Targeted stakeholder consultation on the implementation of an EU system for traceability and security features pursuant to Articles 15 and 16 of the Tobacco Products Directive 2014/40/EU

Fields marked with * are mandatory.

This is a targeted stakeholder consultation. The purpose of this consultation is to seek comments from stakeholders:

- directly affected by the upcoming implementation of an EU system for traceability and security features pursuant to Articles 15 and 16 of the new Tobacco Products Directive (Directive 2014/40/EU), or
- considering to have special expertise in the relevant areas.

In the Commission's assessment, the following stakeholders, including their respective associations, are expected to be directly affected:

1. manufacturers of finished tobacco products,
2. wholesalers and distributors of finished tobacco products,
3. providers of solutions for operating traceability and security features systems,
4. governmental and non-governmental organisations active in the area of tobacco control and fight against illicit trade.

Not directly affected are retailers and upstream suppliers of tobacco manufacturers (except the solution providers mentioned in point 3 above).

The basis for the consultation is the Final Report to the European Commission's Consumers, Health and Food Executive Agency (CHAFEA) in response to tender n° EAHC/2013/Health/11 concerning the provision of an analysis and feasibility assessment regarding EU systems for tracking and tracing of tobacco products and for security features (hereafter the Feasibility Study). The Feasibility Study was published on 7 May 2015 and is available at http://ec.europa.eu/health/tobacco/docs/2015_tpd_tracking_tracing_frep_en.pdf. The interested stakeholders are advised to review the Feasibility Study before responding to this consultation.

The comments received in the course of this consultation will be an input to the further implementation work on a future EU system for traceability and security features. In particular, the comments will be taken into account in a follow-up study.

Stakeholders are invited to submit their comments on this consultation at the following web-address https://ec.europa.eu/eusurvey/runner/trace until 31 July 2015. The web-based survey consists of closed and open questions. For open questions stakeholders will be asked to provide comments up to the limit of characters indicated in the question or to upload (a) separate document(s) in PDF format up to the limit of total number of standard A4 pages (an average of 400 words per page) indicated in the question. Submissions should be - where possible - in English. For a corporate group one single reply should be prepared. For responses from governmental organisations, which are not representing a national position, it should be explained why the responding body is directly affected by the envisaged measures.

The information received will be treated in accordance with Regulation 45/2001 on the protection of individuals with regard to the processing of personal data by the Community (please consult the privacy statement). Participants in the consultation are asked not to upload personal data of individuals.

The replies to the consultation will be published on the Commission's website. In this light no confidential information should be provided. If there is a need to provide certain information on a confidential basis, contact should be made with the Commission at the following email address: SANTE-D4-SOHO-and-TOBACCO-CONTROL@ec.europa.eu with a reference in the email title: "Confidential information concerning targeted stakeholder consultation on the implementation of an EU system for traceability and security features". A meaningful non-confidential version of the confidential information should be submitted at the web-address.

Answers that do not comply with the specifications cannot be considered.

A. Respondent details

*A.1. Stakeholder's main activity:

- ○ a) Manufacturer of tobacco products destined for consumers (finished tobacco products)
- ◉ b) Operator involved in the supply chain of finished tobacco products (excluding retail)
- ○ c) Provider of solutions
- ○ d) Governmental organisation
- ○ e) NGO
- ○ f) Other

*A.1.b. Please specify:

- ☑ i) Importer
- ☑ ii) Distributor
- ☑ iii) Wholesaler
- ☑ iv) Warehouse operator (unless part of 1a of 1bi, ii or iii)
- ☑ v) Other

*A.1.b.iv. If other, please specify

Text of 1 to 800 characters will be accepted

Logista Holding has also subisdiaries providing Long distance transport services , value added services and POS solutions

*A.2. Contact details (organisation's name, address, email, telephone number, if applicable name of the ultimate parent company or organisation) - if possible, please do not include personal data

Text of 1 to 800 characters will be accepted

Compañia de distribución integral LOGISTA holding
CIF A87008579
Calle del trigo 39
Leganes 28914
Madrid
Responsible for T&T . [redacted] . Corporate Director of Operations
[redacted]
[redacted]
mobile [redacted]
Spain

*A.3. Please indicate if your organisation is registered in the Transparency Register of the European Commission (unless 1d):

- ○ Yes
- ◉ No

*A.4. Extract from the trade or other relevant registry confirming the activity listed under 1 and where necessary an English translation thereof.

- **35e696c1-466d-4530-b2b1-a50933713f30/License Tobacco Import and Wholesale Distribution.pdLogista f.pdf**
- **9751e3fd-cf42-461f-b988-c9c378f701c7/LOGISTA Public Register.pdf**
- **6cb0bcbc-bb89-4ac5-af3d-54682700b1f2/MINISTER OF ECONOMY AND TAXES.docx**

B. Options proposed in the Feasibility Study

B.1. Please rate the appropriateness of each option for tracking and tracing system set out in the Feasibility Study in terms of the criteria listed in the tables below

B.1.1. Option 1: an industry-operated solution, with direct marking on the production lines carried out by tobacco manufacturers (for further details on this option, please consult section 8.2 of the Feasibility Study)

	Appropriate	Somewhat appropriate	Neutral	Somewhat inappropriate	Inappropriate	No opinion
*Technical feasibility	◉	○	○	○	○	○
*Interoperability	◉	○	○	○	○	○
*Ease of operation for users	○	◉	○	○	○	○
*System integrity (e.g. low risk of manipulation)	○	◉	○	○	○	○
*Potential of reducing illicit trade	◉	○	○	○	○	○
* Administrative/financial burden for economic operators	○	◉	○	○	○	○
* Administrative/financial burden for public authorities	○	○	◉	○	○	○

B.1.2. Option 2: a third party operated solution, with direct marking on the production lines carried out by a solution or service provider (for further details on this option, please consult section 8.3 of the Feasibility Study)

	Appropriate	Somewhat appropriate	Neutral	Somewhat inappropriate	Inappropriate	No opinion
*Technical feasibility	○	◉	○	○	○	○
*Interoperability	○	○	○	◉	○	○
*Ease of operation for users	○	○	◉	○	○	○
*System integrity (e.g. low risk of manipulation)	○	○	◉	○	○	○
*Potential of reducing illicit trade	○	○	○	◉	○	○
* Administrative/financial burden for economic operators	○	○	○	○	◉	○
* Administrative/financial burden for public authorities	○	○	○	◉	○	○

B.1.3. Option 3: each Member State decides between Option 1 and 2 as to an entity responsible for direct marking (manufacture or third party) (for further details on this option, please consult section 8.4 of the Feasibility Study)

	Appropriate	Somewhat appropriate	Neutral	Somewhat inappropriate	Inappropriate	No opinion
*Technical feasibility	○	○	○	○	◉	○
*Interoperability	○	○	○	◉	○	○
*Ease of operation for users	○	○	○	◉	○	○
*System integrity (e.g. low risk of manipulation)	○	○	◉	○	○	○
*Potential of reducing illicit trade	○	○	○	◉	○	○
* Administrative/financial burden for economic operators	○	○	○	○	◉	○
* Administrative/financial burden for public authorities	○	○	○	○	◉	○

B.1.4. Option 4: a unique identifier is integrated into the security feature and affixed in the same production process (for further details on this option, please consult section 8.5 of the Feasibility Study)

	Appropriate	Somewhat appropriate	Neutral	Somewhat inappropriate	Inappropriate	No opinion
*Technical feasibility	○	○	○	◉	○	○
*Interoperability	○	○	○	◉	○	○
*Ease of operation for users	○	○	○	◉	○	○
*System integrity (e.g. low risk of manipulation)	○	○	○	◉	○	○
*Potential of reducing illicit trade	○	○	○	◉	○	○
* Administrative/financial burden for economic operators	○	○	○	○	◉	○
* Administrative/financial burden for public authorities	○	○	○	◉	○	○

B.1.5. Please upload any additional comments on the options referred to in question B.1 (max. 5 pages)

- **779047ca-ea6b-4ecb-8608-4f01a9215643/Answer to B.docx**

B.2. Please rate the appropriateness of each option for security features set out in the Feasibility Study in terms of the criteria listed in the tables below

B.2.1. Option 1: a security feature using authentication technologies similar to a modern tax stamp
(for further details on this option, please consult section 9.2 of the Feasibility Study)

	Appropriate	Somewhat appropriate	Neutral	Somewhat inappropriate	Inappropriate	No opinion
*Technical feasibility	○	○	○	◉	○	○
*Interoperability	○	○	○	◉	○	○
*Ease of operation for users	○	○	○	○	◉	○
*System integrity (e.g. low risk of manipulation)	○	○	○	◉	○	○
*Potential of reducing illicit trade	○	○	○	◉	○	○
* Administrative/financial burden for economic operators	○	○	○	○	◉	○
* Administrative/financial burden for public authorities	○	○	○	◉	○	○

B.2.2. Option 2: reduced semi-covert elements as compared to Option 1 (for further details on this option, please consult section 9.3 of the Feasibility Study)

	Appropriate	Somewhat appropriate	Neutral	Somewhat inappropriate	Inappropriate	No opinion
*Technical feasibility	○	○	○	◉	○	○
*Interoperability	○	○	○	◉	○	○
*Ease of operation for users	○	○	○	◉	○	○
*System integrity (e.g. low risk of manipulation)	○	○	○	◉	○	○
*Potential of reducing illicit trade	○	○	○	◉	○	○
* Administrative/financial burden for economic operators	○	○	○	○	◉	○
* Administrative/financial burden for public authorities	○	○	○	◉	○	○

B.2.3. Option 3: the fingerprinting technology is used for the semi-covert and covert levels of protection (for further details on this option, please consult section 9.4 of the Feasibility Study)

	Appropriate	Somewhat appropriate	Neutral	Somewhat inappropriate	Inappropriate	No opinion
*Technical feasibility	○	○	◉	○	○	○
*Interoperability	○	○	○	○	◉	○
*Ease of operation for users	○	○	○	◉	○	○
*System integrity (e.g. low risk of manipulation)	○	○	○	◉	○	○
*Potential of reducing illicit trade	○	○	○	◉	○	○
* Administrative/financial burden for economic operators	○	○	○	○	◉	○
* Administrative/financial burden for public authorities	○	○	○	◉	○	○

B.2.4. Option 4: security feature is integrated with unique identifier (see Option 4 for traceability)
(for further details on this option, please consult section 9.5 of the Feasibility Study)

	Appropriate	Somewhat appropriate	Neutral	Somewhat inappropriate	Inappropriate	No opinion
*Technical feasibility	○	○	◉	○	○	○
*Interoperability	○	○	◉	○	○	○
*Ease of operation for users	○	○	○	◉	○	○
*System integrity (e.g. low risk of manipulation)	○	○	◉	○	○	○
*Potential of reducing illicit trade	○	○	◉	○	○	○
* Administrative/financial burden for economic operators	○	○	○	◉	○	○
* Administrative/financial burden for public authorities	○	○	◉	○	○	○

B.2.5. Please upload any additional comments on the options referred to in question B.2 (max. 5 pages)

- **d2778a12-8a6e-4f21-a857-4be273d6deb8/answer to B2.docx**

C. Cost-benefit analysis

C.1. Do you agree with?

