

# SOSTENIBILIDAD COMPARTIDA



NUESTROS PROVEEDORES  
NUESTROS ALIADOS ESTRATÉGICOS

## RESULTS MANAGEMENT

Commercial Suppliers Inspections  
Paris & Supermercados (Cencosud) Chile

Version 3.4



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# 1.

## Presentation

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Along with the implementation of the Shared Sustainability program, Paris & Supermercados (Cencosud) Chile is looking, among other purposes, to minimize the risk in the value chain of their products. Internal inspections and audits constitute a key tool when it comes to achieving this purpose that is why this document aims to define the procedure in order to manage the results and the resulting information.

# 2.

## Purpose

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Define the steps to manage the results of Social Environment Evaluation (SEE), after an inspection conducted by an external team or a third party.

# 3.

## Scope

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This procedure begins once the inspecting team delivers the report containing the results of SEE inspections; SMETA audit; BSCI or SA8000 certifications and finalizes with the implementation and follow-up of the action plan until the closure of non-conformities. This protocol is applicable to all suppliers under the responsibility of the Cencosud Shanghai Office (CSO) and Cencosud Bangladesh Office (CBO).

# 4.

## Reference Documents

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### Sustainability Code for Commercial Suppliers

In this document, Paris & Supermercados (Cencosud) Chile have defined sustainability requirements for their commercial suppliers. It is worth mentioning that our country's legislation rules this document, however, in case the legislation of the country does not contemplate some of the criteria defined in the code, Paris & Supermercados (Cencosud) Chile suppliers as well as their operations shall comply with the indicated code.

### SEE verification list

Contains the list with the requirements that the facilities must meet in order to approve internal inspection. It is worth mentioning that the facilities encompass the factories or any sort of productive unit where any type of procedure developed to elaborate the products which are commercialized at Paris & Supermercados (Cencosud) Chile stores, take place.

### SMETA Best Practice Guidance

Provides a frame of reference to develop audits and social reports, describes key steps to plan, execute and document an SMETA audit. (For further information refer to: [www.sedexglobal.com](http://www.sedexglobal.com)).

# 5.

## Definitions

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### Objective evidence

Data which supports the existence or veracity of something (ISO 9000)



### Supplier - Vendor

Organization or person that provides a product (ISO 9000). In this document a supplier is a vendor. A vendor has several factories linked with its operation.



### Factory

A place where finished products are produced, packed and stored.



### Inspection

Assessment of conformity through observation and judgment, accompanied when needed,

by measure, trial/test or pattern com Paris & Supermercados (Cencosud) Chileon (ISO 9000).



### Third party inspection Inspections

Developed by external and independent organizations from the applicant.



### Critical Result

Result which compromises Paris & Supermercados (Cencosud) Chile commercial relationship with the supplier.



### Non-conformity

Is the breaching of a requirement (ISO 9000)





6.

# Inspections SEE

// Social  
Environment  
Evaluation



# 6.1

## Preparation

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**SEE inspections** (Social Environment Evaluation), are third party inspections. Paris & Supermercados (Cencosud) Chile shall designate and train a third-party organization professional team to develop the skills and competences needed to proceed with said inspections. These may be announced or non-announced, as the case may be. The inspection fee will be charged to supplier (See Annex 2).

# 6.2

## Development

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Inspectors shall be able to commence with an opening meeting in which the representatives of the suppliers will be presented with the itinerary of the visit. Later, they shall proceed with the visit of the facilities, employee interviewing and the revision of the documents. If any noncompliance to the standards or requirements defined in SEE verification lists are found, the team shall have sufficient evidence to declare as non-conformity. All non-conformity shall be presented in the inspection closing meeting, further indicating the terms for the delivery of the action plans.



# 6.3 Results

## 6.3.1 | SEE inspection

Regarding SEE inspections, the maximum score which can be obtained is 100%, and it is approved once the inspections reaches at least 80% of the possible score and also, five critical points of the verification list are accomplished. (See figure 1).

