BlueCircle ADVISORS

Q1-Q2 2026

Regulatory Updates/Quarterly Report

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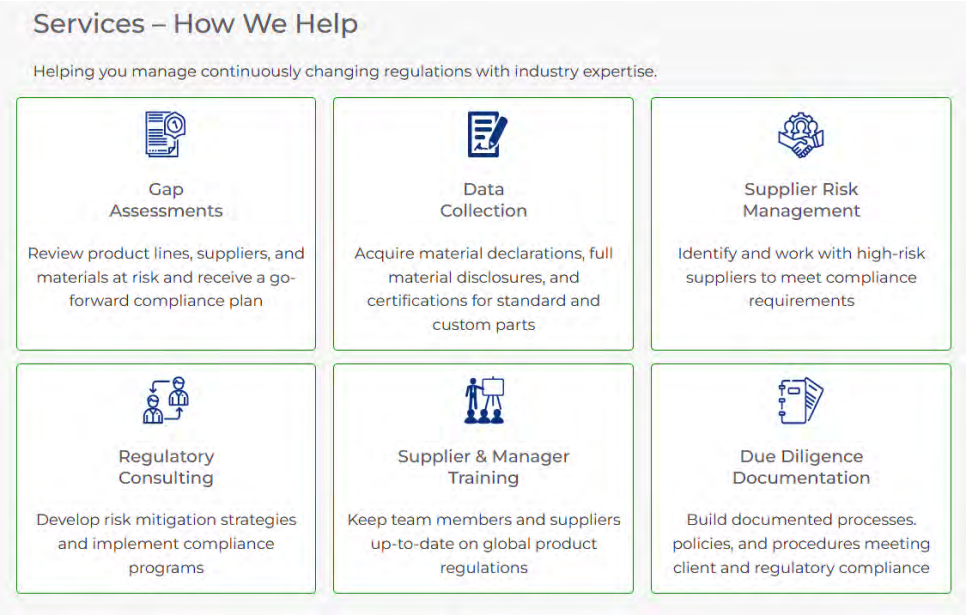
Our mission is to help you make safer products, build ethical supply chains, and protect your company's revenues by meeting global regulatory requirements, so that you can sell your products anywhere and at any time. We provide answers to your biggest compliance challenges and connect you with the right training, tools, and teams to make product compliance part of your everyday business.

The BCA Advantage!

- Compliance experts with more than 20 years in the compliance industry
- Managed solutions for building compliance programs, collecting data from suppliers, and training
- Consulting retainers for immediate answers to your compliance challenges
- Compliance training – live, online, on-site, webinars, and seminars
- World class data collection partners
- Ability to use API software to transfer supplier data from our system to yours
- Affiliations with industry associations to share compliance best practices



Our projects help you prevent stop shipments, fines, and fees enforced by customs. With the right subject matter expertise, we show you how to answer customer compliance questions and close that sales deal you have been working on for months!

As always, we thank you for your business!

3 BUILD AMERICA BUY AMERICA

3.1 UNDERSTANDING THE REGULATORY SHIFT

The 2025/2026 Build America Buy America (BABA) rule changes require final assembly of manufactured products in the U.S. beginning October 1, 2025, and at least 55 percent U.S.-sourced component cost beginning October 1, 2026. These rules apply to manufactured products permanently incorporated into Federal Highway Administration (FHWA) infrastructure projects.

Understanding the BABA regulatory shift

BABA, part of the Infrastructure Investment and Jobs Act, raises the bar on what qualifies as "Made in America" for federally funded infrastructure projects. The biggest change is the end of FHWA's long-standing Manufactured Products Waiver, which means products permanently incorporated into eligible projects now face new domestic-content requirements. According to recent Buy America guidance, FHWA final assembly requirements shifted significantly beginning last month.

Two key milestones define the BABA regulations shift:

- As of October 1, 2025, FHWA defines that manufactured products must be finally assembled in the United States.
- Projects obligated after October 1, 2026, must meet both FHWA final assembly requirement and a minimum 55 percent U.S.-sourced component-cost threshold.

Understanding the 55 percent component-cost requirement

These rules reshape how manufacturers, contractors and project owners source materials, plan schedules and manage risk in 2026 and beyond. BABA requires that manufacturers must know where every component comes from and how each piece factors into the 55 percent cost calculation. If a product cannot meet these requirements, it may be rejected for federally funded work, creating delays, added cost or forced supplier changes.

Procurement teams will also face growing expectations to show clear documentation, including component origin breakdowns, supplier certifications and domestic-content verification. Because obligations depend on federal funding timelines, even small schedule shifts can determine which set of rules applies.

Participants rely on compliant products to maintain eligibility for federal reimbursement and keep schedules on track. Even though contractors don't calculate the 55 percent component-cost ratio themselves, they are responsible for verifying supplier compliance and absorbing the downstream impacts of delays, substitutions or bid protests tied to BABA requirements.

In summary, the 2025/2026 BABA rule changes require U.S. final assembly for manufactured products and at least 55 percent U.S.-sourced component cost for federally funded FHWA projects. Early planning, supplier engagement, and stronger documentation practices help manufacturers and contractors reduce risk and stay competitive.[1]

3.2 KEY CHANGES TO BABA IN 2026

Several regulatory developments fundamentally alter how manufacturers must approach Buy America compliance in 2026:

Increased Domestic Content Thresholds

Federal agencies are implementing phased increases in domestic content requirements. For manufactured products, the domestic content threshold increases from 55% to 60% or higher depending on the federal program and agency. Manufacturers must recalculate cost-based domestic content for every product line and component assembly to ensure compliance.

Stricter Waiver Standards

Federal agencies previously granted broad waivers for products deemed unavailable domestically or where compliance would impose unreasonable costs. Waiver approval rates are declining significantly as agencies adopt stricter review standards and require manufacturers to demonstrate exhaustive efforts to source domestically before granting exceptions.

Enhanced Material Traceability Requirements

Buy America Act compliance now requires manufacturers to trace materials and components through multi-tier supply chains, documenting country of origin, production location, and domestic content percentages at the subcomponent level. Supplier declarations must include verifiable evidence, not just attestations.

Mandatory Supplier Certifications

Federal contractors must obtain detailed supplier certifications that identify manufacturing locations, raw material sources, and domestic content calculations. Generic compliance statements are no longer acceptable. Suppliers must provide bill of materials tracking at the component level that supports domestic content claims.

Real-Time Compliance Verification

Federal agencies are implementing continuous compliance verification rather than periodic audits. Manufacturers must maintain audit-ready documentation systems that can be produced on demand, demonstrating compliance across product portfolios, supplier networks, and material sourcing decisions in real time.

[1] https://www.trussfaber.com/news/build-america-buy-america-2025-2026-rule-changes

These changes eliminate the compliance strategies manufacturers used historically. Buy America Act compliance requirements 2026 demand systematic data infrastructure, not spreadsheet tracking.[2]

3.3 BABA IMPACT ON EV CHARGERS

WASHINGTON, D.C. – U.S. Transportation Secretary Sean P. Duffy today unveiled the Administration's new proposal to expand a Buy America public interest waiver for electric vehicle (EV) chargers that raises the required domestic content from 55 percent up to 100 percent. Expanding the Buy America requirement will strengthen domestic manufacturing, generate new American jobs, make U.S. businesses more competitive, and address potential national security concerns.

Once the updated waiver is finalized, the requirement will be immediately applicable to federally funded EV charger projects during acquisition or installation.