	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	No opinion
*The benefit analysis presented in section 11.3.1 of the Feasibility Study	○	○	○	○	◉	○
*The cost analysis presented in section 11.3.2 of the Feasibility Study	○	○	○	○	◉	○

*C.1.1. If you selected option "Disagree" or "Somewhat disagree" in the previous question, please upload your main reasons for disagreement (max. 5 pages)

- **ac8883ec-fb00-4757-a10d-1872e2cd5b08/Answer to C.docx**

D. Additional questions

The questions in this section relate to different possible building blocks and modalities of the envisaged system (questions D.1, D.3, D.4, D.6, D.8, D.10, D.12, D.14 and D.16). When replying please take into account the overall appropriateness of individual solutions in terms of the criteria of technical feasibility, interoperability, ease of operation, system integrity, potential of reducing illicit trade, administrative/financial burden for economic stakeholders and administrative/financial burden for public authorities.

*D.1. Regarding the generation of a serialized unique identifier (for definition of a unique identifier, see Glossary in the Feasibility Study), which of the following solutions do you consider as appropriate (multiple answers possible)?

- [x] a) A single standard provided by a relevant standardization body
- [ ] b) A public accreditation or similar system based on the minimum technical and interoperability requirements that allow for the parallel use of several standards;
- [ ] c) Another solution
- [ ] d) No opinion

*D.1.a. Please indicate your preferred standardization body

Text of 1 to 400 characters will be accepted

GS1 GTIN for packs , and GS1 standards also for aggregated handling units (palets, master cases etc)

D.2. Please upload any additional comments relating to the rules for generation of a serialized unique identifier referred to in question D.1. above (max. 2 pages)

- **5a79ab52-2c28-4ad0-9f2a-19f24afd9a5a/answer to D.docx**

*D.3. Regarding (a) data carrier(s) for a serialized unique identifier, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [x] a) Solution based on a single data carrier (e.g. 1D or 2D data carriers)
- [ ] b) Solution based on the minimum technical requirements that allow for the use of multiple data carriers;
- [ ] c) Another solution;
- [ ] d) No opinion

*D.3.a. Please indicate your preferred data carrier and explain why

Text of 1 to 400 characters will be accepted

1D or 2D GS1 as they are the most widly used

*D.4. Regarding (a) data carrier(s) for a serialized unique identifier, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [ ] a) System only operating with machine readable codes;
- [x] b) System operating both with machine and human readable codes;
- [ ] c) No opinion

D.5. Please upload any additional comments relating to the options for (a) data carrier(s) for a serialized unique identifier referred to in questions D.3 and D.4 above (max. 2 pages)

- **3115c71f-1283-4810-b494-b727e4a53822/answer to D.docx**

*D.6. Regarding the physical placement of a serialized unique identifier, when should it happen (multiple answers possible)?

- [ ] a) Before a pack/tin/pouch/item is folded/assembled and filled with products;
- [x] b) After a pack/tin/pouch/item is folded/assembled and filled with products;
- [ ] c) No opinion

D.7. Please upload any additional comments relating to the placement of a serialized unique identifier referred to in question D.6. above (max. 2 pages)

- **cc0b372a-e7f1-4763-a951-8e227008e880/answer to D.docx**

D.8. Which entity should be responsible for?

	Economic operator involved in the tobacco trade without specific supervision	Economic operator involved in the tobacco trade supervised by the third party auditor	Economic operator involved in the tobacco trade supervised by the authorities	Independent third party	No opinion
*Generating serialized unique identifiers	○	○	◉	○	○
*Marking products with serialized unique identifiers on the production line	○	○	◉	○	○
*Verifying if products are properly marked on the production line	○	○	◉	○	○
*Scanning products upon dispatch from manufacturer's/importer's warehouse	○	○	◉	○	○
*Scanning products upon receipt at distributor's/wholesaler's premises	○	○	◉	○	○

*Scanning products upon dispatch from distributor's/wholesaler's premises	○	○	◉	○	○
*Aggregation of products	○	○	◉	○	○

D.9. In relation to question D.8. above, please specify any other measures that your organisation considers relevant

Text of 1 to 1200 characters will be accepted

- Standardization of coding / labelling of all handling units
- Disaggregation
- Re-Generating serialized unique identifiers to recover damaged cartons or master cases
- Generating serialized unique identifiers for promotions (pack with gift attached)

*D.10. Regarding the method of putting the security feature on the pack/tin/pouch/item, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [ ] a) A security feature is affixed;
- [ ] b) A security feature is affixed and integrated with the tax stamps or national identification marks;
- [x] c) A security feature is printed;
- [ ] d) A security feature is put on the pack/tin/puch/item through a different method;
- [ ] e) No opinion

D.11. Please upload any additional comments relating to the method of putting the security feature on the pack referred to in question D.10 above (max. 2 pages)

*D.12. Regarding the independent data storage as envisaged in Article 15(8) of the TPD, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [x] a) A single centralised storage for all operators;
- [x] b) An accreditation or similar system for multiple interoperable storages (e.g. organised per manufacturer or territory);
- [ ] c) Another solution
- [ ] d) No opinion

D.13. Please upload any additional comments relating to the independent data storage referred to in question D.12. above (max. 2 pages)

- **6df7cb83-b7b9-458a-8987-07f558c8e4c9/answer to D.docx**

*D.14. In your opinion which entity(ies) is/are well placed to develop reporting and query tools (multiple answers possible)?

- [x] a) Provider of solutions to collect the data from the manufacturing and distribution chain;
- [x] b) Provider of data storage services;
- [x] c) Another entity
- [ ] d) No opinion

*D.14.c. Please explain

Text of 1 to 800 characters will be accepted

Considering the huge size the repositories will reach, option b has advantage faced with the others. At this level it doesn't matter if the provider know the nature of the data, much important is if they are able to access the right records within a reasonable time in this ocean of data.
For that reason, solution providers of every kind would be appropriate if the prove their experience working with big amounts of data.
Additionally a minimum level of Standardization in this field can obviously be very relevant as well, for example, by enforcing EPCIS query interface standards, so that all parties (Authorities, TM's, DCO's...) involved can make use of the information, at the appropriate level, and with the least possible effort.

D.15. Please upload any additional comments relating to the development of reporting and query tools referred to in question D.14. above (max. 2 pages)

- **8cb38e2a-e1af-4b3b-84fe-e4d2857cf06d/answer to D.docx**

*D.16. Do you consider that the overall integrity of a system for tracking and tracing would be improved if individual consumers were empowered to decode and verify a serialized unique identifier with mobile devices (e.g. smartphones)?

- (●) a) Yes
- ( ) b) No
- ( ) c) No opinion

D.16.a. If yes, please explain your considerations

Text of 1 to 800 characters will be accepted

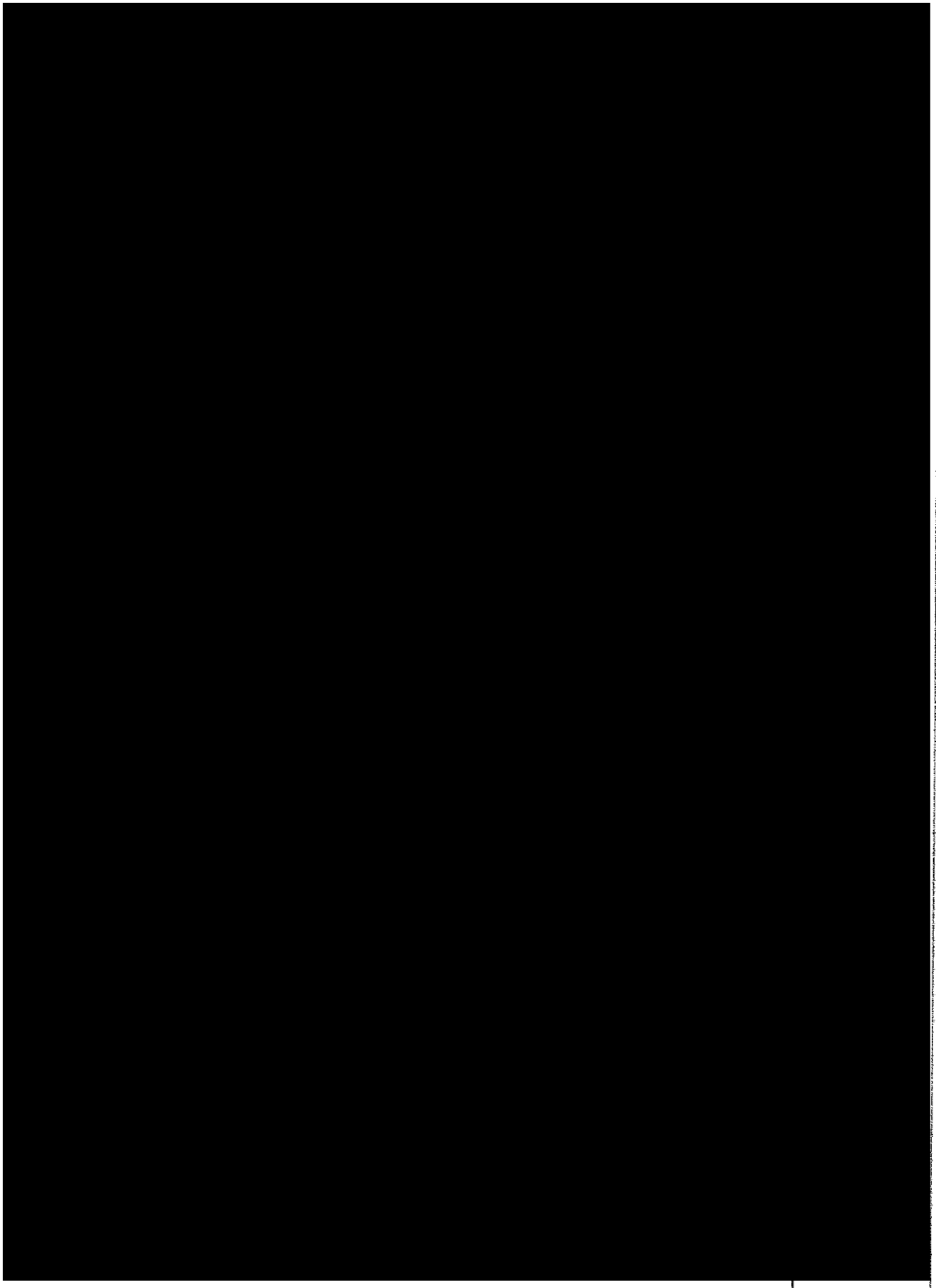
Authorities control capacities present a potential clearly non comparable (as inferior) with the large scale of Tobacco consumer market
Exploiting the possibilities mobile devices put our disposal, consumers could be the last point to obtain massively real tracking data at pack level
f.e. Whether linked with promotions available by smartphone, it would encourage the final customer to identify their purchased packs.
Besides, with the complexity and massive amount of data to be crossed, it is doubtful that tools will be readily available at the beginning, apart from random checks, to detect and deal with illicit trade situations via reporting, so specific individuals' checks via devices can be helpful to detect real situations.