Critical Points

No	Question	Score
1	Is the factory in compliance with Cencosud's Child Labor Policy? 工厂符合CENCOSUD禁止使用童工的政策吗? Yes.	Yes (10) No (0) 10
2	Is the factory in compliance with the forced labor laws of the country? 工厂符合禁止强迫劳动的国家法律吗? Yes.	Yes (10) No (0) 10
3	Are there sufficient and open (unlocked during working hours) exits for an emergency (Shall >1 if the area >4,000 sq. ft. and >30 workers work in that area)? 工厂厂区有足够的逃生门吗，工作时间逃生门是开着的吗？（如果厂区>4,000平方米，工人人数>30人，逃生通道必须超过一个）？ Yes.	Yes (10) No (0) 10
4	Wages payment documented indicates compliance with legal regulations minimum wages, overtime payment are documented on the pay slips/pay registers? If payment is calculated per unit, employees shall be able to gain at least the legal minimum wage (on average) within regular working hours.工资表显示8小时5天工作制所得薪金符合国家及当地最低工资水平吗？ Yes.	Yes (10) No (0) 10
5	Are there fire safety equipments on site? 工厂配备了相应的消防设备吗（灭火器，消防水龙头，烟雾报警器）并有充分的程序确保发生火灾时能充应对吗？ Yes.	Yes (10) No (0) 10
6	Are there specified personnel take responsibility for organize the evacuation in case of fire or other emergency? Does worker trained or instructed on how to evacuate in case of emergency? 工厂有指定人员负责发生紧急情况时组织疏散撤离吗？工人有培训或指导紧急情况下如何逃生吗？ Yes.	5
7	When worker is exposed to a risky working condition, does he/she have necessary safety equipment and training to prevent an accident? 当工人暴露在恶劣的工作环境中，他们有必要的安全措施和培训防止安全事故吗？ 例如粉尘车间需要戴口罩、有皮带轮的地方需要戴帽子，女生不能露长发，缝制车间需装挡针器、冲压须有安全开关，切割要有金属保护手套，焊接抛光要有护目镜，模具车间须有保护工作鞋，带电作业区域应有绝缘手套，异味区域应佩戴防毒面具等 Yes.	10
8	Is there ventilation which keeps the factory with fresh air? 工厂车间配备有通风设施以保证厂区空气清新吗？ Yes.	5
9	Is fresh drinking water readily available to workers? Are there any special area for eat, drink or smoking? Is the condition of the dining facilities acceptable for the area (1 workable disinfection cabinet and 1 fridge is a minimum requirement)? 车间有干净的饮用水供员工饮用吗？车间员工有专门的地方吃饭，喝水和抽烟吗？工厂就餐设施条件符合要求吗（一个可以工作的消毒柜和一个冰箱被是最低要求）？ Yes.	5
10	Is there adequate first aid box which provides antiseptic, mercurochrome, bandage, burn cream, surgical gloves, etc. available throughout the factory? (Definition of adequate: At least one first aid box/100 workers in a workshop) 工厂有足够的急救箱提供抗菌药，红药水，邦迪，烧伤膏及医用手套类似物品吗？如果每百人有一个急救箱，内有急救药品即视为足够 Yes.	5
11	Is the condition of the living quarters acceptable for the area (Does living area equip with lighting, bathroom, bed, windows for ventilation)? 厂区的生活区域条件可以接受吗？ Yes.	5
12	Are there sufficient toilets in the working area? (2 for 6-25 staff, 3 for 60 staff, 4 for 75 staff, 5 for 160 staff is considered sufficient) 厂区有足够的厕所蹲位吗？(25人以下2个蹲位，60人以下3蹲位，75人4蹲位，160人5蹲位即认为是足够的)？ Yes.	5
13	Are the any steps taken to mitigate or reduce the climate change for example by minimizing or eliminating the generation of solid waste and waste water, and making more efficient the use of energy and water? by improving processes, preventative maintenance, substituting materials and by seeking to reuse or recycle them? 工厂有没有行动来缓解或消除气候变化譬如说通过改善生产工程，预防检修，使用取代原材料及力图重新使用或回收使用来最大限度降低或消除过程产生的固体废物或废水？最大限度使用LED节能灯，非工作时间关灯或少开灯，热或蒸汽管道使用隔热保护等 Yes.	5
14	Does supplier with products sold to Cencosud follow Cencosud's restrict and banned Chemical list? 工厂如何展示他们卖到Cencosud店里的产品符合Cencosud限制和禁止化学品清单？ Yes.	5
	<b>Section points</b>	<b>100</b>
	<b>Deduction (from the possible section points)</b>	<b>0</b>

Figure 1 | SEE Checklist, critical points

Critical points have a maximum score of 10 (In red); and 5 for non-critical points (In yellow). Critical point number 5 in the checklist; which corresponds to an emergency team in case of fire, may have a maximum score of 10 although 8 is considered acceptable to approve this point. In this case, 8 points shall be reached if the factories have action plans to control this type of emergencies, such as having fire extinguishers available. In order to achieve 10 points, the factories must also have alarm systems and connection to the hydraulic network.

It is worth mentioning that the maximum score corresponding to 100% shall be calculated as of the maximum score applicable to the Factory.



### 6.3.2 | Score

Obtained results will be divided in three categories, as follows:

#### Approved

When over or equal to 80% is reached and also the first five critical points of the SEE verification list are complied with. In this case, Paris & Supermercados (Cencosud) Chile shall send a letter to the supplier indicating the status of approval. (See Annex 1)

#### Failed

When the obtained score is below 80% or one of the critical points defined in the verification list are not complied with. Failed inspection is also divided in two categories:

##### Critical

When the obtained score is below 50% and/or any of the critical points defined in the verification list are not complied with.

##### Failed

When the obtained score is below 80% but over or equal to 50% and critical points defined in the verification list are complied with. Every inspection result will be registered in the reports, where objective evidence which led to the Non-Conformity, will be broadly described. With this purpose photos and other verification means shall be accompanied.

*Every inspection result will be registered in the reports, where objective evidence which led to the Non-Conformity, will be broadly described. With this purpose photos and other verification means shall be accompanied.*

## 6.4

### Action Plan, Suspension and Cancellation

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**SEE inspections**, with scores below 80% shall present **Paris & Supermercados (Cencosud) Chile** an action plan which shall include: dates, people responsible and actions the supplier is committed to develop in order to remedy Non-Conformities. The action plan shall provide evidence that the findings were corrected manage reaching at least 85% score to be approved by Paris & Supermercados (Cencosud) Chile team.

The Inspections with fail results need agreed term to present the action plan shall be of 20 natural days for inspections with results below 80% which comply with critical numbers (1-5). If the supplier does not present the action plan within the indicated term, the certificate would get the expired status. The factory won't be able to apply for quality inspection until a valid certificate is in place. If 33 natural days later to the inspection report delivery not CAPR has been sent the supplier would get a suspension status and needs to conduct a new reinspection with an approval result.

Suspension means that all orders placed in a failed factory should be allocated to another approved factory. This factory would recover the status of approval once it conducts a new inspection and as result it has an approval status.

Inspections with critical results, meaning those that do not comply with numbers 1-5, shall present

an action plan within 10 natural days following to the delivery of the inspection report (See figure 2). If the supplier does not present the action plan within the indicated term, the certificate would get the expired status. The factory won't be able to apply for quality inspection until a valid certificate is in place. If 20 natural days later to the inspection report delivery not CAPR has been sent the supplier would get a cancellation status.

