ICTI Ethical Toy Program response to China Labor Watch report – November 2019

Introduction

ICTI Ethical Toy Program (IETP) is the leading responsible sourcing program for the global toy industry. Our program addresses social sustainability issues which impact the well-being of factory workers involved in toy manufacture globally. Our requirements incorporate best practice and are reviewed on an ongoing basis to reflect the needs of all stakeholders in the toy industry supply chain.

Alongside ethical factory certification, audits and assessments, we provide capability training and well-being programs to improve ethical standards at toy factories for workers.

IETP works with a broad range of stakeholders and we welcome any robust investigation which increases understanding of working conditions at factories.

In November 2019, China Labor Watch (CLW) issued a report entitled ‘The Dark Side of the Glittering World: A Report on Exploitation in Toy Factories in China’ alleging poor labor standards at five factories in China. Each of the five factories investigated in the CLW report is IETP Certified:

- Foshan Nanhai Mattel Precision Diecasting Co., Ltd. (Certificate No. C000202)
- Wah Tung (Heyuan) Toys (Certificate No. C000361)*
- Wing Fai Foam Products Co., Ltd. (Certificate No. C003150)
- Dong Guan City Kong Xing Industry Company Ltd. (Certificate No. C003195)
- Everfron Plastic and Electronics Manufacturing Co., Ltd. (Certificate No. C010614)

*At the time of the CLW investigation, the Wah Tung (Heyuan) Toys Factory was on probation in our program as we support this factory to address issues identified during previous audits.

The CLW report also acknowledges good practice and improvements at the five IETP Certified factories, including reductions in working hours, higher wage payments, improved health and safety measures, increased paid leave provision and improvements in social insurance coverage for workers.

When we are alerted to issues of concern regarding IETP Certified factories, we immediately follow-up and launch our own investigation. In this instance, our investigation started immediately after the CLW report was published in November 2019. This report details the findings of our investigation into the allegations raised by CLW and explains the follow-up work IETP is undertaking at each factory to follow up on any issues identified during our investigation.

IETP works collaboratively with Non-Government Organizations (NGOs) to address challenges and improve supply chain labor standards. We encourage NGOs to report issues which are illegal, in breach of IETP requirements, or which otherwise negatively impact on the well-being of workers immediately to the local authorities or to IETP directly so we can investigate and ensure that any necessary corrective measures are implemented.

We encourage all stakeholders to observe IETP investigations to ensure they are fair, rigorous, and transparent.
Investigation


Our follow-up investigation included a review of each CLW allegation, an analysis of existing audit data, factory visits to investigate allegations, and follow-up meetings with factory management.

The table below outlines the key stages of our investigation at each of the five factories mentioned in the CLW report:

<table>
<thead>
<tr>
<th>Actions</th>
<th>Involved Parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Review CLW report to understand allegations, identify factories</td>
<td>IETP</td>
</tr>
<tr>
<td>concerned, and seek clarification from CLW if necessary.</td>
<td></td>
</tr>
<tr>
<td>2. Review previous IETP audit reports and corrective action plans to</td>
<td>IETP, Independent 3rd Party Audit Bodies</td>
</tr>
<tr>
<td>inform our follow-up investigations at each factory.</td>
<td></td>
</tr>
<tr>
<td>3. IETP in-house technical team specialists visit each factory to:</td>
<td>IETP, Brands, Factory Management, Factory</td>
</tr>
<tr>
<td>• meet with factory management to obtain their response to</td>
<td>Workers</td>
</tr>
<tr>
<td>CLW’s allegations;</td>
<td></td>
</tr>
<tr>
<td>• review all relevant documentation (e.g. payroll, employment</td>
<td></td>
</tr>
<tr>
<td>record and contracts, social insurance payments);</td>
<td></td>
</tr>
<tr>
<td>• conduct worker interviews (workers selected at random,</td>
<td></td>
</tr>
<tr>
<td>interviews conducted anonymously); and</td>
<td></td>
</tr>
<tr>
<td>• conduct factory tour.</td>
<td></td>
</tr>
<tr>
<td>The team uses these methods to investigate the validity of all</td>
<td></td>
</tr>
<tr>
<td>allegations.</td>
<td></td>
</tr>
<tr>
<td>4. Where necessary, create corrective actions and deliver training</td>
<td>IETP, Brands, Factory Management</td>
</tr>
<tr>
<td>and support at each factory to address issues found and prevent</td>
<td></td>
</tr>
<tr>
<td>reoccurrence.</td>
<td></td>
</tr>
</tbody>
</table>
Results – in summary

Each of the five factories cooperated fully with our investigation. Our team investigated each allegation raised by CLW and this report provides an overall summary of our findings.

The results of our investigation are categorized as follows:

- Allegations not evidenced in our review
- Allegations evidenced in our review but not in violation of the IETP standard
- Allegations evidenced in our review and in violation of the IETP standard

As with any factory participating in the IETP program, these five factories will be subject to further unannounced audits to ensure that sustained progress is made in addressing issues and improving standards. Additionally, we will conduct Progress Visits to deliver extra guidance, training, and support at each factory.

We continue to work with all factories and their buyers, through training, reporting, and working groups to address any issues found and ensure we are driving labor standards and protecting workers. These actions are listed in the conclusion of this report.

Beyond audit, we urge toy brands, retailers, and manufacturers to work collaboratively with the Ethical Toy Program to ensure ethical standards at toy factories are maintained.

Contents

Factory investigation reports:

- Foshan Nanhai Mattel Precision Diecasting Co., Ltd. p. 4
- Wah Tung (Heyuan) Toys p. 7
- Wing Fai Foam Products Co., Ltd p. 9
- Dong Guan City Kong Xing Industry Company Ltd. p. 13
- Everfront Plastic and Electronics Manufacturing Co., Ltd. p. 16

Conclusion p. 19
Factory investigation reports

Foshan Nanhai Mattel Precision Diecasting Co., Ltd. (C000202)

Date of factory visit: December 3-4, 2019

Approximate number of factory employees: 2,554. The Foshan Nanhai Mattel factory has a team of senior managers responsible for incorporating social compliance standards into the factory’s operations. The factory has implemented several grievance mechanisms to support workers. During our investigation, the factory’s management team emphasized the factory’s commitment to supporting the well-being of workers.

We found no allegations to be in violation of the IETP standard at the Foshan Nanhai Mattel factory. IETP has provided feedback to the factory to address other allegations which are true but not a direct violation of the IETP standard.