D.17. Please upload any additional comments on the subject of this consultation (max. 10 pages)

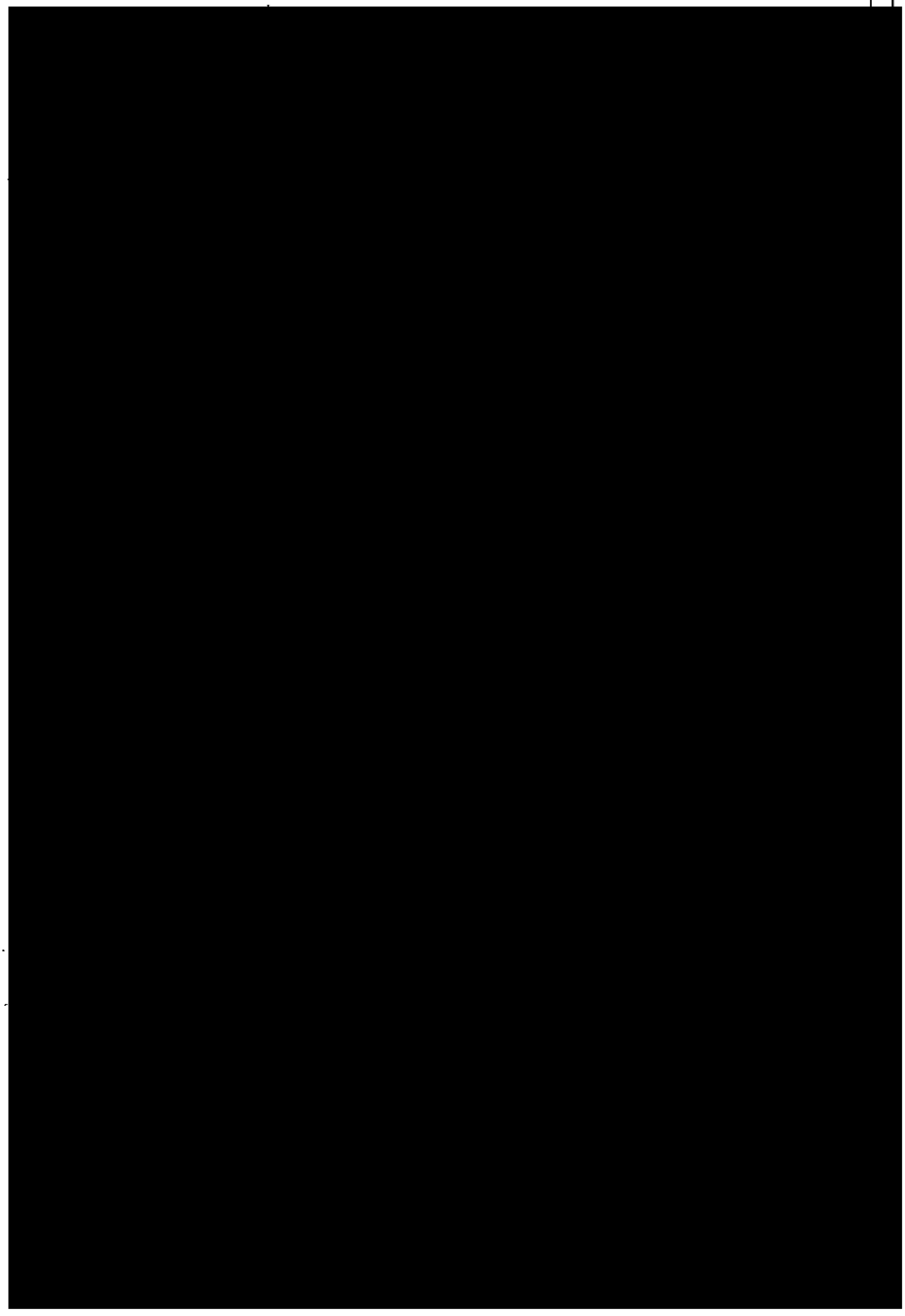
Contact

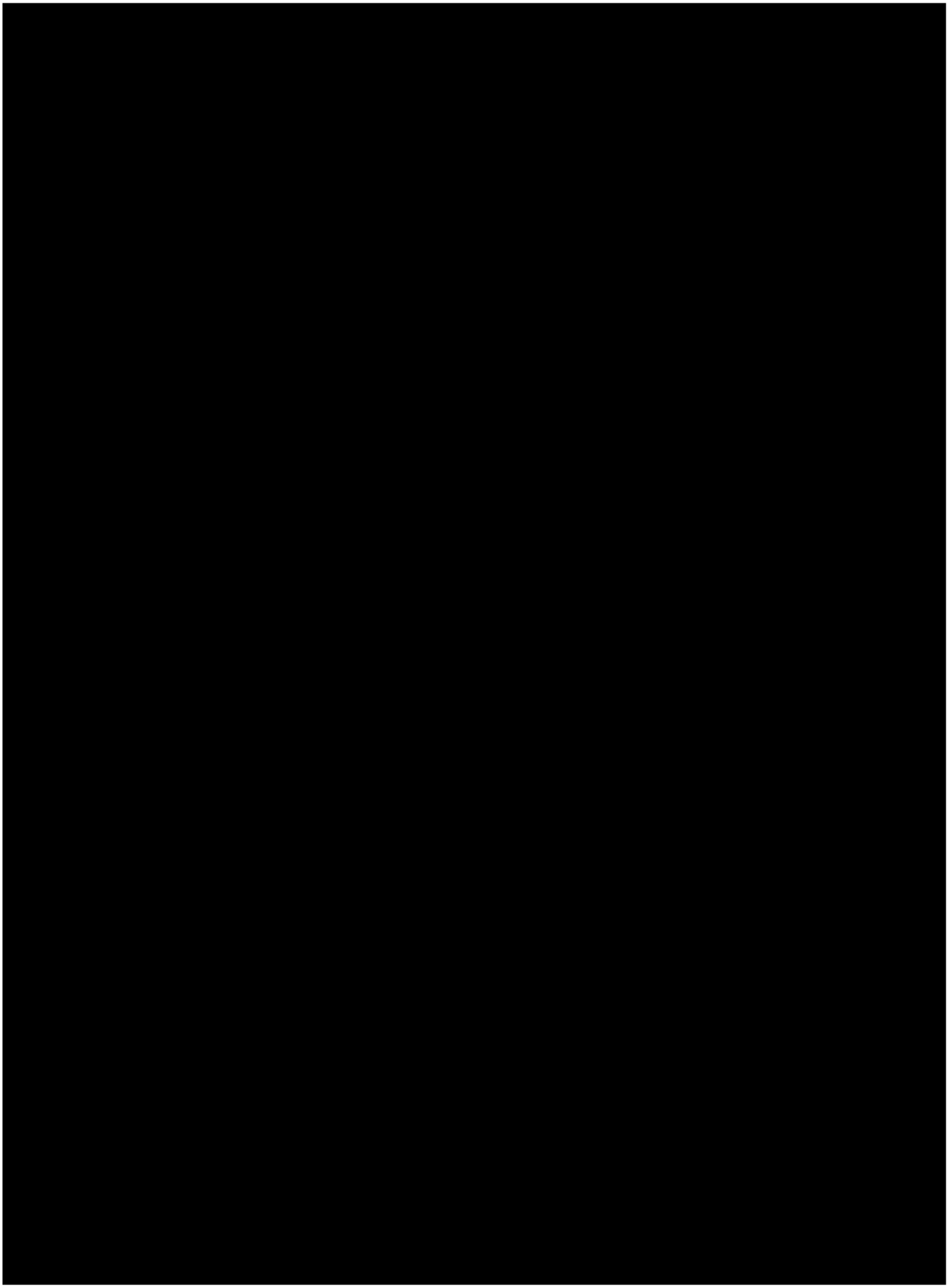
✉ SANTE-D4-SOHO-and-TOBACCO-CONTROL@ec.europa.eu

