



LOSS PREVENTION Policies and Procedures

Stores Division

October 2003

LOSS PREVENTION POLICIES AND PROCEDURES

The Loss Prevention Policies and Procedures are designed to protect Sanrio's Stores employees and assets from internal and external losses. Stores employees are expected to adhere to Sanrio's Loss Prevention policies. When an employee fails to abide by these policies, Sanrio will endeavor, when it deems appropriate, to provide the employee with a reasonable opportunity to correct the deficiency. If the employee fails to correct the deficiency within the agreed upon time frame, the employee will be subject to disciplinary action up to and including termination.

GENERAL

- 1) Any situations involving security must be reported immediately to the Stores Home Office, Human Resource Department and District Sales Manager and NOM, who in turn will report it to the Loss Prevention Group.
- 2) Stores must close with a minimum of two employees. Any exception Must be approved by the District Sales Manager (DSM) or National Operations Manager (NOM)
- 3) Employees must enter and exit the store through the customer entrance at the front of the store only. Management can only enter/exit through the backdoor to receive shipment or throw away the garbage. This applies only to stores with a back door.
- 4) Office doors that have locks should be locked at all times. Management ONLY should be in the office alone. Employees should be encouraged to take breaks and lunches outside the store.
- 5) Stockroom door must remain closed at all times.
- 6) Non-employees are not permitted in the stock room, office area, or store when the store is not open for business. In an emergency (i.e., a small child who must use the rest room immediately), an employee may escort a customer to the rest room, provided the employee remains in the backroom until the customer leaves the restroom and escorts the customer back to the sales floor.

- 7) Employees must carry all their personal belongings to and from work in a clear bag. Sanrio will provide, if desired, a clear vinyl handbag at no charge. In accordance with Sanrio's Loss Prevention policies and procedures, employees who possess personal items such as backpacks, shopping bags, etc., may be asked to open these items for inspection upon entering and/or leaving the store.
- 8) All Employees belongings are to be secured in Sanrio supplied lockers or if lockers are not available, an area will be designated in the back room.
- 9) Bag checks must be conducted at the front doors whenever an employee leaves the store. The check will be conducted by a member of store management. The store manager will be required to have their bag check by another member of management (in the absence of additional management, the employee will be ask to conduct the store management's bag check. Any LP issues that arise as a result of a bag check must be reported to your DSM immediately, if the DSM is not available, Loss Prevention must be notified before concluding the bag check. Loss Prevention phone number is 516 625-0006. If it is after regular business hours you will be forward to the 24 hour page number and an investigator will return your call promptly. This policy extends to District Sales Managers, NOM/NSM and all corporate employees as well.
- 10) Only employees are allowed behind the cash register.
- 11) An employee on the sales floor must inform other employee(s) when leaving the sales floor.
- 12) The safe must remain locked when it is not in use. The SCS SAFE LOG is to be used to record entries into the safe and to verify the safe contents.

MANAGEMENT RESPONSIBILITIES

- 13) The receiving and checking in of a shipment is the responsibility of the Manager, Assistant Manager, or a FT Lead. At no time will a part-time employee be delegated this task. The Store Manager is required to "spot check" piece quantities within units in each shipment to ensure quantities are accurate (e.g., count to verify that 48 pencils are in the unit).
- 14) The Store Manager is responsible for the transfer process, from packing and sealing the box, to creating the transfer within the POS system. This process may not be delegated to another employee. The Store Manager will send a completed Transfer Notification fax, to each store that is receiving a transfer from their store. Any transfer errors must be reported

to the DSM for verification and correction. (A form is currently used for Outlets.)

