

The logo features the letters 'TIC' in a large, bold, white sans-serif font. A thick, teal-colored diagonal line cuts through the letters from the bottom-left to the top-right. Below 'TIC', the word 'COUNCIL' is written in a smaller, white, all-caps sans-serif font.

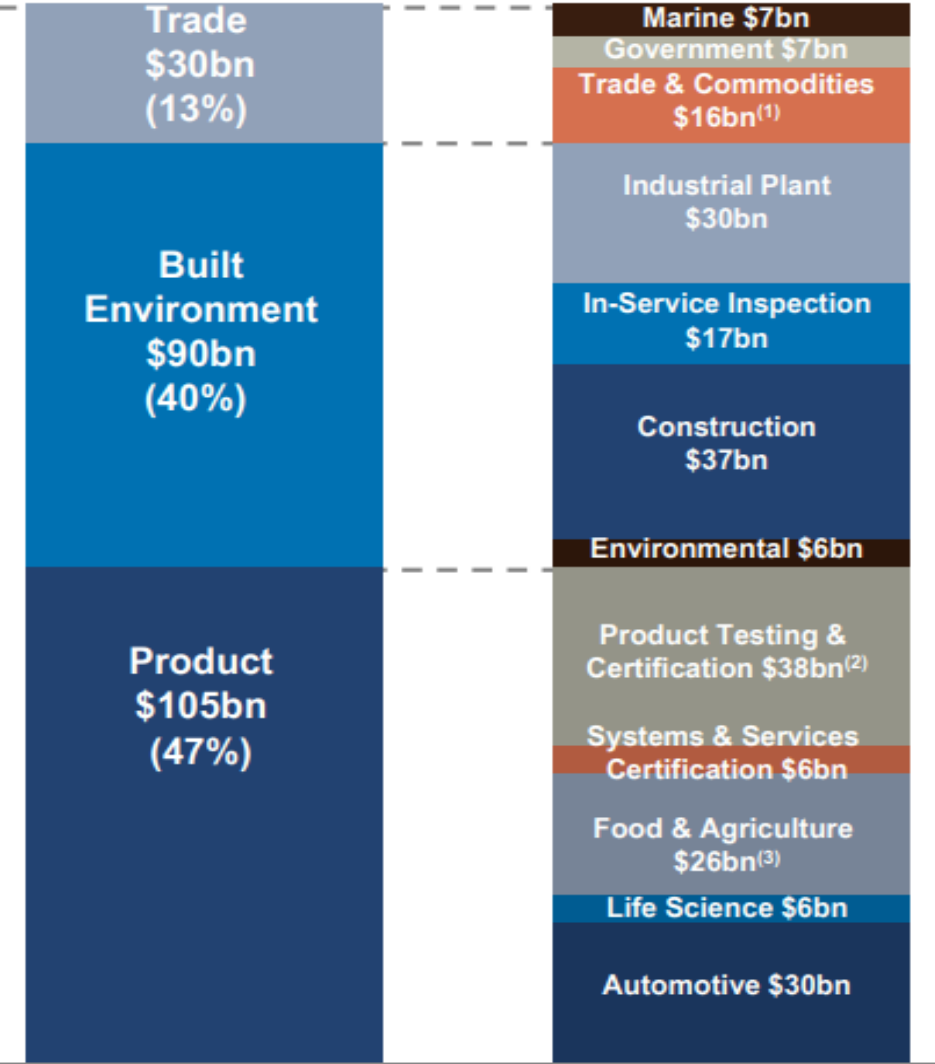
TIC COUNCIL

THE INDEPENDENT VOICE OF TRUST



What the TIC Sector is

The testing, Inspection and Certification (TIC) sector provides conformity assessment services