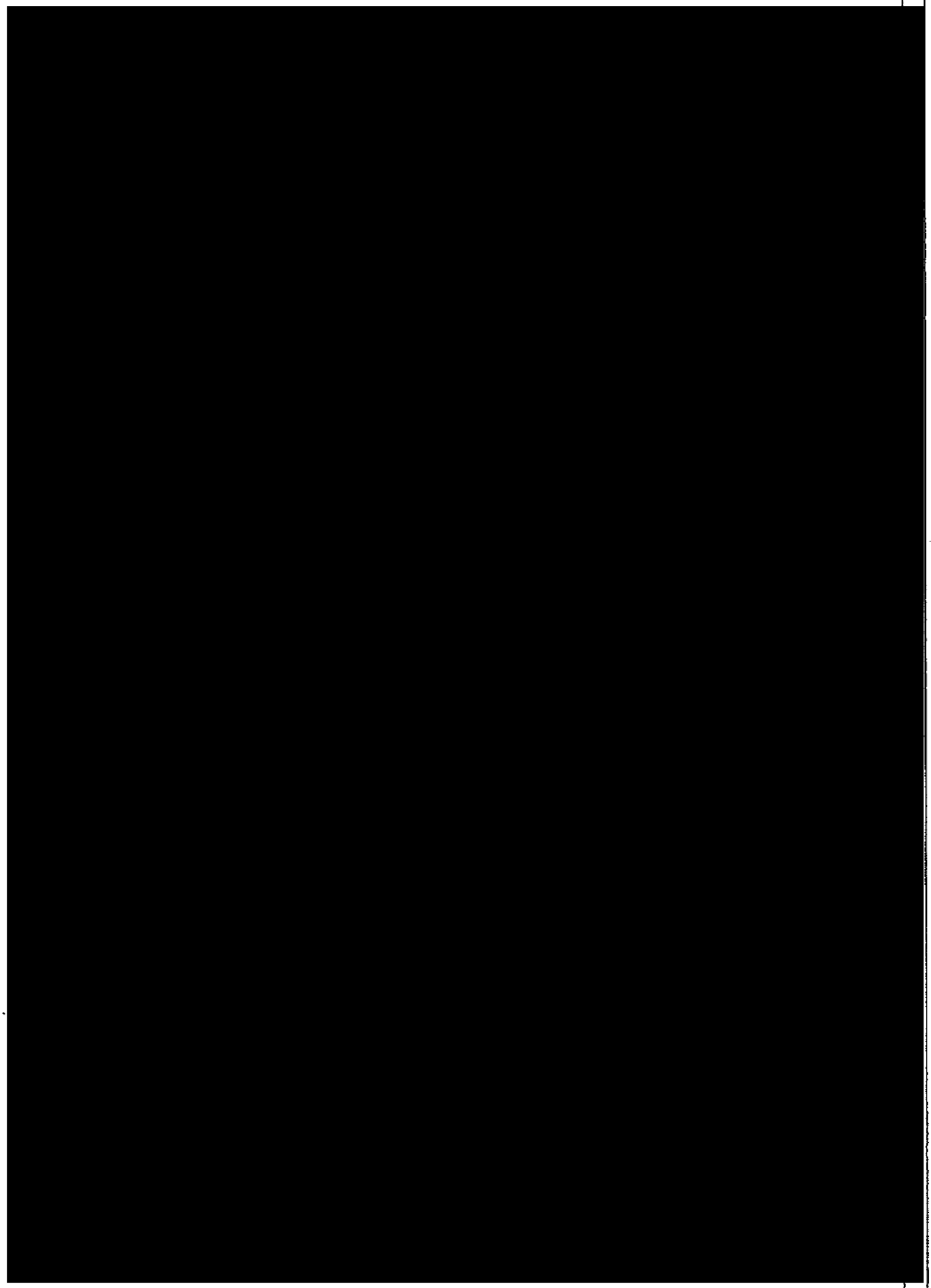
Attachment A4.1



Attachment A4.2







Attachment A4.3

[redacted]

Track & Trace solutions overview

As the number of players (manufacturers, wholesalers and distributors) involved within the EU in the tobacco domain exceeds 4,000, according to Eurogroup study, implementation of Tracking &Tracing should be as simple as possible to let all players bear with changes and costs of the new legal requirements

According to Logista Group any Tracking and tracing system implementation should have 5 main drivers in order to fully comply with EUTPD requirements and cost-wise, minimize the burden for all players in the domain:

I. Standardisation of coding and Labelling

Any T&T system should be based in standards codes / unique identifiers included in Standard labels for all packaging units existing and used in the supply chain. Tobacco industry players should converge towards common standards that would simplify the scanning process needed to register any event occurred along the entire supply chain from Manufactories to Tobacconists. The absence of this standardisation will generate higher cost to read , store, process & communicate the information included in these codes/ labels to the next player in the supply chain and /or to a third party database

II. Unique EU solution

Regarding the first point, especially for those companies like LOGISTA operating in several countries in the tobacco domain with different business models adapted to Local market requirements ,dealing with one unique common solution/system along the EU, will simplify all developments and changes required in processes and procedures within daily operations in comparison with one solution with Member States deciding independently and therefore leading potentially to multiple solution which will imply multiple costs and make it very difficult to unify processes and procedures.

Deleted: , Dealing

A multiple solution would also bring difficulties in terms of what should be developed to let individuals (final consumers) verify that a product which they are purchasing have followed a fully compliant path along the Supply Chain. It would imply a different development for each of the chosen solution, with the consequent raise in total investments for all Member States.

If more than one system is accepted (ex. one per member state) It will be absolutely critical to endorse the establishment of one T&T system and security feature which enable interoperability between T&T systems and players involved in Tobacco Supply chain

III. Full interoperability

To reduce burden for players involved in T&T , it is absolutely key to have a final solution based on open standards, not proprietary. The latter would imply additional costs in royalties and probably also for equipments (scanners, handheld devices...) which should be firstly certified by the owner of the system, passing this certification costs to the final price of the equipment.

Open standards may bring synergies on developments and processes, which may also provide EU authorities and Member States better solutions for the control of the chosen solution. It will also give opportunity to each company and Member states to choose the best equipment provider, fostering supplier competition, without the likeable certification of the proprietary standard, according to its operational needs and financial possibilities.

IV. Data Aggregation Information Flows (Hierarchy)

Coding of Tobacco products should arrive up to the last unit level (minimum saleable unit pack, pouch, tin...), but upstream of the Supply Chain, all events to be tracked& traced are driven by a different type of unit (containers), going from outer (usual minimum selling unit to retail), master cases (key driver of most warehouse operations regarding order pre-picking events like replenishment of picking lines), or even pallets (widespread storing unit in Supply Chains).

Thus, data aggregation of codes (=code hierarchy) is key to comply with EUTPD requirements on Track & Trace, and a code should also be given to all the containers used along the supply chain , and parent-child relationship to units included within it (contents) would necessarily imply that data hierarchies should be shared among different operators also along the Supply Chain (Manufacturers, Importers, Distributors and Wholesalers).

In this sense, all events produced along the Supply Chain should also enclose full aggregation/ code hierarchies of products contained in the movement (paper based or electronic) regardless of this movement implying a change of ownership of the product (invoice) or not (internal movements within a national distributor to fulfil supply needs in each region). This will facilitate the fact that next event will be generated based on the parent code instead of in the multiple-child codes which will require multiple reading/scanning actions.

These data aggregation information flows will simplify processes and operations, and is a must to make the Track & Trace requirements feasible from a Supply Chain point of view. Furthermore, this information should always be anticipated by operators, normally through Advanced Shipping communications prior to product arrival to ensure Track & Trace of the products along the Supply Chain.

Data Aggregation/Hierarchy communication through all players involved along the supply chain is absolutely needed to ensure the legal compliance of the system as movements along

the supply chain will require reception & acceptance processes to validate change in property and/or location .

V. Readability Compliance

T&T in distribution will affect manual and automated process performed over different packaging units and requiring different solutions

Large-scale operations throughout the Supply Chain, particularly in distribution models to widespread networks, require a huge amount of automation to make them efficient, and cost optimized

Either in almost all manufacturing premises, and, even though the Eurogroup study not giving sufficient importance, in large operations in distribution, automation is the basis for efficient operations.

But T&T implies certain difficulties when a 100% of readability / event register rate is required. To attain any 100% rate a lot of prior technical Tobacco Industry improvements should be obtained (coding and labelling standardisation , scanning standards improvements etc) because T&T in Tobacco means Billions of events , performed in thousands of locations and over thousands of products and different packaging units.

As an example, today most advanced industrial scanners do not grant 100% of readability which will imply that automated distribution process will require additional and ulterior control/manual process to cope with this 100% requirement which depending on the real rate obtained could lead to the total disappearance of the advantage of the automation and therefore provoke a huge impact in productivity in Tobacco Distribution

Thus, any manual operation to be added increases with an exponential growth the burden for the business, massively decreasing productivity throughout the whole pipeline.

Especially in distribution, where a multiple type of formats must be dealt with, and therefore automation needs further developments to be able to adapt to assorted products, each of them with their own characteristics (size, shape, weight...) 100% rates become even harder to be reached, and manual operations need to be added, even turning smooth and automated processes into non-competitive operations, where the bottleneck lays on the manual control stations, where non-compliant products should be diverted.

Eurogroup Study Options Analysis

Taking into consideration the above-mentioned drivers for a T&T solution, the main points to be highlighted for each option presented are described hereinafter.

Option 1: an industry-operated solution, with direct marking on the production lines carried out by tobacco manufacturers

Option 1 is in Logista opinion, the most suitable alternative amongst the ones presented by Eurogroup study, as it fulfils all key needs from an operational point of view and assures a reduced economic & organizational impacts for operators in the tobacco domain due to its interoperability as it should be based on international open standards facilitating competition and due to the fact that it is a solution embedded in the manufacturing environment .

First of all, an industry-operated solution is already in place as a result of the legally binding agreements between tobacco manufacturers and the EU Comission, through the European Anti-Fraud Office (OLAF) which required the implementation of Track & Trace systems to ensure that tobacco products were directed throughout the Supply Chain to the intended markets which they were produced for. As it is already running, the current industry-operated solution has already proofed its feasibility and cost efficiency. LogistaGgroup , anticipating this Future EUTD demand is currently running a Pilot in the French market of this Tobacco industry T&T solution capable to Track and trace Tobacco packs from European Manufactories to French retailers .

Deleted:

Tobacco industry Track & Trace solution should be based on open international standards, which will guarantee a full interoperability among the operators involved throughout the Supply Chain, minimizing the economic impact of the system, especially when compared to other non-open standards involving royalties to be charged to all players within the tobacco domain by solution owners. Furthermore, the adoption of a solution enabling the use of standard equipment, widely available devices from multiple suppliers, as opposed to systems relying on proprietary equipments (whose devices could be highly expensive and not widely available).

Option 1 advocates for a common implementation in all Member States, with a European Global solution, promoting economies of scale benefits and reducing significantly burdens to players operating in more than one country along the EU, as independent Member States decisions would lead to as many solutions as Member States, and IT developments and equipment purchases may increase exponentially, as explained above.

An independent third-party data management service provider, following EU standards for data integration and access, ensures data protection and commercial and operational sensitive data integrity, also providing to EU agencies and Member States access to traceability data either throw interfaces or a query management tool. From a distributor/wholesaler point of view it is absolutely mandatory to grant that Distribution T&T data remains confidential and that just Member states have access to FULL set of T&T data from Manufactories to last economic operator before Retail

Option 2: a third party operated solution, with direct marking on the production lines carried out by a solution or service provider

Option 2 also provides a common implementation in all Member States and its repository also ensures data protection and integrity.

On the contrary, the unique identifier generation, as it is provided by an independent of tobacco industry party, may generate great difficulties in manufacturing premises as they may need to adapt packaging designs on packs and cartons with a remarkable cost for production, and almost all data elements to be included as part of the unique identifier are unknown at the time of its generation.

It is also worth mentioning that physical size restriction for codes may become also an issue, and production down-times may be caused by this independent third-party may have huge impacts as tobacco production lines requires a very reduced down time ratio to meet the needed efficient production.

Another difficulty we envisage for this Option 2 is the possible extra cost for Royalties and proprietary equipments coming from solution owners if not leaning on an open standard solution, and further limitations to future developments to be tackled to optimize processes and operations.