- 15) The Store Manager is responsible for creating and pricing all Game Prizes, as well as verifying the contents and ticketing of all Gift Sets, prior to entering the information into the POS system. This process may not be delegated to another employee. The Store Manager will keep a copy of all documents involving inventory transactions at the store level.
- 16) The Store Manager will ensure that all products are tagged with the correct SKU and price. The Store Manager must complete all SKU or price changes on a product within 24 hours after receiving directions to do so from the Home Office. New price tickets should be placed over the existing barcode.
- 17) Clear bags will be used for all trash. The Store Manager, Assistant Manager, or Full-time (FT) Lead will be responsible for checking and disposing of all "bagged" trash. No employee of a non-supervisory status may remove merchandise from the store for any reason. Trash should be "sifted through" before disposing to ensure no merchandise is hidden in the contents.
- 18) Customer or personal property that is left in the store should be placed in a secure location (store safe or backroom) for three (3) days. Mall security should be notified concerning the items and where they are being held. After three (3) days, if no one has claimed the items, they should be taken to the mall security office. At no time are employees to take possession of any lost items found in the store.
- 19) No company property (including store paperwork) is to be removed from the store without the express permission of the direct supervisor.

KEY CONTROL

- 20) The store manager is responsible for control of all store keys. All door and safe keys must be in the personal possession of the manager or authorized management.
- 21) Management keys are to remain on the management person they are assigned to at all times.
- 22) Each store will be issued keys for the front door and the rear door. The District Sales Managers and the store manager are responsible for the issue and control of these keys. Key duplication and distribution is prohibited without prior DSM approval.

- 23) If a key is lost, stolen, or misplaced, the manager should notify the DSM and have the locks be re-keyed immediately. The District Sales Manager and Stores Home Office must be sent a new key. When sending the new keys they should be placed in an envelope with the store number, location and date written on it.
- 24) The Store Manager should complete the SCS SECURITY LOG notating the date/time and reason the locks were changed.
- 25) Upon termination of any management personnel, the Store management should notify the District Sales Manager and have all the locks and the safe combination changed immediately.

IMPORTANT POINT ** Do NOT leave keys at the register or in the office area. This practice is a violation of security policy. Keys must remain on each person assigned to them until locked up. Do not give your keys to other employees to use.

SONITROL AND SURVEILLANCE EQUIPMENT

- 26) Use of store security systems (i.e., keys, alarms, alarm system access codes, POS system codes) is restricted to authorized store management only, unless prior approval is given by the DSM or NOM. Under no circumstances are security access codes to be released to unauthorized personnel.
- 27) As management deems necessary, employees may be assigned security alarm system access codes. Employees with authorized access to store security alarm systems (e.g., Sonitrol) are required to activate the system upon final closing. An employee who fails to activate the system may be subject to termination. Employees are forbidden to use or exchange security system personal access codes.
- 28) The Store Manager will immediately notify the DSM of any malfunction of Sanrio's in-store video surveillance equipment (e.g., failure to record or delay in changing the tapes). This notification must be done by voice mail. The Store Manager will be responsible to document and review one in-store surveillance video per week.

BANKING PROCEDURES

- 29) Only Store Management may take bank deposits to the bank, and must do so daily during regular banking hours. Stores approved to use a drop location for deposits are required to make bank deposit drops every day. If the deposit cannot be made, an employee with banking responsibility

completing the deposit slips, faxing, and mailing a copy of the bank-validated deposit slip on a daily basis. The original copy of the bank-validated deposit slip and a completed *Daily Sales Report* (DSR) must be mailed to the Home Office on a daily basis. On days when the bank is closed for business, Store Management must follow this procedure on the very next business day.

- 30) Bank deposits are to be secured in a locked bank bag or a sealed plastic bank bag in the store safe prior to making a deposit. The plastic bank bag information must be filled out completely on the bag and the bag number and deposit amount must be recorded on the SCS SAFE LOG. All discarded plastic bank bags must be accounted for and the number of the bag must be verified by store management on the SCS SAFE LOG. The key to the locked deposit bag must be kept in a locked compartment in the safe at all times.
- 31) Any discrepancies in the bank deposits or drawer funds MUST be reported to the DSM and Stores Home Office immediately upon discovery. A *SECURITY INCIDENT REPORT* must be filled out and faxed to the DSM and Stores Home Office as well.

