BlueCircle ADVISORS

Q2-Q3 2025

Regulatory Updates/Quarterly Report

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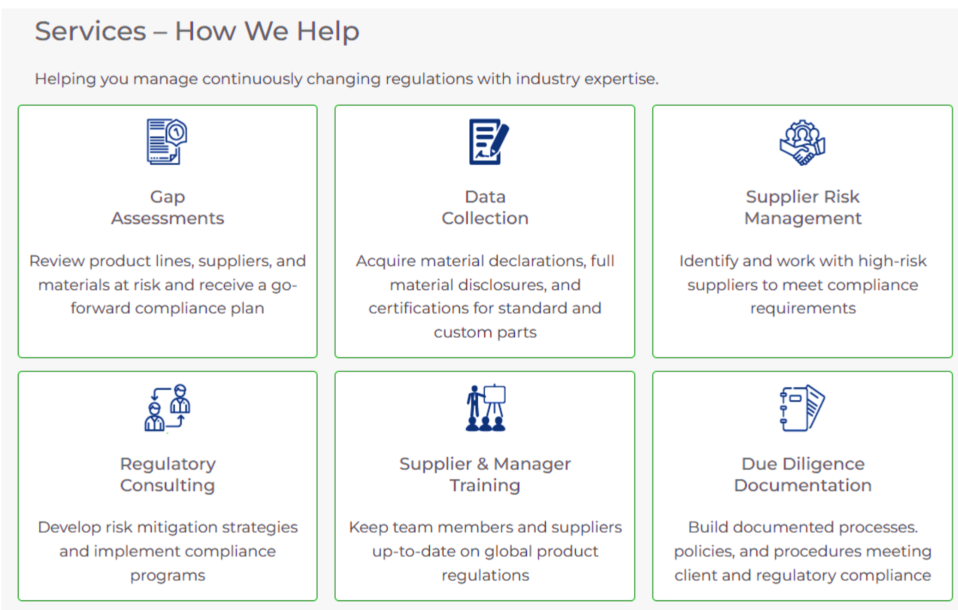
2 BLUECIRCLE ADVISORS

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 EXECUTIVE SUMMARY

3.1 MIDYEAR AND MORE REGULATION

As we are now at midpoint in 2025, we see product compliance and ESG regulations around the world ramping up. However, the U.S. has put regulations on hold and cut operational budgets. The United States is aiming to deregulate and minimize new regulations to increase growth and set an environment for businesses to succeed.

This quarter we see updates to RoHS and REACH. PFAS continues to take center stage. There are new templates and regulations in minerals and mining. Extended Producer Responsibility for packaging and recycling are being pushed at the state level and there is a spotlight on chemical databases and the risk management of toxic chemicals.

ESG is continues to take a backseat in the United States but still being implemented in the European Union. Issues of national security are driving minerals legislation around the world.

During our live call, we will go over the report highlights and determine how each one will apply to your company and your customers. This will give us time to strategize about solutions to these challenges, as well as what types of tools, training, and documentation your company will need to be compliant.

3.2 IMPACT ON THE INDUSTRY

It all comes down to REVENUE PROTECTION. In these perilous times, it’s important that companies are focusing on the regulations that are most important to facilitating sales and opening new markets. Prioritizing where financial and human capital is spent is necessary to stay in business for the long term. Understanding which regulations must be complied with and which projects are a soft win will separate the strong from the weak.

In these crucial times, mapping your supply chain and understanding which suppliers are a high-risk to your business will give your company a competitive advantage. The need to find new sourcing opportunities or at a minimum not be single sourced on a material, part, or product will keep your company ahead of the game. Qualifying suppliers that may be nearer shore could help your company in uncertain times. Where once we looked strictly for economies of scale and lower costs, now we mut be laser eyed on availability and compliant products. We are living in volatile times when trade can be impacted by war, shipping constraints, and fuel costs.

At the end of this regulatory review, we will discuss ways in which your company can be prepared and ahead of the industry when meeting global compliance requirements.

4 ESG – NEW RULES OF BUSINESS

4.1 EU DELAYS CSRD AND CSDDD

EU approves 'stop the clock', delaying CSRD and CSDDD implementation by two years

MEPs have voted to delay key elements of the EU's sustainable finance agenda—specifically, the CSRD and CSDDD—as part of the broader Omnibus package introduced by the European Commission in February 2025. The so-called "stop-the-clock" move aims to ease compliance burdens, with the Commission estimating over €6 billion in reduced administrative costs through the following next steps:

1. **CSRD:** A two-year postponement for the second and third waves of in-scope companies. Large companies (250+ employees) will now report in 2028, while listed SMEs will begin in 2029.
2. **CSDDD:** A one-year delay in transposition, with large companies (5,000+ employees and €1.5bn+ turnover) and mid-sized companies (3,000+ employees and €900m+ turnover) now applying the rules from 2028.
3. Member States must transpose the final directive into national law by 31st December 2025, once the legal text is agreed.
4. Broader Omnibus amendments which are still under negotiation.

Despite the delay, the Commission has reaffirmed its sustainability ambitions. Many companies originally within scope of the CSRD are continuing voluntary alignment with ESRS.[1]

4.2 EU PARLIAMENT ENDORSES CBAM

On May 22, the EBA published a consultation paper on draft implementing technical standards, amending Commission Implementing Regulation on public disclosures. These amendments aim to enhance transparency and consistency in disclosures related to ESG risks. The proposals set out to extend the scope of institutions required to disclose ESG information, simplify the reporting process, and align disclosure requirements with the Taxonomy Regulation. The consultation will close on August 22, 2025. We expect new guidance on how to comply with the Carbon Border Adjustment Mechanism (CBAM) directive.

4.3 IMPLEMENTING THE DEFORESTATION-FREE PRODUCTS REGULATION

On October 2, 2024, the European Commission proposed postponing the implementation of the EU Deforestation Regulation by twelve months to allow stakeholders additional time to prepare for compliance. The Deforestation Regulation requires extensive due diligence to ensure that certain commodities and related products admitted and

[1] https://www.esgbook.com/insights/regulatory-updates/policy-digest-may-2025

traded on the EU market are not linked to deforestation, forest degradation, or violations of indigenous peoples' rights. Such commodities include soy, cattle, cocoa, coffee, palm oil, rubber, and timber.

Under the Commission's revised timeline, which still requires approval from the European Parliament and European Council, the **Deforestation Regulation would go into effect on December 30, 2025**, for large companies and **June 30, 2026, for micro- and small enterprises** (instead of December 30, 2024 for large companies and December 30, 2025 for micro- and small enterprises as currently required by the Deforestation Regulation).

The Commission also published additional guidance documents and 40 new FAQs for impacted companies and enforcement authorities. The new guidance includes more information on penalties, traceability obligations, and product scope.[2]

We expect a delay in December 2025 due to all government parties and notified bodies not being ready for the implementation.

4.4 UK SUSTAINABILITY DISCLOSURE REQUIREMENTS (SDR)

As of March 2025, the UK government is considering mandatory ESG regulations for UK-listed companies, with potential implementation of its Sustainability Disclosure Requirements (SDR) legislation beginning on or after January 1, 2026. Affected organizations would need to report sustainability-related information.

Given the current UK government's commitment to clean energy by 2030, it is possible these sustainability requirements will eventually extend beyond large corporates to reach more organizations.

Who is affected:
Large UK-listed companies, asset managers, and financial institutions, with potential expansion to other businesses.

When does it go into effect:
Planning is underway, and reporting may begin as early as Q1 2026.

What needs to be reported:
Sustainability-related risks and opportunities aligned with the forthcoming UK Sustainability Reporting Standards (SRS). These standards will be based on IFRS S1 and IFRS S2.

Where do companies report:
The United Kingdom, with potential influence on companies operating within its jurisdiction.

[2] https://www.eversheds-sutherland.com/en/global/insights/global-esg-insights-june-2025

Current Status:
Mandatory for certain entities, with future expansion to follow. Updates are expected in Q1 2025.[3]

We will share any new deadlines we are aware of and help your team with reporting.

