



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: Bauer Hockey, LLC
COUNTRY: United States
ASSESSMENT DATE: 11/27/17
ASSESSOR: Miriam Rodriguez
PRODUCTS: Equipment
NUMBER OF WORKERS:

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.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

Finding Explanation 1. The factory's orientation training for new workers does not include Industrial Relations and Freedom of Association.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.15.1)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

The facility has created an orientation training and provides several documents, including:

- a. A tri fold document for new hires which highlights key policies. The statement related to FOA reads as follows: "Industrial Relations/Freedom of Association: Cascade Maverik Lacrosse LLC respects all laws, rules and procedures governing rights of workers to organize and bargain collectively without fear of reprisal, intimidation, or harassment."
- b. The second document is the New Hire 90 day Follow up with Human Resources, which is signed and dated by both the HR manager and the employee; in which HR manager reviews key points including the following statement: "PEAK respects all laws, rules and procedures governing rights of workers to organize and bargain collectively without fear of reprisal, intimidation, or harassment."
- c. The employee also receives and signs the "Production Facility Policy" document which addresses the Industrial Relations and Freedom of Association policy.
- d. The facility also has posted the Peak Achievement Athletics Workplace Standards Policies which also details Freedom of Association and Collective Bargaining.

PREVIOUS FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The seniority of temporary workers hired through recruitment agencies is not dated from the date they join the company: One employee was hired on Feb 2, 2014 and converted to full time status on the company's payroll; however, his seniority date is listed as effective since July 21, 2014. Another employee was hired on April 2, 2013 and converted to full time status, but his seniority date is listed as effective since January 20, 2014.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.12)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

Even though the company may not be able to back date benefits which have federal oversight, such as 401K and medical insurance, the facility waives the 90-day waiver for eligibility. This waiver means that newly converted temporary workers will be eligible for medical and disability insurance and 401K participation. Furthermore, the converted employee will be eligible for the following benefits: paid time off (PTO) accrual (could equal to 3 weeks); an hourly salary increase per state minimum increases; company recognized holidays, including a floating day; employee discounts on products; and educational reimbursement for appropriate training or schooling. The converted employee is also be eligible to bid on any open position, depending on ability and eligibility. The worker also receives the appropriate performance review and bonus scale.

PREVIOUS FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has not developed policies for the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations, Grievance System, Health, Safety & Environment.

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. Also, there are no procedures for the grievance system. FINDING NO.3

3. The factory has not provided training for supervisors and workers on policies, procedures, and applicable legal provisions for the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations, Grievance System, Health, Safety & Environment.

4. The factory has not communicated written policies to the workforce for the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations, Grievance System, Health and Safety and Environmental Protection.

5. The factory does not conduct periodic review of policies, procedures, and applicable legal provisions for the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations, Grievance System, and Health, Safety & Environment.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.1.3, ER.16.1, ER.17.3, ER.19.1, and ER.25.3)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: The facility has implemented the NAVEX hotline to provide a grievance channel. The policies regarding the other employment functions have been established, the policies were reviewed in 2017, and they are scheduled for future reviews every three years.

2. Finding Status: Remediated

Explanation: The facility has provided communication on the hotline and advised workers about the hotlines in meetings. In terms of procedures regarding termination payouts are now compliant with the State of New York Worker Adjustment and Retraining Notification (WARN Act).

3. Finding Status: Partially Remediated

Explanation: A leadership training has been established for supervisors. The process was delayed due the recent bankruptcy and the training has been delayed until FY 2018. Ten managers/supervisors have been identified to attend the training. The first training is scheduled for March-May 2018, and the following modules are slated for June-August 2018, and September-November 2018. [ER.16, ER.17]

Root Causes: The training was scheduled but delayed due to the recent bankruptcy.

4. Finding Status: Remediated

Explanation: Communication tools are provided during orientation and there are annual refresher trainings and meetings throughout the year. The supervisors have been trained and guided in the provided communication.

5. Finding Status: Remediated

Explanation: Policy Reviews were conducted in February 2017 after the company changed names (due to financial resources). Subsequent reviews will be scheduled on a 3-year cycle or as needed. The next review is scheduled for February 2019. Both corporate HR and facility HR will be involved in the review process.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16 and ER.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

A leadership training has been established for supervisors. Ten managers/supervisors have been identified to attend the training. The first training module is scheduled for March-May 2018, and the following modules are slated for June-August 2018, and September-November 2018.

PREVIOUS FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. While the factory has not experienced any layoffs in the recent past, the factory's termination procedure does not include consultation with workers, or worker representatives, before management reaches any final decisions on layoffs.

2. No confidential channel has been established for workers to express any concerns or issues they may be experiencing during the retrenchment process regarding legally owed payments.

Local Law or Code Requirement

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

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

The company has developed the Workforce Production Procedures which are aligned or based on the State of New York Worker Adjustment and Retraining Notification (WARN Act). The aforementioned procedure is part of the employee handbook and consists of the following: purpose, scope (it includes full and part-time employees of the company), procedure, documentation, communication plan, and assistance provided if laid off. The communication plan gives an opportunity to discuss potential plans even though the factory does not have a union. The document was developed in December 2015 and revised in November 2017.

2. Finding Status: Remediated

Explanation:

The NAVEX Hotline is to be utilized by workers to communicate any grievances or concerns. These policies and procedures are also on a three year review cycle.

PREVIOUS FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Current disciplinary policies and procedures do not include a system of progressive discipline, and does not include a third party witness during the imposition or an appeal process.

