

SUPPLY CHAIN VERIFICATION SERVICES


# MANAGING SUPPLY CHAIN RISK & PERFORMANCE



**intertek**  
Total Quality. Assured.

# The low visibility of complex supply chains can create blind spots for buyers

With today's regulatory conditions and consumer expectations, buyers need to understand and control the quality of products being imported. Transparent information is essential to manage risk and ensure compliance with safety, security, social and environmental standards. Without real transparency in all supply chains, uncontrolled risks can result in claims, product recalls and loss of goodwill and brand reputation.



Our globalized world is complex and often unclear. The growth in international trade has exploded—and with it, globalization. As world trade escalates, it generates complex supply chains and, in turn, significant levels of risk.

Both buyers and suppliers have to clear major supply-chain hurdles as a prerequisite to bring goods successfully to market.

To achieve this, Intertek offers the next generation in supplier management services:

- Cost controls
- Performance measures
- Risk and reputation management
- Results communication
- Improvement of compliance performance vs. industry benchmarks

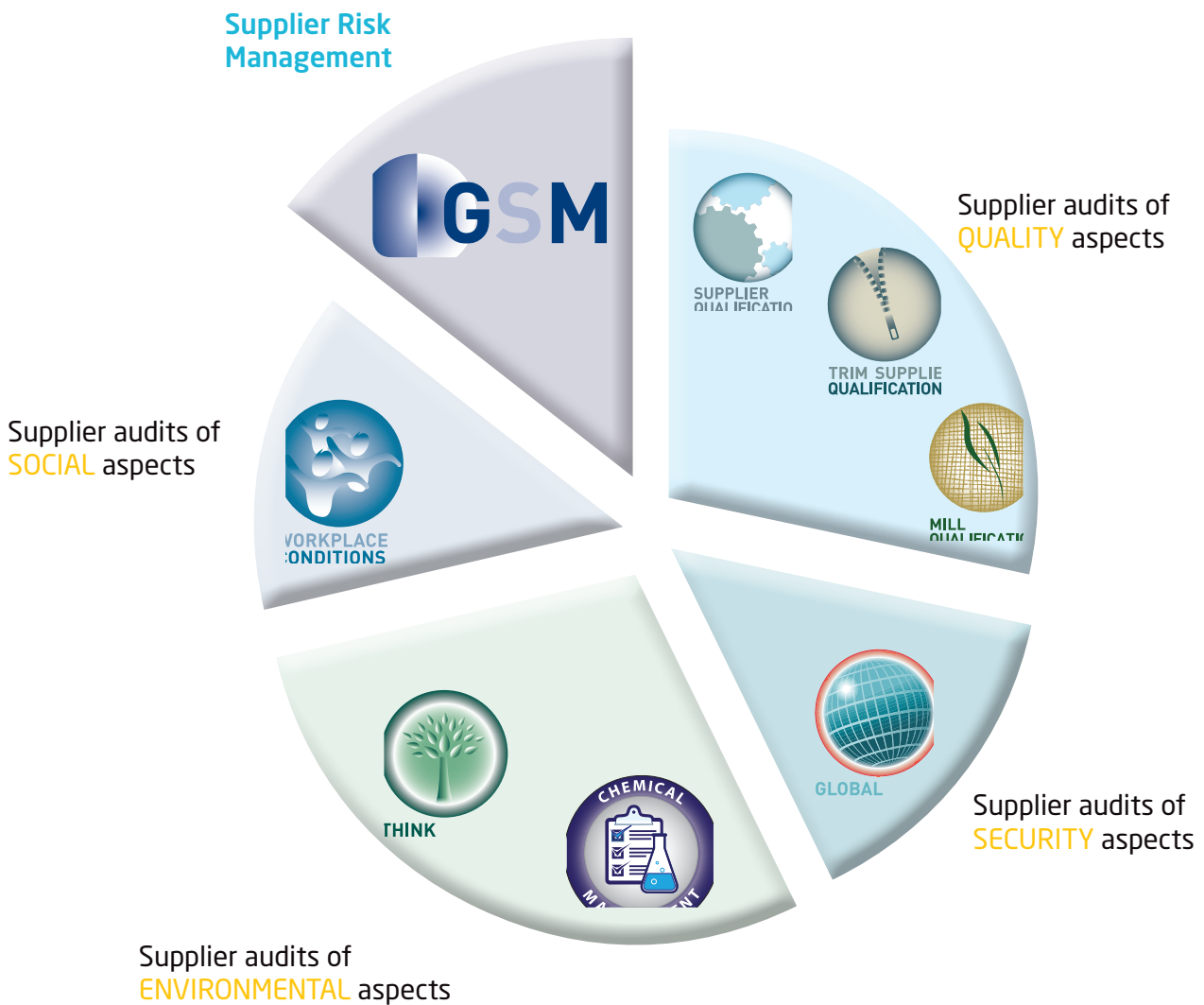
# Managing risk and performance in supply chains

