



October 2008

Directive 2002/95/EC of the European Parliament and of the Council of
27 January 2003 on the restriction of the use of certain hazardous
substances in electrical and electronic equipment

Proposal for a Council Decision amending Directives 2002/95/EC,
Brussels, 23.9.2004, COM(2004) 606 final

Council Decision of 20 September 2005 amending Annex II of Directive 2000/53/EC of the
European Parliament and the Council on end-of-life vehicles (2005/673/EC)

The sheet steel products produced by Severstal Warren, Inc. meet the original maximum levels of hazardous substances imposed by this directive. Please note however, that Article 4, Prevention, of the European Environmental Legislation Ro-HS Directive 2002/95/EC states that "Member states shall ensure that, from 1 July 2006, new electrical and electronic equipment put on the market does not contain lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl, or polybrominated diphenyl ethers." In addition, the Commission of the European Communities submitted a Proposal for a Council Decision amending Directives 2002/95/EC, Brussels, 23.9.2004, COM(2004) 606 final. This amendment includes the following passage:

Article 1

In the Annex to Directive 2002/95/EC the following note is added:

"For the purpose of Article 5(1)(a), a maximum concentration value of 0.1% by weight in homogenous materials for lead, mercury, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE) and of 0.01% by weight in homogeneous materials for cadmium shall be tolerated."

Lastly, the current edition of the Global Automotive Declarable Substance List (GADSL) includes reference to the Annex II of the end-of-life vehicle requirements. The latest amendment to this Annex was recorded as 2005/673/EC, as noted above.

We have reviewed the requirements of this Ro-HS Directive, the amendment, and the amended Annex II as it relates to the flat rolled sheet steel products manufactured and sold by Severstal Warren Inc. Lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl, or polybrominated diphenyl ethers are not intentionally added in the steel making process. **However, based on the conflicting interpretations of this directive, most steel producers have now taken a more conservative approach on this issue. Severstal Warren has decided to follow suit and will NOT certify compliance to the above Directive for any chemically treated galvanized products. (Note that non-chemically treated galvanized products are in compliance to the Directive.)**

Please find attached a copy of the Severstal Warren Inc. policy as it pertains to the hazardous substances in question.

Sincerely,

A handwritten signature in black ink that reads "D. L. Moore".

D. L. Moore
General Manager, Metallurgical Services & Quality Control
Severstal Warren, Inc.

Restricted Substance Management Standard Compliance
Heavy Metals

HOT ROLL AND COLD ROLL SHEET

Cadmium and its compounds

- The sum of cadmium, mercury and hexavalent chrome does not exceed 50 ppm by weight.

Chromium, hexavalent (Cr6+) compounds

- The sum of cadmium, mercury and hexavalent chrome does not exceed 50 ppm by weight

Lead and its compounds

- The lead content of the steel sheet does not exceed 100 ppm by weight.

Mercury and its compounds

- The sum of cadmium, mercury and hexavalent chrome does not exceed 50 ppm by weight.

GALVANIZE SHEET

- All of the items listed above for HR & CR sheet apply. In addition, the following items are applicable to the galvanize (zinc) coating on galvanize sheet product:

Chromium, hexavalent (Cr6+) compounds

- When specified, a chemical treatment is applied to the surface of galvanize sheet for protection against white rust. The hexavalent chrome in the solution reacts with the zinc surface to form a very thin layer of zinc-chromium compounds. The reacted chrome is reduced to the trivalent state resulting in a mixture of trivalent & hexavalent chrome on the surface of the sheet. The total chrome content on the surface will range from 1 to 5 milligrams per square foot.

Lead and its compounds

- The zinc coating applied to galvanize sheet product contains lead (Pb) at levels ranging from 0.02 to 0.07 wt. %. The lead content of the finished product will be a combination of that contained in the substrate (see above) plus that of the coating. The total lead content therefore will be a function of the steel thickness and coating weight specified.