



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Harland Clarke Corp
COUNTRY: USA
FACTORY CODE: 3500821095I
MONITOR: STR Responsible Sourcing
AUDIT DATE: May 20, 2010
PRODUCTS: Printed Checks
PROCESSES: Printing, Die Cutting,
Packaging, Shipping
NUMBER OF WORKERS: 219



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*Denotes a notable feature



Wages, Benefits and Overtime Compensation: Deposit of Legally Mandated Deductions

WBOT.13 All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc. The employer shall not hold over any of these funds from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g., monthly deposits, weekly pay). If the law does not specify, then deposits shall be made before the next pay period in all cases. (S)

Notable Feature

Explanation: A comprehensive benefits package that includes 136-256 paid time off per year, Medical, Dental, Vision, Healthcare Flexible Spending Account, 401K (with up to 4% company match), Life Insurance, LTD/STD, AD&D, 8 paid holidays, 3-5 paid bereavement days, Employee Assistance Program via Lifeworks and an employee Tuition Assistance Program.

Wages, Benefits and Overtime Compensation: Minimum Wage

WBOT.2 Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher. (S)

Notable Feature

Explanation: Competitive wages: Lowest starting wage is \$10.20 and increases to \$13.60 after probation (minimum wage in Texas is \$7.25 per hour). Additionally, employees receive shift premiums of \$0.75 per hour on 2nd shift and \$1.00 per hour for 3rd shift. All shift premiums are paid on all hours, (vacation, holiday, etc.) not just hours worked.

Non-Discrimination: Possible Marriage or Pregnancy

D.7 Employers shall not threaten female workers with dismissal or any other employment decision that negatively affects their employment status in order to prevent them from getting married or becoming pregnant. (S)

Notable Feature



Explanation: Facility participated in a company wide Diversity Council, which requested representation from all business units. The committee conducts training to increase retention of women and minorities and help their professional development. Additionally, the Diversity Council provides recommendations for support and resources for employee groups.

Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

Explanation: Aisles and walkways are not marked with directional signage leading to exits.

Plan Of Action: Glow in the dark signs purchased and placed on floor directing towards exits.

Deadline Date: 08/24/2010

Supplier CAP: Glow in the dark signs purchased and placed on floor directing towards exits.

Supplier CAP Date: 08/13/2010

Action Taken: Glow in the dark signs purchased and placed on floor directing towards exits. See documents in general information.

Plan Complete: Yes

Plan Complete Date: 08/13/2010

Health and Safety: Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Noncompliance

Explanation: 1. Several fire extinguishers were found to be blocked during the walkthrough of the production work floor. None of the extinguishers were provided with floor markings prohibiting placement of things around them, which could inhibit access to them.

2. 1 eyewash station, located outside of the chemical storage room, was found to be blocked.

3. Soiled cleaning solvent rags are disposed of in regular trashcans. Thirty-three percent (33%) of interviewed employees reported disposing solvent soiled rags (used to clean machinery of toner build-up) in regular, nondescript trashcans.

Plan Of Action: Tape was placed in front of all fire extinguishers prohibiting anything being placed in front of them. The eyewash station was moved to the other side of the door and a cabinet moved, so it would not be blocked. Bought the red triangle cans for soiled rags and placed in each cell.

Deadline Date: 08/24/2010

Supplier CAP: Tape was placed in front of all fire extinguishers prohibiting anything being placed in front of them. The eyewash station was moved to the other side of the door and a cabinet moved, so it would not be blocked. Bought the red triangle cans for soiled rags and placed in each cell. See documents in General information.

Supplier CAP Date: 08/13/2010

Action Taken: Tape was placed in front of all fire extinguishers prohibiting anything placed in front of them. The eyewash station was moved to the other side of the door and a cabinet moved, so it would not be blocked. Bought the red triangle cans for soiled rags and placed in each cell. See documents in General information

Plan Complete: Yes

Plan Complete Date: 08/13/2010

Health and Safety: Material Safety Data Sheets/Worker Access and Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Noncompliance

Explanation: Chemical Material Safety Data Sheets (MSDS) are not maintained in the chemical storage room.

Plan Of Action: Duplicate MSDS Book and place in chemical storage room.

Deadline Date: 08/24/2010

Supplier CAP:

Supplier CAP Date: 08/24/2010

Action Taken: Made duplicate of MSDS book and placed in the chemical storage room. See uploaded image in General Information.

Plan Complete: Yes

Plan Complete Date: 08/13/2010



Health and Safety: Proper Use of Machinery

H&S.19 Employers shall only use positive incentives (risk awareness training, demonstration of proper use, awards, bonuses, etc.) to ensure workers use machinery, equipment and tools properly and safely. Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe. (P)

Noncompliance

Explanation: During the walkthrough, 3 print machines were observed to be running normally with access doors maintained opened.

Plan Of Action: Conduct training and place signage on printer indicating doors are to remain closed while machine is running.

Deadline Date: 08/24/2010

Supplier CAP: Training was completed in plant meeting on June 24, 2010 going over the results of the FLA audit. We talked about best practices as well as what we are doing to correct. We instructed all employees to keep the doors closed on the printer when running. Also, signs were placed on printer to remind operator to keep the doors closed when in operation. See documented pictures and training documents in General Information.

Supplier CAP Date: 06/24/2010

Action Taken: Training was completed in plant meeting on June 24, 2010 going over the results of the FLA audit. We talked about best practices as well as what we are doing to correct. We instructed all employees to keep the doors closed on the printer when running. Also, signs were placed on printer to remind operator to keep the doors closed when in operation. See documented pictures and training documents in General Information.

Plan Complete: Yes

Plan Complete Date: 06/24/2010