The Trump Administration believes that manufacturers today have the capacity to produce EV chargers in facilities located within the United States, providing an opportunity to maximize the domestic content of products purchased with federal taxpayer dollars. Additionally, from a national security standpoint, this change will protect Americans from foreign-made EV charger components that use technology with cybersecurity vulnerabilities. FHWA is proposing to modify the final waiver to require that EV chargers be manufactured in the United States and that up to 100 percent of the cost of all components of an EV charger purchased or installed with FHWA-administered funds be domestic.

We are currently beyond the timeframe industry said that they would need to ramp-up capacity to be able to domestically manufacture EV chargers. This proposal is designed to provide a strong incentive for manufacturers to rapidly shift their processes toward domestic manufacturing. The FHWA believes this approach will be effective in fulfilling the Administration's strong commitment to help American businesses and workers compete and thrive in the global marketplace.

The Notice of Proposed Modification of the Waiver of Buy America Requirements for Electric Vehicle Chargers updates the Waiver of Buy America Requirements for Electric Vehicle Chargers published in the Federal Register on February 21, 2023.[3]

4 ANTI-TRAFFICKING & FORCED LABOR ENFORCEMENT

What is human trafficking? Human trafficking involves the recruitment, transportation, or harboring of persons for the purpose of exploitation, typically in the sex industry or for forced labor.

[2] https://www.certivo.com/blog-details/buy-america-act-compliance-in-2026-what-manufacturers-must-prepare-for

[3] https://www.transportation.gov/briefing-room/trumps-transportation-secretary-sean-p-duffy-updates-ev-charger-program-include-buy

This can include physical violence, sexual assault, and emotional abuse used to control a victim. Human trafficking can occur within a specific country or cross borders globally. Prostitution and forced servitude are two forms of trafficking. Often victims suffer when they try to escape or refuse to comply. Organized crime is often involved with trafficking.

4.1 CBP UPDATES UFLPA DASHBOARD

On January 30, 2026, the U.S. Customs and Border Protection (CBP) launched a newly revamped Forced Labor website, featuring improved navigation and expanded resources to support the trade community in complying with U.S. forced labor laws.

A major highlight of this update is the 2026 enhancement of the Uyghur Forced Labor Prevention Act (UFLPA) Enforcement Statistics Dashboard, which now includes clearer definitions, new data elements, interactive filters, and improved visualizations for deeper insight into enforcement trends. The Dashboard allows users to analyze shipment level data by fiscal year, industry, country of origin, HTS4 category, and more.[4]

The updated Dashboard and user guide are available at:

https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics

A link to the current UFLPA Entity List: https://www.dhs.gov/uflpa-entity-list

4.2 AIAG FORCED LABOR LETTER FROM CAR MANUFACTURERS

For the first time, six leading manufacturers — Ford, General Motors, Honda, Nissan, Stellantis and Toyota — have come together in a joint letter to suppliers, signaling a unified approach to forced labor due diligence.

It's a clear message that the industry is aligned on what responsible supply chains look like in today's evolving regulatory landscape. Supported by the Automotive Industry Action Group (AIAG), this industry collaboration created the Forced Labor Due Diligence Program, featuring a standardized reporting template (DDRT), access to trusted risk screening tools and comprehensive learning resources — all designed to make meeting government and OEM compliance requirements more straightforward and consistent.

Starting September 2025, OEMs will identify select suppliers that will be required to report forced labor risks through the DDRT, with broader supplier participation rolling out through mid-2026. For suppliers, using this industry-aligned program means less guesswork, fewer duplicated requests and clearer guidance — helping you be compliant while

[4] https://www.chrobinson.com/en-us/resources/insights-and-advisories/client-advisories/2026q1/01-30-2026-client-advisory-cbp-announces-enhanced-forced-labor-resources-updated-uflpa-dashboard/

focusing on what matters most: building an ethical, sustainable supply chain. The entered information generates a Supply Chain Due Diligence Declaration. [5]

The DDRT template has been rolled out to the automotive supply chain, and all applicable supplier will submit their reports annually, beginning in mid-2026.

The AIAG website has full compliance information: https://www.aiag.org/expertise-areas/corporate-responsibility/forced-labor-human-rights/forced-labor-due-diligence

4.3 EU FORCED LABOR REGULATION UPDATES

The regulation places a general prohibition on placing, making available, or exporting products made with forced labor on or from the EU market, including online sales. These rules apply regardless of where in the world the forced labor occurs. The rules also cover all products — from raw materials to finished goods — across both EU and non-EU companies active in the European single market.

There are already some key milestones related to the forced labor regulation fixed in legislation.

- As of December 14, 2025, EU Member States need to designate and notify competent authorities responsible for investigations and enforcement. This is listed on a single EU portal.
- By June 14, 2026, the European Commission must publish detailed guidelines and a public database of high-risk products and entities to support risk-based enforcement and corporate compliance.
- From December 14, 2027, the regulation will become fully active. This means any products linked to forced labor can be withdrawn from the EU market, blocked at the border, or prevented from being exported.

5 MINERALS AND MINING

5.1 US CRITICAL MINERAL REGULATION

This act is now officially called “Securing Essential and Critical U.S. Resources and Elements Mineral Act of 2026.”

The U.S. government is actively updating its approach to critical minerals, which are essential for economic and national security. The latest developments include the release of the draft 2025 List of Critical Minerals by the U.S. Geological Survey (USGS).

[5] https://www.mema.org/research-and-insights/industry-resources/aiag-forced-labor-due-diligence-requirements-joint-letter

Key Updates

- **Draft 2025 List**: The draft includes 54 mineral commodities, with 50 based on economic assessments of supply chain vulnerabilities. This list is crucial for guiding federal strategies and investments in mining and resource recovery.

  Draft list: https://www.federalregister.gov/documents/2025/08/26/2025-16311/2025-draft-list-of-critical-minerals

- **Methodology**: The USGS employs a new model to assess potential supply chain disruptions and their economic impacts. This model evaluates over 1,200 trade disruption scenarios affecting 84 mineral commodities.
- **Public Comment Period**: The draft list was opened for public comment until September 25, 2025. Stakeholders can provide input on the inclusion of specific minerals and the overall methodology.

Importance of Critical Minerals

Critical minerals are vital for various industries, including technology, defense, and clean energy. The U.S. relies heavily on imports for many of these minerals, making supply chain security a priority. For instance, disruptions in the supply of rhodium could lead to significant economic losses, highlighting the need for a robust domestic supply chain.

Legislative Framework

The regulation of critical minerals is guided by the Energy Act of 2020, which mandates regular updates to the critical minerals list. This act emphasizes the importance of securing domestic production and processing capabilities to reduce reliance on foreign sources.

These regulatory efforts aim to enhance the resilience of the U.S. mineral supply chain, ensuring that essential materials are available for future economic growth and technological advancement.[6]

5.2 CRITICAL MINERALS AND PROJECT VAULT LEAPS FORWARD

On February 2nd, President Trump announced Project Vault, a landmark initiative led by the Chairman of the Export-Import Bank of the United States (EXIM), which marks an unprecedented step in U.S. industrial policy by establishing a domestic strategic reserve for critical minerals. The EXIM Board of Directors approved a Direct Loan of up to $10 billion for Project Vault, more than double the largest financing in EXIM's history, designed to shield domestic manufacturers from supply shocks, expand U.S. production and processing of critical raw materials, and fundamentally strengthen America's critical minerals sector.