5 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.

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.

5.1 COBALT SUPPLY CHAIN ACT

On March 24, the "China's Odious and Brutally Atrocious Labor Trafficking Supply Chain Act" or, for short, the COBALT Supply Chain Act (H.R. 2310), was reintroduced in the House by Representative Chris Smith (Republican - NJ). The bill is focused on Chinese influence in the mining and processing of cobalt from the Democratic Republic of Congo. The bill is focused on cobalt because of its use in lithium-ion batteries for electric vehicles, smartphones and other electronic devices.

According to the bill, the DRC supplied approximately 70% of global cobalt mine production in 2021 and 15 of the DRC's 19 cobalt mines are owned or financed by Chinese companies and a significant percentage of artisanal cobalt production is exported to China or processed within the DRC by Chinese firms. The bill indicates that approximately 15% to 30% of DRC cobalt production comes from artisanal and small-scale mining and that the DRC mining industry is beset with child and forced labor, with an estimated 40,000 of the 255,000 miners being children.

The COBALT Supply Chain Act would introduce a rebuttable presumption for purposes of Section 307 of the US Tariff Act that goods, wares, articles or merchandise that contain cobalt refined in China are made using forced or child labor. Under Section 307 of the Tariff Act, goods produced using forced labor may not be imported into the United States. The bill is similar in approach to the Uyghur Forced Labor Prevention Act and the Countering America's Adversaries Through Sanctions Act

The COBALT Act would also require the Forced Labor Enforcement Task Force, as part of its Section 307 enforcement strategy, to create a list (like the UFLPA Entity List) of:

[3] https://blancco.com/resources/blog-7-global-esg-regulations-and-frameworks/

- Covered goods, which are defined as goods that contain cobalt refined in China;
- Entities that refine cobalt in China;
- Entities that mine cobalt in China and whether any of these entities operate in China's Xinjiang Uyghur Autonomous Region;
- Entities that import covered goods into the United States;
- Entities in the DRC owned or controlled by Chinese entities, or financed by Chinese state-owned banks or institutions, that mine or process cobalt; and
- Priority sectors for enforcement of imports made with covered Chinese goods, with a sector-specific enforcement plan for each priority sector.

H.R. 2310 is almost identical to H.R. 6909, which was introduced by Representative Smith during the last Congress. Last term's bill did not see much movement. This time could potentially be different due to the Trump Administration's focus on the resilience of mineral supply chains, its initiative to enter a critical minerals partnership with the DRC and dramatic shifts in US trade policy more generally.[4]

5.2 INTRODUCING THE TASK ACT

The Transaction and Sourcing Knowledge Act, or TASK Act (S. 1358), was reintroduced by Senator Rick Scott (Republican - FL) on April 8. S. 1358 is nearly identical to former iterations of the bill that were introduced during the last two Congresses.

The TASK Act is disclosure legislation, in contrast to the trade-based COBALT Supply Chain Act. The TASK Act would require the US Securities and Exchange Commission to mandate the reporting of the following by publicly traded companies:

- Their sourcing and due diligence activities involving supply chains of products imported into the United States that are directly linked to products utilizing forced labor from Xinjiang, China.
- Transactions with companies that have been (1) placed on the Entity List by the Department of Commerce or (2) designated by the Department of the Treasury as Chinese Military-Industrial Complex Companies.
- If the company has facilities in China, (1) whether there is a Chinese Communist Party committee in the operations of the company and (2) if so, a summary of the actions and corporate decisions in which the committee may have participated. This disclosure would be required annually.

The Entity List of the Department of Commerce's Bureau of Industry and Security contains the names of foreign persons – including businesses, research institutions, government and private organizations, individuals and other types of legal persons – that are subject to specific license requirements for the export, reexport and/or transfer (in-country) of specified items. BIS first published the Entity List in 1997 as part of its efforts to inform the public of entities who have engaged in activities that could result in an increased risk of the diversion of exported, reexported and transferred items to weapons of mass destruction programs. Since its initial publication, grounds for inclusion on the Entity List have

[4] https://www.ropesgray.com/en/insights/viewpoints/102kcl9/two-bills-targeting-forced-labor-in-chinese-supply-chains-reintroduced-in-us-cong

expanded to include activities sanctioned by the State Department and activities contrary to US national security and/or foreign policy interests.[5]

5.3 NEW AIAG FORCED LABOR DUE DILIGENCE TEMPLATE

The Automotive Industry Action Group (AIAG) recently published Version 2.0 of its new Due Diligence Reporting Template (DDRT). The DDRT supports AIAG's Forced Labor Due Diligence Program for the automotive industry.

According to the announcement put out by AIAG, several of the largest Original Equipment Manufacturers (OEMs) – Ford, General Motors, Honda, Nissan, Stellantis and Toyota – will request selected supplier submissions on the DDRT beginning this September. The DDRT is discussed in more detail in this post.

The Excel-based DDRT is a free standardized reporting tool that was developed by AIAG in collaboration with OEMs for at least annual completion by suppliers. It is intended to provide a streamlined, common approach to the exchange of supply chain forced labor risk information by suppliers to OEMs to facilitate risk mitigation, including by supporting compliance with industry standards and applicable global forced labor legislation. The DDRT is available for download here.

The Template allows for company-wide and customer-specific declarations. The Template inputs pertaining to supplier forced labor due diligence include the following:

- The forced labor risk screening resource used. The DDRT indicates that Kharon is the preferred resource.
- The online third-party software service used for supply chain analysis, including supply chain visualizations, identification and management of risks.
- A description of the risk-based approach to selecting screened suppliers. There are 12 pull-down menu options, ranging from all tier 1 suppliers to more tailored approaches, such as country of export or import, manufacturing location, business volume and various indicia of potential forced labor or diligence concerns.
- The total number of tier 1 suppliers and the number screened, and the number of screened tier 2 suppliers.
- The number of suppliers identified through the risk analysis that may have used forced labor. These suppliers are to be identified on a subsequent tab of the template.

The entered information generates a Supply Chain Due Diligence Declaration. [6]

[5] https://www.ropesgray.com/en/insights/viewpoints/102kcl9/two-bills-targeting-forced-labor-in-chinese-supply-chains-reintroduced-in-us-cong

[6] https://www.ropesgray.com/en/insights/viewpoints/102kd1q/a-look-at-a-new-template-for-collecting-forced-labor-due-diligence-information-fr

5.4 FORCED LABOR CANADA REPORTING NOW

The 2025 reporting deadline under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211) is fast approaching. By May 31, 2025, in-scope companies must publish how they identified, assessed, and acted on forced and child labor risks in their supply chains over the last financial year.

This is the second year of reporting, and this time around, the stakes are higher. Reports will face deeper scrutiny and reporting entities won't get a free pass for missing information.

Canadian regulators are signaling a shift from education to enforcement. Regulatory requirements are tighter, and that means risks are higher:

- Penalties of up to $250,000 CAD for non-compliance or false statements are now more likely to be applied
- Corporate officers, directors, and agents may also face personal liability
- Human rights organizations and journalists are watching closely; public reporting opens companies up to reputational risk in addition to financial and legal consequences

Manufacturers are especially under the microscope for risks of child labor in the supply chain. According to Public Safety Canada's first annual report, 38.3% of reporting entities were from the manufacturing sector — the largest share of any industry. [7]

If you are asked for reporting, let us know so that we can help you build a program.

6 MINERALS AND MINING

6.1 WHITE HOUSE ENCOURAGES CRITICAL MINERAL PRODUCTION

The administration has launched efforts to expand domestic production of critical minerals. Under "**Immediate Measures To Increase American Mineral Production**" (EO 14241), uranium, copper, potash, gold and any other element, compound or material determined to be critical to the U.S. economy and national defense by the newly created National Energy Dominance Council (NEDC) will be added to the approximately 50 other minerals already so designated.

A later order, "Reinvigorating America's Beautiful Clean Coal Industry" (EO 14261), included coal in the list of minerals to be supported by EO 14241.

