

**Intertek**

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# COMPLIANCE NEWSLETTER



**Issue 8**

September 2013



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**Intertek**

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As always, we share our stories and experience with our clients in this issue.

We share them because we are an industry leader committed to integrity, impartiality and social responsibility. Cherishing and upholding these values constitute an integral part of Intertek's professionalism.

Reading this newsletter, Intertek's clients will acquire a better understanding of the determined and unremitting efforts Intertek has been making in combating industry corruption and unethical competition. Reading this newsletter, clients will better understand how important and imperative for Intertek and its clients to join hands and work together in striving for a clean and healthy industry environment.

We know we have a long way to go before we can do our work perfect. But we are already on the way and are making progress.

### Oliver Zhao

Director of Legal, Compliance and Risk Management Ph.D  
Intertek China

## What's on Intertek's Mind



For a long time, as the world's leading service provider for testing, inspection and auditing, Intertek Group considers integrity as foundation of development and adheres to principles in professional, independent, objective and impartial manner, refuses and punishes all forms of corruption. However, there is inevitably gap between the reality and principle. Currently, corruption behaviors seldom happened and have become a serious problem which severely affects the reputation of the whole industry in the aspect of testing, inspection and auditing service delivered by third party. In reality, some stakeholders of the factories offer or try to offer bribe to Intertek personnel so as to obtain a 'good' report, but also a few Intertek staff solicits for bribe, which seriously damages Intertek's image and reputation as well as interests of clients, even the healthy development of the whole industry. In order to eliminate the problem of corruption, Intertek Group has been committed to the construction of compliance system and implementation, developed strict integrity policy, and its contents, including but not limited to below points:

1. Zero Tolerance policy on bribery and other corruption practices
2. Code of Ethics and Conduct
3. Gifts, hospitality, expenses policy
4. Persistent compliance education for employees, suppliers and other stakeholders
5. Establishment of a compliance hotline for integrity issues
6. Establishment of an independent legal and compliance department to monitor daily operations and employee behaviors
7. Issuance of a Compliance Newsletter' to maintain close communication with customers

Based on the spirit of above regulations and our compliance system, Intertek employees shall not offer, give or accept any form of bribery, including rebates, commissions, royalties and other forms of commissions, not transfer benefit via third party to customers, agents, suppliers, contractors, partners, government employees or stakeholder of foregoing parties, not breach any law, regulation, ethics or company policy in order to meet the requirement of customers. The implementation of these regulations is not only to protect the company, but also the protection of the employees, especially after the UK Bribery Act came into effect in July 2011. This particular act is thought to be one of the most stringent anti-bribery legislations in the world. This act includes: increased efforts to crack down bribery

behaviors, added 'Failure of Commercial Organizations to Prevent Bribery' aiming at strengthening the duty of a company on preventing bribery behavior, reinforced efforts to combat foreign bribery, and aggravated criminal liability for bribery.

In order to effectively safeguard the long-term and fundamental interests of Intertek Group and all employees as well as minimize legal and compliance risk, Intertek China Legal, Compliance and Risk Management Department recommends the following suggestions for all business lines to take into consideration:

1. Working achievement and compliance performance should both be considered during assessment
2. Leaders should set an exemplary role for compliance
3. Emphasis on nurturing a culture of compliance and consider it as a long-term and keystone goal

In addition, Intertek also actively liaise with external professional resources to strengthen the prevention of compliance violations, and the investigation and punishment. Legal, compliance and Risk Management team are actively exploring the internal and external resources to expand the power of powers in fighting various bribery conducts. In the regard of utilizing external resources, Legal, Compliance and Risk Management team has conducted fruitful discussions with a number of top-tier international law firm and domestic law firms and some renowned international and domestic accreditation and investigation agencies on the potentiality of cooperation in the field of bribery prevention and investigation. These external professional agencies will provide Intertek with systematic professional trainings on bribery investigation skills and bribery prevention strategies and tactics. Some of them even will physically participate in the implementation of the daily bribery prevention and investigation measure at Intertek.

Furthermore, Intertek Legal, Compliance and Risk Management Department will strive to promote sound and smooth construction of reporting mechanisms, reinforce surveillance on illegal behaviors and violations, establish independent and efficient investigation mechanisms, put discipline actions into effect, strengthen communication and cooperation with all departments and create legal, compliance, healthy, safe operation environments as well as solid foundation for the long-term development of Intertek China.

## Introduction on Intertek China Legal, Compliance and Risk Management Division

To meet Intertek China's growing needs for professional legal support and reinforce the company's compliance and risk management capabilities, in mid-2013 Intertek China established the Intertek China Legal, Compliance and Risk Management Division ("Legal & CRM"). The division is in charge of all legal, compliance and risk management affairs across Intertek's China-based operations. Establishment of the Legal & CRM division is a demonstration of the resolution of Intertek China's management team to ensure legal and compliant operation in the China market and their commitment to provide prime quality service to clients.

The newly inaugurated Legal & CRM division is founded on the basis of the long-standing Intertek Compliance and Risk Management team (CRM) under the original global divisional structure of the Intertek group. The present new Legal & CRM division is headed by Dr. Oliver (Liang) Zhao who is based at Intertek China's headquarters in Shanghai. Dr. Zhao has over 10 years practicing experience in an international law firm which is headquartered in London as well as in top-tier Chinese law firms with offices in Beijing and Shanghai. He used to work as in-house counsel of two multinational banks. Joining of Dr. Zhao significantly reinforced the strengths of Intertek China's Legal and CRM division, particularly in handling the increasingly complicated legal affairs faced by the fast growing Intertek China while providing the team with a more dedicated leadership and highly professional guidance in daily work and future development.