## Our tools for more success

Intertek has developed a series of cost-effective risk-based assessment tools and audit solutions for buyers and suppliers seeking to improve their compliance with widely accepted industry standards and best practices. The current codes and

reference standards have been extensively researched and developed in collaboration with the world's leading consumer brands and retailers.

Our full range of supplier management and audit tools allows buyers and suppliers to map risks and demonstrate compliance in supply chains with greater visibility and transparency.





# Global Supplier Management

Don't get lost.  
Enhance visibility and  
manage risk.

At Intertek we have developed the Global Supplier Management (GSM) system to help companies better manage their supply chain. Through a winning combination of people expertise and process support, we provide cost effective solutions for supplier on-boarding.

Assessment and risk analysis, while streamlining and integrating procurement, compliance (quality, social, security) and sustainability strategies.

Consider our services:

#### Collection and validation of supplier information

Through our global in-country network, we will contact your supplier partners and validate relationship status and the integrity of the supplier information provided.

#### Business profiles completion

Suppliers complete a web- based risk assessment questionnaire structured to analyze their unique risks and better understand their capabilities, operations, business integrity and ethics, compliance practices.

Issue-specific modules are available to collect additional information for conflict minerals, sustainability, supply chain security, social workplace conditions, intellectual property (IP) protection and other reporting due diligence requirements.

#### Risk-based analysis and reporting

Our dynamic reporting and analysis will aggregate the information collected into risk-based reporting to help you make informed decisions concerning supplier relationships.

#### Verification and audit services to validate supplier practices

Identity and credential verification of business licenses, permits, references and other certificates provided.

On-site verifications of supplier's full business profile provided online.

Audit services covering social, environmental, quality, security and other issues based on areas of identified risk.

Audit services against industry standards and second- party customer-specific programs or requirements.



As global supply chains become increasingly complex, it becomes more difficult for companies to keep track of their supplier partners.

From subcontractors and wholesalers to intermediaries and domestic importers, effective oversight and management can be a nightmare.

To play in the global marketplace, companies must consider risk management, compliance, product traceability and increasing regulations.

## Don't leave your company exposed.

Intertek's Global Supplier Management platform is designed to save you time, money and risk. Developed for buyers and suppliers, it provides maximum visibility into the supply chain, which mitigates supply chain risk. It helps protect brand reputation and reduce supplier management costs.

# Intertek Audit Services

Our innovative range of supplier risk management and audit services provides enhanced transparency. With our simple toolkit, buyers can carry out benchmarking easily; suppliers can demonstrate progress.

This means more visibility into the credentials of any facility: another innovation that makes Intertek the market leader.

## Creating better suppliers

Our audit services facilitate continuous improvement, producing better suppliers. All standards are aligned with industry best practices. All audit services are based on the continuous improvement approach. Suppliers are motivated through industry, country and global benchmarking to improve and evolve.

