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Business Unit : Integrity

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Report of the Independent Inspector
- Fifth Compliance Period
(1 January – 31 December 2014)

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Executive Summary – Period 5

The Imaging Equipment industry has undertaken to meet certain environmental criteria as a self-regulating Voluntary Agreement (VA) within the context of the Ecodesign Framework Directive 2009/125/EC. The terms of voluntary agreements set up under this directive require the appointment of an Independent Inspector to oversee and report on compliance; ERA was appointed to this role in July 2011.

This document covers the Fifth Period of reporting against the requirements of the VA on Imaging Equipment; this is currently at Version 4 (3 December 2012). A revision to this has been agreed within the group of signatories, however has yet to be formally approved by the European Commission and promulgated for use.

All VA signatories (VAS) submitted the required data by the stipulated submission deadline.

Since the previous report covering Period 4 (1 January – 31 December 2013):

- The number of VAS reporting attaining the target compliance figure of 90% (as specified in the VA in Section 4 Para 4.1(a) for Energy Star v1.1 & duplex settings compliance) has risen by 1 to 16. All VAS are compliant;
- Two companies were non-compliant with certain reporting aspects of Section 5.1 and 5.2 of the VA. In one case the non-compliance concerned less than 0.0002% of units covered by the VA and could have been excluded as being <5000 units. In the other case the company has taken remedial measures to ensure this will not be repeated and no further action is proposed.

Overall product compliance has improved slightly, from 97.63% for period 2013 to 97.86% for period 2014 with all VAS exceeding 95%.

Note on Compliance Rate (%): It is not specified in the VA how to report the Compliance Rate in Section 3 of the Annex C declaration. It could be reported for example as a) the number of signatories who complete and return the signed declaration, b) the number of fully compliant signatories or, c) as a proportion of units excluding those which were non-compliant (99.93%). Moreover Section 9 of the VA only considers how to address non-compliance concerning only one aspect - when a VAS fails to meet the 90% target for number of compliant units sold. This matter should be clarified in the next version of the VA.

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1. Introduction

1.1 Context

The Imaging Equipment Industry has undertaken to meet certain environmental criteria as a self-regulating voluntary agreement (VA) within the context of the Ecodesign Framework Directive 2009/125/EC. The terms of voluntary agreements set up under this directive require the appointment of an Independent Inspector to oversee and report on compliance, and ERA was appointed to this role for the imaging industry in July 2011.

The remit and extent of the Imaging Inspector's role is laid down by the Steering Committee to EuroVAPrint, to whom ERA are contracted.

This, the Fifth Report, and the Third Annual Report, covers the fifth reporting period for the calendar year 2014. For information on previous reports see Section 2.2 and Appendix A.

1.2 Scope and requirements

The scope and requirements of the Voluntary Agreement on Imaging Equipment (VA) are laid out in a formal document, currently Version 4 of 3 December 2012, which defines:

- the scope in terms of what imaging products are covered;
- the requirements with which the manufacturers – the Voluntary Agreement Signatories (VAS) – have agreed to comply;
- the extent of the role of the Independent Inspector.

It should be noted that in accordance with Section 6.2 of the VA:

> "The 'Annual Progress Report' will be prepared by the Independent Inspector and will only show anonymous results. Signatories will not be named although individual achievements shall be disclosed, referenced as Company A, Company B, etc.)".

Hence, all the results are presented anonymously so that they cannot be correlated with any particular VA signatory.

Furthermore, in accordance with Section 10.3 of the VA, :

> "In case an organization as listed in section 7.2 wants to verify the compliance of a product that falls under the Voluntary Agreement, the request has to be addressed to the Independent Inspector and the Signatory. Only the Independent Inspector shall provide the organization with the compliance status of a model (yes/no) on a confidential basis within 2 weeks. Within 4 weeks of receiving the compliance status, the organization shall be required to inform both the Independent Inspector and the Signatory of the results of the verification.
>
> The Independent Inspector shall only respond to requests for specific models and is not allowed to disclose lists on the compliance status of a Signatory's product portfolio."

Hence the identities of models are not revealed in this report.

It should be noted that the VA is currently being revised; the release date is not known at the time of writing this report.

1.3 Enquiries

Should you have any queries or comments about this report please email chris.robertson@edifera.com and copy EuroVAPrint (secretariat@eurovaprint.eu).

