



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: YETI Coolers LLC
COUNTRY: United States
ASSESSMENT DATE: 11/27/17
ASSESSOR: Miriam Rodriguez
PRODUCTS: Apparel
NUMBER OF WORKERS: 230

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.

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1.The company has not conducted, for all levels of employee, an annual refresher or training on the company's policy on sexual harassment. The topic is mentioned in the employee handbook (revision January 2016); however, the HR department did not provide evidence of a recent annual training or refresher, and the disciplinary measures to be imposed for violating the policy. ER1.2, ER.15.2, ER.17.2, and ER.17.3

2.The facility's equal employment opportunity policy statement listed on page 8 of the employee handbook (revision January 2016) lacks the following categories: political opinion, social group, and union affiliation or sympathy. This policy statement does not align with FLA Code. ER.3.2

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.3.2, ER.15.2, ER.17.2, and ER.17.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Company has a sexual harassment policy, however not all levels within the company have received annual refreshers.

Company to provide annual sexual harassment training to all levels within the company/factory.

Planned completion date

09/09/18

Action Plan no 2.

Description

Facility has a written equal employment opportunity policy in the employee handbook. The statement lacks these categories: political opinion, social group, and union affiliation or sympathy.

Facility to update the statement with the required categories, include in the employee handbook and inform the workforce of the revised statement.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

The employer's current employee handbook (revision January 2016) does not clarify if the normal work week consists of a maximum of 60 hours per week (40 regular hours and 20 overtime hours), and does not state that workers are entitled to one rest day in every seven-day period. Furthermore, the overtime policy, on page 23, does not explicitly state that any or all overtime hours are consensual on the part of the worker. This policy statement does not align with the FLA Code. ER1.1, HOW.1.3, HOW.2, HOW.5.1 and HOW.8.2

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1; Hours of Work Benchmarks HOW.1.3, HOW.2, HOW.5.1 and HOW.8.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The existing Hours of Work Policy does not clarify if the normal work week consists of a maximum of 60 hours per week (40 regular hours and 20 overtime hours), and lacks a statement mandating workers have one rest day in every seven-day period. Policy also lacks language around overtime being consensual.

Facility to update the Hours of Work policy to clarify total weekly hours allowed per the Workplace Code of Conduct, and include language around the one rest day and consensual overtime.

Planned completion date
09/09/18

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1.The facility did not provide any evidence of a formal written policy and procedures governing all aspects and modes of Retrenchment. The facility has not provided communication and training to all level of workers or worker representatives. Due to a lack of policy and procedures, the facility management has not conducted periodic review of the same. The current employee handbook only details resignation or termination or cause. ER1.1, ER.16 and ER.32

2.The employer requires a worker to provide a written notification two weeks prior to voluntarily terminating employment, failure to provide prior notification means the worker will not receive earned or unused paid time off (PTO). This expectation as outlined in the employee handbook (revision January 2016, page 13) does not align with the state of Wisconsin "at will" employment guidelines, nor the company's statement of supporting "at will" employment as described on page 8 of the aforementioned employee handbook. The imposition of any financial penalty (such as non-payment of earned/unused PTO) for any worker who voluntarily resigns does not align with FLA Code. ER.1.1, F.7.3

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.16, and ER.32; Forced Labor Benchmarks F.7.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility does not have a written policy or procedures on Retrenchment. Nor has the facility provided communication and training to all levels of workers.

Facility to develop and communicate a Retrenchment policy, train all levels of workers on the Termination and Retrenchment policy. Employee handbook to be revised as indicated above.

Planned completion date

09/09/18

Action Plan no 2.

Description

Wisconsin is an At Will Employment state. Company however requires workers to give a 2 week notice otherwise be penalized by not receiving any earned or unused paid time off.

Facility/Company to rescind the policy of penalizing workers who voluntarily resign and do not provide a 2 week notice. Policy to be updated and communicated to the workforce. Workers to acknowledge understanding of revised policy by signing revised handbook, or written policy.

Planned completion date

09/09/18

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

The facility did not provide any evidence of a formal written policy and procedures regarding Industrial Relations or Freedom of Association. The facility has not provided communication to all workers. The facility has not provided training, whether at hire or at annual refresher, to all level of workers or worker representatives. Due to a lack of policy and procedures, the facility management has not conducted periodic review of the same. ER.1, ER.15, ER.16, ER 17, ER.25

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.15.1, ER.16.1, ER.17.1, ER.25.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility did not provide a written policy and procedures regarding Industrial Relations or Freedom of Association, nor has any communication or training been provided to the workforce.

