis<br><br>All suppliers sign IMDS material declaration: 100% of Tier 1 suppliers by December 2026 |
| **Safety Data Sheets (SDS) Management** | Maintain a complete, current, and accessible SDS register for all hazardous chemicals used on site, in compliance with GHS requirements and Indian HazChem Rules. | SDS register: 100% of site chemicals covered, reviewed annually<br><br>SDS updated within 30 days of any regulatory classification change<br><br>SDS accessible at point of use: 100% |
| **Chemical Substitution** | Systematically identify and substitute hazardous chemicals with safer alternatives, prioritising SVHC, CMR (carcinogenic, mutagenic, reprotoxic) substances, and high-VOC solvents. | Hazardous chemical substitution review: conducted annually<br><br>CMR substances: eliminated or substituted where technically feasible by 2027<br><br>High-VOC solvents: 50% reduction in volume used by 2028 vs 2023 |
| **Chemical Inventory & Storage Safety** | Maintain a complete inventory of all hazardous chemicals on site; store all chemicals safely with appropriate segregation, containment, and labelling. | Chemical inventory: 100% complete and current always<br><br>Chemical storage inspections: monthly by EHS<br><br>Unauthorised or unlabelled chemicals: zero tolerance |
| **Supply Chain Substance Compliance** | Ensure all materials and components supplied to Chromewell are compliant with applicable restricted substance requirements, including from smallholder suppliers. | IMDS material declarations: 100% Tier 1 suppliers by December 2025<br><br>Supplier REACH/ELV questionnaire: 100% of chemical and component suppliers annually<br><br>Smallholder supplier support for IMDS submission: provided by December 2026 |

## 5. Governance and Allocation of Responsibilities

Clear accountability is assigned at every level of Chromewell Engineering's ESG Governance Structure. The table uses a RACI framework (Accountable, Responsible, Consulted, Informed).

| Role / Designation | RACI Level | Department | Key Responsibilities Under This Policy |
|---|---|---|---|
| CEO/CFO | Accountable (A) | Executive | Final approval. Receives annual REACH compliance report. Escalation authority for |

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| | | | product recall or regulatory authority investigation related to restricted substances. |
| EHS Executive | Primary Owner (R) | EHS / Operations | Manages SDS register, on-site chemical inventory, chemical storage inspections, hazardous chemical substitution programme, and worker exposure controls for chemicals. |
| Head of Compliance | Secondary Owner (R) | Compliance | Manages REACH SVHC notification obligations, EU ELV Directive compliance, IMDS customer submissions, and regulatory correspondence with European customers and authorities. |
| Compliance Executive | Consulted (C) | Compliance | Manages GRI 301 / CSRD ESRS E2 chemical reporting, and customer sustainability questionnaires on hazardous substances. |
| Purchase Manager | Consulted (C) | Procurement & Supply Chain | Ensures suppliers provide compliant SDS, IMDS declarations, and REACH/ELV attestations before material or component purchase. Engages smallholder suppliers on compliance. |
| Quality Manager | Consulted (C) | Quality | Manages restricted substance testing (XRF, laboratory), IMDS material data system submissions, and customer substance compliance questionnaires under IATF 16949. |
| Operations Manager | Consulted (C) | Operations & Production | Ensures chemicals are used strictly as specified in the SDS and environmental permits. Reports any new chemical introduction to EHS for prior approval. |

RACI: A = Accountable (signs off, one person only) · R = Responsible (does the work) · C = Consulted (input required) · I = Informed (kept in loop).

## 6. Policy Commitments

### 6.1 Chemical Inventory and SDS Management

- No new chemical may be introduced to site without prior approval from the Head of EHS, who verifies availability of a current GHS-compliant SDS
- A complete chemical inventory is maintained and audited quarterly
- SDS are reviewed annually and updated whenever a chemical classification changes; all employees using chemicals have received SDS-based training

### 6.2 REACH Compliance - SVHC Notification

- Chromewell screens all products (articles) annually for presence of SVHC above the 0.1% w/w threshold using the current ECHA Candidate List
- Where SVHC are present above threshold in articles supplied to EU customers, notification is made within 45 days per REACH Article 33
- A SVHC substitution roadmap is developed for all SVHC identified in Chromewell's products, with substitution timelines aligned to customer requirements and technical feasibility

### 6.3 ELV Directive - Restricted Substance Control

- Chromewell's products are fully compliant with ELV Directive Annex II (zero lead, mercury, cadmium, hexavalent chromium) except where specific OEM exemptions apply
- All product families undergo annual restricted substance testing by XRF screening and laboratory confirmation
- IMDS (International Material Data System) declarations are submitted for all products supplied to EU OEM customers
- All Tier 1 suppliers must provide material declarations confirming ELV compliance before component approval

### 6.4 Chemical Substitution Programme

- An annual hazardous chemical substitution review is conducted by the EHS Executive with the Operations and Purchase Managers
- CMR-classified substances are systematically substituted with safer alternatives where technically and commercially feasible
- High-VOC solvents are replaced with water-based or low-VOC alternatives where technically feasible; progress is tracked annually

### 6.5 Smallholder Supplier Chemical Compliance

Smallholder electroplating and surface treatment suppliers in Chromewell's supply chain often lack the technical capacity to comply fully with REACH and ELV requirements. Chromewell commits to:

- Providing IMDS submission training and support to all smallholder suppliers engaged in part finishing
- Sharing Chromewell's chemical substitution guidance with smallholder suppliers, particularly for hexavalent chromium and cadmium-based processes
- Setting phased compliance timelines with smallholder suppliers, with a development-first approach before supply chain exclusion.