More broadly, over the past year, EXIM has issued $14.8 billion in Letters of Interest for critical minerals projects under the Trump Administration, including, in recent months, $455 million for rare earth development and processing in the

[6] https://www.congress.gov/crs-product/R47982

United States; $400 million for lithium extraction in Arkansas; $350 million for cobalt and nickel production in Australia; and $215 million for tin extraction across the United Kingdom and Australia.

EXIM's critical minerals portfolio of authorized transactions includes:

- $10 billion – Project Vault: Establishing the U.S. Strategic Critical Minerals Reserve to support domestic manufacturers and strengthen supply chain security
- $1.3 billion – Reko Diq (Pakistan): Copper and gold production
- $27.4 million – 6K Additive (Pennsylvania): Titanium, nickel, and advanced metal powders
- $23.5 million – Amaero Advanced Materials (Tennessee): Advanced materials and critical metals processing
- $15.9 million – Empire State Mines (New York): Zinc mining and production
- $11.1 million – IperionX (Virginia): Titanium processing and manufacturing

Department of Energy (DOE)

Through the DOE Loan Programs Office, the Department has supported major private sector projects to strengthen U.S. critical mineral and battery supply chains, including:

- $2.3 billion loan for Lithium Americas' Thacker Pass project (lithium carbonate from clay);
- $996 million loan for Ioneer's Rhyolite Ridge project (lithium carbonate and boric acid);
- $475 million loan for Glencore Battery Recycling (lithium, nickel, cobalt, and manganese extraction);
- $98 million loan for Syrah's Vidalia facility (natural graphite processing);
- $1.4 billion conditional commitment for EnergySource Minerals' Project ATLiS (lithium hydroxide from geothermal brine);
- $754.8 million conditional commitment for Novonix's Project Kathari (synthetic graphite processing);
- $1.26 billion conditional commitment for Michigan Potash (potash mine and processing);

The Department of Energy also has launched additional funding and partnership opportunities in 2025, including:

- $134 million for a Notice of Funding Opportunity (NOFO) to establish a Rare Earth Elements Demonstration Facility, strengthening domestic rare earth supply chains (NOFO December 1, 2025);
- $355 million supporting: The "Mine of the Future – Proving Ground Initiative" to advance next-generation mining technologies and piloting byproduct critical minerals and materials recovery at domestic industrial facilities (NOFO November 14, 2025);
- $50 million for a Critical Minerals and Materials Accelerator (NOI, August 13, 2025);
- $500 million for Battery Materials Process and Battery Manufacturing and Recycling Grants (NOI, August 13, 2025);
- $40 million for Reliable Ore Characterization with Keystone Sensing (ROCKS) (NOFO, August 25, 2025);
- $20 million for Magnetic Acceleration Generating New Innovations and Tactical Outcomes (MAGNITO) (NOFO, August 25, 2025);
- $6 million for Technology for Recovery and Advanced Critical-material Extraction – Gallium (TRACE-Ga) (PIA, September 15, 2025);

The Department of War

- Ambler Metals, $35 million equity committed, Oct 2025, Alaska;
- Alcoa-Sojitz, $93 million equity committed, Oct 2025, Western Australia, crowded in $170.3 million of equity from foreign and private investors;
- Vulcan Elements, $620 million debt committed, Nov 2025, North Carolina, crowded in $550 million of equity from private investors;
- ReElement, $80 million debt committed, Nov 2025, Indiana, crowded in $200 million of equity from private investors;
- Korea Zinc, $1.25 billion committed and funded debt, $2.4 billion of conditionally committed debt Dec 2025, Republic of Korea and Tennessee, crowded in $2.4 billion of debt from private investors;
- Korea Zinc, $150 million equity funded, Dec 2025, Republic of Korea and Tennessee, crowded in $540 million of equity from private investors;
- Atalco, $150 million equity funded, Dec 2025, St. Ann, Jamaica, and Louisiana, crowded in $300 million of equity from private investors.

U.S. International Development Finance Corporation (DFC)

Under the Trump administration, the U.S. International Development Finance Corporation has invested in and is exploring more than a billion dollars in new mineral exploration deals and strengthened critical mineral supply chains for the United States and U.S. allies, including:

- $75 million initial seed investment for critical minerals and strategic sectors in Ukraine that has mobilized another $75 million in non-U.S. government funding;
- $600 million into the Orion Critical Minerals Consortium for critical minerals investments worldwide, that has mobilized an additional $1.2 billion in non-U.S. government funding;
- $565 million for heavy and light rare earth extraction in Brazil;
- LOI exploring up to $700 million to help finance tungsten development in Kazakhstan;
- Joint venture negotiations with African trading vehicle that has secured 100,000 tons of copper for the U.S. and 50,000 for U.S. allies, Saudi Arabia and the UAE;
- Strategic investment partnerships to explore critical mineral investment opportunities with leading Gulf firms.

Office of the United States Trade Representative (USTR)

This morning, USTR announced an Action Plan on Critical Minerals with Mexico that develops coordinated trade policies and mechanisms that mitigate critical mineral supply chain vulnerabilities.

USTR announced that the United States, the European Commission, and Japan intend to develop Action Plans for critical minerals supply chain resilience.[7]

[7] https://www.state.gov/releases/office-of-the-spokesperson/2026/02/2026-critical-minerals-ministerial/

5.3 NEW EMRT 2.1 TEMPLATE

The European Commission has approved a list of 13 critical minerals projects located outside the EU for designation as strategic projects, complementing the list of 47 EU strategic projects adopted on March 25.

Announced June 4, the newly designated projects, spanning 11 countries and EU overseas territories across four continents, are expected to help secure critical minerals essential for Europe's energy transition while reducing dependency on single suppliers like China, which currently dominates many critical mineral supply chains.

Global distribution

The projects are strategically distributed across a wide range of mineral-rich nations and EU overseas territories, comprising Brazil, Canada, Greenland (Denmark), Kazakhstan, Madagascar, Malawi, New Caledonia (France), Norway, Serbia, South Africa, the UK, Ukraine and Zambia.

Among the new list, the emphasis on **battery materials** is particularly notable, with 10 projects targeting minerals essential for electric vehicles and energy storage systems, including **lithium, nickel, cobalt, manganese and graphite**. These materials are critical for Europe's automotive sector as it transitions to electric mobility and for the continent's renewable energy ambitions.

Two projects, located in Malawi and South Africa, will extract rare earth elements critical for manufacturing high-performance magnets used in wind turbines and electric motors. When combined with three rare earth processing projects already approved within the EU, these initiatives could significantly strengthen Europe's position in the rare earth supply chain, which has been dominated by China for decades.[8]

New changes to EMRT v.2.1 as of October 2025:

- Added notice of Select Minerals/Metals in Scope
- Change to Product List to include "Requester Product Number" and "Requester Product Name"
- Updates to the Smelter List and Mine List tabs
- Updates to Smelter Reference List and Standard Smelter List

The next version of the EMRT is anticipated to be released in the Spring of 2026.

5.4 EU CRITICAL MINERALS ACT 2026

Following in the United States's footsteps, the EU initiated projects to secure critical minerals. It is estimated that the 13 Strategic Projects outside of the EU need an overall capital investment of €5.5 billion to start operations. The EC will also reinforce cooperation with the third countries concerned to ensure the development of those projects, especially

[8] https://www.spglobal.com/commodity-insights/en/news-research/latest-news/metals/060425-eu-identifies-13-new-strategic-critical-mineral-projects-located-outside-bloc

through the Strategic Partnerships already concluded with some of these countries on raw materials value chains. More investments are expected to follow as the EU launched its second call for strategic projects under the EU Critical Raw Minerals Act (with applications to be received by 15 January 2026).