Local Law or Code Requirement

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

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation:

The current policy does not address an appeal process or a third party witness. The New Hire 90 day Follow up with Human Resources document and the Production Facility Policy document state that the company follows a FINDING NO.5

"progressive disciplinary process that includes coaching, verbal warnings, written warnings, and final warnings". However, these documents do not include an appeal process or the right to a third party witness, aside from an HR representative. According to the document, "depending on the nature and severity of the infraction, the company reserves the right to apply corrective action up to and including termination. HR will act as the third party witness in disciplinary discussions and actions. Employees have the right to include their comments on the corrective action. If an employee disagrees with the corrective action, they should notify HR." [ER.27.1, ER.27.4]

Root Causes:

A lack of clarity on the benchmarks, and the interpretation of the need for a third party witness.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

Revise policy to include an appeal process and third party witness

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The Health & Safety committee comprising seven employees has not undergone first aid training. There are no other workers trained on first aid.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.6.2)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

The Health & Safety committee consists of seven members from different departments, and the meetings are documented. The committee received trainings in June 2015 and July 2017.

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There are no written policies that encourage workers to undergo ongoing training aimed at improving their skills and advance their careers within the factory and beyond. Additionally, there are no policies and procedures that include how workers will be informed of training opportunities, eligibility requirement for participation, if the training will be compulsory or voluntary, if it will take place during or after working hours, and if the training will be compensated.

2. There are no written policies and procedures for conducting performance reviews that include steps and processes, demonstrate linkages to job grading, prohibit discrimination, and seek for workers' written feedback.

3. There are no transparent and fair written policies regarding promotions and job reassignment.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.28.1, ER.29.1, and ER.30.1)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: The policies have been implemented and are on a three year cycle and they are reviewed every fiscal year in June. Part of the bi-annual employee reviews include trainings and conversations for improving workers' skills and advancing their careers.

2. Finding Status: Remediated

Explanation: Production employees are given bi-annual reviews in January and August. There are 5 levels of performance and ratings. Supervisors trigger performance reviews based on conversations with employees. These reviews also seek worker feedback.

3. Finding Status: Remediated

Explanation: The factory has established and implemented policies and procedures related to promotions and job reassignment that are fair and transparent. The New Hire 90 Day Follow up with Human Resources document, which is signed and dated by both the HR manager and the employee, also includes a statement regarding training and development about an educational reimbursement program for any employee pursuing a degree.

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Environmental Protection policies do not include a commitment to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.31.3)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation:

There is a policy in development and will be placed on a 3-year review cycle but the policy has not yet been developed. [ER.31.3]

Root Causes:

Changes in management team, due to acquisition, and a lack of clarity on benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Policy was developed and submitted as part of 2014 CAP

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The worker integration component is missing across all Employment Functions, indicating that the factory has not established procedures 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)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation:

In December 2015 the company conducted an employee survey and established a focus group but the 2017 bankruptcy delayed the implementations and proposed changes. Meetings with production leads have been scheduled on a weekly basis and the company anticipates creating another employee survey to identify and address issues in 2019. [ER.1.3, ER.25.2]

Root Causes:

The 2017 bankruptcy delayed the implementations and proposed changes.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

For production staff, the company plans to utilize a process that will include the use of suggestion boxes. Feedback received will be reviewed and discussed at production meetings. HR is also planning to roll-out a company employee survey in fiscal year 2019.

New Findings and Action Plans

NEW FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The facility management does not maintain on site and does not have access to the personnel files and all relevant employment information of temporary workers working at the facility. The facility utilizes four different temporary agencies to contract labor. [ER.11.5]
Action Plan Status: In Progress Planned Completion: May 2019 Progress Update: For production staff, the company plans to utilize a process that will include the use of suggestion boxes. Feedback received will be reviewed and discussed at production meetings. HR is

also planning to roll-out a company employee survey in fiscal year 2019. Completion Date: (NEW) FINDING NO.8

2. There is a lack of standard contract language with employment agencies which specifically imparts power to the facility to directly pay wages to temporary workers. The facility does not review or validate that the labor agencies are meeting the labor laws or expectations of the facility. [ER.6]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.6 and ER.11.5)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The company plans to establish a process for on-site review of temporary worker agencies to verify compliance with applicable labor laws and to review personnel files.

NEW FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Workers who stand all day at their work tables do not have appropriate exercises, or the opportunity to rotate tasks and functions to alleviate stress due to repetitive motions or prolonged standing. Also, the ergonomics mats provided are damaged/worn/torn or may not be appropriate for the work tasks. [HSE.17.1]

2. The facility did not provide evidence of the required daily inspection, conducted by the driver, of the forklift or powered industrial vehicles used within the facility. Per OSHA requirements, 29CFR1910.178(l), the employer must provide training to individuals authorized to drive the vehicles which includes conducting and documenting the vehicle inspection prior to usage of the vehicle. [HSE1.1]

3. The facility has installed a new enclosed paint booth in the work area. The paint booth lacks an auditory or visual aid to alert the worker when working within the paint booth if there is an emergency situation, such as a fire, within the general work area. The worker assigned to the paint booth has the necessary protective coverall, face mask, and respirator. The paint booth has the required installation and usage permits. [HSE1.1]

Local Law or Code Requirement

OSHA requirements 29CFR1910.178(l); OSHA requirement: 29CFR1910.107(a); FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1.1 and HSE.17.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The company will implement a plan to minimize work-related musculoskeletal disorders through measures such as the installation of anti-fatigue mats and the promotion of appropriate exercises. 2. A committee has been established to develop the necessary documentation and to conduct training for forklift inspections. 3. The company will install an additional warning system (e.g., alarm or light) when workers are in the paint booth.