At the end of July 2013 Legal & CRM formulated a work plan for the second half of Year 2013 and for Year 2014 based on Legal & CRM's prior consultation with various business lines and professional services of Intertek China. The work plan lays emphasis, among others, on areas such as anti-bribery and confidentiality which Intertek's clients are the most often concerned about, on alignment, refinement and detailing of Intertek China's existing compliance policies and on internal trainings that are aimed at enhancing Intertek China's employees' legal awareness and risk identification and management skills. Among the above-mentioned contemplated jobs, Legal & CRM will attach top priority to the combat against bribery. In this regard, on the one hand Legal & CRM will continue its iron-fist implementation of Intertek's strict anti-bribery policies by diligently investigating into potential bribery cases and closely pursuing the

suspicious personnel, on the other hand Legal & CRM will proactively explore both internal and external resources to expand its powers in fighting various bribery conducts. In the regard of utilizing external resources, by late August 2013 Legal & CRM has conducted fruitful discussions with a number of top-tier international law firm and domestic law firms and some renowned international and domestic accreditation and investigation agencies on the potentiality of cooperation in the field of bribery prevention and investigation. Pursuant to the preliminary agreement reached at the discussions, as the first step of collaboration these external professional agencies will provide Intertek China with systematic professional trainings on bribery investigation skills and bribery prevention strategies and tactics. Some of them even will physically participate in the implementation of the daily bribery prevention and investigation measure at Intertek China. It can be anticipated that during the course of that Legal & CRM will play a pivotal role in aligning and coordinating these external resources.

As another major aspect of the responsibilities charged to Legal & CRM, legal work will also be effectively strengthened by Legal and CRM in the forthcoming year. In this regard, nonetheless, apart from routine legal works such as contract review and dispute resolution, Legal & CRM will assign substantial resources to the Compliance & Risk Management team to assist it fulfilling the daily anti-bribery responsibilities. In the foreseeable future, this will remain a sustained strategy of Legal & CRM, given the particular characteristics of the business in which Intertek is engaged and the peculiar business environment in which Intertek China is operating.

To sum up, with the formal establishment of the Legal & CRM division and injection of new blood in to its team, Intertek China has set out into a new phase of healthy development and wholesome expansion in the China market. In retrospect of the remarkable achievements that Intertek has made in the China market over the past years when a CRM team grew from scratch to maturity, one has every reason to believe that it will not be long before Intertek China can attain a much greater height and accomplishment in China, a land never short of opportunities and surprises.

## Intertek Integrity Messaging Triangle



Being a third party service provider for Inspection and Auditing, Compliance, Trust & Integrity are critical components of Intertek's brand equity. As such, we do not tolerate behavior that breaches our existing Integrity Compliance Policy.

Within Intertek, we operate an Integrity Program that educates and monitors both our employees and the facilities in which we execute our services. Every department in our Inspection and Auditing Division takes responsibility to guarantee the implementation of the program via Telephone Audits, Facility Visits and On-site Integrity Audits. Our independent Legal, Compliance and Risk Management team are divorced from these

daily operations just mentioned. With independent reporting channels in place, we can ensure impartiality and confidentiality in handling integrity reports, complaints or enquiries.

At Intertek we regard a facilitator, a receiver and a giver of a bribe or benefit equally responsible through association of such transaction. As such, bribery and integrity issues must be managed by all parties throughout the supply chain. Therefore we strongly recommend and hope our clients and their respective vendors and suppliers get to know, familiarize them with, and cooperate with our policy and procedures in order to work together for a trustworthy environment.

## Intertek Integrity Messaging Triangle

### INTEGRITY POLICY

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



### PRE-CONDITION RULES

1. Employee Screened&Trained
2. Givers and takers both responsible
3. Facilities 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

### TOOLS FOR IMPLEMENTATION

1. Intertek Integrity Golden Rules - Actively communicated to all parties
2. Independent legal&compliance team divorced from operations
3. Intertek has Key Tool, SOP's&Dedicated team to manage Integrity
  - Facility Integrity Acknowledgment/Declaration Forms, Telephone Audits&Facility Visit
  - Unannounced Integrity Audits&Mystery Audits
  - Integrity Compliance Handling Process&Statistical Analysis
  - Employee Integrity Declaration Form

## Intertek Statistics and Employee List

### Intertek Integrity Statistics (Year 2009 to July 2013)

	Year 2009	Year 2010	Year 2011	Year 2012	Jan-Jul 2013
Telephone Audit Conducted	10864	16239	13298	8517	5949
On-site Integrity Facility Visit Conducted	742	1634	1072	1213	724
On-site Unaccounted Integrity Facility Visit Conducted	418	527	264	393	338
Mystery Audits Conducted	98	259	182	173	112
Attempted Bribery Case Reported by Inspectors/Auditors	480	606	552	926	332
Integrity Complaints Received	102	137	107	140	118
Integrity Complaints Related to Consultant Companies Received	10	37	27	32	33
Investigation Done related to Consultant Companies	10	37	27	32	33
Consultant Companies Being Investigated	8	17	19	26	33
Lawyer Letters Issued to Consultant Companies	7	15	5	10	10
Consultant Company Case Reported to Local Authorities	6	11	2	1	2
Employees Terminated Due to Integrity Issues	15	11	11	5	7
Employees Self-constituted Resigned Due to Integrity Issues	4	9	1	6	0