Furthermore, the very recently adopted RESourceEU Action Plan sets out a €3 billion investment drive to accelerate the EU's CRM Strategy and reduce strategic dependencies. It focuses on de-risking and scaling projects in extraction, processing, and recycling through a new European Critical Raw Materials Centre, a CRM financing hub, and coordinated EU instruments such as InvestEU and the Innovation Fund. Supported by EIB and EBRD financing and international partnerships, the plan aims to operationalise priority projects by 2029, streamline permitting, and promote circularity, creating a resilient and competitive EU market for critical raw materials. According to Stéphane Séjourné, EC's industry commissioner, "the funding of €2 billion would be allocated through the EIB; €300 million would come from the Battery Booster programme and €600 million from Horizon Europe programme". In light of ReSourceEU's launch, financial support for two priority projects was also announced. Vulcan Energy's Germany lithium extraction (and geothermal power) project will receive €250 million from the EIB. Greenland Resources' molybdenum mine in Malmbjerg, which could satisfy a quarter of the EU's total molybdenum demand, is also expected to receive EIB financing.

Europe is constantly looking beyond its borders to diversify its supply chains to the greatest extent possible. Negotiations are underway for equity stakes and offtake agreements in Australian lithium and rare earth projects, backed by EIB and national development banks. As EIB Vice-President Nicola Beer said: "Teaming up with Australia will provide the type of win-win partnership we are eager to build: a partnership with a like-minded actor – one that engages communities, values transparency and ensures community trust in critical raw materials initiatives. Australia's strong track record in environmental responsibility and sustainable mining aligns with the EIB's commitment to innovation and green investments. In this way, we strengthen Australia's and Europe's strategic autonomy." In Africa, the EU signed a Clean Trade and Investment Partnership with South Africa, committing €750 million to infrastructure and mineral development. Unlike past extractive models, this agreement emphasises local processing, aiming to build integrated value chains rather than exporting raw materials.[9]

5.5 COBALT SUPPLY CHAIN CHALLENGES

In September 2025, the Democratic Republic of Congo implemented a new cobalt export quota system to manage its significant cobalt supply, replacing a previous export ban. This system sets strict limits on cobalt shipments, aiming to stabilize prices and encourage domestic processing while allowing for adjustments based on market conditions. **This bill has not yet passed the House or the Senate.**

[9] https://www.hsfkramer.com/en_US/insights/2026-01/the-us-and-eu-approaches-to-critical-minerals-and-its-implications-for-industry-participants

New Export Quota System

The Democratic Republic of Congo (DRC), which produces about 70% of the world's cobalt, has introduced a new export quota system to manage its cobalt supply. This system replaces the previous export ban and aims to stabilize prices while promoting domestic processing.

- Immediate Allocation (Oct-Dec 2025): 18,125 tonnes permitted for export.
- Annual Caps (2026-2027): 96,600 tonnes per year, approximately 7,250 tonnes per month.
- Implementation Date: October 16, 2025.

Key Features of the Quota System

Feature	Details
Pro-rata Allocation	Companies receive quotas based on historical export volumes.
Strategic Reserve	9,600 tonnes reserved annually for national strategic projects.
Compliance Requirements	Exporters must follow Congolese mining laws and regulations.
Adjustment Provisions	Quotas can be modified in response to market imbalances.

Objectives of the Quota System

- Price Stabilization: Aims to manage global supply to support favorable pricing.
- Revenue Generation: Allows continued export income while avoiding market disruption.
- Encouragement of Domestic Processing: Focus on increasing local processing to capture more value from exports.
- Implications for Global Markets

The DRC's quota system is expected to impact global cobalt markets significantly. It may lead to price stabilization and affect supply chains, particularly for electric vehicle manufacturers reliant on stable cobalt inputs. The DRC's collaboration with Indonesia, another major cobalt producer, could further influence market dynamics.[10]

Latest data states that the DRC's cobalt limits on exportation and now newly imposed quota system, will cause shortages in global supplies in late 2026 and early 2027.

[10] https://discoveryalert.com.au/news/congo-cobalt-export-quota-system-2025/

6 EXTENDED PRODUCER RESPONSIBILITY

6.1 UPDATES TO US EPR DEADLINES

The EPR space is chaotic in the U.S. but 2026 claims to harmonize requirements of the states. After a year of fragmented timelines and state-by-state nuances, 2026 will be the first year where Extended Producer Responsibility (EPR) obligations in the U.S. begin to harmonize. For producers selling into multiple states, this means clearer expectations, more aligned deadlines, and multiple sets of fees and reports due throughout the year.

According to rePurpose – a leader in plastic recovery and packaging requirements, the U.S. states implementing EPR will gain traction in 2026 and official reporting requirements take effect.

Harmonized Reporting & Invoicing

Beginning in 2026, most states — led by **Oregon, Colorado, and California** — will follow a consistent schedule:

- Annual Supply Reports Due: May 31, 2026
- Annual Supply Report: detailed material data report across all defined categories
- Producer Responsibility Fee Schedules Published: October 2026
- Invoices Issued: January and July (based on the prior year's data) 2026

This marks a significant shift from 2025, where deadlines varied widely.

Oregon:

Oregon, the earliest mover, began its EPR program in July 2025. Producers obligated in Oregon already submitted 2025 supply data on March 31, 2025 and paid fees in mid-2025.

In 2026:

- Producers will pay full-year program fees based on their 2024 calendar-year supply data.
- Invoices will be issued twice: January 2026 and July 2026
- No additional reporting is required until the harmonized May 31, 2026 deadline (using 2025 data).
- Non-compliance may result in penalties as high as $25,000/day.

Colorado: Program Fees Begin in 2026

Colorado required producers to determine obligation and submit 2024 supply data on July 31, 2025. This submission sets the baseline for Colorado's 2026 program fees.

In 2026, Colorado's first official program fee year:

- Producers will pay program dues (fees) based on 2024 supply data submitted in July 2025.
- Invoices mirror Oregon's schedule:
    - January 2026
    - July 2026

Noncompliance penalties include escalating daily fines:

- The first violation is $5,000 for the first day and $1,500 for each following day.
- The second violation is a $10,000 initial penalty and $3,000 per subsequent day.
- The third violation incurs an initial $20,000 fine and $6,000 for each following day.

In addition to fines, non-compliance can lead to the restriction of selling products in the state.

California: Early Fees and Major Regulatory Finalization

California's EPR program (SB 54) remains the most complex and 2026 is the year it formally ramps up.

Early Fees in 2026

Producers will:

- Submit material data supply reports by May 31, 2026 (for 2025 data)
- Pay one-time early-fees based on invoices issued in August 2026. These early fees fund California's pre-program activities ahead of the full 2027 program launch.

Final Regulations and Additional Reporting

California's regulations will be finalized during 2026. Producers will be required to:

- Submit a final 2023 data report within 30 days of regulation finalization. This allows the state to integrate any last-minute compliance-mandated changes.

Additionally:

- Producers will submit a producer supply report using 2025 data by May 31, 2026.
- Producers must develop and submit an individualized source reduction plan (timing TBD), guided by state-defined reduction targets. CAA will publish guidance in the months leading up to this requirement.

Together, these steps set the foundation for California's formal program activation in 2027.

7 EU ROHS

7.1 EU ROHS EXEMPTION RENEWALS ADOPTED

The European Commission has adopted several renewal decisions for several EU RoHS Annex III exemptions, including critical exemptions such as 7(a), 7(c)-I, 7(c)-II, 6(a), 6(b), and 6(c).

