



Intertek

COMPLIANCE NEWSLETTER

2010
ISSUE 2



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PREFACE

Since the release of the very first issue of the Intertek Compliance Newsletter in May 2010, we have received numerous positive comments and feedback from customers across the globe.

As a leading provider of testing, inspection and auditing, Intertek conceives and understands profoundly the negative impact a lack of compliance can impose on the entire industry, and how important it is for all diverse parties involved in the global supply chain to fully cooperate to combat integrity issues head on.

Intertek fully respects and complies with all local laws and regulations in absolutely every country we operate in. According to our corporate policy, any criminal offences that occur in our day-to-day business activities have to be reported to the local authorities / police with no exceptions.

With the support and ongoing efforts of people like you, I sincerely believe that we can build a brighter future of sound virtue and ethical compliance in the global marketplace.

Paul Yao

Group Executive Vice President
Consumer Goods

Summary on Regulations of Commercial Bribery (by non-state-functionaries) in the “People's Republic of China” (PRC) Laws

Regulations on commercial bribery by non-state-functionaries are mainly covered in the “Criminal Law” amended and enacted at the 5th meeting of the Standing Committee of the Eighth National People’s Congress on March 14, 1997. The Criminal Law of PRC injects the regulations of commercial bribery by non-state-functionaries in the Chapter of Crimes of Disrupting the Order of Administration of Companies, which are allocated in Article 163 about the Crimes of Bribe Taking by Non-State- functionaries, and Article 164 about the Crimes of Bribe Offering against Non-State-functionaries.

Article 163 of the Criminal Law:

Where an employee of a company or enterprise who, while taking advantage of his / her position:

- Demands money or other property from others or
- Illegally accepts money or property from others in return for various benefits from that person

And if the amount involved is relatively large, shall be sentenced to a fixed-term of imprisonment of no more than 5 years or criminal detention. If the amount is huge, he / she may also have their property confiscated.

Where an employee of a company or enterprise who, taking advantage of his / her position, violates state regulations by accepting rebates or service charges, they shall be punished in accordance with the provisions of the earlier stated paragraph above.

Article 164 of the Criminal Law:

Whoever, for the purpose of seeking illegitimate benefits, gives money or property to working staff of a company or enterprise, and if the amount involved is relatively large, shall be sentenced to a fixed-term of imprisonment of no more than 3 years or criminal detention. If the amount is huge, he / she shall be sentenced to a fixed-term imprisonment of no less than 3 years and no more than 10 years in addition to being fined.

Where a unit commits the same crime as above, it shall be fined, and the persons who are directly in charge as well as the other persons who are directly responsible for the crime shall be punished in accordance with the provisions of the previous paragraph.

Any briber who confesses in engaging in bribery activities voluntarily and prior to prosecution may be given a mitigated sentence or be exempted from punishment.



[What is the criteria of penal prosecution on commercial bribery activities mentioned above, i.e., what amount constitutes commercial bribery as a crime?](#)

According to the provisions set forth in the “Provisions on Penal Prosecution Criteria for Economic Crimes, jointly by the Supreme People’s Procuratorate and Ministry of Public Securities” enacted on April 18, 2001 (known as the Prosecution Criteria 1), for bribe taking by non-state functionaries, RMB5000 taken by an individual constitutes a crime.

The Supreme People’s Procuratorate and Ministry of Public Securities enacted on May 18, 2010 the Prosecution Criteria 2, with the title of “Provisions on Penal Prosecution Criteria for Criminal Cases governed by Public Security Units, jointly by the Supreme People’s Procuratorate and Ministry of Public Securities” and set forth prosecution criteria for 86 economic crime cases within the jurisdiction of public security units. The prosecution criteria is the same as those set forth in the Prosecution Criteria 1 of 2001.

