



ICT CARE Process

Important Message

(Auditors shall provide this document to Factory in the opening meeting of annual audit)

Continuous Improvement Process

- The ICTI CARE Process is a CONTINUOUS IMPROVEMENT PROCESS. It is not a simple pass/fail auditing system.
- ICP stresses on transparency and factory's commitment to making genuine improvement within an agreed timeframe.
- Factories who are found with wage and hours problems will be able to continue to work with ICP on the basis of PROBATION provided that they are TRANSPARENT and COMMITTED to MAKING IMPROVEMENT during the probation period.
- Factories who are found with other non-compliance issues in the first certification audit will be provided with the opportunity to have a follow-up audit, which will be conducted within a reasonable timeframe to allow factories time to make the necessary corrections.
- Factories which are not transparent and show themselves unwilling to make genuine improvement will force ICP to terminate their seal, which is something ICP does not want to do but which it will be forced to do in order to keep a level playing field in the worldwide toy industries manufacturing sector.
- Factories are always welcome to meet with ICP staff to discuss their problems or any concerns they have.

New Policy on Wages and Working Hours

- In September 2009, we launched the new policy on Wages and Working Hours. The objective is to encourage factories to be fully transparent regarding labor practices; to pay correct wages and to reduce excessive hours.
- **WAGES:** Factories in the first certification audit AFTER SEPTEMBER 2009 that are found with incorrect wage payments (e.g. payments lower than the minimum wage or incorrect overtime payments) will be given 3 months to make the necessary corrections. Re-audits will be arranged to ensure that corrective actions are taken. Continued non-compliance will result in either probation or termination.
- **WORKING HOURS:** Factories that are able to demonstrate compliance with all other aspects of the code, including correct wage payments, will be awarded one of three ICTI CARE Process seals depending on their actual weekly working hours:
 - . Class A – weekly working hours 66 and below
 - . Class B – weekly working hours above 66 and but not exceeding 72
 - . Class Conditional – weekly working hours above 72 (factory must have in place an agreed corrective action plan (CAP) to progressively reduce to less than 66 hours no later than June 30, 2012).
- All factories participating in the ICTI CARE Process that enter into the Continuous Improvement Process (CIP) must reduce their weekly working hours to 66 by June 30th 2012.
- There is an annual minimum level of improvement required and progress audits are also required to ensure that factories make improvements that are sustainable. The frequency of the progress audits depends on when the factories enter into the Continuous Improvement Process.
- Factories with a workforce of 1.000 workers or below will have a 1 man-day progress audit and factories with more than 1.000 workers will have a 2 man-days progress audit. The progress audits are charged at the same man day rates as regular ICP audits.
- In case of backsliding (e.g., from Class A to Class B or B to Conditional), factories may be put on probation and continued non-improvement may result in termination.
- For details, please refer to the policy on the ICTI CARE website. www.icti-care.org



ICTI CARE Foundation

Audit Integrity, ICP's Monitoring of Audit Quality, Grievance Channel

- Auditors have no authority to decide whether factories have qualified for a seal. Auditors conduct audits and report their findings to ICP. It is ICP which determines whether factories will be issued with a seal based on their review of the audit reports.
- ICP conducts a considerable number of quality check audits to monitor the audit quality of audit firms and performance of auditors.
- If factories have any concerns regarding the integrity, quality or implementation of the audits, they are to be encouraged to raise the issues with ICP staff.
- Factories which have opinions different from the ICP staff regarding their seal status are always welcome to meet with ICP staff to discuss their case. ICP staff have frequent meetings with factories to discuss their concerns and issues. If the issues cannot be resolved, factories can raise the issues with the ICP governance board for a further review of the case.
- Our Complaint and Appeal Procedure is available on our website: <http://www.icti-care.org/audience/factories-in-chinese.htm>

ICP Contacts

Please feel free to contact our colleagues:

Email: asia@icti-care.org

Tel. no. - +852 21112462