<table>
<thead>
<tr>
<th>Allegations not evidenced in our review:</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegations evidenced in our review but not in violation of the IETP standard:</td>
<td>2</td>
</tr>
<tr>
<td>Allegations evidenced in our review and in violation of the IETP standard:</td>
<td>0</td>
</tr>
</tbody>
</table>

Allegations not evidenced in our review:

- **No post-job health check for temporary workers:** Worker interviews and a review of factory documentation confirmed that the factory provides free of charge pre-job, annual and post-job occupational health checks for both permanent and temporary workers who are in contact with occupational hazards.

- **Workers unable to receive health checks results:** As verified by worker interviews and documentation review, our investigation confirmed that although copies of the reports are kept by the factory, workers also receive the results of their health check. Workers have signed to indicate that they have accessed health check information.

- **Resigned workers not paid in a timely manner:** Based on an analysis of resignation and banking records, we found evidence to show that the full amount of final wages due to workers is settled on their last day at the factory.

- **Base wages increased by $200 RMB, but the factory canceled a $200 RMB bonus:** According to documentation review, the factory introduced an increase in basic wages from $1560 RMB to $1860 RMB on January 1st 2018 (an increase of $300 RMB). We did not find any references to the specific $200 RMB bonus as referred to in the CLW report. In addition to verifying payroll data on basic wages, our investigation verified that all available bonuses – including full attendance, night shift and meal allowances – are being paid to workers.

- **No social insurance or housing provident fund provided to workers during probation:** As verified via social insurance documentation, the factory makes social insurance and housing fund payments for workers within 30 days from the start of their employment. Since the probation period of a worker is 30-days, workers are covered before the end of their probation.

- **Guidance on how to apply for social insurance is only provided to workers once they have worked at the factory for 2 months, many summer workers receive no information about this application process:** Worker interviews and documentation review confirmed that guidance on how to apply for a social insurance card is provided during the first day of the pre-job training. An employee service center (available between 07:30-18:30) and a self-service machine are available to assist workers if they have any queries.
• **No paid annual leave if workers do not return to work overtime** – Our investigation confirmed that the factory provides paid annual leave to workers. On-site documentation and worker interviews showed that workers are requesting and taking paid leave according to their individual needs (including leave requests by the hour or day).

• **Unhygienic canteen** – Our investigation team observed the canteen and food preparation areas to be hygienic and in good condition. The canteen has a valid catering license which confirms it has met the laws and regulations on sanitation. Recent results from the monthly worker survey showed that workers scored a satisfaction rate of 99% for the canteen, worker’s satisfaction with the canteen was also verified during worker interviews.

• **Insufficient number of toilets and showers for 200 workers**: During the peak season, the maximum capacity on each floor is 288 workers. Shift work patterns mean that approximately 144 workers share 20 shower rooms on each floor at most. Worker interviews and a review of the factory complaint records did not indicate problems related to insufficient toilets nor showers.

• **No door to ensure privacy in the shower rooms**: On-site observation confirmed there are enough curtains installed in the shower rooms to ensure privacy.

• **Insufficient assistance when workers feel sick**: The factory has an internal clinic that is equipped with a qualified doctor and a nurse. The clinic is available to perform examination and diagnosis of the workers.

• **No first aid kit in the dormitory**: On-site observation verified that a first aid kit is installed and equipped in the dormitory administration room, which is open to workers 24 hours a day. The internal clinic is located on the first floor of the dormitory and is also available to provide first aid assistance if necessary.

• **No Environment, Health and Safety (EHS) committee at the factory**: The factory has a functioning EHS committee with 15 members. Details of the committee, including a photo of each committee member, are posted on a bulletin board on the way to the canteen. Our team reviewed minutes of monthly EHS committee meetings which confirmed that the committee is functioning.

• **No fire drill, but a fire safety video shown repeatedly**: On-site fire drill summary reports confirm that the factory conducts fire drills twice per year, covering day and night shifts, in both production and dormitory areas. The most recent fire drills were conducted in the dormitory area was on April 4th and September 24th 2019.

• **Grievance channel is a just a mere formality - workers do not complain at the service center and the factory addresses issues selectively**: The factory has more than one grievance channel, workers share feedback or raise concerns via WeChat, hotline, employee service center and also via the factory’s employee representatives. Records show that from January to November 2019 these channels received 60 suggestions and workers raised 130 concerns. Allegations are handled within 5 working days. Surveyed workers who have used the grievance channels to raise concerns said these issues were satisfactorily handled and they are satisfied with the outcome.

• **Production targets are too challenging, line managers badly scold workers who work slowly or make mistakes**: The factory implements lean manufacturing techniques to pursue productivity improvements. Production schedules and targets are set by the Industrial Engineering department for each production process. Line leaders and supervisors are assigned Key Performance Indicators (KPIs) which are linked to production targets and determine line leaders' monthly bonus. Production records showed around 99% of production targets were achieved in 2019. Whilst the factory encourages each production line to meet its targets, this is not compulsory. Workers are free to leave work when it is the end of their shift even if they have not met their targets. Worker exit interviews showed that the main reason why workers leave the factory is to return to their hometown (55%). Very few workers, only 0.45%, said they had resigned due to the heavy workload. None of the workers we interviewed on site reported that they had been scolded or verbally abused by line leaders. Workers
mentioned that when they faced a challenge the supervisor would assign other staff to help them. The factory provides communication training to line leaders, including how to treat frontline workers with respect and how to motive workers. The factory did not receive any complaints from workers relating to line managers’ attitudes during 2019.

- **Male workers ask female workers out, follow them around or take photos of them without permission:** One interviewee shared that – on a few occasions – she felt uncomfortable with the way some male workers looked at her, but she did not feel threatened. The worker mentioned she is aware of the grievance channels and would use them to report sexual harassment issues or to seek help if she felt it necessary to do so. Other workers shared that the factory has trained them on what sexual harassment is and how to report it. Our investigation examined the factory’s anti-harassment training materials and procedures to tackle sexual harassment complaints. We did not find any evidence related to sexual harassment allegations, and observations on-site indicated that the factory and its workers are trained and knowledgeable on sexual harassment issues.

- **Long-serving employees do not get opportunities to discuss or give feedback on issues at the factory:** Our investigation confirmed that the Human Resource Department organizes regular group meetings. Alongside meetings focused on bringing new workers together, there are other regular meetings, including ‘tea-chats’ for workers across various departments. These meetings cover different levels of seniority and provide opportunities for employees to share feedback.