Besides provisions on prosecution criteria, “Opinions on Application of Proper Laws for Commercial Bribery Crime Cases” enacted by the Supreme People’s Court and Supreme People’s Procuratorate on November 20, 2008 has adjusted both the criminal subject and object in respect to commercial bribery.

The enactment of both “Provisions on Penal Prosecution Criteria for Criminal Cases governed by Public Security Units, jointly by the Supreme People’s Procuratorate and Ministry of Public Securities” and “Opinions on Application of Proper Laws for Commercial Bribery Crime Cases” provides more effective legal support upon strike against commercial bribery.

Intertek Comments:

1. Bribery is a criminal offense in China.
2. Whether you are a giver or taker of a bribe, both parties are guilty of any such transaction.
3. Intertek has a zero tolerance policy which prohibits both the giving or receiving of benefits and this is communicated in our Integrity Golden Rules & Factory Integrity Acknowledgement / Declaration Form prior to all inspections and audits. Such forms are signed by the factory.
4. With the dramatic increase in inspection and auditing activities occurring in China, compliance has become a critical issue of importance and concern. In order to eliminate and punish commercial bribery in the most effective manner, reporting such illegal activity to the local authorities / police has to be considered. In order to successfully conduct such a report, mutual agreement and support among and between all involved parties such as all clients, suppliers, factories and certification firms to follow strictly the relevant laws and investigation procedures that are tied to reporting is absolutely essential.

Intertek Integrity Apparent in Factories Across the Globe

In the course of daily life, millions of consumers across the globe come into contact with products – clothes, food, furniture, toys and more – that were inspected and certified as safe and compliant before they ever reached store shelves. The highly trained professionals who conduct these assessments – most of the time thousands of miles away from where they are actually used – need to be not only skilled in executing inspections and audits, but must also exhibit a code of ethics and integrity. This gives retailers and manufacturers confidence in their abilities, as well as some insight into their personal character. This is especially important when certifying safety, regulatory, quality and performance standards of consumer products that are fundamental to daily life.

As a leader in consumer goods testing and compliance, Intertek takes seriously its responsibility to ensure and promote integrity at all points in the supply chain, from product conception, through development and ultimately to the store shelves. At the heart of this are the inspection and auditing professionals on the front lines of factories all over the world. Intertek has more than 1,700 global quality practitioners who perform training, auditing and inspection services for the consumer products sector. With such a significant presence in the consumer products industry, it is paramount to Intertek that these professionals uphold a strict Employee Code of Conduct rooted in our company ethics and integrity policies.

While Intertek infuses integrity and ethics into its ongoing inspector and auditor training programs, we also work with our customers to ensure Intertek's Employee Code of Conduct is readily available and prominently displayed where inspection and audit activities take place. This encourages transparency with our customers and their suppliers, as well as fosters open communication and on-site observation of Intertek auditors. We have created signage displaying Intertek's Employee Code of Conduct for display in factories around the world where our inspectors and auditors perform inspection and audit services. These serve not only to reinforce to our staff the importance of doing their work with honesty and integrity, but also provide on-site personnel

an added layer of trust, confidence and transparency.

In addition to making Intertek's Employee Code of Conduct readily available for manufacturing sites, Intertek also recently implemented a formalized training program developed by Compliance Practitioners Initiative (CPI) for all of our auditors worldwide as well as others in the industry. Intertek adopted the program to promote consistent, quality training focused on integrity and professional conduct across the testing, inspection and certification industry. As part of this commitment, Intertek already implemented a best-in-class Corporate Social Responsibility (CSR) auditor training program that has been accredited by City & Guilds, a leading Royal Chartered global developer of vocational education and training.

Intertek's Employee Code of Conduct (posters) are now freely available, please contact Intertek Compliance and Risk Management to order your copy.

