Nevsletter

Global Environmental and Chemical Regulations, Policies, and Standards



April 2023 Vol.3, Issue 4

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



WHO IS IAEG?

The International Aerospace Environmental Group (<u>IAEG</u>) is a non-profit organization of global aerospace companies created to collaborate on and share innovative environmental solutions for the industry. The group works to promote the development of voluntary consensus standards and provide accessible solutions for key environmental issues.

Members of IAEG recognize that there are currently a wide variety of different laws and regulations impacting health and the environment in place worldwide. The complexity and variability of requirements and guidance has led to an increased burden for the industry and its supply chain.

IAEG work groups address such issues as chemical material declarations and reporting requirements, the development of alternative technologies and greenhouse gas reporting and management. They create a forum for diverse and often competitive businesses to come together and share information on industry-wide opportunities for the promotion and adoption of global environmental requirements. In addition, IAEG provides opportunities for wider education on environmental issues and the supply chain via its meetings agendas and bespoke seminars.

IAEG WORK GROUP 9 NEWSLETTER

The Aerospace and Defense (AD) industry is committed to developing an approach to help the AD industry evaluate emerging global environmental and chemical regulations and their impact on compliance and potential operational risk for companies and their supply chain. The objectives are to:

- » Maintain a list of global regulations, policies and standards considered and to be considered, including executive summaries of those regulations.
- » Develop a method to evaluate designated emerging regulations potential impact on compliance and/or operational risk, business continuity and/or impact on supply chain.
- » Develop summaries of the associated timeline for regulations (e.g., deadlines) and highlight the specific impacts.
- » Develop communication materials and conduct informational webinars, as appropriate, for member companies and/or AD supply chain companies, as appropriate.

This Newsletter summarizes environmental and chemical regulations relevant to the AD industry. Contact Lisa Brown at myrna.l.brown@lmco.com or Lindsey Bean at lindsey.bean@ngc.com for any questions on this Newsletter. For general assistance on IAEG matters, contact Christer Hellstrand at chellstrand@iaeg.com or Amanda Myers at Amanda.Myers@sae.org.

SUBSCRIPTION SERVICE

IAEG also offers a subscription service to receive these newsletters once they become available for release. To subscribe click <u>here</u>.

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



TABLE OF CONTENTS
ASIA.5
China 5
Solicitation of stakeholder opinion on the amendment on the listing of three types of persistent organic pollutants to include certain POPs (draft amendment)5
The National Public Service Platform for Standards Information of China is seeking comments on two national mandatory standards regarding classification, code, and list of dangerous goods (consultation)6
Japan 6
Amendment to the Enforcement Order of Industrial Safety and Health Act and related ordinances regarding substances subject to labelling and notice (published)
Soliciting foreign stakeholder opinions concerning 1,460 chemical substances classified as dangerous or harmful and proposed to be subject to mandatory issuance of safety data sheets and labeling (consultation)7
Malaysia7
Guidelines for the preparation of a chemical register (published)7



۰,	
	EUROPE

European Union	8
----------------	---

Amendment to the annex to Regulation (EC) No 440/2008 laying down test methods pursuant to EU- REACH (in force)	8
Annual update to the Community Rolling Action Plan for 2023-2025 (published)	9
Harmonized classification and labelling for 4-phenylbenzophenone, HEMA, and HPMA (consultation)	9
Updates to Registry of Classification and Labelling Intentions Until Outcome (proposal)	10
Amendment to Annex I of EU Regulation 649/2012 concerning the export and import of hazardous chemicals (consultation)	11

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



	The European Chemicals Agency seeks input on proposed per- and polyfluoroalkyl substances restriction (consultation)	12
	Two substances of very high concern intentions received (intention)	12
	New directive to regulate environmental claims in consumer products (consultation)	12
	Amendments to Directive 2010/75/EU on industrial emissions and Council Directive 1999/31/EC on the landfill of waste (proposed)	13
	Amendment to Regulation (EC) No 1272/2008 on the classification, labeling, and packaging of certain substances and mixtures (proposal)	14
Hungary.	1	.5
	Amendments to restriction of the use of certain hazardous substances in electrical and electronic equipment (published)	15
Spain	1	.5
	Implementation of two European Union restriction of hazardous substances in electrical and electronic equipment amendments into its national legislation (in force)	15
Switzerlaı	nd1	.6
	Including 24 substances into the Chemical Risk Reduction Ordinance (draft amendment)	16
United Ki	ngdom1	.6
	Update on guidance for users, producers, and traders of fluorinated gas (published)	16
	Amendment to restriction of the use of certain hazardous substances in electrical and electronic equipment regulations (consultation)	17



NORTH AMERICA17

Canada17				
	Ministerial Condition No. 19916a concerning amines, C36-alkylenedi- (in force)	17		
	Proposed risk management approach document for cyanides (consultation)	18		
United S	tates			
	Significant new use rules on certain chemical substances (Batch 21-3.5e) (published)	19		

Global Environmental and Chemical Regulations, Policies, and Standards April 2023





Normative Instruction No. 10 of 17 March 2023 (in force)......21

IAEG INTERNATIONAL AEROSIMACE ENVIRONMENTAL GROUP

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



<u>China</u>

Solicitation of stakeholder opinion on the amendment on the listing of three types of persistent organic pollutants to include certain POPs (draft amendment)

Between 15 and 27 March 2023, the Chinese Ministry of Ecology and Environment (MEE) solicited stakeholder opinion on the "Amendment to the Stockholm Convention on Persistent Organic Pollutants" to include the following persistent organic pollutants (POPs):

- » hexachlorobutadiene (CAS No. 87-68-3)
- » pentachlorophenol and its salts and esters (CAS Nos. 87-86-5, 131-52-2, 27735-64-4, 3772-94-9, 1825-21-4)
- » polychlorinated naphthalenes, including dichloronaphthalene, trichloronaphthalene, tetrachloronaphthalene, pentachloronaphthalene naphthalene, hexachloronaphthalene, heptachloronaphthalene, and octachloronaphthalene (CAS No. not available)
- » decabromodiphenyl ether (CAS No. 1163-19-5)
- » short chain chlorinated paraffins (for example CAS Nos. 85535-84-8, 68920-70-7, 71011-12-6, 85536-22-7, 85681-73-8, and 108171-26-2)

