

## THE ADDED VALUE OF 3<sup>rd</sup> PARTY INSPECTION AND CERTIFICATION

### WHO ARE WE AND WHAT WE DO

CEOC International is a European association representing 30 members from 21 countries. Our members are active in 60 additional countries around the world and employ more than 111.000 people.

CEOC International members (private, public and governmental) **provide independent 3<sup>rd</sup> party conformity assessment services such as testing, inspection and certification.** Conformity assessment is undertaken, for either regulatory reasons, or good practice, in order to protect people and the environment. Most of our members are notified or recognized according to EU or national legislation. CEOC members offer services in a wide variety of areas of daily life such as, health and safety at work, energy and the environment, medical and consumer products, industrial plants, mobility and corporate social responsibility etc. Our members test, inspect and certify machines, lifts, pressure equipment, steam boilers, medical devices, cable ways, amusement rides, toys, consumer products, household equipment, electrical and heating installations, chemical plants, power stations, pipe lines and buildings.

#### ISO/ CASCO Definition of Conformity Assessment

*"Conformity assessment" is the term given to the processes that are used to demonstrate that a product, process, service, person or management system (e.g. ISO 9001) meets specified requirements. These requirements are contained in ISO/IEC International Standards. The use of ISO/IEC standards in conformity assessment procedures allows for harmonization throughout the world and this, in turn, not only facilitates international trade between countries, but also facilitates trade within countries by giving the purchaser of the product or service confidence that it meets requirements.*

With their broad range of services CEOC members support technological progress and innovations, which provide the basis for sustainable economic growth and welfare in general. The prerequisite for this is that manufactures, distributors, users and consumers can rely on the safety and quality of industrial and consumer products at the highest level of protection. This means that all economic operators, public authorities, society and the market can rest assured that products traded worldwide and the services performed meet the requirements set, either by legislators, or economic partners on a voluntary basis.

Confidence in products and processes is most efficiently provided through conformity assessment by independent 3<sup>rd</sup> parties. The essential corner stones for this confidence are: **competence, neutrality and objectivity.**

An independent 3<sup>rd</sup> party conformity assessment body is not involved in the design, manufacturing, supply, repair or maintenance of the item being assessed. Subsequently there is not conflict of interest in the result of the testing, inspection or certification activities. This is in contrast to a pure self-declaration made by the manufacturer or supplier.

The **competence and impartiality** of our members is ensured by recognition or **accreditation**. *“Accreditation is an impartial means of assessing and conveying an authoritative statement of the technical competence, impartiality and professional integrity of conformity assessment bodies operating both in the voluntary and the mandatory area.”<sup>1</sup>* Accreditation thus creates credibility and trust while at the same time providing the same level of competence of accredited conformity assessment bodies (CABs) all over Europe.

### 3<sup>RD</sup> PARTIES ARE PARTNERS OF VARIOUS STAKEHOLDERS

3<sup>rd</sup> party inspection and certification bodies provide added value to the following groups: **legislators/public authorities, economic operators and consumers.**

### **The added value of 3<sup>rd</sup> party involvement for legislators/public authorities**

3<sup>rd</sup> parties are able to **support legislators in fulfilling their duties to protect citizens**. The aims and obligations of the European Union are to provide a high level of protection: “The Commission, in its proposals [...] concerning health, safety, environmental protection and consumer protection, will take as a base a high level of protection.”<sup>2</sup>

Through testing, inspecting and certification, 3<sup>rd</sup> parties provide assurance that products, services, technical installations etc. meet the legal requirements and minimise any threat or harm to society and the environment.

CEOC members assess huge amount of products before they enter the market, which means that the certified products should be in conformity with the legal requirements by the time they are made available for purchase and use. By applying this **precautionary approach**, 3<sup>rd</sup> party conformity assessment provides legislators with an effective instrument to enforce safety, health and environmental legislation, and to improve public protection. Conformity assessment supports public authorities in fulfilling these obligations, for which they themselves may not have the resources or necessary competence. Additionally, it leads to the *costs by cause principle*<sup>3</sup> and lean structures, as the market players are directly involved by delegating 3<sup>rd</sup> party assessment services

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<sup>1</sup> [http://ec.europa.eu/enterprise/policies/single-market-goods/regulatory-policies-common-rules-for-products/new-legislative-framework/accreditation/index\\_en.htm](http://ec.europa.eu/enterprise/policies/single-market-goods/regulatory-policies-common-rules-for-products/new-legislative-framework/accreditation/index_en.htm)

<sup>2</sup> TFEU art 14 III; see also TFEU, art. 12; art 114; art. 168; art. 169 and ECHR

<sup>3</sup> It means in this context that organisations or persons eliminate risks before placing products on the market by the involvement of the 3<sup>rd</sup> parties.

and taking over the responsibility of fulfilling public policy goals, while at the same time less governmental intervention (paid by taxes) is necessary.

