



Verification Assessment

COMPANIES: Wilson Sporting Goods Co.
COUNTRY: United States
ASSESSMENT DATE: 10/16/18
ASSESSOR: Miriam Rodriguez
PRODUCTS: Balls
NUMBER OF WORKERS: 130

FLA Comments

This SCI is a verification assessment of assessment AA0000001953. All corrective action plan updates for AA0000001953 will be published on this report.

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: Recruitment, Hiring & Personnel Development

Finding Explanation

The procedures on performance reviews do not include steps and processes, linkages to job grading, nondiscrimination, written feedback, and procedures on raising or broadening skills or pathways to advance worker's careers.

Although many policies and procedures are clearly available and communicated, Wilson Sporting Goods lacks comprehensive written policies and procedures with regards to promotion, demotion, and job reassignment. New policies regarding personnel development need to be reviewed by management and communicated to the workforce regularly.

Workers are able to change to production areas that offer higher piece rates. However, promotions are not common.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.28.1.1, ER. 28.1, ER 28.2, ER.29.1, ER. 29.1.1, and ER. 30)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation:

The facility and the union (Chicago and Midwest Regional Joint Board, AFL-CIO/CLC) have outlined the steps of promotions and graded or scaled wages for all production positions. Promotions and advancements are outlined through the union bidding process. The most current CBA in effect on October 2017 and will remain enforce through Oct 2019. The following Appendices of the CBA: Appendix A- departmental job classification; Appendix B-Evaluated Wage Rate Structure- Job Rate; Appendix C – Wage Rate Schedule, and Appendix D - Wage Rate Schedule (for Maintenance).

2. Finding Status (Remediated)

Explanation: The CBA outlines the advancement or promotion process, which is based on seniority and skill levels.

3. Finding Status (Remediated)

Explanation: Even though, the majority of the work force is senior in years of service, the company is hiring younger workers to train and promote as senior workers retire or leave the company.

PREVIOUS FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

The factory has not conducted or provided training for supervisors and workers on policies and procedures for the following Employment Functions: Recruitment, Hiring & Personnel Development, Hours of Work, Compensation, Termination & Retrenchment, and Environmental Protection.

The factory does not conduct ongoing training to supervisors or workers on policies or procedures for the following Employment Functions: Hours of Work, Termination & Retrenchment, and Workplace Conduct & Discipline.

The factory has updates to the payment schemes (raises) captured in the Collective Bargaining Agreement. However, there is no specific training to workers on the wage and benefits structures.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER. 1.1, ER. 1.2, ER. 1.3, ER.15, ER. 17.1, and ER. 17.3)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation:

The facility HR manager and the Union Steward are responsible to provide training and update to union members on the policies and procedures. In the initial hiring, the HR manager will provide initial orientation on policies and procedures. Non-union employees, such as administrative and supervisory employees, receive the initial orientation with annual refresher training on policies and procedures.

2. Finding Status (Remediated)

Explanation: The facility HR manager and the Union Steward are responsible to provide training and update to union members on the policies and procedures. In the initial hiring, the HR manager will provide initial orientation on policies and procedures. Non-union employees, such as administrative and supervisory employees, receive the initial orientation with annual refresher training on policies and procedures.

3. Finding Status (Remediated)

Explanation: After the employee successfully meets the 90-day probationary period, the employee is affiliated and the union will provide an overview on the CBA, providing a copy to each member.

PREVIOUS FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

The factory has not developed policies and procedures for Environmental Protection. Factory has no written policies or procedures that address how production activities impact the environment inside the factory. In addition, the factory does not maintain any documentation in relation to Environmental Protection.

The factory has the union Chicago and Midwest Regional Joint Board in place. Thus, the factory does not see the need to provide continuous training on Industrial Relations & Freedom of Association. The Collective Bargaining Agreement CBA is re-negotiated and updated every three years with the workforce being advised on updates.

The factory's written policy and procedures for Termination & Retrenchment are only described in the Collective Bargaining Agreement CBA.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.30.1, ER.30.1.1, ER.30.1.2, and ER.30.2; Health, Safety & Environment Benchmarks HSE.1 and HSE.2)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: The facility has implemented and uses the Environmental Policy issued by the parent company, Amer Sports. This policy is communicated both at orientation and posted on the facility's bulletin. The facility regrinds the plastic used in the manufacturing of the football, specifically the plastic inner liner of the bladder of the football. However, the town where the factory is located does not have a water treatment (WWTP) facility, nor an active recycling program for local businesses.