The proposed specific management measures for the above POPs are as follows:

- » production, use, import, and export of hexachlorobutadiene, polychlorinated naphthalene, pentachlorophenol, and their salts and esters are prohibited
- » production, use, import, and export of decabromodiphenyl ether are prohibited except for the following uses (the exemption ends on 31 December 2023):
 - textile products (excluding clothing and toys) that require flame-retardant properties
 - additives for plastic casings and components used in domestic heating appliances, irons, fans, immersion heaters, containing or directly contacting electrical parts, or needing to comply with flame retardant standards, with a density of less than 10% by weight of the part
 - polyurethane foam used for building insulation
- » production, use, import, and export of short-chain chlorinated paraffins are prohibited except for the following uses (the exemption ends on 31 December 2023):
 - additives used in the production of conveyor belts in the natural and synthetic rubber industry
 - spare parts for rubber conveyor belts used in mining and forestry
 - leather industry, especially for fat liquoring leather
 - lubricant oil additives, especially for motor vehicles, generators, and wind energy installations, as well as oil and gas exploration drilling and refineries for the production of diesel
 - outdoor decorative lamps
 - waterproof and oil-resistant paint
 - adhesive



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

- metal processing
 - secondary plasticizers for flexible polyvinyl chloride (but not used for processing in toys and children's products)

More information can be found in Chinese in this <u>announcement</u> from MEE. Information on Annex 1 can be found here <u>in</u> <u>English</u> and <u>in Chinese</u>. Information on Annex 2 can be found here <u>in English</u> and <u>in Chinese</u>.

The National Public Service Platform for Standards Information of China is seeking comments on two national mandatory standards regarding classification, code, and list of dangerous goods (consultation)

On 1 March 2023, the National Public Service Platform for Standards Information of China issued a notice seeking public comments on draft revisions to two national mandatory standards: GB 6944 Classification and code of dangerous goods and GB 12268 List of dangerous goods. These two standards help standardize the system for dangerous goods transportation, storage, distribution, and other related activities in China. The two standards were first released in 2005 and revised in 2012. The standards are proposed to be implemented 12 months after publication. Comments were due on 8 May 2023.

GB 6944 applies to the basic classification, sub-division, and numbering rules for dangerous goods transportation, regardless of the mode of transportation (water, land, rail, or air) in China. While GB 12268 lists the most common dangerous goods during the process of transport, storage, sale, distribution, and other related activities, which is intended to cover, as far as practicable, all dangerous substances and articles of commercial importance.

Information on GB 6944 can be found here <u>in English</u> and <u>in Chinese</u>. The GB 12268 List can be found <u>here</u> in Chinese. Additional information can be found in Chinese in this <u>notice</u>.

<u>Japan</u>

Amendment to the Enforcement Order of Industrial Safety and Health Act and related ordinances regarding substances subject to labelling and notice (published)

On 16 March 2023, the Ministry of Health, Labor, and Welfare (MHLW) in Japan published an amendment to the Enforcement Order of Industrial Safety and Health Act and related ordinances, placing obligations on business operators concerning the substances subject to labelling and notice. The Industrial Safety and Health Act aims to secure workers' safety and health in workplaces.

The published amendment obligates operators who transfer or provide the listed substances to:

- » label the container or package of the substances, in accordance with paragraph (1) of Article 57 of the Industrial Safety and Health Act, with the following:
 - the name of the substance
 - the ingredients
 - the effects on the human body
 - the precautions concerning storage or handling
 - the requirements provided for by the Ordinance of the MHLW
 - the markings meant to draw the attention of workers handling those substances that are specified by the MHLW



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

- » deliver a document, in accordance with Article 57-2 of the Industrial Safety and Health Act, to notify the party to whom the notifiable substances are to be transferred or provided of the following matters by means of delivering a document. The document shall include the following:
 - the name of the substance
 - the ingredients and their quantities
 - the physical and chemical properties
 - the effects on the human body
 - precautions concerning storage or handling
 - emergency measures to be taken if such incident as a spill occurs
 - requirements provided for by the Ordinance of the MHLW

The amendment proposes April 2025 and April 2026 as entry-into-force dates for Appendices 1 and 2, respectively.

More information can be found in the <u>amendment to enforcement order</u>, <u>Appendix 1</u>, and <u>Appendix 2</u>.

Soliciting foreign stakeholder opinions concerning 1,460 chemical substances classified as dangerous or harmful and proposed to be subject to mandatory issuance of safety data sheets and labeling (consultation)

The Ministry of Health, Labor and Welfare in Japan solicited foreign stakeholders' opinions on 14 March 2023 concerning 1,469 chemical substances. The substances are classified as dangerous or harmful, therefore proposed to be added to substances subject to mandatory issuance of the Safety Data Sheet and labeling according to the provisions of Article 18 and Article 18-2 of the Industrial Safety and Health Law (ISHL) Enforcement Order (Government Order No. 318 of 1972).

The ISHL was enacted in 1972 and aims to ensure worker health and safety by promoting comprehensive and systematic countermeasures concerning the prevention of industrial accidents. Article 18 is for the "Dangerous or Harmful Substances Subject to Be Indicated their Names, etc.". Article 18-2 is for the "Dangerous or Harmful Substances Subject to Be Notified their Names, etc.".

The 1,469 substances are set out in two tables. Table 1 contains 651 substances (to be implemented from April 1st, 2025). Table 2 contains 818 substances (to be implemented from April 1st, 2026).

Additional consultations are expected before a final decision is made.

More information can be found here in English and in Japanese.

Malaysia

Guidelines for the preparation of a chemical register (published)

On 13 February 2023, the Department of Occupational Safety and Health in Malaysia published guidelines for the preparation of a chemical register. The chemical register is a document that provides information on chemicals hazardous to health used in the workplace. It serves to protect human health from the use of these chemicals, provide reference to employees, assist industries in complying with regulations, aid chemical risk assessors in risk assessment, and identify hazardous chemicals in the workplace. The chemical register applies to all places where hazardous chemicals are used, and



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

it is the responsibility of employers, chemical suppliers, and users to prepare the register. The register should contain information such as the list of hazardous chemicals, safety data sheets, quantity processed or stored, process and work area, physical form, hazard classification, and supplier information.