Source: Baird research and company filings

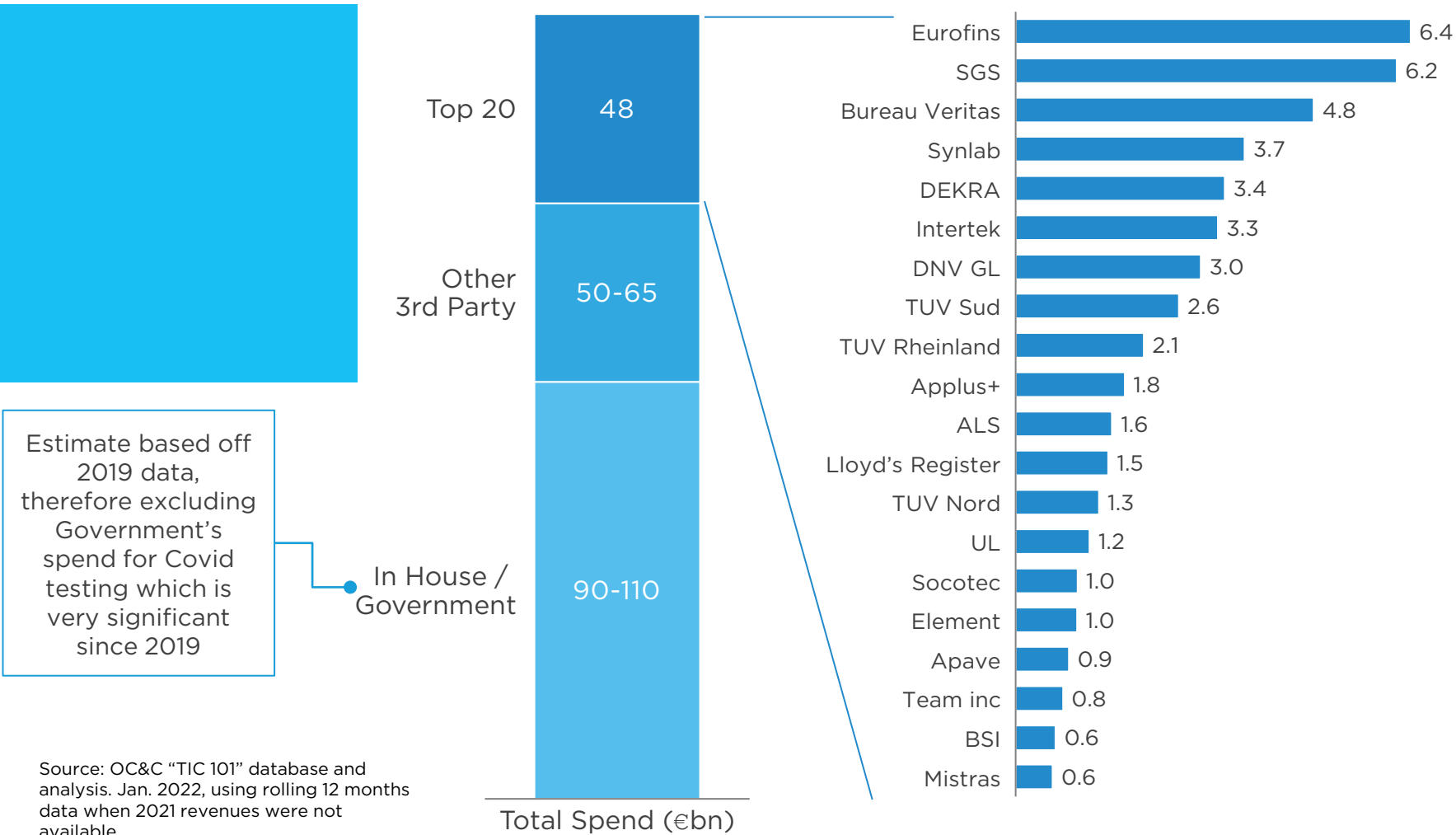


Testing Inspection & Certification Market

Overall Size and Supply Structure



“Top 20” TIC Companies 2021 Revenue (€bn)



The global TIC market is valued at c.€190-220bn, and is highly fragmented - despite several decades of consolidation - with much spend still in-house or via government agencies

The market has experienced a strong rebound after the Covid crisis with 5% growth of outsourced spend over 2019-2021

Top 20 companies in 2019 remain in the top 20 in 2021, with upward shifts for companies overexposed to Life Science sector, e.g. Eurofins, ALS Global.