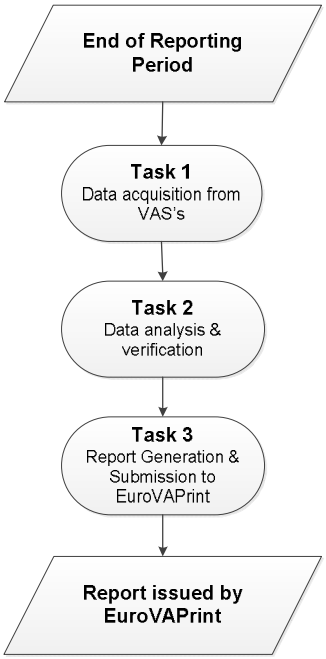
1.4 Edif ERA and ERA

ERA Technology has changed its trading name to Edif ERA in order to reflect our acquisition by the Edif Group four years ago. This is part of a rebranding process across the Edif Group of companies. The legal entity ERA Technology Ltd remains unchanged as do our phone numbers and street address.

2. Reporting requirements and timing

2.1 Methodology

The process flow diagram is shown below.



Task 1 : Data Acquisition

The data is requested from the VAS within 2 weeks, and received within 12 weeks, of the end of the reporting period. On receipt, responses are anonymised with each company being allocated a random number; hence the company number allocated will vary for each reporting period.

Task 2 : Data Analysis & Verification

The received data is subject to a limited verification process, a check for inconsistencies, missing entries or signatures, etc.

Task 3 : Report Generation & Submission

The report is generated as per the requirements of the VA and submitted to the Steering Committee via EuroVAPrint within 4 months of the end of the reporting period.

Task : Audit/Testing

Section 6, Para 6.3 considers the option of independent audit; the decision to conduct such an audit is for the Steering Committee. ERA has not been instructed to carry out an audit to date, but has provided a proposal and methodology for doing so in this event.

2.2 Reporting requirements

2.2.1 Period 1 Report (1 January to 30 June 2011)

For the Period 1 report, the VAS's were required to report on a subset of the elements of Annex C of the Voluntary Agreement as below :

Section 1 : General Information
Section 2 : Compliance to VA Section 4.1 Commitments (Design Requirements)
Section 5 : Signature (of a responsible officer of the company).

2.2.2 Period 2 Report (1 October 2011 to 31 March 2012)

In addition to the above, the Period 2 report and subsequent annual reports have the following elements :

Section 3 : Manufacturer's declarations (compliance with VA Sections 4 & 5)
Section 4 : List of products excepted from the requirements of VA Section 3.

Note : This additional information was not required to be reported for 2011/Q4, but was for 2012/Q1.

2.2.3 Period 3 Report (31 January to 31 December 2013)

The first report covering a complete calendar year.

2.2.4 Period 4 Report (31 January to 31 December 2014)

The second report covering a complete calendar year.

2.2.5 Period 5 Report – Timescales

The timing of the key activities as specified in the VA for the Period 5 reporting period is as follows:

Period 5 Report – Second Annual Report	
1 January – 31 December 2014	Placed on the Market reporting period
28 January 2015	Data requested from VAS's
31 March 2015	Last VAS data received
9 April 2015	Period 5 draft report to EuroVAPrint
30 April 2015	Final Period 5 report to be delivered to EuroVAPrint
TBA (2015)	Steering Committee meeting, Brussels

The timing of other activities is shown in Appendix A.

3. Results – Annex C Compliance reports

3.1 Reporting Metrics

The following metrics are used in analysing the reported results for Section 2 of the VA:

Metric	Definition	Comment
Overall product compliance	The total number of compliant products declared by all VAS / total number of products declared by all VAS. $\frac{\text{Number of compliant products declared by all VAS}}{\text{Number of products declared by all VAS}}$	The *overall product compliance* does not equal the mean of the individual *VAS product compliance* values given for each company as the market share for each VAS differs.
VAS compliance rate (CR_{VAS})	The number of compliant products declared by a single VAS / total number of products declared by that VAS (as per VA, Annex B). $\frac{\text{Number of compliant products declared by a single VAS}}{\text{Number of products declared by that VAS}}$	
Mean VAS compliance rate	The mean of all the *VAS compliance rate* values. $\frac{CR_{VAS1} + CR_{VAS2} + CR_{VAS3} + \cdots + CR_{VASn}}{n}$ where n = the number of VAS.	A measure of corporate compliance. A better measure of the impact in terms of compliant products is the *Overall product compliance.*
4.1a compliance	VAS meets the requirement that 90% of their products within scope comply with Section 4.1a of the VA.	This requires meeting Energy Star v1.1 and providing duplex settings. This applies to products placed on the market from 1 January 2012.
Section 9 Non-Compliance	VAS fails to meet the requirement that 90% of their products within scope comply with Section 4.1a of the VA i.e. 90% of PoM* - 5% = 85.5% of PoM.	Methodology used for Period 1, 2 and 3 reports.
	VAS fails to meet the requirement that 90% of their products within scope comply with Section 4.1a of the VA i.e. Total PoM - 5% = 85% of PoM.	Methodology used for Period 4 report.