Cancellation means termination of commercial relation. This factory shall not work for Paris & Supermercados (Cencosud) Chile never again.

It is worth mentioning that a Factory with failed or critical results shall only change its status to "approved" with favorable results in the next inspection (see 6.5) or sending objective evidences of closing all no conformities. Delivery of the action plan does not mean the factory is "approved".

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*Note: All action plans should be directed to China Quality Department, with its representative is Bill Fu (bill.fu@cencosud.cl).*



## 6.5

### Following Inspections

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In order to maintain commercial relationships with Paris & Supermercados (Cencosud) Chile it is necessary for the supplier to send an action plan within the indicated term. It is also necessary for the supplier to request a new inspection at his own expense in order to guarantee its compliance with SEE standard. Paris & Supermercados (Cencosud) Chile shall provide a list of inspecting agencies approved to develop said inspections.

For inspections with critical results, inspections shall be developed within a term which shall not exceed six months after the delivery of the report.

If a factory gets during two periods a Fail result, it shall follow the procedure describe on 6.4.

If a factory gets during two periods a Critical Fail result. It is a termination commercial relationship. In which case, a notice of termination of work will be sent to the supplier (See Annex 3).

## 6.6

### Termination of commercial relationship in case of critical results

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Once critical results are received, the internal team shall evaluate which numbers gave place to this result. Paris & Supermercados (Cencosud) Chile shall be able to terminate immediately the commercial relationship with the supplier, anytime child and forced labor practices are identified.

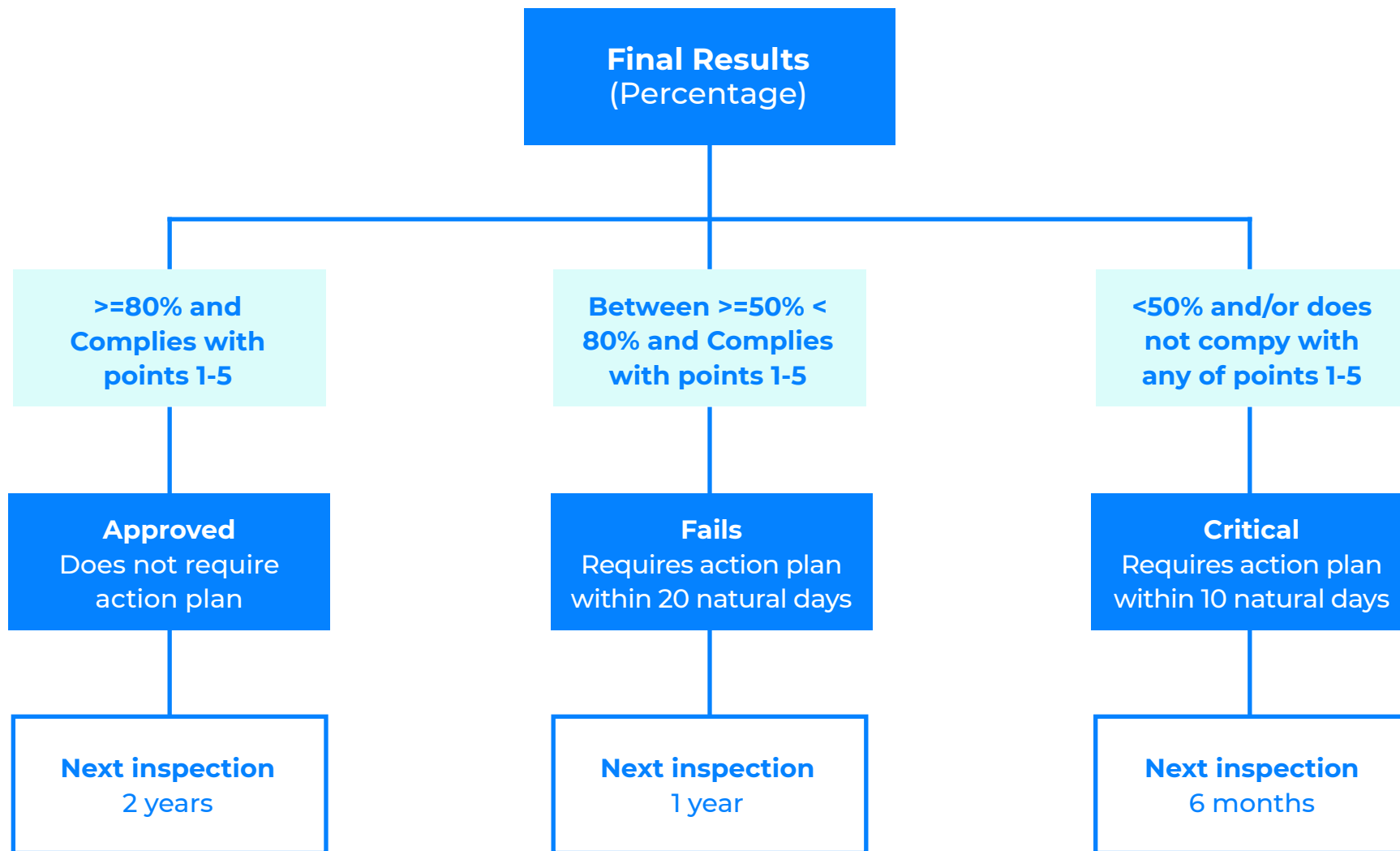


Figure 2 | Score and result of SEE inspections



# 7.

## Other Inspection and Certification

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### 7.1

#### Preparation

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BSCI (Social inspections), SMETA (Labour, Health and Safety, Environment and Business Ethics) and SA8000 (social certification standard) are third party audits or certifications. BSCI, SA8000 and SMETA provides a network of external accredited, experienced and independent auditing companies, so that, Paris & Supermercados (Cencosud) Chile shan't designate and train a third-party organization professional team to develop the skills and competences needed to proceed with said inspections.

