TIC COUNCIL NEWSLETTER

JANUARY-APRIL 2023 EDITION



TABLE OF CONTENTS

Dear Members,

initiatives in other regions around the world.

TIC Summit 2023

PAGE 3

TIC Market Trends & Business Developments

PAGE 4

PAGE 11
TIC Council Focus
Topics

I am pleased to announce that we are finally holding face-to-face events again. We recently hosted two roundtable discussions on the Corporate Sustainability Reporting Directive (CSRD) at the European Parliament in cooperation with MEP Pascal Durand. We received a great response from policymakers, industry representatives and civil society organisations, making the event a resounding success.

After a brief hiatus, our monthly newsletters are back! The past few months have been very eventful for the Secretariat in the build up to our upcoming TIC Summit 2023 which takes place on 25th May in Brussels. This year's summit is titled "How to reach net zero in an uncertain world: Will the EU's ambitious policy framework speed up decarbonisation across the globe?" and will explore the potential of the EU's comprehensive Green Deal regulatory framework to promote similar

In light of World Consumer Rights Day back in March, we published the 2022 Market Study Report entitled "Consumer Goods in the EU: Persisting Safety Issues,". On this occasion, we held a hybrid panel to present the findings of the study where we were joined by a representative from DG Grow to discuss the measures to be taken to increase consumer safety in the EU Single Market.

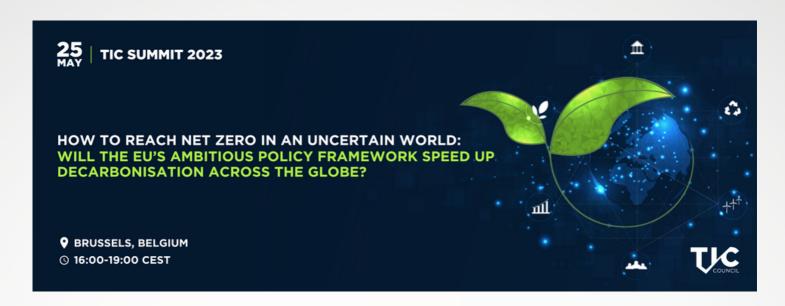
In addition, we have been actively working with our members and potential partners around the world. In March, I had the pleasure of visiting our teams in India and China, where we met with local stakeholders to discuss opportunities for collaboration in supporting the quality infrastructure ecosystem in those regions. We are proud of the results of our efforts to build strong relationships with key industry players. In this regard, TIC Council signed two Memoranda of Understanding, one with the National Institute for Laboratory and Inspection Body (also known as Guoshi) and one with ASOCEC - Asociación Colombiana de Organismos de Evaluación de la Conformidad.

Finally, we have launched a new series of live interviews called TIC Talks, where I am joined by inspiring leaders who share their knowledge and experience. I'd like to thank everyone who has tuned into our last two interviews and for the warm feedback we have received. You can watch back our previous interviews on our website and LinkedIn pages. Stay tuned for future TIC Talks announcements!

Going forward, we remain committed to our mission of promoting and advocating for the TIC industry. I look forward to seeing you at our TIC Summit and continuing our work together for a more sustainable and resilient future for the TIC industry!

Hanane Taidi, Director General

Join us in May for our TIC Summit 2023!



TIC Council is excited to announce that its Annual Summit will be taking place on <u>Thursday 25 May 2023</u> in Brussels, Belgium. Our topic this year is: "How to reach net zero in an uncertain world: Will the EU's ambitious policy framework speed up decarbonisation across the globe?"

Starting from the ambitious regulatory framework set by the European Union with its Green Deal, we will bring together EU and international organisations, policymakers, and industry captains from around the world to discuss:

- How will the EU Green Deal encourage similar action from regulators in other regions?
- How it will affect companies all around the world?
- What are the challenges and risks of implementing these measures?

The summit will kick off with a view of the challenge of climate change and the need to decarbonise our global economy. This will be followed by an overview of the steps EU legislators have taken towards providing a framework for a measurable reduction in carbon emissions across all sectors. Our panel discussion will then examine in greater depth how carbon removal schemes across the world can and must evolve.