Note : Having been made aware of potential ambiguity in the interpretation of Section 9 'Non-Compliance', the methodology has now been clarified for Report 4 in accordance with the interpretation of the Steering Committee.

* PoM = products "placed on the market" in the EU.

3.2 Summary

The table below shows the aggregated response to the Annex C compliance requirements. This comprises the extent of data that the Independent Inspector is permitted to publish under the terms of the present VA (version 4):

Annex C Section	Requirement	Compliance Rate (%)				
		Period 1	Period 2	Period 3	Period 4	Period 5
1	**Provision of General Information**	100	100	100	100	100
2	**Compliance with Section 4.1 of VA** a. Mean VAS compliance rate b. Overall product compliance	 88.83 93.92	 94.46 96.66	 95.83 97.37	 96.30 97.63	 98.14 97.86
3	**Manufacturer's Declaration** VA Section 4 Commitments: Pt 1 Design requirements Section 5 Commitments: Pt 2 Information requirements.	not required	100	100	100	See Note 1
4	**Excepted Products (claimed)**	not required	0.14	0.16	0.33	0.10
5	**Provision of Authorised Signature**	100	100	100	100	100

Table 1 : Summary of compliance findings by period

The overall product compliance rate has increased very slightly since Period 4 and has essentially levelled off at about 98% of all products on the market.

Note 1: Although all manufacturers completed and signed a declaration, 2 out of 16 were unable to answer "yes" to all of the declaration statements in Section 3 of the declaration.

> **Company 14** – answered "No" to declarations (d)[1],(e)[2], and (f)[3]. This non-compliance concerned one model placed on the market at <5000 unit per annum. This amounts to less than 0.0002% of the market. So whilst real it is not considered material. Moreover units sold at <5000 per annum can be excluded as per Sections 5.1 and 5.2 of the VA. The Independent Inspector therefore does not propose any further action.

[1] End-user information is being provided for all products introduced after 1 January 2012, in conformity with section 5.1.1 of the Voluntary Agreement.

[2] Information on suitable end of life management options for used cartridges is being provided to end users in conformity with section 5.1.2 of the voluntary agreement.

[3] Information on the environmental performance of all the company's products sold in the EU is being made available to customers in conformity with section 5.2.1 of the voluntary agreement.

Company 7 – answered "No" to declaration (d)[1]. Company 7 state that the end-user information sheet had not been co-packed with some of the models. They immediately corrected this in their factory such that user-information was co-packed with the affected models from then on. In order to avoid such partial non-compliance in future, their head office also took immediate steps to amend the overall design review and product release processes and has instructed their manufacturing sites accordingly. Company 7 voluntarily declared non-compliance concerning 30.4% of models, but in fact they could have chosen to exclude most of these as they were sold at the <5000 units per annum level. (Such units can be excluded as per Section 5.1 of the VA). So in fact the non-compliance concerned 2.9% of models only. Company 7 chose not hide this non-compliance in the spirit of being transparent regarding their compliance efforts. The Independent Inspector takes the view that as Company 7 has already taken appropriate remedial measures no further action would be beneficial.

Compliance Rate (%): It is not specified in the VA how to report the Compliance Rate in Section 3 of the Annex C declaration. It could be reported for example as a) the number of signatories who complete and return the signed declaration (100%), b) the number of fully compliant signatories (87.5%) or, c) as a proportion of units excluding those which were non-compliant (99.93%). Moreover Section 9 of the VA only considers how to address non-compliance concerning only one aspect - when a VAS fails to meet the 90% target for number of compliant units sold. This matter should be clarified in the next version of the VA.

VAS Sec 4.1(a) Compliance Rate										
Status	Period 1 1 Jan - 30 Jun 2011		Period 2 1 Oct 2011 - 31 Mar 2012		Period 3 1 Jan - 31 Dec 2012		Period 4 1 Jan - 31 Dec 2013		Period 5 1 Jan - 31 Dec 2014	
VAS Compliant	8	47%	15	88%	15	94%	15	94%	16	100%
VAS Non-compliant (≤ 5%)	4	24%	1	6%	1	6%	1	6%	0	0%
VAS Non-compliant (>5%)	5	29%	1	6%	0	0%	0	0%	0	0%

Table 2 : VAS Sec 4.1.(a) Compliance Rate comparison by Period

For further breakdown of the exceptions figures, see Section 3.4 below. It should be noted that the figures used in the tables below are for the year 2014.

