Dear Readers,

As the summer holiday season approaches its end, TIC Council continues to keep a close eye on the ever-evolving worldwide COVID-19 situation, ensuring a smooth proceeding of operations in the sector and providing guidance and support to all our members and interested parties in these difficult and unusual times.

With the ongoing resuming of activities after the summer break, TIC Council is already very busy, putting forward a number of new and engaging projects of relevance and interest to our members and stakeholders. We have the pleasure to announce that TIC Council has recently launched its Chemical Cargo Inspector Certification Programme, an extension of the IFIA Petroleum Inspector Certification Programme, which to date has certified over 18,000 Petroleum Inspectors globally and is a widely recognized certification of Petroleum inspector competency by leading oil and gas companies.

In addition, we are starting the autumn season with a series of webinars focused on the topic of anti-counterfeiting and online fraud. Following on the successful webinar we have jointly organized last May with EU/PO on Non-conform imported PPEs, TIC Council Americas has decided to further develop and explore the issue of online fraud and counterfeit products sold online, by organizing a round of three webinars, open to both US and EU stakeholders, that aim to address several topic-related aspects, with the first one in the series already scheduled for this September.

For more details about our future endeavours, please make sure to follow our social media channels so you can keep up-to-date with the latest news and relevant information; we are looking forward to a productive and fruitful second part of the year and an ever-stronger voice for representation of the TIC industry globally during these challenging times.

Best regards,
Ms. Hanane Taidi
Director General, TIC Council
TIC Market Trends and Developments

Business Developments

- Applus+ has become part of the construction an offshore pipeline of several sections with Carbon Steel and Corrosion Resistant Alloy in West Africa. Read more
- Bureau Veritas and The Ascott Limited (Ascott) have signed a global agreement to provide audits and certification for the hygiene and safety standards of Ascott’s properties worldwide. Read more
- China Leon Inspection Holding Limited has successfully launched the SAP-ERP project. Read more
- Control Union and Peterson has turned 100 years old. Read more
- Control Union South Africa has announced the exclusive partnership with the South African Organic Sector Organisation (SAOSO) in order to further develop and strengthen the organic sector in South Africa. Read more
- Cotecna has opened new sample preparation lab for metals and minerals analysis in Turkey, which will be offering a wide range of inspection and testing services. Read more
- Cotecna has announced that they have been appointed by AGANOR (Agence Gabonaise de Normalisation) to support Gabon’s verification of conformity programme PROGEC (Programme Gabonais d’Evaluation de la Conformité). Read more
- CWM Survey & Inspection has been accepted by the Malaysian Authorities as a certified and registered 3rd party inspection company for scrap metal imports. Read more
- DEKRA has announced the beginning of vehicle inspections in Mexico. DEKRA has been commissioned by the Mexican state of Jalisco to open six emission check stations with 42 lanes in Guadalajara, the country’s second-largest city. They are expected to open in the spring of 2021. Read more
- DEKRA has awarded the first DEKRA seal for industrial lifting accessories. The first company to be certified, J.D. Theile GmbH & Co. KG (JDT) of Schwerte, is an international manufacturer of chain slings and hoisting chains as well as lifting accessories and attachment points in grades 8, 10 and 12. Read more
- Eurofins Scientific has announced that it has received its first public long-term issuer credit rating by Moody's Investor Services which assigned an investment grade rating of Baa3 with a stable outlook. Read more
- Eurofins Technologies has announced the launch of reagents for automated isolation of high-quality SARS-CoV-2 RNA (ribonucleic acid) from viral particles of human respiratory specimens. Read more
- Eurofins U.S. Clinical Diagnostics has announced the launch date of its pooled PCR test to detect SARS-CoV-2 and significantly reduce the price per PCR test for clients. Read more
- Intertek has announced the launch of the SourceClear™ that allows brands to show visibility and traceability of their product sustainability claims across the supply chain. Read more
- Intertek has announced the first certification under its Zero Ozone Verification program, granted to RGF Environmental Group for their HALO-LED™ air purification system. The certification illustrates that the HALO-LED™ system complies with Intertek’s stringent indoor air quality requirements for ozone emissions in North America. Read more
- Intertek has launched Protek in the Middle East and has won multiple contracts including Saudi Arabian ALBAIK Quick Service Restaurants. Read more
- Intertek has started to support Penlon with electromagnetic compatibility testing for its ESO 2 Emergency Ventilator Project to meet rising demand for ventilators during COVID-19 pandemic. Read more
- Intertek has announced the approval to perform Sedex Virtual Assessments (SVA) to provide remote audits of sites and workplaces around the world. Read more
- Kiwa has started setting up a new hydrogen test rig in the Netherlands. Read more
TIC Market Trends and Developments