Following the event, you are cordially invited to join us for a cocktail and dinner reception at the venue.

When registering, you can find all the necessary information surrounding the event including the programme, TIC Summit speakers, hotel bookings, and sponsorship packages. Further, all TIC Council members are welcome to attend the AGM before the Summit, starting with a members-only lunch between 12:00-13:30 CEST onwards.

Please note that the deadline to register is <u>Monday 15 May</u>. For further enquiries, you can contact: <u>summit@tic-council.org</u>

TIC SUMMIT 2023: MEET OUR SPEAKERS

KEYNOTE SPEAKERS



Martin Hlavacek
MEP
Renew Europe Group
AGRI Committee



Ray Hammond Futurologist

1st PANEL DISCUSSION

CAN THE EU'S CLIMATE POLICY FRAMEWORK INDUCE A 'BRUSSELS EFFECT' BEYOND EU BORDERS?



Marc Vanheukelen
Former EU Ambassador at
Large for Climate Diplomacy,
Former Ambassador to WTO



Ray Hammond Futurologist



Dr Ravi P. Singh Secretary General Quality Council of India (QCI)



Wu Gang
Deputy Ambassador
of China to Belgium



Jenny Scanlon CEO & President UL Solutions

MODERATOR

2nd PANEL DISCUSSION

CERTIFICATION FOR EUROPEAN CARBON REMOVALS: A MODEL FOR MORE ROBUST GLOBAL CARBON CAPTURE SCHEMES?



Dr-Ing Michael Fübi CEO TÜV Rheinland President TIC Council

MODERATOR



Christian Holzleitner
Head of Unit, Land economy &
Carbon removals
DG CLIMA
European Commission



Caroline Ploux Senior Manager Public Affairs Europe Mars



Francesca Cerchia Global Manager Audit & Compliance SGS

TIC Market Trends and Developments (1/7)

Business Developments

- AH Knight has announced the launch of its specialist sampling hub services, providing support to organisations with the recycling of materials such as e-scrap and incinerator bottom ash (IBA). Read more.
- AH Knight has announced the expansion of a larger sample preparation facility in Huelva, Spain, which is fully equipped for the sample preparation of metal concentrates and works with various other types of commodities. Read more.
- AH Knight has officially opened a new laboratory in Durban, South Africa, conducting high-quality analytical services for nutritional values, residues and harmful substances with specialised technology for protein and baking quality. Read more.
- ALS started a collaboration on Digital Integration with EarthSoft. ALS has been recently announced by EarthSoft as the first global laboratory network to execute an agreement to participate in its Preferred Laboratory Program. Read more.
- ANAB has opened nominations from interested persons to serve on its Personnel Certification Accreditation Committee (PCAC). Nominations must be received by April 1 2023. Read more.
- ANAB has been recognized by the U.S. Department of Defense (DoD) as the approved accreditation body for the DoD Manual (DoDM) 8140.03 Cyberspace Workforce Qualification and Management Program. Read more.
- Applus+ has announced the agreement to sell 100% of Applus+ Technologies, Inc., its statutory vehicle inspection operations in the USA, to Opus Inspection, Inc. Read more.
- Bureau Veritas has launched a certification scheme dedicated to renewable hydrogen, supporting the growing renewables sector and accelerating the energy transition. Read more.

- Bureau Veritas, with the support of Envision Digital, has created the NetZero Center of Excellence, to address the challenges of clients seeking to reduce their energy consumption, decarbonise their activities and make their claims traceable. Read more.
- Bureau Veritas has announced the inauguration of its new regional headquarters in Riyadh, Saudi Arabia. Read more.
- Bureau Veritas has been listed in the Top 5% ESG Score for Professional Services Industry in S&P's Global Sustainability Yearbook 2023, which recognises companies that have demonstrated strong corporate sustainability. Read more.
- Bureau Veritas has developed an Audit Framework and Gap Analysis service for the Climate Neutral Data Centre Pact in collaboration with the European Data Center Association and Cloud Infrastructure Service Provider in Europe. Read more.
- Bureau Veritas becomes a sponsor of the France pavilion for EXPO 2025 Osaka, continuing and expanding its support to COFREX, created by the French government to handle planning and organization related to France's participation in World Expos. Read more.
- Bureau Veritas has announced the appointment of Vincent Bourdil, effective May 1st, 2023 as Executive Vice-President of Global Business Lines and Performance. This newly created position enables the company to accelerate the operationalization of its growth strategy. Read more.