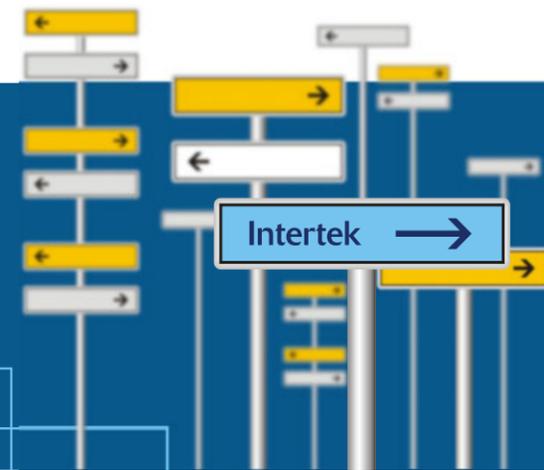
### Intertek(China) has terminated the employment of the below staff

Name	Division	Title	Location
Lin Wencan	Inspection	Senior Engineer	Shenzhen
Yu Yaohua	Inspection	Inspector	Dongguan
Luo Peiyi	Inspection	Inspector	Shenzhen
Ou Anpeng	Supplier Management	Assistant Supervisor	Shenzhen
Li Guozhong	Inspection	Engineer	Shenzhen
Tang Weiwei	Inspection	Inspector	Shenzhen
Wu Manliang	Inspection	Assistant Engineer	Dongguan
Qiu Lihua	Inspection	Inspector	Dongguan
Xiao Tianhua	Inspection	Assistant Engineer	Fujian

Please Note: Above information indicates only that personnel listed above are no longer employed or in an employment relationship with the Intertek, no other deduction or judgment should be dictated based on such information.

## Daily Operations: Integrity and Impartial Decision

MM MURSHED, Compliance Manager of Intertek Bangladesh



## Exploration of Risk in a Consultant's Services

In the modern world, it is difficult to maintain neutral or impartial decision making without having "Integrity" in our daily life. Integrity is one of the core elements of how a group or an individual functions. Therefore let us try to define and look at what Integrity is.

The word Integrity has its origin from the 15th century Latin word "integritas". In the English language that has developed to a meaning of "blamelessness". It though carries several meanings, such as free from corruption and bribery, full transparency, strict adherence to moral values and principles, uprightness, quality or state of being whole and unpaired.

According to the Transparency International (TI), the definition of Integrity is, "Behaviors and actions consistent with a set of moral or ethical principles and standards, embraced by individuals as well as institutions that create a barrier to corruption."

According to Wal-Mart's Gifts and Gratuities ("G&G") policy, Integrity is defined as "Strength of character or honesty". Albert Einstein said the following about Integrity "Try not to become a man of success, but rather try to become a man of values."

Indeed, if and when Integrity increases the values in our life, should we not maintain high integrity levels in both our personal and professional life? To do so would help us to achieve a higher and more rewarding existence.

Let us look at the quote from the 2ndUN Secretary General Mr. Dag Hammarskjöld who made a comment about impartiality/ neutrality with references to Integrity. "It may be true that in very deep, human sense there is no, neutral individuals, because, everyone, if he is worth anything, has to have his ideas and ideas, things which are dear to him, and so on. But what I do claim is that even a man who is in that sense not neutral can very well undertake and carry out through neutral actions, because that is an act of integrity. That is to say I would say, there is no neutral man, but there is, if you have

integrity, neutral action by the right kind of man. And "neutrality" may develop, after all in to kind of jeu de mots." Indeed, impartiality or neutrality depends on the integrity of a person. If we maintain strong integrity, then most likely we will be able to make impartial decisions. Intertek being a world leading service provider for testing, inspection and auditing always emphasizes Integrity.

Intertek ingrained "Integrity" in the 1st column of their Intertek Compliance Principles. According to Intertek Code, Intertek shall operate in a professional, independent and impartial manner in all its activities. Intertek shall carry out its work honestly and shall not tolerate any deviation from approved methods and procedures. Where approved test methods make provision for the tolerances in results, Intertek shall ensure that such tolerances are not abused nor damage the validity of the actual test findings.

Intertek shall report data, test result and other material facts in good faith and shall not improperly change them, and shall only issue reports and certificates that correctly present the actual findings, professional opinions or results obtained. This can be seen in e.g. internal instruction not to improperly change any data, test results, inspections or audits. A very common instruction in most organizations, but I would like to point out that frequently we receive feedback from our factories/ clients that Intertek inspectors/auditors are very strict (rigid) in their decisions. Albeit it seems as a complaint against our inspectors /auditors, we feel that being a third party service organization, it is required from us to rigidly make our decision, naturally based on Integrity. Not just proclaiming of having instructions, but rigidly also following the internal instruction. We feel strongly that this way of working will ultimately be at the benefit of our contract customer, as well as the producers that we work with. Our strict actions will also ease the way for the industry as a whole to become a better and more responsible one.