[7] https://www.assent.com/blog/2025-forced-labor-reporting-canada-deadline-imminent/

EO 14241 also directs the Department of the Interior (DOI) to prioritize mineral production and mining-related purposes as the primary land uses on federal lands known to hold mineral deposits and reserves. It orders federal agencies to accelerate the issuance of permits for critical minerals projects.

The order sets out federal agency milestones for promoting domestic critical minerals to be achieved by early May 2025, including:

- Identification of mineral projects for which approvals and permits can be immediately issued.
- Publication by the DOI of a list of all federal lands known to hold mineral deposits.
- Identification by the Departments of Defense (DOD), Energy (DOE) and DOI of which of those lands may be suitable for development of private commercial mineral production.

In addition, the U.S. International Development Finance Corporation and DOD were directed to develop a plan to establish a mineral production fund. And the Export-Import Bank is to release program guidance for mineral production financing tools under the Supply Chain Resiliency and Make More in America initiatives.

Most recently, the administration issued "**Unleashing America's Offshore Critical Minerals and Resources**," an executive order requiring these same agencies to expedite licensing and permitting and take other actions to promote seabed mineral exploration and commercial recovery.[8]

6.2 NEW CMRT 6.5 TEMPLATE

The **Conflict Minerals Reporting Template (CMRT)** is the industry-standard template for companies required to file a Conflict Minerals Report. It was created by the Responsible Minerals Initiative (RMI) to help companies deliver accurate information to their customers about the mineral country of origin, and the smelters and refiners they use. Version 6.5 was released on April 25, 2025. It can be downloaded here:

https://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/

6.3 NEW EMRT 2.0 TEMPLATE

The **Extended Minerals Reporting Template (EMRT)** is a free, standardized reporting template developed by the Responsible Minerals Initiative to identify pinch points and collect due diligence information in the cobalt and mica supply chains. This is a template that was formally launched on October 20, 2021. The RMI recommends using EMRT v. 2.0 for the Reporting Year. Download it here: https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/

[8] https://www.skadden.com/insights/publications/2025/04/trump-administrations-first-100-days/white-house-moves-to-encourage-fossil-fuel-and-critical-mineral-production

6.4 NEW AMRT 1.2 TEMPLATE

The **Additional Minerals Reporting Template (AMRT)**, formerly known as the Pilot Reporting Template (PRT), is a free, standardized reporting template developed by the Responsible Minerals Initiative to identify pinch points and collect due diligence information for minerals not covered by the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT). This is a template that was formally launched on November 11, 2022. The RMI recommends using AMRT v. 1.2 or higher for the Reporting Year.

The PRT has been renamed as the AMRT, and the AMRT version 1.2 file was released on October 4, 2024. After nearly 2 years following its initial release, the PRT file has moved beyond a "pilot" phase, which justifies the new AMRT name. There were also reports of a low supplier uptake with the PRT as companies may not have considered the PRT to be an official reporting template offered by the RMI or viewed it as an optional form. Therefore, the RMI anticipates greater participation with the AMRT as companies roll out their mineral surveys for the 2024 reporting year.

Download it here: https://www.responsiblemineralsinitiative.org/reporting-templates/amrt/

7 EXTENDED PRODUCER RESPONSIBILITY

7.1 EPR LAWS IN THE US AND TIMELINES

Extended producer responsibility (EPR) laws are reshaping waste management in the U.S. by shifting the financial and operational burden of packaging waste disposal from local governments to producers — companies that manufacture, package, and sell consumer goods.

Extended producer responsibility laws shift this financial burden onto producers — the companies that manufacture, package, and sell consumer goods — requiring them to pay fees for the waste their products generate.

Seven states have already enacted EPR legislation, including California, Colorado, Maine, Maryland, Minnesota, Oregon and Washington. Connecticut, Hawaii, Illinois, Massachusetts, Nebraska, New Jersey, New York, North Carolina, Rhode Island and Tennessee have introduced EPR laws for packaging in 2025.

Figure A.

(see below)

Although regulations vary by state, most EPR legislation requires producers to:

1. Join a Producer Responsibility Organization (PRO): Producers are required to join a PRO that collects producer fees, manages recycling programs, and ensures compliance with EPR laws.
2. Report packaging data: Brands must track and submit data on materials used.
3. Pay eco-modulation fees: Producers must pay variable fees based on the sustainability of their product packaging. Recyclable, reusable, compostable, and sustainably sourced materials incur lower costs, while non-recyclable materials face higher charges.
4. Meet recycling targets: Producers must adopt sustainable product designs to support state-specific recycling targets for plastic packaging. Final goals for state-wide recycling rates include:
    - California: 65% by 2032
    - Colorado: 45% by 2035 (current estimation from Needs Assessment)
    - Oregon: 70% by 2050

Key EPR Deadlines in 2025

As EPR laws evolve, businesses must prepare for key changes and deadlines:

California (SB 54)

- April 2025: Deadline for producer registration with the Circular Action Alliance (CAA)
- August 2025: Packaging data reporting begins
- 2032: 100% of single-use packaging must be recyclable or compostable

Colorado (HB 22-1255)

- August 2025: Packaging data reporting begins
- October 2025: Fee schedules released

Maine (LD 1541)

- May 2026: Reporting begins
- 2027: Annual payments begin

Minnesota (HF 3911)

- July 2025: Deadline for producer registration with the Circular Action Alliance (CAA)

Oregon (SB 582)

- July 2025: The Recycling Modernization Act takes effect, emphasizing eco-modulation fees and sustainability incentives

The EPR space is chaotic. Companies need to implement individual compliance plans by state, federal, and country. Let us know if you need to develop EPR programs for the states in which you do business.

8 EU ROHS

8.1 PACK 28 EXEMPTION CONSULTATION REVIEW

A new RoHS stakeholder consultation is online!

The scope of the current consultation concerns requests for renewal of five exemptions and one request for revocation. The requests to be dealt with in this study are listed in Annex III and Annex IV of Directive 2011/65/EU.
The consultation is part of the RoHS project Pack 28 "Study to assess requests for renewal of six (-6-) exemptions under 2(b)(4)-I, 4(f)-I, 45 of Annex III and 42, 49 of Annex IV, and for a revocation of one (-1-) exemption under 14 of Annex IV to the Directive 2011/65/EU".

For more details, please see the consultation section.

We kindly invite you to participate actively in this exercise in order to allow us to carry out an evaluation on the basis of as much fact-based evidence as possible.

Please submit your contributions at the latest by 1 August 2025.

Stakeholders that have registered will be informed about the consultation. Stakeholders can register under Registration in order to regularly receive information on project progress and in order to be involved in the evaluation. Nonconfidential information submitted during the consultation will be posted on the EU CIRCABC website (Browse categories > European Commission > Environment > RoHS Evaluations, at top left, click on "Library").[9]

8.2 PACK 28 - SIX EXEMPTION REVIEWS (CONTINUED)

A new **RoHS project (Pack 28)** for the assessment of six exemption requests have started.

The study covers five exemptions for renewal and one for revocation:

Relevant Exemption		Type of request	Applicant(s)
Annex III n. 2(b)(4)-I	Lamps for other general lighting and special purposes (e.g. induction lamps): 15 mg [Hg]	Renewal	Lighting Europe, NARVA
Annex III n. 4(f)-I	Mercury in other discharge lamps for special purposes not specifically mentioned in this Annex	Renewal	Lighting Europe
Annex III n. 45	Lead diazide, lead styphnate, lead dipicramate, orange lead (lead tetroxide), lead dioxide in electric and electronic initiators of explosives for civil (professional) use and barium chromate in long time pyrotechnic delay charges of electric initiators of explosives for civil (professional) use	Renewal	Austin Powder, Dyno Nobel, Nitroerg, Etienne-Lacroix
Annex IV n. 14	Lead in single crystal piezoelectric materials for ultrasonic transducers	Revocation	Butterfly

[9] https://rohs.exemptions.oeko.info/news

Annex IV n. 42	Mercury in electric rotating connectors used in intravascular ultrasound imaging systems capable of high operating frequency (> 50 MHz) modes of operation	Renewal	ACIST Medical Systems
Annex IV n. 49	Mercury in melt pressure transducers for capillary rheometers at temperatures over 300 °C and pressures over 1000 bar	Renewal	Netzsch

A stakeholder consultation is scheduled to begin in **June 2025 and last 8 weeks.**

The applications are currently being checked for completeness and will be available on this website shortly.

