

# CONSUMER COMPACT

June 2005

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## Shopping for Health - The Future of Food Labeling

As a response to reports by health professionals regarding the levels of obesity and diabetes in the UK population, and in particular to the rise in the proportion of children affected, in March 2005 the Department of Health (DoH) launched three publications explaining their plan for the delivery of the Choosing Health white paper launched in November 2004.

Many of the initiatives rely heavily on voluntary action with the suggestion to the food industry that legislation will follow if no action is taken.

The Food Standards Agency (FSA) would like to see action being taken on this matter by March 2006 with preparatory efforts being made by mid 2005. Some work has already been done by Kellogg's and other companies, although interestingly Tesco decided to withdraw from a plan to trial the controversial "Traffic Light" labelling system and to trial another method.

The central aim is to create a nutritional labelling system which can be read and assessed by the consumer "at a glance". This contrasts with some of the labels which are on the market today, the format of which has been laid down by UK law.

For example, the label to the right is an example of a ready-meal label containing all of the required information. However, there is a great deal of data and whether the ordinary consumer appreciates its significance with regard to their health is open to question.

Below is an example of the customer facing part of the product sleeve in which the claims that are made for this product are

Nutrition		
Typical values (cooked as per instructions)	Per pack	Per 100g
Energy	1812 kJ 428 k cal	453 kJ 107 k cal
Protein	36.4g	9.1g
Carbohydrate	58.0g	14.5g
of which sugars	6.8g	1.7g
of which starch	51.2g	12.8g
Fat	5.6g	1.4g
of which saturates	2.8g	0.7g
of which mono-unsaturates	2.0g	0.5g
of which polyunsaturates	0.8g	0.2g
Fibre	3.6g	0.9g
Salt	2.0g	0.5g
of which sodium	0.8g	0.2g

### guideline daily amounts for average adults

	Per pack	Women	Men
Calories	428	2000	2500
Fat g	5.6	70	95
Salt g	2.0	5	7

### Ingredients

Cooked Long Grain and Wild Rice (37%), Chicken (24%), Water, Asparagus (7%), Low Fat Yogurt, Single Cream (3%), Skimmed Milk Powder, White Wine, Modified Maize Starch, Chicken Stock (Chicken Fat, Duck Fat, Concentrated Chicken Broth, Salt, Flavouring, Yeast Extract, Dextrin, Lactose, Vegetable Concentrate, Emulsifier: Milk Protein; Glucose Syrup), Rapeseed Oil, Dextrose, Garlic Purée, Salt, Parsley, Milk Protein, Stabiliser: Sodium Phosphate; White Pepper, Marjoram, Oregano, Sage, Thyme.

 **Gluten free**

 **Allergy advice**  
Contains milk.

Some retailers and manufacturers have made efforts to simplify matters for their consumers, such as GI (Glycaemic Index) labelling by Tesco and especially in the arena of "diet" foods.  
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substantiated and highlighted (see the three circular sections at the bottom of the label).

This is also potentially problematic as it does not place the key nutritional aspects of the ready meal in the context of the consumers' overall dietary requirements.

**SGS**

## Shopping for Health - The Future of Food Labeling (cont.)

Some research has been performed recently into consumers' attitudes regarding this matter.

Focus groups convened by the European Food Information Council (EUFIC) yielded some results of interest. Whilst consumers state that their desire is not to qualify or label foods as "good" or "bad" for them, they do want consistent, clear and understandable labelling which will take into consideration their overall requirements and their diet. They want to be able to relate to the terminology used (e.g. – Salt instead of Sodium, Calories instead of Kcal) and they want the information to be clear, unambiguous and from a reliable source (the term used is "zone of trust").



The FSA also published some research of their own into consumer preferences in this area. They created some example labels and placed them on a range of products and asked for consumers' opinions. One of the two favoured systems of the five discussed was the "Simple Traffic Light" in which the main nutrients of the food were combined into a single measure so that ready salted crisps would be given a red label, processed cheese spread an amber label and orange juice a green label. The other favoured system was the "Extended or Multiple Traffic Light" which showed separate information for the total fat, saturated fat, sugar and salt content. This might be depicted as separate traffic lights for high (red), medium (amber) or low (green) levels of these nutrients. Here are examples of both labels.



Industry reaction has of course been mixed. Some retailers and manufacturers have already produced labels which they believe answer the brief set by the DoH whilst industry groups such as the Food and Drink Federation (FDF) have produced objections explaining that the crudity of these labelling systems is likely to confuse or mislead consumers as products such as cheese, for example, may be given a red label due to its fat content despite it being a nutritious food. They also argue that more emphasis should be placed by the government on exercise and a balanced diet, to which end they have

produced a Food Fitness pamphlet which is available via their website. There are also questions regarding fortified foods as products such as cereals or snack bars will not be given "plus points" under this system.



On the label above the actual amount of the key nutrients is present, the Guideline Daily Amounts (GDA) amount is present and there is a graphical representation of what this represents as a proportion of the consumer's likely dietary intake. It should also be noted that Kellogg's have erred on the side of caution by using the GDA figures for women and not for men as there can be significant differences. For example the GDA for calories for men is 2500 versus 2000 for women. Of course, for children these figures differ once again.

Major questions remain regarding how consumers would use this information and if the inevitable cost to the food industry would result in tangible benefits for the health of the nation. The EUFIC study suggests that the general public's understanding of nutritional matters is quite poor and so there is some nervousness as to how the proposed labelling changes would alter the buying habits of customers. There are also questions regarding the foodservice sector which remain unanswered.

At a European level there has been some information from the new EU Food Commissioner to indicate that European Food Standards Agency (EFSA) may themselves address this issue in the near future.

Our thanks go to [Siarl Dixon](#) for researching and writing this article.

## SGS Guatemala

### Launch of Textile “Beyond 2005” Project

Companies and organisations that recognise the need to comply with social, moral and environmental standards are commonplace. What distinguishes one from another is that everyone believes in the benefits of adhering to such principles and, through understanding and cooperation, makes every effort to put them in place.