Facility to develop an Industrial Relations and Freedom of Association policy that aligns with the FLA Workplace Code, communicate the policy to the workforce, train all levels within the company on such procedures. Workers to acknowledge understanding of the new policy and procedures by signing revised handbook/or attendance sheet.

Planned completion date

09/09/18

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

The current discipline guidelines, listed in the employee handbook on page 27, lacks a system of progressive discipline related to misconduct or behaviors; in other words, the guidelines do not list disciplinary actions moving from verbal warnings to written warnings to suspension and finally to termination. The disciplinary system shall include a third party witness during imposition, and an appeal process. At present, the company only outlines disciplinary actions on matters related to attendance policy. However, interviews with workers, and review of disciplinary actions did not provide any evidence of violating the Workplace Conduct and Discipline standards. ER.27.1, ER.27.4

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

Current disciplinary guidelines lacks a system of progressive discipline.

Factory to enhance the current set of procedures to include disciplinary actions starting from verbal, to written, to suspension, to termination.

Procedures to include a 3rd Party witness.

Disciplinary actions to be implemented for all matters, not just the attendance policy.

Updated policy and procedures to be included in the employee handbook. All levels of workers to be educated to the revised policy and procedures. Workers to acknowledge revised policy and procedures by signing the handbook.

Planned completion date

09/09/18

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

The current employee handbook (revision January 2016) details a basic two step approach of the "Complaint Procedure"; which includes documentation in writing by the supervisor of the worker's complaint. The HR department did not provide any evidence that this procedure has been used by workers or properly implemented by supervisors. This process does not afford a worker the confidentiality required to report any complaint. In November 2017, the facility implemented a new third party service provider, allowing workers to report in a confidential manner any and all grievances including anonymous complaints, but procedures for this process are still in the implementation stage, and training materials for workers and supervisors for this new process were not provided. ER.17.3 ER.25.3, ER.25.3.1, ER.25.3.2

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.17.3, ER.25.3, ER.25.3.1, and ER.25.3.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Current Complaint Procedure (2 step approach) was not implemented by supervisors or used by workers. Current procedure does not afford workers the confidentiality required to report any complaint.

Facility to enhance the current Complaint Procedures per the above requirements. Revised procedures to be communicated to all levels within the company. Third party service to be fully implemented and communicated to all employees. All employees to acknowledge understanding by signing attendance sheets to the trainings, or signatures to the revised handbook.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

The facility did not provide evidence of a documented and written environmental policy. A review of the company's website or the employee's handbook did not identify senior management's commitment to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks. Implementation stage, and training materials for workers and supervisors for this new process were not provided. ER.31.1, ER.31.3

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.31.1, and ER.31.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility did not provide any evidence of written environmental policy.

Facility to develop an environmental policy that underscores management's commitment to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks.

Policy to be implemented with communication, training to all levels within the facility. Policy to be included in the employee handbook. Workers to acknowledge policy and training by signing updated employee handbook, and/or training attendance sheets.

Planned completion date

09/09/18

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

During the physical review of the building, identified several instances which are not compliant with company's Health & Safety practices:

- 1.The fire extinguishers are not marked or identified throughout the facility;
- 2.The emergency exit at the back of the warehouse identified that stacks of wooden pallets were placed in the path of egress from the building; the obstruction was immediately removed before the auditor left the facility;
- 3.Electrical panel at the rear of the building had the required clearance obstructed by containers placed in front of the electrical panels; the obstruction was immediately removed before the auditor left the facility;
- 4.At the rear of the warehouse, finished product was placed at the top of wooden pallets which exceeded more than 6 feet, and would have been a potential risk of toppling over injuring a worker, or obstructing a pathway; the work in process was immediately removed before the auditor left the facility.

Local Law or Code Requirement

OSHA 29 CFR 1910.303 (electrical panels), FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.5.1, and HSE.6.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1) All fire extinguishers are to be marked or identified throughout the facility.

- 2) All emergency evacuation aisles and exits to be free from obstructions at all times.
- 3) Electrical panels to be free from obstructions at all times.
- 4) Finished product on wooden pallets not to exceed 6 feet in height

Facility to ensure integrity of these areas are maintained at all times.

Planned completion date

09/09/18