

## WELCOME TO OUR LEO e-News!

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## Ensuring the Safety of Products and Compliance Control

With rising social awareness and consumer concern about product safety, there has been a number of new and updated rules and regulations to protect the interests and well-being of end consumers. All industry players in the supply chain including suppliers, manufacturers, wholesalers and retailers are required to comply with today's safety requirements.

At Leo there are strict measures in place, especially on the control of children's products, to make sure the products that we manufacture are safe. Our production processes, materials sourcing, and delivery system all conform to International Standards.



### Five Measures to Achieve Safe Printed Products

1. Safety	Training is an invaluable tool that minimizes the probability of accidents. All clerical staff are required to take product safety awareness training when they join Leo Paper.
2. Material Purchasing	We have close communication with manufacturers and suppliers so they have a clear understanding that the most updated standards must be met. Prior to placing our purchase order, suppliers are required to guarantee that all their products satisfy Leo Paper Group's predetermined requirements of heavy metals & phthalates by signing a Certificate of Compliance (and renew annually).
3. Incoming Inspection	Our in-house laboratory has been accredited by the China National Accreditation Service for Conformity Assessment (CNAS) for the competence in the fields of testing in accordance with the ISO/IEC 17025:2005 requirements for carrying out testing and calibrations, including sampling. Incoming materials are subject to systematic sampling and testing to ensure manufacturers and suppliers provide compliant materials.
4. Materials Handling Process	The use of Enterprise Resources Plan (ERP) and our Official Work Instruction make identification and traceability possible.
5. Finished Goods Inspection	Finished goods are submitted for testing to the State Administration for Entry-Exit Inspection and Quarantine, an authority of the People's Republic of China responsible for quality and technical supervision. No products are shipped to customers until they have passed this testing.



In addition, to comply with the upcoming new requirements of the Consumer Product Safety Improvement Act (CPSIA) on August 14, 2009 (i.e. after 1 year from the date of enactment), clients should be aware of the following:

- Tracking Labels for Children's Products (Section 103) are required and manufacturers must be ascertained and followed. You may browse the following links for more information:
  - > [www.cpsc.gov/about/cpsia/summaries/103brief.html](http://www.cpsc.gov/about/cpsia/summaries/103brief.html)
  - > [www.cpsc.gov/library/foia/foia09/brief/tracking.pdf](http://www.cpsc.gov/library/foia/foia09/brief/tracking.pdf)
- Children's Products Containing Lead; Lead Paint Rule (Section 101). Lowering limitations for lead content and lead in paint as follows:

1. Total lead content in substrates by weight for any accessible part of products	Below 300 ppm
2. Total lead content in paint or other surface coating by weight for any accessible part of products	Below 90 ppm

In summary, current CPSIA requirements for different children's products<sup>1</sup> include:

	Consumer Product Safety Improvement Act (CPSIA) Requirements	Mandatory Third-Party Testing Requirements <sup>3</sup>
"Ordinary" <sup>2</sup> Children's Products	<ul style="list-style-type: none"> <li>Lead in substrates</li> <li>Lead in paint &amp; surface coatings</li> </ul>	<ul style="list-style-type: none"> <li>NA because of no surface coatings</li> </ul>
Printed Children's Products (without Play Value) / Non toys	<ul style="list-style-type: none"> <li>Lead in substrates</li> <li>Lead in paint &amp; surface coatings</li> </ul>	<ul style="list-style-type: none"> <li>Lead in paint &amp; surface coatings</li> <li>Small Parts</li> </ul>
Printed Children's Products (with Play Value) / Toys	<ul style="list-style-type: none"> <li>Lead in substrates</li> <li>Lead in paint &amp; surface coatings</li> <li>Phthalates</li> <li>ASTM F963</li> </ul>	<ul style="list-style-type: none"> <li>Lead in paint &amp; surface coatings</li> <li>Small Parts</li> <li>Cribs &amp; Pacifiers</li> <li>Metal Jewelry</li> </ul>

<sup>1</sup> The term "children's product" is defined by the Act to mean any consumer product that is designed or intended primarily for children 12 years of age or younger. Those that are intended for reading by the general public, including children, are excluded.

<sup>2</sup> The term "ordinary" is defined as products which are printed on cardboard or paper by conventional printing methods, and which are intended to be read and have no inherent play value.

<sup>3</sup> In general, about 10 working days are required for conducting mandatory third-party testing by accredited laboratories. There is no fast check for phthalates testing at this time. The testing charges are subject to the product specifications and are required to be quoted individually.

The Consumer Product Safety Commission (CPSC) will be issuing more advisories and guidelines for the implementation of the CPSIA. You can browse these and upcoming new requirements in detail at the CPSC website at [www.cpsc.gov](http://www.cpsc.gov).

At Leo we keep a close eye on the evolution of all legal requirements and the latest industry standards to help insure that we comply with rules and guidelines when possible. To reassure our clients of the safety of our products, we have updated our Heavy Metals & Phthalates Compliance Control document which is currently posted on our corporate website at [www.leo.com.hk](http://www.leo.com.hk). We also continue to enhance our product safety assurance workflow to keep all related parties posted of any updates or new developments so that we can share this information on a regular basis with our clients.

Should you have any questions regarding the heavy metals and phthalates compliance of your products, please do not hesitate to contact our sales representatives for further information.

- Sources:
- <http://www.cpsc.gov/about/cpsia/cosia.html>
  - <http://www.cpsc.gov/cpsc/pub/prereel/prhtml09/09115.html>
  - <http://www.cpsc.gov/businfo/frnotices/fr09/stayenforce.pdf>

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