VESTEX, the Guatemalan Textile and Apparel Association, in cooperation with SGS Guatemala have created the conditions to facilitate and support the endeavours by all in the industry to achieve conformity. The establishment of the “**Beyond 2005**” project last March was the catalyst to accomplishing the goal of making the Guatemalan textile industry more productive and competitive for export-led growth. For this, two areas for development were identified:

1. Improving the quality of textile products
2. Increase the number of factories certified as being compliant to one or more management systems

There are three key components of the “Beyond 2005” project:

#### A. Training

- Technical seminars
- Training courses designed for laboratory technicians and quality inspectors

#### B. Certification Programs

Three different certification programs have been specifically developed by SGS and VESTEX. They all include training, pre-assessments and certification audits.

- ISO 9000 program, for quality management systems
- ISO 14000 program, for environment management systems
- OHSAS 18000 program, for health and safety management systems

#### C. Quality Control

SGS will be providing the local garment industry with quality control services such as inspections, verifications and testing. These services have been priced favourably for all VESTEX members to encourage them to assure the quality of their finished products and raw materials, not only within Guatemala, but from wherever these are being sourced.

At the launch ceremony, Ms. Carla Caballeros, Director of VESTEX, and Mr. Miguel García, SGS Guatemala’s Managing Director, signed a mutual support agreement for the improvement of the competitiveness of the national textile industry.

During this launch event, SGS drew upon its experience of conducting audits in the region for both Code of Conduct compliance and Management Systems by inviting two respective experts in their fields to present seminars on the benefits of becoming certification. Larry Berson, Technical Director of Code of Conduct Assessments, of the Consumer Testing Services Division of SGS USTC emphasised the importance of social compliance for US garment buyers. WRAP (World Responsible Apparel Producer) was highlighted as one of the recognised international certifiable standards demonstrating that human rights and labour regulations were being fulfilled.

The second seminar was presented by Mr. Mauricio Baena, of the Systems & Services Certification Division of SGS Colombia. Mr. Baena spoke about how Colombia has been able to exploit a niche for high quality textile products, so far largely unaffected by competition and low costs from other countries such as China. He mentioned that having many textile and apparel companies certified to meeting ISO 9000 and ISO 14000 standards was one of the key reasons for Colombia’s recent success. **For more information, please email [Carlos Juárez](mailto:Carlos.Juarez@sgs.com), Consumer Testing Services, Guatemala.**

## SGS Bradford New Nursery Laboratory

*SGS UK has completed phase 1 of its Bradford based lab expansion with the successful UKAS accreditation of its new nursery product testing facility. Located in Bradford, the new facility is dedicated to the products from the nursery sector, providing both fast turnaround times and technical advice to clients. The laboratory can offer a complete suite of UKAS accredited testing services on a wide range of nursery products including wheeled goods, furniture, toys and textiles.*

*State of the art equipment includes a dynamic strength impact testing rig and a rolling road – this is complemented by a rigorous training programme for all technicians. Specifically, the new impact testing rig is fully accredited to test ride-on products, even to the latest stringent requirements of EN71. And the rolling road is capable of simultaneously testing pushchairs to both British and European standards.*

*The nursery facility is capable of testing pushchairs/strollers to BS 7409 and BS EN 1888. Cots, high-chairs and baby bouncers are also tested.*



*Phase two of the expansion will extend our testing accreditation to changing units, bunk beds, Moses baskets, carry cots, recliners, table mounted chairs, safety gates and soothers.*

*Leading our expansion and development programme, are a team of experienced professionals in the fields of product testing and risk assessment who recognise that customers need more than just the routine “pass/fail” information. **Contact [Paul Lavington](mailto:Paul.Lavington@sgs.com) for more details.***



## SGS Rouen New Laboratory



Product recalls due to unsafe ingredients or materials are making the news with alarming regularity. Consumers are no longer just aware; they are becoming far more knowledgeable about potential ecotoxicological and chemical hazards. In response, manufacturers know they need to use the most competent analytical facilities to ensure their products constantly meet the increasing complex regulatory standards of health, safety and environmental compliance.

SGS Rouen, in doubling its laboratory capacity, is not just meeting current needs for testing services but such an investment in large facilities will create a centre of excellence and a platform for future market development.

The new multidisciplinary laboratories have three objectives:

- To introduce more automation for routine and regular analyses
- To be able to respond quickly in an emergency
- To provide our clients with a sophisticated knowledge base refined from a diversity of products and test methods

### Laboratory Organisation

The technological expertise is structured around three themes:

#### A. Chemical

A grouping of all the individual chemical methods from simple mass spectrometry, using GC/MS/MS and HPLC/MS/MS to the analysis of stable molecular structures.

#### B. Inorganic Chemistry

This brings together spectral techniques to research contaminants and micro-pollutants (including atomic absorption, gamma spectrometry and ICP spectrometry) as well as techniques related to eco-toxicology and bio deterioration; all of these methods allow the environmental impact to be evaluated.

#### C. Biochemical

Integrates all the techniques associated with chromatography and electro-florescence necessary to sample vitamins, natural antioxidants, proteins etc.

For more information please [contact the laboratory directly](#)

## SGS Portugal Food Hygiene Inspections - SGS Mobile Reporter

The process of independently inspecting goods on location has been a regular responsibility by SGS since it was founded in 1878. On site monitoring has normally been carried out manually, more than sufficient where product sampling and/or scrutiny is required.

The regular audit of food hygiene, requiring multiple control points and time-consuming monitoring of numerous steps and locations is not so easy when a physical checklist is the only means of data capture. Technicians need to not only check all the steps involved in food production and preparation from transportation, reception and storage, processing and preparation to sales and packaging. But once checked, compare the results to regulatory standards. SGS Portugal, recognising the potential advantages of streamlining such a complex process and simplifying the compilation of such large bundles of information has recently implemented the 'SGS Mobile Reporter'.