EMPLOYEE DISCOUNTS

- 32) Employee purchases must be rung up and approved by Store Management only. Store Managers must be rung up and approved by another member of the management team. No employee, be it manager or not, can ring up their own purchases. Employees may not shop or purchase merchandise while on duty. Employees are entitled to a 30% employee discount, only at company-owned stores (as opposed to independently owned license stores), and only after thirty days of consecutive employment. This discount does not apply to surprise bags, sale items, or special limited releases. No discount is given on Pre-order, Prebook, or Monthly New merchandise until it has been on the sales floor for thirty (30) days. In Sanrio Outlet Stores, no additional employee discount will be given on the discounted product. Employees will receive the lowest discounted price offered to the customer.
- 33) All employee purchases must be rung in the POS system according to Employee Sales Procedures outlined in the POS Job Aids--- there are no exceptions to this procedure.
- 34) Employees may not place any merchandise on hold at any time, for any reason. A hold consists of any attempt to bag, store, and stash, hide, or withhold merchandise from the sales floor to ensure the product is available for the employee to purchase at a later date.

- 35)** Employees and their immediate families may not participate in the Bonus Card Program, store contests, games, or other promotions.

REGISTER DRAWER FUNDS

- 36) Employees are to be assigned a POS register and a register drawer fund (till) when they are scheduled to cashier. The employee and a member of the management team must count the till when the employee begins and ends each shift on the register. The employee is responsible for all transactions, currency, checks and charges in their till.
- 37) Employees may not ring transactions or handle the till of any register not assigned to them.
- 38) Employees must balance their till to the POS system at the end of their shift and all discrepancies must be reported to management.

EXTERNAL THEFT

SHOPLIFTING

- 39) All associates must be alert while on duty, in order to prevent shoplifting and protect store merchandise. Shoplifting is the concealment of goods on an individual's person, or in personal belongings, with the intent to steal.
- 40) Recognize and acknowledge ALL customers, especially when they first come into the store (and it is good customer service to do so). Do not give the potential shoplifter anonymity by ignoring him/her.
- 41) Refer to Sanrio Customer Service practices and continue to engage the customer to let them know you are available and are AWARE.
- 42) All customers must be given a receipt for purchased items.
- 43) Follow the FIVE STEPS (page 10) when responding to a potential shoplifter
- 44) Be particularly observant for customers who:
 - Wear unseasonable or bulky clothing.
 - Appear to be nervous or overly cautious.
 - A customer who is watching you.
 - Do not appear to know what they want, and frequently replace items on the shelves.
 - Engage associates in unrelated conversations while their friends are shopping.
 - Rapidly leave an area when associates approach.
- 45) Only store management is to handle shoplifting situations.

CONFRONTING A SUSPECTED SHOPLIFTER

IMPORTANT POINTS ** Be certain that the suspect has concealed the merchandise before approaching him or her.

REMINDER- DO NOT ACCUSE a suspected person of shoplifting.

- 46) Management only should confront the person as privately as possible, using reasonable means to prevent escape.

SCS Operations/ Loss Prevention
Policies and Procedures

- 47) Bring the suspect to the store office, taking another associate with you whenever possible.
- 48) Call the police, and give them details of the incident
- 49) Notify the DSM and Stores Home Office of the incident
- 50) Complete a SECURITY INCIDENT REPORT . Email or fax one copy to the DSM, one copy to the NOM and one copy to Loss Prevention at the following email address: wramos@zellmangroup.com or fax # 516-484-7840 att: W.Ramos at Zellman Group
- 51) Send a police report to the Stores Home Office. The company will pay for the cost of requesting the report from the police department if required to pay.

THE FIVE STEPS

The Five Steps for an apprehension are:

1. OBSERVE THE SUBJECT ENTER THE DEPARTMENT (If the subject isn't seen entering the department, then we can not be sure that he/she did not bring the merchandise in question into the store.)
2. OBSERVE THE SUBJECT SELECT THE MERCHANDISE (If the subject isn't seen selecting the merchandise, we can not be sure that the merchandise in question actually belongs to INTERMIX.)
3. OBSERVE THE SUBJECT CONCEAL THE MERCHANDISE; AND/OR TAKE OTHER ACTIONS THAT DEMONSTRATE THEIR INTENT TO STEAL (We must observe actions which clearly demonstrate that the subject had no intention of paying for the merchandise in question.)
4. MAINTAIN CONSTANT AND UNBROKEN OBSERVATION OF THE SUBJECT TO THE POINT OF APPREHENSION (If we fail to maintain continuous observation, the subject could "dump" the merchandise, or even pay for it while they are out of sight.)
5. ALLOW THE SUBJECT TO EXIT THE STORE, OR PROCEED TOWARD THE EXIT IF THE INTENT HAS BEEN CLEARLY ESTABLISHED (The closer the subject is to the exit, the better we will be able to prove that he had no intention of paying for the merchandise.)

APPREHENSION

An apprehension is a:

STOP
ARREST
DETAINMENT
RESTRAINT

If you have stopped an individual from going in the direction they wanted to go, then you have apprehended them.

ESTABLISHING INTENT

You can identify types of actions that will prove our contention that the subject "intended to steal". Such actions might include:

- Concealing merchandise without paying for it;
- Removing EAS tags and/or price tickets;

- Making use of shoplifting tools/devices; and
- Discarding personal property in favor of INTERMIX merchandise.

All physical remains of these actions (broken tags, discarded price tickets, tools, etc.) are evidence. These items must be treated as evidence and kept in a secured place for the possibility of future court proceedings.

IDENTIFYING SHOPLIFTERS

You must look beyond the physical appearance of people in the store when identifying potential shoplifters – behavior must be the key to all identifications.

Look for someone who avoids sales help, people who enter as a group and split up in the store, customers who continually ask for merchandise that is not on the sales floor (The associate then goes to the back to check stock). Also, a customer who enters the store with a shopping bag from a retailer that is not in the area. These are just a few key behaviors to watch for.

It is a violation of the law, and against policy to single out individuals because of their race, creed, color, sex, or age.

APPREHENDING ACCOMPLICES

- An accomplice is an individual who unites with the principal offender, with common intent, in the commission of a crime.
- Accomplices should be apprehended only when the crime cannot be described without the actions of the accomplice.
- Apprehensions of accomplices should be made only if the “accomplice” has taken actions that clearly identify their intent to participate in the theft.
- The individual with the merchandise must be apprehended first. If the subject with the merchandise gets away, no apprehension may be made.

APPREHENSIONS NEVER TO BE MADE

You may never make apprehensions based solely on the following

Offenses/situations:

- Ticket switching;
- Being a look out;
- Fitting room apprehensions based on a piece count;
- EAS activation's;
- Shielding

BURGLARY DETERRENTS

- 52) All management personnel must be aware of store security in regards to safeguarding company assets. Many burglaries can be prevented if proper deterrent procedures are followed.
- 53) Observe all cash control, deposit, and key control policies and procedures. Make sure that the store signs provided by the Stores Home Office are posted.
- 54) Managers must make sure that the safe is locked securely at all times, and double-checked when leaving the store.
- 55) Make sure that all doors are locked securely when closing the store.
- 56) Make sure that all alarm systems and surveillance equipment are activated and operational. .
- 57) Follow all store-closing procedures carefully.
- 58) Be aware of any building structural problems, which might allow easy entry into the store. Make sure these problems are corrected or changed.
- 59) If the store is damaged in any way that might allow access into the building, do not close the store until the repairs have been made (i.e.- glass breakage, jammed locks, etc.).
- 60) Replace all burned-out lights immediately.
- 61) Keep emergency lights in good condition.
- 62) Establish good police relationships. Managers must be sure that local police stations have their names and telephone numbers.
- 63) Keep burglar alarms in good operating condition. Do not leave the store unless you set the alarm, and are sure it is functioning properly.