Our programs are widely adopted or accepted by many global retailers and brands. Good performance will be recognized through achievement award or record participation.

Identifying the needs and areas for improvement, the current audit programs are divided into the groups social, environment, quality and security (see below.)

## More qualification

Undertaking our audit services, which also work as qualification programs, allows you to increase your facility's compliance.

It enables you to map the compliance risk in your supply chain through the effective use of reports and charts in order to keep track of supplier performance against industry, country and global benchmarks.

## Continuous improvement

Intertek supplier risk management services are not the traditional pass or fail audit programs. Instead, continuous improvement is possible with constant feedback and monitoring of results. The outcomes are measurable through statistics.

## Second party audits

Intertek also provides audit services against second party customer-specific programs or requirements, and training and capacity-building options for supplier performance improvement.

## Widely accredited

We are one of the largest service providers for audits under industry-specific accreditation schemes:

- BRC
- BSCI
- EICC
- ICS
- ICTI
- SA8000
- Sedex
- WRAP
- BEPI
- SAC Higg Index

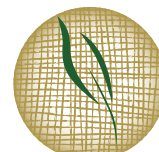
## Other audit services

- EDGE Standard for gender equality, approved certified body.
- Leading practices for IP Protection and audit services to assess supplier business processes for effective intellectual property protection.



THINK GREEN INITIATIVE

GLOBAL SECURITY VERIFICATION



WORKPLACE CONDITIONS ASSESSMENT

TRIM SUPPLIER QUALIFICATION PROGRAM

SUPPLIER QUALIFICATION PROGRAM

MILL QUALIFICATION PROGRAM

# Global Supply Chain Compliance

Intertek's Global Supply Chain Compliance software is fully web-based and helps you manage all activities related to our audit and management programs in one single view. It provides an easy all-in-one solution to plan, schedule, track and analyze different kinds of audit activities at any time.

The platform is fully integrated with Intertek's audit programs via our E-audit tool. This innovative approach to on-site data collection results in better performance analysis, reporting, and information management. The end result is higher visibility, measurable outcomes and confident tracking of continuous improvement. This enables companies to tell their supply chain story.

GSCC benefits your business:

- Dashboard and detailed view: audit management and tracking, including status and action tracking.
- Integrated communication tool with escalation alerts.
- Review and approval of audit results online.
- Real-time follow-up on audit activities with online corrective action management.
- Standard and customized executive reporting.

## Data mining

Intertek audit services create the world's largest community of suppliers and make data mining of supplier performance possible. Detailed reports enable suppliers to know their strengths and challenges. Buyers can better manage their suppliers and make more informed buying decisions.

## Benchmarking

Benchmarking of supplier performance against country, industry or global averages provides suggestions for targeted improvements, based on performance and challenging factors.

## Report sharing

Suppliers and facilities can easily share audit reports with their clients. Intertek's reports are recognized by most of the world's leading buyers. This can help reduce audit fatigue and business disruption, as suppliers and facilities do not have to complete audits for different buyers.

## Achievement award

Our programs reward suppliers who fulfill assessment criteria with an achievement award or record of participation. The awarded suppliers or facilities can use the program logo and award as a valuable marketing tool to showcase their performance to buyers.





# Workplace Conditions Assessment



A happy, healthy workforce is a more productive workforce.

Companies are demanding more effective ways to evaluate their suppliers' workplace conditions.

**How do your suppliers measure up to the competition in the same industry, country or global marketplace? What are the greatest challenges facing your suppliers? Where should you invest resources?**

The answers to these and other questions are critical to the improvement and overall performance of your supply chain.

Our Workplace Conditions Assessment program is Intertek's cost-effective solution. We help you improve workplace conditions efficiently, and in accordance with accepted best practices and industry standards.

Anchored in Intertek's extensive social compliance expertise, our Workplace Conditions Assessment program has emerged as a powerful tool for evaluating, benchmarking and continuously improving supplier workplace conditions.

