

ICTI CARE Process (ICP) Audit Summary - Foshan City Nanhai Mattel Diecast Co. Ltd (MDC)

An independent audit firm approved by ICTI CARE performed an ICP audit in December 2009. This factory is located in China, occupies an approximate area of 80,000 m² and had approximately 3,000 employees at the time of the audit. The factory includes the following major production departments; injection molding, tampo printing, spray painting and assembly. During the course of the audit the following findings were identified.

The hours worked at this factory were adequately documented using a computerized timing system. The maximum hours worked per day were 11 hours and 66 hours per week. All overtime at this factory is voluntary. The maximum overtime hours worked per month is 114 hours. All employees are entitled to one day off in seven and the maximum consecutive working days per month is 12.

The wages and compensation for factory employees meet legal and policy requirements. The legal withholdings from employee wages are being held correctly. The types of withholdings include social insurances. The employees are free to choose deductions including dormitory and food and all deductions for food and housing are reasonable and legal. The amount of cash payments for food is 2.4-3.4 Rmb per meal and the deduction for housing is 45 Rmb per month. There is no deduction for company provided items and the replacement charge does not exceed the cost of the item. The payment of wages is made readily available to employees in cash.

The factory does have a written policy specifying the youngest age for workers hired at the factory and the age of the youngest employee is 16. This age is in compliance with policy and local laws. The factory does not use forced or bonded labor. This has been verified via document review, factory tour, and employee interview.

The emergency exit doors are kept open and unlocked. The aisles and emergency exit doors are clearly marked and are unobstructed. The exit sign is illuminated at all times. Personal protective equipment is provided and employees have been trained to use it. The factory does provide dormitory living for male and female employees. There are eight workers per room. Employees have sufficient living space in the dormitory, approximately 3 m² per employee.

Additional findings: The third quarter meeting between management and employees was not arranged according to the quarterly schedule.

Corrective Actions:

In response to the audit findings, MDC has taken the following actions:

- The third quarter employee representative meeting was held on November 12, 2009 and meeting minutes have been provided to ICTI CARE. The quarterly meeting schedule has been planned for the next calendar to ensure they are properly spaced every 90 days and automatic reminders for these meetings have already been established.

Outcome:

ICTI CARE Seal of Compliance awarded. Seal # C0202