Stakeholders that have registered will be informed about the consultation. Stakeholders can register under Registration in order to regularly receive information on project progress and in order to be involved in the evaluation.[10]

9 EU REACH

9.1 PROPOSED CANDIDATE LIST FROM 247 TO 250

On 28 February 2025, the European Chemicals Agency (ECHA) launched a public consultation for the 33rd update of the REACH Candidate List[1]. The public consultation will end on 14 April 2025.

Three (3) substances are proposed as substances of very high concern (SVHC). If the Member State Committee unanimously reaches agreements on these substances, the total number of SVHCs listed on the Candidate List will increase from 247 to 250 in June or July 2025.

Table A gives the substance names, identification numbers (CAS and EC), the reason(s) for proposing and their potential application(s).

[10] https://rohs.exemptions.oeko.info/news

New SVHCs Proposed:

Substance Name	CAS Number (EC Number)	Reason for proposing	Potential Application
1,1,1,3,5,5,5-heptamethyl-3-[(trimethylsilyl)oxy]trisiloxane (M3T)	17928-28-8 (241-867-7)	vPvB (Article 57e)	• Used in cosmetics and personal care products and perfumes and fragrances; • Used as binding agent in paints and coatings or adhesives.
Decamethyltetrasiloxane (L4)	141-62-8 (205-491-7)	vPvB (Article 57e)	• Used in cosmetics and personal care products and washing & cleaning products; • Used in automotive care products.
Tetra(sodium/potassium) 7-[(E)-{2-acetamido-4-[(E)-(4-{[4-chloro-6-({2-[(4-fluoro-6-{[4-(vinylsulfonyl)phenyl]amino}-1,3,5-triazine-2-yl)amino]propyl}amino)-1,3,5-triazine-2-yl]amino}-5-sulfonato-1-naphthyl)diazenyl]-5-methoxyphenyl}diazenyl]-1,3,6-naphthalenetrisulfonate (Reactive Brown 51)	- (466-490-7)	Toxic for reproduction (Article 57c)	• Used in textile dyes and impregnating products.

We expect new additions to the Candidate list in June 2025.[11]

9.2 EU REACH REVISION SCHEDULED IN 2025

Key Proposals Concerning Registration and Evaluation:

- Revoke registration numbers from non-compliant companies and limit registration validity to 10 years
- Require registration dossier updates for Substances of Very High Concern (SVHCs)
- Delete Annex III (criteria for substances registered in 1 – 10 tonnage band) and XIII (standard information requirements for substances at above 10 tons), and modify several others

[11] https://www.tuvsud.com/en/knowledge-hub/technical-updates/consumer-products-and-retail-essentials/eu-reach-public-consultation-for-the-33rd-update-of-candidate-list-starts

- Streamline dossier evaluations and strengthen the impact of compliance checks, and
- Introducing a registry for coordinating substance evaluation, including justifications for substance grouping

Plans for Authorisation and Restriction:

- Inclusion of a substance on the Candidate List would not only lead to the authorisation pathway, it could also be considered for restrictions
- Prioritize authorisation for high-volume substances with fewer users and uses
- Introduce upfront analysis and discussion of regulatory options for authorisation and restriction, and enable them in parallel for different uses, and
- Require data on use, exposure, and alternatives earlier in the processes
- The Commission also suggested expanding the Generic Risk Management (GRA) approach and shared plans for digitalization, supply chain communication simplification and enforcement.

Next Steps and Timelines

- April 2025: Consultations with competent authorities, other key stakeholders
- By July 2025: Commission impact assessment is expected
- By November 2025: Commission legislative procedure and adoption, followed by submission of comitology proposal
- November-December 2025: Final eight-week consultation [12]

9.3 TWO NEW REACH RESTRICTED SVHCS

On June 2, 2025 , the regulation (EU) 2025/1090 placed additional limitations on the use of 1-ethylpyrrolidin-2-one (NEP) and N,N-dimethylacetamide (DMAC). The Regulation of the European Parliament and the Council of December 18, 2006, concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH Regulation, (EC) No 1907/2006), is amended by this regulation in Annex XVII (Restriction List).

DMAC plays a crucial role in the formulation of agrochemicals, pharmaceuticals, and fine chemical mixtures. It is indispensable in the production of artificial fibers, films, and high-performance insulating paints. NEP is widely used in cleaning agents, oil field exploitation, and polymer processing, among other fields. Both DMAC and NEP are strong polar non-protonic solvents and are classified as Category 1B reproductive toxicants, posing a potential threat to the human reproductive system. DMAC is also listed as a Category 4 acute toxicant.

[12] https://h2compliance.com/eu-reach-revision-2025-draft-timeline/

Revisions

The following entries have been added to the restriction list of (EC) No 1907/2006:

Substance	CAS No & EC No	Restrictive Clause
80. *N,N*-dimethylacetamide (DMAC)	CAS No 127-19-5 EC No 204-826-4	1. Shall not be placed on the market as a substance on its own, as a constituent of other substances, or in mixtures in a concentration equal to or greater than 0,3 % after 23 December 2026 unless manufacturers, importers and downstream users have included in the relevant chemical safety reports and safety data sheets, derived no-effect levels (DNELs) relating to exposure of workers of 13 mg/m3 for long-term exposure by inhalation and 1,8 mg/kg bw/day for long-term dermal exposure. 2. Shall not be manufactured, or used, as a substance on its own, as a constituent of other substances, or in mixtures in a concentration equal to or greater than 0,3 % after 23 December 2026 unless manufacturers and downstream users take the appropriate risk management measures and provide the appropriate operational conditions to ensure that exposure of workers is below the DNELs specified in paragraph 1. 3. By way of derogation from paragraphs 1 and 2, the obligations laid down therein shall apply from 23 June 2029 in relation to placing on the market for use, or use, as a solvent in the production of man-made fibres.
81. 1-ethylpyrrolidin-2-one (NEP)	CAS No 2687-91-4 EC No 220-250-6	1. Shall not be placed on the market as a substance on its own, as a constituent of other substances, or in mixtures in a concentration equal to or greater than 0,3 % after 23 December 2026 unless manufacturers, importers and downstream users have included in the relevant chemical safety reports and safety data sheets, derived no-effect levels (DNELs) relating to exposure of workers of 4,0 mg/m3 for long-term exposure by inhalation and 2,4 mg/kg bw/day for long-term dermal exposure. 2. Shall not be manufactured, or used, as a substance on its own, as a constituent of other substances, or in mixtures in a concentration equal to or greater than 0,3 % after 23 December 2026 unless manufacturers and downstream users take the appropriate risk management measures and provide the appropriate operational conditions to ensure that exposure of workers is below the DNELs specified in paragraph 1.

This regulation shall enter into force on the twentieth day following its publication in the Official Journal of the European Union, shall have general binding force, and shall be directly applicable in all Member States.

9.4 EU REACH REPORTING FOR MICROPLASTICS – GUIDANCE DOCUMENT

This Guidance Document, published on 16 April 2025 by the European Chemicals Agency (ECHA), relates to the implementation of the reporting requirements of the restriction on microplastics, set out in Entry 78 of Annex XVII of the EU REACH Regulation. The reporting requirements concern estimated annual emissions of synthetic polymer microparticles ("SPM") to the environment and apply to manufacturers, industrial downstream users and suppliers placing SPM on the market for the first time.

In order to ensure optimal use of the reported information and to facilitate enforcement, the reporting information is made available to the Member States by ECHA.