### 7.2

#### Development

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Inspectors shall be following the standard owner instruction or process to develop the inspection.

### 7.3

#### Scope

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The factories should send their BSCI, SMETA and SA8000 certification to the Cencosud Shanghai Office. Audits will be requested once or twice a year, depending on the certification validity.

# 7.4

## Results

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With respect to **BSCI certification**, the maximum rating that can be obtained is A, and it is approved once the inspections reach at least C rating (See figure 3). Obtained results will be divided in two categories, as follows:



**Approved** | When over or equal to C rating is reached adding a fulfillment satisfactory of SEE critical points.



**Critical** | When the audits obtained D or E in general rating, or when a fail in SEE critical points.

With respect to **SMETA audit**, obtained results will be divided in two categories, as follows:



**Approved** | When the audit results do not have Non-Conformities in any critical points.



**Critical** | When the audit results have Non-Conformity in critical points.

With respect to **SA8000 certification**, obtained results will be divided in two categories, as follows:



**Approved** | When the audit results do not have Non-Conformities in any critical points.



**Critical** | When the audit results have Non-Conformity in critical points.



Rating	A combination of ratings per Performance Area where:	Consequence																																										
<b>A</b> <b>Very Good</b>	<ul style="list-style-type: none"><li>· Minimum 7 Performance areas rated A</li><li>· No Performance Areas rated C, D or E</li></ul> These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr></table>	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	B	B	B	B	A	A	A	A	A	A	A	B	B	B	B	B	B	B	The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.
A	A	A	A	A	A	A	A	A	A	A	A	A	A																															
A	A	A	A	A	A	A	A	A	A	B	B	B	B																															
A	A	A	A	A	A	A	B	B	B	B	B	B	B																															
<b>B</b> <b>Good</b>	<ul style="list-style-type: none"><li>· Minimum 3 Performance areas rated C</li><li>· No Performance Areas rated D or E</li></ul> These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td></tr><tr><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>C</td></tr></table>	A	A	A	A	A	A	B	B	B	B	B	B	B	B	A	A	A	A	A	B	B	B	B	B	B	B	C	C	B	B	B	B	B	B	B	B	B	B	C	C	C	C	The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.
A	A	A	A	A	A	B	B	B	B	B	B	B	B																															
A	A	A	A	A	B	B	B	B	B	B	B	C	C																															
B	B	B	B	B	B	B	B	B	B	C	C	C	C																															
<b>C</b> <b>Acceptable</b>	<ul style="list-style-type: none"><li>· Minimum 2 Performance areas rated D</li><li>· No Performance Areas rated E</li></ul> These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td></tr><tr><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td></tr></table>	A	A	A	A	A	A	A	A	A	C	C	C	C	C	A	A	A	A	A	B	B	B	B	C	C	C	D	D	C	C	C	C	C	C	C	C	C	C	C	C	D	D	The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days.
A	A	A	A	A	A	A	A	A	C	C	C	C	C																															
A	A	A	A	A	B	B	B	B	C	C	C	D	D																															
C	C	C	C	C	C	C	C	C	C	C	C	D	D																															
<b>D</b> <b>Insufficient</b>	<ul style="list-style-type: none"><li>· Minimum 6 Performance areas rated E</li></ul> These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>D</td><td>D</td><td>D</td><td>D</td></tr><tr><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</td><td>E</td><td>E</td></tr><tr><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr></table>	A	A	A	A	A	A	A	A	A	A	D	D	D	D	A	A	A	B	B	B	C	C	C	D	D	D	E	E	D	D	D	D	D	D	D	E	E	E	E	E	E	E	The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days.
A	A	A	A	A	A	A	A	A	A	D	D	D	D																															
A	A	A	B	B	B	C	C	C	D	D	D	E	E																															
D	D	D	D	D	D	D	E	E	E	E	E	E	E																															
<b>E</b> <b>Unacceptable</b>	<ul style="list-style-type: none"><li>· Minimum 7 Performance areas rated E</li></ul> These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr><tr><td>A</td><td>A</td><td>B</td><td>B</td><td>C</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr><tr><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr></table>	A	A	A	A	A	A	A	E	E	E	E	E	E	E	A	A	B	B	C	D	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	Amfori BSCI Participant shall closely oversee the auditee's progress as the producer may represent a higher risk than other business partners.
A	A	A	A	A	A	A	E	E	E	E	E	E	E																															
A	A	B	B	C	D	E	E	E	E	E	E	E	E																															
E	E	E	E	E	E	E	E	E	E	E	E	E	E																															
<b>Zero Tolerance</b>	A Zero Tolerance issue was identified (see amfori BSCI System Manual Part V - Annex 5: amfori BSCI Zero Tolerance Protocol)	Immediate actions are requires. The amfori BSCI Zero Tolerance Protocol is to be followed.																																										

If **BSCI**, **SMETA** or **SA8000** results are Critical, which are linked to child labor or forced labor, 11 so apply the number 7.6 “shall be able to terminate immediately the commercial relationship”. If BSCI, SMETA or SA8000 results Critical, and they are not linked with the two mentioned before; they could be acceptable by SEE, SA 8000 or SMETA. Otherwise it is not acceptable to work with them.

Every audit result will be registered in the reports, where objective evidence which led to the Non-Conformity, will be broadly described. With this purpose photos and other verification means shall be accompanied.

It is worth mentioning that a Factory with failed or critical results shall only change its status to “approved” with favorable results in the next inspection (see 7.4) or sending objective evidences of closing all no conformities. Delivery of the action plan does not mean the factory is “approved”.