TIC Market Trends and Developments (2/7)

Business Developments (continued)

- China Certification and Inspection (Group)
 Co., Ltd has nominated Wan Xinming deputy
 general manager of China Certification and
 Inspection (Group) Co., Ltd. Read more.
- Corelab has announced the approved plan to reorganise the company's corporate structure, which will include the redomestication of the parent company from the Netherlands to the United States. Read more.
- Cotecna has partnered with Tinamu, a Swissbased robotics startup to build the foundation for smart digital warehouses using Al and drones. Read more.
- Crown Agents has announced the appointment of James Cameron as the new Chair of its Board. Read more.
- Crown Agents has officially reopened its country office in Zambia, strengthening the organisation's 40+ years of presence in the country. Read more.
- Crown Agents has unveiled a strategic change in its Kenyan operations, with the opening of new offices in Nairobi to put Kenyan experts in charge of parts of its global operations. Read more.
- Crown Agents has announced that Maureen Simuyandi has been appointed Non-Executive Member to its Board of Directors. Read more.
- Dekra has been recognised as a Certification Body for electrical safety and energy efficiency for the Chilean market by the Instituto Nacional de Normalización (INN) and registered by the Superintendencia de Electricidad y Combustibles (SEC). Read more.
- Dekra has been announced as a new member of Green NCAP, promoting the development of cars that are clean, energy-efficient and cause as little harm to the environment as possible. Read more.

- Dekra today announced that John Tesoro has joined the company as Executive Vice President and President of DEKRA Americas, Inc., where he will lead the testing, inspection, and certification organization in North and South America. Read more.
- Dekra and ADAC are extending their partnership to the DTM. DEKRA will continue to be the technical partner of the DTM. Read more.
- Element Materials has announced the appointment of Trudy Cooke as Group General Counsel and Company Secretary. Read more.
- Eurofins has acquired assets to establish a fully-equipped, state-of-the-art laboratory campus in Genome Valley, Hyderabad. Read more.
- FORCE Technology will take over employees and activities in Kiwa Inspecta A/S with effect from 1 February 2023. This strengthens FORCE Technology's position as a leading provider of inspection services within the NDT, welding and printing areas. Read more.
- HQTS has been selected by the Uganda National Bureau of Standards to provide services under the Uganda Pre-Export Verification of Conformity to Standards Programme. Read more.
- Inspekt RGH completed a major investment, with the successful accreditation of a microbiological laboratory, qualified for food safety testing. Read more.
- International Code Council has announced the establishment of its Oceania regional office in Canberra, Australia, led by Neil Savery, Managing Director of ICC Oceania. Read more.

TIC Market Trends and Developments (3/7)

Business Developments (continued)

- Intertek has extended its contract with the Uganda National Bureau of Standards (UNBS) to continue to manage its Pre-Export Verification of Conformity to Standards Programme (PVoC) for exports to the country. Read more.
- Intertek is proud to be a partner, presenter, and exhibitor at ChemCon the Americas taking place in San Francisco, California from March 13-17, 2023. Read more.
- Intertek Group plc announces appointment of Colm Deasy as Group Chief Financial Officer and as an Executive Board Director of the Group replacing Jonathan Timmis. In addition, the Company is establishing Executive а new Group Committee effective. Read more.
- KIWA has reached an agreement with FORCE Technology about transferring NDT, inspection, building analysis and certification activities, with effect from 1 February 2023. Read more.
- KIWA has officially been accredited for ISO 27001:2022 by the Dutch Accreditation Council (RvA). Read more.
- KIWA has certified Amsterdam UMC, one of the largest hospitals in the Netherlands, with ISO 27001 and NEN 7510. Read more.
- PT Carsurin has been accredited as the new GGL Certification Body, providing support for sustainable biomass initiatives across Indonesia while delivering additional breadth and depth to reduce the risk for producers and traders with transparency, integrity, and professionalism. Read more.
- RINA has become an associate member of the African Hydrogen Partnership (AHP), enabling hydrogen-based technologies and related business opportunities in Africa. Read more.

