

February 7, 2020

Dear Ms Giblin and Mr Robertson,

Thank you for sharing this year's follow-up investigation of IETP in the five IETP licensed factories, which were mentioned in the 2019 Report, 'The Dark Side of the Glittering World: A Report on Exploitation in Toy Factories in China', published by China Labor Watch, ActionAid France, Christliche Initiative Romero and Solidar Suisse. This letter is the joint response of the four organizations. We recognize that IETP communicates the findings quite openly and transparently but we have concerns regarding IETP methods, which we will address in this letter and include some further questions.

We are disappointed to see that many of the allegations in the report were not evidenced in IETP's follow-up audits. We have pointed out repeatedly, that third party audits have proven to be ineffective in uncovering many of the rights violations in the factories, such as violations regarding the freedom of association and discrimination. Our investigators are employed at the factory for approximately two weeks, working as regular workers and conducting anonymous worker interviews. The coalition believes there are fundamental flaws in IETP's process of conducting third party audits, which do not effectively involve workers' voices, nor do they increase the accountability of purchasing companies. An example: IETP's follow up audit mentions that through documentation review at Foshan Mattel, the factory offers three days of pre-job safety training. Worker interviews, however showed "90% of the sampled workers shared their pre-job training was around 4-8 hours". Last year's investigation also showed that audit results can be altered by coaching workers for auditor interviews, which invalidates the relatively small number of grievances that are in violation of the IETP standards. Once again, this raises questions as to whether IETP audits are able to provide an accurate picture of the actual working conditions at toy factories. To monitor compliance with the fundamental rights of workers, social audits are insufficient. It is not only necessary to implement worker driven social responsibility and request high standards, but purchasing brands also need to be held accountable for their business practices which are responsible for massive human rights violations in their supply chains (pressure on prices, short production times, unstable contractual relations etc.)

Several allegations which were discovered were not identified as grievances due to non-compliance of IETP-standards with Chinese labor law. For example: IETP only requires effective pre-job training and does not request 24 hours of training as required by Chinese labor law. The same issue can be found with working hours. IETP allows a maximum of 72 hours per week, i.e. 32 hours overtime, whereas Chinese labor law allows only 36 hours for the entire month. We urge IETP to align its standard with Chinese labor law in order to establish a common ground for the implementation of human rights due diligence of its member companies.

Last year, we put forward five demands: 1) guaranteeing workers a living wage; 2) eliminating excessive overtime; 3) providing a safe work environment; 4) establishing worker representation and 5) providing transparency to all stakeholders. Although IETP mentioned they would take steps to address several of our demands in their June 2019 letter to the Coalition, we did not see the results of these measures in our investigation, especially taking into account that we have only investigated five of the over a thousand IETP certified factories this year. None of the five factories for example had effective pre-job safety trainings that cover occupational health and safety risks and PPE. Workers are still unable to freely elect their worker representatives and an effective means for workers to voice concerns to management remains missing.

Furthermore, this year's report brings to light another important issue: Sexual harassment is often overlooked because it is hard to detect, but nonetheless is widespread in low skill, labor intense industries which employ a large number of female works. We were alarmed by the sexual harassment cases found at Foshan Mattel and are disappointed that IETP did not find any evidence related to sexual harassment allegations in the follow-up investigation. Therefore, we append this to our demand on providing a safe work environment for workers, by stressing the importance of tackling sexual harassment and call on IETP to include a zero-tolerance policy on sexual harassment in the certification checklist. Factories should carry out trainings regarding sexual harassment and effective grievance mechanisms set up to provide victims with the necessary legal, psychological and financial support. Internal procedures need to be established to ensure sexual harassment cases are reported and remedies are available. These steps are inevitable in providing a work environment that is free of gender-based violence.

IETP "encourages all stakeholders to observe IETP investigations to ensure they are fair, rigorous, and transparent". To form a substantiated opinion we need to have some more information on how the investigation was conducted.

- What was the scope of the investigation: timeframe, interviewees (workers and others? Gender? Etc.), extent of the interviews? What documentation was taken into account?
- What was the approach of the investigation: Announced or unannounced audit? How were the interviewees selected? Was there a double check of documents and interviews?
- Who was conducting the investigation: What are "IETP in house technical team specialists" specialized in specifically? Do they have any training on gender-based violence etc.?

The investigation includes information, which we would like IETP to make available for the coalition: The complaints raised by workers, how the factory handled these complaints (i.e. how their anonymity is protected) and the resolutions. We would also like more details on the trainings on specific issues such as sexual harassment and the information and the process by which workers are informed about worker representation in factories.

Sincerely,

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