- **Many material handlers are promoted to line leader roles:** Promotion paths are set out in the factory’s Human Resource documentation and the employee handbook. Ordinary frontline workers are first promoted to the position of material handler so they can assist line leaders and learn from them. Material handlers are then eligible to be promoted to a line leader once they gain the adequate experience. This is part of the internal promotion and training process to ensure that line leaders are equipped with the necessary skills they need to perform their duties. Our investigation found the factory has established a system for promotion evaluation.

- **PPE – workers temporarily involved with hazardous position need to request PPE:** On-site observation confirmed that required PPE is provided to all workers who are in contact with occupational hazards according (as identified via the factory’s annual occupational hazards inspection report), workers were observed using this PPE correctly. PPE is not provided to workers who are not exposed to workplace hazardous. However, workers in non-hazardous positions can ask for PPE which is then made available to them on request. Allegations evidenced in our review but not in violation of the IETP standard:

  - **Pre-job training is less than 24 hours:** Documentation review showed that the factory offers 3-days pre-job training to all new hires at three levels. Company level (4 hours about policy and general EHS etc.), workshop level (4 hours about fire and chemical safety etc.), and work-position level (16 hours about machinery safety, potential risk of the position etc.). However, the investigation team found this allegation evidenced because 90% of the sampled workers from the interview shared their pre-job training was around 4-8 hours. Since IETP requires effective pre-job training and does not specify the length of the training hours, this is not a violation. The factory may wish to review its internal communication with workers so they are clearer on the type and duration of training they receive.

  - **Excessive overtime – daily overtime during peak production months, maximum working hours 11 hours per day / 66 hours per week, equal to 286 hours per month:** A review of attendance records confirmed that overtime worked in the peak production months (between May to September) was 2-3 hours per day and 3-5 times per week during the weekdays; and 8-11 hours on Saturday. Maximum recorded weekly working hours were 66 hours which are within IETP's maximum tolerance of 72 hours per week. Our investigation confirmed that all overtime is voluntary and not compulsory.
Factory response / next steps

For those few allegations that were evidenced but not in violation of IETP standards, our investigation team has shared insights and suggestions with the factory management. The management team agreed to review suggestions provided by the IETP team. IETP will continue to provide ongoing support to help the factory address issues and maintain standards.

Wah Tung (Heyuan) Toys Products Ltd. (C000361)

Date of factory visit: November 26-27, 2019.

Approximate number of factory employees: 670. The Wah Tung (Heyuan) Toys Products factory has an internal team dedicated to social compliance. This factory was previously investigated in CLW’s December 2018 report.

At the time of CLW’s 2019 investigation, the Wah Tung (Heyuan) Toys Factory was on probation in our program as we support the factory to address issues identified during previous audits. Since then, the Wah Tung compliance team has made some progress in implementing corrective actions to address issues identified. Issues remain, and IETP continues to work with the factory to address these.

| Allegations not evidenced in our review: | 9 |
| Allegations evidenced in our review but not in violation of the IETP standard: | 6 |
| Allegations evidenced in our review and in violation of the IETP standard: | 5 |

Allegations not evidenced in our review

- **The factory only hires workers who are between 18-45 years old:** Our investigation team confirmed that the hiring advertisement referenced in the CLW’s 2019 investigation which included age preferences was an old recruitment advertisement dated from 2018. The factory has since updated its recruitment advertisements in 2019 at which point age preferences were removed. Our team did not observe any of the previous hiring advertisements from 2018 during our on-site observation. Human resources records showed that 7 employees over 45 were hired in 2019, none of the workers interviewed had experienced any age discrimination.

- **Line leaders ask workers to resign to avoid lay-off compensation:** None of the workers interviewed had come across this issue, and the factory has not received any complaints from workers related to this allegation. Our investigation team reviewed 169 resignation records from the last 4 months, none of which were found to be abnormal. Therefore, this allegation is not evidenced in our view.

- **Workers are unsure if statutory holidays are paid:** According to on-site documentation review, records showed that workers have received wages for the statutory holiday since January 2019. This is one of several corrective actions which the factory has implemented in response to IETP’s previous follow-up investigation conducted in Dec-Jan 2019.

- **No PPE:** On-site observations and worker interviews confirmed adequate PPE is provided to those workers who are in contact with occupational hazards. Our team did not find any restrictions on PPE replacement. However, the factory did mention that on occasion workers had not been using PPE correctly. IETP has recommended that the factory focuses on this issue to ensure that PPE is used correctly.

- **Pungent smell in the production department:** Our documentation review confirmed that the factory tests each department’s air quality annually. The most recent test result for the
assembly (production) department was on 12th June 2019 and fulfilled air quality requirements. Workers interviewed from the assembly department did not report any pungent smell or related discomfort. Our on-site observation found individual workers in contact with chemicals may be exposed to pungent smells, these workers are therefore provided with adequate PPE.

- **Penalties and fines:** Some workers reported they had heard that unapproved absence from the factory will result in 20 $RMB fine per day. However, the factory management team stated this practice has been stopped from January 2019 onwards. No evidence of penalty deductions was found during our review of on-site documentation.

- **Workers are unsure if the labor union exists:** Worker interviews and documentation review confirmed that there is a functioning labor union at the factory comprising of 13 worker representatives. The majority of those workers interviewed recognized the union representatives and understood their corresponding duties.

- **Gender discrimination at management level:** Human resources records showed 3 males and 3 females were promoted to the role of line leader, supervisor, and above, in 2019. Worker interviews did not reveal evidence to suggest that workers are treated differently due to their gender.

- **Factory mistreats workers:** During worker interviews, no workers reported that they had been mistreated by the factory. No complaints relating to the mistreatment of workers has been received via the factory’s grievance channels.

**Allegations evidenced in our review but not in violation of the IETP standard:**

- **Workers are requested to write a sentence in their contracts confirming that employment at the factory – including overtime – is voluntary:** Our investigation found that workers are asked to write this statement on the worker registration form, not on their labor contract. The factory explained that this is to remind workers that overtime and employment are voluntary. Worker interviews confirmed that overtime is voluntary. IETP suggests that the factory reconsider whether or not it is necessary for workers to add this statement to their registration form.

- **Excessive overtime:** Our on-site review of documentation confirmed that maximum daily and weekly working hours are 11 hours and 66 hours respectively. Working hours are within IETP’s maximum tolerance for weekly working hours.

