

CHALLENGES OF DETECTING DANGEROUS TOYS IN THE SUPPLY CHAIN

by

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BUYING OFFICE FOR COLRUYT & DREAMLAND
BELGIUM

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AGENDA

- Presentation of the Colruytgroup
- Our mission
- Definition of quality
- Handling of toys product safety
 - Documentary check
 - Warnings check
 - Safety checks
- Comments on revised toys safety directive
 - Retailer / importer
- Suggestions for increasing safety of toys
 - Importers
 - Manufacturers outside E.C.
 - Users
- Conclusion

The

on 01/06/2008

Includes: > 18.000 employees

- **COLRUYT DISTRIBUTION**

- 208 Colruyt shops in Belgium + 32 in France (115 + 30 with toy dep.)
- 51 OKay shops (proximity food shops generally without toys)
- 4 Bio-planet shops (biologic products)

- **DREAMLAND**

- 25 DreamLand shops (toys, stationary, garden furniture, seasonal products)
- 5 DreamBaby shops (non-food baby products)
- 4 Dream shops (gift items)

- **SUPPORTING SERVICES**

- 7 central distribution centres (warehouses) in Belgium
- Vlevico (meat processing)
- Central administration & support services

- **OTHER ACTIVITIES**

- DATS 24 (Petrol stations)
- SPAR
- ALVO



SCOPE: SAFETY OF IMPORTED TOYS BY MAVEDRO FOR COLRUYTGROUP

OUR MISSION

Colruyt

*“Supplying quality services and products
at the lowest prices in an austere environment
where our customer can shop efficiently
with friendly and competent service.*

*To this end we work for respect for
the environment and with respect for the society”*

Dreamland

*“To inspire and to stimulate at each moment children and their family
to enjoy together”*



DEFINITION OF “QUALITY”

- Classic: products with “good” intrinsic behaviour for a “justified” price which give full satisfactory to the consumer in normal and daily use (price/quality matching).
- But also:
 - Compliant with safety expectations (“security of products & services guideline”)
 - Compliant with applicable European regulations
 - Compliant with “ethical” production environment
 - Compliant with environmental requirements

➔ This is a fundamental buyer’s mission

HANDLING OF PRODUCT SAFETY FOR IMPORTED TOYS

1. DOCUMENTARY CHECK

- Verifying existing “proves of compliancy” with E.C. requirements
 - EN71
 - EMC 89/336/E.C. – 2004/108/E.C.
 - EN 62215
 - PHTALATES 2005/84
 - CADMIUM 91/338 E.C.
 - RTTE
 - WEEE & ROHS

} Test reports issued by notified testing labs
- Faced problems
 - Identifying the product (different item number, lack of photo)
 - Spotting changes in production process (change of colour, used components)
 - Validity of the report date (time limit, amendments)
 - Authenticity of the report
 - “Tons” of paper work to be stored 10 years

HANDLING OF PRODUCT SAFETY FOR IMPORTED TOYS

2. WARNINGS (starting from packaging sample & product sample)

- VERIFYING APPLIED WARNINGS
 - Correctness (are warnings applicable)
 - Completeness (nothing missing?)
 - Corrective action to supplier (labelling instructions)
- DELIVERY CHECK
 - Internal corrective action (re-labelling)
- FACED PROBLEMS
 - Existing packaging not corresponding to national language requirements
 - Obsolete or incomplete warnings
 - Instructed corrective actions not executed by supplier

HANDLING OF PRODUCT SAFETY FOR IMPORTED TOYS

3. **SAFETY CHECKS**

- VERIFYING SAMPLES
 - Pre-production samples
 - Delivered samples before putting on market
- POSSIBLE CHECKINGS
 - Small parts < 3 years, mechanical and physical properties
 - ROHS scanning for electrical toys
- FACED PROBLEMS
 - Identifying chemical risks
 - Composition (EN71-3, AZO, Phtalates, Reach)
 - Migration versus content
 - Reliability of manufacturer's information
 - High testing costs

DEVIS

N° D07100695 du 12 Octobre 2007

Client n° :

MAVEDRO

Commande n°

Ref. :

Taux de remise :

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REFERENCE DESIGNATION ARTICLE	DESIGNATION DES ESSAIS	Q	PRIX UNITAIRE			MONTANT TOTAL NET	DELAI EN JOURS OUVRES *
			BRUT	REMISE	NET		
DOLL CARE ACCESSORIES	EN 71-3 Teneur en phthalates (6)	67	35,00	6,00	29,00	1943,00	7
		36	197,00	30,00	167,00	6012,00	7
FASHION PLAY SHOES	EN 71-3 Teneur en phthalates (6)	32	35,00	6,00	29,00	928,00	7
		21	159,00	24,00	135,00	2835,00	7
		Sous-total				11718,00	
Validité de l'offre : 3 mois							
Prévisions exonérées de TVA en vertu de l'art 282 du CGI		TOTAL EUROS				11718,00	

Le coût exact ne pouvant être déterminé qu'à la réalisation complète des essais, les prix indiqués ci-dessus ne représentent qu'une estimation la plus juste. Celle-ci reste néanmoins approximative.

