



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: ACCO Brands USA LLC
COUNTRY: United States
ASSESSMENT DATE: 12/12/17
ASSESSOR: Miriam Rodriguez
PRODUCTS: Paper [for paper products of any type]
NUMBER OF WORKERS:

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.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

Evidence gathered from temporary workers confirmed they are paid directly and on-time by the labor agency. Currently, ACCO does not have a contract with the employment agency; however, there are documents that support the relationship. ACCO does not have standard contract language with the employment agency that specifically imparts power to the employer to directly pay wages to temporary workers and ensures equality of compensation and workplace standards as set under the FLA Workplace Code. There is no written policy regulating the recruitment and hiring of contract/contingent/temporary workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.6.1 and ER.7.2)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Finding Explanation: The facility has met all the elements of the corrective action. The letter that covers the legal requirements, the location of the lactation room, and provides a direct contact person has been issued and is part of the "on boarding" packet for direct hires and labor agency hires. The lactation room is located in the facility's occupational nurse office and is equipped with chairs and a refrigerator to store milk. (Recommendation the letter needs to advise mothers that, under state law, nursing mothers are eligible for lactation benefits for up to three years.)

PREVIOUS FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The seniority of temporary workers hired through the employment agency is not dated from the first date they joined the company. Three workers converted from temporary status to full-time employment; each of the three workers started in May or June 2014, and became full time employees in September and October 2014, while their seniority was dated to September or October 2014.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.12)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Finding Explanation: The CBA dictates the seniority dates and this action is pending until the CBA comes up for renewal in March 2019.

Root Causes: No changes can be made until the CBA comes up for renewal in March 2019.

Local Law or Code Requirement

FLA Workplace Code (Employment Relation Benchmark ER.12)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The Seniority Date is dictated in the CBA and the factory will continue to honor the CBA requirements that run through April 28, 2019. The factory will include this point in the next round of negotiations.

PREVIOUS FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

Management does not have records identifying all women workers entitled to legal protections concerning work hours (e.g., nursing mothers).

Local Law or Code Requirement

Section 7(R) of the Fair Labor Standards Act (FLSA); FLA Workplace Code (Employment Relationship Benchmark ER.14, Hours of Work Benchmark HOW.5.1)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Remediated: The facility met all the elements of the corrective action, including the following:

- a. The contract with the labor agency was initiated in March 2016 and is renewed annually. The expectations as per FLA guidelines are listed on page 4 of the contract.
- b. The facility issues a letter in the orientation packet for new temporary employee hires that explains the relationship between the facility and the agency and the agency's role in providing payments. However, temporary employees may also contact the facility if the labor agency does not address all concerns. The worker reviews and signs the letter as a form of acknowledgment.
- c. The facility's HR department initiated the quarterly review in the first quarter of 2017 and the most recent review was conducted in the fourth quarter of 2017, at which time the facility's HR manager identified a wage discrepancy regarding shift differential which was miscalculated. The error was corrected and proper payment was made to the worker. (Recommendation: The quarterly review should also include a review of I-9 documentation for the purpose of accuracy, as well as a review that any and all background and/or drug screenings are not charged to prospective employees.)

2. Remediated: The facility has established guidelines and procedures to regulate the hiring of temporary workers.

New Findings and Action Plans

NEW FINDING NO.1

NOTABLE FEATURE

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The facility has developed a training program identified as Leadership/Supervisor Skill Development which lasts 6 weeks. The program is open to non-exempt employees, who are interested in advancing to supervisor level. The potential candidates submit an application to HR department and undergo interviews before the facility selects candidates as trainees. The curriculum consists of meeting and shadowing various members of the facility's current management, including the general manager, department and functional managers, with a goal to understand all aspects of operations of the facility. The facility has had four individuals who have completed this training, and these individuals could apply for any openings of supervisor positions in the near future. The union leadership is supportive of this training program.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Item 5: The Factory revised the training period to three months on Feb 1, 2018 and this policy start effective on Aug 1, 2018. The Factory arranged the probation period awareness training to all employees on July 31, 2018. Please find the attached the revised policy with management signature and the training record.

Item 6: The Factory completed 1) recruitment, selection and hiring policy procedure and 2) the personnel development policy before April 21, 2018. Please find the attached supporting documents. The Factory provided training to workers.

Item 7: The Factory completed the performance review form. They have confirmed that all workers go through the performance review. And that all workers receive a copy of the review. The performance reviews were last arranged on August 27, 2018. Documents available upon request.