2. Finding Status (Remediated)

Explanation: The facility HR manager provides an initial orientation for all new hires, and advises that after the probationary period of 90 days, production workers are expected to join the union. The union is a closed shop. The union steward provides an overview of the CBA to all new production workers, after the probationary period. The facility HR provides an annual refresher on the corporate policies, which include Freedom of Association to all non – union employees.

3. Finding Status (Remediated)

Explanation: The facility HR provides an annual refresher on the corporate policies, which includes Termination and Retrenchment to all non-union employees.

PREVIOUS FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Accident and sick leave are considered as being absent, covered in Article XXII of the Collective Bargaining Agreement CBA. There is a 7 days waiting period after the first day of being sick before payment begins. Employees can ultimately be terminated due to illness if his/her sick days reach a point where the disciplinary process is enforced since sick days are considered as being absent. Workers have the option of avoiding any disciplinary actions by using their vacation in lieu of sick days. When sick days reach a communicated and designated monthly and/or yearly percentage, the disciplinary procedure is enforced. If an accident or sickness reaches 7 days or more, the worker has to go on sick leave at \$288 per week.

Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmarks HOW.17 and HOW.18)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation:

The union has negotiated the Leave of Absence (Article 9) of the CBA. The facility also manages the Family and Medical Leave Act (FMLA) process for all employees, whether union or non-union.

PREVIOUS FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

As per management interviews, overtime is generally factored into production planning. The factory management sets production targets at a level such that workers need to work beyond regular working hours. This is primarily due to a shortage of workers as it is an ongoing situation. Workers are paid for all overtime at a 1.5 rate.

Overtime work is voluntary Monday through Friday but mandatory on Saturdays as stated in the Collective Bargaining Agreement CBA. Article IV of the CBA, Chicago and Midwest Regional Joint Board Agreement, requires that employees work 2/3 of the available overtime each week. The CBA article does not align with the FLA benchmarks.

Per worker interview and management, there is always overtime on Saturdays. Workers are adequately compensated for this overtime.

There are several instances where workers worked more than 60 hours per week during the peak production period in 2015. A review of payroll records for the month of May revealed that one worker in Maintenance worked 127 hours in a two-week period. Payroll record for the month of August 2015 indicate that worker #1 in Maintenance worked 128 hours in a two-week period, while worker #2 in Flat Panel Operations also worked 128 hours in a two-week period.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmarks HOW.1, HOW. 6, HOW. 8.2, HOW. 8.4, HOW. 8.5, and HOW. 1.3; Freedom of Association Benchmark FOA 20.2)

Recommendations for Immediate Action

1.
Ensure that overtime is not included in the general production planning.
2.
Ensure that overtime is voluntary at all times. Revise the Collective Bargaining Agreement CBA to ensure that overtime is voluntary. Communicate to workers the policy and procedure change.
3.
Ensure that weekly (regular and overtime) working hours do not exceed 60 hours per week.

4. Ensure that the FLA affiliate Company's Sourcing and Social Compliance teams: a) implement FLA Principles of

Fair Labor and Responsible Sourcing and b) coordinate on the topics mentioned below to help the factory address its excessive hours issue:

1. How to provide better order forecasts to the factories;
2. Possible workshops/consultancy for the factory on how to improve productivity/quality;
3. Clear guidelines on how to extend shipment deadlines in case of contingencies;
4. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
5. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
6. Clear guidelines on how and when the factory can use subcontractors.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: Under the new management, the facility has implemented lean methods or program, coupled with a reduction in volume to meet production requirements. Under Article 4 of the CBA, the normal schedule for regular full time employees is set at forty (40) hours per week, conducted over a 4 or 5 day work schedule.

2. Finding Status (Remediated)

Explanation: Under Article 4, Section 3 of the CBA outlines the procedure to follow in working overtime hours. Any scheduled overtime will be offered to regularly assigned worker, who can accept or refuse overtime. The procedure then allows overtime to be offered to less senior but qualified worker. Any overtime scheduled will be worked on Saturday, however any overtime scheduled for Sunday is strictly

voluntary. The current work schedule for the facility is: Mon – Thurs 6 AM to 3 PM, Fri 6 AM to 12 PM (noon), with Saturday 4 hours of overtime, only if required, and Sunday is a normal day off, and it is voluntary to work on Sunday. A review of three pay periods (over a 12-month period) did not reveal any union worker exceeding a 60-hour workweek. Interviews with union workers confirmed that overtime is voluntary and as of late, overtime is infrequent.