The Guidance Document outlines the legal definitions, reporting timelines and data that shall be submitted (including use descriptions; polymer identities, emission estimations, and relevant derogations). The Guidance also details the reporting process using the reporting tool (IUCLID), submission of dossiers via REACH-IT, etc.[13]

[13] https://www.complianceandrisks.com/blog/whats-trending-in-compliance-may-2025/

9.5 EU REACH ADDITIONAL OUTLINE OF CHANGES

The Blooming Global Trade Data organization is watching how the new EU REACH 2.0 unfolds. The full proposed list of changes can be found here:

https://www.bloominglobal.com/media/detail/detailed-explanation-of-the-eu-reach-20-revision

10 GLOBAL MATERIAL AND CHEMICAL REGULATIONS

10.1 EU OMNIBUS " DIGITAL BY DEFAULT" PRODUCT COMPLIANCE

On 21 May 2025, the European Commission published its Omnibus IV simplification package, introducing a Regulation and a Directive to update numerous product-safety laws with a "digital by default" approach. Its core objectives are to streamline reporting and enhance legal certainty for businesses in the Single Market. The proposed changes not only move processes from paper to digital but also redefine how companies demonstrate compliance and meet product safety requirements. The proposals now enter the legislative process, requiring approval from both the European Parliament and the Council under ordinary legislative procedure. Although this procedure generally takes around 18 months, the co-legislators may choose to fast-track the file. At this stage, it remains unclear whether such acceleration will occur. Debates might focus on the common specifications as a different method for meeting compliance requirements.

I. Simplification and Digitalization

The proposals clarify reporting methods to reduce administrative burdens for all economic operators. Key measures involve eliminating paper-based declarations of conformity, adopting digital formats for instructions for use and introducing common specifications. Ultimately, this initiative aims to digitalize reporting obligations without compromising consumer protection and safety.

Proposed key changes include:

- Digitalization of the EU Declaration of Conformity (DoC): The DoC must be produced electronically and, when required to accompany a product, be accessible via an internet address or a machine-readable code (like QR codes).
- Digital Provision of Instructions for Use (IFUs): Manufacturers may offer IFUs digitally, while safety information must still be printed or marked on the product. Consumers will also have the right to request a free paper copy within a specified period.
- Mandatory Digital Contact Point: Manufacturers must indicate an up-to-date, accessible online communication channel (not requiring registration or application download) on products and in the DoC, in addition to providing the traditional postal contact address.
- Integration with the Digital Product Passport (DPP): For products subject to a mandated DPP, information from the DoC and IFUs must be stored in or accessible via the DPP.

- Electronic Exchanges with Authorities: Documentation requested by national authorities to verify compliance must be provided electronically.

The proposals will affect various industries subject to EU harmonized rules, including the machinery, batteries, and electric, electronic and radio equipment sectors. All economic operators across the value chain - including manufacturers, authorized representatives, importers and distributors - will need to comply with the updated rules.[14]

10.2 AUSTRALIA SETS PUBLIC CONSULT FOR 6 CHEMICALS

The Australian Department of Climate change, Energy, the Environment, and Water (DCCEEW) initiated a public consultation on April 4, 2025, regarding a proposal to add six chemical groups to the Industrial Chemical Environmental Management Standard (IChEMS). The deadline for public comments was May 9, 2025. The proposal and the public consultation process are conducted by the Minister under Sections 11 and 17 of the Industrial Chemicals Environmental Management (Register) Act of 2021. The Proposal includes adding decabromodiphenyl ethane (DBDPE) and mercury compounds to Schedule 6 of the 2022 legislation.

List of Proposed Chemical Groups and Schedules

Substance name	CAS RN	Schedule
Decabromodiphenyl ethane (DBDPE)	84852-53-9 (1092834-40-6; DBDPE-containing substances)	6—Relevant industrial chemicals that are likely to cause serious or irreversible harm to the environment with essential uses
Mercury and mercury compounds	7439-97-6 and others	6—Relevant industrial chemicals that are likely to cause serious or irreversible harm to the environment with essential uses
1,2-dibromoethane	106-93-4	5—Relevant industrial chemicals that are likely to cause harm to the environment
Methylcyclopentadienyl manganese tricarbonyl (MMT)	12108-13-3	4—Relevant industrial chemicals that may cause harm to the environment
1,2-dichloroethane	107-06-2	4—Relevant industrial chemicals that may cause harm to the environment
Aryl sulfonate hydrotropes	98-11-3 and 24 other substances	2—Relevant industrial chemicals that are unlikely to cause harm to the environment

[15]

We will continue to follow the results and report it in the next Quarterly Report.

[14] https://www.linklaters.com/insights/blogs/productliabilitylinks/2025/june/eu-omnibus-iv-towards-a-digital-by-default-era-for-product-compliance

[15] https://enviliance.com/regions/oceania/au/report_13548

10.3 CHINA RoHS UPDATE WITH FOCUS ON PLASTICIZERS

On April 14, 2025, China's Ministry of Industry and Information Technology (MIIT) officially released a draft of the new mandatory national standard Requirements for restricted use of hazardous substances in electrical and electronic products (GB 26572-XXXX) for public consultation. The feedback period is open until April 21.

This marks a significant shift in China's regulatory landscape: the existing recommended standard GB/T 26572-2011 will be upgraded to a compulsory national standard, strengthening hazardous substance management throughout the entire life cycle of electrical and electronic products.

The global electronics industry is undergoing rapid innovation, with smart devices and high-end consumer electronics evolving at breakneck speed. Simultaneously, consumer demand for eco-friendly, health-conscious products is at an all-time high.

Plasticizers—chemical agents that enhance flexibility and workability of materials—play a critical role in this ecosystem. Traditionally essential in plastics, adhesives, cement, and other materials, plasticizers are particularly vital in electronics, improving the performance of casings, internal components, and wiring by boosting impact resistance, heat resistance, and chemical durability.

However, certain types of traditional plasticizers, especially phthalates, have raised growing health and environmental concerns. Studies link them to endocrine disruption and reproductive toxicity risks, leading to intensified global regulatory scrutiny.[16]

10.4 KOREA RoHS PARTIAL UPDATE

On April 22, the partial amendment to the Enforcement Decree of the Act on K-RoHS came into effect. This amendment applies specifically to Electrical and Electronic Equipment. As recycling has become more feasible for most of these products, the scope has been extended.

Key changes to the scope

Before: Electrical and electronic equipment designated in the Annex II of the Enforcement Decree

After: Electrical and electronic equipment designed for use at voltages of up to 1,500 volts DC or 1,000 volts AC.

Key obligations under the Act

Restriction on the Use of Hazardous Substances

- Heavy metals: Lead, mercury, hexavalent chromium, cadmium, and their compounds
- Flame retardants: PBB & PBDE

[16] https://www.reach24h.com/en/news/china-rohs-and-tco-drive-green-plasticizer-alternatives.html

- Plasticizers: DEHP, DBP, DIBP & BBP

Promotion of Recycling through Material and Structural Improvements

- Simplification of material types
- Expansion of the use of recyclable plastics
- Indication of plastic material information
- Achievement of annual recycling rate targets through material and structural improvement activities

Obligations for Collection and Recycling, Provision of Recycling Information, etc.[17]

11 GLOBAL 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.[18]

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.[19]

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[17] https://www.mdksolution.com/NewsRoom/?bmode=view&idx=163934906

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

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

11.1 EU UNIVERSAL PFAS RESTRICTION

Universal PFAS Restriction – In their first meetings of 2025, the Risk Assessment Committee (RAC) and the Socio-Economic Analysis Committee (SEAC) of ECHA continued evaluating the EU-wide proposal to restrict per- and polyfluoroalkyl substances (PFAS). Both committees reached provisional conclusions regarding fluorinated gas applications.

Additionally, RAC issued provisional conclusions on PFAS use in transport and energy applications, while SEAC will continue deliberations on these sectors in June. The next phase will address PFAS applications in medical devices, lubricants, electronics, and semiconductors.

