

Introduction to the Remediation Program

Effective: 1st September 2020

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The ICTI Ethical Toy Program (IETP) is the leading responsible sourcing program for the global toy, play, entertainment, and publishing industries. Since 2004, we have remained committed to refining the existing IETP policy to effectively support factories to drive standards and strengthen sustainability among the industries.

To elevate factories' standards on social compliance management, reduce audit duplication, and empower factories through effective technical support, IETP started to develop a Remediation Program in 2019. It aims to provide enhanced and targeted capability building solutions to factories who are currently in the Probation Program. The pilot scheme started in July 2019 and has achieved positive feedback and results. With the professional guidance and technical support from IETP experienced specialists, over 90% of factories that have completed the Remediation Program have successfully tackled their non-compliances to gain full compliance with the IETP standard.

The Remediation Program will be officially launched on 1st September 2020; enabling more factories to access the supports and skills needed.

What is the Remediation Program? What are the benefits?

The Remediation Program is an enhancement of the Probation Program, it provides factories with the opportunities to utilize IETP expertise through discussion and consultation with IETP specialists. The Remediation Program will officially launch on September 1, 2020; and run in parallel with the Probation Program.

IETP specialists not only have an in-depth understanding of factories' operational challenges, but they are also familiar with the potential risks at the factories. By tracking and analyzing the root causes of non-compliances, IETP specialists can provide tailored advice and share practical examples to guide factories to optimize their operational management, as a result, fully comply with IETP requirements.

Who will implement the Remediation Program?

The Remediation Program includes an On-site Engagement visit and on-site audit(s).

- 1) On-site Engagement visit is conducted by the IETP Program Monitoring & Development Team. The team has extensive experience in assisting factories to resolve non-compliances from recurring.
- 2) The On-site Audit is the same as other unannounced audits, and is conducted by the accredited audit firms.

What is an On-site Engagement visit?

- 1) IETP Program Monitoring & Development team will conduct the On-site Engagement visit (OE) within 2 months once the factories enter the program.
- 2) On-site Engagement visit is the core element of the Remediation Program and it is announced in advance.
- 3) On-site Engagement visit allows IETP to provide targeted assistance that meets factories' needs. It aims to strengthen technical support for factories and enhance the effectiveness of continuous improvement, as a result, factories raise standards and reinstate their certification.
- 4) On-site Engagement visit consists of the following:

- a) Performing Root Cause Analysis for critical violations and evaluating the feasibility of the Corrective Action Plan (CAP) submitted before the Remediation Program
 - b) Conducting Gap Analysis between the violations identified and IETP requirements
 - c) Offering bespoke training to tackle the issues found in the factory
 - d) Sharing relevant best practice to achieve impactful improvement
- 5) The On-site Engagement will be conducted on the premise of openness and transparency. If any zero tolerance or non-transparency violations are detected, the factory will be immediately Terminated from the program.

What are the differences in audit requirements for the 9-month and 12-month program?

	<u>9-month Remediation Program</u>	<u>12-month Remediation Program</u>
Type	Unannounced Audit	
Conducted by	IETP accredited audit firms	
No. of audits	1 Reinstatement Audit <ul style="list-style-type: none"> • Adopts the full IETP Audit Checklist 	1 Surveillance Audit <ul style="list-style-type: none"> • Adopts the full IETP Audit Checklist 1 Reinstatement Audit, <ul style="list-style-type: none"> • Adopts the short IETP Audit Checklist (focus on wages, working hours and EHS, etc.)
Audits content and requirements	1. No Zero Tolerance (ZT) or non-transparency issues;	1. Rectification regarding violations of wages and compensation (such as

	<ol style="list-style-type: none"> 2. At least three months of continuous compliance working hours and wage records; 3. No other critical violations 	<p>insufficient wages, and/or delay payment, etc) has to be completed within the first 90 days of the Remediation Program period;</p> <ol style="list-style-type: none"> 2. Rectification regarding violations of day off and rest (such as not having 1 day off within the pre-defined week, and/or less than 10 consecutive rest hours in the pre-defined 24-hour cycle, etc.) has to be completed within the first 7 months of the Remediation Program period; 3. No Zero Tolerance (ZT) or non-transparency issues;
Possible outcomes	<ul style="list-style-type: none"> • Reinstatement of the certificate, or • Extension of the Remediation Program period up to a maximum of six months, or • Termination (in the case of zero tolerance issues) 	

Can I choose between the Remediation Program and the Probation Program?

- 1) Both Remediation and Probation programs are aimed to assist factories to make continuous improvements. Once IETP has recommended the Remediation Program, factories have the right to accept or choose the Probation Program.
- 2) For specific requirements about Probation Certification, please refer to the "Probation and Termination Policy"*. Once approved, Probation Certification cannot be amended to a Remediation Certification.
- 3) Factories that are confirmed to the Remediation Program should read the "Remediation Program and Termination Policy"* and agree to the "Remediation Program Agreement Letter"*.

Remark: *Policies can be found on the official website

Who should I contact for inquiries or feedback?

If you have any inquiries about the Remediation Program, please contact us via:

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