3. Finding Status (Remediated)

Explanation: A review of three pay periods (over a 12-month period) did not reveal any union worker exceeding a 60-hour workweek. Interviews with union workers confirmed that overtime is voluntary and as of late, overtime is infrequent. No evidence of Saturday overtime.

4. Finding Status (Remediated)

Explanation: A review of three pay periods (over a 12-month period) did not reveal any union worker exceeding a 60-hour workweek. Interviews with union workers confirmed that overtime is voluntary and as of late, overtime is infrequent. No evidence of Saturday overtime.

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The worker integration component is missing across all Employment Functions, such as Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Grievance System, Workplace Conduct & Discipline, Health & Safety, Environmental Protection, Termination & Retrenchment, and Industrial Relations & Freedom of Association. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in 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

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: The employees through the union leadership receive communications from facility management. The union leadership has an established meeting calendar in which workers can attend and provide feedback or receive updates. The facility management provides updates to union leadership, as well as posting updates on the bulletin boards. None of the workers interviewed cited lack of communication as an issue. In the current CBA, Article 6 outlines the Grievance Procedures.

PREVIOUS FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory does not maintain a comprehensive log of accidents or illnesses that occur in the factory.

The factory does not have any written guidance documents for external contractors or service providers concerning Health & Safety, such as electrical or building contractors.

Although the factory provided training on the usage of Personal Protective Equipment PPE, tenured workers throughout the whole factory do not use any hand protection other than taping their fingers for tasks, such as "ball-turning" and "lacing". The factory management stated that some of the more junior (younger) workers use gloves for "lacing". In addition, workers in the dye cutting department with heavy sewing machines, hole punchers

The factory just started to implement an ergonomic system where workplace surfaces can be adjusted. There is tremendous repetitive-motion stress in every production area. However, there is no rotation system in place due to the laborious training required for each function. In addition, the factory does not provide any ergonomic training or ergonomic breaks.

Although the factory has a system in place to ensure that employees are not overheated, the system is malfunctioning as workers stated that the factory is very hot during summer months, which was brought up in the closing meeting

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.3)

Recommendations for Immediate Action

1. Ensure that all workers use the required PPE in all departments. Regularly train and communicate workers on the requirement to use PPE adequately.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: The facility demonstrated and provided evidence of maintaining and publishing the OSHA 300 Log which records all recordable injuries or accidents. Workers also demonstrated an understanding of reporting accidents as demonstrated by the notification in the bulletin board.

2. Finding Status (Not Remediated)

Explanation: The facility did not provide any evidence of sharing written guidance documents for external contractors or service providers. [ER.31.1]

Root Causes: The facility does not have a full time manager dedicated to EHS to address these issues.

3. Finding Status (Partially Remediated)

Explanation: The facility has been able to develop good and safe work habits with junior or recent hires employees. Older or seasoned workers tend to use tape to protect their fingers, as the worker will use the tactile sense to work the leather or the materials in making the football. However, the current CBA does address "Sanitation and Safety in Article 12". [HSE.7]

Root Causes: The facility does not have a full time manager dedicated to EHS to address these issues and the facility has had difficulty in convincing workers that are more experienced to change their habits.

4. Finding Status (Partially Remediated)

Explanation: The facility is working in partnership with State of Ohio Bureau of Worker's Compensation to address the workplace injuries especially those accidents related to repetitive motion. The state agency has been on-site to review various job functions or tasks in order to provide better guidance to the facility. The state's final report is pending. [HSE.17.1]

Root Causes: At the time of the SCI audit, the State of Ohio has not provided a written summary and recommendations to the facility. In addition, the facility does not have a full time manager dedicated to EHS to address these issues.

5. Finding Status (Partially Remediated)

Explanation: The facility is addressing the issue of regulating temperatures during summer months, by using fans, and providing fresh drinking water, or Gatorade to workers as well as more frequent breaks. [HSE.13]

Root Causes: The facility is in an old building and it would be a large capital investment to renovate or replace the HVAC for the entire structure.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.31.1; Health, Safety & Environment Benchmark HSE.7, HSE.13, HSE.17.1)

Recommendations for Immediate Action

2. Develop and provide written guidance documents or attach to master service agreements for external contractors or service providers.
3. Identify the appropriate candidate to address EH&S issues at the facility level, and provide a training and awareness campaign for all workers, whether new hires or seasonal workers on the use of personal protective equipment (PPE).
4. Once the state of Ohio provides the report on workplace injuries, develop and implement the appropriate corrective action plan to address injuries related to repetitive motions. Also, identify the appropriate candidate to address EH&S issues at the facility level.
5. Identify the appropriate candidate to address EH&S issues at the facility level, and continue with training and awareness program for all workers to address issues of heat stress, and ensure ample supply of water, or frequent breaks.