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Intertek Implements City & Guilds Accredited Auditor Training Program



In recent years, the Testing, Inspection and Certification (TIC) industry has experienced growing concerns associated with a proliferation of unqualified auditors, the need to address integrity and ethics issues, the lack of practical auditor accreditation programs that go beyond basic classroom lectures and the resulting loss of trust and confidence from stakeholders. As a leader in the audit industry, Intertek is committed to setting a higher industry benchmark for professionalizing our auditor qualification process. As part of this commitment, Intertek recently implemented a best-in-class Corporate Social Responsibility (CSR) auditor training program that has been accredited by City & Guilds, a leading Royal Chartered global developer of vocational education and training.

As the world's largest social compliance monitoring provider responsible for auditing the work conditions of more than 100 million workers in over 30,000 factories around the world, Intertek is in a position to take a leadership role and set professional qualification standards that embrace the most stringent of client and industry requirements. By adopting a more disciplined and vigorous training and qualification process, Intertek customers can be rest assured that Intertek quality practitioners are not only well trained and qualified, but also instilled with integrity and ethical standards.

Intertek chose City & Guilds as its accreditation partner because of its exceptional reputation and marketplace recognition by many of our retail customers. The organization's proven design and standards for implementing an effective training process has awarded millions of training certificates throughout its 130-year history as an independent provider of vocational and practical training. The program itself was developed by Compliance Practitioners Initiative (CPI), a recognized training and examination initiative that enables industry-standard vocational training and qualification programs for auditors, inspectors and technicians in the (TIC) field.

For Intertek, the City & Guilds accredited training program will:

- Provide a disciplined and proven approach to education
- Improve the qualification and performance
- Provide career recognition and advancement
- Ensure greater global consistency and shared values among the quality practitioner community
- Increase customer confidence and trust

The CPI "CSR Auditor Training" (External) and "Intertek CSR Lead Auditor Training" (Internal) accredited by City of Guilds is a training program designed specifically for the compliance community and targets auditors and practitioners in the factory environment. The program goes beyond the general training courses offered by current industry programs in that it is designed to be more holistic, balanced and focused on skills and performance outcomes as defined by City & Guilds vocational training guidelines. For example, the Intertek CSR Lead Auditor Training Program covers:

- CSR auditing standards
- Auditing techniques, cycle & process
- Auditing skills and mannerism
- Managing the challenges associated with integrity and compliance issues
- Law summary specific to individual countries and standards
- Workplace violation classifications
- On-site experience to demonstrate real audit skills
- Classroom and on-site examination to validate skills prior to qualification

Intertek plans to expand the City of Guilds Accreditation to all its 1,700+ global Quality Practitioners performing Training, Audits and Inspection services for the consumer products sector covering our core programs including:

- Social - Workplace Condition Assessment (WCA)
- Environment – Think Green Initiative (TGI)
- Security – Global Security Verification (GSV)
- Quality – Supplier Qualification Program (SQP)
- Inspection - Pre- Shipment Inspections services

The City & Guilds accreditation for Intertek's CSR auditor qualification programs demonstrates to our stakeholder community, including employees, industry associations, brands, retailers, agents and manufacturers that Intertek is ready, willing and able to meet the challenges set forth in the TIC industry. For Intertek this is just the beginning of an exciting journey to professionalize our business and operating model.

Integrity Messaging Triangle

Within Intertek we operate an Integrity program that educates and monitors both our employees and the factories in which we execute our services. Our program includes integrity trainings, telephone audits, factory visits, on-site Integrity Audits which may comprise of Un-announced Integrity Audits or Mystery Audits, Factory Integrity Declaration Forms and Intertek Employee Declaration Forms.

In implementing our Integrity Compliance Policy, we have set up an Independent Compliance and Risk Management team which are divorced from daily operations and are specifically assigned to independent reporting channels. This ensures impartiality and confidentiality in handling reports, complaints or enquiries associated with integrity.

We strongly recommend you get to know and familiarize yourself with our procedures and actively participate in our program with your suppliers. We believe compliance with product quality and safety can only flourish in a trustworthy environment.



