



2011

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: WWRD US, LLC
COUNTRY: United States
FACTORY CODE: 1350082570J
MONITOR: Margarita Chiriboga
AUDIT DATE: February 2, 2012
PRODUCTS: Luxury Home Products
PROCESSES: Engraving, Warehousing
NUMBER OF WORKERS: 197



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Forced Labor: Employment Records

F.9 Employers shall maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision. (P)

Noncompliance

Explanation: 4 I-9's were not available for review. However, it is important to point out that the facility does have a hiring procedure in place. The employment package for all new hires was made available for review and included the following documents: Employment Notice; Employment Application; W-4 Form; Direct Deposit Payroll; Applicant EEO Data Form; and I-9 Form. The Immigration Reform and Control Act of 1986 (IRCA) legally mandates that U.S. employers verify the employment eligibility status of newly-hired employees. All U.S. employers must complete and retain a Form I-9 for each individual they hire for employment in the United States. This includes citizens and non-citizens. On the form, the employer must 1) examine the employment eligibility and identity document(s) an employee presents; 2) determine whether the document(s) reasonably appear to be genuine and relate to the individual; and 3) record the document information on the Form I-9. The list of acceptable documents can be found on the last page of the form. It is recommended the facility maintain I-9 forms for all employees on file.

Plan Of Action:

Step 1: HR has run a report of all current employees.

Step 2: HR will audit the report by June 9, 2012.

Step 3: HR will identify all employees who currently do not have the correct I-9s and supporting documentation as required by IRCA and will re-verify those employees by July 9, 2012 (hand-in-hand with Step 2).

Ongoing: HR and WWRD currently adhere to the regulations under IRCA and have cited thusly in our Employee Handbook, as signed by all employees. I-9 Forms and supporting documentation are held in a secure binder and retained per guidelines by IRCA. Understanding that there were previous gaps in record keeping, HR will be diligent in monitoring going forward.

Deadline Date: 07/09/2012

Action Taken:

Plan Complete: No

**Plan
Complete
Date:**

Harassment or Abuse: Violence/Harassment/Abuse

H&A.13 Employers shall ensure that the workplace is free from any type of violence, harassment or abuse, be it physical, psychological, sexual, verbal, or otherwise. Employers shall refrain from any action – and shall take all appropriate action to ensure that all workers refrain from any action – that would result in an intimidating, hostile or offensive work environment for workers. (S)

Noncompliance

Explanation: During interviews, employees described a situation in the engraving department where the department supervisor harasses them. Employees complained that the supervisor yells at them and treats them in a disrespectful manner. They described it as "whatever she says right or wrong goes, if we try to explain something, she yells at us." There was an instance where an employee came back to her workstation in tears after speaking to the supervisor. There are days when the supervisor appears to be in a good mood and can be very nice; however, if the supervisor is not having a good day (employee's perception), they make sure to avoid her at all costs, as this supervisor will find any excuse to mistreat them. This was shared with the HR Manager, who was very adamant that they were not aware of this situation; subsequently, the HR Manager said that this behavior does not represent the company, and that they will look into this matter.

Plan Of Action: Step 1: This situation was reported to the Vice President of Operations and the Assistant Warehouse Manager. Both individuals met with the supervisor, who was counseled on their behavior; the incident was written up and they will continue to monitor the supervisor's behavior. The employees were also spoken to; the VP and Manager reinforced the company policy that employees are to be spoken to with respect and that yelling and any abusive language would not be tolerated in the company. Further to this, the updated WWRD Handbook was distributed to all employees as had been planned. Each employee was required to sign a statement that they had read the handbook and would abide by the code of conduct presented by the company. This handbook is very specific on the treatment of employees. The supervisor has signed that they have read the handbook and continues to be monitored and counseled by their manager.



Ongoing: HR and WWRD currently have Harassment, Sexual Harassment, and Discrimination as well as Bullying policies in the Employee Handbook as signed by all employees. HR continues to foster an open door for complaint procedures, follows all CEPA non-retaliation guidelines, and will continue to follow up on complaints and track employee signatures on the handbook.

Deadline Date: 02/10/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Code Awareness:

GEN.1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

Noncompliance

Explanation: WWRD US does not have a Code of Conduct (COC) or workplace standards. It is recommended for the factory to develop workplace standards or adopt FLA's COC.

Plan Of Action: Step 1: On April 3, 2012, the FLA sent the COC for review.

Step 2: HR has reviewed the COC and suggests the following:

Employment Relationship – HR believes that this is covered in its policies and suggests no additional verbiage necessary.

Nondiscrimination – This is covered in great detail in the company's policies and handbook, so no further verbiage is necessary.

Harassment or Abuse – This is covered in great detail in the company's policies and handbook, so no further verbiage is necessary.



Forced Labor – While we do not state there shall be no forced labor, because of the governing rules of the United States of America and the fact that we outline our pay practices, no additional verbiage should be necessary.

Child Labor – While we do not state there shall be no child labor, because of the governing rules of the United States of America and the fact that we outline our pay practices, no additional verbiage should be necessary.

Freedom of Association and Collective bargaining – ACTION – By April 30, 2012, WWRD shall comply with the National Labor Relations Board's new mandatory posting in both English and Spanish that clearly outlines all freedoms.

Health, Safety, and Environment – ACTION – Throughout this calendar year, with an anticipated publication date of July, HR and Facilities is working on an Americas version of the upcoming global standard Health and Safety Manual that will be far more comprehensive than OSHA requirements and the COC suggestions. Although not completed yet, we suggest this manual be made available to FLA independent auditors at next audit or upon request post-completion.

Hours of Work – Our hours of work are published in the handbook and elsewhere.