The SGS Mobile Reporter is a tool of numerous possibilities that can help food businesses to improve their food safety and hygiene. The system facilitates the audit as it does not require paper but instead uses new technologies such as handheld PDA's and Palm Tops. As it is electronic, real time data collection, adjustment of checklists, insertion of pre-defined notes & photos and punctuation of answers according to their true values is all possible.

Crucially, managers are able benchmark the results to take immediate, preventive measures and better manage the risks between stores, sectors or departments.

Similarly, it is very straightforward to make the report available through an intranet, making it remotely accessible to pre-defined users. The data can be consulted, analysed, or manipulated to resolve any irregular situation detected in the audit. This way, clients can take corrective actions much more efficiently, reducing potentially hazardous situations, harmful for consumers. The SGS Mobile Reporter allows a completely new approach in data treatment and manipulation, through the facility to create 'Action Plans'. The Action Plan is very useful; the HACCP Manager for instance, can indicate the solutions that need to be implemented for each non-conformity. All of this while the report is being accessed for the first time!

With its great memory capacity, the SGS Mobile Reporter is able to store all previous reports, allowing comparisons between audit results. It is also possible to upload information into the centralised database making available certain documents such as Good Practices, Codes and Legislation—enabling actual divergence to be measured during the audit.

The results of the Audit are available in several formats. The most common is the 'Audit summary'. Yet users can also apply information filters, specifying only the (non-) conformities, critical points, or observations. Reports can be viewed or printed in PDF or directly in HTML.

This system is already in use for Audits of Regular Control of Food Hygiene in some Portuguese establishments including fast-food units, snack-bars and bigger units in the food distribution chain. For all of these enterprises and others the SGS Mobile Reporter is an extremely valuable management tool for the food industry.

For more information, please contact [Natacha Simoes](mailto:Natacha.Simoes@sgs.com) or [pt.informations@sgs.com](mailto:pt.informations@sgs.com)

## SGS India

# Grape Project—Improving the Image & Quality of Indian Grapes

### The sweet taste of success

Grapes are one of the most cultivated fruits in the world. Apart from fresh table grapes, grapes can also end up as raisins, grape juice and of course in an innumerable array of wines. As exported produce, the popularity of fresh grapes with consumers continues to grow as diets become healthier and shoppers become more aware of the presence of antioxidants in fresh grapes which may prevent heart disease and cancer.

India is the world's largest fruit producer as its diverse agro-climatic conditions allow for the production of a wide range of tropical, sub-tropical and temperate fruits. The country's annual production is 40 million tonnes of which grape production is about 1.14 million tonnes. Yet because of poor post-harvest infrastructure and poor and inconsistent levels of quality, India's share in the global exports of fruit is less than 3%.

*The main state for grape cultivation, Maharashtra, with its strong cooperatives and export-orientated outlook has for a number of years been shipping its berry produce to Asian and Middle Eastern markets. Exports to the EU grew in fits and bursts. Thompson Seedless and its clones (Tas-A-Ganesh, Sonaka), Anab-e-Shahi, Sharad Seedless and Flame Seedless are varieties grown in this region.*

Then, during the 2002-2003 export season the EU noticed that some of the exported consignments had pesticide residues which were higher than the acceptable maximum residue level (MRL). Immediately, they ordered testing of pesticide residue in all consignments. This action led to the rejection of some consignments and for those that met the conditions, delays in their delivery to market. The net impact was a 30% fall in Indian table grape sales to the Europeans compared to the previous season.



The Agricultural & Processed Food Products Export Development Authority (APEDA) realised that something dramatic needed to be done to improve the quality and image of India's grapes. In 2003 they convened all interested stakeholders including the National Research Centre (NRC) for Grapes, the State Government departments, exporters, members

of the phytosanitary Departments. As well as grape growers. Together they evaluated the existing pesticide monitoring system and its potential deficiencies.

The outcome from APEDA was a newly developed Residue Monitoring Plan (RMP), implemented through the agricultural marketing board and state horticulture department and whose aim is to control grape produce from excessive levels of pesticide residues. SGS India is equipped with a network of 4 laboratories, all of which are at the forefront of microbiological and chemical testing capabilities. Of these four, the Chennai laboratory has been identified and approved by APEDA – one of only a handful of 8 approved – to provide the necessary back up for the complex monitoring of fresh grapes from the field all the way to the point of export. Over 30 exporters and more than 40 individual farmers in Maharashtra now provide regular samples to SGS for testing of 78 separate pesticides.

To meet the quality requirements of European markets producers also needed to adopt new production practices. As one of the few accredited EurepGAP Integrated Farm Assurance auditors in India, SGS has been certifying grape farmers to EurepGAP standards by auditing good agricultural practices for labour, environmental and consumer safety requirements. 13 individual farmers and 55 farmers in PMO's (Produce Marketing Organisations) have, or are going through the EurepGAP audit. SGS is the only participant in the grape project with both approvals from Foodplus for EurepGAP certification and from APEDA for MRL testing.

Today, Indian table grapes are not yet a major success either in terms of global competitiveness or overall contribution to the economy but things are beginning to change as India's grape exports now meet the demanding quality and safety standards of the EU and grow accordingly. The on-going season is proving to be very sweet for both growers and exporters. For more information please contact [Sudarshan Sharma](#).





## Code of Conduct Creating a Common Standard

### Standardising voluntary self-regulation

Despite frequent calls from all sides for standardisation of the Codes of Conduct required by retailers and brands, at the time of writing factories are still being asked to comply with a range of differing and ever evolving requirements. Furthermore, even where codes are to all intents and purposes the same, the method of implementation and priority given to the various elements may well be very different, leading to factories being faced with conflicting requirements in dealing with non-compliances or improvement opportunities. This article will highlight some of the efforts being made to attempt to create a common standard.



