

Minutes

September 13th 2011 meeting, Brussels

Informal European Commission Expert Group on Product Traceability

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September 29th 2011

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1. Attendees

Chair : Stefano Soro (Health and Consumers Directorate General).

Attendees (Experts) : Andrew Abercrombie, Carlos Arnaiz Ronda, Daniel Bral, Emilie Prouzet, Erwan Berthelot, Göran Kullberg, John Keogh, Laura Holkko, Louis Balme, Miodrag Mitic, Torben Rahbek, Emil Alexiev

Apologies (Experts) : Jean-Luc Viruega, Laurent Parrot, Silvia Bollani

Attendees (European Commission) : Maija Laurila, Eoin O'Malley, Laura Piazza, Orsolya Csorba, Octavian Vasile, Jakub Kosinski, Rodolphe Muñoz, Fabio Faraulo, Deborah MacRate-Ockerman (Health and Consumers Directorate-General – DG SANCO), Maureen Logghe, Suzana Vodovnik (Enterprise and Industry Directorate-General – DG ENTR), Apostolos Nikolaidis (Secretariat-General)

Attendee (Observer) : Elisabeth Lian Haugsdal (European Free Trade Association – EFTA)

Attendee (Contractor to European Commission): Diane Taillard

2. Welcome & introduction

The meeting started at 9:35.

Stefano Soro welcomed the participants and presented the agenda of the meeting.

He underlined the importance of traceability in order to allow more targeted and effective actions by market surveillance authorities as well as economic operators. The cooperation between Member States should work as expected to ensure equal protection for all five hundred million EU citizens. High quality information is necessary for traceability. Moreover at the international level, supply chains are more and more complex and the European Union is cooperating with other jurisdictions which face the same problems in fora such as the International Consumer Product Safety Caucus (ICPSC) and the OECD Working Party on Consumer Product Safety.

The overall objective of this group is to develop recommendations to allow stakeholders – economic operators and market surveillance authorities – to improve traceability by looking at the state of the art in traceability in different sectors and overall. The recommendations should avoid reinventing the wheel by focusing on voluntary/best practices and not debating the legal framework. These recommendations will be laid out in a final report. The final report will be the report of this group based on the expertise of all of its members. It will not be a binding document but will hopefully be useful to establish best practices.

For this first meeting, the objectives are :

- Ensure everyone leaves with an understanding of the objective of the group, i.e. to look for what can be done better by stakeholders so that market surveillance authorities get the information they need from economic operators in order, in turn, to share this information with their EU counterparts through RAPEX notifications.
- Ensure everyone has an understanding of how the group works, its timelines and expectations.
- Start analyzing the problem using the Inventory discussion paper
- Prepare the next discussion paper about pushchairs.

3. Product Traceability : What is the problem today ? (The RAPEX system and traceability)

Maija Laurila presented RAPEX to ensure everyone has a common level of information about it (see attached slides “RAPEX- Framework for background”).

Diane Taillard presented the business case for traceability in Rapex (see attached slides “RAPEX – Business case for traceability”).

Eoin O’Malley presented statistics about this problem (see attached slides “RAPEX – Basic Traceability Statistics”).

In short, when the market surveillance authorities of a Member State or the economic operators determine that a product poses a serious risk and must be withdrawn from the market or recalled from consumers, the competent authorities enter a notification in RAPEX. This notification enables other countries to determine if they have this product on their market and should also take action. Information on product identification and traceability is vital to this process. Yet sometimes key information is unavailable on the product or its packaging and impossible to access through contacts between market surveillance authorities and business operators. The objective of this group is to make business and market surveillance authorities better able to access and exchange the right information when necessary. The type of information we are addressing are:

Product identification

- Product name
- Product brand
- Type/number of model
- Batch number/Barcode
- Customs code

Traceability

- Country of origin
- Countries of destination and distribution channels
- Contact details of the manufacturer or its representative
- Contact details of the exporters
- Contact details of the importers
- Contact details of the distributors
- Contact details of the retailers