Figure 3 | BSCI Audit Rating Definitions

# 7.5

## Following Inspections

In order to maintain commercial relationships with Paris & Supermercados (Cencosud) Chile it is necessary for suppliers to request a new audit at his own expense in order to guarantee its compliance. For inspections with critical results, inspections shall be developed within a term which shall not exceed six months after the delivery of the report. See following table to identify the required frequency of inspections according to certificate validation period.

Standard	Certificate Validation Period			
	Months	1 Year	2 Years	3 Years
SEE	Critical result + CAPR	Non approved + CAPR	Approved	
BSCI		Results C	Results A and B	
SA8000				Indicated in Certificate
SMETA		Report of Inspection		

Table 1 | Certificate validation period

# 7.6

## Termination of commercial relationship in case of critical results

Once critical results are received, the internal team shall evaluate which numbers gave place to this result. Paris & Supermercados (Cencosud) Chile shall be able to terminate immediately the commercial relationship with the supplier, anytime child and forced labor practices are identified.



**Letter of approval**  
**Cencosud Shanghai Office**  
**Valid Cencosud Supplier**

Shared Sustainability Program ® seeks to ensure that facilities working for Paris and Johnson are producing and managing their risks by following Paris and Johnson Social and environmental standards.

In the Framework of the program Shared Sustainability® of Paris and Johnson, are happy to announce that the factory **NANCHANG SURPLUS GARMENT** has successfully approved the inspection Social and Environmental Evaluation - SEE conducted by the company Lenor on 2017/8/4 .

**Congratulations!**

Vendor Name:	PG Group
Facility Name:	NANCHANG SURPLUS GARMENT
Facility Address:	PG Group
Facility Country/City	Nanchang
Score:	81
Inspection N°	708006
Issue Date:	2017/8/4
Valid Until:	2018/8/3

Please inform the facility of this result. Passing this inspection indicate that the facility is suitable for producing Paris and Johnson products. The complete report is attached to this letter and please ask the facility to correct finding indicated. A new inspection could be conducted in 12 months (review procedure XXX).

For further information please contact: Lily WU Email: [lily.wu@cencosud.cl](mailto:lily.wu@cencosud.cl)

Signature:

Cencosud Shanghai Office  
Pudong Shanghai China

## Annex 1

### Approval Letter



## Annex 2

### Inspection FEE

	Only 1 site to be Inspected			Added audit fee for another 1 site should be included in one audit			
	Total employee number	Interviewee number	Audit fee reference Base fee <sup>1</sup> (BF)	< 2 km	> =2 km but < 10km	> =10 km but <20km	> =20 km or 2 more sites (for example, the 2 <sup>nd</sup> or 3 <sup>rd</sup> even more sites identified)
1	1~150	10% but at least 5	BF	0	1/4BF	1/2BF	Not accepted
2	151-300	25	BF*2				
3	301~600	40	BF*3				
4	601~1000	50	BF*4				
5	1001+	60	BF*5				

<sup>1</sup> Base Fee corresponds to a fee established by each certification body.



## Letter of termination of factory supply Cencosud Shanghai Office

Shared Sustainability Program \* seeks to ensure that facilities working for Cencosud are producing and managing their risk by following Cencosud Social and Environmental Standard.

That is why in the framework of the Shared Sustainability Program\* we announce that bellow:

Vendor Name:

Facility Name:

Facility Address:

Facility ID:

Has not achieved the expected performance, as they scored during two consecutive periods a Critical Fail results in SEE Inspection. That is the reason why Cencosud Shanghai Office has decided a termination commercial supply with the mentioned factories according to the Protocol Inspection SEEV3.1\_SinC\_2020-04-22 number 6.5 following Inspection.

We appreciate you could send a confirmation the reception of this letter and please inform the facility of this decision.

For further information please contact: Joyce Ouyang Email: [joyce.ouyang@cencosud.cl](mailto:joyce.ouyang@cencosud.cl)

Signature:



Cencosud Shanghai Office

Pudong Shanghai China

## Annex 3

### *Letter of termination of factory supply*

# Bibliography

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- Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy- fourth edition.
- International Labour Organization's Fundamental Conventions. Accessed on 16.02.2016 available at: <http://www.ilo.org/global/standards/introduction-tointernational-labour-standards/conventions-and-recommendations/lang-es/index.htm>
- Health and safety at work (general workplace conditions) regulations 2003. Available at: <http://www.ilo.org/dyn/travail/docs/838/Health%20and%20Safety%20at%20Work%20-%20General%20Workplace%20Conditions%20-%20Regulations%202003.pdf>
- L24, Workplace health, safety and welfare, approved code of practice and guidance, (ISBN 0717604136 - available from HSE Books).
- H&M Conduct Code
- Varner Group Conduct Code
- NICE Code of Conduct and Manual, May 2012



# SOSTENIBILIDAD COMPARTIDA

NUESTROS PROVEEDORES  
NUESTROS ALIADOS ESTRATÉGICOS

PROTOCOL FOR MODIFIED OR  
FALSES CERTIFICATES

PARIS CHILE

Version 1.0 || Date | 2021



# Presentation

---

Along with the implementation of the Shared Sustainability program, Paris and Supermarkets business units are looking, among other purposes, to minimize the risk in the value chain of their products. Supply Innovation is a pillar of the program that seeks to bring more innovative product to the market.

Each purchase represents a vote of trust from consumers to brands belonging products, that is the reason why every declaration made on products need an accurate procedure to confirmed it. Sustainable attributes like organic cotton, recycled polyester; which are declared on products, require documents that support this positive properties; however, there is a challenge, it is to confirm the veracity of document proving them. This document establishes the procedure when a modified certificate is provided.