In Europe some moves to mutual recognition of standards and codes, or at least the sharing of information, have begun. However, these are still a long way from the acceptance of a single set of requirements. Interested parties are closely watching recent initiatives to design a single set of guidelines or a "Supercode" yet companies are reluctant to lose control of an issue that is seen as key to brand enhancement and protection.

More importantly, the difference in approach between what is commonly seen as a European model of engagement and collaborative with suppliers, as against the US stance of demanding immediate compliance makes it hard for these two groups to find common ground.

A common standard would simplify auditing but the main benefits go much further:

- Lower costs and implementation would be quicker
- Greater transparency would facilitate information sharing
- Easier comparison between audits

### Current Initiatives

#### A. ISO

Recently the International Standards Organisation (ISO) announced that it was starting work on a new guideline for social responsibility. The anticipated publication date of 2008 is still a long way off, leaving companies to continue to muddle through the plethora of codes. It should also be noted that the initiative itself is also coming under fire from Unions and Non-Governmental Organisations (NGOs) who feel that groups representing workers' interests will not be sufficiently consulted.

More importantly, this ISO initiative is intended to be a guideline and not a standard that can be consistently applied or audited against.

#### B. The European Union

In a shorter timeframe, the European Union has announced that it is to launch a review of the range of standards that are in common use with a view to deciding those that are worth working with in the future. They are restricting their interest to multi-stakeholder codes – those that include participation from Unions and NGO's. This, it is felt, will give greater validity to the codes. The EU will be starting work in the second half of this year and expect to have a review ready for publication by the end of the 2005.

#### C. The "Supercode"

*The first real move to benchmarking a number of these approaches is being undertaken in Turkey. A number of organisations (Clean Clothes Campaign, ETI, FLA, Fairwear Foundation, SAI, Worker Rights Consortium) and some brands have come together to agree a common code and a major programme is being launched to look at different ways of monitoring compliance. This will involve internal monitors, NGOs, 3<sup>rd</sup> parties and others in a range of traditional and innovative approaches to evaluate what works best.*

*This initiative is set to measure progress over a two-year period and while interim reports will be available, no final outcome is expected before that time.*

*Article continues on next page*

## Code of Conduct Creating a Common Standard (cont.)

### Information Sharing Today

For the time being, the only practical initiatives aimed at reducing audit fatigue and the consolidation of individual brands into agreement on broader code of conduct requirements are, for the European market, the BSCI (Business for Social Compliance Initiative) and the ETI (Ethical Training Initiative).

BSCI is a grouping of European retail companies and associations who have developed a common standard based on ILO conventions and the UN Charter for Human Rights. Once audited, details are uploaded onto the BSCI web site by the audit company which then gives access to all member retailers to view the audit reports and so hopefully reduce the number of audits that are required once basic compliance is reached.

The ETI Base Code, on the other hand, is largely accepted by UK retailers and brands, although it has also fostered a number of relationships with other organisations. This is a multi-stakeholder initiative with code based on ILO conventions and details standards expected of suppliers' sites. Monitoring systems are left up to members to decide upon, but can include internal monitoring, as well as the use of 3<sup>rd</sup> parties.

In response to the audit fatigue that the members are very aware of, a number of ETI members have come together to develop a shared database for ethical audit data called SEDEX.



The information in the SEDEX database is owned by the supplier or factory who can decide which brands are allowed to see it and even what information they are allowed to see. Again, the audit is uploaded onto the database by the audit firm in order to provide greater credibility. Some brands are making it a requirement that factories join the scheme as they hope to use the database to manage their compliance programmes.

Until retailers and brands are willing to align their individual compliance requirements, united standards will not exist to enforce and simplify practices. Rather, individual codes of practice will continue to be enforced voluntarily. Yet, reshaping conduct through a standard code of practice on an industry-wide and increasingly global basis may be particularly important given that the perceived misdeeds of one company can rebound on its sector as a whole. In the longer term let us all hope that one of the initiatives to develop a common code bears fruit, simplifying compliance issues for everyone.

*SGS can provide audits against all major codes, including:*

- AVE
- Business for Social Compliance Initiative
- Ethical Trading Initiative
- Fair Labour Association
- Initiative Clause Sociale
- International Council of Toy Industries
- SA8000
- Worldwide Responsible Apparel Production (WRAP)

In addition, SGS is recognised by most major retailers and brands and can offer audits against a range of clients own codes. In many cases it is possible to design a combined audit or to provide multiple reports from a single visit to satisfy a variety of audiences.

**For advice on which standard is best suited to your particular circumstances, please contact [Effie Marinos](#).**



## Intrinsic Safety Testing

### Removing the Explosive Potential

For the fearless John McClane in the Die Hard films who suffers from always being in the wrong place at the wrong time, everything he seems to touch explodes in his face. The spectacular pyrotechnics in these films is dramatic enough to remind us of the awesome power of an uncontrolled explosion.

For any fire or explosion, there needs to be three elements present - fuel, oxygen and a source for ignition. Where fuel and oxygen exist in highly concentrated or volatile conditions, the environment is described as highly flammable. In an oil refinery or chemical plant such conditions exist and an explosion is a real possibility. Subsequently, all possible preventions need to be taken to minimise the risk to both life and property.

*For electronic and electrical product manufacturers, the need for their products to operate without igniting flammable mixtures of air and gas, vapour, dust or fibres is vital. **Intrinsically safe** equipment is defined as equipment and wiring which is not able to release sufficient electrical or thermal energy under normal or abnormal conditions to cause ignition of the surrounding atmospheric mixture.*

An intrinsically safe electrical or electronic system assumes the fuel and oxygen is present in the atmosphere, but it is designed and certified so that it will not contain or deliver sufficient energy (via hot surfaces or a spark) to ignite different flammable gases, nor will they have parts that heat up to ignition temperatures, and hence the term "Intrinsic" safety.