- RINA has become the first accreditation body in Italy and among the first in Europe to receive the ISO 17029 for GHG validation and verification services. Read more.
- SGS has been awarded the 13th Food Safety Award 2022 for Outstanding Laboratory Performance - Food Testing Laboratories by the Confederation of Indian Industry (CII) - Food and Agriculture Center of Excellence (FACE) -India's leading resource centre for driving food safety and nutrition in the food processing industry. Read more.
- SGS's Hamburg Lab has expanded its biopesticide testing portfolio by completing a GLP five-batch analysis study on a microbial plant protection product. Read more.
- SGS has awarded Phoenix Processors Ltd. Partnership (PPLP) the FISH certification for crew certification. The certification provides a voluntary, independent and accredited third-party certification program for labour practices on vessels in wild-capture fisheries around the world. Read more.
- SGS has opened a new lighting testing laboratory at its facility in Georgia, USA.
 The site offers dedicated testing and certification services to manufacturers, suppliers and retailers operating in the luminaire industry. Read more.
- SGS has been awarded contracts for geochemistry laboratory services in Oman to conduct tailings waste analysis, analysis of legacy ore stockpiles and environmental water monitoring for Green Tech Mining Services (GTMS). Read more.
- SGS has signed an agreement to sell its automotive asset assessment and retail network services operations to Macadam Europe NV. Read more.

6

TIC Market Trends and Developments (4/7)

Business Developments (continued)

- SGS has opened a new lighting testing lab in Suwanee, USA, offering retailers and manufacturers across the US a 'one-stopshop' for environment testing for lighting performance, energy efficiency, safety certification and RF/EMC. Read more.
- SGS has awarded the Fishing Industry Association Papua New Guinea (FIA PNG) the FISH Standard for Crew Certification or 32 tuna purse seine vessels. Read more.
- SGS has opened a new bioanalytical testing laboratory in Shanghai, China, which aims to greatly improve capabilities in biological sample analysis biopharmaceutical testing to meet clients' needs. Read more.
- SGS has been awarded a contract to provide pre-export verification of conformity (PVoC) services for goods entering Ugandan markets by UNBS for the fourth consecutive year. Read more.
- SGS has announced the appointment of Fred Yang as Vice President, of Global Connectivity. Read more.
- SGS has announced the appointment of Wen-Tang (Joe) Chen as Vice President, Global Hardlines division, Read more.
- SOCOTEC has announced the establishment of a certification activity in the Indian Ocean's islands through an exclusive partnership between its subsidiary SOCOTEC Certification France with ACTBIS and RUNCERT. Read more.
- SOCOTEC has developed the first and unique certification and sustainability standards specifically adapted and dedicated to the challenges of the hospitality sector regarding CSR. Read more.

- TÜV Austria has introduced the world's first certification of steel producer Çolakoğlu Metalurji, according to international standard IEC 62443. Read more.
- TÜV Rheinland has been qualified for audits under the ICTI Ethical Toy Program (IETP) to neutrally and independently audit companies' compliance with the standards defined by the IETP. Read more.
- TÜV Rheinland has been appointed as a third-party inspection and certification body for food products exported to Qatar by the Ministry of Public Health - Food Safety Department (MoPH-FSD). Read more.
- TÜV Rheinland has expanded its partnership with Alibaba to independently audit suppliers and factories, aiming to promote the growth of small and mediumsized enterprises in B2B trade in Germany and Europe. Read more.
- TÜV Rheinland has agreed to support Alibaba Cloud customers in achieving their sustainability goals. As a result, companies that use Alibaba Cloud's "Energy Expert" service will be able to have their carbon emissions verified and certified by TÜV Rheinland experts in the future. Read more.
- TÜV Rheinland has announced the launch construction of a new multi-million dollar, advanced technology product testing and certification facility in the greater Boston region, United States. Read more.
- TÜV Rheinland is now one of the accredited partners with the CDP. Thanks to the new accreditation, TÜV Rheinland can better support companies in transparently presenting their efforts in climate actions and in taking measures for a more sustainable economy. Read more.