The program is supported by a web-based platform that automates and streamlines the audit process. This increases efficiencies for all supply chain partners with clearer visibility through measured results.

The assessment protocol is updated on an ongoing basis to incorporate changing

trends in the industry. This allows for closer alignment with industry norms and best practices as well as valuable customer feedback.

The Workplace Conditions Assessment program contains the following five modules:

## 1. Labor

- Child labor
- Forced labor
- Discrimination
- Discipline, harassment or abuse
- Freedom of association
- Employment contracts

## 2. Hours and wages

- Wages and benefits
- Working hours

## 3. Health and safety

- General work facility
- Emergency preparedness
- Occupational injury
- Machine safety
- Safety hazards
- Chemical and hazardous materials
- Dormitory and canteen

## 4. Management systems

- Systems policies and processes
- Documentation and records
- Worker participation
- Corrective action process

## 5. Environment

- Legal compliance
- Environmental management systems
- Waste and air emissions
- Improved working conditions for a happy

## Business benefits

- Improved working conditions for a happy, healthier, productive workforce.
- Better decision-making support based on real-time data and knowledge management. WCA uses a risk-based design and logical scoring criteria that allow data mining across industry, sector and country benchmarks.
- Flexibility to accommodate additional subject modules to fulfill differing company requirements. These include corporate governance and business integrity practices.
- Reduction in excessive auditing and duplication ("audit fatigue") through a community sharing program.
- Improved confidence in partnerships with suppliers through greater transparency and trust. Ability to showcase progress with an achievement award.



# Think Green Initiative



**THINK  
GREEN  
INITIATIVE**

## A sustainable approach to keep the value chain green

In today's global marketplace, manufacturers and consumers are more concerned than ever about the impact of products on the environment.

Companies all over the world are working to improve environmental practices across their supply chains.

Our Think Green Initiative program enables suppliers and facilities to showcase environmental best practices while improving the bottom line. By reducing costs, improving materials and committing to green manufacturing best practices, we can ensure a safer environment that benefits business as well as consumers.

The Think Green Initiative program is the ideal tool for evaluating, reviewing and monitoring environmental procedures to ensure improved performance. It enables business to complete the trilogy: **Think Green, Act Green and Be Green.**

This service allows suppliers to showcase their sustainability through energy, water, air, noise and waste practices and to stay current with "reduce, reuse, recycle."

The Think Green Initiative includes

### Two basic assessment modules

1. Environmental legal compliance overview
2. Environmental Management System (EMS)

### Six additional individual assessment modules

1. Water
2. Air Emissions
3. Energy
4. Sustainable Production
5. Noise Emissions
6. Hazardous Materials Equipment and Waste

## Business benefits

Provide greater visibility through environmental commitment and performance by:

- Meeting environmental regulatory requirements.
- Reducing both environmental footprint and costs.
- Improving material efficiency through better resource management, including recycling, reuse of materials, and waste reduction.
- Establishing sustainable business practices.
- Leveraging insights for green production and sustainable purchasing.
- Achieving good corporate governance and preferred supplier status.
- Demonstrating commitment and robust "green" credentials to stakeholders (investors, employees, community and customers).

# Environmental Chemical Management



Intertek has developed a systematic and comprehensive approach to ensure that chemicals are managed safely and appropriately across the entire supply chain.

Offering a full range of risk screening, training, auditing and capacity building, Environmental Chemical Management is based upon a three-tiered approach targeting supply chain, people and product:

## Supply chain

Intertek offers a comprehensive on-site and desktop audit-based approach to verify appropriate chemical management systems are in place in facilities throughout the supply chain. Audits cover the entire journey of chemicals within a facility, from initial inventory to final disposal. These services help you identify your hazardous chemical risks in order to mitigate and establish chemical-management best practices.

## Environmental Chemical Management Auditing enables

- Increased visibility deep into the supply chain.
- Benchmarked results with global visibility.
- Management transparency to enable targeted efforts.
- Consistent messaging across the supply chain.
- Identification of process efficiency and cost savings.