Source: OC&C “TIC 101” database and analysis. Jan. 2022, using rolling 12 months data when 2021 revenues were not available

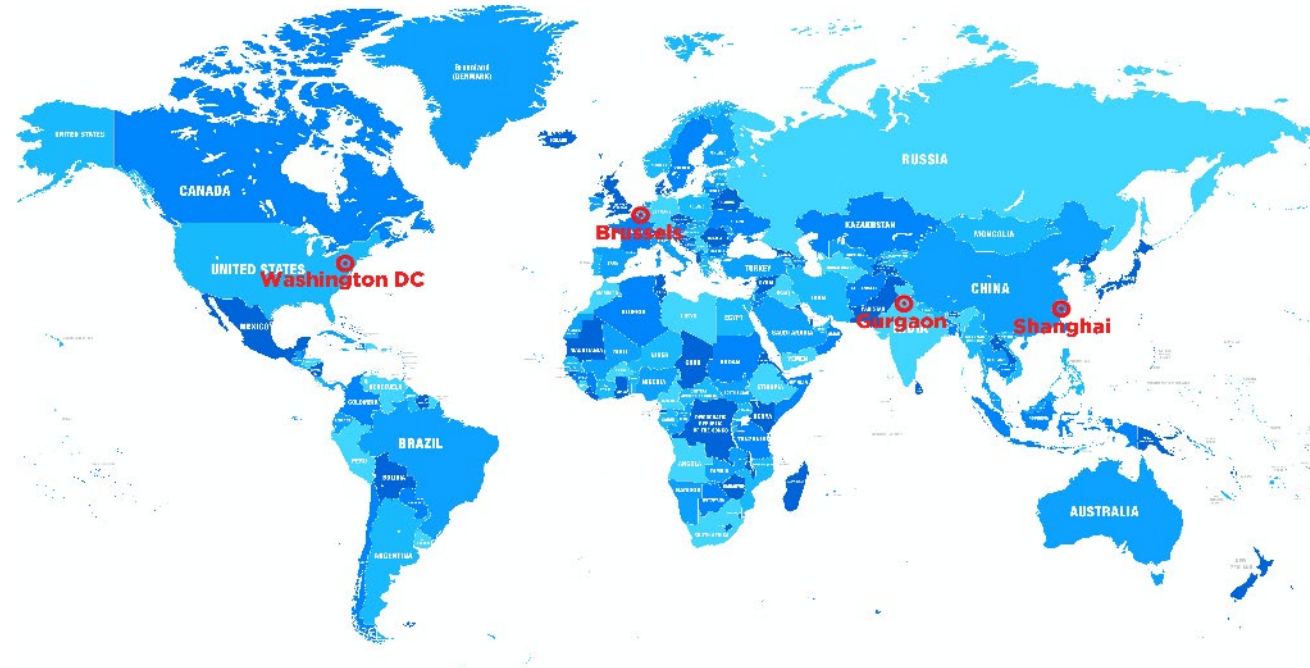


TIC Council

The Independent Voice of Trust



- Born from the merger of IFIA and CEOC
- Over 100-member companies & organizations active in more than 160 countries (HQ mapped)
- TIC Council has its head office in Brussels. It is also present in Washington DC, China and India.



TIC Council's Key Policy Areas



ESG

Our members offer sustainability due diligence throughout manufacturing processes and supply chains. This may include conformity with environmental requirements, equality policies, human rights protection and healthy working conditions throughout the value chain.



DIGITALISATION

Our members test digital solutions and products against connectivity, cybersecurity, privacy and safety requirements. This may include malicious code and penetration testing, interoperability testing or electromagnetic compatibility testing.



PRODUCT SAFETY & COMPLIANCE

Our members conduct conformity assessment of products regarding electrical, mechanical, food, health and chemical safety as the general protection of consumers against unhealthy or dangerous products.



INTERNATIONAL TRADE

The TIC sector facilitates trade by enabling economic operators to test and certify their products with requirements of other world regions. Thereby, economic operators can export their products and participate in high – level value chains.

Delivering Value Chain Benefits

The independent TIC sector delivers benefits across the global value chain for:




CONSUMERS

- ✓ Safer products
- ✓ Reduced search cost
- ✓ Lower prices



BUSINESS

- ✓ Regulatory compliance
- ✓ Safety premium
- ✓ Enhanced demand
- ✓ Market enablement (entry, access & creation)



POLICY MAKERS

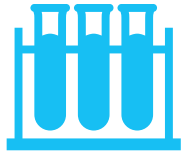
- ✓ Reducing pressure on the public purse
- ✓ Redeployed market surveillance & customs authorities resources
- ✓ Regulatory design assistance
- ✓ Reducing trade cost & complexity
- ✓ Increased trade volumes

- ✓ 90%: the proportion of consumers reporting that third-party testing is important.
- ✓ 16%: the average 'safety premium' consumers are willing to pay for independently verified products.