Take Away Message

1 – Integrity Policy

1. Integrity is critical to Intertek
2. Zero Tolerance Policy
3. Best in Class program
4. Active, Multiplex Management

#2 – Pre-Conditions Rules

1. Employee Screened & Trained
2. Givers and takers both responsible
3. Factories sign a declaration
4. Must work directly with our client on issues
5. Fact based investigations
6. Breaches of Integrity will result in
 - Termination
 - Report to authorities

#3 – Tools for Implementation

1. Intertek Integrity Golden Rules – Actively communicated to all parties
2. Independent compliance team divorced from operations
3. Intertek has Key Tool, SOPs & Dedicated team to manage Integrity
 - Factory Integrity Declaration Form, Telephone Audit & Factory Visit
 - On-site Integrity Audits & Mystery Audits
 - Integrity Compliant handling process & statistical analysis
 - Intertek Employee Integrity Declaration Form

Intertek Data Collection/Name list of Intertek staff without employment relationship

Intertek Data Collection

	Year 2009	Jan- Oct 2010
Telephone Audits Conducted	10864	13763
On-site Integrity Factory Visits Conducted	742	1314
On-site Unannounced Integrity Audits Conducted	418	453
Mystery Audits Conducted	98	223
Attempted Bribery Cases Reported by Inspectors/Auditors	480	522
Integrity Complaints Received	102	120
Employees Terminated Due to Integrity Issues	15	11
Employees Self-constituted Resigned Due to Integrity Issues	4	9

Name list of Intertek staff no longer with an employment relationship with the Company

Name	Department	Title	Intertek Office	Name	Department	Title	Intertek Office
Allen Wen Bin	Inspection	Assistant Engineer	Dongguan	Bobby Wang Baobing	Inspection	Assistant Engineer	Dongguan
Hazel Pan Yuntong	Auditing	Auditor	Guangzhou	Jason Li Guihai	Inspection	Inspector	Nanjing
Alex Lin Weiliang	Auditing	Engineer	Dongguan	Eric Zhang Feirong	Inspection	Inspector	Shanghai
James Tang Xiaofeng	Inspection	Assistant Engineer	Dongguan	Andy Huang Linrong	Inspection	Inspector	Shanghai
Bruce Zhao Jianjun	Auditing	Auditor	Nantong	Thomas Yang Jiahui	Inspection	Assistant Engineer	Shanghai
Shot Xu Wansong	Inspection	Inspector	Nanjing	Herman Chen Dong	Central Sales & Marketing	Sales	Hangzhou
Robin Le Ping	Inspection	Assistant Engineer	Shanghai	Louis Chen Qing	Central Sales & Marketing	Sales	Hangzhou
Roy Xie Lei	Inspection	Engineer	Shanghai	Gary Li Zhiye	Inspection	Assistant Engineer	Shunde
Paul Pan Jinhua	Inspection	Assistant Engineer	Shanghai	Danny Chen Zongjian	Inspection	Assistant Engineer	Guangzhou
Allen Yu Denglin	Inspection	Inspector	Dongguan	Wang Wei	Inspection	Assistant Engineer	Dongguan
Song Jigu	Inspection	Inspector	Dongguan	Sandy Yu Long	Inspection	Assistant Engineer	Dongguan
Oscar Chen Zhun	Inspection	Inspector	Dongguan	Maria Tang Zhujun	Auditing	Senior Auditor	Dongguan
Jay Jiang Xinhe	Inspection	Inspector	Dongguan	Glen Zhang Jianfeng	Inspection	Senior Engineer	Zhongshan
Song Wentao	Inspection	Inspector	Dongguan	Wang Guangming	Inspection	Inspector	Zhongshan
Zhou Lingjian	Inspection	Assistant Engineer	Zhongshan	Cindy Zhang Leifang	Auditing	Engineer	Shenzhen
Macy Feng Jianmei	Auditing	Senior Auditor	Shenzhen	Chen Song	Inspection	Assistant Engineer	Fuzhou
Janny Zhang Yongfang	Auditing	Junior Auditor	Shenzhen	Xie Canlong	Auditing	Junior Auditor	Shenzhen
Chen Bo	Inspection	Assistant Engineer	Shenzhen	Monir Hossain	Inspection	Inspector	Bangladesh
Zhu Zhenda	Inspection	Inspector	Shenzhen				
Steve Li Dong	Inspection	Assistant Engineer	Dongguan				