Commissioner Roswall on PFAS Clarification – During a strategic dialogue with the chemical industry on March 25, Environment Commissioner Jessika Roswall clarified the **distinction between the ongoing revision of the REACH regulation and a separate "clarification" on PFAS**, as previously promised by European Commission President Ursula von der Leyen. Roswall stated that while the timing of the universal PFAS restriction remains under consideration, the **REACH revision is confirmed for December 2025.**

Meanwhile, PFAS modernization and clarification efforts are expected next year, though their scope and relationship to the broader restriction remain uncertain. The Commission has prioritized banning PFAS in consumer products rather than industrial applications.[20]

PFAS polymers make up an estimated 24–40% of total PFAS use in the EU, appearing in a vast range of applications. These include industrial coatings, lithium-ion batteries, and semiconductor production, all vital to Europe's green and digital transitions.

Despite their performance advantages, PFAS polymers present complex environmental risks. The EEA highlights emissions across the entire life cycle—from production and product use to end-of-life treatment. Worryingly, some polymers degrade into more harmful non-polymeric PFAS, such as trifluoroacetic acid (TFA), contaminating water, soil, and air.[21]

We will continue to follow the regulations progress.

11.2 TAIWAN STRENGTHENS PFAS MANAGEMENT

On May 8, 2025, Taiwan's Department of Chemical Substance Management of Ministry of Environment announced amendments to the Categories and Management of Handling for Toxic Chemical Substances and the Categories and Management of Handling for Concerned Chemical Substances.

New additions include perfluorooctane sulfonate (PFOS), perfluorooctanoic acid (PFOA), nonylphenol (NP), nonylphenol polyethoxylate (NPEO), and cybutryne as toxic or concerned chemical substances, with strict control measures being

[20] https://www.sustainabilityinbusiness.blog/2025/04/latest-updates-on-per-and-polyfluorinated-substances-pfas-in-europe-5/

[21] https://www.useforesight.io/news/eu-briefing-signals-regulatory-shift-on-pfas-polymers-across-manufacturing-sectors

implemented. The new regulations will take effect on June 1, 2025, aiming to reduce the environmental and health risks posed by chemical substances.[22]

Expanded PFAS Regulation: 357 Substances Covered

PFOS and PFOA—part of the persistent and bioaccumulative PFAS group—are now more strictly regulated. The update includes 5 PFOS-related and 352 PFOA-related compounds, limiting their use to specific industrial and research activities. This aligns with the Stockholm Convention, where PFOA is listed under Annex A (elimination) and PFOS under Annex B (restriction). Toxicity classifications for PFOS/PFOA and their salts and compounds have been adjusted to categories 1, 2, and 4.

Cybutryne Now Fully Regulated

Cybutryne (N'-tert-butyl-N-cyclopropyl-6-(methylthio)-1,3,5-triazine-2,4-diamine) has been designated as a concerned chemical due to its bioconcentration and toxicity. In line with the International Convention on the Control of Harmful Anti-fouling Systems on Ships, its use in antifouling paints, systems, and biocides is now prohibited. Enterprises currently using the substance may be granted a grace period of 18–24 months to transition to alternative solutions.

Enterprises currently operating with chemical substances concerned must complete the following items within the specified deadlines:

Item	Deadline
Operational records	Records must be initiated and consistently maintained from June 1, 2025, onward.
Label containers, packaging, operational sites, and facilities, and prepare safety data sheets	Improved by December 1, 2026.
Secure authorization documents for specified activities such as manufacturing, importing, selling, using, and storing.	Obtained by December 1, 2026.

Tighter Restrictions and Full Ban on Cleaner Production Using NP and NPEO

Nonylphenol (NP) and Nonylphenol Ethoxylates (NPEO), recognized for their endocrine-disrupting effects, can interfere with hormone function and human development. Since 2007, the latest regulatory update imposes stricter control measures. The toxicity classification for NP is revised to categories 1, 3, and 4, and for NPEO to categories 1 and 4. Additionally, the control concentration threshold is reduced from 5% to 0.1%. The production and use of NP and NPEO in household and industrial cleaners, textile processing, metalworking, and paper manufacturing are now prohibited. Exceptions apply only if the substances are fully recovered, incinerated, or effectively removed from wastewater through controlled systems or treatment equipment—and are not circulated in the domestic market.[23]

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[22] https://www.chemradar.com/news/detail/enwvheddspa8

[23] https://globalpccs.com/2025/06/10/taiwan-and-china-tighten-regulations-on-pfas-cybutryne-and-other-hazardous-chemicals/

12 CALIFORNIA PROPOSITION 65

12.1 LATEST 60 DAY NOTICE OF VIOLATION – MAY SUMMARY

California Proposition 65 Enforcement for May 2025:

- NOV count was comparable to April (364 vs. 344),
- PFOA/PFOS continues to be found in clothes (jackets), but also a few food items.
- Heavy metals are targeted in a range of products (although only 150 new NOV), while phthalate NOVs remain comparatively low.
- Another slew of retailers were targeted for the alleged presence of BPS in thermal receipt paper – with no SHL published, this makes it very hard for retailers to defend against.

May 1–31, 2025 Proposition 65 Notice of Violation Summary

Number of Violations	Listed Chemicals	Types of Products Targeted
228	Heavy metals (lead, cadmium, arsenic)	Sardines, salted shrimp fry, protein powders, scissors, plant weights, metal utensils, grooming tools
72	Phthalates (DEHP, DINP, DBP)	Vinyl bags, hoses, plastic storage, cases, massage beds, pouches, covers
21	PFAS (PFOA, PFNA, PFOS)	Lotions, bath bombs, CBD vapes, waterproof cases, THC oils
24	BPA, BPS	Canned beverages, food storage containers, supplements, thermal receipt paper
10	Diethanolamine, cocamide DEA	Creams, lotions, shaving gels, hair care items

Almost all California Prop65 violation notices are directed toward consumer goods. Companies that do not sell consumer products or do not produce products or maintain offices in California are at lower risk for receiving a violation. Having proper labeling and due diligence documentation will mitigate compliance violation notices and deter court fees. Unless your products contain the chemicals listed in the chart, there is minimal risk at this time.

12.2 CALIFORNIA PROPOSITION 65 - SUBSTANCE REVIEWS

Below are the latest notices for California Prop65, as of June 2025.[24] Vinyl Acetate was added January 3, 2025 and became effective as of March 7, 2025. Bisphenol S (BPS) was also added January 3, 2025 and became effective March 17, 2025.

- Vinyl Acetate Added to the Proposition 65 List for Cancer
  Effective January 3, 2025, the Office of Environmental Health Hazard Assessment (OEHHA) has added vinyl acetate to the Proposition 65 list as a carcinogen. This listing was done via the "State's Qualified Experts" mechanism, based on the Carcinogen Identification Committee's (CIC) determination that this chemical was clearly shown to cause cancer.
  Thu, 12/19/2024 - 10:00am

- Bisphenol S (BPS) Added to the Proposition 65 List for Male Reproductive Toxicity
  The Office of Environmental Health Hazard Assessment (OEHHA) added the male reproductive toxicity endpoint to the existing Proposition 65 listing of bisphenol S (BPS) for reproductive toxicity via the State's Qualified Experts mechanism, effective January 3, 2025. Meeting transcript and materials are available.
  Thu, 12/12/2024 - 10:00am

The Proposition 65 list was last updated on January 3, 2025.

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

12.3 PROP65 LOSES TO FIRST AMENDMENT IN MAY 2025

On May 2, 2025, a federal district court in California found that Prop 65 warnings for dietary acrylamide are unconstitutional under the First Amendment of the U.S. Constitution. (Cal. Chamber of Comm. v. Bonta, 19-cv-02019, Order Granting Summary Judgment (E.D. Cal., May 5, 2025).) The court's finding is the latest in a series of legal decisions addressing the subject and is most certainly going to result in yet another appeal to the Ninth Circuit Court of Appeals. Meanwhile, a statewide injunction, issued by the district court as part of its decision, prohibits the enforcement of Prop 65 against businesses with food products containing dietary acrylamide.