7

TIC Market Trends and Developments (5/7)

Business Developments (continued)

- TÜV SÜD has announced the appointment of Dr Johannes Bussmann as the new Chairman of the Board of Management with effect from 1 January 2023. Read more.
- TÜV SÜD has announced the appointment of Dr Fabian Schober as the new CEO of the Americas Region. Read more.
- TÜV SÜD has appointed Gerald Bachler as the new CEO of the Central & Eastern Europe Region. Read more.
- TÜV SÜD testing centre in Tokyo, which supports the largest number of standards of any accredited laboratory in Japan, has been accredited the Food and as Administration (FDA) ASCA Accreditation Laboratory. Read more.
- TÜV SÜD has announced its collaboration with Applied DNA Sciences (ADNAS) to offer their scientific traceability services as a to complement TÜV SÜD's product traceability solution. Read more.
- TÜV SÜD Vietnam, the wholly-owned subsidiary of TÜV SÜD Group, Germany, inaugurated its state-of-the-art electrical & electronics testing facility at Ho Chi Minh City, Vietnam. Read more.
- TÜV SÜD America announced a new collaboration with Applied DNA Sciences (ADNAS) to offer their scientific traceability services as a complement to TÜV SÜD's product traceability solution. Read more.
- UL Solutions has joined forces with CATL to advance battery energy storage systems and EV battery safety and performance. The new collaboration sets the stage to help create the widespread deployment renewable, zero-emission energy sources. Read more.

- UL Solutions has announced plans to expand its electromagnetic compatibility (EMC) testing to enhance capacity for wireless device EMC testing certification and to address rapid IoT and wireless device market growth. Read more.
- UL Solutions has announced the UL Smart Systems Rating Program to navigate the growing complexity of smart building systems and solidify the definition of a smart product based on features and best practices. Read more.
- UL Solutions has recently expanded its Approved Body scope for IVD medical devices to cover the majority of IVD medical device codes in its continuous effort to address the emerging needs of connected medical device manufacturers in the UK and Northern Europe. Read more.
- UL Solutions has announced plans to develop a state-of-the-art battery testing laboratory in Michigan, United States, providing testing and certification services addressing electric vehicle and industrial battery safety and performance. Read more.
- UL Solutions has obtained consent decrees in litigation over counterfeit UL marks on vaping devices. Read more.
- UL Solutions has partnered with CDP Worldwide (CDP). а non-profit organization, to develop its new disclosure application programming interface (API). Read more.
- UL Solutions Opens North America Advanced Electric Vehicle Charging Laboratory in Northbrook, Illinois. Read more.
- UL Solutions Expands Retail and Consumer Products Testing Services with Laboratory in Shenzhen, China. Read more. 8

TIC Market Trends and Developments (6/7)

Business Developments (continued)

- UL Solutions Expands U.K. Laboratory to Help Advance EMC and Wireless Innovation for Appliance and Lighting Industries. Read more.
- UKAS has accredited the first organisation in the UK to undertake Forensic Cell Site Analysis activities to the requirements of ISO/IEC 17025. Read more.
- UKAS has signed an MoU with the Institute of Export and International Trade, agreeing to strategic cooperation in sharing knowledge and supporting the dissemination of good business practices. Read more

Mergers & Acquisitions

- ALS has announced the acquisition of GmbH Molecular which develops and commercialises tailor-made nucleic acid purification solutions enabling manual and automated DNA/RNA extraction from virtually any sample material. Read more.
- ALS acquires Centrul de Mediu si Sanatate (Environmental Health Center), which is recognized as an industry leader in performing environmental and occupational health, industrial hygiene, and environmental, and occupational toxicology. Read more.
- ALS acquires HIDRO.LAB, which is recognized as a renowned and reputable provider of quality environmental testing. This regionally significant acquisition brings ALS a well-established business with an excellent position in the Croatian market. Read more.
- ALS acquires ASR Laboratórios (ASR), which is recognized as an industry leader in performing agrochemical and household product testing in Brazil. Read more.

