

## **ICTI CARE Process (ICP) Audit Summary – Mattel Malaysia Sdn. Bhd. (MMSB), 2010**

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An independent audit firm approved by ICTI CARE performed an ICP audit on October 25 -27, 2010. The factory is located in Malaysia, occupies an approximate area of 30,000 m<sup>2</sup> and had 3,215 workers at the time of the audit. The main production processes encompass die casting, injection molding, spray painting, tampo printing, electroplating, and vacuum metalizing. During the audit, the following findings were identified.

Working hours were adequately documented through a computerized attendance recording system. The maximum daily hours worked during the audited period were 12, and the maximum weekly working hours were 66. Overtime was observed to be voluntary and the maximum overtime hours per month was recorded as 62. All workers were entitled to have at least one rest day in seven and the longest consecutive working days was seven.

Payments of wages were found to comply with local legal requirements and were consistent with the factory's established policies. Minimum wage is not stipulated in Malaysia. Records indicate the wage offered was determined through benchmarking the wages scale of other multinational manufacturing facilities in the vicinity. Generally, payment of wages was made through bank transfer to the worker's account. Workers without a bank account receive their wages in cash.

The legal payroll deductions for social security and the pension fund were observed to be correctly withheld. The monthly deduction for workers who chose to stay in dormitory was observed to be reasonable and the factory partially subsidizes utility expenses for each dormitory unit. Interviews confirmed workers were not obliged to buy their meals from a specific food provider. For convenience, food is sold in the canteen separately at reasonable price. There were no deductions for items provided by the company and replacement charges were waived or at cost.

Based on the written hiring procedure, which is in compliance with the legal requirements, the minimum age of employees is 18. No evidence of underage, forced, bonded or prison labor was observed during the audit. This was confirmed via document review, factory tour and worker interviews.

Female employees may choose to voluntarily live in the dormitory. The maximum number of residents per room was observed to be eight and exceeding the criteria for sufficient space.

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The emergency exit doors were observed to be kept open and unlocked. The aisles and emergency exit doors were clearly marked and unobstructed. The exit signs were observed to be illuminated.

Personal protective equipment had been provided and records indicated employees were trained in its use. The certificate of fitness for 14 hoists and two cargo lifts were found to be expired at the time of the audit but management presented documentation that all necessary submissions for renewal had been submitted to the authorities before the expiration date.

### **Corrective Actions:**

None

### **Outcome:**

ICTI CARE Seal of Compliance awarded. Seal # C0193.