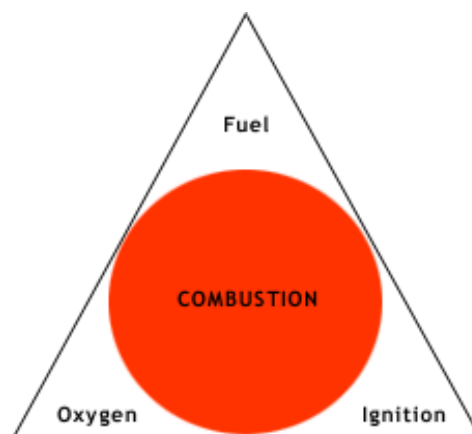
Handheld communication radios, for instance, are very often used in such potentially dangerous environments. For such electrical devices to be intrinsically safe, they also need to be properly certified through both theoretical and real-life testing by an independent certification body. Portable radio manufacturers Kenwood Communications and Vertex Standard have turned to SGS USTC to ensure that their radios can be used safely in any hazardous location.

The basic design of an intrinsic safety barrier uses Zener Diodes to limit voltage, resistors to limit current and a fuse. This technology holds great promise for electrical and electronic equipment manufacturers, who in the past have had to resort to the use of other more cumbersome and costly technologies. For example, it was typical to implement explosion-proof enclosures for electrical switching gear, at huge expense.

Intrinsic safety is also the safest, least expensive and easiest to install protection scheme available. As a matter of fact, some experts maintain that intrinsic safety, as it has already done in Europe, will eventually overshadow other flammable atmosphere technologies which have historically been used around the world.

Among the specialised areas of testing and evaluation that fall under the scope of SGS CTS Electrical and Electronic (E&E), intrinsic safety is a growing area of business, with several major telecom product manufacturers resorting to intrinsic safety for risk mitigation. Some insurers require and even provide intrinsic safety evaluation in a number of areas. Legislation is not far behind, as the European ATEX Directive and US National Electrical Code both allow for the use of intrinsic safety to ensure compliance of products and installations.

At SGS CTS E&E, the intrinsic safety programme provides factory follow-up around the world, as well as the initial evaluation of these products to determine compliance. **For further information, contact [Ray Lopez](#) in Fairfield, New Jersey, USA on +1 973 575 5252 x 2097.**





# Introduction to the Restriction of Hazardous Substances

## Introduction to RoHS



A new EU directive, the Restriction of Hazardous Substances (RoHS) legislation will apply throughout the European Union (EU) from July 2006. Its critical responsibility is to ban electric & electronic (E&E) products containing any more than trace amounts of lead, mercury and cadmium and three other hazardous substances.

The regulation decrees that manufacturers may not put new E&E equipment containing certain named substances in exceeding amounts on the market in the EU. Producers must be able to demonstrate the documentary compliance to the RoHS directive or they will not be permitted to place their products on the European market.

The main focus is lead, the age-old toxic substance beloved of sewer builders and plumbers for its flexibility and durability. Today it is more

commonly used to affix components to circuit boards and as an ingredient in the glass in cathode ray tubes and light bulbs. Mercury is used in thermostats, sensors, relays in switches and discharge lamps. Cadmium is used in switches, springs, connectors, housings, and printed circuit boards, plastics, and Ni/CD-batteries. Hexavalent Chromium is used in metal coating for corrosion protection and wear resistance. Polybrominated Biphenyls (PBB) and Polybrominated diphenyl ether (PBDE) are flame retardants used in printed circuit boards, connectors, and plastic covers.

Most of these substances do not pose any health risks when in use and combined with many other components. Yet once the electronic device is obsolete and no longer wanted, it's the potential of these original substances to leak into the environment – during disposal – that poses the greatest risk. Recognising the importance of getting it right and with only a year to go, manufacturers and suppliers alike are already reducing the toxic substances in their products and components to comply with the directive. The alternative is to take back the unwanted item for recycling. This directive is not limited to the EU; as in China and California for instance, the authorities are also basing their E&E disposal rules on RoHS.

Complying with all the rules is not an easy task. According to the Californians Against Waste, an environmental lobby group, the 315 million computers and monitors that became obsolete in the US alone between 1997 and 2004 contained 550,000 tonnes of lead.

Affected products include many types of electrical and electronic products; amongst them household appliances, IT and telecommunications equipment, consumer equipment, lighting equipment, electrical and electronic tools, toys, leisure and sports equipment and automatic dispensers.

Limits for lead, mercury, chromium VI and PBB/PBDE are 0.1 % for each and 0.01% for cadmium. There are a few exemptions, but these are only for "unavoidable due to technical reasons" such as mercury in fluorescent lamps, lead in glass.

It is clear that these new rules will have definite financial implications for electronics and computer manufacturers, adding approximately 1% to the cost of a PC and 2% to the cost of producing a mobile phone. Yet the damage done to the environment by old, rotting & toxic equipment will have been reduced for future generations.

RoHS testing and RoHS compliance is a core competence of SGS.

Contact **Dr. Heiko Hinrichs** for more details

## SGS Brazil Peanuts Programme

### An audit programme has changed the image and the positioning of a prehistoric legume

For as long as people have been making pottery in South America (3,500 years or so) they have been making jars shaped like peanuts and decorated with peanuts. Originating in Brazil and Peru, the peanut or groundnut is a popular commodity that consumers can't seem to get enough of since it was discovered after the New World conquest. Yet from a near dominance of world trade in the 1960's & 1970's, Brazil's output represented just 1% of world annual production in 2001.

One key reason why Brazil's production and export volumes are so low is because of high levels of aflatoxins in the peanut crop. When certain types of fungus grow on food, they produce minute amounts of toxins fungi-produced mycotoxins. Most cotoxins are harmless, and in some instances, the antibiotic penicillin originated from a fungus, and is also a mycotoxin. Yet some of these fungi (primarily *Aspergillus flavus*) produce very lethal mycotoxins. Aflatoxins are classified as a group of toxins that cause disease even in minute amounts. Aflatoxins are known for causing disease throughout the body, mainly on grains and legumes that is notorious for the growth of aflatoxins.



