

# Purchasing Practices Guidelines for COVID-19

Protecting business continuity and  
safeguarding workers through the COVID-19  
crisis and recovery

## Executive Summary

COVID-19 is a crisis for our industry and indeed most other industries. This is an extraordinary situation that is affecting us all. Many brands, retailers and licensors face unprecedented levels of business disruption, a reduced workforce and significant financial losses as they struggle to keep their businesses afloat.

The manufacturing industry is similarly impacted by COVID-19. Whilst travel restrictions have lifted and production capacity is returning in some manufacturing centres, the outlook for Q2 and the beginning of Q3 looks less certain as factories are faced with new business challenges related to this global pandemic.

Over 90% of IETP's manufacturer members report recent changes in their operations and business relationships. These changes include a fall in demand, reduced or cancelled orders (including goods already produced and ready to ship) and delayed payments.

As companies and their suppliers grapple with challenges related to COVID-19, workers are also impacted with vulnerable groups such as low-wage and informal workers, students, and female workers being particularly affected.

This guidance document offers best practice purchasing practice recommendations to help you manage risks, protect workers and secure mutually beneficial business partnerships with your manufacturers during these difficult times. Links to resources are also included.

The toy industry is resilient but COVID-19 presents us with challenges on a scale that we have not had the experience of managing. We encourage all companies which rely on external manufacturers to consider the good practice guidance set out in this document as we work together to protect business continuity and support workers. This will help us to achieve the best possible outcome for our industry in light of the unprecedented challenges we face.

Manufacturer capacity and capability will be critical enablers of the global recovery. Maintaining Responsible Purchasing Practices now will pay dividends once we move from crisis to recovery mode.

## COVID-19: Good Practice for Buying Teams

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### Communication

Continue to follow your responsible purchasing practices and support your suppliers as much as possible in this crisis. Good communication with suppliers and customers is key.

Consider sharing COVID-19 related business challenges which your company faces with your manufacturers, ask suppliers to also share related business challenges with you.

Communicate your strategy for recovery post-COVID-19 to your manufacturers, discuss your future capacity needs, share regular forecasts with manufacturers.

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### Commercial agreements

Avoid outright order cancellations if possible and consider placing even minimal orders if you can. This will help support your manufacturers to remain in business and to retain some workforce through the crisis.

If you need to change commercial agreements, inform your manufacturers and discuss how this may impact their business. Work together towards mutually beneficial solutions.

Pay orders on time, pay for stock already produced and ready to ship where possible.

Consider a temporary review of manufacturer penalties for not meeting contractual obligations, or for delays in delivery dates, etc.

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### Worker well-being

Meeting a rush of orders as consumer demand returns, coupled with a focus on economic recovery, will bring added pressure and challenges for factories and workers.

Consider the vulnerabilities of frontline workers, including migrant workers, low-income and informal workers, student workers, women and other at-risk groups.

Think about how the workers at factories will be affected, consider what can you do to reduce any negative impacts. These impacts could include non-payment of wages and benefits, excessive working hours, illegal layoffs or unsafe working conditions.

Ensure your manufactures are aware of IETP's various tools and resources available to support factories to maintain social compliance standards, strengthen their operations and increase business efficiency, and protect worker well-being.

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**Logistics**

Parts and materials may have longer lead times than usual, and transportation and shipping services may become stretched as logistics partners respond to demand.

Consider opportunities to support your logistics partners to follow responsible business practices, helping them to ensure that staff who are under increased pressure to deliver goods receive adequate rest breaks, etc.

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## Supporting Migrant Workers

Migrant parent workers are particularly impacted by COVID-19. Many workers face extended periods of separation from their children as travel restrictions, reduced income, and increased work pressures arising from the global pandemic further limit opportunities for families to connect and spend time together.

The closure of schools in response to the virus has created additional pressures for factory workers. Workers are experiencing difficulties in supporting their children to ensure they are not disadvantaged as they make up for study time which was lost during school closures. A lack of adequate childcare options also remains an added complication for many workers.

IETP offers a [range of services](#) to support parent workers during COVID-19. Our Migrant Parents Training Sessions develop workers' remote parenting skills children, help workers manage stressful times and anxiety, provide guidance on home schooling, share important info on hygiene and health during COVID-19, and offer tips to help workers make the most of time with their children. Migrant Parents Training courses can be delivered directly to workers' mobile phones via WeChat, or delivered as half-day, in-person workshops at factories.

We encourage buyers to consider sponsoring the delivery of Migrant Parents Training at factories in your supply chain to help us support parent workers and their families through this difficult time. Contact us at [info@ethicaltoyprogram.org](mailto:info@ethicaltoyprogram.org) to discuss sponsorship options.

## Tools and Resources

The resources listed below are available to help you and your manufactures manage business impacts related to COVID-19. We encourage buyers to help us communicate and share these resources with manufactures in your supply chain.

### Self-declaration procedure

In all cases, manufactures should ensure that overtime for their workers is not excessive, and that rest periods are respected. Where appropriate, manufactures can use our [Self-Declaration Procedure](#) so we can ensure transparency is maintained, workers are protected, and manufactures are supported as they manage impacts arising from COVID-19.

### Responsible Recruitment Guidance

As manufactures seek to increase capacity both now and in the coming months, we want to help them recruit responsibly. IETP's Recruitment Practices Briefing provides clear guidance and best practice to help factory owners, managers, and supervisors avoid recruitment pitfalls. This Briefing is available to download in both [English](#) and [Chinese](#).

### IETP Worker Helpline

The IETP Worker Helpline is available to support workers employed at factories in China. Our Helpline team staff are trained to support workers and are briefed to address concerns related to COVID-19. The Worker Helpline number is 4001-583580. Factories should ensure that all workers are aware of IETP's Worker Helpline and that workers know how to contact it. Further information on our Worker Helpline is available [here](#).

### Resources:

- [IETP COVID-19 Updates Page](#)
- [IETP Worker Helpline Briefing](#)
- [IETP Services to Support Migrant Parent Workers](#)
- [Better Buying Initiative Guidelines for Purchasing Practices Amidst the Coronavirus Crisis and Recovery](#)
- [CCR CSR Survey: How COVID-19 is Impacting Migrant Parent Workers](#)
- [UNICEF & ILO Guidance on Family Friendly Policies and other Good Workplace Practices in the context of COVID-19](#)
- [UN IOM Guidance for Employers and Businesses on Protection of Migrant Workers During COVID-19](#)
- [UN Women Gender Equality Matters in COVID-19](#)

## In Summary

The guidance in this document is provided to support the business health and viability of IETP's Buyer and Factory members whilst also protecting the rights and well-being of the nearly 1 million workers employed at IETP Certified toy factories.

None of us yet know when we will return to normal business, but it will happen. When it does, actions taken now to support manufactures and purchasing responsibly will provide a foundation for crisis recovery and mutually beneficial partnerships which support business success.

The entire IETP team are dedicated to supporting your business through the COVID-19 crisis and recovery period. Regular updates on the actions we are taking to respond to the crisis are available [here](#).

For questions, comments or support please contact [info@ethicaltoyprogram.org](mailto:info@ethicaltoyprogram.org)