How impactful the district court's decision ends up being on other Prop 65-regulated chemicals remains to be seen. While some in the citizen enforcer community claim the decision will bring Prop 65 enforcement to a standstill, that outcome seems unlikely. However, it does seem likely that other similarly regulated Prop 65 chemicals may be vulnerable to First Amendment challenges. Time will tell whether other businesses impacted by Prop 65 warning obligations are willing to mount similar First Amendment legal challenges.

[24] https://oehha.ca.gov/proposition-65 Latest Prop65 list

Years of litigation preceded the district court's latest decision. The California Chamber of Commerce's (Chamber) legal challenge was filed in 2019 against the State of California over whether Prop 65 warnings can properly be enforced against dietary acrylamide. The Chamber's legal challenge has been consistent and successful, i.e., Prop 65 warnings on products containing dietary acrylamide are unnecessary and violate the Chamber's members' First Amendment rights. Underlying the Chamber's legal challenge is a significant fact: while California has designated dietary acrylamide as a carcinogen, the science behind that determination does not support that designation based on the statutory language of Prop 65.

Without getting lost in the details, the district court explains that Prop 65 only requires warnings on products that contain regulated chemicals that are known to cause cancer in humans, and not animals. And for dietary acrylamide, science has only determined the chemical to cause cancer in animals and not in humans. As a result, the district court found that placing a Prop 65 warning was unnecessary and resulted in compelled speech and a violation of the First Amendment.

Actively evaluating their options for mounting their own First Amendment legal challenges to Prop 65, businesses and business groups are buoyed by the decision and the precedent it establishes. Conversely, it remains to be seen whether the dietary acrylamide decision will lead to the parade of successive First Amendment challenges feared by the Prop 65 citizen enforcer community.[25]

13 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.

[25] https://www.gmlaw.com/news/californias-prop-65-loses-to-first-amendment/

13.1 EPA DELAYS TSCA REPORTING RULE TO 2026

On May 12, 2025, the EPA announced an Interim Final Rule delaying the reporting deadlines for the TSCA Section 8(a)(7) PFAS reporting rule and extending the start of the reporting period by nine months. The new submission period will now start on April 13, 2026, and end on Oct. 13, 2026, with an alternate end date of April 13, 2027, for small manufacturers reporting exclusively as article importers. This extension will allow the EPA more time from the previous reporting date of July 11, 2025; to develop and test the reporting application it needs to collect the required data. The October 2024 edition of Contaminants Compass discussed earlier delays of this reporting rule, and the January 2024 edition of Contaminants Compass discussed the requirements for manufacturers and importers of PFAS from 2011-2022 to report data related to exposure and environmental and health effects.

The EPA identified constraints in the timely development and testing of the Central Data Exchange software as the primary reason for the delay. The agency stated that it has not been able to conduct industry beta testing, and maintaining the original timeline would require data submission before verifying the technological capacity to accept it, which could negatively impact its ability to collect and make that data available to the public. Congress recently allocated additional funding to the EPA in the FY2025 Continuing Resolution to enhance the TSCA program's IT infrastructure. The EPA anticipates that with the nine-month extension and these additional funds, it "may be able to improve functionality of the reporting application and databases."

The EPA also mentioned the possibility of reopening aspects of the rule for public comment considering the Trump administration's Executive Order 14219, "**Unleashing Prosperity through Deregulation**." However, this rule does not change any part of the TSCA Section 8(a)(7) PFAS Rule in 40 CFR part 705, except for the data submission period dates. This interim final rule will be open for comment for 30 days after its publication in the Federal Register.[26]

13.2 EPA ANNOUNCES MCLs FOR PFAS

On May 14, the EPA announced it will maintain the current MCLs (*Maximum Containment Levels*) for PFOA and PFOS in drinking water and plans to extend compliance deadlines from 2029 to 2031 by proposing another rule this fall, which is to be finalized in spring 2026.

The original issue discussed the Biden administration's final National Primary Drinking Water Regulation (NPDWR) for six PFAS.

The NPDWR set enforceable MCLs for six PFAS in drinking water, including 4 parts per trillion (ppt) for PFOA and PFOS and 10 ppt for PFHxS, PFNA, HFPO-DA (commonly known as GenX), and adopted a hazard index mixture MCL for mixtures containing two or more of HFPO-DA, PFNA, PFHxS and PFBS.

With this most recent announcement, the EPA intends to rescind regulations for the four other PFAS compounds other than PFOA and PFOS and the hazard index mixture MCL "to ensure that the determinations and any resulting drinking water regulation follow the legal process laid out in the Safe Drinking Water Act."

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[26] https://www.mcguirewoods.com/client-resources/alerts/2025/5/contaminants-compass-may-2025-edition/

The agency also plans to support public water systems by launching the PFAS OUT initiative, providing resources and technical assistance to address PFOA and PFOS levels above the EPA's MCL.

13.3 STAKEHOLDERS PETITION FOR SECTION 8(A)(7) REMOVED

On May 2, 2025, a group of chemical companies submitted a petition to the EPA requesting amendments to the PFAS reporting rules under Section (a)(7) of the TSCA. The petition was filed pursuant to TSCA Section 21, and references the Feb. 19, 2025, executive order, "**Ensuring Lawful Governance and Implementing the President's 'Department Of Government Efficiency' Deregulatory Initiative**."

The petition focuses on the October 2023 final rule requiring companies to report data on PFAS substances. Petitioners argue that, unlike other TSCA Section 8(a) rules, the October 2023 PFAS reporting rule does not include standard exemptions for by-products, impurities, articles, research and development materials, non-isolated intermediates, and low volume (below 2,500 pounds annually) manufacturing. Petitioners also note that the rule does not exempt small manufacturers, even though related TSCA provisions typically do.

Additionally, the petition requests that the EPA revise the data submission requirements. Petitioners seek to replace the obligation to submit all existing environmental and health information with an option to provide "robust summaries," such as those used by the European Chemicals Agency.

On **May 16, 2025**, the group emailed the EPA to withdraw its petition, according to the EPA's letter closing out the petition. The companies withdrew their petition following the EPA's May 12 announcement of an **Interim Final Rule delaying the deadlines for the TSCA Section 8(a)(7) PFAS** reporting rule and extending the start of the reporting period by nine months.

13.4 MAHA REPORT LIMITS PFAS

On May 22, 2025, the Presidential Commission to Make America Healthy Again (MAHA) released its MAHA Report assessing the potential environmental, behavioral and medical drivers for childhood chronic diseases. Among the environmental drivers discussed in the report, the commission noted that exposure to synthetic chemicals in air, drinking water, food and consumer products pose risks to children's "long-term health, including neurodevelopmental and endocrine effects."

The MAHA Report identifies PFAS as chemicals of concern for childhood exposure, citing research indicating that exposure to high levels of PFAS "has been associated with a variety of health effects, including immune suppression and, changes in cholesterol in children." It goes on to highlight the EPA's regulatory efforts to confront PFAS exposure by implementing national enforceable drinking water standards for perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS), and to reconsider regulatory determinations for four other PFAS. The MAHA Report also references the EPA's "new agency-wide strategy" to combat PFAS contamination, announced April 28.[27]

[27] https://www.mcguirewoods.com/client-resources/alerts/2025/6/contaminants-compass-june-2025-edition/

14 EU BATTERY DIRECTIVE UPDATES AND ENFORCEMENT 2025

Regulation (EU) 2023/1542 is the legislative framework for all batteries placed on the EU market, whether incorporated to a product or not. The Regulation gradually phases out the 2006 Directive, with the first provisions applying from 18 February 2024. During 2025, new obligations become mandatory.

The new Regulation repeals Directive 2006/66/EC as of 18 August 2025. However, certain obligations under the Directive will remain in force beyond this date to ensure continuity. Looking at this year, the transmission of data on collection rate of portable batteries to the Commission should remain in force until 30 June 2025, whereas the obligations related to monitoring and reporting the recycling efficiencies of recycling processes will remain valid until 31 December 2025.

Carbon footprint requirements

According to Article 7, batteries must comply with requirements related to carbon footprints. The Regulation defines carbon footprint as "the sum of greenhouse gas emissions and greenhouse gas removals in a product system, expressed as carbon dioxide equivalents and based on a Product Environmental Footprint (PEF) study using the single impact category of climate change".