It should be noted that based on TI's report,

Bangladesh ranks 12th amongst the most corrupt countries. In Intertek we believe that due to our strict compliance policies and procedures, we are making huge efforts to not only minimize bribery and corruption in the service provider industry but also in the entire global supply chain. Specifically in Bangladesh, we have received acknowledgement by manufacturers, local agents, as well as customer representatives that are rigid way of working has resulted in meaningful improvements of quality among the areas garment factories.

Intertek management and especially our CRM (Compliance and Risk Management) division always work relentlessly to manage and ensure adherence to the Integrity principles. In fact, Intertek has already taken numbers of proactive measures to implement and maintain Integrity in our daily operations including:

- Zero Tolerance Policy
- Anti Bribery Policy
- Code of Ethics
- Integrity Principals
- Compliance hotline open to all customers/clients/factories and suppliers
- Continuous teaching, training and refreshment courses about Integrity
- Complaint Hot line
- Independent compliance department to strictly monitor the operations
- Integrity Compliance handling procedures for onsite inspections and audits

It should be noted that Intertek, as a third party service provider, maintains a continuous vigilance and vigorous follow up of having Integrity throughout the whole organization. Our goal is to satisfy and exceed the expectations of our customers, in all areas, including Integrity. With such rigid procedures in place, Intertek aims to help protect the brands and reputations of its customers across the world.

At the same time Intertek is actively contributing to reduce bribery and corruption practices in countries where Intertek operates.

Recently, Intertek was approached by an informant claiming that there had been a lot of factory documents which might be forged. They also sent us mails attached with huge amounts of information related. Having received the feedback, Intertek started to look into the case and found that the senders were all from representatives of the same consultancy company. After a series of communications, the facilities related also admitted that they had employed the consultancy company who forged documents to help them pass the audit. Considering that the number of these cases is growing rapidly, Intertek decided it's necessary to explore several kinds of latent risks existing in the cooperation between the consultancy company and the facility.

### 1. Poor Quality of the Consultancy Services

To obtain the trust of the facility, some consultancy companies might overstate the effect of their services with examples such as "passing the audit 100% of the time", "one-time pass any other audit without any reformation". The audit procedure of Intertek is that Intertek will send the auditor to the facility after receiving the assignment from the client, and then the auditor will issue the on-site report in accordance with the actual situation. Based on the on-site report, Intertek will issue the formal report to the client including the score/result within the specified working days. The whole audit is operated strictly according to the procedure. In another words, the audit result depends on the facilities' factual circumstance(s). Therefore, any promise upfront by a consultancy company that guarantees 100% passing rate or similar is probably a promise based on unreliable and inaccurate results.

### 2. Illegal Practice

Further to point 1 listed above, some consultancy companies might tell the facilities that they could get the information for the unannounced audit from their so-called "Interpersonal Relationship", or they may be "warm-hearted" to provide the "mould" of these documents which are essential but the facilities actually lack. These consulting companies might even be willing to help the facilities forge all kinds of documents in order to pass the audit.

In the article 58 of < GENERAL PRINCIPLES OF THE CIVIL

LAW> of PRC, it is recorded that "...Civil acts in the following categories shall be null and void: those that performed through malicious collusion are detrimental to the interest of the state, a collective or a third party.....".

In accordance with the article 58, the behaviors above are defined as "null activity" in the civil law from the start. The article in the consultant service contract which damaged the benefit of Intertek and clients has no legal force from the beginning. Intertek and clients may not only reserve right to sue the facility for the civil legal liability, but also advise the related administrative organization to punish (such as charactering common stamps or forging official documents). The facility's behavior will be seen as an integrity problem and it will be delisted from the production order cooperation.

### 3. Mass Information Leakage from Facility

Some facilities could accidentally leak confidential information to a consulting company they should have instead kept confidential. Intertek has seen many cases previously where this has unfortunately happened and had negative consequences. Other facilities with law consciousness may not only require the consultancy company to keep the information strictly confidential in the consult service contract but also supervise them on how to use the information by methods such as for instance notifying and reporting the use to the facilities and returning the info to the facilities within the time limit specified.

The purpose of the audit is to evaluate the facilities in an objective position and select the qualified facility for the client and which would be ultimately beneficial to both sides. It's normal that many facilities are not in accordance with the audit requirement as an internal standard could be quite different from an overseas one. Employing a consultancy company can be risky. Intertek encourages facilities to arrange their internal department to prepare for and enquire Intertek and our client in a proper way. Do not be credulous and bring unnecessary monetary loss and property damaged from the consultant company onto yourself and your company. Take the necessary precautionary steps needed.

## Consultancy Companies' Suspected Misleading Promotion of Intertek Brand



Intertek has learnt from many clients and their respective facilities and traders that various consultant companies have continued to promote false information of a perceived relationship between us (i.e. Intertek) and them (i.e. these consultant companies in question), or they are claiming to be an agent of Intertek for testing through emails, telephone and the web. Intertek conducted a thorough investigation into these cases and applied improved safeguards for audit data systems to prevent embezzlement of audit information by unapproved personnel or other consultants. The primary case the following:

Name of Consulting Company	Website of Consulting Company	Action taken by Intertek	Follow-up status
Shenzhen Qi Yu Tong Corporation Management Consulting Co., Ltd.	<a href="http://www.qytcc.com">http://www.qytcc.com</a>	<p>The Intertek's client and factory feedback that the consulting company sent email to them claiming that they could obtain audit data and auditor arrangement before the Intertek announced the audit information to help the factory pass the audit all at once. After an internal investigation, there was no suspicious breach of confidentiality found and no connection between Intertek and this consulting company.</p> <p>After checking the registration record of Shenzhen Qi Yu Tong Corporation Management Consulting Co.,Ltd. It was found that the legal representative are 邱良佳, the same as the legal representative of another consultant company previously investigated by Intertek named Shenzhen Jiu Jiu Taifeng Management Consulting Co.,Ltd. (aka TSV Consulting Co., Ltd.) who had promised the similar false promotion.</p> <p>For the suspected false promotion by the consultation company, CRM reported Shenzhen Enterprises Reputation Through Enterprise Management Consulting Co.,Ltd. to the Local Market Supervision Administration.</p>	Now the Administration for Industry&Commerce is investigating the company.
Dongguan Zhi Zao Corporation Management Consulting Co., Ltd.	<a href="http://www.vma.hk">www.vma.hk</a>	<p>The Intertek's client and factory feedback that the consulting company sent email to them claiming that they could obtain audit data and auditor arrangement before the Intertek announced the audit information to help the factory pass the audit. After internal investigation, there was no suspicious breach of confidentiality found and no connection with this consulting company.</p> <p>CRM reported Shenzhen Enterprises Reputation Through Enterprise Management Consulting Co.,Ltd. to the Local Market Supervision Administration.</p>	Now the Local Market Supervision Administration is investigating the company.

Name of Consulting Company	Website of Consulting Company	Action taken by Intertek	Follow-up status
Hangzhou Jiahao Company Management Co., Ltd.	<a href="http://www.jiehaocr.com">www.jiehaocr.com</a>	For the unauthorized use of the Intertek brand on its website, Intertek issued legal documentation to the company as a warning.	Now the Intertek logo has been removed from the consultant's website.
Guangzhou Shi Zheng Yue Zheng Xiang Corporation Management Consulting Co., Ltd.	<a href="http://www.huayezhengxiang.cn/">http://www.huayezhengxiang.cn/</a>	<p>The Intertek's client and factory feedback via email that the consulting company sent them email claiming that claiming they had long term good relationship with audit firms including Intertek and could guarantee pass result. Intertek conducted an internal investigation and found no connection with this company.</p> <p>For the suspected false promotion by the consultation company, CRM reported Shenzhen Enterprises Reputation Through Enterprise Management Consulting Co., Ltd. to the Local Market Supervision Administration.</p>	The Local Administration for Industry and Commerce has filed the case and visited Guangzhou Shi Zheng Yue Zheng Xiang Corporation Management Consulting Co., Ltd. It was found that the company's promotional material was suspected of false promotion. The authority urged the company to take corrective action to stop the false promotion.
Dong Guan City Bi Wei Business Consulting Co., Ltd.		<p>Mr. Long Xin Zhong from Dong Guan City Bi Wei Business Consulting Co., Ltd. claimed that it would cost RMB1800 yuan to buy all Intertek unannounced audit information except for ICTI. Intertek conducted an internal investigation and found that it has no connection with this company.</p> <p>For the false promotion by the consultation company, CRM reported Dong Guan City Bi Wei Business Consulting Co., Ltd. to the Local Market Supervision Administration.</p>	Now the Local Market Supervision Administration is investigating the company.
Acco Compliance Services Co., Ltd.	<a href="http://www.acco-compliance.com/zh_cn/index.htm">http://www.acco-compliance.com/zh_cn/index.htm</a>	<p>The Intertek's client and factory feedback via email that the consulting company sent them email claiming that claiming they had long term good relationship with audit firms including Intertek and could guarantee pass result. The consulting company also claimed they were consultant service partners of BSCI.</p> <p>Intertek conducted an investigation and found the consulting company claimed to have six branches in China, but the related Local Administration for Industry and Commerce and Local Market Supervision Administration had no any registration record of this company.</p> <p>For the suspected false promotion by the consultation company, CRM reported Dong Guan City Bi Wei Business Consulting Co., Ltd. to the Local Market Supervision Administration.</p>	<p>The Local Administration for Industry and Commerce has filed the case and found that there was no registration record of this consulting company. The location of this company in the BSCI website was belonging to another lawful operating company.</p> <p>Now the consulting company has removed the false promotion that they had a long term and positive relationship with auditing firms including Intertek and could guarantee a pass result. The consulting company also issued the apology letter to Intertek and clarification email to the related client.</p>
Dongguan Shi Rui Enterprise Corporation Management Consulting Co., Ltd.	<a href="http://www.sruis.com">www.sruis.com</a>	<p>The Intertek's client and factory feedback via email that the consulting company sent them email claiming they treated Intertek as the business partner. The consulting company used the Intertek brand on its website with no authorization prior from Intertek.</p> <p>For the suspected false promotion by the consultation company, CRM reported to Dongguan Shi Rui Enterprise Corporation Management Consulting Co., Ltd. to the Local Market Supervision Administration.</p>	Now the Administration for Industry&Commerce is investigating the company.

# Announcement Fake Promotion from Consultancy Company



Many consultancy companies claim that Intertek collaborated with them to guarantee passing or favorable results whereby they have a good relationship with Intertek on their website or through email and telephone to mislead client/supplier/facility, to demonstrate an illegitimate benefit. This fake and inaccurate promotion not only brings negative impact on Intertek's reputation but also can result in huge potential damage to the business of both client/supplier/facility and Intertek. Recently, a client asked Intertek "Whether Intertek brings notification to the applicant that Intertek does not enter into cooperation agreements with consultancy companies". With positive answer to client, Intertek would like to make an official announcement to the relevant parties involved that Intertek does not enter into cooperation agreements with consultancy companies.