## 1. Purpose

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To establish the steps to follow when a modified certificate is provided by any supplier.

## 2. Scope

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This procedure begins once one certificate is identified as modified or false; and finalizes when a Warning Letter is send to Vendor. This protocol is applicable to all suppliers under the responsibility of the Cencosud Shanghai Office (CSO) and Cencosud Bangladesh Office (CBO).

## 3. Reference Documents

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Attributes Guideline

## 4. Annex

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**Annex 1** | Warning Letter template

**Annex 2** | Commitment Letter of avoiding modified or false certificates.

**Annex 3** | Example of Modified certificates

# 5.

## Definitions

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### Factory

A place where finished products are produced, packed and stored.



### Inspection

Assessment of conformity through observation and judgment, accompanied when needed, by measure, trial/test, or pattern comparison (ISO 9000).



### Sender

Person who sends the status of styles looking for approbation of them. It could be merchant, a buyer or any other role inside the Cencosud company.



### Supplier-Vendor

Organization or person that provides a product (ISO 9000). In this document a supplier is a vendor. A vendor has several factories linked with its operation.



### Consultancy Company

External company how verified the certificates and related document, approve or reject the styles.



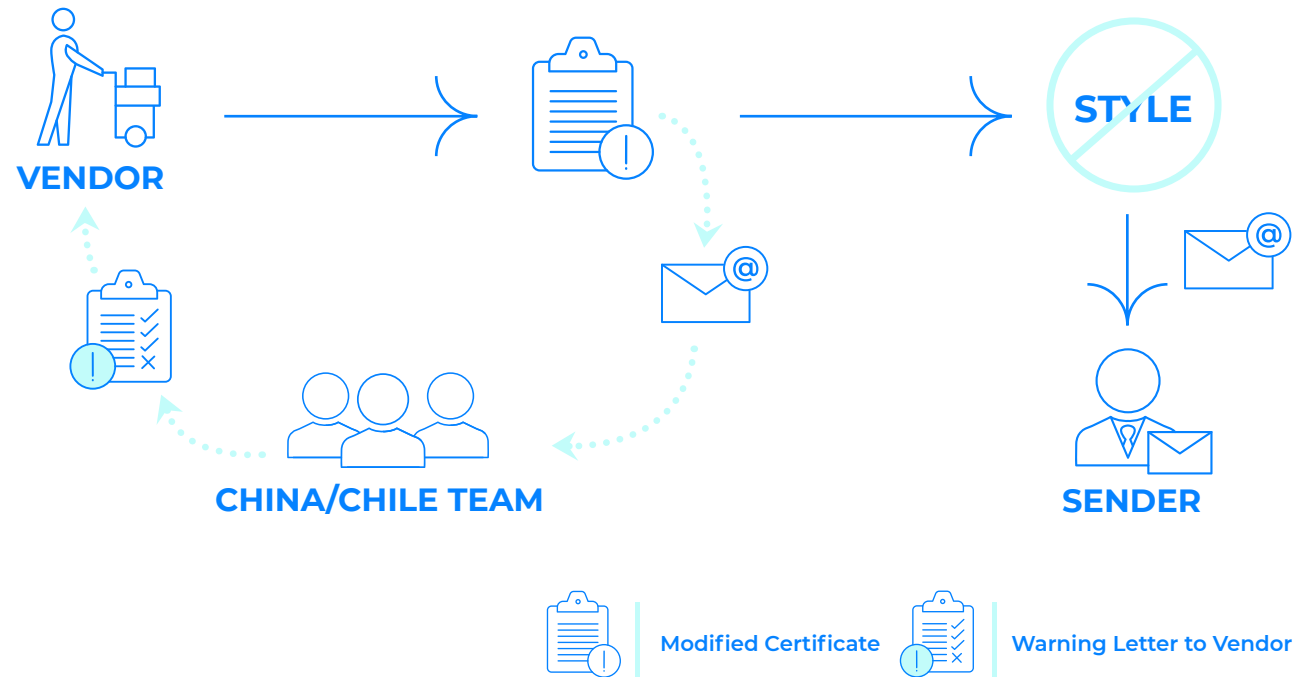
# 6. Protocol

If Paris received a modified or false certificate, Vendor will be defaulting the “Supplier Commitment Letter Cencosud” signed, this document says textually “Cencosud, in its commitment for excellence and delivery of the best service to its customers, require having upright and honest suppliers; engaged in the permanent search to achieve the highest standards of reputation, respect and service and in its relationship with employees, customers, suppliers and the community”. Thus, this protocol search to avoid bad practices and takeover of serious misconduct through alerts and reprimands. Below steps to follow up if a vendor sends a modified or false certificate:

a.

All styles under this certificate are rejected. A notification to sender shall be provided indicating the issue which lead this rejection.

Figure 1 | Steps to follow up if a vendor sends a modified certificate.



b.

A mail indicating the warning situation would be send from consultancy company to all involved actors; being them: managers, merchants, brand representatives in Chile and China office Team.

