



COMPANY: **York Wallcoverings, Inc.**
COUNTRY: **United States**
ASSESSMENT DATE: **10/29/14**
MONITOR: **Miriam Y Rodriguez**
PRODUCTS: **Other**
PROCESSES: **Other**
NUMBER OF WORKERS: **65**
NUMBER OF WORKERS INTERVIEWED:
ASSESSMENT NUMBER: **AA0000000553**

FLA Comments

“This report was submitted with a corresponding corrective action plan to the FLA and was reviewed by FLA staff. In an effort to improve the effectiveness of remediation, the FLA offered to engage with the company to further explain the findings and provide feedback on improving the corrective action plan submitted by the company. However, due to staff turnover, the company is not able to review the findings with the FLA and incorporate changes to their corrective action plan. Once the company is able to review the findings with the FLA and revise its corrective action plan, the FLA will publish the revised corrective actions. The current report is posted with the current corrective actions submitted by the company.”

What's Included in this Report

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- Glossary
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Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

Glossary

De minimis: A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

Facility performance: how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

Fair labor standards: the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

Employment life cycle: all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

Code violation: failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

Employment Functions: The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

Management functions: violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

Finding: indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

Finding type

- **Immediate action required:** discoveries or findings at the workplace that need immediate action because they not only constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to

the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

Local law or Code Requirement: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

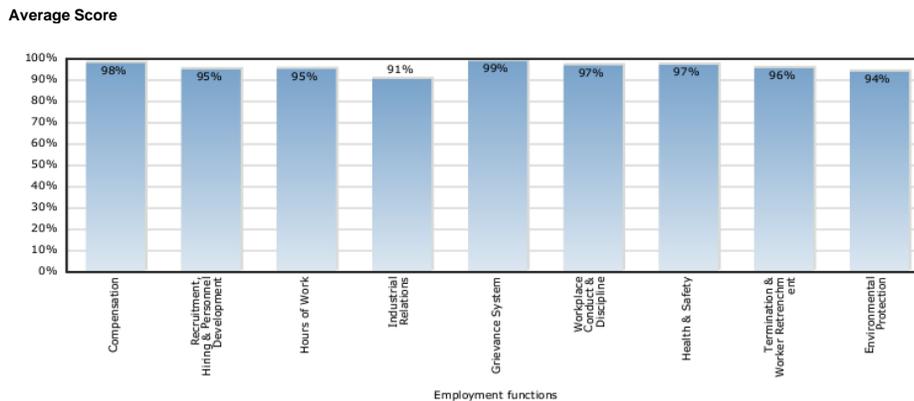
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

Company action plan: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

Factory Profile

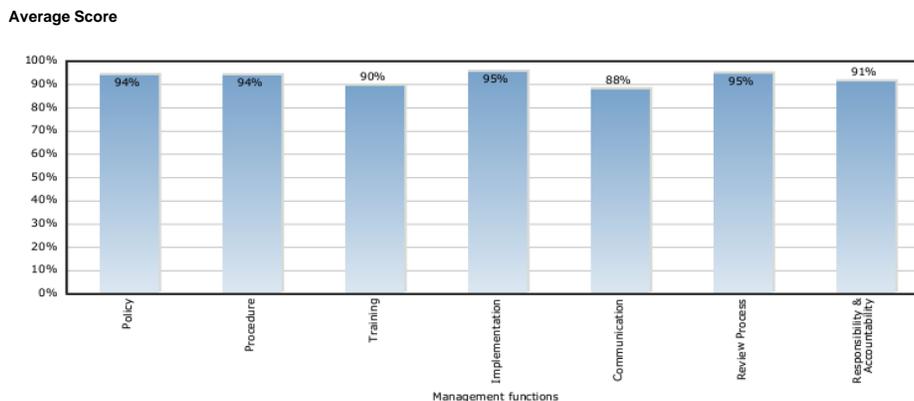
Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	100%	100%	100%	83.25%	100%	100%	83.33%	100%	100%
Procedure	100%	100%	100%	50%	100%	75%	75%	98.48%	80%
Responsibility & Accountability	100%	100%	100%	77.67%	83.25%	100%	100%	77.67%	100%
Review Process	100%	100%	100%	0%	100%	100%	100%	100%	100%
Training	100%	100%	100%	0%	100%	100%	83.33%	97.33%	62.5%
Implementation	93.26%	95.74%	97.83%	100%	100%	100%	100%	96.02%	91.3%
Communication	100%	100%	100%	0%	100%	83.33%	83.33%	100%	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	Violations
Employment Relationship	6	General/Human Resource Management Systems Terms and Conditions/Contract, Contingent or Temporary Worker to Permanent Employee Terms and Conditions/New Employee Orientation Terms and Conditions/Supervisor Training Administration of Compensation/Termination Payouts Work Rules and Discipline
Health, Safety and Environment	1	Evacuation Requirements and Procedure

Findings and Action Plans

FINDING NO.1

COMPENSATION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Seniority of temporary workers hired through agencies is not dated as of the first date they started to work at the factory. For example, an employee was contracted through a temp agency in April 2014, and subsequently rolled over to full time status on company's payroll; however, the seniority date for the employee is recorded as July 2014. This practice is not in compliance with FLA benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.12)

COMPANY ACTION PLANS

1. • Finding No. 2: Seniority of temporary workers. Our general staffing approach is to discontinue the use of agency temporary employees. They will be used only in the occasion where we have peak or "spike" hiring needs of very short duration. We are currently in the process of outsourcing the operation that uses the majority of temporary employees.

Action plan status: In Progress

Planned completion date: 06/01/15

Progress update: 07/13/15 : underway

FINDING NO.2

WORKPLACE CONDUCT & DISCIPLINE

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The current discipline policy does not outline the procedure for escalating disciplinary actions (from verbal warnings, to written warnings, to suspension, and finally to termination).
2. The disciplinary system does not include a third party witness during the imposition of the disciplinary action, or an appeal process.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.27.1 and ER.27.4)

FINDING NO.3

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The facility management did not provide evidence that fire drills including all work shifts have been conducted within the last 18 months.
2. The emergency exit signs at two exits in Zone 18 did not light up or illuminate. The facility's maintenance manager explained that new emergency lights had been ordered but not received yet.

Local Law or Code Requirement

OSHA Requirement 29CFR1910.3 (b); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5.1, HSE.5.3, and HSE.13)

Recommendations for Immediate Action

1. Conduct fire drills with all workers from all shifts. Keep records of fire drills.
2. Factory management is to repair the emergency exit signs to ensure the lights turn on during emergency.

FINDING NO.4

WORKER INTEGRATION (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The worker integration component is missing across all Employment Functions, indicating that the factory has not established a system to receive workers' input/feedback on the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

FINDING NO.5

TERMINATION & RETRENCHMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. No confidential channel has been established for workers to express any of the concerns or issues they may be experiencing during the retrenchment process regarding legally owed payments.
2. There is no procedure for determining termination payouts, including methods for correct assessment of payouts for all modes of termination/retrenchment that takes into account applicable national legal requirements.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.19.1, ER.19.2, and ER.32.3)

FINDING NO.6

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory has not developed policies for Industrial Relations.
2. In the new hire orientation and annual training for workers does not include Industrial Relations.
3. Management does not provide training for supervisors on policies, procedures, and applicable legal provisions for Industrial Relations.
4. Since the factory lacks policies on Industrial Relations, management has not provided regular communication to workers on these policies.
5. Since the factory lacks policies on Industrial Relations, management has not conduct a periodic review of the related policy and procedures.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.1.3, ER.15.1, ER.16.1, and ER.17.1)