In order to combat this fake promotion by consultancy companies, protect Intertek's brand and reputation, prevent client/supplier/facilities from being trapped by this faked promotion, Intertek constantly authorizes relevant documents, promotes work procedures, and reinforces publicly the position that Intertek China does not have any cooperative relationship (including without limitation sub-contracting, partnership, authorisation, agency, consulting, liaison) with any organization or individual person in the area of social compliance audit or in any related audit area.

### ► Confirmation Letter

After the audit application from client/supplier/facility was conducted, the confirmation letter would be issued per procedure to the applicant. Intertek would like to remind the relevant party that Intertek does not enter into cooperation agreements with consultancy companies in the area of social compliance auditing or other standards whereby Intertek collaborates to guarantee pass or favorable results. Any such collusion is a violation of company policy and a conflict of interest. Intertek have never granted any authorization to consultancy companies to introduce clients on our behalf and have never authorized consulting companies such as these mentioned to issue the Intertek name, brand or certifications.

### ► Intertek Facility Integrity Acknowledgement

The Intertek Facility Integrity Acknowledgement is a key tool for Intertek to communicate Intertek's integrity policy with facilities. This document clarifies Intertek's police on integrity as well as reminds facilities to directly confirm with Intertek

whether they were contacted by a consultant or used a consultant claiming to be affiliated with Intertek and demand for reporting to Intertek for investigation is presented if any misleading promotions were found released by consultancy companies. Intertek Facility Integrity Acknowledgement is issued to a facility every time before an Intertek employee executes an audit service. The facility is required to sign it for proof of agreement and acknowledgement that the facility has understood the contents, spirit and intent of the Intertek procedure on Integrity and reported in a timely manner any consultancy company issues.

### ► Remedies

No support would be given from Intertek if a client/supplier/facility accepted the consultancy company service. If related parties were utilized with fake promotion out of diligence or were coached by the consultancy company, Intertek here reminds relevant parties of taking the means below to deal with the situation:

1. Clearly understand that Intertek does not enter into cooperation agreements with consultancy companies or support their services.
2. Do not believe any promotion that Intertek collaborates to guarantee pass or favorable results whereby a consultancy company has good relationship with Intertek
3. Do not fear the intimidation from Consultancy Company or effect on dispensable payment.
4. Please directly get in touch with an Intertek Compliance Officer immediately at +86-755-26020514, or email sina.wang@intertek.com. Intertek will take action in the form of investigation and legitimate measures to protect relevant parties' rights if necessary.

Besides drawing the attention of all parties, Intertek continues to take measures to strengthen the audit information system of safety management in order to prevent audit information theft by any unauthorized parties. Intertek strongly calls for relevant parties such as a client/supplier/facility to be careful with consultancy companies and work together with Intertek to combat fake promotion, in order to protect your own interests, maintain an orderly environment of the testing&certification industry and promote the healthy development this industry.

# Intertek Integrity Compliance Handing Procedure (Special Feature)

## ---Meals/Transportation Policy

The Intertek Factory Integrity Acknowledgment/Intertek Factory Declaration Form is a key tool for Intertek to communicate our integrity policy with factories, also it is an important bridge for Intertek to increase transparency with the client. However, Legal & Compliance Risk Management found that some factories did not feedback all the information required of the inspector/auditor on the Intertek Factory Declaration Form in the daily work section, which not only obstructs the ability for Intertek to communicate our integrity with a factory, but also conduces to corruption.

According to the traditions of China, the public feel that providing meals and transportation is essential and a good way to show enthusiasm. However, if we did not mind the meals and transportations strictly, the meal and transportation will evolve to be bribery in a disguised form, which is forbidden by the clients. Per the procedure, the factories also ought to accept the meal and transportation fees paid by the inspector and auditor even if in the special circumstances (the terrible weather, the remote location etc.) As is known to all.

Nowadays China government is taking measures to adjust the performance of the party, including the call off of the unreasonable expenditure of the catering and the membership of high-class clubs. They even include the banning of lucky money for the first day work. Following the development of society and perfecting the Intertek Integrity Compliance Handing Procedure, Legal & CRM decided to take measures to enhance the meal and transportation's supervision and management. An important measure is to adjust the meal and transportation's declaration in the Intertek Factory Declaration Form.

From the new version of the Intertek Factory Declaration Form, Intertek lists the detailed situation of the meal and transportation declaration including the pay/accept fee between the factories and inspector/auditor(s). This measure not only can offer distinct guidance to the factory, but it also plays a more effective role on regulating the integrity behavior of the inspector/auditor and factory. Intertek hopes the related factories comply with the requirement of the client strictly, sign the Intertek Factory Declaration Form faithfully and communicate with the client and Intertek frankly. Integrity, compliance, equity are the business reputation and expansive assets of Intertek. Also, Intertek calls on the factories to feed back the true compliance behavior of the Intertek staff.



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(Intertek Compliance Hotline: This section is kept by facility)  
For the purpose of seeking clarification, providing comments or reporting Integrity issues please use the Intertek Compliance Hotline contact details below.

