

To  
Business & Human Rights Resource Centre

Dear Laura McVeigh

Hong Kong 2005.06.15



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**Re. "Easy to Manage"**

We are pleased to update you on the situation after the research made more than 1 year ago.

TOP-TOY agreed an open approach to SwedWatch and Fair Trade Center. The first meeting was back in January 2004 where we arranged full access for their reporter to a factory on their request.

In May 2004 SwedWatch again visited China/Hong Kong and we worked approx. 3 days with them, including visit to factories.

We did show all TOP-TOY's audit procedures, documents and policies to SwedWatch – however limited details were included in the report.

It was agreed between Fair Trade Center and TOP-TOY that different companies mentioned in the report will follow up on the report with selected factories. We are pleased that the English version finally is available to enable this important step.

TOP-TOY is very committed to CSR and we are continuously working on supporting only the best factories who comply to our strict requirements.

We do believe that TOP-TOY's factory audit and compliance procedures are conducted in a professional and proper way.

Having an appropriate CSR is a never ending process and there are always areas for improvement. We are pleased to update you on improvements either already made or in progress:

- ICTI COBP (the "care process") is an important support from the professional part of the global toys industry. TOP-TOY is fully supporting the ICTI COBP and our major suppliers are being requested to obtain the ICTI COBP certificate. Within the last 12 months many factories have already successfully obtained this certificate.
- TOP-TOY's Audit procedure will be updated with stronger focus on individual interviews with workers. To facilitate this TOP-TOY will co-operate with a professional 3<sup>rd</sup> party to conduct the workers interview. The result of the 3<sup>rd</sup> party interviews will be cross checked during our on site factory audit - to ensure a very reliable picture of the situation.
- TOP-TOY's Code of Conduct was implemented in 1999 and the update 2005 version has reference to ICTI COBP and ILO.

We are continuing to encourage and help the suppliers of TOP-TOY branded products on improving the ethical and working conditions for the workers.

It is a pleasure to be part of the positive development. Besides the requirements from the industry, the workers are also benefiting of the current labour shortage in Southern China and the confirmed increase of the minimum wages in 2005.

Best regards  
TOP-TOY (Hong Kong) Ltd.  
Lars Gjoerup

A handwritten signature in blue ink, appearing to read "Lars Gjoerup", is written over the typed name.