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INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: WinCraft Inc.

COUNTRY: United States

ASSESSMENT DATE: 06/26/19

ASSESSOR: Miriam Rodriguez

PRODUCTS: Other

NUMBER OF WORKERS: 50

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element	Number of Violations
Hours of Work	5
Employment Relationship	19
Health, Safety, and Environment	12
Nondiscrimination	1
Freedom of Association	1

Findings and Action Plans

FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1) The emergency exit in the screen-print room on the production floor housed in Building T does not open in the direction of egress. [HSE.5]

2) The facility uses portable air horns to alert workers in case of an emergency. A review of the devices identified that one of the air horns is past the expiry date, and another is placed on top of a cabinet where it is unsecured and could fall behind the cabinet. The assessor noted at least two air horns per building. The location of the air horns is not easily visible or signed. There is no other emergency alert or fire alarm system in the building. [HSE.5]

3) During the physical walk through of the production floor housed in Building T, assessors identified the following electrical issues: there was not a ground fault circuit interrupter (GFCI) outlet in the screen print washing area, there was also an electrical outlet which sparked when the appliance was unplugged from wall. At the time of the walk through, a third party electrician was repairing other electrical issues, and management advised the electrician to review the aforementioned issues. [HSE.13]

4) The facility has not properly anchored a rack used for storage of goods or raw materials or similar structures to minimize accidents. [HSE.13]

Local Law or Code Requirement

OSHA 29 CFR 1910.33-39 Exit Routes, OSHA 29 CFR 1910.165(b)(3) Employee Emergency Alarm Systems, OSHA 29 CFR 1910.304 Wiring design and protection, and OSHA 29CFR 910.176(b) Material Handling and Storage, and ANSI/RMI MH16.1 Design, Testing and Utilization Steel Storage Rack; and FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.5 and HSE.13)

Recommendations for Immediate Action

1) Re-hang door, and open in the egress direction. As a best practice, install signage on the door on the street said that says "No Parking at Any Time".

2) The facility should locate the air horn in a secure manner, review the SDS information and inspect the air horn on a regular basis.

- 3) Repair electrical issues and set up periodic review.
- 4) Review installation procedures and properly anchor racks.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1) The facility's Equal Employment Opportunity policy statement listed in the employee handbook (revised October 2018) does not include information on the following categories: political opinion, social group, ethnic origin, marital status, and union affiliation or sympathy. This policy statement does not align with FLA Code. [ER.3]

2) The current facility's employee handbook (revised October 2018) does not list or communicate a Child Labor Policy to workers. Nonetheless, the Company provides to managers and supervisors a guidance document identified as WinCraft Leadership Forms (November 2018) which states that the company will not hire anyone younger than 16 years. This policy statement aligns with FLA Code. However, the Company has not communicated this policy to workers. [ER.15, ER.16]

3) Neither the facility's employee handbook (revised October 2018) nor the WinCraft Leadership Forms (November 2018) includes a Forced Labor Policy. Nonetheless, the Company's current practices and interviews with workers did not demonstrate any actions of forced labor. A review of personnel files indicated each employee submits an employment application or resume, and the Company adheres to "at will" State of Iowa employment guidelines. This lack of a forced labor policy and lack of communication does not align with FLA Code. [ER.16]

4) Neither the facility's employee handbook (revised October 2018) nor the WinCraft Leadership Forms (effective January 1, 2007) includes a Freedom of Association and Collective Bargaining Policy. Nonetheless, the Company's current practices and interviews with workers do not highlight any negative actions regarding the right to freely associate. In addition, the employee handbook on page 37 includes a copy of the FLA Workplace Code of Conduct but workers did not remember or recall any training on the Company's commitment to the FLA Code. This omission of policy statement or lack of communication does not align with FLA Code. [ER.16, ER.25]

5) The employee handbook (revised October 2018) does not include an Hours of Work Policy. The handbook only advises that "shift, department and plant location" will determine hours of work. In addition, the handbook advises, "overtime may be mandatory". The Company provides a guidance document, identified as WinCraft Leadership Forms (November 2018), to managers and supervisors which details the Hours of Work policy. The policy lacks the following:

- If the total weekly work hours (regular work hours plus overtime) will not exceed 60 hours per week,
- Whether overtime hours are voluntary on the part of the worker,
- Or if the company will provide, at minimum, one day off in 7 days of work.

Nonetheless, a review of payroll records and time cards, and interviews with workers did not highlight any non-conformance to 60-hour workweek or instances of involuntary overtime.

This omission of policy statement and lack of communication to workers does not align with FLA Code. [ER.16, HOW 1.3, HOW.8.2, HOW.8.3]

6) Neither the facility's employee handbook (revised October 2018) nor the guidance document, identified as WinCraft Leadership Forms (November 2018), for managers and supervisors includes any procedure for anonymously reporting grievances. [ER.25]

7) The current facility's employee handbook (revised October 2018) does not include a policy on progressive disciplinary. The Company provides a guidance document to managers and supervisors which details the progressive discipline procedures. However, these procedures do not include that workers can have a third party witness during the imposition of the disciplinary action and that workers can appeal decisions. [ER.27]

8) The current facility's employee handbook (revised October 2018) does not include a Termination and Retrenchment Policy. The Company provides a guidance document to managers and supervisors which details the Layoff and Recall Procedures. However, these procedures do not include consultation with worker's representative(s) if a layoff is under consideration, and does not address if any plan to be developed to minimize adverse effects, if a layoff is unavoidable, for the workers or the community. [ER.16, ER.32]

9) The Company did not provide any evidence of an Environmental Policy. [HSE.1, ER.31]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.3, ER.15, ER.16, ER.25, ER.27, ER.31, ER.32; Hours of Work Benchmarks HOW 1.3, HOW.8.2, and HOW.8.3; Health, Safety & Environment Benchmark HSE.1)

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1) The facility does not integrate worker voice in matters related to the company or facility. The facility does not utilize any type of worker committee such as a Health & Safety or Grievance committee, that would be comprised of management and workers. [ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25)