

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

05 Oct 2021



Factory Information

FLA Affiliates	PopSockets LLC
Country	Mexico
Number of Workers	516

Understanding this Report

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.

FLA Code Element

Number of Violations

Compensation (C)	2
Employment Relationship (ER)	8
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	5
Hours Of Work (HOW)	3
Nondiscrimination (ND)	1

Assessment Information

Assessor	VeLar International
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Assessment Date	05 Oct 2021
Assessment Purpose	Factory Assessment (Virtual Compliance Check)

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.9.3
Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country
Finding Details	1. The hourly wage basis used to calculate the overtime rate is based on the daily salary and does not take into consideration all other salary components, such as punctuality and attendance bonuses. 2. The company pays all overtime hours at 200% of the hourly wage; however, the Federal Labor Law establishes that all overtime that exceeds the nine hours a week must be paid at 300% of the hourly wage. 3. Review of sampled employees found the following: From September 20th to 26th, 2021: one employee worked 18 overtime hours; one employee worked 20 overtime hours; three employees worked 24 overtime hours; one employee worked 35 overtime hours; and one employee worked 36 overtime hours. From May 16th to 21st 2021: one employee worked 22 overtime hours. From November 15th to 20th 2020: one employee worked 23 overtime hours.
Recommendation for Immediate Action	1. Consider all salary components as part of the hourly wage to calculate the overtime rate, as per law. 2. Pay overtime that exceeds nine hours a week with the 300% of the hourly wage, as per law.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Article 84. Federal Labor Articles 67 and 68.
Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.

Finding Details	Christmas bonus records were provided at the end of the audit process right before the closing meeting. Eleven out of 12 records did not match between the amount paid and the amount employees are entitled to based on their seniority. Management explained at the closing meeting that this could have an explanation if attendance records were reviewed, but they will need to search for these records. The auditors explained that it was not possible to review documents after the end of the audit.
Recommendation for Immediate Action	Pay the Christmas bonus in accordance with the law and have documentation ready for assessors to review.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 87.

Employment Relationship (ER)

Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.
Finding Details	Interviewed employees were not familiar with the company Code of Conduct and were not able to explain any code.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.5.1

Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	The factory did not include a training for supervisors when addressing grievances submitted by workers. The assessors reviewed grievances submitted by workers that reported disrespectful treatment from one supervisor. The factory followed up with the supervisor but did not provide any training to prevent future abuses.
Recommendation for Immediate Action	Train the supervisors and managers on the company's Code of Conduct, specifically the No Abuse policy and the policy on acceptable behavior towards workers.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 132 clause VI.
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	The factory has an Attention and Follow Committee (Ethics Committee) that is mentioned in the Grievance Protocol. However, the assessors could not confirm how the committee is formed or if the employees select their representatives due to a lack of evidence.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Benchmark ID	ER.18.1
Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
Finding Details	The facility did not present any evidence of how employees elect their representatives for the Mix Commission. The Mix Commission is a legal requirement for employer and employee representatives to join to discuss and develop the Internal Rules Handbook.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Federal Labor Law Article 424
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	The factory is missing a written protocol to encourage and implement ongoing training to develop employees knowledge and skills for raising and broadening workers' skills.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3

Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	The factory is missing a management system that ensures policies and procedures are updated and revised on a periodic basis.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HOW.10.2
Benchmark Details	If not prohibited by local law, any replacement of official holidays with alternative days off must be voluntary and agreed upon in writing by the worker in advance.
Finding Details	The company has replaced 5 out of 7 official holidays for normal work days. The workers are informed through the Internal Rules Handbook and through the onboarding process. However, there was no evidence that the decision was made between employer and employees.
Recommendation for Immediate Action	Obtain employees' approval for holidays changes.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 74.
Benchmark ID	ER.18.6
Benchmark Details	The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.