Sina Wang  
Compliance Officer, Intertek China  
Direct line: (+86 755) 2602-0676  
Email address: compliance.csrinsp@intertek.com



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## Facility Integrity Declaration Form

Inspector(s) / auditor(s) Name:  
Inspection/Audit Date:  
Facility Name:  
Job No. :

**Intertek Facility Integrity Declaration Form** is one tool to collect feedback from facility for Intertek employee's integrity performance on-site. The form shall be submitted to the facility representative every time after an inspection or audit was conducted before inspectors/auditor's departure. The facility representative shall read, understand and **honestly declare the FACTS** in the form.

Section	Please declare if benefits offered ✓	Yes	No	Explain details of benefit and/or relevant payment situation
A	Meals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Self-arranged the meal <input type="checkbox"/> Ate at facility canteen / shop <input type="checkbox"/> Facility helped to order snack <input type="checkbox"/> Have had meal at outside restaurant with facility <input type="checkbox"/> Others, details are _____ <input type="checkbox"/> Paid_____(RMB) to facility but was refused. <input type="checkbox"/> Facility accepted the payment_____(RMB) <input type="checkbox"/> Did not pay for the meal.
B	Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Self-arranged the transportation. <input type="checkbox"/> Facility provided the transportation: <input type="checkbox"/> Inbound trip: from_____ to_____ <input type="checkbox"/> Outbound trip: from_____ to_____ <input type="checkbox"/> Paid_____(RMB) to facility but was refused. <input type="checkbox"/> Facility accepted the payment_____(RMB) <input type="checkbox"/> Did not pay for the meal.
C	Accommodation	<input type="checkbox"/>	<input type="checkbox"/>	
D	Money	<input type="checkbox"/>	<input type="checkbox"/>	
E	Gifts	<input type="checkbox"/>	<input type="checkbox"/>	
F	Benefits/Favours	<input type="checkbox"/>	<input type="checkbox"/>	

We acknowledged our well understanding about the purpose of **<Intertek Facility Integrity Declaration Form>** and our responsibility to feedback the FACTS via the form. We sign our name with company stamp in the space provided below to ensure above declaration contents are exactly adhere to FACTS.

\_\_\_\_\_  
Print name/Title

\_\_\_\_\_  
Signature/Time

\_\_\_\_\_  
Office Phone Number/Cell Phone Number

\_\_\_\_\_  
Company Stamp

## Intertek Integrity Compliancy Handing Procedure (Special Feature)

---Definition of 'Non-Integrity'

Compliance to Intertek's Integrity Policy is the responsibility of everyone in the supply chain. Intertek not only pays attention to the unhealthy practices of giving and/or taking bribe in the quality technical services industry, but also constructs a complete anti-bribery and integrity system to prevent corruption as best as Intertek can. Intertek has been committed to working together with clients, suppliers and factories to build an equitable and uncorrupted market environment.

At Intertek we regard a facilitator, a receiver and a giver of a bribe or benefit equally guilty through association of such transaction. Intertek employees MUST never collude, demand, request or be involved in a facilitation payment, bribe, gift or benefit. Factories are also forbidden to offer any bribe or benefit to Intertek employees. Intertek will report cases of attempted bribery case. Any loss, if caused, will be bear by the factory and related parties.

Considering the complexities of daily business activities and Chinese custom, Intertek thought it necessary to provide a definition attempted bribery. The attempted bribery is defined but not limited to:

- Clients, suppliers, factories and any parties related to the Intertek's business in conducting Intertek's business trying to offer enclosed in an envelope or any other object to be considered concealed to the naked eye something different than the actual work required and performed;
- Clients, suppliers, factories and any parties related to the Intertek's business in conducting Intertek's business trying to offer money, securities, amusement bill, merchandise discount;
- Clients, suppliers, factories and any parties related to the

Intertek's business in conducting Intertek's business trying to offer any promises (verbal or written) which are not related to the work, such as transportation, meals, hard-working pay, call-back pay, beverage costs, oil fee and so on;

- Clients, suppliers, factories and any parties related to the Intertek's business in conducting Intertek's business trying to offer any kind of the product samples, promotions and souvenirs;
- Clients, suppliers, factories and any parties related to the Intertek's business in conducting Intertek's business trying to offer a festival gift including the Mooncakes, Mooncakes coupons, Li Shi Feng and so on, festival food, festival souvenirs, "Lishi" which is a red pocket with money during Chinese Luna New Year or wedding breakfast;
- Clients, suppliers, factories and any parties related to the Intertek's business trying to offer goods, bills and hospitality which are not related to the work directly. ect.

Intertek defines attempted bribery so strictly and detailed in order to avoid any possibility of bribery happening. If related parties understand the definition of attempted bribery clearly, they have a better chance of not accidentally violating it. Meanwhile, Intertek calls on everyone in the supply chain to reach consensus with us that (while Intertek employees comply with strict ethical and integrity standards) the parties related to Intertek's business shall take action to establish their own integrity system and code of conduct. Also, all internal employees shall be trained and guided not to offer or imply to offer any benefit to Intertek employees. Intertek is willing to work together with the parties related to build an equitable and uncorrupted business environment.



