



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Milliken Company
COUNTRY: United States
FACTORY CODE: 760082939GV
MONITOR: Accordia Global Compliance
AUDIT DATE: October 19, 2010
PRODUCTS: Carpet, Tiles
PROCESSES: Manufacturing
NUMBER OF WORKERS: 367

FLA Comment: This report was submitted with a corresponding corrective action plan to the FLA and was reviewed by FLA staff. In an effort to improve the effectiveness of remediation, the FLA has provided feedback and recommendations to the company. The FLA has not yet received a response from the company. Therefore, the report is posted in its current state and will be updated once a finalized report has been received.



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*Denotes a Notable Feature

Forced Labor: Other - Forced Labor

Other

Notable Feature

Explanation: Facility provides a flexible work schedule structured to allow more than 2 days off during the week. As per interviews, this schedule allows workers to spend more time with their families.

Child Labor: Other - Child Labor

Other

Noncompliance

Explanation: Although facility has adopted the FLA benchmarks which include the prohibition of child labor, there are no written procedures for age verification. Facility did not know or was not advised of the need to have a written procedure for age verification.

Source: document review

Plan Of Action: Facility does have documented procedures to address age verification. This item was not mentioned in the audit wrap up as being an actionable item. Applications & Employment SPI states that an applicant shall be at least 18 years of age, although applicants over 16 and under 18 years of age may be employed after securing a work permit (if applicable), with the approval of the authority designated by the Plant or Location Manager. Further, all associates have a Form I-9 on file (OMB no. 1615-0047), detailing the documentation supporting associate age verification.

Deadline Date: 03/09/2009

Action Taken:

Plan Complete: No



Plan Complete Date: 03/09/2009

Action Verified: No

Action Verified Text: COMPLETED: Facility has prepared and implemented a documented procedure detailing the steps to follow to verify the age of an applicant for work. Monitor obtained the written procedure and reviewed it; it is summarized as follows: In the United States, employers are required to complete an Employment Eligibility Verification Form (I-9) by federal law. This form requires proof of identity and age in order to establish a person's employment eligibility. Workers present original copies of government-issued identification showing their date of birth. This step occurs prior to finalizing the hiring of a worker. HR personnel review the ID documents for authenticity and make copies of the ID to maintain as supporting documentation for the I-9 forms. Additionally, employment applications request a job applicant to state if they are over the age of 18 at the time they are seeking work.

Action Verified Date: 10/19/2010

Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and 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:**
1. Company policy is structured to have 4 drills per year. 2007: 1 Severe Weather drill conducted; 2008: None conducted up to date.
 2. An exit by the shipping area does not have a "No Passageway" sign. This is a designated truck lift area; employees are not allowed to use this exit.
 3. Evacuation plans located in the office are not 100% legible; the legends are reduced copies of an originally larger plan. All other plans throughout the production floor are large enough to read all contents.

Source: facility walkthrough

Plan Of Action: In follow up to the violation cited during our recent FLA audits regarding our failure to conduct 4 emergency preparedness drills annually, we have taken the following corrective actions:

1. [Factory name] Complex Emergency Preparedness Safety Sub-Committee has been assigned ownership and responsibility for conducting the 4 drills annually.
2. Emergency Preparedness Safety Sub-Committee has entered this action item on their safety tracking list to ensure annual completion of the 4 drills.
3. Emergency Preparedness Safety Sub-Committee has a drill evaluation document they use to ensure a record is kept of all drills, and that action items generated from the drills are assigned ownership and completed.
4. As evidence of the process being implemented, a drill was successfully conducted on October 13, 2008.

Deadline Date: 03/09/2009

Action Taken:



Plan Complete: No

Plan Complete Date: 03/09/2009

Action Verified: No

Action Verified Text: COMPLETED:

1. Facility has conducted 4 drills in 2010 as follows: Fire Evacuation Drill: September 21, 2010; Inclement Weather Evacuation Drill: August 17, 2010; Small Spill Drill Involving First Responder Clean Up: August 6, 2010; Mock Spill Drill evaluating response of Emergency Spill Response Vendor: January 13, 2010.

2. All facility exits were inspected by monitor; all designated emergency exits found to be appropriately marked with "Exit." Exit doors that could be mistaken as emergency exits have been labeled as "Not An Exit."

PENDING:

3. During the IEV, monitor observed that building reconstruction was in process in the office area. No office personnel were present in the area during the construction work. Walls were being deconstructed and there were no workstations present. With these changes to the structure in process, monitor was not able to verify the accuracy of evacuation plans.

Action Verified Date: 10/19/2010

Health and Safety: Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (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: There aren't any procedures posted dealing with first aid; at least 2 first aid kits need replenishing with commercial grade materials as per 29CFR1910.266 App A. Safety Committee failed to detect this observation.

Source: facility walkthrough

Plan Of Action: Flowcharts are posted detailing the correct actions for associates in need of first aid. Further, this process is communicated with associate sign-off during orientation.

Deadline Date: 03/09/2009

Action Taken:

Plan Complete: No

Plan Complete Date: 03/09/2009

Action Verified: No

Action Verified Text: PENDING: There is a first aid room at the facility staffed with a full-time nurse during the 1st shift and an on-call nurse for the 2nd shift. There is a portable first aid kit that is centrally located on the production floor. First responders are trained to retrieve the kit and proceed to the injured person to treat the emergency. However, first aid kits attached to the walls in various areas of the facility do not contain adequate supplies. Management had decided in the past to rely only on the supplies located in the first aid room, the nurse and the portable first aid kit. [Factory Name #2] across the street from [Factory name] is closing; these workers are being relocated to the [Factory name] facility. This means more workers will be on the production floor. Management is considering once again having all the necessary supplies in the first aid kits in different areas of the facility.