ROBBERY

Do not try to prevent a holdup once it is in progress. Minimize losses and the possibility of injury by observing cash level, security, and the following robbery procedures:

- 64) Remain calm and do not resist the robber's demands.
- 65) Do not make sudden movements.

- 66) Do not stare at the robber.
- 67) Observe what is going on, and the description of the robber: height, weight, age, hair color, eye color, clothing, tattoos, piercing, scars, accent, etc.
- 68) Try to determine the model, color, and license number of the getaway car, if visible.
- 69) Close the store immediately after the episode, and call the police.
- 70) Report all relevant information to the police. DO NOT give opinions regarding the amount of the loss. This information will be determined by the Stores Home Office, the District Sales Manager and the NOM.
- 71) Notify any other management person and the Stores Home Office during regular H.O hours after calling the police. If the robbery occurs over the weekend, call your District Sales Manager or NOM.
- 72) Send a complete police report to the Stores Home Office immediately.
- 73) The store manager must immediately take a cash audit to determine the loss amount, and if merchandise was stolen as well, do a spot audit to determine the quantity and value of the loss.
- 74) Complete a SECURITY INCIDENT REPORT . Email or fax one copy to the DSM, one copy to the NOM and one copy to Loss Prevention at the following email address: wramos@zellmangroup.com or fax # 516-484-7840 att: W.Ramos at Zellman Group

THEFTS

- 75) Contact Stores Home Office and District Sales Manager immediately.
- 76) If there were any witnesses, get a signed statement with the witness' name, address and phone number. If the only witnesses were employees, get signed statements ASAP. Please use the SECURITY INCIDENT REPORT and include the witness statement.
- 77) Conduct an inventory audit immediately to determine what was stolen, and the value.
- 78) Contact the mall office to give descriptions of the thief and any accomplices.

- 79) Complete a SECURITY INCIDENT REPORT . Email or fax one copy to the DSM, one copy to the NOM and one copy to Loss Prevention at the following email address: wramos@zellmangroup.com or fax # 516-484-7840 att: W.Ramos at Zellman Group
- 80) If the police were contacted, make sure to get a copy of the statement given to the police for insurance purposes.



INTERNAL THEFT

- 81) Sanrio will not tolerate theft of Sanrio property, fellow employees' property, or Sanrio customers' property. In addition, employees must not taste, test, or take any product off the sales floor without first paying for it. Employees who witness theft are required to report the incident to the Loss prevention or Human resources department.
- 82) All internal theft should be reported to the store manager, DSM, Human Resources and Loss Prevention. If the associate wishes to remain anonymous they are encouraged to call the Sanrio Business Abuse Hotline, 1-800-241-5689. All calls are confidential, and callers have the option to remain anonymous. See Business Abuse Hotline procedures.
- 83) The Stores Home Office, NOM and Loss Prevention review all POS transaction to ensure adherence to store policies and procedures. Sanrio takes internal theft seriously, and any incidents will be handled accordingly. Theft of services, money, or product will result in termination and may lead to arrest and prosecution.
- 84) Internal Investigations will be conducted by Loss Prevention in conjunction with the Human Resources, NOM, Stores Home Office and the District Sales Manager.
- 85) In the event that an internal investigation is deemed necessary, the Employees may be contacted at their home to set an interview date and time. Employees are not obligated to speak with Zellman outside of the store and may request to terminate the conversation at any point. Employees will be compensated for the duration of the phone interview. Employees may request that the phone interview be conducted outside the store for confidentiality purposes.
- 86) At no time is an employee authorized to conduct an internal investigation, file a police report or terminate an employee for theft or misconduct without obtaining prior approval and direction from the NOM or Human Resource Department.
- 87) As a condition of employment, employees are required to sign the *Inspection Policy and Agreement* form, acknowledging Sanrio's right to perform inspections and searches in any company-owned or controlled physical space or property. Areas subject to inspection include but are not limited to: lockers, desks, closets, tables, drawers, file cabinets, boxes,