Employers are required to submit the chemical register to the Director General, except for chemicals solely classified as skin corrosion or irritation category 2, serious eye damage or irritation category 2, or skin sensitization category 1. The chemical register must be accessible to all employees who may be exposed to hazardous chemicals, and it is recommended that it is maintained and updated regularly. The format of the register is divided into four sections: company information, list of hazardous chemicals for each process, person responsible for preparing and approving the register, and a declaration from the employer or top management emphasizing the need for accessibility.

The chemical register must be maintained in good condition and updated as needed. The recommended format of the register is provided in Appendix 1 of the guideline.

There are no penalties for non-compliance associated with this update.

More information can be found <u>here</u>.



European Union

Amendment to the annex to Regulation (EC) No 440/2008 laying down test methods pursuant to EU-REACH (in force)

On 6 March 2023, the European Union (EU) amended the Annex to Regulation (EC) No 440/2008 (the Regulation) laying down test methods pursuant to EU-REACH. The Regulation compiles in its annex the approved test methods that can be used to test substances to generate any data needed to comply with REACH. Previously, these international test methods would be rewritten into the Annex to the Regulation. This meant that any updates to these international test methods or the addition of new international test methods would take a long time to be implemented in the EU making the EU-approved test methods behind the scientific progress.

The amendment adds several internationally approved methods to the Annex to the Regulation as Part 0. This new Part 0 gives a comprehensive list of the EU-approved test methods with a reference to the respective international test methods so that if these are updated, affected parties can refer to the international test method instead of waiting until the new version is implemented in the EU. To do this, the outdated version of EU test methods will be deleted from the Regulation and substituted with text that references the international test method. The aim of this change is to allow the Regulation to be updated faster and more frequently, so that EU-approved test methods keep up with scientific progress.

Under REACH (Article 126), penalties for non-compliance are determined by the respective Member States authorities.

More information can be found <u>here</u>.

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



Annual update to the Community Rolling Action Plan for 2023-2025 (published)

On 21 March 2023, the European Chemicals Agency (ECHA) published the annual update of the Community Rolling Action Plan (CoRAP) under Articles 44-48 of EU-REACH. CoRAP prioritizes substances for evaluation over a period of three years – 2023, 2024, and 2025 – and lists 24 substances for evaluation by twelve Member State Competent Authorities. The evaluation aims to clarify a concern that the manufacture and/or use of these substances could pose a risk to human health or the environment. Hence, each spring, ECHA adopts an update of the CoRAP to establish the list of substances that have been evaluated or will be evaluated by the EU Member States in the respective time period.

Of these 24 substances listed by the CoRAP, 6 are to be evaluated in 2023, 9 in 2024, and 9 in 2025. A total of 18 substances that are to be evaluated in 2024 and 2025 were included in the previous CoRAP update published on 22 March 2022, and they can be subject to further changes in the next CoRAP update in 2024. Furthermore, 5 out of the 27 substances listed in the previous CoRAP update are withdrawn.

The 6 substances to be evaluated in 2023 are:

- » chlorobenzene (CAS No. 108-90-7) used as an intermediate in the production of rubber
- » 2-propenoic acid, methyl ester, reaction products with mixed O,O-bis(branched and linear pentyl and iso-Bu) phosphorodithioates (CAS No. 93925-38-3) used in lubricant products
- » butanoic acid, 4-amino-4-oxosulfo-, N-coco alkyl derivs., monosodium salts, compds. with triethanolamine (CAS No. 98171-53-0) used in adhesives and sealants, also in coating products
- » tert-butylphenyl diphenyl phosphate (tBuTPP) (CAS No. 56803-37-3) used as a flame-retardant plasticizer for polyvinyl chloride, cellulosic, and other vinyl polymers
- » sodium 3-(2Hbenzotriazol-2-yl)-5-secbutyl-4-hydroxybenzenesulfonate (CAS No. 92484-48-5) used in washing and cleaning products, also in perfumes and fragrances
- » 3,3'-[methylenebis(oxymethylene)]bisheptane (CAS No. 22174-70-5) used in lubricants products, polishes and waxes, adhesives, and cleaning products

According to Article 126 of EU-REACH, penalties for non-compliance are determined by the respective Member State authorities.

More information can be found <u>here</u>.

Harmonized classification and labelling for 4-phenylbenzophenone, HEMA, and HPMA (consultation)

On 27 March 2023, the European Chemicals Agency (ECHA) opened a consultation period on the harmonized classification and Labelling (CLH) proposal for 4-phenylbenzophenone (EC No: 218-345-2; CAS No: 2128-93-0). 4-phenylbenzophenone is a photo-initiator used in multiple applications such as electronics, adhesives, paints, and coatings. Parties are invited to comment on the substance and may request clarifications in the text of the CLH report. The deadline for comments is 26 May 2023.

On 13 March 2023, ECHA opened a consultation period on CLH proposals of some substances including 2-hydroxyethyl methacrylate (HEMA; EC No. 212-782-2; CAS No. 868-77-9), and methacrylic acid, monoester with propane-1,2-diol (HPMA; EC No. 248-666-3; CAS No. 27813-02-1). HEMA is used in adhesives, sealants, and non-metal surface treatment products. HPMA is used in adhesives, sealants, and polymers. Comments were due on 12 May 2023.

IAEG

Global Environmental and Chemical Regulations, Policies, and Standards April 2023

Information on 4-phenylbenzophenone CLH can be found here in this <u>ECHA notice</u> and in this <u>proposal</u>. More information can be found here for <u>HEMA</u> and <u>HPMA</u>.

Updates to Registry of Classification and Labelling Intentions Until Outcome (proposal)

In March 2023, the European Chemicals Agency (ECHA) published several updates to the Registry of Classification and Labelling (CLH) Intentions until Outcome, which lists the intentions and proposals received by ECHA for a new or revised harmonized classification and labelling of a substance. The updates include a new CLH intention and two CLH proposals.

