

# BAY SUPPLY TOXICITY & MATERIALS OF CONCERN COMPLIANCE STATEMENT

This page is provided as an Official Policy Statement in regard to certain efforts to define and provide indemnification against certain Toxic Materials, and so-called, Materials of Concern, including but not limited to:

- Antimony
- Arsenic
- Barium
- Cadmium
- Hexavalent Chromium
- Lead
- Mercury
- Selenium
- Asbestos
- Flame Retardants
- Polybrominated Biphenyls (PBB's)
- Polybrominated Diphenyl Ethers (PBDE)
- Anti-fungal additives
- Colorants and Pigments
- Refrigerants
- Foam Blowing Agents
- Residual Monomer Content
- Radioactive Isotopes
- Plasticizers in Polymers
- Fiberglass

We believe that these efforts are largely the result of adverse publicity that has occurred in recent months regarding toxic paints and other substances that have been found in consumer products and animal feeds, with much of the products originating in China.

BAY SUPPLY management understands and recognizes the many adverse consequences of the presence of toxic substances in such products, although science and medicine do not seem to agree on what levels are safe and acceptable. A zero tolerance is not commercially practical, given the costs of testing and compliance.

With this in mind, BAY SUPPLY is prepared to offer the following limited warranty for parts purchased after May 1, 2008:

***“For parts purchased after May 1, 2008, BAY SUPPLY certifies to the best of its knowledge, and within commercially practical means of verification, that products marked with the certification seal below, shall not contain levels of the above Materials of Concern, that are deemed not safe by the United States Food and Drug Administration; the United States Surgeon General; and the United States Occupational, Safety, and Hazards Administration, at the time such parts depart from BAY SUPPLY’s facility. The term “levels not safe” shall be interpreted as standards developed by such governmental administrations that are established in scientific fact, which if ingested by or exposed to humans using BAY SUPPLY products, in accordance with normal and customary standards of operation, realize actual adverse medical consequences that are proven beyond reasonable doubt. This certification may be amended, modified, or withdrawn at the sole discretion of BAY SUPPLY at any time, at which time all subsequent parts marked as described herein shall comply with the then applicable Materials of Concern certification standard.”***

BAY SUPPLY further warrants that products will be manufactured and inspected according to general practices of companies manufacturing industrial fasteners. Unless otherwise expressly stated in a mutually agreed purchase order contract, standard commercial tolerances apply. This warranty is made in lieu of any other warranties, expressed or implied, including warranties of merchantability and fitness for a particular use.

This warranty is void unless Customer inspects the products when received, and notifies BAY SUPPLY of any rejections based on non-conformance with specifications, or defects in the products within 30 days receipt thereof by Customer. This warranty does not apply to any products that are reworked or subjected to any additional processing by Customer.

**This is a limited warranty for the following reasons:**

## **1. Supplier Verification**

The warranty is based largely on the representations and warranties of BAY SUPPLY suppliers. BAY SUPPLY has surveyed, and will continue to survey, the operations of its suppliers, where practical, so as to determine the likelihood of compliance. Some of BAY SUPPLY's suppliers are located in developing world countries such as India, China, and Mexico. While these firms possess documented standards for quality assurance and processes, there are limitations in infrastructure; evidence of ground pollution and other environmental conditions; and an absence of control over the subcontractors of our suppliers.

## **2. Transportation**

For imported goods, shipments are fumigated and treated so as to conform with the laws and regulations of United States Customs and international trading standards. Such fumigation could expose material and parts to certain elements listed in the Materials of Concern. No known methods exist to absolutely control the chemical levels and consistency of such fumigation. Additionally, wood pallets and containers may be impregnated with chemicals that may fall under the Materials of Concern. Finally, the nature of BAY SUPPLY products is that they are dense and heavy. In spite of efforts to the contrary, it is not uncommon for other goods to be stacked on top of BAY SUPPLY products while in transit. Such stacking increases the opportunities to introduce Materials of Concern, such as fiberglass, foam blowing agents, and flame retardants, into the products.

### **3. Antimony**

Many of BAY SUPPLY's products are made from carbon steel. According to ASTM A-108, a very common standard for cold-finished steel, antimony is a permitted residual substance, and ASTM has a testing specification for the element. The specification calls out a permitted range of .0005-.001%. A survey of BAY SUPPLY suppliers and a review of test results indicate that antimony is not present, but that such element can possibly be present from this process.

## **4. Inventory Control**

Many suppliers and contractors have legacy stocks that may contain Materials of Concern, but were not formally tested. Short of reworking an entire industry of inventory, there is some uncertainty that nonconforming parts can enter the market, especially among offshore suppliers where internal controls are lax.

## **5. Testing**

The international standard for testing hexavalent chromium in conversion coatings is ISO 3613. This specification states that the proper units of measure are  $\mu\text{g}/\text{cm}^2$ . The European Union does not recognize this standard of measurement.

**THE ONLY WAY TO GUARANTEE THE ABSENCE OF MATERIALS OF CONCERN IN A PART IS TO TEST EACH AND EVERY OUTGOING LOT. ADDITIONALLY, THERE IS NO CONTROL OVER THE EXPOSURE OF PARTS DURING TRANSPORTATION. WE KNOW OF NO FIRM THAT TESTS EACH AND EVERY OUTGOING LOT. SHORT OF INDIVIDUAL LOT TESTING, SUPPLIER CERTIFICATION AND INSPECTION ARE THE ONLY MEANS COMMERCIALY PRACTICAL TO CONFER**