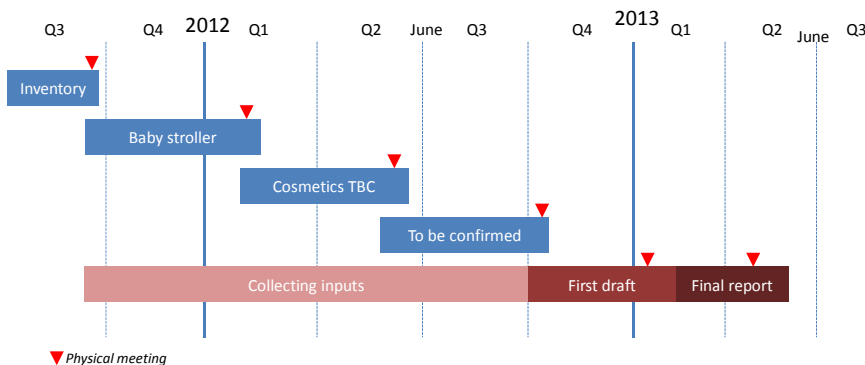
In 2010 the brand or model was actually missing in 16% of the RAPEX notifications. Country of origin was missing in 10% of the notifications. Any kind of barcode was missing in 51% of the notifications.

The group raised several topics and started to make proposals on how to approach the problem or even ideas to address it.

4. Working method : How are we going to solve this problem ?

Stefano Soro reminded the participants that this group will have 6 physical meetings over 2 years. It will deliver 4 discussion papers and the final report. The next meetings in 2012 will be: February 8th, May (date to be confirmed), September (date to be confirmed).

Schedule overview



After the discussion paper on pushchairs, the next discussion paper could be on cosmetics, to be confirmed. There are possibilities to invite external guests to make presentations in meetings.

Stefano Soro reminded the participants that they have been chosen as experts and not as representatives of specific organizations. They are expected to contribute on the topic as experts and commercially driven comments will be out of scope of this group.

5. Discussion : Inventory of voluntary traceability schemes

See *"Discussion Paper on Voluntary Product Traceability Schemes"*.

Diane Taillard presented the objective of this first discussion paper and went through the document while opening the discussion for questions and comments in each section.

For more efficiency in the follow up of the discussions and in order to consolidate all ideas, all the outputs of the discussions from point 3 of the agenda and this point 5 have been gathered in the annex *"Summary of discussion outputs"*. All these points will be validated or reviewed and followed up as necessary in the next meetings. A few topics have been raised several times in the group. They seem to be points of convergence and agreed important areas to explore further. One of these topics is that any approach taken should be fully aware of the appropriate roles of different types of economic operators: risks, motivations and responsibilities should be defined per type of operator in the chain. A sub-group will be formed and will prepare input specifically on this topic. It will be brought for discussion to the group at the next meeting. Volunteers for this "Traceability per operator" sub-group are : Erwan Berthelot, Emilie Prouzet, Louis Balme and Carlos Arnaiz Ronda. DG SANCO will also participate to this sub-group. Diane Taillard will follow up and organize the work before the next meeting.

6. Guidance on next discussion paper : Pushchairs

The reasons for the focus on pushchairs (in US English the term is baby stroller) are that it represents an interesting case study for traceability as products are similar across the EU and internationally, that they often circulate across countries and that pushchairs are expensive per unit relative to the costs associated with attaching traceability information to them. In addition the discussion paper could contribute to ongoing international work in the ICPSC which also uses these products as a traceability case study.

The goal will be to understand the status today in this sector and the possibilities.

- What type of traceability schemes are used by importers, manufacturers ?
- Which set of information appears on the products themselves ?
- What are the constraints to any needed improvements in traceability for these products?
- What is the market structure ? (market share, distribution channels...)