The Committee for Risk Assessment (RAC) examines proposals for CLH and gives its opinion on the harmonized classification of substances. Once adopted, the RAC opinion for each substance is sent to the European Commission, which decides whether substances will be included in Annex VI to the Classification, Labelling and Packaging (CLP) Regulation. Inclusion in Annex VI to CLP means that all manufacturers, importers, and downstream users of substances and their mixtures must comply with the harmonized classifications.

CLH Intention:

Sweden notified ECHA of its intention to submit a CLH proposal for 4,4'-methylenediphenol (EC No. 210-658-2; CAS No. 620-92-8) by 20 April 2023. This substance, also known as bisphenol F, is used to make epoxy resins and coatings for various applications, such as lacquers, electrical varnishes, industrial floorings, and adhesives.

On 20 January 2023, Ireland notified ECHA of its intention to submit a CLH proposal for O-isopropyl ethylthiocarbamate (EC No. 205-517-7; CAS No. 141-98-0) – used in polymers and extraction agents.

On 9 February 2023, France notified ECHA of its intention to submit a CLH proposal for 4-hydroxy-4-methylpentan-2-one (EC No. 204-626-7; CAS No. 123-42-2) by 15 September 2023. This substance is used in various applications, including coatings, lubricants, greases, plasters, fillers, and putties. France has proposed a harmonized classification for reproductive toxicity, though this is subject to change until adopted by the RAC.

On 31 August 2021, Finland notified ECHA of its intention to submit a CLH proposal for hydrogen peroxide (EC No. 231-765-0; CAS No. 7722-84-1) – used in washing and cleaning products, and textile treatment products.

CLH Proposals:

Sweden submitted new CLH proposals to ECHA for two substances:

- » L-p-mentha-1(6),8-dien-2-one (EC No. 229-352-5; CAS No. 6485-40-1) used in polishes, waxes, and washing and cleaning products
- I-amino-4-hydroxy-2-phenoxyanthraquinone (EC No. 241-442-6; CAS No. 17418-58-5) used in polymers, textile treatment products and dyes, coating products, inks, and toners

On 5 April 2023, Norway submitted a new CLH proposal for 2-pyrrolidone (EC No. 210-483-1; CAS No. 616-45-5) – used in non-metal-surface treatment products, polymers, washing and cleaning products, manufacture of textile, leather, or fur.

Belgium has submitted a new CLH proposal for 3,5-dimethylpyrazole (EC No. 200-657-5; CAS No. 67-51-6) – used in coatings, fillers, and putties.

Proposed harmonized classifications are subject to change until adopted by the RAC.

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



CLH Consultations:

On 6 March 2023, the ECHA opened a consultation period on ten CLH proposals that ended on 5 May 2023:

- » calcium tetraborate (CAS No. 12007-56-6) uses include lubricants and greases
- Calcium metaborate and calcium tetraborate, amorphous reaction products of boric acid with lime (EC No: 701-311-0; CAS No. not available) – uses include lubricants, greases, adhesives, sealants, coatings, metal and non-metal surface treatment products, inks, and toners
- » pentaboron sodium octaoxide (CAS No. 12007-92-0) uses include adhesives, sealants, lubricants, greases, washing and cleaning products, anti-freeze products, and heat transfer fluids
- » sodium metaborate, anhydrous (CAS No. 7775-19-1); boric acid (HBO2), sodium salt, tetrahydrate (CAS No. 10555-76-7); and any other hydrated form – uses include lubricants, greases, automotive fluids, detergents, adhesives, and photographic solutions
- » diammonium decaborate (CAS No. 12007-89-5) uses include coatings, paints, thinners, and paint removers
- » potassium metaborate (CAS No. 13709-94-9) uses include anti-freeze and de-icing products, heat transfer fluids, lubricants, greases, and electrolytes for batteries
- » dipotassium tetraborate (CAS No. 1332-77-0) uses include anti-freeze products, heat transfer fluids, lubricants, greases, and washing and cleaning products
- » magnesium metaborate (CAS No. 13703-82-7) uses include lubricants and greases in vehicles and machinery
- » dipotassium octaborate (CAS No. 12008-39-8) uses include anti-freeze products, heat transfer fluids, lubricants, greases, and washing and cleaning products
- » potassium pentaborate (CAS No. 11128-29-3) uses include lubricants, greases, automotive fluids, detergents, adhesives, paints, coatings, and photographic solutions

More information can be in these proposals for <u>4,4'-methylenediphenol</u>, <u>L-p-mentha-1(6),8-dien-2-one</u>, <u>1-amino-4-hydroxy-</u> <u>2-phenoxyanthraquinone</u>, <u>O-isopropyl ethylthiocarbamate</u>, <u>hydrogen peroxide</u>, and <u>2-pyrrolidone</u>. More information can be found <u>here</u>.

Amendment to Annex I of EU Regulation 649/2012 concerning the export and import of hazardous chemicals (consultation)

On 20 March 2023, a consultation was opened by the European Commission regarding the amendment EU Regulation 649/2012 Annex I of the European Parliament and of the Council concerning the export and import of hazardous chemicals. The amendment introduces new entries, replaces some entries, and deletes some entries in respective parts of Annex I. The consultation deadline was 17 April 2023.

EU Regulation 649/2012 implements rules on international trade in hazardous chemicals. It aims to prevent unwanted imports and ensure that information on hazards, risks and safe handling is always provided when hazardous chemicals are exported. Annex I to EU Regulation 649/2012 includes the chemicals subject to export notification procedure (Part 1), the chemicals qualifying for Prior Informed Consent (PIC) notification (Part 2), and the chemicals subject to the PIC procedure (Part 3).

More information can be found in this <u>notice</u> from the EC and the <u>proposed amended Annex I</u>.

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



The European Chemicals Agency seeks input on proposed per- and polyfluoroalkyl substances restriction (consultation)

Following the publication of the Annex XV report for the per- and polyfluoroalkyl substances (PFAS) restriction proposal on 7 February 2023, the European Chemicals Agency (ECHA) opened a consultation on the proposed PFAS restriction on 22 March 2023. Parties can submit their comments before 25 September 2023.

