



2010

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

**COMPANY:** WinCraft Inc.  
**COUNTRY:** United States  
**FACTORY CODE:** 8400821143I  
**MONITOR:** Accordia Global Compliance  
**AUDIT DATE:** November 1, 2010  
**PRODUCTS:** Logoed Plastic Pails  
**PROCESSES:** Injection Molding, Printing  
**NUMBER OF WORKERS:** 42



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*\*Denotes a Notable Feature*

**Forced Labor: Employment Terms/Prohibitions**

F.4 There can be no employment terms (including in contracts or any other instruments or in any formal or informal recruitment arrangements) which: specify that employees can be confined or be subjected to restrictions on freedom of movement; allow employers to hold wages already earned; provide for penalties resulting in paying back wages already earned; or in any way punish workers for terminating employment. (P)

**Noncompliance**

**Explanation:** Monitor's review of employee files (1 of 7) found a form (memorandum) stating, "all employees are expected to give at least a two-week written notice if resigning from [Factory name.]"

Additionally, it states that "all employees are hereby notified, if they do not submit in writing a two-week notice to the Human Resources Department at [Supplier name], their remaining pay checks will be cut at the current minimum wage."

**Plan Of Action:** Notified supplier of the need to remove this policy.

**Deadline Date:**

**Supplier CAP:** Supplier will remove the policy from their policy book, and update all employee files to remove this document.

This policy is no longer in place, but the document was not updated or removed.

**Action Taken:** During the audit process the lead auditor was informed that this was not the current practice and was not in use. Immediately following the audit, the HR Generalist went through all active employee personnel files and removed this inactive document. During training on January 7, 2011, all employees were reassured that this practice was eliminated and no longer in use.

**Plan Complete:** Yes

**Plan Complete Date:** 01/07/2011



**Freedom of Association: Grievance Procedure**

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that workers know the grievance procedures and applicable rules. (P)

**Noncompliance**

**Explanation:** Factory does not have a written grievance procedure. Factory has an "open door practice" where a worker may escalate issues that have not been satisfactorily handled at the first step, wherein a worker tries to appeal to their supervisor. They can go to the HR Manager or Plant Manager as options. This process is not compliant with the FLA requirement that a grievance system must be written and well communicated to workers.

**Plan Of Action:** HR head will implement a written grievance policy and communicate to all employees.

**Deadline Date:**

**Supplier CAP:** HR will prepare and implement a written grievance procedure as required.

**Action Taken:** HR has implemented a formal grievance procedure and has provided a copy to us. WinCraft will continue to work with the supplier to enhance their grievance procedure, so it will provide the fairest policy for employee to easily bring forth concerns. Accountability for each grievance to ensure it is dealt with fairly and timely should be part of that enhancement; the policy should include a non-retaliation element should a grievance be brought up. We will work with the supplier to put in measurements such as number of grievances, number of persistent grievances, seriousness of grievances, and investigation reports, along with meeting agendas and notes.

A copy of the WinCraft Grievance Procedure was sent to FLA for review.

**Plan Complete:** Yes

**Plan Complete Date:** 11/01/2011



**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:** 1. Worker training: Monitor did not find evidence that Wincraft has provided training and information to the factory regarding its Code of Conduct (COC).

2. Worker awareness and comprehension: Based on interviews with the monitor, workers did not have knowledge, awareness or comprehension of the COC.

**Plan Of Action:** Inform workers of the COC and post it, so it is available to all.

**Deadline Date:**

**Supplier CAP:** Provide the COC in writing, along with examples of how we communicate the code to our workers as part of our annual OSHA-required training.

**Action Taken:** January 7, 2011: Employee training was conducted on the workplace standards, which included the Fair Labor Association's Workplace COC. Training included the knowledge, awareness, and comprehension of the COC. The COC is posted in central work areas that are accessible to all employees; a refresher is conducted annually for all employees regarding the COC and the open line of communication regarding the COC.

**Plan Complete:** Yes

**Plan Complete Date:** 01/07/2011



**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:** Monitor did not find a secure communications channel in place at the facility to allow reporting to Wincraft on issues related to the Standard/Code.

**Plan Of Action:** WinCraft to provide a toll-free number for employees to easily contact/access the company.

**Supplier CAP:** HR will post with the code, the toll-free number direct to WinCraft along with a secure email, so that an employee can contact us directly for any complaints or concerns.

**Action Taken:** Wincraft provided a secure communications channel via phone number for employees to report to Wincraft on issues related to the Standard/Code. Also, provided an email address for their employees. This communication channel is posted along with the Fair Labor Association Workplace Code in common areas that are readily available to all employees.

**Plan Complete:** Yes

**Plan Complete Date:** 01/07/2011



## Health and Safety: General Compliance Health and Safety

H&S.1 Employers shall comply with all local laws, regulations and procedures concerning health and safety. (S)

### Noncompliance

**Explanation:** Monitor's inspection of the facility found that 2 external bulk storage silos holding plastic resin, designated as a confined space, were found unlocked (1 door was unlocked and ajar; 1 was unlocked).

Additionally, interview with a maintenance worker found that no worker has been trained in confined space, as required under OSHA regulation 29CFR1910.146. This regulation states that an employer has to a) take effective measures to prevent its employees from entering the permit spaces (secured and locked doors) and b) employer shall develop and implement a written permit space program and train workers.