credenzas, and employees' personal belongings located on any Sanrio property. Sanrio also reserves the right to search an employee's pockets, purse, briefcase, or other item of personal property worn or carried by the employee. An employee may be requested to conduct a self-search (i.e., by turning inside out or emptying pockets, purses, lifting pant legs, etc.). Searches may be conducted at any time, for any business-related purpose, with or without advance notice, during or after business hours. Employee search inspections normally occur on a daily basis at the end of each work shift and may be conducted by Sanrio Store Management or an independent security service. Any suspicious findings will be immediately reported to the DSM, NOM and Stores Home office



Stores Division Employee Handbook Addendum JOB PERFORMANCE CRITERIA

The objective of this document is to provide Stores Division store employees with an understanding of Sanrio's job performance expectations. It addresses:

- I. Grooming, attire, and general conduct
- II. Customer Service
- III. Attendance, timecards, and time logs
- IV. Meals and rest periods
- V. Loss prevention and store security
- VI. Miscellaneous

It is a supplement to the *Sanrio Employee Handbook* and *Stores Division Loss Prevention Policies and Procedures* materials.

Stores employees are expected to adhere to Sanrio's job performance criteria. When an employee fails to meet these standards, Sanrio will endeavor, when it deems appropriate, to provide the employee with a reasonable opportunity to correct the deficiency. If the employee fails to correct the deficiency within the agreed upon time frame, the employee will be subject to disciplinary action up to and including termination.

Regardless of what is specified in this document, any employee behavior that adversely impacts or is otherwise detrimental to the interests of Sanrio, its customers, or its employees also may result in disciplinary action up to and including termination. Employment at Sanrio is *at will*, meaning either the employee or Sanrio may terminate employment at any time for any reason.

Throughout this document the following abbreviations are used:

- **Store Management** – Store Manager, Assistant Store Manager, and Lead Sales Associate
- **DSM** – District Sales Manager
- **NSM** – National Sales Manager
- **POS** – Point of Sale System

I. GROOMING, ATTIRE, & GENERAL CONDUCT

1. **Grooming and Attire** Employees must be clean, well groomed, and attired appropriately to work in a children's Stores store. Worn or ragged clothing or open-toed shoes may not be worn while working. Eccentric body piercing or hair color is not permitted.
2. **Uniform** Employees are required to wear the uniform shirt Sanrio provides during work hours. Employees must keep uniforms clean and in good condition.
3. **Nametag** Employees must wear a Sanrio nametag in a visible spot, at all times while on the sales floor.
4. **Food, Drink, Gum** No food, drink, or chewing of gum is permitted on the sales floor.
5. **Smoking** Smoking is expressly prohibited anywhere within the Sanrio store.
6. **Illegal Drugs and Alcohol** Possession, use, sale or being under the influence of illegal drugs or alcohol on company premises is grounds for immediate discharge.
7. **Personal Phone Calls** Personal phone calls may not be placed or received on the sales floor, except in an emergency. Employees should make personal calls from a pay phone while not on duty (i.e., break or lunch).
8. **Pagers and Cellular Phones** Personal pagers and cellular phones may not be worn or activated on the sales floor while working. DSM's are exempt from this requirement.
9. **Fax Machine** Personal use of the company fax machine is prohibited.
10. **Sitting** Sitting is not permitted on the sales floor unless expressly authorized by the Store Manager. Step stools and ladders are not to be used for this purpose.
11. **Socializing** Employees are not to socialize with friends, family, or co-workers while on the sales floor during their work shift.