- AmSpec Group has announced the acquisition of Independent Inspection Services (IIS) based in Sweden. IIS performs testing, inspections, and a variety of support services in the Energy and Agricultural sectors. Read more.
- AmSpec Group expands its inspection and testing footprint in Latin America by acquiring leading service provider Oil Test Internacional ("OTI"). Read more.
- Apave Group has the announced acquisition of Baltic Control Group, a and certification leading inspection food company specialising in and agriculture, industry, metals and minerals and waste recycling, based in Denmark. Read more.
- Applus+ has announced the acquisition of Riportico, a leading inspection and engineering platform in Portugal with a focus on the infrastructure and civil construction sector. Read more.
- Applus+ Laboratories acquires CLM (Cámara Laboratorios Metrología), keeping its winning streak as a metrology leader in Spain with a network of 7 accredited metrology laboratories distributed around Spain. Read more.
- CIS joins forces with QIMA, a leading provider of Quality Control and Supply Chain compliance solutions operating in 95 countries globally. Read more.
- Cotecna Group recently acquired Geo-Chem India. As cargo inspectors and surveyors Geo-Chem India has proven expertise in the Inspection, Survey and Testing of diverse export, import and locally traded cargos and commodities. Read more.

TIC Market Trends and Developments (7/7)

Mergers & Acquisitions (continued)

- Cotecna's laboratory NofaLab, which is a leading laboratory for food and feed analyses and part of the Cotecna Group, is pleased to announce it has reached an agreement with Triskelion for the acquisition of its GMO and authenticity testing business. Read more.
- Crown Agents and Integrity Action, a UKbased international NGO, merge to provide an 'end-to-end' approach to strengthening accountability and effectiveness in aid and development programmes. Read more.
- Filiance welcomes three new members: ALEATEC (technical inspection), IBAC (services and advice to companies) and PAQA (analyses, tests, technical inspections). Read more.
- Intertek Group has announced the acquisition of Controle Analítico Análises Técnicas Ltda ("Controle Analítico"), a leading provider of environmental analysis, with a focus on water testing, based in Brazil. Read more.
- Kiwa Group company T2 Utility Engineers incorporates Applied Professional Services, a leading utility locating service provider in Washington and Oregon, USA. Read more.
- Kiwa UK has announced that BASEC will join the Kiwa UK Family. BASEC is an independent accredited certification body for the electrical cable industry worldwide, has 63 employees with headquarters in Milton Keynes, UK, and a state-of-the-art laboratory in Dubai. Read more.
- Mérieux NutriSciences has announced the acquisition of Viamed Technical Laboratory SpA., a laboratory specialized in the detection of drug residues and chemical contaminants in food for human and animal consumption, and a market leader in aquaculture. Read more.

- Mérieux NutriSciences has announced the acquisition of Blonk, a leading international expert in food system sustainability. Read more.
- RINA has announced the acquisition of the entire share capital of Patrick Engineering Ltd., a Chicago-based engineering consultancy company active in infrastructure, transport and renewable energy. Read more.
- SGS has announced the acquisition of the testing business and assets from ASMECRUZ, SOCIEDAD COOPERATIVA GALLEGA ("Asmecruz"), a cooperative of mussels producers based in Boiro, Spain. Read more.
- SOCOTEC UK has announced the acquisitions of Shore and Quadrant, making the organisation the leading company in the UL building control sector and a major player within the Building and Real Estate market, both in the commercial and residential sectors. Read more.
- TÜV NORD has acquired a majority stake in the semiconductor and electronics specialists HTV and HTV Conservation, based in Bensheim, Germany, further expanding its semiconductor business. Read more.
- TÜV Rheinland has signed an agreement to acquire ABB's UK technical engineering consultancy, part of ABB's Energy Industries division, to integrate this part into its Industrial Services & Cybersecurity business in the UK. Read more.
- TÜV Rheinland has acquired the UK railway clearance company D/Gauge. The acquisition has laid an important foundation for further growth in the rail technology sector in the UK market and far beyond. Read more.