- ✓ 80%: the proportion of businesses who agree that TIC plays a legal compliance role.
- ✓ >50%: The no. of electronics failing EU safety requirements in 2017

Conformity Assessment

Which combination of the three regulatory requirements (testing, inspection and certification) that a product must adhere to varies depending on the market where it will be placed and its application.



Testing – A series of procedures and measures that check the product’s characteristics of conformity (i.e., performance and/or safety). Most countries and regions require that products pass some sort of regulatory testing and they must show proof of the test via a test report or certificate of conformity.

Inspection – A product’s design, process, or installation may need to be examined either prior to or after being released into the market to ensure conformity. This means the manufacturer’s factory, supply chain, or process may be inspected as well. Inspections may be a requirement of, or independent from, product certification.



Certification – Verification from a third party accredited organization providing evidence and assurance that the product complies with the specified requirements of a standard or regulation.

FIRST-PARTY

SECOND-PARTY

THIRD-PARTY

- ✓ First-Party Conformity Assessment is performed by the person or organization that provides the object, that is the supplier or manufacturer demonstrates that a product or service fulfils specified requirements, and it is typically used when there is a lower level of risk associated with non-compliance and with the product.

For a First-Party conformity assessment to work:

- The risk of non-compliance must be low;
- The risk of the product must be low.

FIRST-PARTY

SECOND-PARTY

THIRD-PARTY

- ✓ Performed by a person or organization that has a user interest in the object, that is, the end user or entity acting in the interests of the end user, or an individual or group whose primary interest is in fulfilment of requirements demonstrates for itself that specified requirements are fulfilled.

FIRST-PARTY

SECOND-PARTY

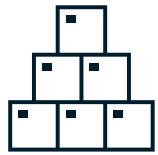
THIRD-PARTY

- ✓ Performed by a person or body whose interests in the product are independent from those of first parties and whose interests in fulfilment of requirements are independent from of second parties.

Third-Party is widely relied upon in many markets when:

- ☐ There may be a higher risk associated with non-compliance;
- ☐ There may be a higher risk from products.