Remark: above information indicated only that personnel listed above are no longer with employment relationship with the company, no other deduction or judgment should be dictated based on such information.

Case Study I: Follow Up Reporting- 'Intertek calls for concerted effort combating commercial bribery'

It was previously stated in the first issue of Intertek Compliance Newsletter that the China Labor Watch (CLW) reported to Intertek that a former Intertek auditor, Tang Zhujun, solicited for and also accepted money from a factory during an audit. Timely follow-up has been conducted by Intertek who reported the issue to local police for investigation. However, since the informants failed to testify, the police have not worked out any breakthrough in the investigation up to now.

On Jun 10 2010, Intertek received a formal letter from a lawyer on behalf of Tang Zhujun, which claimed that the above reporting related to Tang Zhujun by Intertek had infringed her reputation and privacy. The letter also requested that Intertek immediately stop such infraction and effectively make an effort to help repair her reputation. Tang Zhujun claimed that the investigation of CLW was suspected to be illegal and she would also consider reporting it to the relevant authority.

Upon receiving the letter, Intertek assigned a designated lawyer to reply to Tang Zhujun as below:

1. The article 'Intertek calls for concerted effort combating commercial bribery' issued in Intertek Compliance Newsletter (1st issue, 2010) honestly reflected the feedback of Mr. Yuan Zhaowen from CLW as well as the anti-bribery action taken by Intertek after receiving such reporting. And on the contrary, Intertek actually illustrated clearly in the article that both the factory and Tang Zhujun written confirmed that no bribery action had occurred during the audit, and the police was working in program with the investigation. Therefore, the article issued by Intertek could not infract any rights and benefits of Tang Zhujun

2. As a well-known corporation in the inspection and auditing industry, Intertek understands completely the severity of bribery issues, which can not only damage company images but also the healthy development of the industry as a whole. Upon receiving the report of Mr. Yuan Zhaowen from CLW that Tang Zhujun accepted RMB20,000 from the factory (which may have involved a criminal offense), Intertek, as a disciplined and ethical corporation, had to report it to local police

for formal investigation. Intertek did not make any mistake in respect of the way they handled the reporting process. And lastly, the reporting was initially conceived and raised by CLW. You may contact CLW directly in case of any enquiry with what they reported.

Up to now, Intertek has not received further feedback from Tang Zhujun.

On Oct 18 2010, Intertek received formal letter from CLW which claiming that the confusing reporting named 'Intertek calls for concerted effort combating commercial bribery' issued in Intertek Compliance Newsletter (1st issue, 2010) may cause negative effect upon both CLW and Mr. Yuan Zhaowen, who had been falsely considered as employee of CLW by Intertek during the reporting; moreover, CLW also raised on their letter that Intertek should also report the audit result in the article instead of mention nothing about it in the reporting.

Upon receiving the formal letter from CLW, Intertek assigned a designated lawyer to reply to CLW timely as below:

1. The audit result was not relevant with the substance of the article, that's why we did not mention it in the reporting; moreover, Intertek has the right to determine the content of our reporting;

2. Mr. Yuan Zhaowen was introduced by Mr. Li Qing, who was in charge of CLW, to Intertek, and the wording adopted by Mr. Yuan Zhaowen in the follow-up communication with Intertek investigations via email, such as 'Li Qiang and I', '...' would provide relevant explanation for the prophase work (i.e. reporting Tang Zhujun to Intertek)', 'We' as well as the self introduction of Mr. Yuan Zhaowen to Intertek, considering above information, Intertek would lean to believe that Mr. Yuan Zhaowen were acting as employee representative of CLW during cooperation with Intertek for the investigation;

3. With regard to the potential danger or even damage that our reporting may cause to CLW and Mr. Yuan Zhaowen, Intertek could not find relevant clue for such guesswork considering the well-built legal system in our

country.