**Plan Of Action:** Supplier will implement a written confined-space program and train workers to the OSHA requirements.

**Deadline Date:**

**Supplier CAP:** Define appropriate training needed to train for confined space procedures for employee safety.

**Action Taken:** January 7, 2011: Training on Permit-Required Confined Space was conducted in accordance with OSHA regulation 29CFR1910.146. Company has a written Confined-Space program. The bulk storage silos are not Permit-Required Confined Spaces, but are Confined Spaces and are appropriately marked. Doors on designated Confined Spaces are secured.

Company has a written Confined-Space Program. Appropriate confined spaces are marked accordingly, and procedures are in place to prevent possible hazards of entry to such spaces without proper training and PPE.

Company shall provide training refresher on Confined Spaces as part of their annual OSHA refreshers to ensure employees are aware of the process in training.

**Plan Complete:** Yes

Plan 01/07/2011

Complete

Date:

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### **Health and Safety: Document Maintenance/Worker Accessibility and Awareness**

H&S.2 All documents required to be available to workers and management by applicable laws (such as health and safety policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language(s) spoken by the workers if different from the local language. (P)

#### **Notable Feature**

**Explanation:** Factory has engaged the services of a private company, [Company name], to automate all material safety data sheets (MSDS) onto a computer system that can be accessed by workers from any point in the factory. The service provider maintains and updates the system with new MSDS or other changes where a chemical is de-listed or replaced by another chemical. This is to assure that the most current information is available to workers and management on the chemicals in use at the factory.

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### **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:** Facility has not conducted an emergency evacuation drill within the past 12 months according to management and worker interviews.

**Plan Of Action:** Supplier will document and implement an annual training as required by OSHA to review the evacuation policy and training.

**Supplier CAP:** Document evacuation routes and train employees annually.





**Supplier CAP**

**Date:**

**Action Taken:** January 7, 2011: Evacuation training was conducted. Training consisted of program knowledge, awareness, and comprehension of the program. An emergency fire drill was completed in March 2011. Awareness of clear aisles, evacuation routes, and evacuation training is conducted with all new employees at hire. Evacuation routes and plans are clearly posted in central areas. Annual refresher on Evacuation and Severe Weather is conducted along with OSHA-required refreshers for all employees.

**Plan Complete:** Yes

**Plan Complete Date:** 03/31/2011

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**Health and Safety: Safety Equipment and First Aid Training**

H&S.10 All safety and medical equipment (such as 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:**
1. Monitor found that first aid certification for workers had expired in October 2010 (3-year certification for first aid). (OSHA: 29CFR1910.151)
  2. Monitor found that fire extinguisher training was most recently conducted in 2007 and had not been updated since that time. Annual training is required by OSHA 29CFR1910.157.

**Plan Of Action:** Supplier to update their First Aid/CPR training for appropriate individuals, and to ensure that this is updated timely as required. Also, will address fire extinguisher training for their employees.

**Deadline Date:**



**Supplier CAP:** CPR training and Fire Extinguisher operation training will be given, and will be done timely as required to OSHA requirements.

**Action Taken:** January 7, 2011: The company shut down production during all 3 shifts and conducted Safety Training, which included Fire Extinguisher Training required by OSHA 29CFR1910.157. 1 CPR and First Aid class was conducted in February 2011, and another class is scheduled for April for the remaining employees who would like to complete CPR and First Aid training. Going forward, HR employee, [Employee name], will keep a current listing posted of Authorized Personnel trained in CPR and First Aid and update it annually or as changed. Fire extinguishers will be reviewed and kept current by maintenance and verified by the same HR employee. Evacuation documents will include the location of fire equipment and employee responsibilities and will be posted in a central location.

**Plan Complete:** Yes

**Plan Complete Date:** 02/28/2011

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### Health and Safety: Use of Personal Protective Equipment

H&S.12 Workers shall not incur any costs related to the normal and regular provision and maintenance of personal protective equipment. (P)

#### Noncompliance

**Explanation:** Monitor's review of employee files (1 of 7) found "Employee Equipment" form that is provided to workers at hire, where workers agree in writing to pay for Personal Protective Equipment (PPE) (Safety Glasses \$4.00, Gloves \$10.00, Ear Plugs \$1.00, etc.). Payment is stated to be taken from a terminated worker's final payment if the PPE is not returned. For current workers, payment is expected to be made for PPE damage due to negligent conduct or in cases where a worker needs replacement PPE.

**Plan Of Action:** Supplier to remove this form from any policies or records.

**Deadline Date:**



**Supplier CAP:** Supplier will remove the form from any records, as it is not in place. PPE is provided as needed for the appropriate positions at no charge.

**Action Taken:** During the audit process the lead auditor was informed that this was not the current practice and was not in use. Immediately following the audit, the HR Generalist went through all active employee personnel files and removed this inactive document. During training on January 7, 2011, all employees were reassured that this practice was eliminated and not in use. Employees are not required to pay for any PPE.

**Plan Complete:** Yes

**Plan Complete Date:** 01/07/2011

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### **Health and Safety: Other - Health and Safety**

Other

#### **Notable Feature**

**Explanation:** HR Manager has engaged the Bureau of Workers Compensation (BWC) for the State of [State name] to provide occupational health and safety assistance for the factories. The BWC provides monthly training that covers specific OSHA requirements. The BWC also provides on-site training in assisting the management with Injury Claims Management, Lock Out/Tag Out training and Accident Analyses; investigation of root cause; noise testing; and for industrial hygienists to be at the factory to work with factory workers in assessing risks and recommending safe practices.

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