Action Verified Date: 10/19/2010

Follow-up Plan of Action: The plant has addressed the replenishing of our first aid kits located throughout the plant. Emergency Preparedness Safety Sub-Committee will check and replenish the first aid kits throughout the plant and Occupational Health Nurse will maintain the first aid bag that the first responders use.

Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least 1 day off in every 7-day period. If workers must work on a rest day, an alternative day off must be provided within that same 7-day period or immediately following the 7-day period. (P)

Noncompliance

Explanation: Employees from the rug department occasionally volunteer to work on their rest days. This occurs during the months prior to Christmas, as employees work on demand orders.

Sources: employee interviews

Plan Of Action: Company policy is to man to a median level of work demand, so our associates can expect to receive between 40 and 60 hours of work weekly. Therefore, to meet demand during peak production seasons, we must ask associates to volunteer for overtime hours. The company deems this practice to be the fairest alternative for associates. As if during peak production we hired as many workers as would be necessary to keep the weekly work hours at 40 per worker, during the slow season there would be less than 40 weekly hours per worker.

Deadline Date: 03/09/2009

Supplier CAP: Also, due to the current economic downturn, we foresee no events where associates will receive more than 60 hours per week in 2009.

Supplier CAP Date: 03/09/2009

**Action
Taken:**

**Plan
Complete:** No

**Plan
Complete
Date:** 03/09/2009

**Action
Verified:** No

**Action
Verified
Text:** PENDING: Daily time keeping records were requested by the monitor to verify factory's compliance on hours of work. 20 records were requested; however, company was only able to provide 5 records on the day of the audit. The reason for not providing all 20 records given by the factory was due to the fact that staff were involved in payroll production for the next pay period. Monitor was only able to review 5 records, but found that 1 out of 5 workers continues to work up to 14 consecutive days without a rest day. Interviewed workers mentioned that working on rest days happens "on occasion" and claim that this overtime is worked voluntarily.

**Action
Verified
Date:** 10/19/2010

**Follow-up
Plan of
Action:** The plant monitors overtime. Our rug business experiences a high demand generally during the months prior to the Christmas season. Therefore, in the months leading up to the holidays, associates have the opportunity to work overtime to assist with the high demand. Again, this is on a voluntary basis if work permits. Our voluntary overtime procedures are within all US labor laws and have been practiced by our company for 150 years. At this time, in today's economy we feel fortunate to be able to provide such available work hours to our associates if they so choose and will not deter them from the opportunity to better their wellbeing unless safety is an issue.

Hours of Work: Other - Hours of Work

Other

Noncompliance

Explanation: It is customary for employees from various departments to voluntarily work overtime and exceed the permitted 60 hours per week (regular and overtime) during the peak season (i.e., prior to the Christmas season). As a sample, during the week ending September 14, 2008, 87 employees worked over 60 hours per week in various departments.

Source: employee interviews

Plan Of Action: Company policy is to man to a median level of work demand, so our associates can expect to receive between 40 and 60 hours of work weekly. Therefore, to meet demand during peak production seasons, we must ask associates to volunteer for overtime hours. The company deems this practice to be the most fair alternative for associates; as if during peak production we hired as many workers as would be necessary to keep the weekly work hours at 40 per worker, during the slow season there would be less than 40 weekly hours per worker.

Deadline Date: 03/09/2009

Supplier CAP: Also, due to the current economic downturn, we foresee no events where associates will receive more than 60 hours per week in 2009.

Supplier CAP Date: 03/09/2009

Action Taken:

Plan Complete: No

Plan Complete Date: 03/09/2009

Action Verified: No



Action Verified Text: PENDING: Monitor reviewed weekly time keeping records for 20 workers for the pay periods of May 2, 2010; August 1, 2010; and October 8, 2010; and found 8 instances in which employees worked in excess of 60 hours a week.

- Worker #1: 64 hours, week of August 1, 2010
- Worker #2: 64.2 hours, week of May 2, 2010
- Worker #3: 82.5 hours, week of October 8, 2010
- Worker #4: 86 hours, week of October 8, 2010
- Worker #5: 60.5 hours, week of August 1, 2010
- Worker #6: 83 hours, week of October 8, 2010
- Worker #7: 71.50 hours, week of August 1, 2010
- Worker #7: 67.50 hours, week of October 8, 2010

Employees stated that overtime is not common and is worked infrequently; however, payroll records indicate that workers are working excessive hours (beyond 60 per week). HR Manager explained that in the cases of workers #3 and #4, workers in their department (shipping) were covering for a co-worker that has been out due to a family emergency. The company representative stated that they will be working on a corrective action plan and will present it to the FLA soon.

Action Verified Date: 10/19/2010

Follow-up Plan of Action: Each location abides by federal and state laws for the payment of overtime. The location has reviewed various shift schedules that will reduce the amount of overtime hours. Estimated implementation of new shift rotation schedules is set for early January 2011. Again, our associates voluntarily work overtime and associates are compensated for overtime hours at such a premium that is required by law. We monitor overtime and as denoted in the report, many associates volunteer to cover in cases of vacation, leave of absence, or for training purposes.