Compensation – We have all mandatory FLSA postings and ensure all workers are paid at least minimum wage and adhere to all overtime rules.

From the Employee Handbook, Appendix 1:

Harassment, Sexual Harassment, and Discrimination– It is our policy that all employees are responsible for assuring that our workplace is free from any and all forms of harassment or discrimination, whether it be based on race, creed, color, religion, sex, sexual orientation, national origin, age, disability, genetic predisposition or carrier status, domestic violence or veteran's status. Improper interference with the ability of our employees to perform their expected job duties will not be tolerated. Specifically, the workplace must be free of offensive comments, jokes, innuendo, e-mail and other statements that disparage any person based on race, creed, color, religion, sex, sexual orientation, national origin, age, disability, genetic predisposition or carrier status, domestic violence or veteran's status, and/or the display of offensive posters or pictures or other offensive material anywhere in the workplace. This is to insure that each employee may focus on their work and build relationships with co-workers free of any hostile or uncomfortable work environment created by such conduct. The Company will not discriminate against you nor will it allow you to discriminate against each other. Harassment, intimidation, or any other conduct directed at a fellow employee motivated by that employee's membership in the categories listed above shall be investigated and disciplined in the same manner as set forth below regarding sexual harassment. Our Equal Employment Opportunity Policy against sexual or other harassment also applies to our e-mail system.



E-mail messages should not be created, sent or knowingly received if they contain intimidating, hostile or offensive material concerning sex, race, color, national origin, religion, sexual orientation, age, marital status, disability or any other classification protected by law. If you receive any e-mail message that you feel is in violation of this policy, immediately notify the Director of Human Resources.

Sexual Harassment – Because of our strong disapproval of offensive or inappropriate sexual behavior at work, all employees must avoid any action or conduct which could be viewed as sexual harassment, including:

- Unwelcome sexual advances; requests for sexual favors; and all other verbal or physical conduct of a sexual or other offensive nature, especially where: Submission to such conduct is made either explicitly or implicitly a term or condition of employment; submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or such conduct has the purpose or effect of creating an intimidating, hostile or offensive working environment.

- Offensive comments, jokes, innuendo, e-mail and other sexually-oriented statements, or the display of pornographic or offensive material anywhere in the workplace.

Deadline 04/30/2012

Date:

Action

Taken:

Plan No

Complete:

Plan

Complete

Date:



Code Awareness:

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Noncompliance

Explanation: As there is no COC established, it is not possible to claim worker awareness on workplace standards.

Plan Of Action: 1. The COC shall be provided to all employees annually by way of the Employee Handbook. This was done in January 2012.

2. The COC shall be provided to all new hires at time of hire by way of the Employee Handbook.

3. The COC shall also be posted on appropriate Communication/Bulletin Boards in the office and warehouse.

Step 1 – On April 3, FLA sent the COC for review.

Step 2 – HR has reviewed the COC and suggests the following:

Employment Relationship – HR believes that this is covered in its policies and suggests no additional verbiage necessary.

Nondiscrimination – This is covered in great detail in the company's policies and handbook, so no further verbiage is necessary.

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Hours of Work – Our hours of work are published in the handbook and elsewhere.

Compensation – We have all mandatory FLSA postings and ensure all workers are paid at least minimum wage and adhere to all overtime rules.

Deadline Date: 04/30/2012

Action Taken:

Plan Complete: No

Plan Complete Date:



Code Awareness:

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Noncompliance

Explanation: There is an internal grievance system at the factory where workers can communicate to the factory management. However, there are no confidential reporting mechanisms where workers can communicate noncompliances to the company representatives.

Plan Of Action: From the Employee Handbook:

Complaint Procedure – Each employee is responsible for creating an atmosphere free of discrimination and harassment, sexual or otherwise. Further, employees are responsible for respecting the rights of their co-workers. If you experience any job-related harassment based on your sex, your race, or another factor, or believe you have been treated in an unlawful discriminatory manner, promptly report the incident, in writing or via e-mail, to the Human Resource Director, who until further notice is also our Equal Employment Opportunity Compliance Officer. The Equal Employment Opportunity Compliance Officer will make a prompt, thorough and impartial investigation, with legal counsel, and take the appropriate corrective action if he/she determines harassment has occurred in violation of municipal, state, or federal law. Confidential records of such investigations will be maintained. If you believe it would be inappropriate to discuss the matter with the Equal Opportunity Compliance Officer, report it directly to our Chief Executive Officer who will forward your complaint to legal counsel for investigation. Special privacy safeguards will be applied in handling harassment complaints, under which the privacy of the complaining party and the person accused of harassment will be held in confidence to the extent possible. The company will take appropriate corrective action against the offending employee to insure a harassment free workplace, including disciplinary measures up to and including discharge, to remedy any violation of this policy. The Company prohibits any form of retaliation against any employee for filing a bona fide complaint under this policy or for assisting in a complaint investigation. However, if after investigating any complaint of harassment or unlawful discrimination, the company determines that the complaint is not bona fide, or that any employee has provided false information regarding the complaint, the company may take disciplinary action, up to and including discharge, against the individual who filed the complaint or who gave false information. Employees in [Location name] HQ may find the full-text of the [State name] Conscientious Employee Protection Act (CEPA), or “Whistleblower Law,” on display in the office. [State name] law prohibits an employer from taking any retaliatory action against an employee because the employee performs one of the prescribed actions.



The company's policies on non-retaliation mirror the state of [State name's] law. If you feel you have been retaliated against because of a bona fide complaint, please immediately notify the Director of Human Resources.

Deadline 02/10/2012
Date:

Action
Taken:

Plan No
Complete:

Plan
Complete
Date:
