

Industry Experience Sharing

DISCLAIMER

Any opinions, findings, conclusions or recommendations expressed in this material/event (or by members of this Project team) do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Trade and Industry Department or the Vetting Committee for the SME Development Fund and the Dedicated Fund on Branding, Upgrading and Domestic Sales (Organisation Support Programme).

This provided material/event is for information purpose only. Whilst every effort has been made to ensure the accuracy of the information supplied herein, the publisher of this material and the associated organizations in this Programme cannot be held responsible for any damage resulting from use of the information.

ACKNOWLEDGEMENTS

We would like to acknowledge the following organizations for their support and contribution for this Industry Experience Sharing (in alphabetical order):

- Fook Tin Technologies Limited
- Gibson Innovation Limited
- Golden Cup Printing Co. Ltd.
- Hasbro, Inc.
- Leo Paper Group
- Print-Rite Holdings Limited
- SGS Group
- Techtronic Industries Company Limited
- Tonly Electronics Holdings Limited
- Tusen Lee Group (Holdings) Co. Ltd.

➤ Federation of Hong Kong Industries (FHKI)

31/F, Billion Plaza,
8 Cheung Yue Street, Cheung Sha Wan, Hong Kong
Tel: 2732 3188 Fax: 2721 3494
Website: www.industryhk.org Email: fhki@fhki.org.hk

Funded by
SME Development Fund



工業貿易署
Trade and Industry Department

Organized by



Implemented by



Fook Tin Technologies Limited



OVERVIEW OF THE COMPANY

Fook Tin Technologies Limited ("Fook Tin") was established in 1963. The company specializes in the design, manufacturing, marketing and distribution of electronic products including consumer scales, medical devices and commercial weighing instruments. To ensure the product quality and protect the environment, Fook Tin has been certified in the ISO 9001 Quality Management System and the ISO 14001 Environmental Management System.



Managing hazardous substances in its products is one of Fook Tin's top priorities. In 2006, Fook Tin was the first company in the world to be certified under the IECQ QC 080000 Hazardous Substances Process Management (HSPM) standard.

PIONEER EXPERIENCE

➤ Setting HS Management Objectives and Engagement

Planning is always the first step for all management systems, and Fook Tin recognized the importance of setting up Hazardous Substances Management Objectives. Starting in 2005, the company's senior management conducted thorough research on the Restriction of Hazardous Substances (RoHS) directive. Since RoHS compliance requires cooperation from suppliers, Fook Tin trained about 100 suppliers in RoHS requirements.

➤ **Supplier Monitoring**

Fook Tin has used the Material Safety Data Sheet (MSDS) provided by suppliers to identify incoming materials that have a higher risk of containing restricted substances. The company will pay special attention to these materials and conduct internal tests to confirm their compliance. It also requires suppliers to provide RoHS test reports of incoming materials every six months.

➤ **Integrating Management Systems**

Fook Tin did not appoint external consultants to implement IECQ QC 080000 HSPM. Instead, it used its rich experience in ISO 14001 and ISO 9001 compliance, incorporating hazardous substances management principles into existing system manuals. This enabled the company to achieve its certification efficiently.

➤ **Internal Audit**

Fook Tin ensured that all proper practices are in place and all staff are following the right procedures by conducting an internal audit every three months. This has identified potential nonconformities for Fook Tin, and has given the company confidence that it can pass an external audit at any time.

THE BENEFITS

Fook Tin has used its IECQ QC 080000 HSPM certification to meet buyers' requirements, saving around HKD 300,000 in annual testing costs. This proves the level of confidence that customers have in Fook Tin's hazardous substances management process.

By fulfilling the requirements of IECQ QC 080000 HSPM, Fook Tin has also improved and reviewed its product design process, using fewer materials to produce the same product. Improved design has saved 5-15% of production costs per product.

RECOMMENDATIONS TO SMEs

Fook Tin recommends that all SMEs establish and implement IECQ QC 080000 HSPM, especially those who already have ISO 14001 and ISO 9001 certificates in place. The company's experience shows that external consultants are not always required if a management system is already in place. For SMEs with more resources, Fook Tin also recommends investing in testing equipment such as an X-ray fluorescence (XRF) analyzer. This will enable them to test the conformity of incoming materials as necessary.



Gibson Innovations Limited



OVERVIEW OF THE COMPANY

Gibson Innovations Limited ("Gibson") is on a mission to innovate in the world of sound and connected entertainment. Gibson specializes in the development, distribution and marketing of a wide range of consumer electronic products including headphones, video, home cinema, multimedia, home communications and accessories. Gibson belongs to a Gibson Brands company with a brand license from Royal Philips, Gibson is headquartered in Hong Kong and employs over 1,900 staff members worldwide.



Gibson's commitment is to achieve environmentally sustainable manufacturing. The company has created an eco-friendly product set, with high energy-efficiency electronics, sustainable packaging, and products with recycled content.

Gibson also follows the Electronics Industry Citizenship Coalition ("EICC") code of conduct. The EICC is a coalition of the world's leading electronics companies, working together to improve social, ethical, and environmental responsibility throughout the global supply chain.

Under the EICC code, Gibson requires all of its suppliers to ensure that working conditions are safe, that workers are treated with respect and dignity, and that business operations are both environmentally responsible and ethical.

PIONEER EXPERIENCE

Gibson uses various tools to monitor its suppliers' compliance with safety and environmental requirements. It publishes a Regulated Substances List ("RSL") for Products, Parts and Packaging, (http://www.gibsoninnovations.com/en/about-us-site/Documents/GI_RSL.pdf) and it requires suppliers to declare their product regulated substances status through the Bills of Materials Check ("BOMcheck"). Suppliers must also fill in a Restriction of Hazardous Substances ("RoHS") summary sheet with testing results for products, parts, and packaging.

➤ **Regulated Substances List (RSL)**

Gibson created the RSL to ensure that all suppliers' products meet legal and regulatory environmental requirements relating to hazardous substances. These include RoHS directive, Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") and Waste Electrical and Electronic Equipment Directive ("WEEE").

The RSL's requirements are more stringent than the requirements of IECQ QC 080000, because the RSL contains more requirements from related laws and ordinances. It is updated regularly according to the chemical substances listed in BOMcheck.

Gibson has made the RSL a key part of its Environmental Policy and has included the List in its general procurement specifications.

➤ **BOMcheck:**

BOMcheck is a centralized database of chemical substances information and declarations for suppliers' articles, packaging materials and some manufacturing processes. It was created in response to the need from several global electronic product brands, including Philips.

Gibson uses BOMcheck to determine the legal requirements for hazardous substances, based on regulations such as RoHS and REACH, and to communicate with its suppliers on material use management. The company requires suppliers to provide either a Regulatory Compliance Declaration (RCD) or a Full Materials Declaration (FMD) of articles.

If a supplier decides to provide a RCD, it must work through the list of restricted and declarable substances on BOMcheck and indicate whether any of these controlled substances are found in their parts above the threshold values. If suppliers choose to provide a FMD of their articles, they are required to provide the percentage weight of each individual material in the part.

➤ **RoHS Summary Sheet:**

Gibson compiled the RoHS Summary Sheet so that its suppliers could provide a detailed report of any hazardous substances use relating to products, parts, accessories, or packaging. Information in the RoHS Summary Sheet includes a homogeneous materials list, testing result, model number, and product name. "Mix test" (not tested as homogenous material) is considered not acceptable in the RoHS Summary Sheet.

THE BENEFITS

Using the RSL and BOMcheck, Gibson has helped 50 suppliers to improve their substances' environmental performance. These tools help Gibson to keep track of the declaration status of their suppliers and ensure that their products, parts, packaging and accessories comply with international legal requirements. Thanks to these tools and a commitment to environmental safety, Gibson has experienced no incidents or product recalls.

RECOMMENDATIONS TO SMEs

Gibson considers the control of hazardous substances as part of a risk management strategy. It is always better to minimize risk than to manage a crisis. With an increasing number of strict legal requirements on hazardous substances, Gibson recommends that SMEs put more effort into ensuring product compliance. This can differentiate them from the competition, and prevent incidents and product recalls.



Golden Cup Printing Co. Ltd.



OVERVIEW OF THE COMPANY

Established in 1971, the commercial printing company Golden Cup Printing Co. Ltd. ("Golden Cup") specialises in printing a variety of products, including coffee-table books, children books, text books, catalogues, and brochures. 1,000 staff members across three factories in Dongguan and Fujian handle the entire color printing process from design and pre-press through to printing, binding and finishing.



Environmental protection and corporate social responsibility are core values for Golden Cup, which was certified under the ISO 14001:2004 environmental management standard in 2008. The company also uses many environment-friendly printing technologies, including:

- Waterless-printing technology and non-VOC blanket cleaning system, which help to reduce 60-80% of harmful organic solvents.
- A water-based OPP lamination, which has reduced volatile organic compound (VOC) emissions by 63 tons.
- Soy-based and vegetable-oil based inks, provided as a printing standard to clients.

Apart from the advanced technologies, Golden Cup also reduced its carbon footprint by using energy efficiency measures in its lighting and printing presses, along with a solar-powered water heating system. It also installed a central vacuum pump and central compressed air system to enhance energy efficiency.

Thanks to environmental protection measures such as these, Golden Cup received the Cleaner Production Partner Recognition in 2009, the China Green Label certification in 2012 and the Hong Kong Awards for Environmental Excellence – Gold Award (Manufacturing Sector) in 2014.

PIONEER EXPERIENCE

Though Golden Cup has not applied for IECQ QC 080000 certification, the company follows many of the key hazardous substances control principles within the standard. Golden Cup also responded to emerging regulatory requirements on product hazardous substances control by refining its procurement policies to monitor product compliance throughout the supply chain.

Apart from providing Letters of Guarantee, suppliers are also required to submit material laboratory testing reports if they are available. The availability and quantity of laboratory testing reports are considered as key criteria for supplier assessment.

Over half of Golden Cup's suppliers carried out material testing, and these reports have been consolidated into a spreadsheet that the company references to assess supplier credibility. Golden Cup updates this spreadsheet on an annual basis.

Golden Cup highly concerns about the safety of their printing process, where the quality of printing materials directly affects the indoor concentration of VOCs. To protect employees' health, Golden Cup conducted regular testing to monitor VOCs levels. If the concentration is over the threshold level, suppliers are liable to review their materials and provide explanatory reports to the company.

Golden Cup has also made different departments clearly accountable for various aspects of hazardous substance management. Its System Management Department is responsible for updating information about regulations through different standards and compliance information platforms such as the Green Manufacturing Network. The Procurement Department is responsible for materials safety checking upon receiving the products.

WAY FORWARD

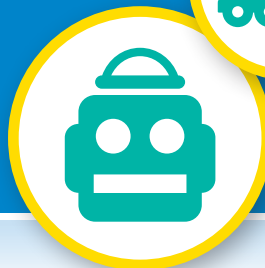
Even though the demand for safe paper products is not large, Golden Cup supplies its clients with clean paper products that comply with international standards. This also helps to protect its employees against toxic substances. In the future, Golden Cup plans to set up an in-house testing laboratory and recruit chemists to test material samples, further ensuring the environmental quality of its products.

RECOMMENDATIONS TO SMEs

Lack of capital is one of the main barriers to SMEs that wish to implement a hazardous substances management system. Golden Cup therefore recommends SMEs to look for materials that comply with relevant directives such as RoHS, WEEE, and REACH, as well as environmentally preferable labelling in the search for safe chemicals, electronic parts and appliances.



Hasbro, Inc.



OVERVIEW OF THE COMPANY

Hasbro, Inc. ("Hasbro") is a toy manufacturer which produces well-known brands including Transformers, Monopoly, Play-Doh, My Little Pony, Magic: The Gathering, Nerf and Littlest Pet Shop. Headquartered in the US, Hasbro has over 10,000 employees worldwide, and manages its Asia-Pacific marketing and product compliance through its Hong Kong business.



Hasbro is proud of its track record on product safety and environmental integrity. The company maintains rigorous standards and quality assurance processes to keep its entire product line and manufacturing processes free from controlled hazardous substances.

PIONEER EXPERIENCE

Hasbro's QA049 Hazardous Chemical Control Requirements

In 2009, the EU published the Toy Safety Directive (TSD) 2009/400EC, which tightened up health and safety requirements. This prompted Hasbro to develop its internal QA049 Hazardous Chemical Control Requirements standard.

QA049 helps Hasbro to effectively control specific hazardous chemicals. Based on the IECQ QC 080000 Hazardous Substances Process Management System, it includes additional hazardous chemical control requirements from Hasbro. Since 2013, QA049 has been fully implemented not only by Hasbro's vendors, but by their own subcontractors and suppliers.

➤ **Centralized Database for Chemical Management**

Hasbro worked closely with the Hong Kong Toys Council to develop the Chemical Management Database (CMD). The database helps toy brands and factories meet the TSD and QA049 documentation requirements.

➤ **Enhancing Suppliers' Performance**

All of Hasbro's vendors, their own subcontractors and suppliers have demonstrated compliance to QA049 and have installed the CMD to effectively control, disclose and communicate their hazardous chemical management performance. Hasbro also trains all of its vendors in hazardous chemical management twice a year.

➤ **Regular Evaluation**

To ensure all products are free from controlled hazardous chemicals, Hasbro established a testing laboratory in 2008 for the chemical testing of its products. Hasbro audits all of its vendors monthly and yearly for compliance with Hasbro's standard.

THE BENEFITS

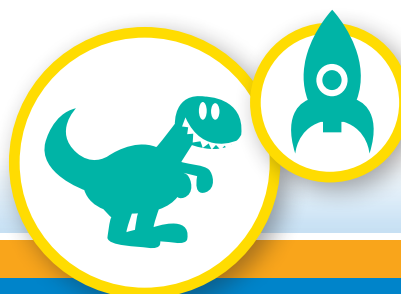
As one of the world's largest toy makers, Hasbro's effective hazardous chemical control management gives consumers the confidence that its products have been produced according to strict environmental and health guidelines.

With the IECQ QC 080000-based QA049 Hazardous Chemical Control Requirements and CMD in place, Hasbro has established processes to identify and control the use of hazardous substances in products. These processes, along with its close monitoring of vendor compliance, have enabled Hasbro to avoid any product recall due to chemical failure.

RECOMMENDATIONS TO SMEs

With growing customer concerns around product safety, and with demand for Hazardous Substances Free products, increasingly stringent regional and international regulations and buyers' requirements have been developed to limit the types and amounts of hazardous substances that can be contained in a product. This leads to severe financial and legal penalties involved for any violation of these regulations and requirements.

The internationally recognized IECQ QC 080000 Hazardous Substances Process Management System provides a robust framework to help organizations effectively manage hazardous substances in their components and products. SMEs that have adopted the IECQ QC 080000 have a more solid foundation to address hazardous substances regulations and buyers' requirements, therefore gaining a more competitive position in the global market.



Leo Paper Group



OVERVIEW OF THE COMPANY

Established in 1982, Leo Paper Group ("the Group") is a global printing communications company that prints books, games, bags, gifts and packaging for its business clients. The Group has its three factories in Guangdong, Heshan and Shanghai, and also maintains 10 global distribution locations. It employs over 15,000 staff members worldwide.



Environmental responsibility is an important goal for the Group, which makes every effort to be a responsible manufacturer. It has certified its main factory, Heshan Astros Printing Ltd, for management standards including IECQ QC 080000, ISO 14001 and ISO 17025.

As part of its continued effort to reduce use of hazardous substances and lower its environmental and health risks, the Group also established its hazardous substances process management (HSPM) system in 2010. Created under IECQ QC 080000, HSPM helps to keep the Group's production processes and products free of restricted substances and other contaminants. In 2012, the Group upgraded the system by adding customers' specific requirements, along with legal regulations for selected countries.

PIONEER EXPERIENCE

To help implement the HSPM, the Group set up its Product Safety Committee and Product Safety Policy. The Committee consists of senior managers from departments including sales, quality control, procurement and the Group's in-house laboratory.

11

Funded by
SME Development Fund



Organized by



Implemented by



The Group also supports the HSPM with several control points at different stages of the production lifecycle:

➤ **Collect Product Requirements and Safety Information**

To ensure product compliance and customer satisfaction, the Group collects essential product information, including the product users' age, import countries' regulations, and standard requirements. The Product Safety Team can then propose a safer product design if necessary, or make other recommendations based on legal requirements and customer needs.

➤ **Material Development and Testing**

During the material research and development stage, all materials to be used must undergo a comprehensive chemical risk assessment to prevent potential hazards.

➤ **Procurement**

To minimize potential risk, the Group conducts safety and conformity assessments during the quotation stage. Suppliers must submit a Material Safety Data Sheet (MSDS) for the product, along with testing reports. The supplier must also submit a safety declaration for the product. When the products arrive, the Group samples products at random for compliance with safety requirements.

➤ **In-house Production Control**

The Group sets clear procedures on stocking and labelling within its factories to prevent misuse of hazardous substances. Pollution prevention procedures and material tracking systems also prevent cross contamination.

➤ **Continual Improvement**

The Group regularly assesses its system, and records the assessment reports to ensure the compliance of its manufacturing process with safety and environmental requirements. It also regularly trains all of its employees and its suppliers in existing and new product safety requirements in major import countries such as EU and the U.S. Training sessions also update trainees on upgraded versions of the HSPM.

THE BENEFITS

By implementing the IECQ QC 080000 HSPM procedures, the Group is able to lower the risk of incidents and product recall. Records show that no product safety incidents happened since implementation of IECQ QC 080000 HSPM. The management system has also increased the Group's competitiveness by lowering testing costs, which has boosted customer satisfaction and loyalty.



Print-Rite Holdings Limited



OVERVIEW OF THE COMPANY

Print-Rite Holdings Limited ("Print-rite") owns a group of subsidiaries specialising in the printer consumable supply and services industry. Among these companies, six of them manufacture more than 4,000 products, including ribbons, inks, inkjet printer cartridges, laser printer cartridges, toners, rollers, and chips.

Print-rite focuses on technological innovation. Its subsidiaries own 2,200 patents worldwide, made possible via their substantial investment in R&D. All of these achievements help Print-rite to assume the leading role in its industry.



A collection of sustainability policies underpins Print-rite's commitment to corporate social responsibility. All of its products are manufactured in modern, well-equipped plants certified with ISO 9001, ISO 14001 and IECQ QC 080000 standards.

PIONEER EXPERIENCE

Integration with ISO 9001 Quality Management System

Print-rite first implemented the IECQ's HSPM standard in 2007. The company worked hard to develop the internal expertise necessary to implement the standard, forming a team focused on HSPM that secured IECQ QC 080000 certification in 2008. It also drew on its existing knowledge of ISO 9001 to successfully integrate hazardous substances management into its ISO 9001 manuals.

➤ Use of IT to facilitate hazardous substance identification

Hazardous substances control regulations have tightened worldwide, and the list of hazardous substances is expanded frequently. Compliance with IECQ QC 080000 requires a company to maintain a hazardous substances list. This list must be regularly updated to remain compliant with the latest regulations.

Print-rite integrates an IT tool with its existing Enterprise Resource Planning (ERP) system to identify high-risk materials during the manufacturing process. This tool significantly improves the efficiency of Print-rite to control the risk level and quality of a wide range of products.

➤ Design for the Environment

Product design often entails the use of certain hazardous substances, but Print-rite regularly reviews and refines its design and manufacturing processes, identifying opportunities to reduce their use. The company also frequently contacts suppliers to identify new, safer materials to use.

THE BENEFITS

IECQ QC 080000 HSPM certification has enabled Print-rite to build an awareness of its hazardous substances status directly into its management processes. This process extends outside the company and all the way through its supply chain, because Print-rite requires its suppliers to control the levels of hazardous substances in their products according to international regulations such as RoHS, WEEE and REACH.

Suppliers must provide evidence of their compliance with Print-rite's product quality requirements or be disqualified. Holding them accountable in this way lowers the risk of violating regulatory requirements.

RECOMMENDATIONS TO SMEs

Print-rite recommends that SMEs developing a HSPM system to collect all the relevant legal requirements on hazardous substances and establish a hazardous substance list in the early stage of development.

Print-rite also recommends that SMEs seek advice from external consultants when they do not have past experience in establishing management systems such as ISO 9001 or ISO 14001. Lastly, the company encourages SMEs to choose and work with suppliers that share the same value of promoting product quality and controlling hazardous substances.





OVERVIEW OF THE COMPANY

SGS Group ("SGS") is an inspection, verification, testing and certification company. It currently employs over 80,000 employees worldwide, including scientists, engineers, chemists, auditors and inspectors. SGS Group has around 1,650 offices and laboratories globally, and established its Hong Kong office in 1959. There are currently over 1,200 employees in Hong Kong operations.



SGS was one of the earliest certification bodies to be qualified by IECQ to offer an IECQ Hazardous Substances Process Management (HSPM) QC 080000 certification and training service. It also ranks among the highest in terms of worldwide market share for IECQ HSPM certification.

HOW IECQ QC 080000 HSPM CERTIFICATION HELPS – FROM THE PERSPECTIVE OF SGS CERTIFIED CLIENTS

Continuous Improvement of the HSPM and processes

IECQ QC 080000 HSPM requires companies to constantly review their management procedures to stay compliant with evolving regulations. They continuously improve their existing product design, internal control and manufacturing processes to minimize risks related to hazardous substances. This continuous improvement improves product quality, reduces compliance risk, increases the efficiency of manufacturing processes and compresses production lead time.

➤ Enhance Corporate Culture

Driven by the continuous improvement elements of the IECQ QC 080000 HSPM, some companies have developed a learning culture among their employees. IECQ QC 080000 HSPM training sessions have given them the knowledge and skill to ensure the conformity of their products. These training sessions are regularly evaluated so that human resources management teams can constantly improve their training.

➤ Improve Bottom Line

IECQ QC 080000 HSPM certification can drive down testing costs for companies. Traditionally, regulations require each product model to run a separate test as a proof of compliance. Increasingly, buyers and regulators are accepting IECQ QC 080000 certification as proof of a company's capability to comply with hazardous substances-related regulations. Consequently, no individual tests are required for their products. This helps the companies to improve their efficiency and enhance their market competitiveness.

The use of certification as a proof of compliance is especially beneficial in certain industries such as electronics and toys, where regulations are frequently updated.

➤ Demonstrate High Levels of Product Quality and Differentiates from Competitors

The IECQ QC 080000 HSPM certification is a proof of product quality and a demonstration of commitment to hazardous substances control and sustainability. It shows your company's commitment to product compliance and corporate social responsibility. Some international buyers with a special focus on environmental protection even require suppliers and manufacturing factories to obtain IECQ QC 080000 as a prerequisite for inclusion in their supplier lists.



Techtronic Industries Company Limited



OVERVIEW OF THE COMPANY

Founded in 1985, Techtronic Industries Company Limited ("TTI") is a manufacturing and trading company specialising in power tools, outdoor gardening tools, floor care appliances. It serves consumer and professional users in the home improvement, hardware, repair, and construction industries. Sales market based primarily in North America and Europe, the company employs a workforce of over 20,000 staff members worldwide, including those at its production facility in mainland China.



TTI is committed to sustainable leadership and promoting environmental protection. As such, the company has obtained the following certifications and accreditations:

- ISO 14001 Environmental Management System
- ISO 9001 Quality Management System
- IECQ QC 080000 Hazardous Substances Management System (HSPM)
- ISO 14064 Greenhouse Gases Quantification at Organization Level

Funded by
SME Development Fund



工業貿易署
Trade and Industry Department

Organized by



Implemented by



PIONEER EXPERIENCE

➤ **Clear HSF Policy and Top Management Commitment**

TTI follows IECQ QC 080000 requirements, identifies and controls all hazardous substances (HS) that might make their way into its products and production process. These substances include prohibited substances listed in various European regulations and directives (RoHS 2011/65/EU, WEEE 2012/19/EU, REACH 1907/2006/EC, PAHs ZEK 01.4-08) and US ones (California's CP65).

The top management of TTI is also well aware of the importance of hazardous substances management. As such, the company appointed its QSA & EHS director to oversee process control, training and supplier management.

➤ **Staff Engagement to Enhance HSF Awareness**

TTI trains its staff in HS management. This training process is extensive, covering departments including incoming quality control, R&D, purchasing, production, warehousing and marketing. It backs up this training with a combination of employee awareness materials, including quality manuals and standard operation instructions. The company also reminds staff about the importance of HS management using posters and notices.

In 2014, TTI demonstrated its commitment to ensuring that the HS objectives are closely followed by setting 100% targets on incoming and outgoing quality controls. It also set a 100% acceptance rate for HSF process checks.

➤ **Supplier Management with Advanced Technology**

TTI also manages the HS content of the finished goods or materials from suppliers that it uses in its manufacturing processes. During research and development, it requests a HSF Declaration of Conformity document and a HS Test Report from material suppliers. These help to ensure that the materials provided comply with the HSF requirements.

To complement this documentary proof, TTI also has an in-house chemical analysis laboratory for testing the HS content of materials. The lab uses sophisticated technical equipment to accurately determine the HS content of materials concerned. This includes X-ray Fluorescence (XRF) Spectrometers, Gas Chromatography–Mass Spectrometry (GC/MS), and Inductively Coupled Plasma (ICP) Spectrometry.

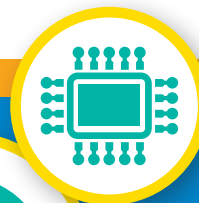
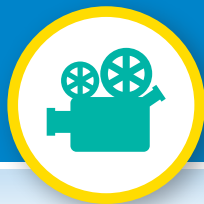
BUILDING ON EXCELLENCE

Instead of using external consultants in establishing IECQ QC 080000 HSPM, TTI relied on its own rich heritage in ISO 14001 and ISO 9001 compliance. The company integrates the HSPM framework with its existing environmental and quality management framework, saving time and resources in developing the required management guideline and manuals.

To achieve IECQ QC 080000 certification, companies must be audited by an accredited third party certification body. The certification cost will depend on the company's size and the complexity of its business. In 2013, TTI paid approximately RMB 35,000 to renew its IECQ QC 080000 certification. The certification has enhanced the company's product quality and reduced redundant testing processes for clients.



Tonly Electronics Holdings Limited



OVERVIEW OF THE COMPANY

Established in 2000, Tonly Electronics Holdings Limited ("Tonly") is an original design manufacturer (ODM) in the audio-visual (AV) market. Its product portfolio includes DVD players, docking products for smartphones, home theatre systems, and smart controllers. Tonly currently employs a research and development (R&D) team of more than 500 people across centres in Shenzhen, Huizhou and Xi'an.



Environmental protection is one of Tonly's core values. As a manufacturer with a responsibility to its employees, its customers and the environment, controlling hazardous substances (HS) during production is crucial to the company.

Tonly has created strict controls on hazardous materials in its entire manufacturing process, ranging from the handling of raw materials to market release. Production, packaging, transport and sales are all carefully monitored to prevent accidents.

To help position Tonly as a leader in environmentally responsible manufacturing, it has been certified for ISO 9001, ISO 14001 and IECQ QC 080000 Hazardous Substances Process Management (HSPM).

PIONEER EXPERIENCE

Tonly has established a comprehensive HSPM operation mechanism covering general legal compliance, supplier HS management, process control, HS testing and system audit.

