



FAIR LABOR
ASSOCIATION[®]

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Jostens Inc.
COUNTRY: United States
ASSESSMENT DATE: 08/08/17
ASSESSOR: Miriam Rodriguez
PRODUCTS: Apparel
NUMBER OF WORKERS: 323

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

- 1.The facility did not provide any evidence of a formal written policy and procedures governing all aspects and modes of Retrenchment. The facility has not provided communication and training to all level of workers or worker representatives. Due to a lack of policy and procedures, the facility management has not conducted periodic review of the same. ER.1, ER.16, ER.32
- 2.The facility did not provide any evidence of a formal written policy and procedures regarding Industrial Relations or Freedom of Association. The facility has not provided communication to all workers. The facility has not provided training, whether at hire or at annual refresher, to all level of workers or worker representatives. Due to a lack of policy and procedures, the facility management has not conducted periodic review of the same. ER.1, ER.15, ER.16, ER.17, ER.25
- 3.The facility's equal employment opportunity policy statement listed on page 6 of the employee handbook lacks the following categories: political opinion, social group, ethnic origin, marital status, union affiliation or sympathy. This policy statement does not align with FLA Code. ER.3
- 4.The facility's current policy's Work Schedule listed on page 7 of the employee handbook does not explicitly advise that all overtime hours are consensual on the part of the worker. This policy statement does not align with FLA Code. However, worker interviews did not provide any testimony of involuntary overtime by a worker. HOW.8.2

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER1.1, ER.3.2, ER.15.1, ER.16.1, ER.17.1, ER.25.1, and ER.32.1; Hours of Work Benchmark HOW.8.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. MTM has only had one limited layoff in its 46 year history and does not foresee another one. MTM's policy is to terminate employment in accordance with applicable laws and Pg. 31 of the MTM Employee Handbook.
2. MTM lists Freedom of Association and Collective Bargaining listed in the Code of Conduct. These notices are posted around the plant in three languages.
3. This has been updated in our handbook.
4. Overtime is consensual as noted and confirmed by the auditor. The has been further clarified in our handbook.

Planned completion date

09/09/18

Company Action Plan Update

06/28/18 : 1. MTM has only had one limited layoff in its 46 year history and does not foresee another one. MTM's policy is to terminate employment in accordance with applicable laws and Pg. 31 of the MTM Employee Handbook. 2. MTM lists Freedom of Association and Collective Bargaining listed in the Code of Conduct. These notices are posted around the plant in three languages. 3. This has been updated in our handbook. 4. Overtime is consensual as noted and confirmed by the auditor. The has been further clarified in our handbook.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There is a lack of standard contract language with employment agencies that specifically imparts power to the facility to directly pay wages to temporary workers. Currently, the facility has 10 workers hired through the labor agency. ER.6
2. The facility management does not maintain on-site nor accessible the personnel files and all relevant employment information of temporary workers working at the facility. During the audit, the labor agency provided access to their personnel files of the temporary workers assigned to the facility. Currently, the facility has 10 temporary workers from the labor agency. ER.11

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.6.1, ER.11.5)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Wages are paid by the temporary agencies as per the standard Agency agreements. Temporary workers confirmed they are paid directly and on-time by the labor agencies, and MTM would know if payment did not occur by the agency in an accurate and timely manner because employees would come forward or resign if not.
2. The personnel files for active temporary agency workers assigned to the facility are the property of the Agency and kept at their headquarters as per their company policy. The documents kept by the facility are related to training's, and time clock registers.

Planned completion date

09/09/18

Company Action Plan Update

06/28/18 : 1. Wages are paid by the temporary agencies as per the standard Agency agreements. Temporary workers confirmed they are paid directly and on-time by the labor agencies, and MTM would know if payment did not occur by the agency in an accurate and timely manner because employees would come forward or resign if not. 2. The personnel files for active temporary agency workers assigned to the facility are the property of the Agency and kept at their headquarters as per their company policy. The documents kept by the facility are related to training's, and time clock registers.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The facility's current policy is to stipulate a twelve (12) month probationary period, which is outlined on page 6 of the Employee Handbook. This practice is not consistent with FLA Benchmarks. C.3
2. The facility does not recognize or grant seniority and fringe benefits eligibility from the first day of temporary employment for a temporary worker who becomes a permanent employee. The facility will only consider these benefits from the first day of permanent employment. The facility has converted 90% of the workers contracted through the labor agency. ER.12

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.12; Compensation Benchmark C.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

A correction to point 2 is the facility has converted 42% of workers to permanent employment contracted through the labor agency in CY 2015. Clarification with FLA is their information was from one temporary agency. MTM utilizes multiple agencies and the 42% is a comprehensive number.

Planned completion date

09/09/18

Company Action Plan Update

06/28/18 : 1. MTM's probationary policy is in full compliance with the law. MTM utilizes this policy to ensure performance requirements are met earlier in the employee's tenure and to ensure MTM has the right people to meet our client requirements. 2. MTM grants seniority and benefits from the first day of employment with MTM. Benefits may be provided by the temporary agency prior to employment with MTM.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

The facility does not maintain records which identify women workers who are pregnant (pre or post maternity). However, the facility outlines a policy on Pregnancy Accommodation which is listed on page 18 of the employee handbook. HOW.5.1

Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmark HOW.5.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

MTM complies with all applicable laws relating to female workers (including pregnant and nursing mothers). There are no requirements to keep track of hours of work differently than we keep for all employees. Proper facility space is available for nursing mothers to express breast milk and they are allowed to take reasonable break times to do so. No special lists or log of hours are necessary to comply with this.

Planned completion date

09/09/18

Company Action Plan Update

06/28/18 : MTM complies with all applicable laws relating to female workers (including pregnant and nursing mothers). There are no requirements to keep track of hours of work differently than we keep for all employees. Proper facility space is available for nursing mothers to express breast milk and they are allowed to take reasonable break times to do so. No special lists or log of hours are necessary to comply with this.

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

The facility's current discipline guidelines listed in the employee handbook on page 23 is not a system of progressive discipline; it does not list the escalation of disciplinary action from verbal, written, suspension and termination. The facility's current disciplinary system

lacks a procedure of third party witness during the imposition of a disciplinary action. ER.27

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.27.1, and ER.27.4)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The current discipline policy is outlined in the employee handbook and addresses the various levels of disciplinary procedures with allowances for skipping levels given the severity of the situation as outlined in FLA. MTM permits, but does not require, third party witness during the imposition of the disciplinary action or an appeal process. Typically, witnesses participate as a disciplinary action is more serious (suspension, termination, etc.)

Planned completion date

09/09/18

Company Action Plan Update

06/28/18 : The current discipline policy is outlined in the employee handbook and addresses the various levels of disciplinary procedures with allowances for skipping levels given the severity of the situation as outlined in FLA. MTM permits, but does not require, third party witness during the imposition of the disciplinary action or an appeal process. Typically, witnesses participate as a disciplinary action is more serious (suspension, termination, etc.)

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The facility provides emergency equipment such as automated external defibrillator (AED) and fire proof cabinets, however employees have compromised the emergency equipment by placing materials, boxes, and other non emergency equipment on top of the AED or the fire proof cabinets. HSE.6

Local Law or Code Requirement

OSHA 29 CFR 1926.152 requirement for Flammable Liquids, and FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.6.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

This was corrected immediately upon it being pointed out during the on site audit.

Planned completion date

09/09/18

Company Action Plan Update

06/28/18 : This was corrected immediately upon it being pointed out during the on site audit.