These EU RoHS Annex III exemptions, many of which are heavily applied and essential for electronics manufacturers, have been without effective expiry dates since requests for renewal were submitted as far back as November of 2019.

These decisions have been long-awaited by industry, and producers are encouraged to review potential impacts to their products.

Summary of Draft Exemption Updates

The updates are complex, as some exemptions have been designated to be renewed, some designated as renewed with varying expiry dates under new application-specific exemptions, and some designated not to be renewed at all. Below is a summary of the changes:

Exemption 7(a): This exemption will remain in force in its current form until June 30, 2027 (extended from the initially proposed date of December 31, 2026), with specific more narrowly defined applications being additionally extended until December 31, 2027 by new exemptions 7(a)-I through 7(a)-VII.

Exemption 7(c)-I: This exemption will remain in force in its current form until June 30, 2027 (extended from the initially proposed date of December 31, 2026), with specific more narrowly defined applications being additionally extended until December 31, 2027 by new exemptions 7(c)-V and 7(c)-VI.

Exemption 7(c)-II: This exemption will remain in force until December 31, 2027 (no change from initial proposed date.)

Exemption 6(a): This exemption will not be renewed and will cease to be in force 12 months after the final delegated directive comes into force. However, Exemption 6(a)-I will be broken up into two exemptions – 6(a)-I and 6(a)-II, both of which will be in force until June 30, 2027 (extended from the initially proposed date of December 31, 2026).

Exemption 6(b): This exemption will not be renewed and will cease to be in force 18 months (extended from the initially proposed 12-month period) after the final delegated directive comes into force.

Exemptions 6(b)-I and 6(b)-II: These exemptions will not be renewed for product categories 1-7 and 10 and will cease to be in force 12 months [6(b)-I] or 18 months [6(b)-II] after the final delegated directive comes into force. However, these exemptions will remain in force for product categories 9 (industrial monitoring and control equipment) and 11 until June 30, 2027 (extended from the initially proposed date of December 31, 2026).

Additionally, a new **Exemption 6(b)-III** is provided which will expire June 30, 2027 (extended from the initially proposed date of December 31, 2026) and applies to product categories 1-8, 9 (other than industrial monitoring and control equipment), and 10.

Exemption 6(c): This exemption will remain in force until June 30, 2027 (extended from the initially proposed date of December 31, 2026).

According to the EU Commission's website, the newly adopted delegated directives will be subject to a two-month scrutiny period of the European Parliament and the Council (an extension of the scrutiny period on request is possible). After this scrutiny period, in case of no objections from the co-legislators, the Delegated Directive will be published in the Official Journal. The updates will come into force 20 days after publication. These changes are expected to be published by the end of 2025.[11]

7.2 EXEMPTION RENEWALS IN PLAY FOR 2027

In 2025, we noted several exemptions were given renewal status out to 2027. Each renewal process must have data submitted eighteen months in advance of expiration. With such a short window, new evidence and data must be submitted to the European Commission and the Oeko Institute for use beyond 2027 for many existing exemptions.

Below is the latest information available:[12]

[11] https://www.greensofttech.com/blog-2025-eu-rohs-exemption-renewals-adopted/

[12] https://www.greensofttech.com/blog-2026-eu-rohs-exemption-updates/

Detailed EU RoHS Exemption Updates

The list of updated exemptions, their updated expiry dates, and links to the official delegated directives can be found in the table below:

Exemption	Description	Status	Product Category	Expiry Date
7(a) (Link)	Lead in high melting temperature type solders (i.e. lead-based alloys containing 85 % by weight or more lead)	Renewed	All	~~June 30, 2027~~ (Requested for renewal)
7(a)-I (Link)	Lead in high melting temperature type solders (i.e., lead-based alloys containing 85% by weight or more lead) for internal interconnections for attaching die, or other components along with a die in semiconductor assembly with steady state or transient/impulse currents of 0.1 A or greater or blocking voltages beyond 10 V, or die edge sizes larger than 0.3 mm x 0.3 mm	New	All	~~Dec 31, 2027~~ (impacted by 7(a) Request)
7(a)-II (Link)	Lead in high melting temperature type solders (i.e., lead-based alloys containing 85% by weight or more lead) for integral (meaning internal and external) connections of die attach in electrical and electronic components, if all the following conditions are met: - the thermal conductivity of the cured/sintered die attach material is >35W/(m*K), - the electrical conductivity of the cured/sintered die attach material is >4.7MS/m , - solidus melting temperature is higher than 260°C	New	All	~~Dec 31, 2027~~ (impacted by 7(a) Request)
7(a)-III (Link)	Lead in high melting temperature type solders (i.e., lead-based alloys containing 85% by weight or more lead) in first level solder joints (internal or integral connections - meaning internal and external) for manufacturing components so that subsequent mounting of electronic components onto subassemblies (i.e. modules, sub-circuit boards, substrates, or point-to-point soldering) with a secondary solder does not reflow the first level solder. This sub-entry excludes die attach applications and hermetic sealings	New	All	~~Dec 31, 2027~~ (impacted by 7(a) Request)
7(a)-IV (Link)	Lead in high melting temperature type solders (i.e., lead-based alloys containing 85% by weight or more lead) in second level solder joints for the attachment of components to printed circuit board or lead frames: 1. in solder balls for the attachment of ceramic ball grid-array (BGA) 2. in high temperature plastic overmouldings (> 220 °C)	New	All	~~Dec 31, 2027~~ (impacted by 7(a) Request)
7(a)-V (Link)	Lead in high melting temperature type solders (i.e., lead-based alloys containing 85% by weight or more lead) as a hermetic sealing material between: 1. a ceramic package or plug and a metal case, 2. component terminations and an internal sub-part	New	All	~~Dec 31, 2027~~ (impacted by 7(a) Request)
7(a)-VI (Link)	Lead in high melting temperature type solders (i.e., lead-based alloys containing 85% by weight or more lead) for establishing electrical connections between lamp components in incandescent reflector lamps for infrared heating, high intensity discharge lamps, or oven lamps	New	All	~~Dec 31, 2027~~ (impacted by 7(a) Request)
7(a)-VII (Link)	Lead in high melting temperature type solders (i.e., lead-based alloys containing 85% by weight or more lead) for audio transducers where the peak operating temperature exceeds 200°C	New	All	~~Dec 31, 2027~~ (impacted by 7(a) Request)
7(c)-I (Link)	Electrical and electronic components containing lead in a glass or ceramic other than dielectric ceramic in capacitors, e.g. piezoelectronic devices, or in a glass or ceramic matrix compound	Renewed	All	~~June 30, 2027~~ (Requested for renewal)
7(c)-II (Link)	Lead in dielectric ceramic in capacitors for a rated voltage of 125 V AC or 250 V DC or higher excluding applications covered by point 7(c)-I or 7(c)-IV	Renewed as modified	All	~~Dec 31, 2027~~ (impacted by 7(c)-I Request)
7(c)-V (Link)	Electrical and electronic components containing lead in a glass or glass matrix compound that fulfils any of the following functions: 1) for protection and electrical insulation in glass beads of high-voltage diodes and glass layers for wafers on the basis of a lead-zinc-borate or a lead-silica-borate glass body; 2) for hermetic sealing between ceramic, metal and/or glass parts; 3) for bonding purposes in a process parameter window for < 500 °C combined with a viscosity of 1013.3 dPas ('glass-transition temperature'); 4) for use as a resistive material such as ink, with a resistivity range from 1 ohm/square to 1 megohm/square, excluding trimmer potentiometers; 5) for use in chemically modified glass surfaces for microchannel plates (MCPs), channel electron multipliers (CEMs) and resistive glass products (RGPs).	New	All	~~Dec 31, 2027~~ (impacted by 7(c)-I Request)