Third-Party Testing



STEP 1

Labs receive samples from manufacturer



STEP 2

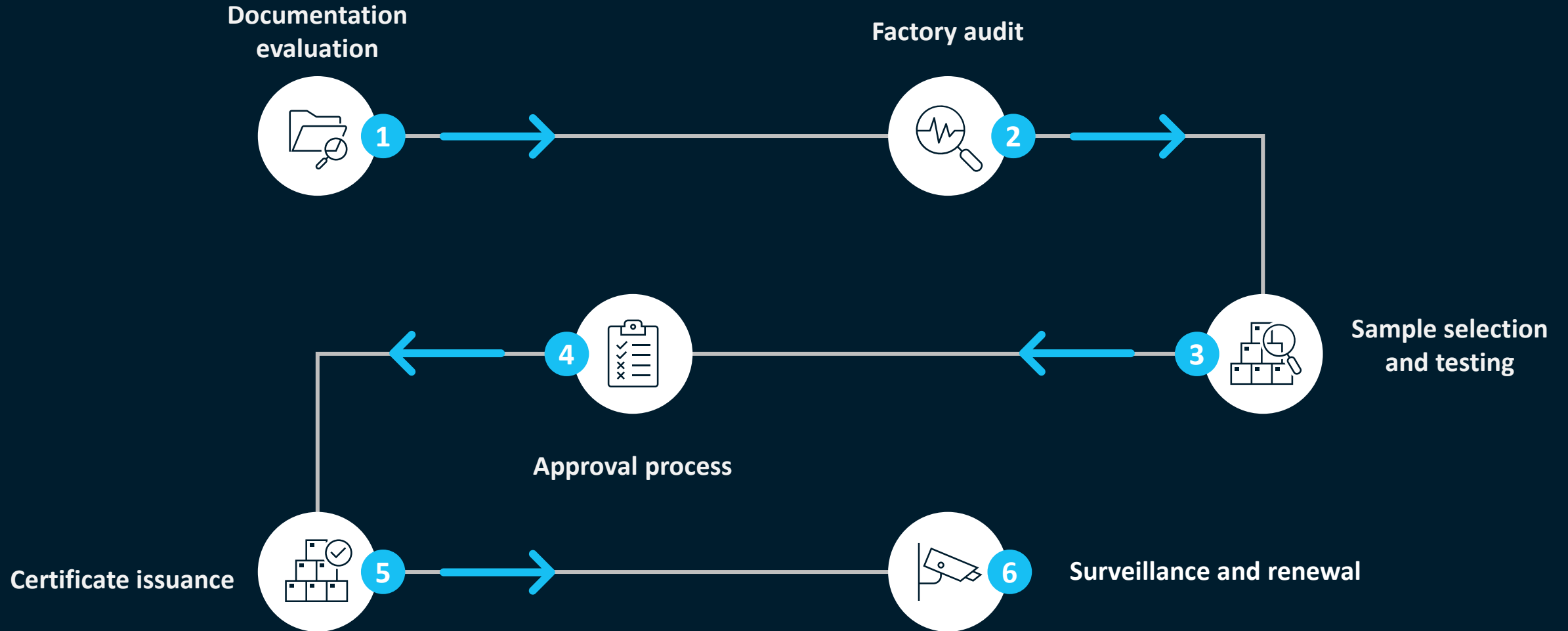
Labs conduct testing against standards



STEP 3

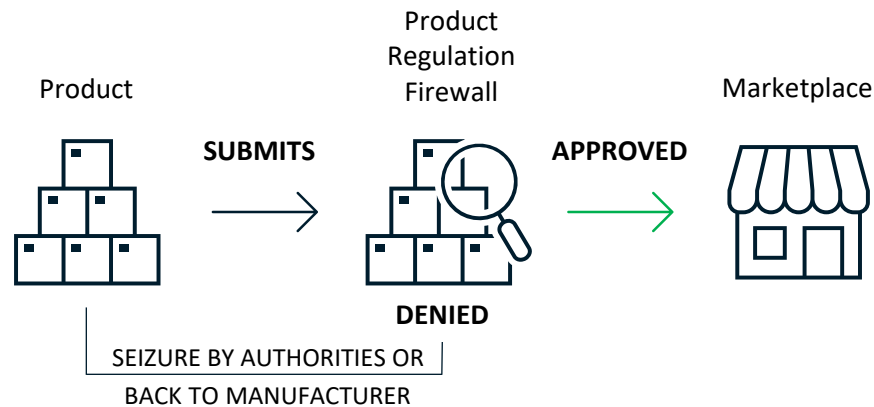
Labs produce test reports with pass/fail result

Third-Party Certification

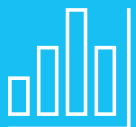
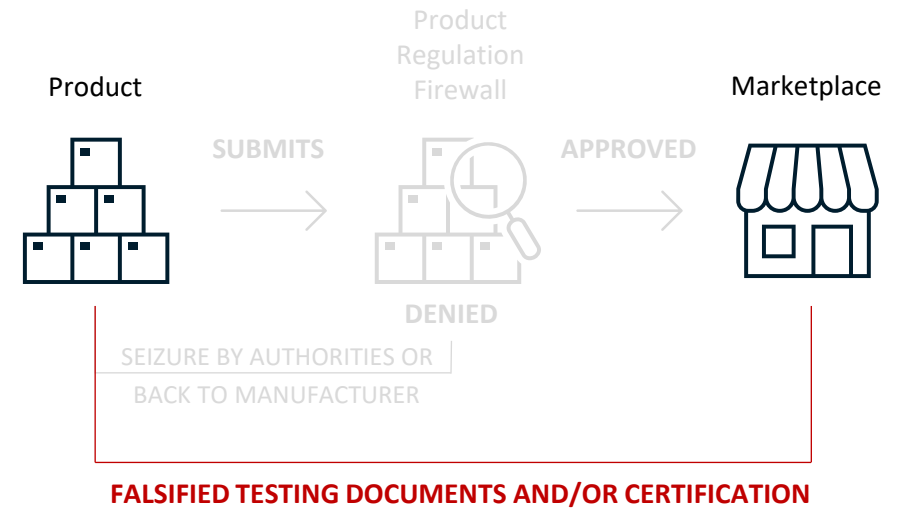


Falsified Test Reports & Certificates

PROPER



IMPROPER



The total number of counterfeited products is estimated to be 3,3% internationally (6,8% in the EU), or approximately USD 509 Billion (with the EU at EUR 121 billion) annually (data provided from Trends in Trade in Counterfeit and Pirated Goods, OECD/EUIPO, 2019).