Option 3: each Member State decides between Option 1 and 2 as to an entity responsible for direct marking (manufacture or third party)

We do not consider Option 3 suitable as it reduces, by giving each Member State the power to choose the most convenient solution, economies of scale benefits and increasing costs, especially to those players operating in more than one Member State.

It also raise the risk of incompatibility among the different solutions implemented throughout the EU, and increases exponentially the costs on a EU level as it may need different tools to operate all solutions.

Option 4: a unique identifier is integrated into the security feature and affixed in the same production process

Even though Eurogroup Study considers Option 4 the most economic solution, as it takes advantage of the synergies of integrating Security Feature and Track & Trace solution, feasibility of this integration may at least be doubted.

Data aggregation, a key driver to ensure the feasibility of Track & Trace systems throughout the Tobacco Supply Chain, may be challenged with an integrated solution as all container units (carton, master cases, pallets...) would also need to carry a security feature in them. Thus, extra cost for affixing this security feature must be considered. It also applies to repackaging of goods.

Option 4 also increases the dependence on interoperability among many players (providers, manufacturers, distribution chain operators, authorities), and needs an integration of Member States solutions for Security Features currently in force at a national level.

Logista Group clearly support option 1 for T&T as options 2-4 of the report could not meet the requirements of EUTD for Tracjk and Trace as they would limit competition by facilitating the entry of monopolistic players to install and manage T&T in the European Union , create complex data storage requirements and additional administrative and economic burdens , and surely be unable to respect 2019 deadlines defined by EUTD

Attachment B.2.5

OPTIONS FOR SECURITY FEATURE

According to Logista all options do not seem to be the best option as according to the report one EU-wide solution provider for SF should be considered creating then one monopoly and limiting innovation

For Logista “Glued” security features do not meet the requirement of product authentication as only the label is secured . These kind of solutions could disrupt the manufacturing process

For Logista , members states should be allowed to select innovative security features with the following major principles

- Manufacturers are the subjet of the liability to secure and authenticate their products not any other entity – this is one normal market baseline
- Authorise the use of fraud-proof SF based on its intrinsic properties

Attachment C.1.1

Answer to C.

There are some prior concerns about the Report that Logista group would like bring some light to:

- The data for market , industry and illicit trade are inaccurate and sometimes potentially misleading
- This report does not take into account the investments and T&T systems already in place as a consequence of the existing agreements among Tobacco Industry and EU members which have already required investments in distribution and in manufacturing

COST/BENEFIT ANALYSIS

Despite considering the cost/benefit analysis as a whole, not thorough enough, especially after going through what directly affects our operations, we will just focus on the cost analysis of distribution chain operators in its 3 types (Large distributors and wholesalers, Vending Machines Service Vans and Mobile Sales Forces), and just give some tips on benefits and manufacturing cost assessments that stood out when going through them.

BENEFIT CALCULATIONS

Anyhow, we would also like to highlight that benefit calculations is not taking into account in its assessment, potential price increases as a consequence of the annual costs of implementing both T&T solutions and Security Features. Any price translation of these costs in the EU area will involve, due to the enormous burden of taxation in tobacco retail sales prices (RSP), a very significant RSP increase, which would unquestionably decrease legal sales, and therefore increase illicit trade, having the opposite effect of what it is intended with the implementation of a T&T solution and Security Features, and therefore reducing significantly the potential benefits to be met according to the study.

MANUFACTURING COST ANALYSIS

But we would like to highlight our surprise when all 1 to 3 options are considered to have a similar impact in capital expenses (CAPEX), when as a consequence of the agreements between some tobacco manufacturers and EU Commission and Member States, a Track & Trace solution have been already implemented (very similar to Option 1), not in the extent of what EUTPD requirements establishes, but its extension to meet them should not need as much investment efforts as options 2 or 3, even more for the latter as it may imply to run different T&T solutions in a production line according to the solution chosen for the market to which production is intended to be commercialized. Thus, difference among options would be higher for manufacturing to those of 8.7 and 22.5M€ of additional operating costs which the Eurogroup Study considers for Option 2 and 3 when compared to Option 1.

DISTRIBUTION CHAIN OPERATORS

As abovementioned, we just will analyze comprehensively the cost assessments for distribution chain operators, our core activities, leaving aside both manufacturing and Member States Authorities.

To make our comments easier to understand, we will keep within the study considerations of 3 different type of Operators (large distributors, vending machines and mobile sales forces) and 5 types of impacts (software and servers, technology equipment, additional HR costs, software maintenance and depreciation)

Big distributors and wholesalers

Our main opposing argument for big operators cost analysis is that automation is not considered as all unitary costs considered in the analysis may correspond to highly manual operations (6,000€ server and software company CAPEX, limited equipment investment (Utrack kit) of 30,000€ in large warehouses...)

Large distributors and wholesalers reach economies of scale thanks to their volumes which justify automation investments in centralized facilities in which the biggest possible volumes are consolidated, even at a national level. These facilities thoroughly exceed the CAPEX unitary costs shown in the study, primarily for IT developments which have a subsequent impact on assessed maintenance costs. In the Eurogroup analysis depreciation indeed accounts for some 30% of the annual costs for this type of distribution chain operators. What we consider a significant underestimated CAPEX would unquestionably push costs up.

Automated facilities will also have to face a great challenge in 100% code readability compliance rate. If average readability rates is below 98% it means that more than 99% (esto es en nuestro caso , puedo que no lo entiendan) of picking boxes to be prepared in automated processes would go to a manual control station to be scanned again with a much higher increase in HR operational costs than the 20% considered in the study, which amounts to some 57% of total costs for large distribution in the Eurogroup study, once again pushing costs dramatically up and degrading the advantages of automation

We would also like to highlight that impacts in productivity due to readability compliance rate is so crucial that it may question feasibility of automated processes within distribution/wholesaling activities.

The cost analysis does not mention costs related to other relevant activities with a very significant manual part, such as inventories. If inventories are included in the scope of Track & Trace EUTPD final development, the increase of costs for this type of activity will increase exponentially, and it is quite difficult to assess nowadays, but will very likely exceed just itself the HR increase considered in the Eurogroup study for the whole large distributors and wholesalers cost analysis.

Reverse logistics is another point to be assessed not only from a cost analysis point of view but from a compliance point of view, as it may create disruption in the tracking of a product which may have suffered any type of return from the retailer and have been resold as it was in a good condition to be commercialized.

Thus, we firmly believe that there is a significant underestimation in 90% of the total annual cost base of the Eurogroup study, and therefore comprehensive review should be carried out for the cost analysis of large distributors.

Vending Machines Service Vans Cost Analysis

First questionable assumption is the average number of vending machines served by each service van (316). Considering an average weekly service to every vending machine, 316 vending machines served imply 63 daily served vending machines, an absolutely impossible average visit rate to be achieved by a service van. It is important to comment, that depending on the type of market we consider, retail sales monopolized or not, the percentage of vending machines owned and operated by Horeca or Tobacconists varies dramatically. If there is a restriction in supply like in regulated markets (Spain, Italy, Austria), vending machines are mainly operated by Horeca and/or Tobacconists. Not regulated countries (Portugal, Netherlands, Belgium) allow vending machine operators to serve a bigger part of the vending machines universe.

As those 1,944 vending machines service vans is a key driver for the cost in CAPEX (server and software and equipments) and OPEX (additional HR operational costs, maintenance and registration costs), it is quite difficult to assess the real cost for vending machines service vans, but we would also like to highlight some points:

- 6,000€ cost for each service van in server and software is too high as we consider this type of investments to be run at a company level, not a van level. Thus, significant unitary cost reduction would be achieved.
- 50% of service vans needing to buy new equipment is somehow conservative, as almost 100% of them will require at least significant upgrades both in software and hardware for their current devices if not buying new equipment.
- 40% of incremental HR costs is also quite conservative, as scanning at a pack level will be required to meet EUTPD T&T requirements, and no scanning is nowadays performed in most vending machines services.

Vending machines service vans cost analysis may be questioned in almost 100% of the Eurogroup assessment as a consequence of the universe considered, and the abovementioned explanations.

Mobile Sales Force Cost Analysis

Once again, taking into account the abovementioned wrongly assessed vending machines service vans universe to extrapolate the number of delivery units of mobile sales force gives us a biased figure, which is in fact twice biased by the assumption that vending machines service vans, which mainly operate on pack level have the same productivity as mobile sales force, which mainly operate on cartons and when dealing with big clients, even in master case level.

Also similar and additional points must be highlighted apart from the universe considered:

- 6,000€ cost for service and software cannot be charged to each delivery van, as significant savings are to be met by medium and big companies when approaching this type of investment at a company level.
- Almost 100% of handheld devices used in mobile sales force will need some kind of upgrade or directly need to be exchanged to cope with T&T EUTPD requirements.
- An average one people doing shipping operation on each Mobile Sales Force unit is quite conservative, as due to mainly security reasons, and also to volumes to be distributed, a second person is usually added in delivery operations.
- 40% of incremental HR costs is also conservative, though probably closer to real impact than in Vending Machines Services, as scanning is much more common in this type of operations, and probably it would productivity not to decrease so dramatically, even though especially delivery for small company may need a second scanning only for T&T purposes.

Mobile Sales Force cost analysis may also be questioned in almost 100% of the Eurogroup assessment as a consequence of the biased universe considered, and the last paragraph detailed statements.

CONCLUSSION

Almost 95% of the total annual cost of 140M€ assessed for Distribution Chain Operators are backed by questionable assumptions, which in most of the cases lead to underestimate the potential cost of the Track & Trace solution to be implemented, both for capital and operational expenditure.

Attachment D.2

. Additional questions

The questions in this section relate to different possible building blocks and modalities of the envisaged system (questions D.1, D.3, D.4, D.6, D.8, D.10, D.12, D.14 and D.16). When replying please take into account the overall appropriateness of individual solutions in terms of the criteria of technical feasibility, interoperability, ease of operation, system integrity, potential of reducing illicit trade, administrative/financial burden for economic stakeholders and administrative/financial burden for public authorities.

*D.1. Regarding the generation of a serialized unique identifier (for definition of a unique identifier, see Glossary in the Feasibility Study), which of the following solutions do you consider as appropriate (multiple answers possible)?