3.3 VA Compliance Details

See Section 3.1 above for an explanation of the compliance measures used in this section. Table presents each VAS's compliance rate based on Annex C, Section 2 declarations. Company numbers are allocated randomly.

Data Supplied for Period 5 Report (Ordered by compliance rate)	
Company	% compliant
10	100.00
14	100.00
1	99.97
3	99.36
11	99.28
7	99.26
16	99.04
13	98.77
2	98.45
5	97.98
9	97.27
6	96.66
12	96.61
15	96.26
4	96.11
8	95.26
Mean VAS Compliance Rate	98.14
Overall Product Compliance	97.86

Table 3 : VAS Compliance Rates

(ordered by company compliance rate achieved)

Key	VAS Compliant (≥ 90%)	VAS Non-compliant (≤5%)	VAS Non-compliant (>5%)

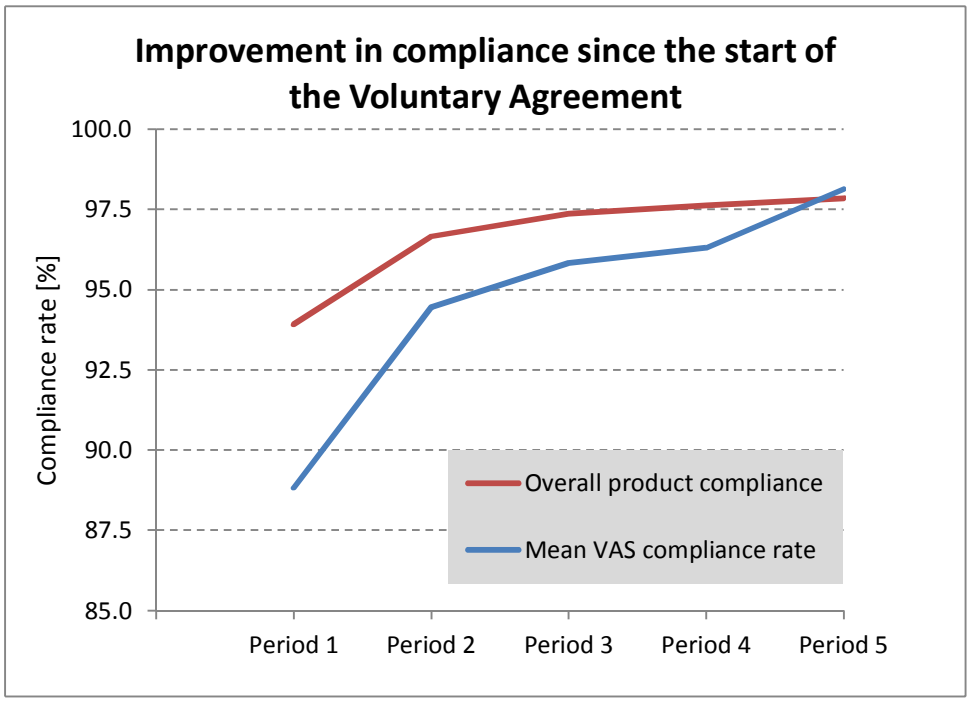


Table 4 : VAS Compliance Rate Change

Table 4 above shows the improvements made in overall compliance with the provisions of the VA since it came into force in 2011.

In Table 5 the levels are indicated by a separate colour bands; all VAS exceeded the required 90% target.

VAS Sec 4.1a Compliance Rate		
VAS Compliant	16	100%
VAS Non-compliant (≤5%)		
VAS Non-compliant (>5%)		

Table 5 : VAS Indicative 4.1 (a) Compliance Rates

(if measured against Section 4.1a)

3.4 Use of Exceptions

The VA Annex C, Section 3 allows a VAS to claim an exception from reporting against Sections 4.2, 4.3, 5.1 and 5.2 for low volume models; the *de minimis* figure for this is less than 5,000 units per year. There is no *de minimis* figure for Section 4.1, Energy Star v1.1, meaning the compliance status of ALL models has to be declared.

Table 6 shows the exceptions claimed by the VASs for sales under 5,000/year, this indicates that most models are compliant, even though they are below the *de minimis* figure.