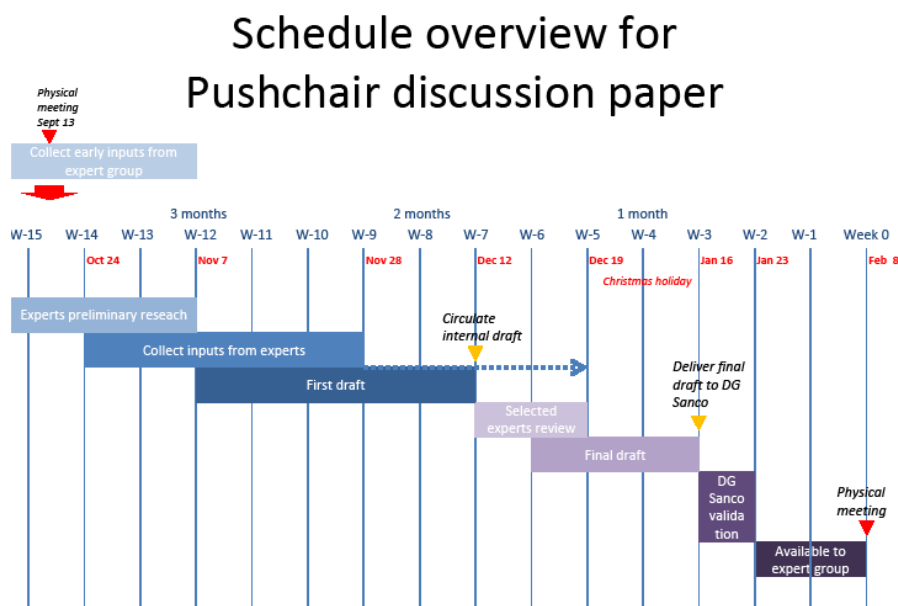
The supply chain for pushchairs is complicated. For example, one important brand in the US is 100% manufactured in China.

A pushchair is quite complicated with 4 or 5 main parts, each of them with different components and potentially different manufacturers. It is quite similar to a car in a way. This may have implications for traceability.

The discussion paper will include :

- One use case (i.e. a specific case study that illustrates the way a system functions) showing the chain for a pushchair (contact : Göran Kullberg)
- Real examples of RAPEX notifications showing problems that have been encountered (contacts : Carlos Arnaiz Ronda, Laura Holkko, Andrew Abercrombie)
- Statistics about pushchair notifications if possible (DG SANCO)

The planning until February 8th meeting will be as follows (may be adapted as necessary) :



The sub-group of experts who volunteered to help drafting the pushchair discussion paper are : Andrew Abercrombie, Carlos Arnaíz Ronda, Daniel Bral, Emilie Prouzet, Göran Kullberg and Laura Holkko (bearing in mind that a few people could not attend this meeting and may also be interested in joining).

Actions :

1. Diane Taillard to send an e-mail to all the group with the draft table of contents for feedback at least 3 months before the meeting.
2. In the pushchair sub-group :
 - Sub-group members to send inputs and feedback to Diane in order to build the first draft
 - Diane to interview members and organize conference calls as relevant.

7. Next steps and conclusion

Next steps had already been addressed in each of the previous points of the agenda.

Stefano Soro asked each participant to express his/her feedback about this first meeting.

In that discussion it was noted that the issue the group is trying to solve has 2 components :

1. RAPEX notifications and the need to enable market surveillance authorities to get the information they need.
2. The need to improve traceability in general for economic operators.

These are in fact two sides of the same coin, i.e. they are both part of the overall objective to improve the ability to withdraw unsafe products from the market in Europe.

A proposal for action was made: Prepare one slide on the goal of the group so that each member of the group can use it externally to explain what the group is doing.

Stefano Soro thanked all the participants.

The meeting was closed at 16:55.

8. Annex : summary of September 13th discussion outputs

	TOPIC AND INPUTS	CONCLUSION/FOLLOW UP	STATUS (to be reviewed at next meetings)
1	<p>RAPEX notifications/Quality</p> <p>The problem we are facing may be considered a problem of the quality of RAPEX notifications.</p> <p>It is mainly due to the lack of access to the necessary information for market surveillance authorities</p> <p>Additionally we may identify ways to optimize the capture of the available information by market surveillance (e.g.: make sure to capture all product codes and barcodes available on the product)</p>	<p>Approach : We focus on enabling market surveillance to have access to the relevant information for RAPEX notifications from business operators.</p> <p>In parallel, we take note of potential ways to optimize the capture of the available information by market surveillance authorities.</p>	Agreed, to follow up
2	<p>RAPEX notifications/iterations</p> <p>Notifications can be submitted at an early stage and completed later on. Additional information can also be provided by other states via RAPEX. This is an important factor to improve the quality and completeness of the notification.</p>	<p>Approach: Discuss incentives for authorities to cooperate in the search for and share traceability information.</p>	Agreed, to follow up
3	<p>Sectors/best practices and prioritisation</p> <p>Wood products, cigarette lighters, ethical trade, ecological products, products with geographical origin claims all have interesting traceability practices. Yet they often have specific drivers so that all their practices may not be replicated in all other sectors.</p> <p>The inventory included in the first discussion paper of the Expert Group was useful to start the work but does not need to be elaborated.</p>	<p>Approach: focus now on sectors within the scope of RAPEX and inquire/refer to other sectors only when relevant for potential best practices on specific topics (e.g. barcodes, chain of custody...).</p> <p>For detailed work, choose the top priority sectors by importance of the problem, risks, use as an example for other sectors etc.</p>	Agreed TBC
4	<p>Sectors/product class</p> <p>Traceability practices that are feasible for high cost products may be more difficult for low cost products.</p> <p>Distinctions between recommended practices may be made on the seriousness of the risk that the products pose.</p>	<p>Approach : We may look at recommending different approaches for different types of products.</p>	Proposal