- **Poor living conditions:** On-site observation found 5–7 workers shared a room equipped with two electric fans, a bathroom, a closet for each worker, and USB power plugs to charge mobile devices. Workers can obtain hot water from the hallway 24-hours a day, and mains voltage power outlets are located on the first floor of the dormitory building. The provision of electronic power outlets in dormitories is guided by electrical safety concerns. Our investigation team found the dormitory accommodation to be modest, but workers’ basic needs are met.

- **Reward policies:** Our investigation team confirmed that workers are unaware of the factory’s reward policies. Whilst this is not a direct violation of IETP requirements our investigation team recommends that the factory communicate reward policies to all workers.

- **Failure to pay a living wage:** Our investigation confirmed that workers receive RMB 8.5 per hour which is slightly higher than the local legal minimum wage.

- **No social insurance for workers from 50 years old and above:** Whilst local regulations do not require factories to make social insurance payments for females over 50 and males over 60, our investigation team identified that one male under 60 years old was covered by equivalent commercial insurance instead of the social insurance itself. IETP accepts commercial social insurance as coverage, therefore this is not a violation of our standard.
Allegations evidenced in our review and in violation of the IETP standard:

- **No pre-job training:** Worker interviews confirmed that pre-job training includes only a 1-hour session which includes time for workers to sign their contracts. Workshop training is delivered by line leaders and is limited to 10-minute training sessions which do not cover the potential risks associated with each work position. Pre-job training is therefore ineffective and inadequate. Our investigation team recommends that the factory improves pre-job training to ensure that workers are trained on the potential risks they face.

- **No explanation of labor contracts:** 4 out of 14 workers interviewed reported that no explanation was provided on their labor contracts.

- **Busy cafeterias and insufficient meal supplies:** On-site observation confirmed that the two canteens at the factory together can host a maximum of 150 workers at once. On the day of our investigation, 120 meals were provided to workers. Food supply was sufficient, and workers received their meals within 10 minutes. However, considering that there could be as many as 900 workers during the peak season, our investigation team recommends that the factory make necessary arrangements to avoid overcrowding in the canteen during peak season and to ensure that access to meals is provided to workers.

- **No health-check:** Documentation review confirms that all 68 workers currently working in hazardous positions had received health-checks as per legal requirements. However, 12 workers who left the factory had not received a post-job health-check. Before July 2019, no pre and post-job occupational health-checks were provided for workers in hazardous positions. Although the factory has implemented some corrective actions from July 2019, our investigation team found that some workers’ health-checks were either delayed or missing. The factory must ensure that health-checks are provided to all workers in hazardous positions.

- **Ineffective grievance channel:** The factory provides various grievance channels including a suggestion box, worker representatives, WeChat and QR code for workers to raise issues or concerns. However, worker interviews showed that workers are not aware of these channels. Over the past 12 months, the suggestion box and WeChat had not received any feedback, and only 2 concerns were flagged to worker representatives. Our investigation team recommends the factory improves internal communication to promote its grievance channels and also to share the results of how cases are handled to build workers’ trust and confidence in the grievance channels.

**Factory response / next steps**

The factory’s management team have committed to continue to respond to each of the violations above and have agreed to take effective measure to address allegations found to be true and in violation of the IETP standard. The factory will also consider other issues raised in the CLW report. The factory is currently on Probation as it continues to address issues identified. Whilst on probation, Surveillance Audits are conducted to focus on compliance and transparency issues. IETP continues to provide training and support to help the factory address all outstanding issues and to drive sustained improvements.

**Wing Fai Foam Products Co., Ltd (C003150)**

Date of factory visit: Nov 26, 2019

Approximate number of factory employees: 207. The factory’s compliance team is led by the Vice General Manager. Whilst the factory has established policies covering social compliance issue areas, there is scope for improvement regarding the monitoring and implementation of these policies.
Allegations not evidenced in our review:

- **The factory uses incorrect labor contracts from a different city:** Our documentation review confirmed that labor contracts are in the correct format for Guangdong province where this factory is located.
- **Temporary workers do not receive overtime compensation:** Labor contracts and payrolls showed that both regular and temporary workers have the same labor contract and receive the same hourly rates. Compensation rates are 150% for regular overtime.
- **No paid leave:** Documentation review and worker interviews confirmed that both regular and temporary workers receive paid leave including annual leave, statutory holiday pay, injury leave and sick leave.
- **No social insurance for regular workers during probation, temporary workers do not receive social insurance:** Our review of social insurance and commercial insurance records verified that regular workers receive social insurance within their first month of employment, this is within their probation period. Commercial insurance covers injury insurance for temporary workers within one to two weeks from the start of their employment.
- **Workers are not permitted to use dormitory lighting during the day:** The factory stated that the dormitory power supply is available all day. Our investigation team found that each dormitory has its own independent light switch, our team tested these switches and confirmed they were functioning during the day.
- **No EHS committee:** Our investigation team confirmed that the factory has a functioning EHS Committee with 14 members. Meeting minutes showed that this committee meets once every two months, and the last meeting was held on 15th October 2019. The EHS committee organisation chart was last updated on 20 August 2019.
- **Insufficient first-aid kits:** Our investigation team observed that there are sufficient supplies for the first aid kits located in both production and dormitory areas. Records also showed these kits are checked twice per month to ensure adequate supplies are available.
- **Broken eye washer:** Inspection records showed that the factory checks eye washers daily. Our investigation team tested eye washers on site, all of them worked properly.
- **Expired fire extinguishers:** The factory employs a third-party inspection company to check its firefighting system – including fire extinguishers – annually. The factory’s internal team also conducts monthly checks. Our investigation team conducted checks on fire extinguishers which were selected at random. All of those fire extinguishers checked were in good condition, with recent 3rd party inspection dates from either 5th June 2019 or 16th October 2019.
- **No fire drills conducted:** Based on our inspection of fire drill summary reports, the factory conducts fire drills with all workers on site twice per year, with drills conducted on 10th May 2019 and 19th September 2019. Interviews with workers who had joined the factory before 19th September 2019 confirmed that they had participated in the fire drills.
- **Workers that don’t clock-in/out are considered as absent from work, they also receive a disciplinary fine:** Worker interviews and our inspection of human resources records confirmed that if workers fail to clock-in they can instead share their working hours with their supervisors - attendance is then manually recorded by human resources staff. We found no evidence to show that the factory had fined workers for failing to clock-in and out.
• **Gender discrimination at the management level:** According to human resources records, 38.5% of middle-level management, including line leaders and supervisors, are female. Also, those workers interviewed had not encountered gender discrimination.