PFAS are a large group of man-made substances used in various products such as firefighting foams (excluded from the scope of this proposal), paints and coating, phosphate ester-based brake and hydraulic fluids, wires and cables, as well as lubricant for turbine engines, jet engine, and satellite instrumentation.

The restriction proposal would prohibit the manufacture, placing on the market, and use of PFAS, on their own or as constituents in other substances, in mixtures and in articles above a certain concentration. This prohibition would include all uses of PFAS unless a specific derogation has been published. The proposed derogations can be consulted in the Annex XV report.

For this restriction proposal, PFAS is defined as "any substance that contains at least one fully fluorinated methyl (CF3-) or methylene (-CF2-) carbon atom (without any H/Cl/Br/l attached to it)". This definition encompasses more than 10,000 PFAS, including a few fully degradable PFAS subgroups. As these fully degradable subgroups do not fulfill the underlying concern of high persistence, they are excluded from the scope of this restriction proposal.

More information can be found in this <u>notice</u> from ECHA. More information can be found <u>here</u>.

Two substances of very high concern intentions received (intention)

The registry of substances of very high concern (SVHC) intentions until outcome aims to make interested parties aware of the substances for which an SVHC dossier is planned to be submitted to the European Chemicals Agency. Member States propose new substances to be identified as SVHC.

On 7 March 2023, two intentions were received from Germany:

- » bumetrizole (EC No. 223-445-4; CAS No. 3896-11-5) used in coating products, adhesives, and sealants
- » 2-(2H-benzotriazol-2-yl)-4-(1,1,3,3-tetramethylbutyl)phenol (EC No. 221-573-5; CAS No. 3147-75-9) used in air care products, coating products, adhesives, sealants, lubricants, greases, polishes, waxes and washing, and cleaning products

Interested parties can follow the progress of a proposal through the SVHC identification process, from the notification of the intention until the outcome. Interested parties with relevant information on the identity or hazard properties of the substance may submit such information during the consultation (has not been opened yet).

More information can be found here on <u>bumetrizole</u> and <u>2-(2H-benzotriazol-2-yl)-4-(1,1,3,3-tetramethylbutyl)phenol</u>.

New directive to regulate environmental claims in consumer products (consultation)

The European Green Deal set out a commitment to tackle false environmental claims by ensuring that buyers receive reliable, comparable, and verifiable information to enable them to make more sustainable decisions and to reduce the risk



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

of 'green washing'. Therefore, the European Commission (EC) opened a feedback period on 23 March 2023 on a proposal for a new directive which aims to regulate environmental claims in consumer products.

The proposal sets requirements on how environmental claims need to be assessed by traders (Articles 3 and 4) and on how to communicate these claims to consumers (Articles 5, 6 and 7). Member States will have to set procedures to verify and certify that the claims are compliant with these requirements (Articles 9, 10 and 11). The proposal also regulates environmental labelling schemes, setting requirements for their functioning and an approval process for private schemes or third-country public schemes (Article 8).

The proposal is currently on its first reading at the Council of the European Union and might be subject to changes. A final decision on the proposal is expected to be made after the second reading, or a third if needed. The feedback period is open until 8 June 2023 but is extended every day until this adopted proposal is available in all European Union languages.

More information can be found in the proposal from the EC. Comments can be submitted here.

Amendments to Directive 2010/75/EU on industrial emissions and Council Directive 1999/31/EC on the landfill of waste (proposed)

On 16 March 2023, the European Council published the text of a proposal to amend Directive 2010/75/EU on industrial emissions and Council Directive 1999/31/EC on the landfill of waste. The proposal intends to reduce pollutant emissions at source, under the goals of the European Green Deal, which aims to achieve a clean and circular economy.

Directive 2010/75/EU lays down rules on the prevention and control of pollution from industrial activities. It aims to prevent or, where that is not practicable, to reduce emissions into air, water, and land, and to prevent the generation of waste. Under this directive, no installation of combustion plant, waste incineration, or co-incineration plant can be operated without a permit.

Key amendments to Directive 2010/75/EU include, but are not limited to, the following:

Additional circular economy principles:

- » Article 11 installations must be operated in accordance with the following principles:
 - (fa) material resources and water are used efficiently, including through re-use
 - (fb) the overall life-cycle environmental performance of the supply chain is taken into account as appropriate
 - (fc) an environmental management system is implemented as referred to in Article 14a

Environmental management systems:

- » Article 14a for each installation falling within the scope of activities listed in Annex I, operators must prepare and implement an environmental management system (EM'). Information required in the EMS includes, but is not limited to, the following:
 - measures to prevent or reduce the use or emissions of hazardous substances
 - a chemicals inventory of the hazardous substances present in or emitted from the installation as such, as constituents of other substances or as part of mixtures, a risk assessment of the impact of such substances on human health and the environment and an analysis of the possibilities to substitute them with safer alternatives or reduce their use or emissions, with special regard to the substances fulfilling the criteria of Article 57 and substances addressed in restrictions in Annex XVII to Regulation (EC) No 1907/2006



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

- subject to the provisions and deadlines of Article 27d, a transformation plan for each installation carrying
 out an activity in Annex I, on how the installation will transform itself during 2030-2050 to a sustainable,
 clean, circular and climate-neutral economy by 2050 by 31 December 2025, the European Commission
 (EC) shall adopt an implementing act establishing the format for the transformation plans
- where elements of the EMS have already been developed elsewhere and comply with Article 14a, a reference may be made in the EMS to the relevant documents
- relevant information of the EMS and transformation plan shall be made available on the internet, free of charge and without restricting access to registered users – by 31 December 2025, the EC shall adopt an implementing act on information that is relevant for publication

Emission limit values:

- Article 15 (4) for the derogations in Article 15 (4), the operator must provide an assessment of the impact of the derogation on the concentration of the pollutants concerned in the receiving environment and ensure that no significant pollution is caused and that a high level of protection of the environment as a whole is achieved
- Article 18 where an environmental quality standard requires stricter conditions (than those achievable by the use of best available techniques) to be included in the permit, the competent authority may require the operator to monitor the concentration of the pollutants concerned in the receiving environment
- » Article 27c the competent authority may set emission limit values and environmental performance limit values associated with emerging techniques, as laid down in the decisions on Best Available Technique conclusions.