TIC Council Focus Topics



The Current State of the EU Affairs

Digitalisation

TIC Council continues its advocacy around the EU Cyber Resilience Act, which is currently under discussion and amendments by the European Parliament and the Council of the EU. Following the definition of its position in January, (see position paper here), TIC Council continuously engaged with policymakers and the industry, such as products manufacturers of with elements, to support a stronger role of the TIC industry in the text ecosystem. Among other things, TIC Council was invited to private stakeholder consultation organised by the MEP's Rapporteur on the text or to industry meetings to provide expert advice on the text and conformity assessment aspects. The Cyber Resilience Act has been identified as a priority for 2023, which implies further positions and actions of the TIC Council to come.

Product Safety

On Wednesday 15 March, in occasion of World Consumers Day, we hosted a hybrid panel to announce the publication of the 2022 Market Study, titled: "Consumer Goods in the EU: Persisting Safety Issues". The study sourced 120 samples from seven different EU countries which were then sent to an accredited laboratory for evaluation against regulations. The results showed that 85 out of the 120 tested products purchased in Europe were not in compliance with the relevant standards. During the panel we discussed the outcomes of the study and the various measures that need to be put in place to increase the degree of safety that consumers can expect from the EU Single Market. You can read the report here and watch the recording of the event here.

ESG

On Friday 3 February, TIC Council, on behalf of MEP Pascal Durand, hosted a breakfast at the European Parliament to discuss the implementation of the Corporate Sustainability Reporting Directive (CSRD), following the final approval for its adoption given by the European Council at the end of November 2022.

With this event, TIC Council facilitated an exchange between key stakeholders and policymakers on the opportunities and risks to the implementation of the directive. Click here for the event highlights.

In February our Director General Hanane Taidi was accepted in the <u>European Commission's Expert Group on Carbon Removals</u>. TIC Council will support the work of the European Commission and other experts, providing our contribution to the achievement of veritable monitoring, reporting, and verification of carbon removals in an effective and trustworthy manner. The first meeting took place on 7 March 2023 in Brussels and the recording is available <u>here</u>.

On 22 March, the European Commission published its proposal for a Directive on Green Claims, which aims to tackle false and misleading "voluntary explicit environmental claims" opposed to (as mandatory information) by ensuring that buyers receive comparable and reliable. verifiable information. This proposal is of crucial importance for the TIC sector as the verification of the claims shall be carried out by a third-party conformity assessment body accredited in accordance with Regulation (EC) No 765/2008.

This proposal for a Directive on Green Claims goes hand in hand with the Directive on Empowering the Consumers for the Green Transition (ECGT). TIC Council published its position on the ECGT Directive in February, providing the following recommendations:

- Sustainability labels should be based on an independent assessment of conformity.
- The definition of a certification scheme should be aligned with the relevant international standards.
- Only recognised conformity assessment bodies should provide conformity assessment services.
- Sustainability labels should be based on a sound and specific set of measurable and verifiable rules.

TIC Council Focus Topics

US-Focused News

On Tuesday 3 January, the 118th Congress of the United States kicked off with Kevin McCarthy being elected Speaker of the House. As legislators consider policy for the 2023-2024 congress, we take a look back at relevant legislation passed in 2022:

FedRAMP reform

The FedRAMP Authorization Act (HR 21/ S 3099) was enacted as part of the 2022 National Defense Authorization Act (NDAA). The bill establishes the Joint Authorization Board to of conduct security assessments computing services and issue provisional authorizations to operate to cloud service meet FedRAMP providers that security quidelines. This bill expands the program by allowing FedRAMP-authorized tools to be used any federal agency without additional oversight or verification.

INFORM Consumers Act

The measure (S 936/ HR 5502) was enacted as part of the Fiscal Year 2023 (FY23) Omnibus and was supported by the Buy Safe Coalition, of which the TIC Council Americas is a member, Amazon and others. The measure requires ecommerce sites to obtain information on certain 'high-volume' sellers on their platforms such as government ID, tax ID, bank account information. and contact information. Additionally, the measure quires that contact details be disclosed to customers and whether the seller is a manufacturer, importer, retailer and/or reseller. In support of this effort, the TIC Council Americas published several congressional releases. met with throughout 2021 and 2022, and launched the Anti-counterfeiting Action Center webpage.