7(c)-VI (Link)	Electrical and electronic components containing lead in a ceramic that fulfils any of the following functions (excluding items covered by points 7(c)-II, 7(c)-III and 7(c)-IV, as well as point 14 of Annex IV) 1) for use in piezoelectric lead zirconium titanate (PZT) ceramics; 2) for providing ceramics with a positive temperature coefficient (PTC).'	New	All	~~Dec 31, 2027~~ (impacted by 7(c)-I Request)
6(a) (Link)	Lead as an alloying element in steel for machining purposes and in galvanised steel containing up to 0,35 % lead by weight	Not Renewed	8, 9, and 11	Dec 11, 2026
6(a)-I (Link)	Lead as an alloying element in steel for machining purposes containing up to 0,35 % lead by weight*	Renewed as modified	All	~~June 30, 2027~~ (Requested for renewal)
6(a)-II (Link)	Lead as an alloying element in batch hot-dip galvanised steel components containing up to 0,2% lead by weight*	New	All	~~June 30, 2027~~ (Requested for renewal)
6(b) (Link)	Lead as an alloying element in aluminium containing up to 0,4 % lead by weight	Not Renewed	8, 9, and 11	June 11, 2027
6(b)-I (Link)	Lead as an alloying element in aluminium containing up to 0,4 % lead by weight, provided it stems from lead-bearing aluminum scrap recycling*	Not Renewed	1-7 and 10	Dec 11, 2026
		Renewed	9 (industrial) and 11	June 30, 2027
6(b)-II (Link)	Lead as an alloying element in aluminium for machining purposes with a lead content up to 0,4 % by weight*	Not Renewed	1-7 and 10	June 11, 2027
		Renewed	9 (industrial) and 11	9 (Industrial): June 30, 2027 11: ~~June 30, 2027~~, (Requested for renewal)
6(b)-III (Link)	Lead as an alloying element in aluminium casting alloys containing up to 0,3% lead by weight provided it stems from lead-bearing aluminium scrap recycling*	New	1-8, 10, and 9 (other than industrial)	~~June 30, 2027~~ (Requested for renewal)
6(c) (Link)	Copper alloy containing up to 4 % lead by weight*	Renewed	All	~~June 30, 2027~~ (Requested for renewal)

Any dates crossed out and listed as requests for renewal, we will watch over the next year and report back to you.

8 EU REACH

8.1 CANDIDATE UPDATES TO 253 SVHCs

On February 4, 2026, the European Chemicals Agency (ECHA) expanded the EU REACH SVHC Candidate List to 253 entries by adding two hazardous chemicals: n-hexane and Bisphenol AF (BPAF). This update triggers immediate legal obligations for companies whose products contain these substances above the stated threshold, including customer notification requirements and SCIP Database submissions.

ECHA's announcement of the SVHC additions and the full SVHC-253 list can be found on their website. The last prior addition to the SVHC list was SVHC-251 in November 2025.[13]

[13] https://www.greensofttech.com/blog-2026-eu-rohs-exemption-updates/

Substance Name	CAS # (EC #)	Reason for Inclusion	Product Uses
4,4'-[2,2,2-trifluoro-1-(trifluoromethyl)ethylidene]diphenol and its salts. Also known as Bisphenol AF (BPAF).	- (-)	Toxic for reproduction.	High-performance polymers, fluoroelastomers, specialty rubber processing, epoxy, or resin.
n-Hexane	110-54-3 (203-777-6)	Toxic to human health.	Formulation, polymer processing, coatings, and cleaning agents.

You can go directly to the Candidate table here: https://echa.europa.eu/de/candidate-list-table

Most of these parts fall into three categories:

- Power Line Filters
- Power Entry Connectors
- Switches

In these types of electronic components, the substances are not used to carry electrical signals or perform electronic functions. Instead, they are found in the non-electrical materials that hold the part together and protect it during use. Bisphenol AF (BPAF) is commonly used in epoxy resins and other high-performance plastics. In electronic parts, these resins are used in materials such as molding compounds, encapsulants, adhesives, die attach materials, and protective coatings. These materials give components their physical strength, provide electrical insulation, and protect sensitive circuits from heat, moisture, and chemical exposure over the life of the product.

n-Hexane plays a different role. It is not intended to remain n finished components but is often used during manufacturing processes rather than because it contributes to the performance or structure of the product.[14]

8.2 EU REACH CHEMICAL TESTING REQUIREMENTS

The European Commission has adopted Commission Regulation (EU) 2025/2573, introducing a comprehensive update to EU-recognized chemical test methods under the REACH Regulation. The Regulation amends Regulation (EC) No 440/2008, ensuring that EU chemical safety assessments reflect scientific and technical progress.

The update strengthens alignment with OECD Test Guidelines, expands environmental hazard assessment, and accelerates the shift toward non-animal testing methods, supporting both regulatory efficiency and animal welfare.

Legal Basis

[14] https://www.z2data.com/insights/echa-publishes-february-2026-reach-svhc-update-two-new-substances-added

Amends: Regulation (EC) No 440/2008

Purpose: Defines harmonized reference test methods for determining the physical-chemical, toxicological and ecotoxicological properties of substances under REACH.

Entry into Force

The Regulation applies 20 days after publication in the Official Journal, meaning it will take effect in early January 2026 and apply directly across all EU Member States and the EEA.

Amendments to Test Methods

1. **New and Updated In Vitro Human Health Methods**

The Regulation introduces three updated OECD Test Guidelines, reinforcing non-animal testing approaches for key health endpoints:

- Skin Sensitization (OECD TG 442D):
- In vitro assays addressing keratinocyte activation, a critical step in the skin sensitization adverse outcome pathway.
- Serious Eye Damage / Eye Irritation – Integrated Approach (OECD TG 467):
- A defined approach combining multiple data streams to improve eye hazard classification.
- Ocular Irritation / Serious Eye Damage – Macromolecular Method (OECD TG 496):
- An in vitro method supporting classification and non-classification decisions.

Impact: These updates replace outdated descriptions, improve scientific reliability, and further reduce reliance on animal testing.

2. **New Ecotoxicity Test Methods**

Three additional OECD methods have been added to strengthen environmental hazard assessment:

- OECD TG 252 – Rapid Estrogen Activity In Vivo (REACTIV):
- Screens substances for estrogenic activity.
- OECD TG 253 – Juvenile Hormone Activity in Daphnia (JHASA):
- Evaluates juvenile hormone-related effects using Daphnia magna.
- OECD TG 321 – Hyalella azteca Bioconcentration Test (HYBIT):
- Assesses bioconcentration potential in aquatic invertebrates.

Significance: These methods enhance detection of endocrine activity and aquatic risks, supporting more robust environmental protection.

3. **Updates to Existing Test Methods**

Several existing OECD test methods have been aligned with 2024 OECD revisions, including:

- OECD TG 403 – Acute inhalation toxicity
- OECD TG 442B, 442C, 442E – Skin sensitisation assays

- OECD TG 492 / 492B – In vitro skin absorption
- OECD TG 493 – Acute oral toxicity

This ensures EU reference methods remain consistent with the latest international standards.

4. Dustiness Testing for Nanoforms

To improve exposure assessment for powders and nanoforms, the Regulation adds four EN standards:

- EN 17199-2: Rotating drum method
- EN 17199-3: Continuous drop method
- EN 17199-4: Small rotating drum method
- EN 17199-5: Vortex shaker method

These validated workplace methods support safer material handling and compliance with nano-specific REACH requirements.