Intertek believes that the bribery issue in auditing and inspection industry would not only do harm to the reputation of 3rd party, but also damage the healthy development of the whole industry, Preventing and combating corruption consistently requires the concerted efforts of the entire supply chain-including Intertek, customers, suppliers, factories and more. In dealing with incidents of corruption in the industry, the most effective measure is judicial intervention.

But the reality of the situation remains:

Intertek rapidly followed up and reported it to local police after initial investigation. The factory involved turned out to be reluctant to cooperate with the police. Then CLW also withdrew their action to assist with the investigation, even addressed formal letter requiring for compensation by Intertek. Intertek had to simultaneously face enquiry from local police about witness testimony while dealing with the challenge and loss of a resigned employee. In such isolated position during fighting against corruption, the great effort of Intertek led to nothing; it actually did not achieve the desired effect of combating corruption, but somehow contributed to the corruption in the industry, which made it more prevalent and seriously.

Intertek Comments: Intertek strongly calls on all clients, suppliers, factories and related to bravely take the burden for fighting against anti-bribery actions, and reinforce trust and cooperation with each other, put an end to commercial bribery issue as well as fully cooperate with authorities for investigation, so as to create a win-win and prosperous business environment. In a nutshell, be prepared to follow through on any integrity issues and allegations. Successful fact based investigations can only take place when all parties in the supply chain are prepared to confront the key allegations and work together.

Case Study II: Effective Judicial Intervention in Combating Commercial Bribery Calls for Concerted Effort Throughout the Supply Chain



On May 1, 2010, Intertek was updated by client 'International Council of Toy Industries' (ICTI) that they had received a complaint from a had stating that they have given RMB25, 000 to two Intertek auditors, Maria Tang and Diana Liu, in order to pass an ICTI CARE audit in 2009. ICTI mentioned that there was another auditor by the name of Andy Du, who was involved in the audit for this factory but that the client was still confirming with the factory whether this particular auditor also had an integrity issue that needed to be elevated. ICTI mentioned that they were still communicating with the factory directly for more information. In the meantime, ICTI requested Intertek to urgently suspend arranging these three auditors to conduct ICTI CARE audits until further notice from ICTI was received.

On May 3, 2010, Intertek was further updated by ICTI that in the second follow up audit, two Intertek auditors went back to the factory (one of them being the same auditor who conducted the first follow-up audit) and asked for RMB25, 000. The money was then given (by the complainant of the case) and the factory passed the ICTI CARE audit.

From May 1 to May 5 2010, Intertek communicated with ICTI for several times to obtain a factory witness's assistance for the reporting. During the communication, the client informed Intertek that the factory witness was unwilling to report the case or testify to local police, nor was the witness willing to provide any written statement about the incident.

According to the information provided by ICTI (such as the names of the auditors, period of conducting the audit, etc),

Intertek reviewed all ICTI audit records in our internal system and it was preliminarily identified the factory involved was named J & R Brothers Corp. in Dongguan, China, and the second follow-up audit was conducted by Intertek auditors Diana Liu and Andy Du.

In order to verify the details and accurately report all facts to the local police, after several communications with ICTI, on May 11, 2010, Mr. David Horlock, Vice President of Global Inspection and Auditing in Intertek Consumer Goods and Ms. Grace Li, Vice President of Compliance and Risk Management in Intertek Consumer Goods had a face-to-face meeting with the complainant, accompanied by related representatives of ICTI. At the beginning of the meeting, the factory representative was reluctant to disclose the name of their factory or his identity; after Intertek patiently explained Intertek anti-bribery policy as well as our relevant controlling procedure and firm standpoint against commercial bribery issues, the factory representative finally introduced himself and also elaborated the background and the detailed process.