Amendments to activities under Annex I:

- » addition of "manufacture of batteries, other than exclusively assembling, with a production capacity of GWh 12 000 tonnes of battery cells (cathode, anode, electrolyte, separator, capsule) or more per year"
- » exemption for hydrogen gas when produced by electrolysis of water
- » addition of "electrolysis of water for production of hydrogen where the production capacity exceeds 60 tonnes per day"

Exemptions are detailed in Article 34a and include combustion plants that are part of small isolated systems.

In addition, the proposal includes amendments to Directive 1999/31/EC, which aims to ensure a progressive reduction of the landfilling of waste. The proposed amendments set out transitional provisions for compliance with the provisions adopted in accordance with Directive 1999/31/EC.

Penalties for non-compliance shall be laid down by Member States. Competent authorities may suspend operations found to be in non-compliance with the permit conditions of Directive 2010/75/EU.

More information can be found <u>here</u>.

Amendment to Regulation (EC) No 1272/2008 on the classification, labeling, and packaging of certain substances and mixtures (proposal)

On 2 March 2023, the European Commission released a draft regulation to amend Regulation (EC) 1272/2008 on the classification, labeling, and packaging of substances and mixtures (the CLP regulation) and called on interested parties to make comments regarding the draft amendments. Comments were due on 1 May 2023.



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

The draft regulation specifically aims to amend Table 3 of Part 3 of Annex VI to the CLP regulation by introducing new and revised entries for the harmonized classification and labeling of several substances or substance groups. These changes have been proposed to ensure the proper functioning of the European Union internal market, protection of human health and safety, and protection of the environment following the availability of new evidence.

The proposed date of adoption is the second quarter of 2023. When this regulation comes into effect, compliance with the new or updated harmonized classifications will not be required immediately to allow suppliers to adapt the labeling and packaging of substances and mixtures to the new or updated classifications and to sell existing stocks, subject to the preexisting regulatory requirements. A period of time will be facilitated to allow suppliers sufficient time to take the actions required to ensure continuing compliance with other legal requirements after the finalization of the regulatory changes.

More information can be found here.

Hungary

Amendments to restriction of the use of certain hazardous substances in electrical and electronic equipment (published)

On 20 February 2023, the Hungarian government issued Decree 43/2023 (II. 20.) that amends the 374/2012 Government Decree on the restriction of hazardous substances in electrical and electronic equipment. Decree 43/2023 (II. 20.) adds points 80-81 to implement Annex IV of the European Parliament and Council Directive 2011/65/EU and Commission Delegated Directive (EU) 2022/1632, which sets out a list of applications exempted from the restriction in Article 4(1) specific to medical devices and monitoring and control instruments.

Furthermore, point 52 is added to Annex 3, allowing the use of lead in bismuth-strontium-calcium-copper-oxide superconducting cables and wires and in the electrical connections of such wires until 30 June 2027.

There are no non-compliance provisions associated with this update.

More information can be found in Hungarian in the Hungarian Gazette.

<u>Spain</u>

Implementation of two European Union restriction of hazardous substances in electrical and electronic equipment amendments into its national legislation (in force)

On 25 March 2023, Spain announced the implementation of two European Union restriction of hazardous substances in electrical and electronic equipment (EU RoHS) amendments into its national legislation. This implementation enters into force on 26 March 2023.

The two EU RoHS amendments are:

>>> delegated Directive (EU) 2022/1631 of the Commission of May 12, 2022, which modifies, to adapt it to scientific and technical progress, Annex IV of Directive 2011/65/EU of the European Parliament and of the Council, with regard to an exemption relating to the use of lead in superconducting cables and wires made of bismuth, strontium, calcium, and copper oxide and in their electrical connections



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

» delegated Directive (EU) 2022/1632 of the Commission of May 12, 2022, which modifies, to adapt it to scientific and technical progress, Annex IV of Directive 2011/65/EU of the European Parliament and of the Council with regard to an exemption for the use of lead in certain magnetic resonance imaging devices

These two delegated directives set exemptions to the use of lead in specific products mentioned in their titles. The exemptions are set to expire on 30 June 2027.

There are no non-compliance provisions associated with this update.

More information can be found in Spanish here.

Switzerland

Including 24 substances into the Chemical Risk Reduction Ordinance (draft amendment)

On 2 March 2023, the Swiss Federal Office of Public Health published a notice to amend its Chemical Risk Reduction Ordinance (ORRChem) by including 24 carcinogenic, mutagenic, or reprotoxic (CMR) substances. This inclusion means these substances are subject to specific bans and restrictions. These 24 substances are added by reference to the EU REACH regulation (substances newly included in Annexes 1-6 of Annex XVII of the EU REACH regulation). The Annex XVII of the EU REACH regulation contains restrictions on the manufacture, placing on the market, and use of certain hazardous substances, mixtures, and articles. Hence, the chemical substances may no longer be supplied to the public after 1 December 2023.

The proposed date of entry into force is 1 July 2023.

Information on Annex 1.10 can be found here in English and in German. The list of 24 substances can be found here in English and in German.

United Kingdom

Update on guidance for users, producers, and traders of fluorinated gas (published)

On 2 March 2023, the United Kingdom (UK) government updated its guidance for users, producers, and traders of fluorinated gas (F gas) to include information about F gases that produce trifluoromethane as a by-product. F gases include hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6). They are used in a variety of applications, such as air-conditioning equipment, aerosols, solvents, and foam-blowing agents.

The following guidance has been added for F gases which produce trifluoromethane as a by-product, including trifluoromethane produced during the manufacturing of feedstocks for F gas production:

- » when manufacturing F gases in Great Britain, if you produce trifluoromethane as a by-product, you must recover or destroy it
- » when importing F gases into Great Britain, if trifluoromethane is a by-product of the F gas manufacturing process, you must:
 - get a declaration from the producer that the trifluoromethane has been recovered or destroyed
 - supply this declaration with your import paperwork

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



There are no penalties for non-compliance associated with this update.

More information can be found here.