## 7. KPI Monitoring and Reporting

The following KPIs are tracked by the ESG Working Group, reported quarterly to the ESG Steering Committee, and published annually in the Chromewell Sustainability Report

| KPI / Indicator | Target | Measurement Method | Cadence | Owner |
|---|---|---|---|---|
| SVHC Screening Coverage | 100% of product lines annually | SVHC screening records | Annual | Head of Compliance |
| ELV Restricted Substance Test Coverage | 100% of product families | XRF + lab test records | Annual | Quality Manager |
| IMDS Declarations - Tier 1 Suppliers | 100% by December 2026 | IMDS system records | Annual | Purchase |
| SDS Register Completeness | 100% of site chemicals covered | SDS register audit | Quarterly | EHS Executive |
| Non-Compliant Parts Supplied to EU | Zero | Customer audit / returns | Continuous | Head of Compliance |

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|---|---|---|---|---|
| CMR Substances - Active Substitution Plan | 100% with identified CMRs | Substitution register | Annual | EHS Executive |
| High-VOC Solvent Volume Used (litres) | 50% reduction by 2030 | Chemical inventory | Annual | EHS Executive |
| Unauthorised Chemicals on Site | Zero | Monthly inspection | Monthly | EHS Executive |

## 8. Policy Review Mechanism

Reviewed annually every April by Head of EHS and Head of Legal with CEO approval. Interim review triggered by: ECHA Candidate List update adding a substance in use, new EU OEM customer substance requirement, MHPCB hazardous chemical notice, or REACH authorisation deadline for a substance in use.

| Version | Date | Author | Approved By | Summary of Changes |
|---|---|---|---|---|
| 1.0 | July 01, 2021 | EHS Executive/HR HOD | Mr. Amardeep Mardhekar (CEO) Ms. Risha Naik (CFO) | Initial issue |
| 2.0 | May 03, 2022 | EHS Executive/HR HOD | Mr. Amardeep Mardhekar (CEO) Ms. Risha Naik (CFO) | Minor edits on the Quantitative targets |
| 3.0 | June 05, 2025 | EHS Executive/HR HOD | Mr. Amardeep Mardhekar (CEO) Ms. Risha Naik (CFO) | Updated to v3.0: KPI has been revised |
| 4.0 | Jan 14,2026 | EHS Executive/HR HOD | Mr. Amardeep Mardhekar (CEO) Ms. Risha Naik (CFO) | Added related policies with clear accountability and ownership |

## 9. Compliance, Non-Conformance, and Disciplinary Action

- Supply of products to EU customers containing prohibited substances constitutes a regulatory violation with potential product recall and financial penalty consequences; the Head of Legal is notified immediately
- Failure to maintain SDS records or introducing chemicals without EHS approval is a disciplinary offence
- Concerns are reported through Policy CW-ETH-004 - Whistleblower Protection & Speak-Up Policy
- “Report a concern” form available on ChromeNet as an anonymous grievance redressal mechanism and, we have a dedicated hotline number published on the website to report any concern anonymously.

## 10. Related Documents and References

Internal policies:

- CW-ENV-001 - Environmental Management Policy
- CW-ENV-005 - Pollution Prevention & Environmental Compliance Policy
- CW-ENV-007 - Waste Management & Circular Economy Policy
- CW-ENV-008 - Product End-of-Life & ELV Compliance Policy
- CW-HSW-001 - Employee Health, Safety & Wellbeing Policy (chemical worker exposure)
- CW-PROC-SCM-001 - Sustainable Procurement Policy

External standards and regulations:

- EU REACH Regulation (EC) No 1907/2006 - Titles IV, VII, VIII (SVHC notification and restriction)
- EU End-of-Life Vehicles Directive 2000/53/EC - Annex II (restricted substances)
- EU RoHS Directive 2011/65/EU (as amended)
- UN GHS - Globally Harmonized System of Classification and Labelling of Chemicals
- Indian Manufacture, Storage, and Import of Hazardous Chemical Rules 1989
- ECHA - Candidate List of Substances of Very High Concern
- GRI 301: Materials (2016) and GRI 306: Waste
- CSRD ESRS E2 - Pollution
- IATF 16949 - Automotive Quality Management (customer-specific requirements for restricted substances)

## 11. Formal Approval and Sign-Off

This policy has been prepared, reviewed, and formally approved:

| Prepared By | Reviewed By | Approved By |
|---|---|---|
| **Name:** Mr. Kaka Rakhapasre<br>**Designation:** EHS Executive<br>**Date:** Jan 2026<br>**Signature:** | **Name:** Mr. Sandeep Divekar<br>**Designation:** HR HOD<br>**Date:** Jan 2026<br>**Signature:** | **Name:** Ms. Risha Naik<br>**Designation:** CFO<br>**Date:** Jan 2026<br>**Signature:** |

**FOR FURTHER INFORMATION:**

This policy is issued under the authority of the CEO & CFO of Chromewell Engineering Pvt Ltd. It supersedes v3.0 (June 2025). For further information or advice, please contact a Chromewell Finance or Compliance Officer or Chromewell's Board or Directors.