12. **General Behavior** Employees must treat customers, co-workers, Store Management, and Sanrio Home Office personnel, with courtesy and respect. Any behavior that creates an intimidating, hostile, or offensive work environment (e.g., violence or other physical, verbal or visual harassment) will not be tolerated. Such behavior may result in disciplinary action up to including termination. (For additional information, refer to the *Sanrio Employee Handbook*, specifically, the Policy Against Harassment pp. 6-8 and Workplace Violence Policy, pp. 43-44).

II. CUSTOMER SERVICE

13. **Sanrio Customer Service Program** Every employee is required to have read and viewed all of the materials in the Sanrio "Big Smile" Customer service training program and is expected to be proficient in all elements of customer service
14. **"Big Smile" Customer Service Card** Every employee must carry this card when working on the sales floor and be familiar with all 5 of the customer service standards
15. **Greeting** Every customer must be greeted within the first 30 seconds of entering the store.

III. ATTENDANCE, TIMECARDS, & TIME LOGS

16. **Tardiness and Absenteeism** Employees are expected to report promptly for their work shift. Excessive tardiness and/or absenteeism and failure to give sufficient notice are unacceptable.
17. **Clocking In and Out** On a daily basis, all employees must clock in and out on the *POS Timecard*. All employees also must sign in at the beginning of their work shift and out at the end of their work shift on the *Bi-weekly Register Time Log*. No one may clock in or out for or alter another employee's work hours on the POS system. Employees not scheduled to work on the last day of any given workweek, must clock out on the *POS Timecard* and sign the *Bi-weekly Register Time Log* on their last day worked in that workweek.
18. **Falsifying Store Documents** Falsifying any store documents or records including, but not limited to, employment applications, benefit claims, *POS Timecards*, *Bi-weekly Register Time Logs*, etc. is expressly forbidden.

19. **Timecard / Time Log Corrections** Only the Store Management is authorized to make *POS Timecard* and *Bi-weekly Register Time Log* corrections and payroll adjustments. All other store personnel require DSM approval. Employees may not use whiteout on *the Bi-weekly Register Time Log*. *Bi-weekly Register Time Logs* and *POS Timecards* are legal documents. Sanrio pay periods are bi-weekly and consist of two full workweeks (i.e., each workweek begins on Sunday at 12:01 a.m. and ends on Saturday at 12:00 midnight). Sanrio paydays normally are scheduled for every other Friday.
20. **Beginning the Work Shift** Upon clocking in on the *POS Timecard*, employees should report directly to the sales floor to begin their work shift, and must work to the end of their work shift. Employees should not conduct any personal business after clocking in or before clocking out.
21. **Unable to Report to Work** Store employees are required to personally notify their Store Manager a minimum of two (2) hours prior to their scheduled work shift, if they are unable to report to work. If the Store Manager is unavailable, then the employee must notify the Assistant Manager or Lead Sales Associate. Store Managers are required to personally notify their DSM at least twelve (12) hours prior to the start of their work shift, if they are unable to work their scheduled hours.
22. **Late for Work** Employees are required to personally notify Store Management, if they are going to be late reporting for their work shift.
23. **Opening the Store** Store Management is responsible for opening the store. If employees are unable to come to work and are scheduled to open the store, it is imperative that they notify the Store Manager a minimum of 2 hours prior to the store scheduled opening time.
24. **Changes in Work Shift** Store employees are required to obtain Store Management approval for all changes in the scheduled work shift twenty-four (24) hours prior to the start of their work shift. Store Management must provide staff members at least three (3) days notice prior to changing the weekly work schedule. Employees must agree to a change in their schedule, if the weekly work schedule has been posted.