	TOPIC AND INPUTS	CONCLUSION/FOLLOW UP	STATUS (to be reviewed at next meetings)
5	<p>Legislative framework</p> <p>The hypothesis was raised that: “All the legal framework is in place and nothing more is needed.”</p> <p>A legal framework for traceability is in place and the direction of reform of that framework is relatively clear – through the revision of the General Product Safety Directive and plan to align sectoral Directives to Decision 768/2008/EC on a common framework for the marketing of products.</p> <p>The group's recommendations should complement this new legal framework. Beyond what is legally required, what voluntary actions by economic operators or market surveillance authorities could help deliver better traceability so that more dangerous products are taken off the market?</p>	<p>Action : Provide the group with an overview of the current – complicated when looking at the EU level – legal framework and a detailed presentation of the new framework being developed. (DG SANCO).</p> <p>Action: Armed with this understanding we can understand better the scope that the recommendations of the group should have.</p>	Agreed, to be planned
6	<p>Compliance & safety</p> <p>Products recalled for non compliance are sometimes linked to a serious risk, sometimes to less than serious risks.</p> <p>Products with declarations of conformity and supporting documentation are presumed to be compliant to laws (and safe by definition) but may not be safe in reality. Indeed the idea of zero risk does not exist.</p>	<p>Approach : Availability of good traceability information is especially important in case speedy corrective action is needed to address serious risks, and in those cases proof of compliance it is of little or no value. The recommendations are however not expected to make a distinction regarding the general need to make traceability information available according to the possible risk level, although the type of information recommended can depend on possible risks (cf. point 4 above)</p>	Agreed, no action
7	<p>Actors /responsibilities by type of operator</p> <p>Responsibilities by type of operator greatly vary. Proposal is to clarify by type of operator the risks, motivations, current legal obligations and responsibilities.</p>	<p>Action : Form a sub-team and draft an analysis by type of operators.</p>	Agreed, form group

	TOPIC AND INPUTS	CONCLUSION/FOLLOW UP	STATUS (to be reviewed at next meetings)
8	<p>Good traceability spots</p> <p>Some steps in the chain typically have better traceability than others. For example, when a container arrives at port, we nearly always know where it comes from at that stage. The problem starts when the products are distributed among and within Member States.</p>	Action : Identify potential steps in the supply chain with good traceability and improve ways to trace back and forward to them.	Proposal
9	<p>Actors/The willing and the unwilling and the able and unable</p> <p>We can distinguish between:</p> <ul style="list-style-type: none"> • Operators who care about the rules and are in a position to implement them (the "willing and able") • Operators who care about the rules but face difficulties to implement them (the "willing and unable") • Operators who don't care about the rules anyway (the "unwilling" (ability doesn't matter)) (e.g. Some operators may be lying and not providing information about the source when they know they bought products with problems) <p>The "willing and able" are probably already complying and are also those who usually see an interest in traceability for themselves and/or receive the benefits of it owing to their proactive approach.</p> <p>The "willing and unable" could be helped by clear guidance on how to do traceability and its benefits.</p> <p>For the "unwilling", it is certainly difficult or not very useful to make recommendations to operators who even don't care about being compliant with the law.</p>	<p>Approach : We focus on the "willing and unable". The group may for example find ways or recommendations for the "willing and able" to help the "willing and unable" The group could look at any successful strategies that have been/could be used by the "willing" (and by market surveillance authorities to oblige the "unwilling" to conform. (eg : don't buy these products if...)</p>	Agreed, to follow up
10	<p>Actors/Brokers</p> <p>It is a common practice in China that brokers buy from other brokers who buy from other distributors and that the chain is long between the manufacturer and the last exporter.</p>	Approach : The complexity and length of the supply chain should be recognized and understood in order to make realistic recommendations and have realistic expectations.	Agreed, no action
11	<p>Actors/sanctions</p> <p>Sanctions for companies not meeting regulatory requirements and providing unsafe products greatly vary by countries.</p>	Approach: sanctions are largely within the area of the legislative framework for safety in general as well as traceability in particular. Are there non-legal sanctions that could be explored? e.g business consequences of selling	TBD