- RINA has partnered with Bio Feeder and SCHOTTEL to carry out a customized upgrade to the Norwegian bulk carrier "Kryssholm", carrying out the review of the proposed solutions, the approval of the design, the certification of the components and the commissioning on board. Read more
- SGS has partnered with Sampoerna School Systems to provide enhanced control of its current hygiene and disinfection protocols, fit for COVID-19 purposes, to ensure the safety of its employees and students during the reopening of its head office and campuses. Read more
- SGS has worked together with HotellerieSuisse to launch measurable monitoring of cleaning and disinfection in the Swiss hospitality industry. Read more
- SGS has opened its new purpose-built geochemical laboratory in Townsville, Queensland, Australia. The laboratory will offer increased capacity, improved client services, in-house analysis and new analytical technologies for metals and mining groups, operating exploration of greenfields and brownfields. Read more
- TÜV Austria’s task force ‘TÜV Trust IT’ has investigated “User Trust Experience” (UTE) in cooperation with Bonn-Rhein-Sieg University and Huawei UCD centre. Read more
- TÜV NORD has announced it will certify the world’s largest offshore wind turbine, the SG 14-222 DD prototype, on its way to market maturity. Read more
- TÜV Rheinland has extended dates for IATF 16949 certificates / risk assessment based on monitoring as an alternative to surveillance audit / close consultation with auditing companies required for corporate audits. Read more
- TÜV Rheinland of North America has implemented Excellence Center Program for Product Testing. “Under One Roof” is being implemented as the next step in the company’s overall growth strategy and in an effort to continue streamlining operations and providing a better overall customer experience. Read more
- TÜV SÜD’s National Engineering Laboratory has undergone developing standards for accurate flow metering and pricing at hydrogen refuelling stations as part of the European Metrology Programme for Innovation and Research (EMPIR). Read more
- TÜV SÜD Dunbar Boardman has secured a place on an £80M Fusion 21 Lifts Framework Programme. Read more
- TÜV SÜD Japan has launched certification service for Blue Light Ratio in July 2020. This service provides a certification mark including the percentage of the Blue Light Ratio for PC, televisions, smartphones, and other devices that have been tested according to international standards. Read more
- UL has advanced wireless innovation with an expanded Silicon Valley 5G testing facility. Read more
- UL has launched BIS recognised toy testing services in India. Read more
- UL has received accreditation from the Digital Illumination Interface Alliance (DiIA) to be a Digital Addressable Lighting Interface (DALI) protocol test house. Read more
- UL’s materials testing laboratory in Krefeld, Germany, has been approved as an external laboratory for emission testing according to PV 3942 for Volkswagen component validation. PV 3942 tests the emission behavior of parts, components and semi-finished products for vehicle interiors. Read more
- UL has launched BIS recognised testing services for Solar PV Inverter manufacturers in India. Read more
TIC Market Trends and Developments

Mergers and Acquisitions
- Eurofins Scientific has announced that it has signed an agreement with Noritsu Koki Co., Ltd. to acquire GeneTech Inc., the pioneer in NIPT and a leading player in genetic analysis in Japan. Read more