IV. MEALS & REST PERIODS

25. **Meal Period** In accordance with California State Law, employees who work five (5) hours or more are required to take at least a thirty (30) minute unpaid meal period. California employees may waive the meal period, if six (6) hours of work will complete the day's work. In accordance with California State Law, the employer and employee mutually agree in writing to forego the meal period by signing the *30 Minute Meal Break Waiver* form. California employees working over six (6) hours must take an unpaid thirty (30) minute meal period, and may not waive the meal period.

Employees, who work five (5) hours or more in other states, must comply with their state's regulations governing meal and rest periods. Most states require employees who work five (5) hours or more to take a thirty (30) minute unpaid meal period, if the workday consists of more than five (5) hours.

26. **Rest Periods** Employees with work shifts between three and one half (3.5) and six (6) hours will be given one paid fifteen (15) minute rest period. Employees with workday shifts over six (6) and up to ten (10) hours will be given two paid fifteen (15) minute rest periods. Rest periods must be taken as close to the middle of each work period as possible. Employees with workday shifts less than three and one-half (3.5) hours are not entitled to a rest period.
27. **Clocking In and Out for Rest Periods** Employees are required to clock in and out for all fifteen (15) minute rest periods on the *POS Timecard*. Employees are required to take specified breaks and return from break periods (i.e., meals or rest periods) at the specified time.

V. LOSS PREVENTION & STORE SECURITY

28. **Loss Prevention Policies and Procedures** Employees must follow all Sanrio Loss Prevention policies and procedures (see *Loss Prevention Handbook Policies and Procedures- Stores Division*), and Store Management instructions concerning securing Sanrio property, store funds and bank deposits. Alarm and surveillance systems, key control employee purchases.

29. **POS Policies and Procedures** Employees must follow all Sanrio Stores POS policies and procedures (see *Steps to POSitive Sales: Training Guide & Job Aids*), and Store Management instructions concerning employee timecard reporting and sales transactions, including: cash, check, credit card sales voids, merchandise returns, issuing or redeeming gift certificates, *Bonus Card Program*, and special promotions.
30. **Loss Prevention Alert Program Policies and Procedures** All employees will be required to adhere to the *Loss Prevention Alert Program* policies and procedures. (see *Loss Prevention Handbook Policies and Procedures- Stores Division*)
31. **Confidential Employee Information** Employees may have access to confidential information regarding Sanrio or its employees. Such information must not be disclosed to or discussed with any unauthorized person, employee, or organization. Disclosing or discussing employee personal and confidential information (e.g., employment status, medical information, etc.) with other individuals is prohibited.
32. **Unethical or Illegal Activities** All employees are encouraged to report any unethical or illegal activities that occur at the store by using the Sanrio Hotline, 1-800-325-8316 ext. 731. Sanrio's Human Resources Department answers these calls. All calls are confidential, and callers have the option to remain anonymous.

VI. MISCELLANEOUS

32. **Staff or Customer Accident** Store Management will follow Sanrio procedures and immediately report any employee injury occurring on the job or customer accident, no matter how minor. The *Employee Accident Report* or *Customer Incident Report* must be completed immediately and faxed immediately to the DSM, Human Resources Department, and ABD Insurance (for *Customer Incident Reports*). Please refer to the Workers' Compensation 1-800 Claim Reporting and Customer/Incident Reporting procedures for more information.
33. **Disciplining, Suspending, Terminating Staff** Store Managers must obtain DSM or Human Resource Department approval prior to disciplining, suspending or terminating an employee.

Available from Human Resources

Employee Handbook
Bi-weekly Register Time Log
30 Minute Meal Break Waiver form
Inspection Policy and Agreement
Employee Accident Report
Customer Incident Report

Available from Stores Operations

Loss Prevention Policies and Procedures- Stores Division
Stores Loss Prevention Alert Program materials
Steps to POSitive Sales: Training Guide & Job Aids
"Big Smile" Customer Service Program and Service Cards