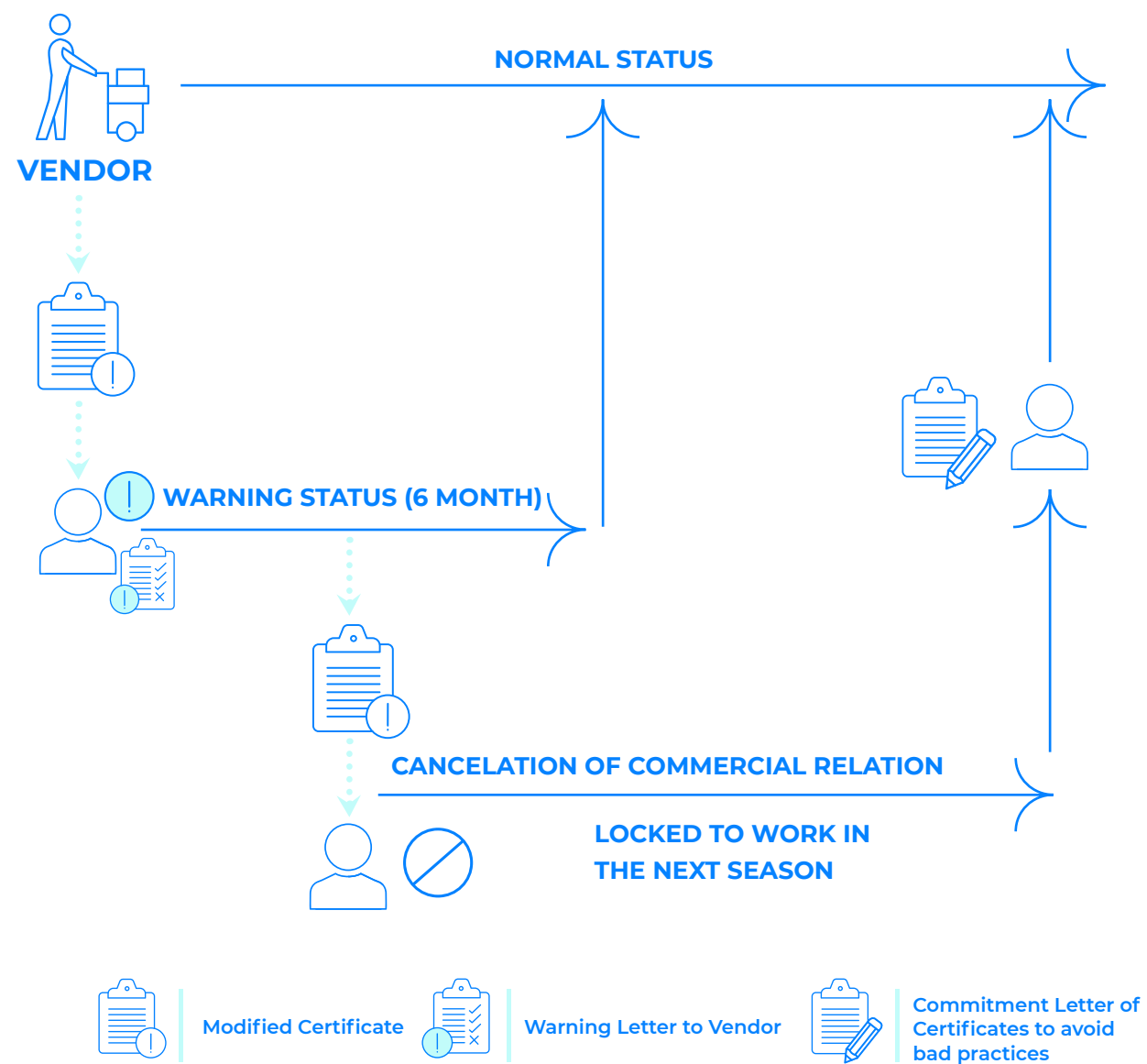


China Office Manager shall send an official communication to Vendor (Annex1: Type Warning Letter to Vendor). In this communication is informed about the 6 months warning status of vendor. There are two scenarios could happened under this period:

I. A new false or modified certificate is provided by same vendor during these 6 months period, a cancelation of commercial relation shall take place. This cancelation imply that vendor would not be able to participate from next season. If Vendor would like to return to work with Paris (past the season that he was stand by) vendor should be sign the Commitment Letter of Certificates to avoid bad practices (Annex 2). Vendor could not to resend any false certificate, otherwise the business relationship will be stop.

II. No false or modified certificates are provided by same vendor during these 6 months period, the vendor shall return to normal status.

Figure 2 | Vendor Status in different scenarios



# 7.

## Certificates pre-checking

---

The factories could send a different certificate types and of different certifying entities and could have different ways to validate. However, before sending the certificate to merchant It is highly recommended that vendor reviews the certificate. Next steps are general to precheck any certificate:

### 1 | Check QR Code<sup>1</sup>

The scan should be redirect to link to download certificate, in general cases the certificate is downloaded automatically. Take care if the link does not have the name of entity, for example: OEKO-TEX certificate, if you scan the QR code should be redirect to link: "https://www.oeko-tex.com/..." other website will be strange. Check with Factory because the certificate could be false.

### 2 | Check Certificate Number

On some certificates you can check and compare on website of certifying entity website<sup>2</sup>, put the certificate number and check it.

### 3 | What to check?

Review and compares the certificate downloaded with certificate received, at least the following information: Certificate number, Consignee, gross weight, net weight, certified weight, scope, dates, and style<sup>3</sup>. It should has the same in both certificate, otherwise, the certificate will be false.

### 4 | What to do?

If you identify that the certificate is modified, we recommend generates an internal alert to the factory, and consider the option of changing the factory for a trustworthy one. And never send a false certificate to the merchant because it could be a reason to stop relationship.

---

<sup>1</sup> not all certificates have a QR code.

<sup>2</sup> IDFL certificate, check in: [https://os.idfl.com/transaction\\_certificate/public-tc-report/3269/](https://os.idfl.com/transaction_certificate/public-tc-report/3269/)

Intertek certificate, check in: <http://cert.intertek.com.cn/TransactionCertificate/default.aspx?language=en>

<sup>3</sup> only if it was on the certificate.