Allegations evidenced in our review but not in violation of the IETP standard:

• **Workers cannot choose which department to work in:** Both the painting and silkscreen departments involve the use of chemicals and are only available to workers with the appropriate specialist skill set. Skilled workers can decide which departments they will join according to their skills. Non-skilled workers are assigned to positions in other assembly departments.

• **Excessive overtime:** Our review of on-site documentation confirmed that the factory provides one rest day in a predefined week, working hours are within IETP’s maximum tolerance for weekly working hours.

• **Involuntary overtime during peak season, workers must opt-out for overtime by 3:30pm during non-peak season:** Our investigation found no evidence, via documentation review or worker interviews, that workers were forced to work overtime during the peak season. There is no official factory policy to state that workers must opt-out from overtime by a certain time during the non-peak season, and worker interviews confirmed that workers can verbally notify their supervisor if they wish to opt-out of overtime at any time. However, the factory did mention that some supervisors may have verbally requested that workers inform their decision by 3:30pm as to assist with staff planning. However, any workers who opt-out after 3:30pm are not penalized.

• **Same work but different pay for temporary workers:** Our review of documentation confirmed that all workers receive the same hourly and overtime rates. The factory paid an extra subsidy of RMB 0.5 per hour for workers newly employed during the peak season in 2019 as part of a recruitment drive incentive which was implemented in response to labor shortages.

• **No housing fund provided:** As confirmed by the factory management, the factory does not provide housing funds to any employees.

• **Failure to pay a living wage:** The factory pays workers a local legal minimum wage in compliance with legal requirements.

• **Workers cannot buy food within the factory compound when the tuck shop closes, snacks are more expensive than shops outside factory compound:** Our investigation team confirmed that the tuck shop is operated by the cafeteria, they both close at 7 pm. Workers are free to leave the factory and buy snacks from shops nearby until midnight. Considering workers’ needs, the factory provides instant noodles to night shift workers. Our investigation team compared the price at the tuck shop to those outside the factory, no obvious price difference was observed.

Allegations evidenced in our review and in violation of the IETP standard:

• **Insufficient pre-job training:** Our investigation team found that the factory does not have designated pre-job training materials, the delivery of training is undertaken by human resource staff reading from procedural documentation. 5 out of 7 of newly hired workers interviewed on-site could not recall the content of the training they had received. Our investigation team confirmed the pre-job training is not effective. The factory should look at using training aids such as booklets or PowerPoint presentations to improve the effectiveness, content and delivery of pre-job training.

• **No occupational health-check:** Documentation review indicated that the factory only provided an annual health-check to workers in hazardous positions. IETP requires that pre-
Job, annual and post-job occupational health checks must be provided, in accordance with legal requirements, to applicable workers who have had exposure to hazardous substances.

- **Workers can only resign in the middle and at the end of the month; temporary workers must give 15 days’ notice within the first month of their employment**: Our investigation team found that the first part of this allegation is invalid as resignation documents showed that workers had resigned anytime during the month. However, the factory’s worker manual states that both regular and temporary workers must give 15-days’ notice during probation, whereas the legal requirement is 3-days’ notice.

- **Labor contracts are not signed in a timely manner**: During worker interviews, all workers said they had signed their labor contract within the first month which complies with legal requirements. However, our investigation team found that on some signed contracts no signing date was found. IETP urges the factory to date all labor contracts.

- **No day off per week**: According to our documentation reviews, Saturday is a predefined rest day. However, 30% of workers interviewed had worked 15 days consecutively from 16 to 30 Sep, this is a violation of the IETP standard.

- **No Recreational Facilities**: As per on-site observation and confirmed by the management, there are no recreational facilities available in the dormitory area.

- **Poor toilet facilities**: As per our on-site observation, some toilet doors were either missing or broken. The sanitation condition for toilets at both workshop and dormitory areas also require improvement.

- **Ineffective pest control**: According to the on-site observation, there are no valid records to show that the factory had conducted functional insect control.

- **Insufficient hygiene supplies in the canteen**: As per on-site observation and confirmed by worker interviews, hygiene supplies such as dishwashing liquid are insufficient, workers have to bring their own.

- **Improper PPE**: As per the occupational hazardous inspection report, filter masks should be provided to workers at the silkscreen-painting department. Our investigation found that only regular active carbon masks were provided to these workers.

- **Workers are prohibited to leave the factory after midnight**: Both factory management and worker interviewees confirm that for security and safety reasons, there is a verbal regulation that workers cannot leave the factory compound after 12:00am without a specific reason such as illness. IETP suggests the factory abandon this regulation and update all the workers on this to minimize the potential risk of restriction of workers' movement.

- **No grievance channel, if workers complain, group leaders would advise them to resign**: The grievance channels in the factory include a suggestion box, WeChat, workers representatives and the opportunity to verbally raise issues with line leaders. But 7 out of 10 interviewees were unaware of these channels, 10 out of 10 interviewees were unaware of their workers representatives and did know the function of these representatives. Documentation review showed a total of 13 cases were verbally raised to line leaders since Jan 2019. However, other channels have received no cases. These findings indicate that the grievance channels in place are not effective and require improvement.

- **Pregnant workers work overtime and no requirement for them to switch positions**: Documentation review showed that one pregnant worker has worked at the factory in the last year. This worker was a quality assurance inspector which is a suitable job assignment for a pregnant worker. However, time records indicate that this pregnant worker worked overtime when she was beyond 7 months pregnant.

**Factory response / next steps**

Wing Fai Foam Products Co., Ltd., pledges to take corrective actions to address all evidenced allegations which are in violations of the IETP standard. IETP is providing additional training to
help the factory tackle the root cause of issues found to drive sustainable improvement. We will also verify if corrective actions submitted after our site-visit have been effectively implemented.

Dong Guan City Kong Xing Industry Company Ltd. (C003195)

Date of factory visit: November 26, 2019

An approximate number of factory employees: 690. The Administrative Manager leads the social compliance team for the factory. The factory has some good practices including providing 3 meals to workers for free, as well as air-conditioners installed in the dormitories. However, improvements are required to ensure that policies are implemented systematically.

| Allegations not evidenced in our review: | 8 |
| Allegations evidenced in our review but not in violation of the IETP standard: | 10 |
| Allegations evidenced in our review and in violation of the IETP standard: | 7 |

Allegations not evidenced in our review:

- **Workers must work overtime until 21:30 to fulfil demanding production targets:** Our review of on-site documentation, and worker interviews, showed that although daily production targets are set, workers are free to leave after normal working hours regardless of whether they have met production targets or not. Workers can verbally opt-out from overtime to their supervisor before the end of their shift. Our investigation did not find evidence to show that workers are penalized for opting out of overtime, or for failing to meet daily production targets.