- [x] a) A single standard provided by a relevant standardization body
- [ ] b) A public accreditation or similar system based on the minimum technical and interoperability requirements that allow for the parallel use of several standards;
- [ ] c) Another solution
- [ ] d) No opinion

D.2. Please upload any additional comments relating to the rules for generation of a serialized unique identifier referred to in question D.1. above (max. 2 pages)

Logista firmly believes that single standard should be encouraged , and GS1 GTIN is already in use for creating the unique code which are widely available standard for FMCG . In addition for Logista is also important to standardize the information embedded in the unique ID along with granting Aggregation with other standardized identifiers for outers/master cases and pallets because otherwise logistics cost /burden will be extremely high

TPD defines that the following data must be included in the unique identifier:

- the date and place of manufacturing;
- the manufacturing facility;
- the machine used to manufacture the tobacco products;
- the production shift or time of manufacture;
- the product description; (f) the intended market of retail sale;
- the intended shipment route;
- where applicable, the importer into the Union;

If several standards might be allowed, manufacturers could include other types of fields relevant for them.and *this would imply higher standardization for Logista's systems while reading the identifier.*

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*D.3. Regarding (a) data carrier(s) for a serialized unique identifier, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [x] a) Solution based on a single data carrier (e.g. 1D or 2D data carriers)

- [ ] b) Solution based on the minimum technical requirements that allow for the use of multiple data carriers;
- [ ] c) Another solution;
- [ ] d) No opinion

*D.4. Regarding (a) data carrier(s) for a serialized unique identifier, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [ ] a) System only operating with machine readable codes;
- [x] b) System operating both with machine and human readable codes;
- [ ] c) No opinion

D.5. Please upload any additional comments relating to the options for (a) data carrier(s) for a serialized unique identifier referred to in questions D.3 and D.4 above (max. 2 pages)

***Option a**: The less data carriers are adopted, the higher standardization and therefore the lower productivity impact in the supply chain.*

For example, if hypothetically "Data matrix Barcode" and "RFID tags" data carriers would be adopted, every agent in the supply chain would need not just one device but two to be able to read both of them. An operator reading the corresponding data carrier with a handheld device should first locate and recognized it for every single handling unit. This would not only increase the equipment cost but the time required for every read operation.

***Option b**: Human readable digits are important because if the barcode is damaged or of poor quality to begin with, then the text is used as a back-up.*

Its use is a quick and easy way to verify the correctness of data encoded into the barcode visually. By allowing ease of error detection, incorrect barcodes can be identified and corrected early in the supply chain process, resulting in the reduction of costly errors.

It allows the staff to once again compare whether the data scanned in by the barcode scanner is the same as the one displayed in the Human Readable Text. This allows detection of errors that may have already occurred in the creation of the barcodes.

It is useful to know the data that is encoded in the barcode through Human Readable Text without requiring the use of a barcode scanner. For instance, in order to identify an item in Warehouse Management System (software) used by the staff in a distribution center.

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*D.6. Regarding the physical placement of a serialized unique identifier, when should it happen (multiple answers possible)?

- [ ] a) Before a pack/tin/pouch/item is folded/assembled and filled with products;
- [x] b) After a pack/tin/pouch/item is folded/assembled and filled with products;
- [ ] c) No opinión

D.7. Please upload any additional comments relating to the placement of a serialized unique identifier referred to in question D.6. above (max. 2 pages)

As according to EUTD requirement the unique ID should include the following information

- the date and place of manufacturing;
- the manufacturing facility;
- the machine used to manufacture the tobacco products;
- the production shift or time of manufacture;
- the product description; (f) the intended market of retail sale;
- the intended shipment route;
- where applicable, the importer into the Union;

This information is only known after production

Distributors need STANDARDIZED codes for handling units bigger than packs and AGGREGATION is mandatory

The codes of the handling units should be posted in LABELS including also the name of the Tobacco manufacturer and the product as sometimes the packaging does not bear any product of manufacturer identification. Always over the wrap/ plastic film

- packs . where the EUTD authorizes it for packs
- outers/bundles . ideally one per side , with aminimum of 2 to be able to perform 2 scans to achieve biggest readability rate possible
- Master case: one per side because the palletization of the master case could hide the label , and minimum 2 labels in 2 opposite vertical faces of the boxes
- Pallet : 2 labels in each one of the larger side

In addition to the topics referenced in section "1.7 CONCLUSIONS AND RECOMMENDATIONS" under the issue "Location and placement of the unique identifier" or "8.6.1 EU STANDARDS FOR THE SIZE AND LOCATION ON TOBACCO ITEMS", the following is important to be considered because its high impact in the supply chain:

"Regarding cigarettes cartons and other bundle formats, which must be tracked (scanned) by DCO (Distribution chain operators), flexibility must at the same time be balanced with the level of standardization in label materials and wrap layers over the label in order to ensure an acceptable readability rate in carton picking process."

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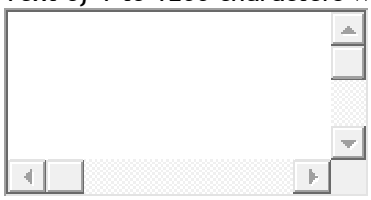
D.8. Which entity should be responsible for?

	Economic operator involved in the tobacco trade without specific supervision	Economic operator involved in the tobacco trade supervised by the third party auditor	Economic operator involved in the tobacco trade supervised by the authorities	Independent third party	No opinion
*Generating serialized unique identifiers	○	○	◉	○	○
*Marking products with serialized unique identifiers on the production line	○	○	◉	○	○
*Verifying if products are properly marked on the production line	○	○	◉	○	○
*Scanning products upon dispatch from manufacturer's/importer's warehouse	○	○	◉	○	○
*Scanning products upon receipt at distributor's/wholesaler's premises	○	○	◉	○	○
*Scanning products upon dispatch from distributor's/wholesaler's premises	○	○	◉	○	○
*Aggregation of products	○	○	◉	○	○

D.9. In relation to question D.8. above, please specify any other measures that your organisation considers relevant

Text of 1 to 1200 characters will be accepted(still 1 more characters expected)



[JRG]

- ***Standardization of coding / labelling of all handling units***
- ***Disaggregation***
- ***Re-Generating serialized unique identifiers to recover damaged cartons or master cases***
- ***Generating serialized unique identifiers for promotions (pack with gift attached)***

*D.10. Regarding the method of putting the security feature on the pack/tin/pouch/item, which of the following solutions do you consider as appropriate (multiple answers possible)?

- ☐ a) A security feature is affixed;
- ☐ b) A security feature is affixed and integrated with the tax stamps or national identification marks;
- ☑ c) A security feature is printed;
- ☐ d) A security feature is put on the pack/tin/puch/item through a different method;
- ☐ e) No opinion

D.11. Please upload any additional comments relating to the method of putting the security feature on the pack referred to in question D.10 above (max. 2 pages)

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*D.12. Regarding the independent data storage as envisaged in Article 15(8) of the TPD, which of the following solutions do you consider as appropriate (multiple answers possible)?

- ☑ a) A single centralised storage for all operators;
- ☑ b) An accreditation or similar system for multiple interoperable storages (e.g. organised per manufacturer or territory);
- ☐ c) Another solution
- ☐ d) No opinion

D.13. Please upload any additional comments relating to the independent data storage referred to in question D.12. above (max. 2 pages)

From a Multi national distributor point of view option A is the best possible as with one single repository , DCO will be just sending a message with the content of an order, while with several repositories DCO must (first) split the content per manufacturer or territory, and then send a message to each of them.

Since DCO are obliged to record their transactions by the TPD, they must store all those messages in other to meet the directive.

Regardless of the number of items reported, every message has a minimum size allocated to the message header. Multiplying the number of messages (per manufacturer/territory) would considerably rise storage requirements.

Option B is also fdeasible but will imply additional storage costs for except if one Disvcovery service (for dispatching the information from DCO to all Tobacco manufacturers) is implemented top manage T&T distribution data

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*D.14. In your opinion which entity(ies) is/are well placed to develop reporting and query tools (multiple answers possible)?

- [x] a) Provider of solutions to collect the data from the manufacturing and distribution chain;
- [x] b) Provider of data storage services;
- [x] c) Another entity
- [ ] d) No opinión

D.15. Please upload any additional comments relating to the development of reporting and query tools referred to in question D.14. above (max. 2 pages)

Considering the huge size the repositories will reach, option b has advantage faced with the others. At this level it doesn't matter if the provider know the nature of the data, much important is if they are able to access the right records within a reasonable time in this ocean of data.

For that reason, solution providers of every kind would be appropriate if the prove their experience working with big amounts of data.

Additionally a minimum level of Standardization in this field can obviously be very relevant as well, for example, by enforcing EPCIS query interface standards, so that all parties (Authorities, TM's, DCO's...) involved can make use of the information, at the appropriate level, and with the least possible effort.

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*D.16. Do you consider that the overall integrity of a system for tracking and tracing would be improved if individual consumers were empowered to decode and verify a serialized unique identifier with mobile devices (e.g. smartphones)?

- (•) ***a)*** Yes
- ( ) b) No
- ( ) c) No opinion

D.17. Please upload any additional comments on the subject of this consultation (max. 10 pages)

Authorities control capacities present a potential clearly non comparable (as inferior) with the large scale of Tobacco consumer market

Exploiting the possibilities mobile devices put our disposal, consumers could be the last point to obtain massively real tracking data at pack level
f.e. Whether linked with promotions available by smartphone, it would encourage the final customer to identify their purchased packs.
Besides, with the complexity and massive amount of data to be crossed, it is doubtful that tools will be readily available at the beginning, apart from random checks, to detect and deal with illicit trade situations via reporting, so specific individuals' checks via devices can be helpful to detect real situations.

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Privacy & Terms

Attachment D.5

. Additional questions

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D.2. Please upload any additional comments relating to the rules for generation of a serialized unique identifier referred to in question D.1. above (max. 2 pages)

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Select file to upload

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Select file to upload

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	Economic operator involved in the tobacco trade without specific supervision	Economic operator involved in the tobacco trade supervised by the third party auditor	Economic operator involved in the tobacco trade supervised by the authorities	Independent third party	No opinion
*Generating serialized unique identifiers	○	○	◉	○	○
*Marking products with serialized unique identifiers on the production line	○	○	◉	○	○
*Verifying if products are properly marked on the production line	○	○	◉	○	○
*Scanning products upon dispatch from manufacturer's/importer's warehouse	○	○	◉	○	○
*Scanning products upon receipt at distributor's/wholesaler's premises	○	○	◉	○	○
*Scanning products upon dispatch from distributor's/wholesaler's premises	○	○	◉	○	○
*Aggregation of products	○	○	◉	○	○

D.9. In relation to question D.8. above, please specify any other measures that your organisation considers relevant

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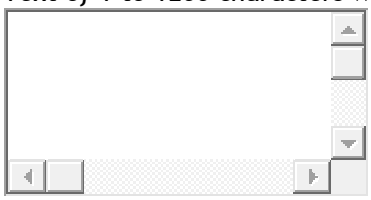

[JRG]

- ***Standardization of coding / labelling of all handling units***
- ***Disaggregation***
- ***Re-Generating serialized unique identifiers to recover damaged cartons or master cases***
- ***Generating serialized unique identifiers for promotions (pack with gift attached)***

*D.10. Regarding the method of putting the security feature on the pack/tin/pouch/item, which of the following solutions do you consider as appropriate (multiple answers possible)?