	TOPIC AND INPUTS	CONCLUSION/FOLLOW UP	STATUS (to be reviewed at next meetings)
		untraceable dangerous products?	
12	<p>Actors/trade within EU</p> <p>In some cases, the importer is in one EU country (Poland for example) and the retailer is in another (France for example). In some cases (parallel trade) these may not even be in business relations with each other. Currently it is rare that the French authorities would solicit help from the Polish authorities to inquire about the importer in such a situation.</p> <p>The idea was raised to make this cooperation compulsory. In reality some legal provisions exist on this issue for harmonized products. It may also be considered in future reform. Recommendations should seek to complement, rather than influence, the legal framework though.</p>	Idea : Consider ways to facilitate authorities to get help from counterpart authorities on traceability information.	Agreed, to follow up
13	<p>Actors/occasional importers</p> <p>Importers can exist just for a few weeks and after importing a batch of dolls for example, they can, sometimes legally, disappear. This may be the most important cause of not being able to trace back products for RAPEX notification .</p>	Action : Check how important this issue could be with market surveillance representatives.	Agreed, to follow up
14	<p>Actors/Two brands, same manufacturer</p> <p>Two operators selling different brands may not know they have in fact the same manufacturer. In general, the manufacturer's responsibility to notify authorities and cooperate with other partners in the supply chain when he/she becomes aware of a risk posed by his/her product would take care of this issue. A problem arises when the manufacturer is in a third country (for example China).</p>	Capture this possible cause of problem	Agreed, no action
15	<p>Actors/costs</p> <p>The operator bearing the cost of implementing traceability will not always be the one receiving the economic benefits.</p>	TBD	
16	<p>Data/products with long lifetime</p> <p>In non-food products, a product may have been bought a long time ago by the distributor or retailers. The buyer may have lost the invoice.</p> <p>In the hypothesis that not all invoices will always be kept and available, there are for example the options to:</p> <ul style="list-style-type: none"> • ensure to keep at least the name of the suppliers • put in place a database as back up (question of feasibility - 	TBD	

	TOPIC AND INPUTS	CONCLUSION/FOLLOW UP	STATUS (to be reviewed at next meetings)
	would probably only happen if made mandatory)		
17	<p>Data/Access to each type of information</p> <p>Most of the time, for the information that is not on the packaging, market surveillance will try to get the information from the importer and/or the manufacturer. In general, market surveillance needs to go as far as the importer to the EU. If a bilateral agreement exists (eg. with China), it can be possible to go further up the chain.</p> <p>Note : in some sectors/countries, suppliers have to send in advance the content of the products and containers.</p>	<p>Action : For each type of information, define what should be/could be the information and how it could be accessed.</p> <p>Proposal : Split into 2 groups of information tbc:</p> <ol style="list-style-type: none"> 1. Product ID/labelling 2. Economic operators/traceability 	Agreed, to follow up (key point of the final report)
18	<p>Data/master and transactional</p> <p>Some data are master data (product name, product brand, type /number of model/barcode, batch number or other manufacturer identification) that are intrinsic to the product itself and other data are transactional (the rest) in that they relate to the product's progression through the supply chain.</p>	Knowing the nature of the data is important to know the way to share or access the data.	Agreed, to follow up
19	<p>Data/public information</p> <p>Not all information from RAPEX notifications is made public, business secrets are kept confidential following the obligation of professional secrecy of public authorities</p>	Clarification purposes	Agreed, no action.
20	<p>Product ID/brand</p> <p>A limit is that some products don't have a brand. A recommendation for buyers could be "Don't buy products without brand". Yet products with no brand are currently legal, although in the legal framework currently under revision certain groups of products should in future bear a type, batch or serial number or other element allowing their identification</p>	<p>Recommendation?</p> <p>A picture of the product combined with information about distribution channels can serve as back up.</p>	to follow up
21	<p>Product ID/name</p> <p>Translation of product name does not seem a priori to be a major problem. The issue more regularly comes from the use of names that are too generic to be meaning full (eg : teddy bear).</p>	<p>Recommendation?</p> <p>A picture of the product combined with information about distribution channels can serve as back up.</p>	to follow up
22	<p>Product ID/change of code</p> <p>Operators in the chain sometimes don't use the same product code as their suppliers to identify a product. Impact is the loss of</p>	Recommendation : Use one common identification for the product : one nomenclature, one	Proposal to follow up

	TOPIC AND INPUTS	CONCLUSION/FOLLOW UP	STATUS (to be reviewed at next meetings)
	traceability.	name or most often one code or barcode. It does not have to be the only one (as each operators can create internal codes for internal use), but there should be a common identification method among all operators.	
23	<p>Product ID/multiple codes</p> <p>Products may carry several identification codes, for example a standard barcode, a batch number, a serial number and the manufacturer identification code.</p>	<p>Recommendation : all potential identification of the product should be able to be captured by market surveillance authorities; looking at various numbers on the product and on the packaging. (confirmation from RAPEX guidelines)</p> <p>Idea : identify by sector the types of codes and barcodes that can be expected/encountered on products and educate market surveillance to help them capturing efficiently the various codes.</p>	<p>Recommendation agreed, to follow up</p> <p>Idea : proposal to follow up</p>
24	<p>Product ID/no marking on product</p> <p>For some products like a glass or jewelry, where it is not possible to mark the identification directly on the product, the law will require (either already does or will in the future) for it to be on the packaging or in accompanying documents</p>		
25	<p>Product ID/dates</p> <p>Best before dates and expiry dates can be used as a batch number in some cases (also in non-food e.g. cosmetics) and can be very important for the product identification.</p>	Consider dates as part of the product identification.	TBD, to follow up
26	<p>Product ID/different ID for "same" products</p> <p>The same product can have two different codes and packaging types when distributed in two different countries (notably for toys or cosmetics).</p>	Action : Use information from the toy supply chain safety project (2008) to explore further this issue.	TBD
27	<p>Product ID/GS1 identification standards</p> <p>In some product sectors trend is the use of standards such as those</p>	TBD	

	TOPIC AND INPUTS	CONCLUSION/FOLLOW UP	STATUS (to be reviewed at next meetings)
	created by GS1 to identify products, be it with barcodes or RFID.		
28	<p>Product ID/customs code</p> <p>A customs code is good to have but is not enough as it mainly gives information about the category of the product.</p>	Action : reintegrate the custom code as part of the information we are addressing concerning product identification	Agreed, to follow up
29	<p>Principles</p> <p>A traceability system should be verifiable</p>	TBD	
30	<p>Traceability models</p> <p>Four models (one up, one down; centralized; network; and cumulative) currently exist. One up, one down is – or soon will be - compulsory as a minimum in the legal framework.</p>	TBD	
31	<p>One way to meet multiple requirements</p> <p>Operators face both voluntary/business and legal requirements. They would prefer one way of dealing with traceability and stability in how to interpret and answer these various requirements or schemes.</p>	Avoid multiplication of voluntary and legal schemes with different requirements. Find or describe one way to fulfill all voluntary and legal requirements.	Proposal, to follow up
32	<p>Status</p> <p>All the standards and technology are in place, yet available but not necessarily implemented.</p>	Recommendation: the recommendations of the group should address better implementation.	Proposal to follow up
33	<p>Sizing the problem</p> <p>How many importers? Or what are there in Europe ?</p>	Action : Explore feasibility of getting a full answer to this question or whether other approaches could be used to get a sense of scope. Possible references could be the RAPEX statistics or customs data	