Criteria	Models	Units
Total PoM	1,858	24,222,333
Claimed Exceptions	39 2.10%	24,087 0.10%
Potential Exceptions (<5k PoM)	1,319 70.99%	1,219,704 5.04%

Table 6 : Exceptions against Annex C, Section 3 'Manufacturers Declarations'

For comparison, additional rows showing "Potential Exceptions" have been added to the table above which shows the permissible exceptions had all VAS claimed for low volume sales; that is model sales of < 5,000 per year placed on the market (PoM).

Of the 16 VAS, 3 have made use of this facility and claimed exceptions against low volume sales, but the vast majority of models on the market are compliant.

4. Audit/Product Testing

Assessment of the data being reported versus the actual performance of products placed on the market is the key validation element of inspection. ERA have been in discussion with the Steering Committee since the beginning of our involvement with the VA and has previously made proposals regarding approaches to reviewing technical documentation and sample product testing. To date the Steering Committee has not instructed ERA to carry out any actions in this area, but has incorporated the auditing requirement as a part of the next revision of the VA which has been agreed with the signatories, but not yet promulgated.

5. Management

5.1 Independence

ERA Technology Ltd confirms that it is entirely independent of all signatories of the VA. As an internationally respected engineering consultancy which has operated since the 1920s, the ethos of ERA is impartiality and objectivity. Any connection that may otherwise exist between ERA and a VAS is purely commercial and on a specific job-by-job basis.

ERA is contracted to EuroVAPrint as "Independent Inspector" and its role is defined and limited by the terms of the Imaging Voluntary Agreement, currently version 4.

5.2 Quality Statement

ERA Technology Ltd operates a Quality Management System complying with BS EN ISO 9001:2008 (Registration Nr FM 572824). Our Quality Management System is defined in general terms by a Quality Manual and in detail by a series of Quality Procedures. These documents, and other relevant material, are provided to all staff via our Intranet. This Quality Management System is implemented so as to meet the specific contractual and technical requirements of each individual project.

Appendix A - Timescales

The timing of key activities to date are shown in the tables below :

Period 1 – Initial VA Baseline Report	
1 January – 30 June 2011	Placed on the Market reporting period
29 November 2011	Data request sent out to 17 VAS's
7 December 2011	Steering Committee Meeting, Brussels
21 December 2011	Final Data received
23 December 2011	Report Submission (draft version)
4 January 2012	Report submission (Approved version)
Period 2 – Compliance Target Demonstration Report	
1 October 2011 – 30 March 2012	Placed on the Market reporting period
14 April 2012	Data requested from VAS's
27 June 2012	Last VAS data received
2 July 2012	Period 2 Draft report to EuroVAPrint
2 July 2012	Steering Committee meeting, Brussels
by 14 August 2012	Report submission (Approved version) Revised deadline agreed with EuroVAPrint Actually delivered 8 August
4 September	Reissued report following further comments
Period 3 Report – First Annual Report	
1 January – 31 December 2012	Placed on the Market reporting period
14 January 2013	Data requested from VAS's
31 March 2013	Last VAS data received
12 April 2013	Period 3 draft report to EuroVAPrint
30 April 2013	Final Period 3 report to be delivered to EuroVAPrint.
10 June 2013	Steering Committee meeting, Brussels
Period 4 – Second Annual Report	
1 January – 31 December 2013	Placed on the Market reporting period
14 January 2014	Data requested from VAS's
31 March 2014	Last VAS data received
12 April 2014	Period 3 draft report to EuroVAPrint
30 April 2014	Final Period 4 report to be delivered to EuroVAPrint.
Period 5 – Third Annual Report (See Para 2.2.3 above in the main body of this document)	
Period "Y" – Subsequent annual reports	
1 January – 31 December 20xx	Placed on the Market reporting period
14 January 20xx	Data requests to VAS's
31 March 20xx	Data receipt from VAS's (final date)
12 April 20xx	Period "Y" report to EuroVAPrint
30 April 20xx	Final Period "Y" report to be delivered to EuroVAPrint.
TBA (20xx)	Steering Committee meeting, Brussels

Appendix B - List of Signatories to the Imaging Equipment VA

Following the withdrawal of Kodak from membership of EuroVAPrint in 2012, there are now currently 16 signatories to the Imaging Equipment Voluntary Agreement :

Brother
Canon
Dell
Epson
HP
Konica Minolta
Kyocera Document Solutions Europe BV
Lexmark
Muratec
OKI Data
Panasonic
Ricoh
Samsung
Sharp
Toshiba
Xerox