Personnel Developments
- TÜV SÜD has appointed Mary Grigsby as Head of its UK Product Service division. Read more

Business Half-Year Results

Bureau Veritas
- Revenue of EUR 2,200 million in the first half of 2020, down 9.0% organically (down 15.6% in the second quarter), and down 11.1% year on year
- Adjusted operating profit of EUR 216 million, down 43.3% year on year, showing a margin decline to 9.8%; cushioned by cost containment measures
- Operating profit of EUR 60 million, down 82.0% year on year
- Attributable net loss of EUR 34 million, versus a EUR 171 million profit last year
- Adjusted net profit of EUR 87 million (EUR 0.19 per share), down 57.7% year on year
- Free cash flow of EUR 270 million (12.3% of Group revenue), up 91.4% year on year
- Adjusted net debt / EBITDA ratio further reduced to 2.00x as of June 30, 2020 versus 2.25x last year

Eurofins
- Revenues increased 7.2% year-on-year to EUR 2,323m in H1 2020 vs. EUR 2,168m in H1 2019.
- Organic growth stood at 5.1% in H1 2020 and 6.1% in Q2 2020.
- Free cash flow to the firm increased 184.5% to EUR 315m.
- In spite of missing revenues at some laboratories due to lockdowns, adjusted EBITDA increased 18.9% year-on-year in H1 2020 to EUR 493m resulting in an industry-leading 21.2% margin. This represents a 210bps increase despite some remaining dilution by 2017 to 2019 acquisitions. The adjusted EBITDA margin of the companies which were already part of the Group before 01 January 2017 increased by 350bps from 18.5% to 22.0%.
- Reported EBITDA increased 23.6% year-on-year in H1 2020, the traditionally less profitable part of the year, to EUR 459m resulting in a 19.7% reported EBITDA margin, a 260bps increase year-on-year.
- Start-ups and businesses in significant restructuring now only represent 5.3% of revenues (6.8% in H1 2019).
- Net profit increased 60.9% year-on-year to EUR 95m. Adjusted net profit increased 19.2% year-on-year to EUR 187m.
- Net debt at the end of June 2020 decreased significantly to EUR 2,584m from EUR 3,245m at the end of December 2019 as a result of the strong cash flow generation in H1 2020 and the successful equity issuance completed in May 2020 which generated gross proceeds of EUR 535m.
- Demand for Eurofins SAFER@WORKTM programmes and especially COVID-19 RT-PCR testing has picked up strongly in the last two weeks and it seems that this growth momentum could continue well into H2.
- Eurofins Research & Development teams are working on several additional testing and other products & solutions to fight COVID-19 that they expect to launch in the next few weeks and months.
TIC Market Trends and Developments

Business Half-Year Results

Intertek
- Strong response to Covid-19 with uninterrupted customer service and industry leading innovations
- Resilient revenue performance of £1,331m; (7.8%) at constant rates, (7.8%) at actual rates
- Like-for-Like revenue: (8.0%) at constant rates: Products (8.7%); Trade (10.2%); Resources (2.1%)
  Adjusted operating profit of £168.2m; (32.2%) at constant rates, (32.4%) at actual rates
- Robust adjusted operating margin of 12.6%; (460bps) at constant rates; (470bps) at actual rates
- Adjusted diluted EPS of 63.1p; (35.5%) at constant rates, (35.7%) at actual rates; Statutory diluted EPS of 58.6p
- Strong cash generation with adjusted FCF of £142m, +35.7%
- Robust balance sheet with financial net debt of £650m; financial net debt to adjusted EBITDA of 1.1x
- Interim dividend payment of 34.2p; unchanged on prior year
- Well placed to benefit from the post Covid-19 recovery and the increased needs for quality assurance