Approuvé par : _____

Nos factures sont payables à 30 jours net. Un intérêt de 1,5 % mensuel est appliqué sur les montants restant dus à échéance.

*A réception de votre bon pour accord et formulaire rempli.

Tout litige sera de la compétence exclusive des Tribunaux de Roubaix Tourcoing

Bon pour Accord" avec mention de la date, du lieu, du nom et de la signature

Tel : 03 20 42 34 05 - Fax : 03 20 42 89 06

SARL au capital de 30012 €

RCS Roubaix-Tourcoing B 306 226 795

COMMENTS ON REVISED TOYS SAFETY DIRECTIVE

NEW OBLIGATIONS FOR THE RETAILER / IMPORTER

- CONTROLLING THE MANUFACTURER'S PRODUCTION PROCESS
 - Manufacturer produces "X" items
 - Retailer distributes "X x X x X..." items and up to 70% is renewed yearly
 - Number/cost/time... of production control audits?
 - Manufacturer should accept production control audit for any single customer!
- TECHNICAL DOCUMENTATION /RISK ASSESSMENT
 - Retailer/importer is not manufacturer
 - Knowledge of production process?
 - Production secret?
- MARKINGS AND DOCUMENTARY CONTROL
 - For E.C. based "branded or licensed toys" manufacturers and E.C. based toy suppliers
 - Not to be put on shoulders of retailers (not policeman)
 - Is responsibility of E.C. based suppliers
 - Belgium: 3 languages ⇔ France: 1! = different costs!

COMMENTS ON REVISED TOYS SAFETY DIRECTIVE

- EN71-3: MORE CHEMICALS PROHIBITED
 - ⇒ Inflation of testing costs for manufacturer and importer
 - ⇒ Risk analysis of new prohibited chemicals available?
 - ⇒ Testing methods?
 - ⇒ Available alternatives?
- INSTORE AGE ADVERTISING
 - ⇒ Useful? (cfr. legal warnings on products)
 - ⇒ Implantation of toys by age category in shop?

COMMENTS ON REVISED TOYS SAFETY DIRECTIVE

ADVICE

- Avoid over-regulating
- Avoid putting more “administrative” obligations on shoulders of retailers
 - = More control personnel
 - = More costs
- Give more possibilities to market surveillance authorities (do not “delegate” to retailers)
- Need for sufficient transition period if new directive is accepted (5 years i.s.o. 2)

CHALLENGE

- How to make control procedures economically realisable to avoid severe inflation of toys cost price and selling price

SUGGESTIONS FOR INCREASING SAFETY OF TOYS

FOR IMPORTERS

- DIFFERENCE BETWEEN ACTORS “PLAYING THE FAIR GAME” OR NOT
 - Legislation?
 - Approach by authorities?
- EUROPEAN DIRECTIVES VERSUS USA REQUIREMENTS!
 - Need for 1 world wide safety directive
 - Responsibility of E.C. organisation
 - Prior to revision of EN71

SUGGESIONS FOR INCREASING SAFETY OF TOYS

FOR MANUFACTURERS

80% OF TOY MANUFACTURING IS BASED IN CHINA

- Need to “educate” Chinese government to apply European safety requirements (and not only for toys) for Chinese manufacturers, E.G. by according “export licence” only to manufacturers who can prove their production process is suitable with E.C. requirements.
- Political effort to be made by E.C. political.

SUGGESTIONS FOR INCREASING SAFETY OF TOYS

FOR USERS

- Revised directive says nothing about parental responsibility, on the contrary, “misbehaviour should be prevented”.
- Even the most secured toy can be dangerous when misbehaved without parental control.
- We (manufacturers, importers and retailers) miss this to be pointed out by toys safety regulations.

CONCLUSION

- Toys safety is very complex to survey and all involved parties should carry their weight:
 - Manufacturers
 - Importers
 - Retailers
 - Market surveillance authorities
 - Politicians (interfering at Chinese government, world wide safety directive)
 - Users
- Putting all responsibility only to manufacturers, importers and retailers as proposed by the revision of the directive is incomplete.