- ☐ a) A security feature is affixed;
- ☐ b) A security feature is affixed and integrated with the tax stamps or national identification marks;
- ☑ c) A security feature is printed;
- ☐ d) A security feature is put on the pack/tin/puch/item through a different method;
- ☐ e) No opinion

D.11. Please upload any additional comments relating to the method of putting the security feature on the pack referred to in question D.10 above (max. 2 pages)

Select file to uploade

*D.12. Regarding the independent data storage as envisaged in Article 15(8) of the TPD, which of the following solutions do you consider as appropriate (multiple answers possible)?

- ☑ a) A single centralised storage for all operators;
- ☑ b) An accreditation or similar system for multiple interoperable storages (e.g. organised per manufacturer or territory);
- ☐ c) Another solution
- ☐ d) No opinion

D.13. Please upload any additional comments relating to the independent data storage referred to in question D.12. above (max. 2 pages)

From a Multi national distributor point of view option A is the best possible as with one single repository , DCO will be just sending a message with the content of an order, while with several repositories DCO must (first) split the content per manufacturer or territory, and then send a message to each of them.

Since DCO are obliged to record their transactions by the TPD, they must store all those messages in other to meet the directive.

Regardless of the number of items reported, every message has a minimum size allocated to the message header. Multiplying the number of messages (per manufacturer/territory) would considerably rise storage requirements.

Option B is also fdeasible but will imply additional storage costs for except if one Disvcovery service (for dispatching the information from DCO to all Tobacco manufacturers) is implemented top manage T&T distribution data

Select file to upload

*D.14. In your opinion which entity(ies) is/are well placed to develop reporting and query tools (multiple answers possible)?

- [x] a) Provider of solutions to collect the data from the manufacturing and distribution chain;
- [x] b) Provider of data storage services;
- [x] c) Another entity
- [ ] d) No opinión

D.15. Please upload any additional comments relating to the development of reporting and query tools referred to in question D.14. above (max. 2 pages)

Considering the huge size the repositories will reach, option b has advantage faced with the others. At this level it doesn't matter if the provider know the nature of the data, much important is if they are able to access the right records within a reasonable time in this ocean of data.

For that reason, solution providers of every kind would be appropriate if the prove their experience working with big amounts of data.

Additionally a minimum level of Standardization in this field can obviously be very relevant as well, for example, by enforcing EPCIS query interface standards, so that all parties (Authorities, TM's, DCO's...) involved can make use of the information, at the appropriate level, and with the least possible effort.

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*D.16. Do you consider that the overall integrity of a system for tracking and tracing would be improved if individual consumers were empowered to decode and verify a serialized unique identifier with mobile devices (e.g. smartphones)?

- (•) ***a)*** Yes
- ( ) b) No
- ( ) c) No opinion

D.17. Please upload any additional comments on the subject of this consultation (max. 10 pages)

Authorities control capacities present a potential clearly non comparable (as inferior) with the large scale of Tobacco consumer market

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Privacy & Terms

Attachment D.7

. Additional questions

The questions in this section relate to different possible building blocks and modalities of the envisaged system (questions D.1, D.3, D.4, D.6, D.8, D.10, D.12, D.14 and D.16). When replying please take into account the overall appropriateness of individual solutions in terms of the criteria of technical feasibility, interoperability, ease of operation, system integrity, potential of reducing illicit trade, administrative/financial burden for economic stakeholders and administrative/financial burden for public authorities.

*D.1. Regarding the generation of a serialized unique identifier (for definition of a unique identifier, see Glossary in the Feasibility Study), which of the following solutions do you consider as appropriate (multiple answers possible)?

- [x] a) A single standard provided by a relevant standardization body
- [ ] b) A public accreditation or similar system based on the minimum technical and interoperability requirements that allow for the parallel use of several standards;
- [ ] c) Another solution
- [ ] d) No opinion

D.2. Please upload any additional comments relating to the rules for generation of a serialized unique identifier referred to in question D.1. above (max. 2 pages)

Logista firmly believes that single standard should be encouraged , and GS1 GTIN is already in use for creating the unique code which are widely available standard for FMCG . In addition for Logista is also important to standardize the information embedded in the unique ID along with granting Aggregation with other standardized identifiers for outers/master cases and pallets because otherwise logistics cost /burden will be extremely high

TPD defines that the following data must be included in the unique identifier:

- the date and place of manufacturing;
- the manufacturing facility;
- the machine used to manufacture the tobacco products;
- the production shift or time of manufacture;
- the product description; (f) the intended market of retail sale;
- the intended shipment route;
- where applicable, the importer into the Union;

If several standards might be allowed, manufacturers could include other types of fields relevant for them.and *this would imply higher standardization for Logista's systems while reading the identifier.*

Select file to upload

*D.3. Regarding (a) data carrier(s) for a serialized unique identifier, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [x] a) Solution based on a single data carrier (e.g. 1D or 2D data carriers)

- [ ] b) Solution based on the minimum technical requirements that allow for the use of multiple data carriers;
- [ ] c) Another solution;
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*D.4. Regarding (a) data carrier(s) for a serialized unique identifier, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [ ] a) System only operating with machine readable codes;
- [x] b) System operating both with machine and human readable codes;
- [ ] c) No opinion

D.5. Please upload any additional comments relating to the options for (a) data carrier(s) for a serialized unique identifier referred to in questions D.3 and D.4 above (max. 2 pages)

***Option a**: The less data carriers are adopted, the higher standardization and therefore the lower productivity impact in the supply chain.*

For example, if hypothetically "Data matrix Barcode" and "RFID tags" data carriers would be adopted, every agent in the supply chain would need not just one device but two to be able to read both of them. An operator reading the corresponding data carrier with a handheld device should first locate and recognized it for every single handling unit. This would not only increase the equipment cost but the time required for every read operation.

***Option b**: Human readable digits are important because if the barcode is damaged or of poor quality to begin with, then the text is used as a back-up.*

Its use is a quick and easy way to verify the correctness of data encoded into the barcode visually. By allowing ease of error detection, incorrect barcodes can be identified and corrected early in the supply chain process, resulting in the reduction of costly errors.

It allows the staff to once again compare whether the data scanned in by the barcode scanner is the same as the one displayed in the Human Readable Text. This allows detection of errors that may have already occurred in the creation of the barcodes.

It is useful to know the data that is encoded in the barcode through Human Readable Text without requiring the use of a barcode scanner. For instance, in order to identify an item in Warehouse Management System (software) used by the staff in a distribution center.

Select file to upload

*D.6. Regarding the physical placement of a serialized unique identifier, when should it happen (multiple answers possible)?

- [ ] a) Before a pack/tin/pouch/item is folded/assembled and filled with products;
- [x] b) After a pack/tin/pouch/item is folded/assembled and filled with products;
- [ ] c) No opinión

D.7. Please upload any additional comments relating to the placement of a serialized unique identifier referred to in question D.6. above (max. 2 pages)

As according to EUTD requirement the unique ID should include the following information

- the date and place of manufacturing;
- the manufacturing facility;
- the machine used to manufacture the tobacco products;
- the production shift or time of manufacture;
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- where applicable, the importer into the Union;

This information is only known after production

Distributors need STANDARDIZED codes for handling units bigger than packs and AGGREGATION is mandatory

The codes of the handling units should be posted in LABELS including also the name of the Tobacco manufacturer and the product as sometimes the packaging does not bear any product of manufacturer identification. Always over the wrap/ plastic film

- packs . where the EUTD authorizes it for packs
- outers/bundles . ideally one per side , with aminimum of 2 to be able to perform 2 scans to achieve biggest readability rate possible
- Master case: one per side because the palletization of the master case could hide the label , and minimum 2 labels in 2 opposite vertical faces of the boxes
- Pallet : 2 labels in each one of the larger side

In addition to the topics referenced in section "1.7 CONCLUSIONS AND RECOMMENDATIONS" under the issue "Location and placement of the unique identifier" or "8.6.1 EU STANDARDS FOR THE SIZE AND LOCATION ON TOBACCO ITEMS", the following is important to be considered because its high impact in the supply chain:

"Regarding cigarettes cartons and other bundle formats, which must be tracked (scanned) by DCO (Distribution chain operators), flexibility must at the same time be balanced with the level of standardization in label materials and wrap layers over the label in order to ensure an acceptable readability rate in carton picking process."

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D.8. Which entity should be responsible for?

	Economic operator involved in the tobacco trade without specific supervision	Economic operator involved in the tobacco trade supervised by the third party auditor	Economic operator involved in the tobacco trade supervised by the authorities	Independent third party	No opinion
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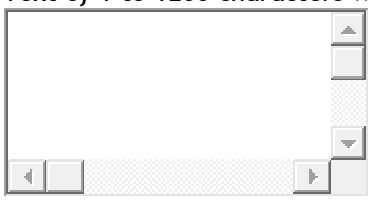

[JRG]

- ***Standardization of coding / labelling of all handling units***
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- ☐ c) Another solution
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From a Multi national distributor point of view option A is the best possible as with one single repository , DCO will be just sending a message with the content of an order, while with several repositories DCO must (first) split the content per manufacturer or territory, and then send a message to each of them.

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Regardless of the number of items reported, every message has a minimum size allocated to the message header. Multiplying the number of messages (per manufacturer/territory) would considerably rise storage requirements.

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Select file to upload

*D.14. In your opinion which entity(ies) is/are well placed to develop reporting and query tools (multiple answers possible)?

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Considering the huge size the repositories will reach, option b has advantage faced with the others. At this level it doesn't matter if the provider know the nature of the data, much important is if they are able to access the right records within a reasonable time in this ocean of data.

For that reason, solution providers of every kind would be appropriate if the prove their experience working with big amounts of data.

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Attachment D.13

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***Option a**: The less data carriers are adopted, the higher standardization and therefore the lower productivity impact in the supply chain.*

For example, if hypothetically "Data matrix Barcode" and "RFID tags" data carriers would be adopted, every agent in the supply chain would need not just one device but two to be able to read both of them. An operator reading the corresponding data carrier with a handheld device should first locate and recognized it for every single handling unit. This would not only increase the equipment cost but the time required for every read operation.