On Jun 2, 2010, Intertek reported this suspected commercial bribery to local police based on the information provided by ICTI. On Jul 13, 2010, Intertek was updated by local police that when the police visited J & R Brothers Corp. and met with Mr. Jay Chao; Mr. Jay Chao provided written statement to the police to confirm that the suspected bribery case reported by Intertek had never happened in the factory; Mr. Jay Chao also confirmed to local police that he had never gone to ICTI office to make any complaint against Intertek auditors. Local police announced that the investigation process had to be suspended unless further information was obtained.

On Jul 20, 2010, Intertek passed the police's reply to ICTI and looked for ICTI's support to further communicate with the factory to co-operate with the local police investigation. ICTI informed Intertek that they had terminated the factory at that time but they would still try to contact the factory for their co-operation with local police.

Interteks Comments: Investigating corruption and integrity issues are complex and can only be successful if all participants in the supply chain are prepared to engage and follow through on their allegations. Failure from factories or vendors to cooperate undermine the true spirit of managing the challenges associated with breaches of integrity.

Case Study III: Tentative Cooperation with International Buyers on Anti- Bribery

Intertek works closely with its clients to manage integrity and in some instances we jointly work together to conduct mystery audits onsite with the objective to monitor the integrity behaviour of both Intertek employees and the factory.

Our integrity and compliance practices and processes have seen continuous improvement since 2010, and at the same time we communicate our integrity, compliance practices, and related preventive measures to clients through various channels to ensure both their acknowledgement and support.

In June 2010, one client asked if they could conduct a Mystery Audit with the cooperation of their vendor to monitor the behaviors and response of an Intertek auditor subjected to pre-meditated bribes during the audit.

Intertek Consumer Goods compliance and risk management department conducted a detailed discussion with the client, vendor and contact person of the factory to work out a specific action plan; the factory would try to screen the whole process of the Mystery Audit as well.

With collaboration of the client, vendor and the factory, Intertek made thorough preparation for the Mystery audit, taking all possible situations and scenarios into consideration.

On the day of the audit, the contact person at the factory kept in touch with the Intertek Compliance Officer located outside the factory via phone to keep posted of the on-site progress. At noon, the factory contact called the Compliance Officer saying

that he had tried to offer an envelope containing gratitude money to the Intertek auditor during the opening meeting, but the offer was refused, and the auditor restated the Intertek anti-bribery policy and kindly requested the factory to cooperate accordingly. The contact person expressed his admiration to the professionalism of the Intertek auditor and said he would try to offer the gratitude money for the second time during the closing meeting. About four o'clock in the afternoon, our Compliance Officer received another call from the factory contact saying that his second offer of gratitude money was also refused by the Intertek auditor firmly and politely.

Intertek Comments:

1. Intertek is grateful to the cooperation and support of our customers. We work with our clients in order to build trust, confidence and educate our supply chain partners to strengthen our integrity structure and policy, and contribute to the building of an honest and ethical business environment.

2. Intertek use mystery audits from time to time to monitor the performance of our employees under pressure of attempted bribes. We are please to report that the behaviour of our staff under such circumstances demonstrate the success of our value system and training.

Case Study IV: The Necessity of Employee Background Investigation

One former employee of the Intertek Consumer Goods auditing department organized a group of former Intertek auditors and set up a company to conduct audit services, and one of their main businesses was to provide subcontract services to other 3rd parties and brands who focused on auditing services for clients. Knowing this, Intertek Consumer Goods Compliance and Risk Management team delivered emails to the 3rd party auditing institutions and brands reminding them to conduct necessary background investigation on their subcontractors or new employees.

