COMPANY: Roaring Spring Paper
COUNTRY: United States
FACTORY CODE: 1060082468621
MONITOR: STR Responsible Sourcing
AUDIT DATE: November 10 – 11, 2010
PRODUCTS: Notebooks, Binding
PROCESSES: Rolling, Cutting, Binding, Sewing, Packing, Shipping
NUMBER OF WORKERS: 213

For an explanation on how to read this report, please visit the FLA website [here](#).
CONTENTS:

Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation .......................................................... 3
Health and Safety: Evacuation Requirements and Procedure ................................................. 5
Health and Safety: Personal Protective Equipment ................................................................. 6
Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance ....................... 7
Health and Safety: Machinery Maintenance and Worker Training .............................................. 8
Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation

WBOT.1 Employers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Code are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, employers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation. (S)

Noncompliance

Explanation: 1. Employees, who at times work at two different rates, are not compensated for overtime work hours at a weighted average. This concern was verified through employee and management interviews and corroborated with employee payroll documentation. Approximately 20% of the employee sample reviewed worked at two different rates when switching job functions. Rates varied between $12.83-$17.6 depending on the position and according to the union contract. This finding is not in compliance with 29 CFR (1968) § 778.115 Employees working at two or more rates.

2. Four employees are currently misclassified as salaried employees. These employees do not meet the salary exception criteria and do not maintain time records for the compensation of overtime hours. These employees are not in managerial roles, do not manage more than 2 employees, do not make independent decisions regarding business matters and do not qualify under the exemption criteria. This concern was discovered through management interviews regarding salaried personnel duties and time records. As per management statements, these employees do not meet the criteria and do not currently maintain time records as required. This finding is not in compliance with 29 CFR (2004) § 541.200(a).

Plan Of Action: Response to WBOT 10: The Company has a Labor Agreement with United Steelworkers International Union Local No. [Number] that provides the framework for all matters relating to the mutual interest of the employer and the employee. The Agreement contains an Appendix that specifically lists the employee’s base rate of compensation for all tasks performed regardless of whether the task is performed during regular or overtime hours. In addition to the standard overtime language the Agreement states that the employee will be paid time and one half for all Saturday work and paid double time for all Sunday work regardless of all other factors. There is a grievance procedure in place to resolve any dispute over the application and interpretation of the collective bargaining agreement. We believe our current compensation practice with respect to overtime is consistent with governing laws and any change that would result in our employees being paid LESS THAN they are currently being paid would certainly result in a grievance. It should be noted that 29 CFR 778.115 states that certain statutory exceptions permitting alternative methods of computing overtime pay are discussed in 778.400 and 778.415 through 778.421. Specifically, 778.419 addresses hourly employees
working at two or more rates: “(a) Under section 7(g)2 an employee who performs two or more different kinds of work for which different straight time rates are established, may agree with his employer in advance of the performance of the work that he will be paid during overtime hours at a rate not less than one and one-half times the hourly non-overtime rate established for the type of work he is performing during such overtime hours.” There can be no doubt that our current practice which is the result of over fifty years of labor/management negotiations is consistent with both the letter and the spirit of the law.

*Response to WBO*T.1: We believe the employees meet the definition of exempt administrative employees in 29 CFR & 541.200. Specifically:

1. The employees are all compensated at a salary greater than $455 per week.

2. The primary duty of these employees is the performance of office or non-manual work directly related to the general business operations of the company.

3. The employees exercise considerable discretion and independent judgment in the performance of their duties on matters which affect the business as a whole or a significant part of it.

4. The employees have the authority to commit the company in matters of considerable importance and with significant financial impact.

5. The employees have access to personnel information that requires the employees to exercise responsible conduct and confidentiality in order to protect the viability of the company. This matter could have potentially arisen because of our use of the term clerk in job titles communicated to the auditor. However, an analysis of the specific jobs involved would certainly indicate that these employees have a significant part in “keeping the business running” as opposed to performing routine clerical tasks.

**Deadline Date:** 02/11/2011

**Action Taken:**

**Plan Complete:** Yes

**Plan Complete Date:** 02/08/2011
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: Two doors in the ‘ruling’ area were observed to be missing “Not an Exit” signs. This concern was observed while on the guided facility walkthrough and is not in compliance with 29 CFR (2002) § 1910.37(b). Lighting and marking must be adequate and appropriate.

Plan Of Action: To designate doors as not an exit and place appropriate signage. Doors were labeled with “Not an Exit” sign. Photos available upon request.

Deadline Date: 02/11/2011

Action Taken: Yes

Plan Complete: 02/11/2011
Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: Employees utilizing spray chemicals on machines (break cleaning and foaming agents) were observed not wearing the required PPE as per MSDS manuals (safety glasses and gloves). These items are available and provided for employees; however, they are not utilized at all times when working with chemicals. This was observed by both management and the monitor while conducting the health and safety walkthrough. This concern is not in compliance with GENERAL SAFETY LAW Act No. 174, May 18, 1937, P.L. 54 -as amended June 28, 1951 and July 13, 1953-Section 2(e).

Plan Of Action: To train employees in accordance with OSHA’s hazard communication standard. Employees are trained annually on PPE requirements and all PPE needed for their job is available to them. Employees are also trained when a new product requiring different PPE is introduced to their workplace. Supervisors are trained on how to ID safety hazards and to enforce rules if employees are not wearing the proper PPE for the job. Training is conducted Annually by the Health and Safety Manager. [Employee name]

Deadline Date: 02/14/2011

Action Taken: Yes

Plan Complete Date: 02/11/2011
Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: Two electrical panels were observed to be blocked by unused equipment. The monitor observed this hazard while conducting the health and safety walk through in the binding production area. This concern is not in compliance with 29 CFR (2008) § 1910.303(h)(3).

Plan Of Action: Move unused equipment (Conveyor). [Factory name] trains all of the supervisors and production workers on hazard identification annually. It is the supervisors and employees responsibility to see that the machines they are operating are in safe operating condition. There is a safety reporting procedure in place to assure that if a safety problem is discovered on a machine it is repaired. [Employee name] is the person at this time that is charge of seeing that all machines are in safe operating condition. We moved the unused conveyor to make the panels accessible. Photos available upon request.

Deadline Date: 02/14/2011

Action Taken:

Plan Complete: Yes

Plan Complete Date: 02/14/2011
Health and Safety: Machinery Maintenance and Worker Training
H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: Machinery is not properly guarded in the ‘Rulling’ area. Machines were observed to be missing rotating part and pulley guards. This hazard was observed while conducting the safety walkthrough with management. This concern is not in compliance with GENERAL SAFETY LAW Act No. 174, May 18, 1937, P.L. 654-as amended June 28, 1951 and July 13, 1953-Section 2(b).

Plan Of Action: Guards were manufactured and mounted on the machine to eliminate the hazard. Photos available upon request. All supervisors are responsible, along with the Health and Safety Manager and Maintenance Manager, for providing a safe work environment. Supervisors are on the floor every day and take notice of potential hazards.

Deadline Date: 02/14/2011

Action Taken:

Plan Complete: Yes

Plan Complete Date: 02/11/2011