Amendment to restriction of the use of certain hazardous substances in electrical and electronic equipment regulations (consultation)

On 16 March 2023, Great Britain published a notice on its plans to amend the restriction of the use of certain hazardous substances in electrical and electronic equipment (EEE) regulations (S.I. 2012/3032; RoHS) as they apply in England, Wales, and Scotland. Comments were due on 15 May 2023. The amendment notice revises Schedule A2 to the RoHS regulations that lists applications exempt from the restriction on the use of certain hazardous substances in EEE. Entries 1 to 9 of Table 1 in Schedule A2 have been replaced with new entries 1 to 9.4. These relate to exemptions for mercury in different types of lighting.

The amended entries have the effect of renewing or revoking exemptions from the restriction. Those that have been renewed will remain valid until the date specified in column 6 of Table 1, whilst the revoked exemptions will expire on 1 February 2024. The amendments also modify the specific conditions of some exemptions, including allowable mercury levels and the categories of electronic equipment to which they apply. The amended entries align with decisions made by the European Commission in respect of corresponding exemptions under EU law.

More information can be found here.



NORTH AMERICA

<u>Canada</u>

Ministerial Condition No. 19916a concerning amines, C36-alkylenedi- (in force)

On 25 February 2023, the Canadian Minister of the Environment issued a Ministerial Condition No. 19916a concerning the substance amines, C36-alkylenedi- (CAS No. 68955-56-6). The Ministerial Condition (in force on 14 February 2023) is an amendment to Ministerial Condition No. 19916 that was published on 17 August 2019 pertaining to the substance.

Following assessments, the substance was suspected to be toxic or capable of becoming toxic within the meaning of section 64 of the Canadian Environmental Protection Act (CEPA), 1999. Additional information received by the Minister of the Environment concerning the substance prompted the issue of this notice.

Section 64 of CEPA 1999 states that substances are considered harmful if they are entering or could enter the environment in quantities or concentrations or under conditions that:

» have or may have an immediate or long-term harmful effect on the environment or its biological diversity



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

- » constitute or may constitute a danger to the environment on which life depends
- » constitute or may constitute a danger to human life or health in Canada

Hence, for the manufacture or import of this substance, the following restrictions apply as set out in the Annex to this Ministerial Condition:

- » the notifier shall not import or manufacture the substance to manufacture a consumer product unless the substance is chemically reacted into a stable matrix and cured during the manufacture
- » the notifier shall not import a consumer product containing the substance unless the substance is chemically reacted into a stable matrix and cured during the manufacture of the consumer product

Other requirements specify that the notifier shall, before transferring the physical possession or control of the substance to any person:

- » inform the person, in writing, of the terms of the present Ministerial Conditions
- » before the first transfer of the substance, obtain written confirmation from this person that they were informed of the terms of the present Ministerial Conditions

Additionally, record-keeping requirements specify that the notifier shall maintain electronic or paper records, with any documentation supporting the validity of the information contained in these records indicating:

- » use of the substance
- » quantity of the substance that the notifier manufactures, imports, purchases, sells, and uses
- » name and address of each person to whom the notifier transfers the physical possession or control of the substance
- » written confirmation

Penalties for non-compliance under CEPA include fines of up to \$1 million a day for each day an offence continues, imprisonment for up to three years, or both.

More information can be found in the Canada Gazette.

Proposed risk management approach document for cyanides (consultation)

Following a screening assessment on cyanides, a final decision was published by the Canadian Minister of the Environment and the Minister of Health (ministers) on 25 February 2023. The decision concluded that free cyanide and precursors of free cyanide meet one or more of the criteria set out in Section 64 of the Canadian Environmental Protection Act (CEPA), 1999. In response, the ministers released a proposed risk management approach document for cyanides, and consultation was open for 60 days following the release of the document (lapsed on 25 April 2023), for stakeholders to submit their comments.

Section 64 of CEPA 1999 states that substances are considered harmful if they are entering or could enter the environment in quantities or concentrations or under conditions that:

- » have or may have an immediate or long-term harmful effect on the environment or its biological diversity
- » constitute or may constitute a danger to the environment on which life depends
- » constitute or may constitute a danger to human life or health in Canada

Therefore, after the screening assessment, free cyanide, cyanide salts, and cyanide complexes were proposed to be added to Schedule 1 (toxic substances list) to CEPA, which then enables the ministers to propose risk management measures.



Global Environmental and Chemical Regulations, Policies, and Standards April 2023

Cyanides are imported into Canada for use by many sectors. They are used in making textiles and in metallurgy for electroplating and metal cleaning or surface finishing.

The ten prioritized substances and their CAS numbers are listed below:

- » hydrogen cyanide (CAS No. 74-90-8)
- » sodium cyanide (CAS No. 143-33-9)
- » potassium dicyanoargentate (CAS No. 506-61-6)
- » tetrasodium ferrocyanide (yellow prussiate of soda) (CAS No. 13601-19-9)
- » tripotassium ferricyanide (CAS No. 13746-66-2)
- » tetrapotassium ferrocyanide (yellow prussiate of potash) (CAS No. 13943-58-3)
- » potassium dicyanoaurate (CAS No. 13967-50-5)
- » ferric ferrocyanide (Prussian blue, insoluble) (CAS No. 14038-43-8)
- » ferric ammonium ferrocyanide (CAS No. 25869-00-5)
- » potassium ferric ferrocyanide (Prussian blue, soluble or Turnbull's blue) (CAS No. 25869-98-1)

Information can be found this notice in the <u>Canada Gazette</u>. Information on the proposed risk management approach for cyanides can be found <u>here</u>.

United States

Significant new use rules on certain chemical substances (Batch 21-3.5e) (published)

On 6 March 2023, the US Environmental Protection Agency (EPA) issued significant new use rules (SNURs) for the SNUR Batch 21-3.5e under the Toxic Substances Control Act (TSCA). SNUR Batch 21-3.5e consists of 29 substances. This will become effective from 5 May 2023.

The manufacturers/processors/importers of these substances must notify the EPA by submitting a significant new use notice (SNUN) at least 90 days before manufacturing/processing/importing any of these substances for significant new use. The manufacture or processing for the significant new use shall not commence until the EPA makes an appropriate determination on the notice and has taken risk management actions as a result of the decision.