➤ General Legal Compliance

The management and engineering department maintains a database on legal compliance, which contains legal information about HS management gathered regularly from clients, certification bodies and public sources. It briefs all departments on the regulations that Tonly must comply with through company guidelines and internal procurement standards.

➤ Supplier HS Management

Tonly regularly trains suppliers on HS control, and its representatives also interview suppliers about their HS management processes.

Process Control and HS Testing: Tonly maintains comprehensive control of HS management processes, from warehousing to product shipment. When materials arrive at the warehouse, their information is fed to the enterprise resource planning (ERP) system. Materials are also tested using X-ray Florescence (XRF), and the test results accompany the suppliers' information in the ERP system. This data is then made available to clients during inspection.

➤ Continuous Improvement

Under the HSPM mechanism, Tonly regularly evaluates the performance of its HS management processes, exploring opportunities for improvement through monthly meetings, internal audits and management review. Tonly also sends representatives to attend training organized by clients and certification bodies to understand the latest trend of HS management.

THE BENEFITS

The HSPM operation has helped 60 suppliers to improve their environmental performance by complying with Tonly's HS requirements. The ERP system also helps Tonly to classify materials into different risk categories, thereby enhancing the efficiency of XRF testing. The HSPM operation mechanism has improved the quality of Tonly's products.



Tsuen Lee Group (Holdings) Co. Ltd.



OVERVIEW OF THE COMPANY

Tsuen Lee Group (Holdings) Co. Ltd. ("Tsuen Lee") was established in 1982 in Hong Kong. Tsuen Lee has become one of the global leading manufacturers in the toy and household products industry with more than 15,000 employees worldwide. Its main factories are located at Jiangxi, Shenzhen, He Yuen and Zhongshan. Spanning a total area of 550,000 square meters, these plants are equipped with modernized, environmentally-friendly and energy-efficient production equipment and facilities.



Tsuen Lee is committed to product quality and environmental protection, and the company strives to ensure that its products are manufactured in a responsible manner. Since 1994, it has received environmental management certifications including:

- ISO 9001 Quality Management System (1994)
- OHSAS 18001 Occupational Health and Safety Management System (1999)
- ISO 14001 Environmental Management System (2001)
- IECQ QC 080000 Hazardous Substances Process Management (HSPM) (2007)

All of these efforts have cemented Tsuen Lee's position as a leader in sustainable product development and customer well-being.

PIONEER EXPERIENCE

➤ Effective Internal Control

Internal control is a fundamental component of IECQ QC 080000 HSPM. To meet the standard, companies must create procedures to ensure that products meet product quality and hazardous substances requirements.

To respond to these needs, Tsuen Lee built an in-house chemical testing laboratory. All high-risk raw materials purchased must pass the relevant tests before going into the manufacturing process. This internal control is critical to detect hazardous substances among raw materials that are supposed to be RoHS compliant.

➤ Commitment from the Top

Compliance is a core component of Tsuen Lee's business philosophy. Its management team has created a dedicated department to oversee all compliance-related matters, including hazardous substances management. Senior management places such importance on environmental quality that the company's director of compliance reports directly to the executive director on product compliance matters.

THE BENEFITS

Tsuen Lee's efforts in implementing IECQ QC 080000 HSPM has increased customer satisfaction on product quality and significantly reduced product recalls. The company strongly believes that the substantial investment made in chemical testing equipment and facilities is worthwhile, because these internal control measures have reduced the potential financial loss associated with product recalls and customer complaints. More importantly, Tsuen Lee has earned its customers' trust, and demonstrated leadership in corporate social responsibility in its industry.

RECOMMENDATIONS TO SMEs

Tsuen Lee recommends that SMEs attach higher importance to hazardous substances management. They should regard the investment in setting up management systems as part of an ongoing sustainability management strategy that will deliver long-term value.

Tsuen Lee also emphasizes the importance of senior management commitment and responsibility towards hazardous substances management. SMEs should continue to acquire new knowledge on compliance, and keep updated about the latest market trends in order to enhance their competitiveness in this evolving economy.

