

April, 2006

## **ANNOUNCEMENT UPDATE**

### **Leland Industries – Hexavalent Chromium Free**

On February 28, 2006, O.S.H.A., the Occupational Safety and Health Administration, issued a final ruling on “Hexavalent Chromium Cr<sup>6+</sup>”.

Hexavalent Chromium Cr<sup>6+</sup> as used in the plating process, is a carcinogen and must now by law be replaced by a non-toxic alternative, “Trivalent Cr<sup>3+</sup>” plating.

#### **Why the need for change?**

Health concerns and the environment. RoH’s directive 2002/95/EG (Restriction of Hazardous Substances) comes into effect July 1, 2006. Amongst other compounds, it targets “Hexavalent Chromium” as used in the plating of fasteners. Plated fasteners are used in virtually all manufactured goods which ultimately reach “end of life”. Both the plating process and the breakdown of platings through aging contaminate the air we breathe and the water we drink.

#### **Will this increase costs?**

Trivalent Cr<sup>3+</sup> chemicals are currently more expensive but will come down in price quickly as they become more available.

#### **What about plating quality?**

In December, 2004, Leland Industries Inc. switched from Hexavalent to Trivalent Chrome platings as used in our Zinc based JS500 plating. Leland is believed to be the first fastener manufacturer to adopt this plating method for their standard product line. By moving to Trivalent Chromium platings, we are able to provide excellent JS500 finishes using only 3% of the chrome found in the traditional Hexavalent Chromium Cr<sup>6+</sup> processes. Corrosion resistance remains unaffected.

Additional advantages derived from Hexavalent free JS500 include consistent salt spray test results and a better brighter finish at no additional cost to Leland customers.

#### **What about my other fastener suppliers?**

Many countries including Canada are demanding more environmentally sound policies regarding chemical usages. The action taken by OSHA has been in progress for a number of years, but has been largely ignored outside of the automotive industry.

The OSHA ruling **becomes law July 1<sup>st</sup>, 2006**. Canadian and U.S. fastener suppliers will be required to comply. To date, we are unaware of any fastener importer adhering to the new ruling for commercially available standard fasteners. We urge you to ask, **“Will my supplier comply on July 1<sup>st</sup>, 2006?”** If not, you will experience major supply problems.