A carbon footprint declaration is required for each battery model for every manufacturing plant of the following batteries:

- Electric vehicle batteries: 18 February 2025 (or 12 months after the date of entry into force either of the delegated act or of the implementing act)
- Rechargeable industrial batteries with a capacity exceeding 2 kWh: 18 February 2026 (or 18 months after the date of entry into force either of the delegated act or of the implementing act)
- LMT batteries: 18 August 2028 (or 18 months after the date of entry into force either of the delegated act or of the implementing act)
- Rechargeable industrial batteries with external storage: 18 August 2030 (or 18 months after the date of entry into force either of the delegated act or of the implementing act)

These batteries must bear labels indicating the battery's carbon footprint and declaring the carbon footprint performance class. However, the carbon footprint performance class requirement will start applying from 2026, depending on the battery's category.

We can expect the European Commission to adapt delegated and implementing acts to set out the format and calculation method for rechargeable industrial batteries by 18 February 2025.

Supply chain due diligence

The EU Battery Regulation imposes battery due diligence obligations on economic operators. These obligations apply from 18 August 2025 and do not apply to "economic operators that had a net turnover of less than EUR 40 million in the financial year preceding the last financial year, and that are not part of a group, consisting of parent and subsidiary undertakings, which, on a consolidated basis, exceeds the limit of EUR 40 million" (Article 47).

Battery due diligence refers to the responsibilities to manage risks, third-party assessments, and share information to identify, prevent, and address social and environmental risks tied to obtaining and handling raw materials for battery production. It also requires setting up battery due diligence policies and some economic operators should have them verified by a notified body.

We expect the European Commission to publish guidelines by 18 February 2025 to further explain some of the above obligations.

Specifically, due diligence is required for:

1. Suppliers of cobalt, natural graphite, lithium, nickel
2. Respect for human rights, environmental considerations, health and safety.

Enforcement of waste battery management

Battery waste management obligations are applicable from 18 August 2025. Among others, from this date:

- Producers need to register in each Member State in which they place batteries on the market for the first time. The registration is granted upon submission of an application in a "Register of producers", established by the Member States.
- Producers are subject to the extended producer responsibility (EPR) and related obligations set out in Article 57. Producers can appoint a producer responsibility organisation to fulfill these obligations.
- Producers must provide end-users and distributors with information on the prevention and management of battery waste.
- Distributors are subject to the "take-back" obligation.

When preparing for re-using or re-purposing, operators must verify the state of health of the batteries. This provision applies to waste LMT batteries, waste industrial batteries, and waste electric vehicle batteries.

All batteries shall be marked with the symbol for separate collection:

By August 2025, the European Commission should adopt implementing acts concerning the format for the data and information to be reported to the Commission as well as assessment methods and operational conditions related to collection and treatment of waste batteries.

14.1 EU BATTERY DIRECTIVE DEADLINES DELAYED

The European Union announced proposal to extend the battery due diligence deadline within the new EU Battery Regulation for two years.

The implementation timeline for the EU Battery Regulation (EUBR) is ambitious, with new obligations and requirements almost yearly. On **21 May 2025**, the EU announced a proposed change to the implementation date of one of the key obligations in the Regulation, the battery due diligence obligation. The implementation dates for the rest of the EU Battery Regulation's requirements and obligations, such as the CE conformity assessment, battery waste management and the battery passport, all remain unchanged.

This latest announcement proposes that the battery due diligence obligations in the EU Battery Regulation will be postponed for two years, until **18 August 2027**.

The Commission's guidelines on the application of the due battery diligence requirements are now expected to be published before 26 July 2026. It is anticipated that this guidance will be harmonized with how to conduct due diligence according to the EU's Corporate Sustainability Due Diligence Directive (CSDDD).

Three reasons have been provided for the proposed postponement:

1. Battery manufacturers need more time to analyze and, where necessary, adjust their supply chains in relation to the sourcing of raw materials.
2. The designation of notified bodies for battery due diligence policies is taking longer than expected.
3. More time is needed to further develop and implement due diligence schemes that address batteries' raw materials. The due diligence schemes need to also be recognized under the regulations, with more time required for any schemes to go through the necessary recognition process before the obligations can start to apply.

In the EU Battery Regulation, small and medium-sized enterprises (SMEs) are exempt from the battery due diligence obligations. The EU has now announced a change in the proposed threshold which will mean more companies than previously expected will be excluded from the battery due diligence obligations.

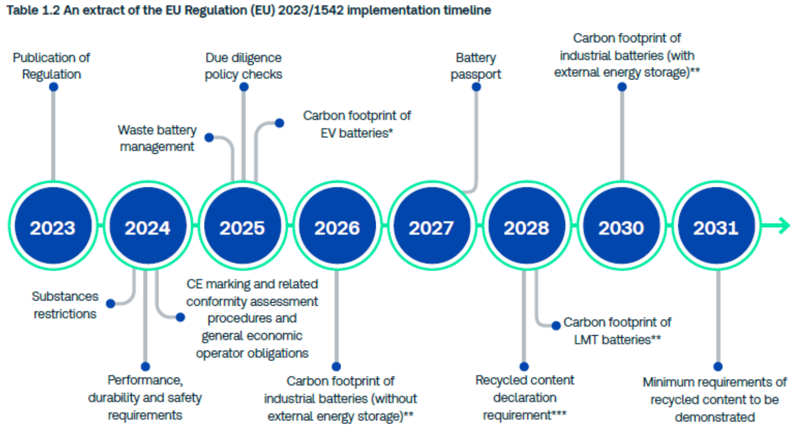
The proposal is that small mid-cap enterprises (SMC) should also be exempt from the obligation. This means that companies with a net turnover of less than **EUR 150 million will be exempt**, instead of the previous threshold of EUR 40 million.

To reduce the administrative burden, the EU has also announced a proposal that the publicly available report on the company's battery diligence policy should be reviewed at least **every three years**, instead of yearly.

While the EU's proposed postponement of the battery due diligence requirements to 18 August 2027 gives businesses more time to get ready, there is still a significant amount of preparation and implementation required prior to the deadline. The companies that plan and keep preparing now will be in the strongest compliance position.

The timeline is as follows:

Table 1.2 An extract of the EU Regulation (EU) 2023/1542 implementation timeline



Remarks: * indicates 12 months after the delegated act enters into force; ** indicates 18 months after delegated act enters into force; *** indicates 24 months after delegated act enters into force

Taking the time to fully map and validate your supply chain, implementing any changes and embedding new processes into your organization takes time. Doing this while minimizing disruption to your operations is critical to ensure commercial performance and competitive advantage.[28]

15 SUMMARY

With the new Trump administration, we are seeing budget cuts to regulatory agencies and congress being directed to minimize the number of regulations they pass, as well as rollback certain regulations like PFAS in drinking water. The EPA will need funding to maintain TSCA, and the states will need funding for their PFAS, EPR, and chemical databases.

Regarding the U.S. economy, we see a wide variety of economic data. Some reports state the economy is doing terrific and that tariffs are bringing in $2 trillion. Other reports highlight the U.S. debt problems. The average American is seeing mass layoffs and unemployment rising. Time will tell what happens next.

Europe is not better off as their economies have been hit hard with once manufacturing powerhouses like Germany being crippled by the cost of energy. The EU will continue to press forward with ESG initiatives, carbon credits, and the push to electrify the world as they see that as an opportunity to keep an industry growing where others have failed.

The regulations we have been familiar with for decades will likely remain intact and continue to press forward. Regulations like RoHS, REACH, TSCA, POP, CLP, and California Prop65. A spotlight will continue to shine brightly on PFAS concerns, ESG efforts, anti-trafficking, mineral mining, and labor. Border security and management in addition to stricter sourcing requirements will continue to be in full force. 2025 looks like it will have a rough landing in December.

Let's keep moving forward to meet the compliance challenges of today and tomorrow. Thank you for letting us be part of your team.

[28] https://www.intertek.com/blog/2025/05-22-eu-battery-regulation/