SGS
- Total revenue has reached CHF 2.6 billion down by 20.7% (-14.9% at constant currency*) notably driven by the disposal of the Petroleum Service Corporation (PSC) in 2019.
- Organic revenue has been impacted by the pandemic with a decline of 10.4%.
- The adjusted operating income has decreased from CHF 489 million in prior year to CHF 330 million in 2020, a decrease of 32.5% (-26.8% at constant currency*).
- Net financial expenses have decreased from CHF 33 million in prior year to CHF 31 million in 2020. Lower hedging costs and interest rates on bonds contributed to this decrease.
- The overall effective tax rate (ETR) has slightly increased from 34% in prior year to 35% in H1 2020, due to an increase in non-deductible items, mainly goodwill impairment and a portion of the restructuring costs.
- Adjusted basic earnings per share decreased from CHF 37.04 in prior year to CHF 25.82 in 2020, a decrease of 30.3% over last year.
- The return on invested capital (ROIC)* decreased from 23.7% in prior year to 18.7% in 2020.
- Cash flow from operating activities increased by 21.1% from CHF 341 million in prior year to CHF 413 million in 2020. The FREE CASH FLOW (FCF)* increased significantly by 43.5% from CHF 216 million in prior year to CHF 310 million in 2020 driven by a strong working capital management. The operating net working capital* as a proportion of revenue improved from 2.9% in prior year to (0.2%) in 2020.
Accreditation and Standardisation News

Accreditation

IAF

- The following materials have been published by IAF:
  - The 2019 IAF MLA Annual Report
  - The 2019 IAF MLA Infographic
- The 30-Day Ballot IAF ID4:202X Market Surveillance Visits to Certified Organizations (Issue 2) resulted in approval of the document.
- The 30-Day Ballot IAF ID1:202X IAF Informative Document For QMS and EMS Scopes of Accreditation (Issue 3) resulted in approval of the document.

ILAC

- ILAC is launching a call to all members for contributions to the next edition of the ILAC Newsletter; you can find all the relevant instructions in the attached message. The deadline for contributions is set to Friday 18 September 2020.

EA

- Regulation (EU) 2020/1056 on electronic freight transport information has been published and EA is working to determine which harmonized standard(s) would be applicable to the accreditation of certification bodies.

Standardisation

ISO CASCO

- CASCO has issued a call for experts to participate in the work of a Task Force on the future of the CASCO toolbox.
- The results of the CASCO ballot regarding changes proposed to the ISO/IEC Directives, Part 2, Clause 33 was positive within ISO but not within IEC. Given the difference of results in ISO and IEC, the ballot results will be further discussed at the January CPC meeting.
- ISO CASCO has informed that all meetings must be held virtually until at least November 30, 2020.
- The ISO CASCO Plenary will be held on January 2021 remotely.
TIC Council Focus Topics

The Current State of the EU Affairs

EU-China Investment Agreement: In a recent meeting report, the DG Trade Director and EU Chief Negotiator Ms. Martin-Prat stressed that more efforts are needed from China with respect to market access, level playing field and sustainable development. The expected Agreement would aim to: improve market access opportunities for EU and Chinese investors by establishing a right to invest and by guaranteeing that they will not discriminate against their respective companies; enhance the regulatory environment, including on transparency, licensing and authorisation procedures; provide rules on environmental and labour-related dimensions of foreign investment.

COVID-19 Exit Strategy, Health Security Committee Summary Report: while the number of COVID-19 cases continue to increase in the EU leading some Member States to implement targeted and localised sanitary measures. The Health Security Committee (HSC) of the European Commission published a recent meeting report with an update on national exit strategies, including deconfinement and re-confinement. In the meantime, the Joint Communication – an overview of the sanitary measures introduced across the EU to prevent the spread of COVID-19 and the frame as regards timing, the criteria and principles to be considered, the accompanying measures to be implemented in Member States’ national exit strategies – has been sent to the European Parliament and to the Council who may formally answer it through a Resolution or Conclusions respectively.