COMPANY ACTION PLANS

Action Plan no 1.

Description

2.
Pending - We are currently recruiting for the EHS position and plan to fill by April 1, 2019. This will be an action to complete within the first sixty (60) days of their employment.
3.
Pending - The EHS position will perform an analysis of each job to make a determination of the best PPE for each job.
4.
Pending - The findings have been received from the BWC and these will be provided to the EHS position for analysis and action.
5.
Completed - The Company has implemented summer hours to allow employees for an earlier start time to improve conditions

in the factory during peak season.

Company Action Plan Update

1. Planned Completion date 6/28/2019
2. Planned completion date 8/30/2019
3. Planned Completion date 9/30/2019
4. Planned Completion date 6/11/2018

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The facility has not updated the list of employees responsible for first aid, or emergency response. The facility posts on the H&S board the names and pictures of team members, however the list is outdated and not updated when an employee retires or quits the company, or if the member resigns from the team. [HSE.6]
2. The facility did not provide evidence of an active updated ergonomics program. However, the facility is engaging with the state program (Bureau of Worker's Compensation) to minimize ergonomic related injuries. [HSE.17]
3. The facility did not provide written documentation of any fire or tornado drill, whether planned or unscheduled. The facility advised the last fire drill occurred during FY 2017. At the time of this SCI audit, no such event (fire or tornado drill) had been performed. [HSE.5]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.5, HSE.6, and HSE.17)

Recommendations for Immediate Action

1. Add steps to update and announce the team members of the emergency response team to current procedures.
2. Review job requirements, and work with state agency to create an updated ergonomics program.
3. Program, train workers, and schedule drills on a regular basis.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The first responder list has been updated with only active employees on it. The new EHS staff member will be responsible to review first responders listing monthly to ensure that it is up to date.
2. We are currently recruiting for an EHS position and this position will take an active role in the ergonomics program. Until then, we continue to implement new procedures and work with our employees to research alternative solutions and create the best ongoing ergonomical environment possible for them.
3. A fire drill was conducted on 10/22/2018 and a tornado drill was conducted on 12/13/2018. The company has records to both events on file.

Company Action Plan Update

1.
Completed 1/04/2019
2.
Pending – recruitment of EHS position; planned completion 9/30/2019
3.
Completed: Fire Drill – 10/22/2018 / Tornado Drill – 12/13/2018

NEW FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The current documentation kept by the factory does not identify the pregnancy status of female workers who have requested accommodations for lactation or other pre-or post-maternity needs. The current facility procedures do not include any accommodation for pregnancy or maternity status of female workers. [ND.8, HOW.5]

Local Law or Code Requirement

Fair Labor Standards Act, Section 7 (Break Time for Nursing Mothers, March 2010); FLA Workplace Code (Nondiscrimination Benchmark ND.8.1; Hours of Work Benchmark HOW.5.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. No pregnant female has requested an accommodation for lactation or other pre-or post-maternity needs. A room has been made available to accommodate this request and we are making accommodations to this room to make them more comfortable.

Company Action Plan Update

Planned Completion 6/30/2019

NEW FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The current payroll receipt issued to workers does not list the wage rate for regular or overtime hours worked. The payment is deemed correct but the rates are not listed. [C.13]

Local Law or Code Requirement

FLA Workplace Code (Compensation Relationship Benchmark C.13)

Recommendations for Immediate Action

1. List the information clearly on the pay stubs.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We plan to modify our pay system, which will allow us to provide this data on the paystubs.

Company Action Plan Update

Pending Contract Negotiations. Planned Completion 11/25/2019

NEW FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

1. The facility does not have a specific manager responsible/accountable for health and safety; however, in the budget for FY 2019, this role will be fulfilled. [ER.1.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We are currently recruiting for this position and plan to fill by April 1, 2019.

Company Action Plan Update

Pending interviews - Planned Completion 04/01/2019