# Annex 1

## Warning Letter template



### Warning Letter Vendor Status

Dear,

\_\_\_\_\_, (Name of Vendor) \_\_\_\_\_, Tax ID \_\_\_\_\_

We would like to inform that we have receive a modified or false certificate; violating Supplier Commitment with Cencosud. From now on your Vendor Status would change to a Warning state for six months. If in these six months period, you send valid and accurate certificates your vendor status would return to normal state. However, if during these six months period you send another modified or false certificate, a cancelation of commercial relation shall take place and you would be stopped for the next season.

Date Warning Status: \_\_\_\_\_

Signature:



Cencosud Shanghai Office

Pudong Shanghai China



### Commitment Letter of avoiding modified or false certificates

Date:

Place:

I \_\_\_\_\_ (Representative name) \_\_\_\_\_ (charge) \_\_\_\_\_ in  
name of vendor \_\_\_\_\_,  
Tax ID \_\_\_\_\_.

I declare that our company would implement protocols to verify that any certificate  
sends to Cencosud would correspond to the sustainable attribute declared and  
could be associated to the product sold. We will not incur in bad practices like send  
Modified or false Certificates.

\_\_\_\_\_  
Representative Signature

Date of cancelation commercial relation: \_\_\_\_\_

Season to would like to reincorporate: \_\_\_\_\_

## Annex 2

*Commitment Letter  
of avoiding modified  
or false certificates.*

## Annex 3

### Example of Modified certificates

TESTEX AG, SWISS TEXTILE TESTING INSTITUTE  
GOTTHARDSSTRASSE 61  
8002 ZÜRICH, SWITZERLAND

**OEKO-TEX®**  
INSPIRING CONFIDENCE

# CERTIFICATE

**The company**

Zhejiang Yingfeng Technology Co., Ltd  
91 Avenue, Binhai Industrial District  
Keqiao District  
Shaoxing, Zhejiang, 312000  
China

**OEKO-TEX®**  
CONFIDENCE IN TEXTILES  
**STANDARD 100**

SH050 140374 TESTEX

Tested for harmful substances  
www.oeko-tex.com/standard100

is granted authorisation according to STANDARD 100 by  
OEKO-TEX® to use the STANDARD 100 by OEKO-TEX®  
mark, based on our test report BJ050 168328.2

<p><b>7. Buyer of the product(s):</b> Kentucky Knit Composite Ltd Fac: Rotondi, Mugrapara, Sonargaon, Narayanganj Narayanganj Bangladesh</p>	<p><b>8. Consignee of the product:</b> Kentucky Knit Composite Ltd Fac: Rotondi, Mugrapara, Sonargaon, Narayanganj Narayanganj</p>						
	<p><b>9. Country of consignee:</b> Bangladesh</p>						
<p><b>10. Product and shipment information:</b> Information is presented in box 17 of this TC.</p>	<table style="width: 100%;"> <tr> <td style="width: 50%;"><b>11. Gross weight (kg):</b> 10670.400</td> <td style="width: 50%;"><b>12. Net weight (kg):</b> 10400.00</td> </tr> <tr> <td colspan="2"><b>13. Certified weight (kg):</b></td> </tr> <tr> <td colspan="2" style="text-align: center;">Total 10400.00</td> </tr> </table>	<b>11. Gross weight (kg):</b> 10670.400	<b>12. Net weight (kg):</b> 10400.00	<b>13. Certified weight (kg):</b>		Total 10400.00	
<b>11. Gross weight (kg):</b> 10670.400	<b>12. Net weight (kg):</b> 10400.00						
<b>13. Certified weight (kg):</b>							
Total 10400.00							
<p><b>14. Declaration of the body issuing the certificate:</b></p> <p style="font-size: x-small;">This is to certify that, based on the relevant documentation provided by the seller named in box 3, (i) the Organic Fibres used for the products as further detailed / referred to in box 10 and quantified in box 11, 12 and 13 has been produced in accordance with (an) organic farming standard(s) which is/are recognized by the Organic Content Standard (OCS), and (ii) the products have been processed in accordance with the OCS. Conformity with the standard is audited and monitored systematically under responsibility of the certification body named in box 1.</p>							

Certificate verification with QR code:

Ver más

Certificate verification with QR code:

<p><b>7. Buyer of the product(s):</b> Kentucky Knit Composite Ltd Fac: Rotondi, Mugrapara, Sonargaon, Narayanganj Narayanganj Bangladesh</p>	<p><b>8. Consignee of the product:</b> Kentucky Knit Composite Ltd Fac: Rotondi, Mugrapara, Sonargaon, Narayanganj Narayanganj</p>						
	<p><b>9. Country of consignee:</b> Bangladesh</p>						
<p><b>10. Product and shipment information:</b> Information is presented in box 17 of this TC.</p>	<table style="width: 100%;"> <tr> <td style="width: 50%;"><b>11. Gross weight (kg):</b> 5335.20</td> <td style="width: 50%;"><b>12. Net weight (kg):</b> 5200.00</td> </tr> <tr> <td colspan="2"><b>13. Certified weight (kg):</b></td> </tr> <tr> <td colspan="2" style="text-align: center;">Total 5200.00</td> </tr> </table>	<b>11. Gross weight (kg):</b> 5335.20	<b>12. Net weight (kg):</b> 5200.00	<b>13. Certified weight (kg):</b>		Total 5200.00	
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<b>13. Certified weight (kg):</b>							
Total 5200.00							
<p><b>14. Declaration of the body issuing the certificate:</b></p>							



# SOSTENIBILIDAD COMPARTIDA



NUESTROS PROVEEDORES  
NUESTROS ALIADOS ESTRATÉGICOS

## RESULTS MANAGEMENT

Commercial Suppliers Inspections  
Paris & Supermercados (Cencosud) Chile

Version 3.4