## Case Sharing---One Company's Breach of the Intertek Brand

On 11 Apr 2013, a client forwarded Intertek an email sent by a Testing Company, in which one guy named Xiao Fei from this Testing Company's marketing department told the client that the system verification qualification of Intertek were cancelled by a related government bureau in March 2013. In September, the client offered Intertek the original email form this Testing Company and the other affiliated documentations including the CNCA Approval of QMS&EMS, Introduction of one Groups Uniform, Cancellation of Moody Qualifications, Cancellation of Intertek Qualifications.

After receiving the email from client, the fake promotional email and all affiliated documentation, Intertek indicated emphatically that the malicious description in the promotion email from this Testing Company was fictional, fabricated and distorted facts completely, was unfair marketing activity and illegal. The reputation of Intertek was in great risk of being damaged by this fake promotion email. At the same time, some documents sent to the client by the Testing Company mentioned were internal documents of the Intertek Group. The Testing Company obtained such documentation illegally and disclosed Intertek internal documents to other parties in order to capture the existing customers of Intertek. In response, Intertek asked the Testing Company to take effective and immediate (within three days to complete) measures to eradicate the negative influence on Intertek unjustly caused by the fake promotion conducted by its employees. Meanwhile, Intertek also rose the below two claims,

1. Clarifying the fact to all clients of the Intertek group who had received the faked promotion emails. Posting a letter of apology to the Intertek group as well as promising no further false promotion would happen again.
2. Punishment must be conducted to Xiao Fei who issued the false promotional email.

After issuing the lawyer letter, Intertek received the reply letter from the Testing Company soon claiming they were investigating the relevant matter and promising they would require the related employee to stop the misconduct and take the other efficient measures according to the Chinese laws and regulations as well as in accordance with the rules and regulations of the company if their staff had in fact conducted unfair competitive action.

The written reply was received from the company on 9 May 2013, in which the company apologized to Intertek and claimed that the faked information disclosure was the work of one employee's misconduct. The company promised to stop the employee's fake marketing publicity, conduct strict punishment on the employee and compel the employee to send email clarifying the facts as well as eliminating the bad influence to clients who had ever received the same email. However, Intertek was concerned no initial evidence was submitted to confirm whether the promise was achieved or not. In order to protect Intertek's legitimate rights, a legal letter was sent again to push the company to provide relevant evidence of its promise.

Written reply with relevant evidentiary material was received again on 22 May 2013, which stated that the company had immediately launched the appropriate processing procedure. The employee was dismissed and before the employee's departure, emails were sent to relevant clients in order to clarify the facts and eliminate bad influence.

Intertek respects and obeys the principles of fair competition. At the same time, Intertek would like to appeal for all relevant parties to work together with Intertek to fight for reasonable and regulated professional ethics, so as to build up the fair and justice image of the testing & certification industry



# Contact Point for Integrity/Ethics Management

Intertek Legal and Compliance has been globally established and operates efficiently in every country and region; This department is led, monitored and audited independently by Intertek headquarters located in London. A compliance hotline is open for complainants related to integrity issues and managed by an independent Legal and Compliance team. Clients, suppliers and facilities can access this hotline at any time to report bribery issues in which Intertek then assigns an independent team to handle/attend to accordingly for each issue.

## Intertek Group Head of Legal and Compliance

Dan Williams  
 Compliance.hotline@intertek.com

### Asia-Pacific

Bangladesh	M. M. Murshed	Compliance Manager
Cambodia	Vicheka Bunthan	HR Executive
Hong Kong	Wallace Ho	Compliance and Quality Assurance Manager
India	Surekha Nair	Sr. Manager-HR & Compliance
	Narayan Borade	Compliance and Quality Assurance Manager
Indonesia	Iman Awaludin	Compliance Officer
Korea	John J. Park	Vice General Manager
Malaysia	Eileen Tan Ee Leen	Eileen Tan Ee Leen
China	Sina Wang	Senior Manager, Legal and Compliance
Pakistan	Ali Shan	Country HR Manager and Compliance Officer
Philippines	Myra Cabales	Compliance Officer
Singapore	Kemmy Chua	HR Specialists
Taiwan	Jasmine Lee	HR Director
Thailand	Pawana Punon	Quality Assurance Manager
Viet Nam	Han Nguyen	Compliance Officer

### North America

Q VanBenschoten (Compliance Officer)  
 q.vanbenschoten@intertek.com

### Europe, Middle East and Africa

Helen Davies / Ed Crowe / David Church  
 (Risk and Compliance Officers for EMEA)

Egypt	Mohamed Ibrahim	General Manager
	Ayman Khalil	Quality Manager
France	Benedicte Mayeur	Human Resource Manager
Germany	Jürgen Lachmann	Human Resource Director
Italy	Barbara Vitale	Human Resource Manager
Leicester	Maggie Hill	Human Resource Manager
Mauritius	Oumme Ramjaun	General Manager
Morocco	Catherine Durand	General Manager
Poland	Ewa Borcz-Wdowiarska	General Manager
Portugal	Alice Lima	General Manager
Rumania	Liliana Enache	General Manager
Russia	Victor Chuyakov	General Director
	Konstantin Dmitriev	
South Africa	Wendy Smout	Laboratory Manager
Turkey	Figen Temiz	Human Resource Manager

### Latin America

Brazil	Aline Savarese	Quality Assurance and Compliance Officer
Colombia	Viviana Rodriguez	General Manager
Guatemala	Edgar Hernandez	Compliance Officer
Mexico	Jaqueline Jimenez	Compliance Officer
Peru	Viviana Rodriguez	General Manager