5. Deletions and Simplifications

To reduce regulatory complexity, the Regulation removes:

- Obsolete full method descriptions where updated OECD references exist
- Redundant pyrophoric properties methods already covered elsewhere in the Regulation

This streamline improves clarity and future-proofs the EU testing framework.

Scientific and Regulatory Impact

Alignment with Global Science

- The amendments ensure full consistency with current OECD Test Guidelines, facilitating international data acceptance.

Reduced Animal Testing

- Expanded use of new approach methodologies (NAMs) supports REACH's objective to replace animal testing wherever scientifically possible.

Improved Regulatory Efficiency

- By referencing OECD methods directly, the EU simplifies future updates and accelerates implementation across Member States.

Stakeholders

1. Manufacturers & Importers:
2. Review updated test requirements for REACH registrations and ongoing dossiers.

Downstream Users:

- Align testing strategies and hazard assessments with revised OECD methods.

Test Laboratories:

- Ensure technical capability and reporting formats comply with newly added and updated methods.

Guidance: Make sure your products are in scope and have a statement to send to customers if needed

8.3 UKRAINE CONTINUES EU ALIGNMENT ON REACH

This Ukraine has officially confirmed the extension of the pre-registration deadline under UA REACH from January 26, 2026, to January 26, 2027. This provides additional preparation time and makes 2026 a key window for completing pre-registration and securing a buffer for the subsequent registration.

Recommended Actions for Enterprises:

Although the pre-registration deadline has been postponed, considering the current geopolitical situation and potential administrative delays, companies intending to enter or already operating in the Ukrainian market are advised to complete pre-registration by 2026. Doing so will help ensure compliance continuity and provide a competitive advantage in the subsequent registration phase.[15]

8.4 DISCUSSIONS ON EXEMPTING INDUSTRIES FROM PFAS REACH

EU REACH: An EU Study Recommends Exempting Critical Industries From Upcoming PFAS Restrictions

A recent study commissioned by the European Parliament's Committee on Industry, Research and Energy (ITRE) highlights the complex trade-offs between regulating "forever chemicals" (PFAS) and maintaining Europe's industrial competitiveness.

The findings are stark:

- PFAS are currently essential in key sectors like aerospace, defense, and semiconductors.
- A full or partial ban on PFAS could cost over €560 billion in the first year and impact millions of jobs across the EU, with SMEs being the most vulnerable.

The EU's global competitiveness could be at risk if viable alternatives are not available.

[15] https://en.reach24h.com/news/insights/chemical/chemical-regulatory-outlook-europe-americas-2026

Policy Recommendations Analysis

The study concludes that implementing blanket PFAS restrictions would be economically damaging and technically unfeasible across several critical sectors. Instead, it advocates a sector-specific approach with tailored derogations.

- For the aerospace and defense industry, permanent or long-term derogations are recommended, with reviews every 10 to15 years. This reflects the lack of viable alternatives and the sector's paramount safety and security requirements. The study also calls for funding innovation and conducting supply chain studies.
- Regarding the semiconductor sector, a permanent derogation is proposed, highlighting the sector's essential role in the digital economy and artificial intelligence. The study suggests integrating PFAS management into the European Chips Act and funding abatement technologies.
- A detailed, case-by-case review of derogations is advised for green energy and clean technology, as the potential for substitution varies widely. The report recommends forming a dedicated task force to monitor alternatives and imposing strict emission controls on companies.

Lastly, the study suggests excluding F-gases from the PFAS restriction and regulating them solely under the existing F-gas Regulation. This would allow for a more gradual transition.[16]

8.5 UK REACH PROPOSES THREE MORE SUBSTANCES

The UK Health and Safety Executive (HSE) has proposed the inclusion of three substances—DOTE, the reaction mass of DOTE and MOTE, and tetraethyl lead (TEL)—in the Authorization List (Annex 14) under UK REACH due to their reproductive toxicity. A public consultation is open for comments on these substances until February 4, 2026.

Proposed Inclusion of Substances in UK REACH

The UK Health and Safety Executive (HSE) has proposed the inclusion of three substances in the Authorization List (Annex 14) of UK REACH. This marks a significant step in regulating chemicals in the UK following its departure from the EU.

SUBSTANCE NAME	EC NUMBER	TOXICITY TYPE
2-ethylhexyl 10-ethyl-4,4-dioctyl-7-oxo-8-oxa-3,5-dithia-4-stannatetradecanoate (DOTE)	Not specified	Reproductive toxicity
Reaction mass of DOTE and MOTE	915-270-3	Reproductive toxicity
Tetraethyl lead (TEL)	Not specified	Reproductive toxicity

[16] https://www.complianceandrisks.com/blog/the-biweekly-pulse-13th-february-eu-reach-china-rohs-2-and-eu-omnibus-regulatory-simplification-updates/

Feedback Period: Interested parties can submit comments until February 4, 2026.

Comment Focus: Feedback should include information on current uses, exposure scenarios, and potential exemptions for these substances.

This consultation is crucial for gathering insights from stakeholders, which will help HSE finalize its recommendations for these substances.

9 GLOBAL MATERIAL AND CHEMICAL REGULATIONS

9.1 CHINA ISSUES MANDATOY ROHS STANDARD - GB 26572-2025

China has issued GB 26572-2025, its first mandatory restriction of hazardous substances (RoHS) standard, effective August 1, 2027.

On August 1, 2025, China officially released GB 26572-2025 – 'Requirements for Restricted Use of Hazardous Substances in Electrical and Electronic Products'. This is China's first mandatory RoHS standard, which will take effect on August 1, 2027, fully replacing the previous GB/T 26572-2011 standard. The new standard marks a significant step in strengthening environmental compliance for electrical and electronic products in the Chinese market.

The scope of China RoHS has been expanded from six to ten hazardous substances, with the addition of four phthalates, aligning it with global regulatory trends like EU RoHS:

No.	Substance	Abbreviation	Limit (% by weight)
1	Dibutyl phthalate	DBP	≤0.1
2	Diisobutyl phthalate	DIBP	≤0.1
3	Benzyl butyl phthalate	BBP	≤0.1
4	Bis(2-ethylhexyl) phthalate	DEHP	≤0.1

This expansion underscores China's commitment to aligning with international standards and enhancing consumer safety protections.

Unified testing methods

GB 26572-2025 explicitly designates the GB/T 39560 series – 'Determination of Certain Substances in Electrical and Electronic Products' – as the sole testing methodology for the standard. This standardization ensures the accuracy, consistency and reliability of test results, improves comparability across the industry and reduces compliance uncertainties for enterprises.

New product classifications and requirements

The standard introduces a two-category system for electrical and electronic products:

Category I: products listed in the catalogue for compliance management must meet both substance concentration limits and labeling requirements

Category II: other products are subject only to labeling obligations, though compliance with substance limits is encouraged voluntarily

This categorization provides flexibility while maintaining strict oversight for high-priority products.

Mandatory labeling requirements

By incorporating the stipulations of SJ/T 11364-2024 into the mandatory GB 26572-2025, China has elevated labeling requirements to national standard status. This move underscores the country's commitment to enhancing market transparency for consumers and increasing accountability within the industry.

Updates to terms and definitions

The new standard refines terminology to reflect regulatory developments. The term 'restricted substances' has been replaced with 'hazardous substances' and three new terms have been added:

- Environment-friendly use period
- Catalogue for compliance management of restricted use of hazardous substances in electrical and electronic products
- Exemption

These updates provide greater clarity for implementation and enforcement.