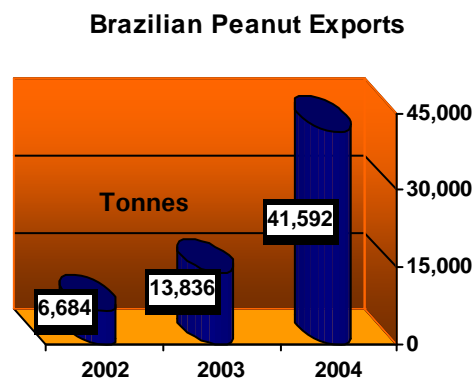
Since the early 1970's, the presence of aflatoxins in groundnuts has frightened off Brazilian consumers, who despite loving peanut-based dishes such as the typical Brazilian delicacies 'pé-de-moleque' and 'paçoca', would not consume them. In 2001 as much as 40% of all peanuts were contaminated according to the Brazilian government.

In this year ABICAB (the Brazilian Association of Peanuts Products) established a Self Control Program named 'Pró-Amendoim'. At its centre were two major health and safety control techniques implemented by SGS Brazil: The first, GMP (Good Manufacturing Practice) require that manufacturers, processors and packagers take proactive steps to ensure that their products are safe, pure, and effective. GMP regulations require a qualitative approach to manufacturing, enabling companies to minimise or eliminate instances of contamination, mix-ups or errors.

The second, HACCP (Hazard Analysis Critical Control Point) is recognised as the best documented Food Safety system and is based on the analysis of food production and the identification of Critical Control Points (CCP's) in the preparation processes. A 'hazard' is defined as any condition that can jeopardise food safety and 'hazards' are generally categorised as physical, biological and/or chemical. A critical control point (CCP) can be defined as a point in a process where a hazard can be dispensed with or reduced to within safe parameters. The Critical Control Points are then closely monitored in order to ensure that food is safe.

Based on these two monitoring programs, ABICAB and SGS approve the companies which follow benchmark requirements of hygiene and process control, including storage when it is known that aflatoxins are likely to be produced. Once certified the "ABICAB Quality Mark" is granted which can be used on packaging, thus clearly identifying a checked product to consumers. Nowadays the output of Brazilian peanuts produces 92.5% of safer products against just 7.5% of contaminated products. The net result has been a 100% increase in peanut cultivation in the country in the last four years and a dramatic increase in the export volume. Yields are up and the area under cultivation has reversed its steady decline and levelled out.

This programme has contributed to increased peanut exports as shown in this graph.



For details on this programme contact [Rosemary Vianna](#) at SGS Brazil.

Source: ABICAB



## World Trade -Textile Trade Update

### An update on recent moves to limit China's textile and apparel exports

January last saw the end of the decade-long phase-out of a quota system that had protected the world's biggest textile markets – the US and the EU – from cheap imports, largely from Asia, for over 30 years. Since the removal of this MFA (Multi-Fibre Agreement), exports from Pakistan, India, Egypt, Turkey and in particular China, have soared. In the first quarter of 2005, for instance, the number of Chinese cotton trousers imported by America rose by 1,573%, cotton T-shirts and blouses were up by 1,277% and cotton underwear by 318%. according to U.S. trade data. A similar, dramatic increase in imports from China was seen in the European Union (EU) since the removal of trade quotas. China has clearly taken an enormous share of the world textile and garment market, a market that was previously pooled between smaller, developing countries, protected by the quotas which guaranteed them a share of the rich countries' markets.

The fall out on both sides of the Atlantic has been loud and angry, incredulous at the low prices and worried at the high volumes coming out of China. The domestic textile industries and local action groups in both the US and in European countries have lobbied very strongly over the huge job losses as a result of the surging apparel and textiles imports from China. In fact the US maintains that in the short time since the MFA came to an end, its textile industry has lost more than 16,000 jobs and more losses are predicted.

### Chinese export growth

Of all the garment producing countries previously limited by quotas, China has had the biggest growth since quota abolition. This is not only due to the size of the textile and apparel apparatus (almost 50 per cent of the textiles and apparel made in China are for exports) – but also by the sheer size of its textile industry which was restricted by quotas till now. Over 18 million people in China are employed producing clothing and knitwear, an additional 4.6 million work in weaving and fabric processing, and more than 100 million are employed in farming natural fibres like cotton.



Critics of China maintain that Chinese manufacturers receive unfair benefits including long term loans on favourable terms from state-controlled banks, sector and company subsidies and most importantly that its currency, the yuan is artificially depressed, helping to keep down the cost of exported goods. Since China's net trade surplus hit a massive \$16.5 billion in the first quarter of 2005 the EU and the US have been pressing for revaluation of the yuan because such surpluses are indicative of productivity increases which should lead to a currency appreciation. So far this has not happened although the Chinese government is coming under more and more pressure to do so.



### Safeguards and protectionism

The American reaction, after fierce lobbying by the textile and apparel sectors, occurred in May when new import quota limits on seven categories of apparel, including t-shirts, cotton pants and underwear were put into place. The safeguards allow Chinese imports in those categories to rise only 7.5% this year. Manufacturers expect to hit those limits by the end of the summer. When the limit is hit, no more goods can be shipped into the U.S. from China for a year, forcing importers to scramble for new sources that may not produce goods of the same quality or as cheaply as Chinese manufacturers.

These quotas, which restrict their year-on-year growth to 7.5%, can be renewed annually until 2008 and could be expanded to encompass other goods. These safeguards are a trade control measure conceded by China during the prolonged negotiations for her entry into the WTO. They can be used by WTO members to curb Chinese exports for a product if the member's market for that category was disrupted as a result of the exports.

But US textile firms do not believe that the safeguards go far enough. They are also vigorously backing proposed legislation that would slap a tax on Chinese imports unless China re-values its currency. *(continued p. 12)*

## World Trade -Textile Trade Update (cont.)

In their support Congress has already voted to take up legislation, the China Free Trade Act, which would impose blanket tariffs on Chinese imports of 27.5% if Beijing does not revalue its currency within six months. The measure would be against WTO rules. US financial and other services firms have meanwhile urged Beijing, somewhat opportunistically, to speed market opening in their sectors, on grounds that this would lower political tension by reducing the overall trade imbalance.

