

# Introducing Progress Visits

New post-certification visits for factories

## Introducing Progress Visits

The ICTI Ethical Toy Program (IETP) is the leading responsible sourcing program for the global toy industry. We regularly review and update IETP to ensure the program is both responsive to the evolving needs of the toy industry, and effective in supporting factories to meet social compliance standards.

From October 2018, IETP is replacing Progress Audits with Progress Visits, and in November 2018, we will launch a new audit checklist and new methodology for factory certification.

IETP wants to increase the levels of support we offer to factories, reduce audit frequency, and promote greater openness and transparency at factories. The introduction of Progress Visits is an exciting step forward in the levels of guidance, training, and support we offer to factories. This Q&A document introduces Progress Visits and explains how this new approach to monitoring progress and supporting factories will benefit your business.

### **What are Progress Visits?**

Progress Visits (PVs) will begin to replace Progress Audits (PAs) from October 2018. Different from a traditional unannounced audit approach, the PV is an announced visit to your factory to review and discuss your progress in maintaining IETP social compliance standards.

PVs build communication and transparency by providing opportunities for factories to openly share and discuss social compliance challenges. PVs are an opportunity for factories to access best practice and also share good examples from their own businesses. During the PV, your factory will receive guidance to help you address issues identified or discussed during the PV.

## How are Progress Visits different from the Progress Audits they will replace?

Progress Visits will increase the levels of training and support we offer to factories, reduce the number of audits, and strengthen communications with factories. Progress Visits differ from Progress Audits in the following ways:

	<b>Progress Audits</b>	<b>Progress Visits</b>
<b>Time</b>	<ul style="list-style-type: none"> <li>✓ 2-6 months after Seal issued (All factories)</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>2-4</b> months after Seal issued (All factories)</li> </ul>
<b>Type</b>	<ul style="list-style-type: none"> <li>✓ Unannounced audits</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Announced 2-way visits</b></li> <li>✓ <b>Senior management involvement mandatory</b></li> </ul>
<b>Scope</b>	<ul style="list-style-type: none"> <li>✓ Checklist: Working hours, wages, selected EHS</li> </ul>	<ul style="list-style-type: none"> <li>✓ Checklist: Working hours, wages, selected EHS</li> <li>✓ "Best practices" or "nice to have" items</li> <li>✓ Open discussion, Q&amp;A</li> </ul>
<b>Conducted by</b>	<ul style="list-style-type: none"> <li>✓ Accredited auditors from the 4 accredited audit firms</li> </ul>	<ul style="list-style-type: none"> <li>✓ IETP staff</li> <li>✓ IETP accredited specialists</li> </ul>
<b>Possible outcomes</b>	<ul style="list-style-type: none"> <li>✓ Termination (zero tolerance)</li> <li>✓ Probation</li> <li>✓ Seal (maintain, up-/down-grade)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Termination (zero tolerance)</li> <li>✓ Certificate (<b>maintain</b>)</li> <li>✓ Submit CAP for remediation records</li> </ul>

## Why is IETP replacing Progress Audits with Progress Visits?

Post-certification follow-up is an important element of the IETP, helping factories remain in compliance with our standards after auditors have left. IETP has previously operated unannounced Progress Audits (PAs), conducted after factories have achieved their certification, to verify that factories continue to remain in compliance with our standards. Progress Visits are a broader, engagement-based approach to building factory capability whereby we visit factories and provide support through discussion, review and best practice sharing, rather than audit them. Replacing PAs with PVs enables us to offer support that helps factories address challenges and maintain standards.

## How will Progress Visits benefit my factory?

The introduction of PVs means fewer audits and more support for factories. PVs will increase our understanding of the social compliance challenges you face so we can offer increased

guidance and training to help your factory address these. By providing you with support that is tailored to your specific needs we will help your business succeed and grow.

### **What is the cost of the Progress Visit?**

The man day costs to deliver PVs are capped at US\$1,500. A proportion of PV fees will be used to create a Factory Training and Development Fund – proceeds from this fund will be used to develop factory training sessions focussed on common social compliance challenges such as working hours, worker recruitment & retention and health and safety issues. We will also, through root cause analysis, understand other factors that can lead to compliance challenges and offer training events to build capability on these subjects.

This approach means costs are transparent and easier to budget for. Unlike PAs, PVs do not use follow-up audits to verify that NCs have been addressed. PVs therefore reduce costs for factories by eliminating the need for additional follow-up audits which PAs previously required.

The creation of the Factory Training and Development Fund will enable you to attend important training and learning events at no additional cost. Through these you will be able to increase your staff's capability and knowledge, demonstrating to your customers your commitment to on-going development and learning.

### **Who will conduct Progress Visits?**

PVs will be conducted by IETP staff and other Progress Visit Specialists who are approved and trained by IETP. Our appointed Progress Visit Specialists will be assigned from our panel of third-party audit firms and other specialist partners.

### **How will Progress Visits be introduced?**

The schedule for implementing the changeover from PAs to PVs is as follows (please note that PV scheduling arrangements may be subject to change to ensure a successful transition):

- All PAs with audit windows that start after 8th October 2018 will be replaced with PVs;
- IETP will invoice your factory directly via email after the PV, please settle this invoice within 15 working days from the date of receipt, failure to settle your invoice as required could result in termination
- If factories do not agree to participate in the PV after Oct 8, 2018, they will be terminated from the IETP program as per IETPs standard terms and conditions

### **Will Progress Visits affect my level of IETP certification?**

During the PV, a factory's status will not be changed if IETP Standard Non-Compliances (NCs) are identified (with the exception of record inconsistencies resulting from a lack of transparency).

If NCs are identified, factories will be required to submit an appropriate Corrective Action Plan (CAP). As long as corrective measures are implemented within a reasonable remediation timeframe, the next Initial Annual Audit (IAA) results will not be affected.

However, if Zero-Tolerance non-compliance issues (e.g. child labor, bribery) are found a factory's certification may be terminated or downgraded.

### **What do I need to do to prepare for the Progress Visit?**

IETP's appointed Progress Specialist will contact you in advance to confirm the date of the PV and provide detailed instructions explaining what your factory needs to do to prepare for the Visit.

### **Does the introduction of Progress Visit mean that IETP is abandoning audits altogether?**

No, Progress Visits (PV) will replace Progress Audits (PA) only in the IETP. Other types of Audits and assessments will continue to play an important role in the IETP process. IETP will

continue to conduct Initial Certification Audits (ICA) / Initial Annual Audits (IAA) for new / renewing factories, with Follow Up Audits (FU) arranged as necessary to verify corrective actions resulting from ICAs or IAAs. However, FUs will not be used to verify corrective actions resulting from the PV. IETP's other audit types which include Quality Control Audits, Surveillance Audits and Transparency Audits will also continue.

### **How can I find out more, ask questions and share feedback on PVs?**

For any questions or feedback related to PVs, including queries about PV scheduling or information on what you need to do to prepare for the PV, please contact Philip Liu, Program Support and Engagement specialist at IETP, at [philip.liu@ethicaltoyprogram.org](mailto:philip.liu@ethicaltoyprogram.org) or call +86 136 9185 8243.