Examples



Glucose Patch (Medical Device)

In 2012, Hong Kong custom authorities were able to stop a shipment of over 112,000 counterfeit glucose patches with falsified certification marks. The patches, vital to helping diabetics monitor blood sugar levels, were found to be ineffective and would have seriously compromised the health of those who rely on them.



Solar Panels (Electrical / Electronical Device)

In 2013, a container loaded with solar panels was discovered to have unauthorized certification marks on its way to Australia. The panels were found to have dangerous electrical components and would have caused shock or fire leading to serious injury, loss of property, or even death.



Stuffed Teddy Bears (Toys)

In 2018, UK authorities discovered more than one thousand children's stuffed teddy bears with incorrect labeling coming in from outside the country. The lack of testing did not ensure that the toys met the proper standards putting all children who played with the toys at a choking risk and possibly even death.



Face Masks (Medical)

In 2020, since the beginning of the coronavirus outbreak, UK officials seized millions of sub-standard face masks and thousands of fake hand sanitizers at Heathrow Airport. The face masks, worn by many per guidelines of medical officials, could have put millions at risk of contracting or spreading the virus.

Impact of Problem



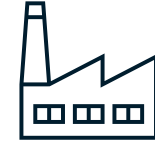
Consumer

Consumers of all types can be impacted, but particularly vulnerable consumers such as children, the elderly, or disabled may be more susceptible or affected.



Public Safety

Security of energy supplies, transportation and other goods can be affected and have a significant effect on consumers, businesses, public services, local governments, and the local or regional economy.



Manufacturers

Even manufacturers who comply by the rules are impacted through adverse impact to their reputation, increased costs and delayed time to market.



Retails

As a final distributor of products, retailers can incur a significant amount of time, money and effort dealing with the repercussions of rouge operators.



TIC Industry

It is common for rouge operators to try to replicate test reports, certificates, or certification marks of common TIC companies. This misleads officials, misrepresents the company's quality and effort and endangers the reputation of the TIC companies.

Identifying a Fraudulent Report / Certificate



- Changes in Font
- Changes in Language
- Deviation of Normal Branding
- Distorted/Wrong Logos
- Inconsistent Information
- Mis-formatted Documentation
- Misspelling of Common Words
- Wrong Colors



Test Report

REPORT NO : KV-06-06985ZA-1
PAGE NO : 1 OF 3
DATE : OCT. 30, 2006

CLIENT HENG CHUNG ENTERPRISE CO., LTD.
PRODUCT DESCRIPTION Water-Based Inorganic Coating Paint Environmental friendly, Stain-resistant and Anti-mildew
SAMPLE SUBMITTED BY HENG CHUNG ENTERPRISE CO., LTD.
SAMPLE RECEIVED DATE SEP. 05, 2006
SAMPLE TESTED DATE SEP. 05, 2006-OCT. 30, 2006
REMARK The information mentioned in the above section is provided by testing applicant(Exclude tested date)

TEST RESULTS :

Test Item	Test Item	Test Result
High Temperature Resistance (600°C, 1hr)		No blister - swelling and peeling on the surface of specimen
Scrub Resistance(2000 times)	CNS 10757(1995)	It is endurable to washing test for 2000 times



Test Report

REPORT NO : KV-06-06985ZA-1
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TEST RESULTS :

Test Item	Test Method	MDL	Test Result
Heavy Metal			
CHROMIUM (Cr) (ppm)		1	n.d.
MERCURY (Hg) (ppm)		2	n.d.
BARIUM (Ba)		1	n.d.
SELENIUM (Se)		2	n.d.
ANTIMONY (Sb)	ASTM F963-03	2	n.d.

Accredited TIC companies are generally happy to help regulatory authorities, distributors and even end users verify the authenticity of a test report or certification in their name. Doing so, not only can prevent harm to the consumer, but also helps to protect their brand(s) and reputation. If you should come across a report or certificate or a test mark on a product that is causing you suspicion, the best place to check is the TIC company's website. There you will find databases where you can confirm or deny the authenticity of the certification or be put in contact with someone who can.

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