<b>LIFTS</b> 295,000 Lifts examined annually 14,000 safety defects advised
<b>FORK LIFT TRUCKS</b> 370,000 Examinations annually 16,000 defects advised
<b>PRESSURE SYSTEMS</b> 480,000 Systems Examinations annually 1,623 safety defects notified
<b>MOBILE ELEVATING WORKING PLATFORMS</b> 62,000 examined annually 1400 safety defects advised
<b>POWER PRESSES</b> 25,000 Examinations 1,500 safety defects advised
<b>ESCALATORS &amp; MOVING WALKS</b> 25,000 Examinations 1,500 safety defects advised

## **The added value of 3<sup>rd</sup> party involvement for manufacturers and service providers**

**Cost Reduction:** The involvement of 3<sup>rd</sup> parties reduces costs for manufacturers as well as service providers and substantially raises the competitiveness of their products/services. **The earlier in the production chain that the conformity assessment is carried out the more cost-effective it is.** On the one hand serious design “defects” can be identified and resolved at a very early stage. On the other hand problems in the production phase are discovered on spot, and not after the products have been transported and placed on the market. Therefore production delays, costly recalls and liability risks are significantly reduced.

**Reputation:** Independently assessed products are checked for safety and fitness for use. As a consequence the **trust into the product is strengthened** and the reputation and brand of the manufacturer are enhanced. In other words, the high costs and reputation

damage caused by accidents, product failures and product recalls can be avoided if the products have been independently assessed before entering the market.

**Benefits for SMEs:** The involvement of 3<sup>rd</sup> parties is a **cost efficient way to comply with the relevant requirements**, especially for SMEs, but also for other companies, without having to invest time, money and resources into establishing and maintaining their own knowledge base of relevant legal provisions and standards, and their own adequate testing infrastructure. This is particularly true when companies want to expand their business to new markets and need to inform themselves about all the necessary product/service requirements of the new market. The multi-site presence of 3<sup>rd</sup> parties can help tackling these global challenges.

**Outsourcing of conformity assessment** is not the only benefit that 3<sup>rd</sup> parties can provide, particularly for SMEs; conformity assessment can also help SMEs to **compete on the world market**. 3<sup>rd</sup> party conformity assessment makes products comparable and promotes competition on the world market, because it demonstrates that products fulfil the required criteria and can therefore be sold all over the world.

**Marketing Tool:** Finally, 3<sup>rd</sup> party conformity assessment can be used as a marketing tool because many of the 3<sup>rd</sup> party companies **have strong and internationally recognised marks that stand for**

**safety and good quality of products/services.** This might help consumers in their choice. By choosing voluntary product certification, it is easy for manufactures to demonstrate that they fulfil all the requirements and this also enables them to reduce business risks (recalls, liability, issues etc.).

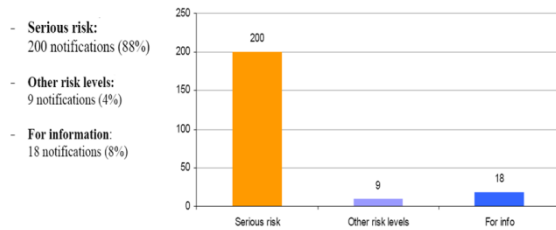
## The added value of 3<sup>rd</sup> party involvement for consumers

**Safety of Products:** Consumers expect that every product on the market is safe. This means that unsafe products must be prevented from entering the market.