Funding Cybersecurity

The FY23 Omnibus spending bill also included several provisions for cybersecurity including \$2.9 billion in funding for the Cybersecurity and Infrastructure Security Agency (CISA). The funding will support CISA's efforts to protect civilian federal networks, threat evaluation and action, and enhanced collaborative efforts. [4]

STURDY

The Stop Tip-overs of Unstable, Risky Dressers on Youth Act (HR1314 /S 441 & 3232) was another bill passed as part of the FY23 Omnibus. The measure requires the Consumer Product Safety Commission (CPSC) to adopt the updated version of ASTM F2057, a voluntary standard for clothing storage furniture. The CPSC has issued its own rulemaking, passage of STURDY supersedes this rulemaking.

In the 188th congress, the TIC Council Americas looks forward to reintroduction of the SHOP SAFE Act, a second measure which the TIC Council Americas supported in the previous congress, and which would establish liability for sellers and online marketplaces which do not take reasonable actions to prevent the sale of counterfeits on their platforms. The measure is inclusive of counterfeit marks on products and the TIC Council Americas is working with coalition partners to support advocacy on this important issue. Legislation on cybersecurity and privacy are also anticipated.

Climate-related Rules Face Resistance - ESG Disclosure Rules and Emissions Standards

Policy efforts by US regulators to expand the role of environmental, social, and governance (ESG) disclosures and reduce atmospheric emissions continue to face resistance. In April, the Senate reacted to the Environmental Protection Agency's (EPA) newly proposed standards for vehicle emissions. Similarly, the Securities and Exchange Commission's (SEC) proposed disclosure rule continues to galvanize anti-ESG legislation within state legislatures and industry.

TIC Council Focus Topics

US-Focused News

On 12 April, the EPA announced stronger emissions standards for light-duty, medium-duty, heavy-duty vehicles. The proposed standards would be phased in between 2027 and 2032, and specifically focuses on reducing carbon dioxide emissions. However, stringent emissions standards targeting nitrogen oxide and other smog-related pollutants finalized by the EPA four months prior, have been challenged by the Senate. On 26 April, the Senate passed a joint resolution that reduce these standards. Reacting to the news, the Biden Administration has released a statement indicating that if the Senate resolution passed Congress, it would be vetoed by the President.

The Security and Exchange Commission's (SEC) proposed disclosure rule—the Enhancement and Standardization of Climate-Related Disclosures for Investors—has been under consideration for the past 15 months. The final rule is expected to require emissions disclosures and analyze climate change-related costs and risks for publicly owned companies—including Scope 3 emissions. If Scope 3 emission disclosures remain in the rule, similar disclosures would likely expand more quickly among private business within US supply chains and investment portfolios.

Nonetheless, significant legal resistance mounting among major companies and state lawmakers. Over the past year, approximately 100 bills have been filed in state legislatures to restrict the use of ESG business practices. At the national level, the Chairperson of the House Financial Services Committee announced the formation of a working group seeking to restrict the SEC's ability to consider climate-related costs and risks. Pressure from industry and state officials has led to the SEC to consider softening the regulation-such as reducing or removing Scope 3 disclosure requirements. Meanwhile, the popularity of ESG funds have decreased sharply in 2023 with assets managed by ESG funds decreasing by \$6.8 billion in March of this year, despite reporting relatively high returns. The TIC Council Americas has filed a public comment on the SEC's proposed rule reflecting the sector's ability to facilitate disclosures and expertise in measuring emissions.

Regardless of the passing of disclosure rules in the United States, the European Union's Corporate Sustainability and Reporting Directive (CSRD) will impact a large number of American firms contributing European supply chains and operating in the area. As the CSRD and related polices are rolled out in Europe, the TIC sector will become increasingly important for the participation of US industries in European markets.

The TIC Council Americas continues to monitor the progress of emissions and climate-related policy.

Are you a TIC Council member and want to follow TIC Council Americas policy? Subscribe to the members-only Americas Weekly Updates newsletter here.