In late June Mr Greenspan and Mr Snow, two of the financial world's most watched people, said that while they shared many of the politicians' frustrations, higher tariffs as advocated in the China Free Trade Act may do more harm than good. Should the legislation ever be passed, the effects would be "extraordinarily negative", Mr Greenspan said.



### European Agreement

In early June the European Commission and the Chinese Ministry of Commerce finally negotiated a deal to manage the growth of Chinese textile imports to the EU. The agreement signed by China and the European Commission limits growth in exports of 10 categories of Chinese textiles to the EU to a maximum of 12.5 per cent a year until the end of 2008.

The limits, ranging from 8 per cent to 12.5 per cent a year for 2005, 2006 and 2007, will cover 10 of the 35 categories of Chinese imports that came off quota on 1 January 2005. Key products include pullovers, men's trousers, blouses, T-shirts, dresses, bras, flax yarn and cotton fabrics.

Using WTO safeguards instead would have provided limited protection in some categories only until the end of 2005. The new agreement gives wider coverage over a longer period - and more specifically it gives the EU textile industry (and its Mediterranean neighbours) three years in which to adapt to changed market conditions.

***In recent years garment manufacturers have separated production of garments into various locations around the world, searching out specialists who could perform each function most efficiently. Those in the business call it "chasing the cheapest needle" This technique meant that in sourcing apparel from Asia, it was common to have a shirt made in six different countries with each country specializing in a different part of it. This was a complex model of specialization.***

***But today, since the removal of export quotas on textiles and clothes, all this has changed. There has emerged a new model of integration - not only in design and production, but also for packaging and distribution directly to stores - and that new model is China***

Also, the agreement's limits on growth for Chinese exports are higher than the 7.5 per cent ceiling that would have been permitted under safeguard measures. This reflects the fact that they were reached by agreement. They allow China fair and reasonable growth, at levels which in some cases increase over the three-year period.

### The Free Market

The effect of China gaining full access to textile and apparel markets should have been better foreseen and accounted for when it joined the WTO in 2001. Under WTO rules, the textile safeguards can only be enacted through 2008. The US may use other barriers to limit Chinese exports but such protectionist actions will only damage US credibility as a promoter of free-market economies.

Should quotas and tariffs return, the true losers will be American and European consumers and the retailers that cater to them. It will mean higher prices now and hinder lower future prices by slowing the emergence of Chinese "supply-chain cities" that will handle the entire process of making a piece of clothing from sheep to shelf.

Without quotas, in a truly free market, China could build vertically integrated firms, lowering costs, raising quality and cutting time to market - great for western customers. This is sure to happen, one way or another. China's emergence as the ultimate one-stop textile producer can be delayed - but not stopped.



## Malachite Green

Malachite green is an organic dye used worldwide as a fungicide and ectoparasiticide in fish farming. Yet this dye is not authorized in the EU for veterinary use because of its potentially toxic effect. After intake, malachite green is readily reduced to leucomalachite.

Aquaculture products that when tested showed a lower level than stated MRPL's will be approved for export to the EU. Tested products with higher levels than specified may be returned to the country of origin under specific conditions or returned to a third country. The EU has laid down new harmonised standards for the testing of malachite and leucomalachite in certain products of animal origin. For more go to [SafeGuards Malachite](#).



## Retroflective Materials in Textiles & Garments

Retroflective materials are mainly used to improve visibility under low-light level conditions. In the garment industry, it is mainly used in safety clothing, such as safety vests for road workers. Retroflective sheeting and tape are the most common retroflective materials used.

The coefficient of retroreflection, also known as retroreflectivity, is the photometric performance value of retroflective products. This SafeGuards explains which standard codes for US, EU and Australia cover these products. For more go to the [Retroflective SafeGuards](#).

To access the complete list of SafeGuards click here: [www.sgs.com/SafeGuards](http://www.sgs.com/SafeGuards)

## Barked Craft Items to be banned in the US

After four product recalls of wooden decorative items from PRC in 6 months, the Animal and Plant Health Inspection Service (APHIS) is worried about the influx of wood-boring quarantine pests living in decorative and craft items.

With effect from April 14, 2005, the import of craft items made from wooden logs, limbs, branches or twigs from the PRC are suspended from entering the US. This suspension will negatively impact on the import of intact barked craft items.

For more go to our [SafeGuards](#).

## Regulations for N-Nitrosamines

Volatile N-nitrosamines have been shown repeatedly in animal testing to be among the most potent carcinogens known. They are highly toxic and can be readily absorbed by the skin.

N-nitrosamines and their precursors are added during the manufacture of both natural and synthetic rubbers as an accelerator, antioxidant and reinforcing agent to provide strength and elasticity. Further nitrosamines can be generated by interaction with the precursors and other additives added during vulcanization, during production and storage.

This SafeGuards provides a summary of the US, EU, French and EU Eco-label regulations governing testing standards, product types and permissible limits of nitrosamines in different product types. For more go to our [SafeGuards](#).

## Directive on WEEE and RoHS in Europe

Any company wishing to sell electrical and electronic equipment in the European Union must fulfil Directive on WEEE (Waste in Electrical and Electronic Equipment) and RoHS (Restriction on the use of Certain Hazardous Substances in Electrical and Electronic Equipment). The objective is to protect soil, water and air from pollution caused by current waste management and to avoid the generation of waste that has to be disposed of.

The Directive of WEEE requires product design, separate collection, treatment and recovery on or before 15 August 2005. The Directive of RoHS requires hazardous substance substitution of the certain hazardous metals by 1 July 2006. For more details see our [SafeGuards](#).