Background investigations have been considered to be effective measures to prevent personnel with integrity issues from carrying on related auditing or inspection services within the industry. We recommend related corporations to conduct necessary background checks for new recruited auditors or inspectors by clarifying with their former working companies whether he/she had integrity issue during their on-duty or resignation period in the company. We believe there would be fewer employees taking bribes and migrating from one company to another if there were more efficient mechanism and collaboration for background investigation and checks.

Intertek Comments: Intertek hereby calls on all stakeholders in the supply chain within the industry, including our competitors, brands, vendors and agents to conduct necessary background investigations on their partners and new employees - leaving no room for any person or organization violating the integrity criteria of a fair and transparent business environment. Intertek is being proactive and participating with our Industry colleagues in building a fair and ethical business environment.



Intertek China Employee Background Investigation Hotline

For background investigations and checks, please contact the below Intertek personnel:

Northeast China: evans.tang@intertek.com

South China : echo.yang@intertek.com

Contact Point for Integrity/Ethics Management (Consumer Goods)



Global Compliance and Risk Management of Intertek Consumer Goods is led and audited independently by Intertek's headquarters in London. As a FTSE 250 listed company on the London Stock exchange Intertek is obligated to comply with strict integrity rules and codes of conduct. Any breaches of our integrity policy are a breach of company rules. A compliance hotline has been created for complaints related to integrity issues and is effectively managed by independent compliance and auditing teams. Clients, suppliers and factories alike can access this hotline 24 hours a day, seven days a week to report bribery issues. The Global Compliance and Risk Management of Intertek Consumer Goods are available to assist with fact based investigations for breaches of integrity. The key contact people comprised of:

Intertek Consumer Goods Compliance Officer

Grace Li cg.asia.compliance@intertek.com

Asia-Pacific Compliance Officer

Wallace Ho cg.asia.compliance@intertek.com

Bangladesh	M. M. Murshed (Compliance Manager)
Cambodia	Sothy Khuth (Operation Manager)
Hong Kong	Wallace Ho (Compliance and Risk Management Manager)
India	Surekha Nair (Senior Manager-HR/Compliance)
Indonesia	Imam Awaludin (Compliance Officer)
Japan	Christine Tam (General Manager)
Korea	John J. Park (Vice General Manager)
Malaysia	Eileen Tan Ee Leen (Operation Officer)
China	Sina Wang (China Compliance and Risk Management Manager)
Pakistan	Ali Shan (Compliance Officer)
Philippines	Myra Cabales (Compliance Officer)
Singapore	Kemmy Chua (HR Officer)
Taiwan	Jasmine Lee (HR Director)
Thailand	Pawana Punon (QMS Assistant Manager)
Viet Nam	Han Nguyen (Compliance Officer)

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Argentina	Viviana Rodriguez (Regional Compliance Officer)
Brazil	Erica Missiato (Country Head)
Colombia	Viviana Rodriguez (Regional Compliance Officer)
Guatemala	Rudy Semrau (General Manager)
Mexico	Jaqueline Jimenez (Compliance Officer)
Peru	Viviana Rodriguez (Regional Compliance Officer)

Europe, Middle East and Africa Compliance Officer

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Egypt	Mohamed Ibrahim (General Manager)
France	Benedicte Mayeur (HR Manager)
Germany	Barbara Holeczek (HR Supervisor)
Italy	Barbara Vitale (HR Manager)
Leicester	Maggie Hill (HR Manager)
Mauritius	Oumme Ramjaun (General Manager)
Morocco	Catherine Durand (General Manager)
Poland	Ewa Borcz-Wdowiarska (General Manager)
Portugal	Alice Lima (General Manager)
Romania	Liliana Enache (General Manager)
Russia	Olga Mikhaylova (Head of Certification)
South Africa	Wendy Smout (General Manager)
Turkey	Figen Temiz (HR Manager)