- **No paid maternity, marriage and bereavement leave:** Payroll and leave records show that workers receive paid sick leave, annual leave and statutory holidays. Other leave entitlements such as maternity, marriage and bereavement leave are clearly stated in the benefits policy. These entitlements and shared with the workers during the pre-job training. 80% of the workers’ interviewees confirmed they were aware of these benefits but they have not yet needed to apply for them. Factory records showed that bereavement and maternity leave applications were made in March 2017 and January 2019 respectively.

- **Wages are comparably less than other factories:** According to our documentation review, the factory compares the hourly and piece rates for each worker and then pays whichever is higher. Additional allowances (including postage, phone call, night shift, full attendance, and high-temperature allowances) are also offered to workers. Monthly wages range from RMB 3500 to 4500 which is average for the local area. Workers interviewed during our investigation said they found wages to be competitive.

- **Temporary workers must give half a month as notice period:** Our investigation team found that once temporary workers have passed their one-month probation their notice period is the same as permanent workers – the notice period for a permanent worker is 30 days. This complies with legal requirements.

- **No EHS committee:** Our investigation confirmed the factory has an EHS committee with a total of 18 members. EHS Committee meetings are held every 2 months and the latest meeting was on 14th November 2019. Our review confirmed that factory management follows up on EHS committee concerns or requests raised by the representatives until they are resolved.

- **Lack of pre-job training:** Documentation review and worker interviews confirmed that the factory has provided 1-2 hours pre-job training, and 30-60 minutes EHS training at the workshop. Pre-job training includes an explanation of the labor contract, wages calculation etc.
Our investigation team tested a sample of workers and confirmed that these workers had some basic EHS knowledge.

- **Male workers have heavier workloads than females:** Our on-site investigation found that both genders are assigned similar tasks at the factory. For example, the ratio of male and female workers was around 1:1 in the injection workshop. Since daily productions rates are also the same, we did not find evidence to suggest there is gender discrimination at this factory.

- **Fire drills do not cover 100% of workers on-site:** On-site documentation showed that the factory has conducted fire drills with 100% of workers on-site attending every six months.

Allegations evidenced in our review but not in violation of the IETP standard:

- **Factory employs temporary ‘juvenile’ workers over the age of 16:** Our review showed that the factory had hired 161 student workers over 16 years-old during the summer vacation. Each student worker was treated as a permanent worker with legal labor contracts signed, this complies with legal requirements.

- **Juvenile workers assigned to the injection workshop:** Our review showed three student workers over 16 years-old had worked in the injection workshop. Our investigation verified that these workers had not been assigned to positions which involved managing hazardous machinery, nor had they been assigned to work a night shift.

- **Excessive overtime:** Documentation showed that the maximum daily and weekly working hours from April 2019 to November 2019 were 12 hours and 69 hours respectively, this is within IETP’s maximum working hours tolerances.

- **Inaccurate attendance records:** Our review confirmed that the factory has the following motivation mechanism in place: once workers have reached their production target during the overtime period, they are free to leave the production line, workers only need to come back to clock-out at the end of the overtime. This incentive allows workers to receive full overtime wages even though they have finished worked earlier. This is a good practice and in compliance with the IETP standard.

- **No full-attendance bonus for workers on probation:** Our investigation team found that a full-attendance bonus is available to workers who attend all working days in a full calendar month. Records showed new hires who started on the 1st calendar day and attended the full month have received their bonus.

- **Assembly workers don’t receive their subsidies except for full-attendance bonus:** As confirmed via documentation review, assembly workers receive full-attendance, phone call, and postage allowances based on the length of their service as per the factory’s benefits policy. Specialist positions such as injection moulding are eligible to receive extra subsidies such as high-temperature allowances because these positions involve the use of heavy machinery.

- **Social insurance does not cover 100% of workers:** As per documentation review, 100% of the factory workforce is covered by workplace injury insurance via either the social insurance or commercial insurance scheme. Other social insurances that workers have joined are as follows: 85% joined medical and maternity insurance, 45% joined the retirement and unemployment insurance. There is a cut-off day each month for when the factory can buy social insurance for workers. If any worker joins after this cut-off day they need to wait until the next month when the social insurance scheme accepts new applications to cover new workers.

- **No labor union:** Although there is no labor union in the factory, the investigation team found that 6 workers representatives perform a similar function, they meet quarterly to address workers’ concerns.

- **Lack of grievance channels:** During workers interviews, those interviewed said they usually flag any concerns to their supervisors directly. Our investigation team confirmed that the factory offers various channels for workers to voice their opinions such as internal worker
helpline, a WeChat platform and 15 suggestion boxes. Additionally, posters list the direct lines for the management for those who wish to complain to senior management directly.

- **No Recreational Facilities:** The factory admitted it had not provided recreational facilities previously. Our on-site observation confirmed that the factory is making efforts to provide better recreational facilities, they are building a table tennis room and a snooker room for workers.

Allegations evidenced in our review and in violation of the IETP standard:

- **Health check fees paid by workers:** Documentation review and management interviews confirmed that all occupational health-checks are organized and paid for by the factory according to legal requirements. However, the pre-job health-check for juvenile workers is paid for by workers during the recruitment period, the factory then reimburses workers once they start work at the factory. The factory has agreed to take corrective actions to ensure that no workers are required to pre-pay for their health-checks in the future.

- **Long notification period for workers in their probation period:** Documentation review showed a lack of clear instruction on the resignation procedure for workers in their probation period. Records indicated the notice period for these workers is usually within 3-7 days. IETP suggests that the factory reviews its policy to ensure the notice period is no more than 3 days.

- **No explanation given on labor contracts:** Both management and worker interviews confirmed that the factory had only explained a few items listed in the contract (e.g. probation period and wages). Therefore, some workers have trouble understanding the rest of the content of their contracts. IETP suggests that the factory review its procedures to ensure that labor contracts are clearly explained during the recruitment process.

- **No first-aid kit in the dormitory area:** Our on-site observation could not find a first aid kit installed in the dormitory area. The first aid kit in the canteen area is located in the kitchen which is not convenient for workers. IETP suggests that the factory ensures sufficient first aid kits are available and easily accessible on the premises.