Penalties for non-compliance include imprisonment of up to 15 years and/or a fine of up to \$250,000; a convicted organization may be subject to a fine of up to \$1,000,000.

More information, and the list of 29 substances, can be found in the Federal Register.

Global Environmental and Chemical Regulations, Policies, and Standards April 2023





<u>Australia</u>

Removing PeCB and HCB from the Australian Inventory of Industrial Chemicals (published)

On 10 January 2023, the Australian Industrial Chemicals Introduction Scheme (AICIS) announced that two persistent organic pollutants (POPs) – benzene, 1,2,3,4,5-pentachloro- (PeCB; CAS No. 608-93-5) and benzene, hexachloro- (HCB; CAS No. 118-74-1) – will be removed from the Australian Inventory of Industrial Chemicals (AIIC) on 8 February 2023. Australia's Department of Climate Change, Energy, the Environment and Water (DCCEEW) was notified of this development in March 2023. AIIC consists of over 40,000 industrial chemicals that are available for use in Australia, while DCCEEW manages Australia's compliance with the Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.

PeCB and HCB were identified as POPs respectively at the fourth and first conference of parties to the Stockholm Convention on Persistent Organic Pollutants (the Stockholm Convention). The global use of PeCB and HCB as industrial or agricultural chemicals has been prohibited under the Stockholm Convention since 2009 and 2001, respectively.

In Australia, PeCB was used historically as:

- » a viscosity modifier in polychlorinated biphenyl (PCB) mixtures PCBs were used as dielectric and coolant fluids in electrical apparatus such as transformers and capacitors
- » flame retardant in plastics and textiles
- » a chemical intermediate in the manufacture of other chemicals

HCB was historically used as an intermediate in the manufacture of dyes and the synthesis of organic chemicals.

The reason for the removal of the two POPs from AIIC on 8 February 2023 is based on the evaluations performed by AICIS in 2022. The evaluation results, which were published on 22 December 2022, indicated that their introduction and subsequent use cannot be managed within the current risk management framework in Australia.

The removal of the two POPs from AIIC means that their introductions (i.e., manufacture or import) cannot be considered as listed introductions and should be categorized before starting relevant activities under AICIS. This is due to the fact different introduction categories have different obligations under AICIS.

Additionally, updated news regarding the guide that were published on 17 February 2023 clarified that low-volume introductions of PeCB and HCB (up to 10 kilograms [kg] in an AICIS registration year) are not eligible to be categorized as the reported category type called 'introduction of 10kg or less'.

Under the Industrial Chemicals Act 2019, penalties for non-compliance include fines.

Information on removing inventory listing can be found here for <u>PeCB</u> and <u>HCB</u>. Evaluation statements can be found in these links for <u>PeCB</u> and <u>HCB</u>.

Global Environmental and Chemical Regulations, Policies, and Standards April 2023



SOUTH AMERICA

Brazil

Normative Instruction No. 10 of 17 March 2023 (in force)

On 23 March 2023, the Ministry of Environment and Climate Change/Brazilian Institute of Environment and Renewable Natural Resources published an update to the list of classification of harmful or dangerous substances via the Normative Instruction No. 10 of 17 March 2023, which came into effect immediately. This instruction revokes the previous Normative Instruction No. 06 of 6 July 2001. The updated list aligns with "Article 4 of Law No. 9.966 of 28 April 2000" that classifies harmful or dangerous substances into the following categories according to the risk produced when discharged in water:

- » Category A: high risk for both human health and the aquatic ecosystem
- » Category B: medium risk both for human health and for the aquatic ecosystem
- » Category C: moderate risk both for human health and for the aquatic ecosystem
- » Category D: low risk for human health as well as for the aquatic ecosystem

This update involves the reclassification of all chemicals previously placed in Category C into Category B, based on the precautionary principles and definitions of Categories B and C within items II and III of Article 4 of Law No. 9.966 of 28 April 2000.

The substances classified in Category OS (i.e., other substances) of Chapter 18 of the IBC Code do not fit into any of the Category A, B, C, or D referred to in Article 4 of Law No. 9,966, of April 28, 2000, and are therefore not included on the updated list.

There are no non-compliance provisions associated with this update.

Information on the Normative Instruction No. 10 can be found in Portuguese <u>here</u>. More information can be found in Portuguese on <u>Law No. 9.966</u> and in English on <u>MEPC.318(74)</u>.

IAEG INTERNATIONAL AEROSIMACE ENVIRONMENTAL GROUP

Global Environmental and Chemical Regulations, Policies, and Standards April 2023

DISCLAIMER

THIS DOCUMENT IS PROVIDED BY INTERNATIONAL AEROSPACE ENVIRONMENTAL GROUP, INC. ("IAEG") FOR INFORMATIONAL PURPOSES ONLY. ANY INACCURACY OR OMISSION IS NOT THE RESPONSIBILITY OF IAEG. DETERMINATION OF WHETHER AND/OR HOW TO USE ALL OR ANY PORTION OF THIS DOCUMENT IS TO BE MADE IN YOUR SOLE AND ABSOLUTE DISCRETION. PRIOR TO USING THIS DOCUMENT OR ITS CONTENTS, YOU SHOULD REVIEW IT WITH YOUR OWN LEGAL COUNSEL. NO PART OF THIS DOCUMENT CONSTITUTES LEGAL ADVICE. USE OF THIS DOCUMENT IS VOLUNTARY. IAEG DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THIS DOCUMENT OR ITS CONTENTS. IAEG HEREBY DISCLAIMS ALL WARRANTIES OF ANY NATURE, EXPRESS, IMPLIED OR OTHERWISE, OR ARISING FROM TRADE OR CUSTOM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, QUALITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE, COMPLETENESS OR ACCURACY. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, IAEG SHALL NOT BE LIABLE FOR ANY LOSSES, EXPENSES OR DAMAGES OF ANY NATURE, INCLUDING, WITHOUT LIMITATION, SPECIAL, INCIDENTAL, PUNITIVE, DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOST INCOME OR PROFITS, RESULTING FROM OR ARISING OUT OF A COMPANY'S OR INDIVIDUAL'S USE OF THIS DOCUMENT, WHETHER ARISING IN TORT, CONTRACT, STATUTE, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.