Energy Efficiency Directive (Evaluation): The expected review of the Energy Efficiency Directive would be conducted in the context of an increase in the EU’s 2030 emissions reduction target. As part of the European Green Deal, the Commission will come forward with an impact assessed plan to raise the 2030 emissions reduction target to at least 50% and towards 55% compared with 1990 levels in a responsible way. The Commission published a roadmap with possible measures to improve the Directive’s efficiency, as with the current rate, it is difficult to achieve the targets.

EU-US transfer of data: On 16 July, the European Court of Justice invalidated Decision 2016/1250 on the adequacy of the protection provided by the EU-US Data Protection Shield. However, it highlighted that the decision on standard contractual clauses for the transfer of personal data to processors established in third countries is valid. It’s worth noting that the Court’s decision does not concern “necessary” data transfers – such as being able to send an email to book a hotel room. Rather this is about the bulk outsourcing of data processing from the EU to the US (typically undertaken for cost/ease reasons). As a result, more companies switch to regional data processing for European users. In this context, the U.S. Department of Commerce and the European Commission initiated discussions during August to evaluate the potential for an enhanced EU-U.S Privacy Shield framework.
As Artificial intelligence (AI) holds great promise to empower us with knowledge and effectiveness in executing programmatic tasks. The dependency for government and private sector applications to be supported by AI systems and algorithms, results in a constant vulnerability from inaccurate algorithms, biased datasets, and online hackers attacking systems to endanger public security and health. To combat this threat, TIC Council and its members continue to work with policymakers, industry, and users to understand further how to secure a safe environment for data.

On 18 August 2020, the National Institute of Standards and Technology (NIST) hosted a one-day virtual workshop exploring Bias in AI. The workshop was part of a series of events NIST has planned for August to seek a shared understanding of AI. A recording of the workshop as well as summaries of learning points and discussions have been posted to the event page for on-demand viewing here.

TIC Council staff member, Karin Athanas, attended the workshop and had these thoughts on the event: “A key theme of the day across both panels and breakout sessions was that the industry as a whole was still learning and seeking out ways to identify and mitigate potential bias. Participants also stressed that the industry was innovating quickly, but not always with clarity on how a system is meant to function or what the expected outcomes of the algorithm were. Without transparency in this process, large hurdles exist in establishing metrics and methods for evaluating the trustworthiness of the system.”

On the same date as the 18 August workshop, NIST also announced the release of draft report NISTIR 8312 “Four Principles of Explainable Artificial Intelligence.” The public is encouraged to review the report and provide comment to NIST by 15 October 2020. Click here for more information.

Resources:

MIT Technology Review
‘Trustworthy AI’ is a framework to help manage unique risk

Forbes
How We Can Build Trustworthy AI

Software Engineering Institute
Designing Trustworthy Artificial Intelligence, Carnegie Mellon University

ISO
Towards a Trustworthy AI
Upcoming Events

**September**
- 10 September: Circular Economy to the rescue - Center for European Policy Studies - online
- 9 September: International Conference on Sustainable Development - Rome
- 19 September: 9th ENISA-EC3 Workshop: CSIRTs and LE Cooperation - Brussels
- 22 September: Trust Services Forum - CA Day 2020 - Berlin
- 29 September: IoT driving Europe’s technology sovereignty and leadership - AIOTI - Berlin

**October**
- 5-9 October: DigiTranScope Autumn Institute 2020 - Florence
- 27-28 October: ICPHSO International Symposium - Brussels
- 14 October: World Standards Day 2020 - CEN and CENELEC
- 15 October: A Circular Economy supporting Europe’s Green Deal climate ambitions - Orgalim
- 22-23 October: Annual Privacy Forum (ENISA) - online
- 27 October: Artificial Intelligence in healthcare (stakeholder workshop) - CEN and CENELEC

**November**
- 3-4 November: European Circular Economy Stakeholder Conference
- 8-11 November: 14th world conference on injury prevention and safety promotion, WHO - Adelaide
TIC Council is pleased to announce the launch of its Chemical Cargo Inspector Certification Programme, which is an extension of the IFIA Petroleum Inspector Certification Programme. Read more.

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TIC Council Highlights

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