## People

Intertek trains and builds capacity within your supply chain to address chemical regulation issues, chemical and restricted substances list (RSL) management and handling, wastewater management, and alternative green chemistries to address the issue at the source.

## Product

Intertek offers testing and verification ensuring that chemicals of concern are not present on the final product delivered to the consumer.

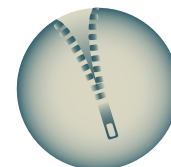
Intertek has extensive chemical testing capabilities across our global network of more than 1,000 laboratories and offices. Intertek's chemical certification process ensures your processes and products do not contain banned or high-risk chemicals in order to meet all safety regulations, including EU's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the U.S. Consumer Product Safety Improvement Act (CPSIA), as well as those within your own Restricted Substances List (RSL) testing program.



# Supplier Qualification Programs



**SUPPLIER  
QUALIFICATION  
PROGRAM**



**TRIM SUPPLIER  
QUALIFICATION  
PROGRAM**

Product quality and safety have become increasingly important to the health of your business. Tighter regulations can bring increased risk of product recalls. International retailers and buyers are looking for more effective ways to evaluate supplier manufacturing performance.

With Intertek's suite of Supplier Qualification Programs, we offer a world-class industry standard that measures performance and drives constant improvement through open benchmarking. The program's strength lies in its accredited training programs. Qualified trainers and auditors work with risk-based scorecards to assure continuous and preventative action.

The audit standards of our Supplier Qualification Programs were developed by rigorous surveys of global consumer brands and retailers. These surveys were focused on the consumer product manufacturing industry to individually address sector needs.

## Five modules

1. Generic hardline manufacturing
2. Toys
3. Garment
4. Footwear
5. Trim

## Within these modules, the standard program covers the following areas:

- Management commitment and continuous improvement
  - Risk management systems
  - Quality management systems
  - Site and facilities management
  - Product control
  - Product testing and product claims, including requirements for CPSIA product testing and certification rules
  - Process control
  - Personnel training and competency
- Supplier Qualification Programs bridge key sustainability measures with quality performance. Purchasers can base buying decisions in accordance with value drivers beyond price.

## Business benefits

- Improved controls and processes for managing product quality and safety.
- Improved speed to market and reduced risk of product recalls.
- Better transparency and trust between buyers and suppliers.
- Ability to demonstrate measurable outcomes.
- More informed decision-making support based on real-time performance metrics.
- Recognition through achievement award for top performing suppliers.



# Mill Qualification Program



**MILL  
QUALIFICATION  
PROGRAM**

In the competitive apparel sector, retailers and brands are increasingly concerned about the quality of the textiles. They know that textile quality is crucial to the quality of the finished garment. The challenge requires accessing reliable data on a facility's social and environmental performance as well as efficiency and overall quality.

The Mill Qualification Program (MQP) helps drive much of the complexity and redundancy out of the procurement process. This is carried out through a unified and standardized approach for mill performance measurement in key areas. It also includes quality assurance, lab certification and environmental sustainability.

The Mill Qualification Program (MQP) bridges key sustainability measures with quality performance. Buyers can make their purchase decisions based on value rather than price alone.

The Mill Qualification Program includes two core evaluation modules:

## Lab certification

Certification of mill laboratory capabilities and technical inputs for fabric performance testing using industry-accepted methodologies and standards (e.g., AATCC, ASTM, EN/ISO).

## Quality performance

Evaluation of all stages of fabric production: fiber production, processing and spinning, yarn preparation, weaving/knitting, fabric bleaching, dyeing, printing, and finishing.