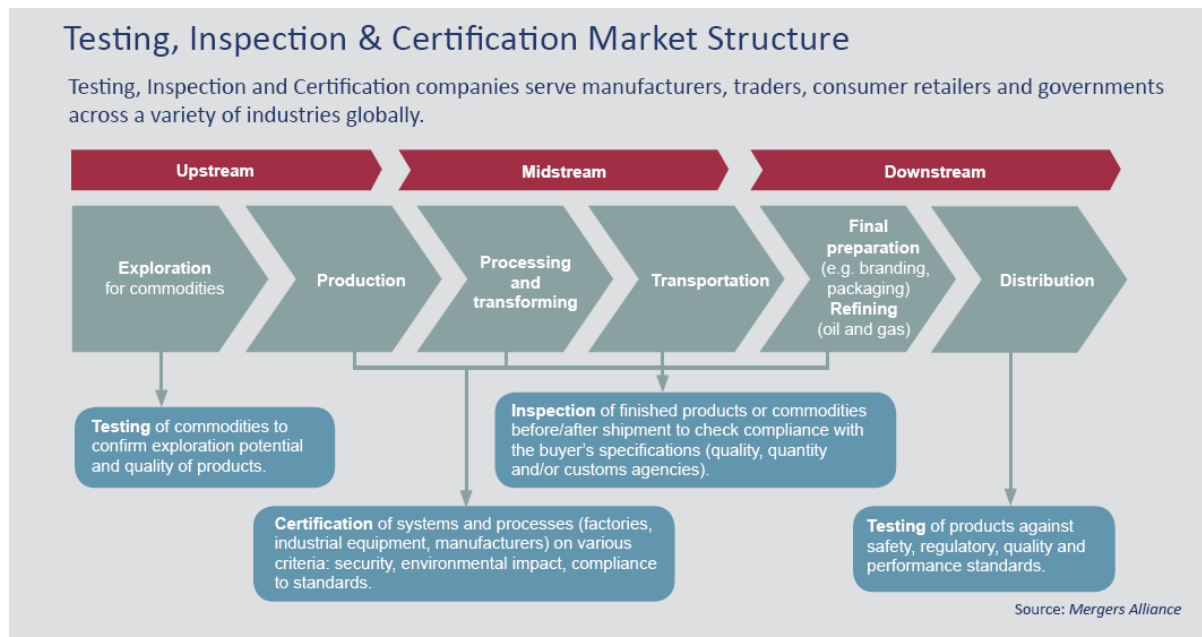
Consumers can enjoy a higher level of safety when they know that their products have been tested, inspected and certified.

**Voluntary Product Certification:** In the field of voluntary product certification the products that enter the market bear the 3<sup>rd</sup> party mark of the certification body in most cases. Consumers know that they can trust the 3<sup>rd</sup> parties' assessment of the product and the marks can therefore help consumers to identify safe products.

In accordance with the General Product Safety Directive 2001/95/EC (GPSD) and Regulation 765/2008, in January 2012 the European Commission validated **227 notifications** and transmitted them to the Member States and EEA, EFTA -countries, namely:



**Transparency:** This trust is supported by the transparent way in which a product's/service's conformity is assessed; there are clear requirements that a product/service has to fulfil in order to be classified as safe and consumers can inform themselves about these criteria.



## Conclusion

**3<sup>rd</sup> parties provide added value for society as a whole. They not only provide safety, they also assess conformity with other aspects such as the environment or corporate social responsibility etc.**

The benefits that 3<sup>rd</sup> parties provide are overlapping and interdisciplinary:

- ✓ manufacturers that use safe facilities to produce safe products can save money and are in many cases more competitive because of fewer business risks (recalls, liability issues etc.) occur;
- ✓ the state ensures the safety of its citizens by making it obligatory for products with high risk potential to be tested, inspected and certified by an independent 3<sup>rd</sup> party;
- ✓ consumer trust into products/services increases if there is independent proof that all relevant requirements are fulfilled;
- ✓ 3<sup>rd</sup> party certification and 3<sup>rd</sup> party marks help to reduce the lack of information regarding product/service safety requirements in the market;
- ✓ 3<sup>rd</sup> party certification can be an efficient way of supporting the achievement of a *Lean State*.

**COMPETENCE + INDEPENDENCE**

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**TRUST + TRANSPARENCY**

**Independence of 3<sup>rd</sup> Parties:** It is important to note that only 3<sup>rd</sup> parties can provide these added values because not only are they competent, they are also independent. Independence means that there is no conflict of interest as it is the case with 1<sup>st</sup> party (manufactures/suppliers) and 2<sup>nd</sup> party (users). Independence and competence of 3<sup>rd</sup> parties

are based on the ISO 17000 and the EN 45000 series of standards, which lay down the requirements that the 3<sup>rd</sup> parties have to adhere to. These requirements are recognised worldwide and thus facilitate cross border acceptability of products and services.