*NEW * Exemptions have been outlined for lead, cadmium, mercury, hexavalent chromium, and phthalates. The exemptions will expire in July 2027, mostly aligning with the European Union. In addition, there are exemptions for lead in steel, aluminum and copper alloys, and phthalates for recycled components.

9.2 STRENGTHENING KOREA ROHS

As of September 2025, South Korea is in the process of strengthening its RoHS regulations. Key updates include:

New Product Categories: The Korean Ministry of Environment has proposed to include 23 additional product categories under the RoHS framework. These include common household items like dehumidifiers, toasters, and electric kettles.

Expanded Substance Restrictions: The proposal aims to add four new hazardous substances—DEHP, BBP, DBP, and DIBP—to the existing list of restricted materials.

Compliance and Enforcement

- Implementation Timeline: The enforcement of these new provisions is expected to begin on January 1, 2026.
- Regulatory Alignment: The amendments are designed to align more closely with the European Union's RoHS directives, ensuring that South Korea's regulations meet international standards.

Importance of Compliance

Manufacturers and importers of electronic and electrical products in South Korea must prepare for these changes to ensure compliance. This includes understanding the new product categories and the substances that will be restricted under the updated regulations.

9.3 CHINA PROPOSES CONTROL OF MERCURY ADDED PRODUCTS

China is proposing the phase-out of mercury in the specified uses and stated timelines:

1. By December 31, 2025 - button cell batteries, cosmetics/soaps, and switches
2. By December 31, 2026 - high-mercury fluorescent lamps
3. By December 31, 2027 – triband phosphor fluorescent lamps

Comments closed in late 2025. We will share information upon final publication.

10 PFAS CONCERNS (US, EU, CANADA, ASIA)

PFAS BACKGROUND

The per-and polyfluorinated substances (PFAS) were previously referred to as perfluorochemicals (PFCs). PFAS are a group of chemicals used to make fluoropolymer coatings and products that resist heat, oil, stains, grease, and water. Fluoropolymer coatings can be used in such varied products as clothing, furniture, adhesives, food packaging, heat-resistant non-stick cooking surfaces, and the insulation of electrical wire. Many chemicals in this group, including perfluorooctane sulfonic acid (PFOS) and perfluorooctanoic acid (PFOA), have been a concern because they do not break down in the environment, can move through soils and contaminate drinking water sources, and they build up (bioaccumulate) in fish and wildlife. PFAS have been found in rivers and lakes and in many types of animals on land and in the water.[17]

[17] https://www.cdc.gov/biomonitoring/PFAS_FactSheet.html

PFAS have a wide range of different physical and chemical properties. They can be gases, liquids, or solid high-molecular weight polymers. They are sometimes described as long-chain and short-chain to group PFAS that may behave similarly in the environment. PFAS are also grouped into subgroups in various other ways based on their structure.

PFAS are widely used as they have unique desirable properties. For instance, they are stable under intense heat. Many of them also have surfactant properties and functions, e.g., as water and grease repellents.

Some of the major industry sectors using PFAS include aerospace and defense, automotive, aviation, textiles, leather and apparel, construction and household products, electronics, firefighting, food processing, and medical articles.

Over the past decades, global manufacturers have started to substitute long-chain PFAS with shorter-chain PFAS or with non-fluorinated substances. This trend has been driven by the fact that the undesired effects of long-chain PFAS on human health and the environment were assessed and recognized first by scientists and authorities around the globe. Short-chain PFAS can also have similar or other properties of concern.[18]

10.1 MASSACHUSETTS BILL S 2660

Impact Assessment of PFAS Prohibitions and Chemical Reporting Requirements

Massachusetts is reviewing PFAS proposals that would implement the following:

Explicit ban on intentionally added PFAS in children's products or components

- Establishment of "Chemicals of Concern" (COC) and "High Priority Chemicals" (HPC) lists to be published within 18 months
- Manufacturers must provide electronic notification within 180 days of a chemical being listed as a COC if present above de minimis levels.
- Phase - Out Mandates:
    - Substitution: Required within 3 years for mouth able products, cosmetics, or products for children under age 3.
    - Sales Ban: Comprehensive distribution ban for products containing HPCs within 5 years of listing.
- Civil penalties up to $5,000 for first offenses, mandatory product recalls and retailer reimbursement for non-compliant goods

Set to become law by summer of 2026.

10.2 MINNESOTA PFAS

Reporting requirements and deadlines have been finalized in Minnesota.

[18] https://echa.europa.eu/hot-topics/perfluoroalkyl-chemicals-pfas

The initial registration for all products containing intentionally added PFAS is now **July 1, 2026**, with a possible 6-month extension.

Manufacturer can group similar products and components, and report PFAS concentration ranges, the submit joint reports to reduce the administrative burden.

A one-time fee of $800 per manufacturer is required and subsequent annual reports for new products are due by February 1 each year.

Minnesota is also launching a portal called the MCPA. It had a soft launch in December 2025 with full access for all manufacturers scheduled in January 2026.

11 CALIFORNIA PROPOSITION 65

11.1 PROP65 LIST ADDITIONS

Bisphenol S (BPS) was added on December 5, 2025. This chemical causes developmental toxicity and warning requirements have been added for reproductive effects.

Diethanolamine (DEA) was added to the list effective December 8, 2025, as voted on by the Carcinogenic Identification Committee (CIC). DEA has a statutory one-year grace period.

Below is a link to the list:
https://oehha.ca.gov/proposition-65/proposition-65-list

11.2 PROPOSED NSRL AMENDMENTS

OEHHA is reviewing the **1-Bromopropane** (1BP) NSRL to be changed to 54 micrograms per day. This targets industrial solvent uses like degreasing and adhesives, as well as chemical intermediates.

In addition, the review of **Diethanolamine (DEA)** is submitted for a proposal to change the dermal only NSRL to 6.4 micrograms per day. This addresses common surfactants and impurities in personal care products.

The deadline for comment passed in late 2025 and we are awaiting final changes.

12 TOXIC CONTROL SUBSTANCES ACT (TSCA)

The Toxic Substances Control Act became law on October 11, 1976, and had a recent update in 2016. The 2016 update is called the Frank R. Lautenberg Chemical Safety for the 21st Century Act (LCSA). This is commonly known as TSCA Reform. The act gives the Environmental Protection Agency (EPA) the authority to gather information on all new and existing chemicals that may pose unreasonable risk to public health or the environment. The EPA is tasked with creating an inventory, performing pre-manufacture reviews before commercial production, requiring testing of chemicals posing risk or in substantial quantities, record keeping and management requirements. There are 6 regulatory programs associated, and they fall under 40 CFR 710-799.

12.1 UPDATES TO SECTION 8(A)(7)

Proposed PFAS Reporting Revisions in 2026

The following changes are proposed for consideration at the EPA:

- Proposed 40 CFR Part 705 amendments to focus on primary manufacturing while excluding activities where PFAS data is not "reasonably ascertainable"
- Introduction of a 0.1% de minimis threshold, alongside full exemptions for imported articles, impurities, non - isolated intermediates, and R&D substances
- Shift from a six - month to a three - month submission period, beginning 60 days after the final rule is published
- Significant reduction in reporting burden for article importers and small businesses
- Unchanged: The structural PFAS definition and the original January 1, 2011, to December 2022 lookback period are the same

We will update our clients, as decisions are made by the EPA.

We look forward to keeping you up to date each quarter and look forward to adding regulations of concern to this review. Let us know if you have any questions or need help with compliance programming, reporting, and data collection.