## Avian Flu & Feathers

Avian influenza is a highly contagious viral disease in poultry and birds that presents a serious threat to animals and human beings. Last year, several human cases of infection by the avian influenza virus strain were reported in Asia and South Africa. As a consequence, the EU has extended the restriction on the importation of feathers from the following Asian countries and South Africa under the original Commission Decisions 2004/122/EC (OJ L 36/59, 7.2.2004) and 2004/614/EC (OJ L 275/20, 25.8.2004).

Since avian influenza is still affecting certain countries, the updated EU restriction was published in March 2005 and a brief summary is shown in this [SafeGuards](#).



## UV Protective Clothing

Over exposure to ultraviolet radiation from the sun has raised considerable public health concerns. Consumers have an increased awareness of the risks and as a result they are looking for protection beyond sunscreens such as lotions and creams. Depletion of the ozone layer has forced the need for additional protection. Clothing can provide a barrier against harmful rays; however it is important to understand that not all fabrics and garments offer equal protection.

Ultraviolet Protection Factor is a measure of the ultraviolet radiation protection provided by a fabric and there are standard laboratory procedures for measuring its level in clothing. There are also three standards used for determining Ultraviolet Radiation Factor for clothing manufactured different markets. See our [SafeGuards](#) for details on these.

To access the complete list of SafeGuards click here: [www.sgs.com/SafeGuards](http://www.sgs.com/SafeGuards)

## Azo Blue Dyes

There has been much talk and press coverage in recent years regarding the presence of azoic colourants in articles which can come in contact with the skin. This began with a ban on such substances in Germany and culminated in the EU Directive 2002/61/EC forbidding the use of a list of aryl amines and the dyestuffs containing them. The risk to the consumer (and of course the producer) is perceived to be either an increased risk of cancer or other health problems.

In actual fact it is technically very difficult to test a material for the presence of the azo blue colourant dye and there is currently no universally accepted method for doing so. SGS has however developed methods for its detection and quantification for those who require the test. For more see our [SafeGuards](#).

## Expanding Materials in Toys

Expanding materials are used in magic growing sets where items like fish or insects expand dramatically when immersed in water. The potential risks with this toy occur when children swallow the whole toy or bite parts of the toy and then swallow it. Once ingested in the body the toy starts to expand dramatically causing all kinds of unpleasant problems in the gastrointestinal tract.

In order to harmonise different requirements that regulate the use of these materials, the coordination group of Notified Bodies has made some fresh agreements. Our [SafeGuards](#) discusses these in more detail.

## Breathability of Leather in Footwear & Textiles

Modern breathable leather allows perspiration to be transmitted into the atmosphere, thereby helping the wearer to remain cool, dry and comfortable. However, footwear with non-breathable (also called "impermeable") uppers and linings will lead to the build up of perspiration within the shoe because moisture cannot pass through the material.

The level of breathability varies between materials and structures. It can be determined by evaluating the water vapour permeability of a material or product. See our SafeGuards for a review of Different Leather Permeability Test Methods. Click [here](#).





## The Potential Hazards of Phthalates in Plastic Toys and Baby Products (US)

Phthalates are chemical substances that make PVC plastic soft and flexible. Among many other uses, they are used in soft, plastic toys and other baby products such as teething rings. Phthalates leach out of plastic over time.

There is much debate about the dangers of phthalates used in the manufacture of polycarbonate plastics used in toys and some baby products. Legislation is being proposed in the US to have these substances banned, and while there is some evidence of the potential hazards, many plastic manufacturers believe that the products under scrutiny are too vast and that phthalates are an essential chemical ingredient to thousands of plastic consumer products. Our [SafeGuards](#) shares the different points of view on this topic

## Canadian Hazardous Product Act (Liquid Coating Materials)

To improve the health and safety of the Canadian public when exposed to surface coating materials, the current *Hazardous Products (Liquid Coating Materials) Regulations* has been with the *Surface Coating Materials Regulations*, which apply to all forms of surface coating materials.

The regulations may come into force on the 19<sup>th</sup> of April 2005 and further restrict the maximum lead level and set a restriction on the maximum mercury level in paints and other surface coating materials. To learn about key changes in the new Act, click [here](#).

## CPSC Approves First Step toward Mandatory Standard for Cigarette Lighters

The U.S. Consumer Product Safety Commission (CPSC) voted unanimously on April 1, 2005, to move forward with the first of three steps to develop a new mandatory safety standard for cigarette lighters. The vote to approve an Advanced Notice of Proposed Rulemaking, which is open for public comment, sets the Commission on a path to consider a way to prevent most mechanical malfunctions of lighters and reduce the fire hazard associated with some lighters. Click [here](#) for details:



To access the complete list of SafeGuards click here: [www.sgs.com/SafeGuards](http://www.sgs.com/SafeGuards)

## Hemispheric-shaped toys EN 71-1; A10

The European amendment A10 of EN 71-1;1998 harmonizes requirements for hemispheric-shaped toys with the US requirements defined in ASTM F-963-03.

The problem with these toys was originally identified in the US. Fatal accidents occurred with half bowl shaped Pokemon balls that, when placed over a young child's nose and mouth formed an airtight seal. The children involved in fatalities were likely to be aged 4 to 24 months. Invariably, the vacuum created by the bowl caused suffocation. The US research by the US CPSC (Consumer Product Safety Commission) analysed incident data and defined the shapes that would cause problem; this was presented in Europe and adopted by CEN. Click [here](#) for details and diagrams:



## A Sticky Problem - Colophony

Now and then, it is possible that you or someone you know will develop a rash from having worn, handled or smelled something. The rash might just be a bit itchy or it might develop in to a more serious problem depending on your sensitivity.

Colophony is a substance obtained after turpentine is extracted from pine resin and it is a sticky crystalline substance used to give preparations "sticky" characteristics; hence its use in adhesives and things that need to stick to the surface they are applied to. It is normally yellow to brown in colour depending on its purity and origin. To learn more about this sticky irritant click [here](#).

# Articles Needed

Do you have a story for  
Consumer Compact?

If so, please get in touch

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