Finding Details	There is no written protocol that considers the employees' request of a witness during the disciplinary process, and there is no follow up process in case an employee presents an appeal.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Harassment Or Abuse (H/A)

Benchmark ID	H/A.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based
Finding Details	A review of grievance records showed cases of harassment reported. However, for these cases there was no follow up protocol that was implemented that ensured the cases were investigated, there was no process to verify if there had been similar cases reported, there was no analysis to review possible root causes, and there was no process to create a corrective and preventive action plan to ensure the work place is free from harassment.
Recommendation for Immediate Action	Develop a harassment follow up protocol considering investigation, root cause analysis and corrective and preventive action plan.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor article 3 and 3Bis section b)

Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.3
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Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	1. The factory did not perform evacuation drills during 2020, not even "Committee Drills". During the pandemic the authority approved the Committee drills which did not include an evacuation but only a planning process with the Brigade members (to avoid crowding and ensure social distancing). 2. The factory did complete one Committee drill during 2021 but this does not cover the legal requirement of having at least a evacuation drill within every twelve-month period.
Recommendation for Immediate Action	Complete the required number of fire drills within a twelve-month period; and when the authority declares the area as low COVID-19 risk, ensure to complete a whole evacuation exercise.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2010 point 5.7
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	During document review it was noted that there are no records of the last time a maintenance of the electrical system occurred.
Recommendation for Immediate Action	Keep records of the electrical system maintenance.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2010. / 7.5 and Mexican NOM-029-STPS-2011
Benchmark ID	HSE.6.1

Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	1. There were two fire extinguishers unidentified: one in the lockers area and one in the shipping area. There was one hydrant unidentified in the lockers area. 2. There were two fire extinguishers blocked with packaging materials, one in the canteen and other in the shipping area.
Recommendation for Immediate Action	Identify all firefighting equipment and keep them unblocked.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-026-STPS-2008 / D.1.1, Mexican NOM-002-STPS-2010 point 7.2, and Mexican NOM-026-STPS-2008 / D.1.2.
Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.
Finding Details	1. The factory provided evidence of the Civil Protection Plan presented in April 2021 to the local authority. However, the authority approval is still missing and there are no records of company's follow up to the authority. 2. During the documents review it was noted that the facility is missing the water discharge permission.
Recommendation for Immediate Action	1. Update the Civil Protection Plan. 2. Obtain the water discharge permission.
Compliance Classifications	Immediate Action Required

Local Law	1. Mexican NOM-002-STPS-2010 / 5.11. 2. Mexican NOM-002-SEMARNAT-1996 and the Law that regulates the potable water service in the State of Baja California article 112.
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	The lighting assessment results are above the legal requirements and limits. The company did not present corrective evidence and have not conducted a new assessment.
Recommendation for Immediate Action	Complete the necessary corrective action to improve lighting levels and perform a new lighting assessment to ensure compliance.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-025-STPS-2008 points 5.4, 10.1, and 10.4.

Hours Of Work (HOW)

Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.
Finding Details	During the time records review it was noted that employees worked more than 60 hours a week. Working shift includes 48 regular hours. Review of sampled employees found the following: From September 20th to 26th, 2021: one employee worked 18 overtime hours; one employee worked 20 overtime hours; three employees worked 24 overtime hours; one employee worked 35 overtime hours; and one employee worked 36 overtime hours. From May 16th to 21st 2021: one employee worked 22 overtime hours. From November 15th to 20th 2020: one employee worked 23 overtime hours.
Recommendation for Immediate Action	Do not exceed 12 overtime hours in a weekly period.

Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HOW.22.1
Benchmark Details	Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.
Finding Details	The Internal Rules Handbook specifies employees are committed to work overtime when exceptional circumstances are presented. However, it is missing a policy of "Exceptional Circumstances" policy that specifies what these situations are and in which cases employees will be enforced to work this overtime.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HOW.11.1
Benchmark Details	Employers shall provide workers with paid annual leave as required under national laws, regulations and procedures.
Finding Details	During the records review it was noted that employees are not taking their annual holidays within the six-month period established by law. In some cases, they completed more than a year of work without taking their total number of holidays.
Recommendation for Immediate Action	Ensure compliance with the legal protocol and ensure all employees enjoy their holidays under the corresponding period.
Compliance Classifications	Immediate Action Required

Local Law	Federal Labor Law Article 81.
Nondiscrimination (ND)	
Benchmark ID	ND.3
Benchmark Details	Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.
Finding Details	<ol style="list-style-type: none"> 1. The position profile requisition that is completed by management to request new employees considers age, gender and marital status. 2. In addition, it is requested to present a non-criminal record for those positions considered critical for supply chain security; this includes warehouse personnel and it is not limited to security personnel as indicated by the local laws.
Recommendation for Immediate Action	Ensure to eliminate any discriminatory requirement in the position's requisition format, the labor contract, and the hiring process.
Compliance Classifications	Immediate Action Required
Local Law	National Law for National Criminal Enforcement Law in article 27, section IV. Federal Labor Law article 3.