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- [ ] a) Before a pack/tin/pouch/item is folded/assembled and filled with products;
- [x] b) After a pack/tin/pouch/item is folded/assembled and filled with products;
- [ ] c) No opinión

D.7. Please upload any additional comments relating to the placement of a serialized unique identifier referred to in question D.6. above (max. 2 pages)

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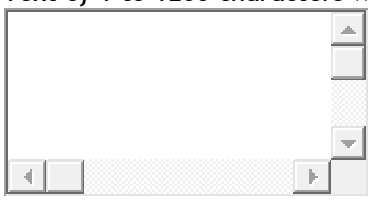

[JRG]

- ***Standardization of coding / labelling of all handling units***
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Select file to uploade

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Considering the huge size the repositories will reach, option b has advantage faced with the others. At this level it doesn't matter if the provider know the nature of the data, much important is if they are able to access the right records within a reasonable time in this ocean of data.

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*D.16. Do you consider that the overall integrity of a system for tracking and tracing would be improved if individual consumers were empowered to decode and verify a serialized unique identifier with mobile devices (e.g. smartphones)?

- (•) ***a)*** Yes
- ( ) b) No
- ( ) c) No opinion

D.17. Please upload any additional comments on the subject of this consultation (max. 10 pages)

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Attachment D.15

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- [ ] d) No opinion

D.2. Please upload any additional comments relating to the rules for generation of a serialized unique identifier referred to in question D.1. above (max. 2 pages)

Logista firmly believes that single standard should be encouraged , and GS1 GTIN is already in use for creating the unique code which are widely available standard for FMCG . In addition for Logista is also important to standardize the information embedded in the unique ID along with granting Aggregation with other standardized identifiers for outers/master cases and pallets because otherwise logistics cost /burden will be extremely high

TPD defines that the following data must be included in the unique identifier:

- the date and place of manufacturing;
- the manufacturing facility;
- the machine used to manufacture the tobacco products;
- the production shift or time of manufacture;
- the product description; (f) the intended market of retail sale;
- the intended shipment route;
- where applicable, the importer into the Union;

If several standards might be allowed, manufacturers could include other types of fields relevant for them.and *this would imply higher standardization for Logista's systems while reading the identifier.*

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*D.3. Regarding (a) data carrier(s) for a serialized unique identifier, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [x] a) Solution based on a single data carrier (e.g. 1D or 2D data carriers)

- [ ] b) Solution based on the minimum technical requirements that allow for the use of multiple data carriers;
- [ ] c) Another solution;
- [ ] d) No opinion

*D.4. Regarding (a) data carrier(s) for a serialized unique identifier, which of the following solutions do you consider as appropriate (multiple answers possible)?

- [ ] a) System only operating with machine readable codes;
- [x] b) System operating both with machine and human readable codes;
- [ ] c) No opinion

D.5. Please upload any additional comments relating to the options for (a) data carrier(s) for a serialized unique identifier referred to in questions D.3 and D.4 above (max. 2 pages)

***Option a**: The less data carriers are adopted, the higher standardization and therefore the lower productivity impact in the supply chain.*

For example, if hypothetically "Data matrix Barcode" and "RFID tags" data carriers would be adopted, every agent in the supply chain would need not just one device but two to be able to read both of them. An operator reading the corresponding data carrier with a handheld device should first locate and recognized it for every single handling unit. This would not only increase the equipment cost but the time required for every read operation.

***Option b**: Human readable digits are important because if the barcode is damaged or of poor quality to begin with, then the text is used as a back-up.*

Its use is a quick and easy way to verify the correctness of data encoded into the barcode visually. By allowing ease of error detection, incorrect barcodes can be identified and corrected early in the supply chain process, resulting in the reduction of costly errors.

It allows the staff to once again compare whether the data scanned in by the barcode scanner is the same as the one displayed in the Human Readable Text. This allows detection of errors that may have already occurred in the creation of the barcodes.

It is useful to know the data that is encoded in the barcode through Human Readable Text without requiring the use of a barcode scanner. For instance, in order to identify an item in Warehouse Management System (software) used by the staff in a distribution center.

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*D.6. Regarding the physical placement of a serialized unique identifier, when should it happen (multiple answers possible)?

- [ ] a) Before a pack/tin/pouch/item is folded/assembled and filled with products;
- [x] b) After a pack/tin/pouch/item is folded/assembled and filled with products;
- [ ] c) No opinión

D.7. Please upload any additional comments relating to the placement of a serialized unique identifier referred to in question D.6. above (max. 2 pages)

As according to EUTD requirement the unique ID should include the following information

- the date and place of manufacturing;
- the manufacturing facility;
- the machine used to manufacture the tobacco products;
- the production shift or time of manufacture;
- the product description; (f) the intended market of retail sale;
- the intended shipment route;
- where applicable, the importer into the Union;

This information is only known after production

Distributors need STANDARDIZED codes for handling units bigger than packs and AGGREGATION is mandatory

The codes of the handling units should be posted in LABELS including also the name of the Tobacco manufacturer and the product as sometimes the packaging does not bear any product of manufacturer identification. Always over the wrap/ plastic film

- packs . where the EUTD authorizes it for packs
- outers/bundles . ideally one per side , with aminimum of 2 to be able to perform 2 scans to achieve biggest readability rate possible
- Master case: one per side because the palletization of the master case could hide the label , and minimum 2 labels in 2 opposite vertical faces of the boxes
- Pallet : 2 labels in each one of the larger side

In addition to the topics referenced in section "1.7 CONCLUSIONS AND RECOMMENDATIONS" under the issue "Location and placement of the unique identifier" or "8.6.1 EU STANDARDS FOR THE SIZE AND LOCATION ON TOBACCO ITEMS", the following is important to be considered because its high impact in the supply chain:

"Regarding cigarettes cartons and other bundle formats, which must be tracked (scanned) by DCO (Distribution chain operators), flexibility must at the same time be balanced with the level of standardization in label materials and wrap layers over the label in order to ensure an acceptable readability rate in carton picking process."

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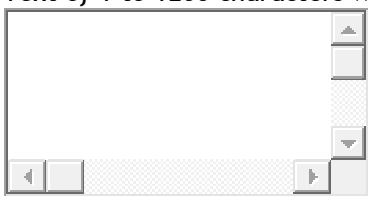
D.8. Which entity should be responsible for?

	Economic operator involved in the tobacco trade without specific supervision	Economic operator involved in the tobacco trade supervised by the third party auditor	Economic operator involved in the tobacco trade supervised by the authorities	Independent third party	No opinion
*Generating serialized unique identifiers	○	○	◉	○	○
*Marking products with serialized unique identifiers on the production line	○	○	◉	○	○
*Verifying if products are properly marked on the production line	○	○	◉	○	○
*Scanning products upon dispatch from manufacturer's/importer's warehouse	○	○	◉	○	○
*Scanning products upon receipt at distributor's/wholesaler's premises	○	○	◉	○	○
*Scanning products upon dispatch from distributor's/wholesaler's premises	○	○	◉	○	○
*Aggregation of products	○	○	◉	○	○

D.9. In relation to question D.8. above, please specify any other measures that your organisation considers relevant

Text of 1 to 1200 characters will be accepted(still 1 more characters expected)



[JRG]

- ***Standardization of coding / labelling of all handling units***
- ***Disaggregation***
- ***Re-Generating serialized unique identifiers to recover damaged cartons or master cases***
- ***Generating serialized unique identifiers for promotions (pack with gift attached)***

*D.10. Regarding the method of putting the security feature on the pack/tin/pouch/item, which of the following solutions do you consider as appropriate (multiple answers possible)?

- ☐ a) A security feature is affixed;
- ☐ b) A security feature is affixed and integrated with the tax stamps or national identification marks;
- ☑ c) A security feature is printed;
- ☐ d) A security feature is put on the pack/tin/puch/item through a different method;
- ☐ e) No opinion

D.11. Please upload any additional comments relating to the method of putting the security feature on the pack referred to in question D.10 above (max. 2 pages)

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*D.12. Regarding the independent data storage as envisaged in Article 15(8) of the TPD, which of the following solutions do you consider as appropriate (multiple answers possible)?

- ☑ a) A single centralised storage for all operators;
- ☑ b) An accreditation or similar system for multiple interoperable storages (e.g. organised per manufacturer or territory);
- ☐ c) Another solution
- ☐ d) No opinion

D.13. Please upload any additional comments relating to the independent data storage referred to in question D.12. above (max. 2 pages)

From a Multi national distributor point of view option A is the best possible as with one single repository , DCO will be just sending a message with the content of an order, while with several repositories DCO must (first) split the content per manufacturer or territory, and then send a message to each of them.

Since DCO are obliged to record their transactions by the TPD, they must store all those messages in other to meet the directive.

Regardless of the number of items reported, every message has a minimum size allocated to the message header. Multiplying the number of messages (per manufacturer/territory) would considerably rise storage requirements.

Option B is also fdeasible but will imply additional storage costs for except if one Disvcovery service (for dispatching the information from DCO to all Tobacco manufacturers) is implemented top manage T&T distribution data

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*D.14. In your opinion which entity(ies) is/are well placed to develop reporting and query tools (multiple answers possible)?

- [x] a) Provider of solutions to collect the data from the manufacturing and distribution chain;
- [x] b) Provider of data storage services;
- [x] c) Another entity
- [ ] d) No opinión

D.15. Please upload any additional comments relating to the development of reporting and query tools referred to in question D.14. above (max. 2 pages)

Considering the huge size the repositories will reach, option b has advantage faced with the others. At this level it doesn't matter if the provider know the nature of the data, much important is if they are able to access the right records within a reasonable time in this ocean of data.

For that reason, solution providers of every kind would be appropriate if the prove their experience working with big amounts of data.

Additionally a minimum level of Standardization in this field can obviously be very relevant as well, for example, by enforcing EPCIS query interface standards, so that all parties (Authorities, TM's, DCO's...) involved can make use of the information, at the appropriate level, and with the least possible effort.

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*D.16. Do you consider that the overall integrity of a system for tracking and tracing would be improved if individual consumers were empowered to decode and verify a serialized unique identifier with mobile devices (e.g. smartphones)?

- (•) ***a)*** Yes
- ( ) b) No
- ( ) c) No opinion

D.17. Please upload any additional comments on the subject of this consultation (max. 10 pages)

Authorities control capacities present a potential clearly non comparable (as inferior) with the large scale of Tobacco consumer market

Exploiting the possibilities mobile devices put our disposal, consumers could be the last point to obtain massively real tracking data at pack level
f.e. Whether linked with promotions available by smartphone, it would encourage the final customer to identify their purchased packs.
Besides, with the complexity and massive amount of data to be crossed, it is doubtful that tools will be readily available at the beginning, apart from random checks, to detect and deal with illicit trade situations via reporting, so specific individuals' checks via devices can be helpful to detect real situations.

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