Including:

- General Implementation
- Spinning
- Weaving
- Knitting
- Preparation, Dyeing, Printing, Finishing
- Color Process
- Fabric Testing Laboratories

## Business benefits

Provides greater visibility and quality control measures on fabric sourcing and mill's performance by:

- Gaining instant access to a comprehensive and independent evaluation of a mill's technical capabilities and quality standards.
- Mitigating risk by pro-actively spotting potential quality issues. These could lead to supply interruption or unexpected problems during the expensive cut-and-sew stage.
- Delivering quality independent third-party expertise based on accepted industry practices.
- Leveraging Intertek's global network of technical experts to navigate a growing number of worldwide mills.
- Benchmarking and instantly verifying a new mill's capabilities and environmental performance. This accelerates the decision-making process and speed to markets.
- Fixing fabric quality defects early in the life cycle of a garment.

# Global Security Verification



The Enhanced supply chain security standards and criteria, including C-TPAT, PIP and AEO, have been recognized and implemented by the global trade community. These secure trade flows, combat illegal trafficking, and protect the security and safety of people and companies doing business around the world. As part of enforcing and adhering to the international supply chain security standards, companies must assess their supply chain to identify, mitigate and eliminate potential security risks.

**Intertek's approach — Global Security Verification — is a solution for companies who must comply with the requirement of segmenting and understanding their supply chain risk.**

Intertek's Global Security Verification program employs a cutting-edge methodology for promoting best practices throughout the global trade industry. It enables importers and suppliers to mitigate risks associated with the cross-border transport of goods. Simultaneously, it expedites their arrival at destination markets. Best practices are achieved through the effective utilization of resources, structured processes and innovation.

**Our Global Security Verification program covers:**

- Storage and distribution
- Shipment information controls
- Records and documentation
- Contractor control
- Personal security
- Supply chain transparency
- Physical security
- Information access control
- Export logistics

Global Security Verification integrates multiple global supply chain security initiatives that include C-TPAT, PIP, AEO and other mutually recognized international standards. Our mission is to partner with international suppliers and importers to drive the development of a global security verification process. The result will be increased safety assurance, risk control, efficiency, and cost savings for all participants.

#### **Business benefits**

- Enables importers and suppliers to leverage efforts through a common industry platform and collaboration.
- Delivers effective data gathering, analysis and reporting capabilities. These allow for risk mitigation and more informed decision-making for all supply chain partners.
- Reduces audit fatigue by enabling suppliers to share their verification reports with various importers. This allows them to prioritize resources based on learning and continuous improvement rather than repeat auditing.
- Employs a consistent scoring methodology across all players. This is combined with the use of automated tools to provide increased audit efficiency, consistency and better reporting.



# Ethical Sourcing Forum

**Share experience. Gain insight.  
Become a leader.**

The Ethical Sourcing Forum is a unique annual industry event. It brings together members of the global community to address emerging sustainability and ethical supply chain challenges.

**A company's supply chain decision-making is constantly realigning in response to global markets.**

It is impacted more and more by social and environmental realities. The challenge is to leverage these realities as drivers, rather than inhibitors, of business success. Today's leading sustainability decision-makers have internalized this shift in perspective. Their new decision-making techniques reflect a rethinking of the business landscape.

The Ethical Sourcing Forum compiles practical knowledge of new approaches that contribute to sustainable supply-chain practices. These are based on projects and initiatives undertaken by organizations engaged in off-the-ground supply chain activities. The latest solutions-development processes yield social and environmental progress while advancing core business objectives.

Since its inception in 2000, the Ethical Sourcing Forum is one of the longest-running annual events focusing on supply chain issues. It is open to all who are willing to play an active role in the development and implementation of sustainable social and environmental supply chain practices.

Attending the Ethical Sourcing Forum will reap many benefits:

- Gather and exchange experiences about good implementation practices.
- Build partnerships, network and engage with relevant stakeholders.
- Increase your awareness and strengthen your ability to reach your goals.
- Benchmark your current experience with other industry practitioners.
- Strengthen your ability to impact key issues that are important to you.
- Return home with recommendations to strengthen your current performance.



**ETHICAL  
SOURCING  
FORUM**



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