- **Inappropriate PPE:** Our on-site observations found that PPE is inappropriate. For example, workers in contact with Benzene in the spray-painting workshop were provided with inappropriate dust-proof masks rather than an active carbon mask. IETP urges the factory to improve its knowledge on PPE requirements, and appropriate PPE must be provided to protect workers from the hazards they face.

- **Fire exit aisle blockage:** Our on-site observations confirmed that several evacuation routes and exits were partially blocked by semi-finished goods or materials. The investigation team instructed the factory to strengthen their fire safety inspections and procedures.

- **Lack of monthly fire extinguisher inspections:** Whilst documentation review showed that all fire-fighting equipment is inspected every month, management interview confirmed that at times the inspector may have overlooked a few fire extinguishers. Our on-site observation confirmed that some fire-fighting equipment was missing or was not in good condition. Our investigation team has instructed the factory to strengthen its inspection assessments.

**Factory response / next steps**

Dong Guan City Kong Xing Industry Company Ltd., is taking correction actions on issues found to be true and in violation of the IETP standard. The factory will also conduct a comprehensive self-assessment to identify additional steps to ensure these corrections are sustainable. IETP will provide ongoing support such as targeted training to help the factory tackle the root cause of all issues found in order to drive sustainable improvements.
Everfront Plastic and Electronics Manufacturing Co., Ltd.  (C010614)

Date of factory visit: December 3-4, 2019

Approximate number of factory employees: 3391. The factory’s compliance team is led by the Head of Corporate Social Responsibility. The factory has established policies covering social compliance issues and has committed to strengthening the monitoring and implementations of the policies.

| Allegations not evidenced in our review: | 10 |
| Allegations evidenced in our review but not in violation of the IETP standard: | 13 |
| Allegations evidenced in our review and in violation of the IETP standard: | 12 |

Allegations not evidenced in our review:

- **Factory only hires workers between 24-52 years of age**: Our team did not find any age preferences specified in job advertisements or within the factory’s hiring policy. As per our inspection of human resource records, the factory currently employs 1,800 workers under 24 years old, and 7 workers over 52 years old.
- **No explanation of labor contracts**: All workers interviewed confirmed that the factory had explained the contents of their contract to them during the recruitment process.
- **Insufficient pre-job training**: Our team reviewed the factory training material and confirmed that it covers all IETP required topics including wages and benefits, health and safety, fire safety, and occupational safety. Interviewed workers who are new to the factory were clear on the content of training delivered.
- **Involuntary overtime**: As per factory policy, workers can make a verbal request via their supervisor to opt-out of overtime at any time before the end of their shift. Worker interviews confirmed this practice.
- **Expensive meals compared to other factories**: Workers receive an RMB 180 meal subsidy, whether they choose to eat in the factory canteen or the restaurant outside. Food prices in the factory canteen range from RMB 5-10, workers reported that the food prices in the canteen are lower than the restaurant outside the factory.
- **Insufficient seating in the canteen, workers need to queue for a long time, canteen temperature is too hot**: As per our on-site observation, the two-story canteen has 700 seats which offer sufficient capacity for workers. Our team observed that it took between 2-3 minutes for each worker to queue and be served food. The factory confirmed that they have adjusted the shift times for two assembly apartments as a crowd-control measure to make lunchtime more comfortable for workers. Interviewees confirmed that both queuing times and the temperature in the canteen are acceptable.
- **Poor sanitation in the dormitory**: Our on-site visit verified the sanitation for both female and male dormitories and confirmed that these were currently maintained in a sanitary condition. Workers have previously taken responsibility for cleaning tasks at dormitories. However, as of August 2019, the factory has assigned 3 cleaners responsible for cleaning dormitory rooms.
- **Workers in the lower dormitory bunks suffer uncomfortable temperatures**: During the peak season between 12-16 workers share the same dormitory room. As of August 2019, the factory implemented measures to reduce dormitory room occupancy to 10 workers and installed an additional 2-3 fans in each room. Workers did not complain about the temperature of dormitory bunks during worker interviews.
• **No EHS Committee**: There is a functioning EHS committee in the factory which consists of 37 members. According to the meeting minutes, the EHS committee meets every 60 days. Our investigation confirmed that the last EHS committee meeting was on 27 Nov 2019.

• **Mistreatment of workers**: During worker interviews, all workers confirmed that their supervisors (line leader/mangers) are supportive. None of these interviewees reported verbal abuse in the factory. Workers also reported that their supervisors offer assistance to help them resolve issues they face.

**Allegations evidenced in our review but not in violation of the IETP standard:**

• **Temporary workers receive more wages from the recruiting agent**: Our investigation team confirmed temporary workers sign labor contracts and receive wages directly in accordance with legal requirements. Some agents may also offer additional payments to workers (e.g. to up their hourly wage to RMB 15-17) as an incentive to let the agent represent them. However, these additional incentive payment agreements exist between the temporary workers and the recruiting agent.

• **Less than 24 hours pre-job training**: Factory management and worker interviews confirmed the factory provides between 1-2 hours pre-job training at the classroom, followed by another 15-60 minutes training provided by the supervisors at the workshop.

• **Narrow passageways**: Our investigation team observed the main factory passageways are around 1-meter wide. A few side passageways were about 60 cm wide, it is recommended that the factory consider any potential risks associated with these side passages during the peak production season.

• **Excessive overtime**: Factory records show that during the peak production months (May to October), overtime is within the 4 hours per day limit. The maximum monthly overtime was 118 hours, and the maximum weekly working hours was 72 hours. This is within the upper limit of IETP’s working hour requirements.

• **Time required to ‘clock-out’ is not paid**: Our investigation confirmed that due to a large number of workers, it can take up to 15 mins for workers from the assembly department to clock-out during the peak season – this time is not paid. IETP accepts a 15-minute unpaid buffer time for workers to clock-in or clock-out. As of September 2019, the factory has implemented improvement measures to divide assembly workers into two shifts, our team confirmed that it now takes approximately 3 mins for workers to clock-out.

• **Workers unclear of leave policy**: Documentation review and worker interviews confirmed that paid leave - including statutory holidays, annual leave and paid leave entitlements - are made to workers. Worker interviews confirmed that workers are clear about these paid entitlements. Our investigation team suggests that factory further clarifies sick leave entitlements to workers.

• **No housing fund**: The factory confirmed that it only provides housing fund for office staff, frontline workers do not receive such benefits.

• **Insufficient social insurance coverage for temporary workers**: Our team confirmed that workplace injury insurance is provided to temporary and regular workers. The factory only offers other types of social insurance to regular workers.

• **Long queues for showers**: The 6-story dormitory building has communal bathrooms (including 13 shower spaces) on each floor. Each dormitory room also has its own bathroom (including 1 shower). According to worker interviews, workers do not need to queue for showers during non-peak production months. But during the peak season, when dormitory rooms host up to 16 workers, workers are required to queue for around 1 hour.

• **USB charging ports are not close to the bed**: On-site observation confirmed the USB charging ports are near the entrance of the bathroom instead of nearby the bed. Factory
management shared they will relocate USB charging ports closer to the bunks for workers’ convenience.

- **Female and male dormitories are located in the same building:** Factory management confirmed that there are a few dormitory buildings on-site where both male and female workers in the same building but on different floors. Since mid-August, male workers only occupy 1/F and female workers occupy 2/F and above. Therefore, male workers are not required to pass through female dormitory areas.

- **Lack of training on the factory’s rewards policy:** The factory does not have a reward policy in place, therefore no training is provided.

- **Failure to pay a living wage:** Our investigation team confirmed works are paid a local minimum wage which complies with legal requirements.

Allegations evidenced in our review and in violation of the IETP standard:

- **Insufficient health-checks provided to workers in contact with chemical hazards (i.e. assembly, injection and paint thinner department):** According to the documentation review, our investigation team confirmed most workers in contact with chemical hazards had received necessary health-checks. Our investigation team has instructed the factory to make corrective actions to ensure that all workers in contact with chemical hazards are covered.

- **Unpaid pre-job training:** The factory confirmed that during peak season some pre-job training is arranged before the factory orientation day and is not recorded as working hours. As of October 2019, the factory has implemented corrective actions to ensure that all pre-job training is conducted on the same day as the orientation day to ensure workers are paid for pre-job training.

- **Temporary workers need to work in the factory for at least one week if they want to resign:** According to documentation review, the factory’s resignation policy for temporary and regular workers are the same. Once they have passed their 3 months’ probation 1-month notice is required. For those in their probation period 3-days’ notice is required. Our team found examples workers had resigned from 1 day to 1 month since the start of their employment, and no restrictions on resignation were found. However, all interviewees mentioned that they need to work in the factory for at least one week if they want to resign. Our investigation team recommended that the factory ensure the resignation procedure is clarified and shared with all workers.

- **Lack of independent union:** As per worker interviews, worker representatives are not elected by the workers and none of them are production workers. Also, workers were not aware of who their representatives are.

- **Lack of effective grievance channels:** The factory provides a suggestion box, hotline, WeChat, worker representative, and worker survey as the grievance channels. However, the number of concerns received via these grievance channels was minimal. Most workers interviewed were not aware of these grievance channels. Therefore, our investigation team considered these channels ineffective.

- **Inadequate PPE:** Our team confirmed that PPE is provided to workers. However, workers wanted to pick up small parts in a more agile manner and had therefore made holes in protective gloves which reduced the protection the gloves should offer. Our on-site observation also found a production workshop that had poor air circulation, and some workers did not wear masks. IETP suggested that this factory provides adequate PPE that fits workers’ requirements and job functions, as well as educating workers on the purpose and use of PPE.

- **Blocked passageway:** As per our observation, one passageway was partially blocked by moulds in the moulding workshop. The factory must educate each department to avoid future passageway blockages.
• **No recreational facilities:** A table tennis room, library and movie room were once available in the factory. However, as a result of poor maintenance, all of them are currently closed. During the on-site visit, only a basketball court was available to workers. The basketball court was used as temporary material storage areas on the day of the visit, but all the materials have since been removed.

• **Insufficient lockers in dormitories:** The factory confirmed there were up to 16 workers per dormitory during its peak production season, some workers, therefore, did not get access to a locker. Corrective actions were implemented in mid-August 2019. The factory has removed some bunks and installed more lockers to ensure each room now hosts up to 10 workers and each receives a locker.

• **Bunk beds in poor conditions:** Our team confirmed that some bunk beds were thin and tilting upwards. The factory changed bunks beds to plastic ones from mid-August 2019. All upper bunks now have installed handrails for workers’ safety.

• **Bed bugs:** As confirmed via workers’ interviewees, there were bed bugs in the dormitory despite monthly pest control visits. The factory has exchanged all wooden sleeping boards with plastic ones to help prevent future issues with bed bugs.

• **Dormitory room doors cannot be locked:** As per our on-site observations, most doors in the male and female dormitories could not be locked when workers left their room.

**Factory response / next steps**

Everfront Plastic and Electronics Manufacturing Co., Ltd. has agreed to put in place corrective actions to address all allegations found to be true and in violation of the IETP standard. Additionally, IETP will provide ongoing support such as targeted training to help the factory tackle the root cause of issues found to drive sustainable improvements.

**Conclusion**


We are pleased that each of the factories involved cooperated fully with our investigation and stated their commitment to tackling the issues raised.

Whilst our investigation did not find evidence to support many of the allegations made in the CLW report, some of the issues raised by CLW are valid and of concern to us.

IETP is taking the following steps to address issues identified and to ensure that sustained progress is made at each factory:

- Require each factory to submit a Corrective Action Plan (CAP) to address issues identified in the CLW report and our subsequent follow-up investigation;
- Follow-up and monitor the progress of each action against the CAP, ensuring factories are making sustained improvement;
- IETP Progress Visits (PVs) will be conducted at each factory. PVs provide capability building training, analysis and guidance which helps factories to understand and address the root causes behind issues identified.
• Each factory will be invited to participate in IETP’s best practice training workshops. These peer-to-peer learning workshops connect factories with other industry leaders to create positive momentum to improve working conditions at toy factories in China;
• Where necessary, additional factory visits will be conducted over the next twelve months to monitor compliance status.

IETP works across the industry supply chain to build better lives for workers and a stronger industry through the ethical production of toys. Over the last 15 years, our program has delivered continuous improvements in working conditions for hundreds of thousands of factory workers.

We positively engage factories and increase their capability to tackle ethical manufacturing challenges. We continue to invest in additional training, services and support to achieve faster progress in improving labor standards at toy factories in China and beyond.

Driving improvements in supply chain labor standards requires commitment and cooperation at all levels of the toy industry supply chain. We believe that the most effective way to protect workers is when all stakeholders work together constructively. We will continue to work collaboratively with toy brands, retailers, licensors factories, and NGOs to further improve working conditions at toy factories.