

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

11 Jul 2024



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)	1
Employment Relationship (ER)	6
Forced Labor (F)	1
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	13
Hours Of Work (HOW)	2
Nondiscrimination (ND)	4

Assessment Information

Assessor	VeLar International
Assessment Date	11 Jul 2024
Assessment Purpose	

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	<p>When calculating the overtime rate, the facility uses a baseline hourly rate that is too low. This baseline hourly rate is calculated by dividing the basic daily salary by the number of hours in a workday. Therefore, it does not take into consideration all other salary components, such as punctuality and attendance bonuses. In the previous SCI assessment at this facility, factory management explained that its practice was based on its interpretation of local law regarding overtime. However, the assessors explained that the Federal Labor Law requires overtime to be 100% more than the salary paid for normal work hours (Art. 67) and defines "salary" as including payments made for daily quota, gratuities, perceptions, housing, bonuses, commissions, benefits in kind and any other amount or benefit (Art. 84). Furthermore, jurisprudence in the local law supports the assessors' interpretation (Thesis 2a./J. 137/2009) by stating that "overtime must be calculated using the integrated salary, as this is the salary paid during the ordinary workday."</p>
Recommendation for Immediate Action	When calculating overtime pay, integrate all bonuses (such as punctuality, attendance, and production) into the hourly salary that is multiplied to determine the overtime salary.
Compliance Classifications	Immediate Action Required

Local Law	1.Federal Labor Law Articles 67 and 84: 2. Jurisprudence thesis 2a./J. 137/2009, published on page 598, Volume XXX, of the Judicial Weekly of the Federation and its Gazette, September 2009 HORAS EXTRAS. PARA SU CUANTIFICACIÓN DEBE SERVIR DE BASE EL SALARIO INTEGRADO POR SER EL QUE SE PAGA EN LA JORNADA ORDINARIA. 3. CONTRADICCIÓN DE TESIS 190/2009. ENTRE LAS SUSTENTADAS POR LOS TRIBUNALES COLEGIADOS TERCERO Y NOVENO, AMBOS EN MATERIA DE TRABAJO DEL PRIMER CIRCUITO. Semanario Judicial de la Federación y su Gaceta. Tomo XXX, Octubre de 2009, página 564
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Employment Relationship (ER)

Benchmark ID	ER.17.5
Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.
Finding Details	The grievance procedure lacks steps for follow-up and for informing workers of how the grievance was resolved. In practice, the HR team seeks to respond to grievances by determining who filed the complaint. As a result, grievances do not remain anonymous.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.

Finding Details	The factory did not present evidence of supervisors being trained on the company's COC policies (such as no abuse and no discrimination), the disciplinary process, and the grievance process. Note: the assessment did not find any evidence of disrespectful treatment from supervisors, only a lack of training on the relevant Code elements and processes.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	The company has a policy for retirement or termination. However, this document does not include a protocol for retrenchment; steps to ensure employees are informed and heard in the retrenchment resolution; a commitment to seek alternative options to mass retrenchment; a plan to seek to minimize negative impact on employees; or elements of non-discrimination and compliance with local law.
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 Mixed Committee (Comite Mixto, a worker-management committee on workplace conditions). Under local law, the Committee must be active at the factory to discuss key topics such as the Internal Rules Handbook. In addition, the factory's Grievance Protocol mentions an Attention and Follow-Up Committee (Ethics Committee). However, the assessors could not confirm how this committee is formed or if the employees select their own representatives, due to a lack of evidence.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	The factory conducts performance reviews for employees. However, there is not a specific protocol that ensures employees are informed about the scope and criteria, nor for workers to raise concerns. The factory lacks a written protocol to encourage and implement ongoing training to develop employees' knowledge and 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	To remediate the previous assessment's finding, the factory has begun to implement a QMS certification that will facilitate a re-engineering of their procedures and policies. At the moment, however, the factory has not completely implemented a system for periodic review of policies and procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Forced Labor (F)	
Benchmark ID	F.3.1
Benchmark Details	Employers, employment agencies, or intermediaries shall not bind workers to employment as a condition of fulfilling terms of a debt.
Finding Details	Administrative employees receive USD \$4,000 as a one-time hiring bonus at the beginning of the working relation. If the employee leaves before one year of employment, s/he must reimburse this bonus. This practice effectively imposes a debt and prevents the worker from leaving freely.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Harassment Or Abuse (H/A)	
Benchmark ID	H/A.2
Benchmark Details	Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance, for broken or lost tools/machinery, or for violating company rules, regulations, and policies.
Finding Details	Worker personnel files include entries for "Comodato," (issuance) where items such as credential, vest, lockers padlock, parking pass, computer equipment, and personal protective equipment (PPE) are listed. Each item has a value attached, but the currency is not indicated. At the bottom of the document, there is legend that is unclear.
Recommendation for Immediate Action	Eliminate the cost for the PPE and specify that the PPE will be provided by the employer with no cost.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-017-STPS-2008 Article 5.4
Health, Safety And Environment (HSE)	
Benchmark ID	HSE.5.1

Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	The painting for meeting points at the end of the evacuation route is old and not clear. The route leading up to the points is not clearly marked.
Recommendation for Immediate Action	Identify the meeting points in a clear and visible way.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2008 Article 5.2 Section E.
Benchmark ID	HSE.5.1.4
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations
Finding Details	During the factory tour, the assessment noted an emergency exit that was properly identified, but locked. Factory managers explained that the doorway is no longer used as emergency exit.
Recommendation for Immediate Action	Remove any evacuation signs from doorways that are not emergency exits. Clearly mark all emergency exits.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS Article 7.16 section F.
Benchmark ID	HSE.9.1

Benchmark Details	All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.
Finding Details	During the facility tour, the assessment noted chemical containers (inks and solvents) without proper labels.
Recommendation for Immediate Action	Label all chemical containers in the proper language with all information required by law.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-005-STPS-1998 Article 9.7
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	Two safety issues identified in the previous assessment remain unresolved: 1. The results of the factory's lighting assessment are above the legal limits. The company did not present evidence that corrective action was taken to address this issue after the assessment. 2. The factory has conducted electrical system maintenance; however, the most recent maintenance report stated that the factory should monitor the dielectric oil every six months, which has not taken place.
Recommendation for Immediate Action	1. Complete the corrective actions included in the lighting assessment to meet legal limits. Perform a new lighting assessment to ensure compliance. Maintain records and evidence of all corrective action. 2. Conduct periodic electrical maintenance and maintain records.
Compliance Classifications	Immediate Action Required

Local Law	1.- Mexican NOM-025-STPS-2008 Articles 5.2, 5.3 and 5.5. 2.- Mexican NOM-029-STPS-2011 Article 5.5
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	1. Workers who operate the forklifts have not received training. 2. The factory lacks procedure for forklift maintenance.
Recommendation for Immediate Action	1. Deliver safety training for employees who operate the forklifts and maintain records. 2. Develop, implement, record, and track the forklift maintenance procedure.
Compliance Classifications	Immediate Action Required
Local Law	1.- Mexican NOM-006-STPS-2014 Article 5.11 2.- Mexican NOM-006-STPs-2014 Article 5.2
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	During the facility tour, the assessment noted fire fighting equipment obstructed with fans, loading devices, and temporary storage devices.
Recommendation for Immediate Action	Keep all fire fighting equipment free from obstruction at all times.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2010 Article 7.1 Section B.
Benchmark ID	HSE.1

Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1. The electrical single line diagram is not updated to reflect recent modifications to the line, and it was not signed by the responsible person. 2. The labor stress prevention policy has not been updated and published, and the factory has not updated its labor stress assessment every year, as required by law.
Recommendation for Immediate Action	1. Update and sign the electrical single line diagram. 2. Update the labor stress prevention policy and the labor stress assessment, as required by law.
Compliance Classifications	Immediate Action Required
Local Law	1.- Mexican NOM-029-STPS-2011 Article 5.3. 2.- Mexican NOM-035-STPS-2018 Article 5.1 and 5.3.
Benchmark ID	HSE.20
Benchmark Details	Employers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. In addition, the following should also be considered: number of toilets based on number of workers, privacy for each individual and gender, accessibility and hygiene.
Finding Details	The restrooms near the printing area are closed, and at the restrooms that are open, 2 out of the 6 toilets do not work.
Recommendation for Immediate Action	Maintain sufficient restrooms in good working conditions at all times.
Compliance Classifications	Immediate Action Required
Local Law	Federal Health and Safety Regulation Article 18 section IX.
Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.

Finding Details	The company has a security procedure for work performed at heights; however, there is no evidence of monitoring to ensure it is followed. No safety checklist is completed when a task in heights is performed; as is required by law.
Recommendation for Immediate Action	Ensure security measures are properly monitored before work is done at heights. Store all related documents, including checklists.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-009-STPS-2011 Article 5.3
Benchmark ID	HSE.30.2.6
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	The risk assessment used to determine the PPE for different work stations does not mention the specific type of PPE required for each risk.
Recommendation for Immediate Action	Ensure to complete the position risk assessment for PPE delivery.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-017-STPS-2008 Article 5.2.
Benchmark ID	HSE.30.2
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed; procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies

Finding Details	There is no evidence that the Health and Safety Committee conducts injury and accident investigations, as required by law.
Recommendation for Immediate Action	Ensure that the Health and Safety Committee investigate the route cause of injuries and accidents and keep the corresponding evidence. Also deliver training to the Health and Safety Commission members to complete these investigations.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-019-STPS-2011 Article 9.12 section H.
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.
Finding Details	Through the factory tour and management interview, it was confirmed that safety shoes are delivered to the supervisors for distribution to workers, but there is no monitoring to ensure all employees receive them.
Recommendation for Immediate Action	Deliver all PPE directly to the employees and monitor its use.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-017-STPS-2008 Article 5.4
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	The factory does not deliver specific training to workers who conduct electrical maintenance, machine maintenance, or work at heights.

Recommendation for Immediate Action	Deliver training to all workers operating or maintaining machinery and those with high-risk responsibilities, including electrical maintenance, machine maintenance, or work at heights.
Compliance Classifications	Immediate Action Required
Local Law	1.- Mexican NOM-029-STPS-2011 Article 5.13 and 5.17 2.- Mexican NOM-004-STPS-1999 Article 7.2.1; 3.- Mexican NOM-009-STPS-2011 Article 5.13

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	The factory's Internal Rules Handbook specifies that employees are committed to work overtime when exceptional circumstances are presented. However, the Handbook lacks a clear definition of "Exceptional Circumstances" to specify in which cases employees will be enforced to work this overtime. Note: the assessment did not find evidence of obligatory 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	A review of employee records found that employees do not take their annual holidays within the six-month period required by law. In some cases, workers completed more than a year of work without taking their total number of holidays.
Recommendation for Immediate Action	Ensure that all employees receive their annual leave on time and properly paid.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 81.

Nondiscrimination (ND)

Benchmark ID	ND.4
Benchmark Details	Employers may not request the disclosure of any personal, non-job related information during the application, recruitment, or hiring process, including but not limited to gender, race, religion, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, or marital status.
Finding Details	The factory delivers a health questionnaire to prospective employees. The questionnaire includes questions related to pregnancy, HIV, cancer, and diabetes. Factory management explained that the questionnaire was created during the COVID-19 pandemic to identify vulnerable populations.
Recommendation for Immediate Action	Avoid any questions not related to the applicant's relevant experience and knowledge during the hiring process.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 3rd; Federal Law for Prevention and Elimination of Discrimination Article 1 Section III.
Benchmark ID	ND.6.2

Benchmark Details	Employers shall not threaten workers with dismissal or any other employment decision that negatively affects their employment status in order to prevent them from changing their marital, partnership, or family status (including getting married or becoming pregnant.)
Finding Details	Worker interviews indicated that during the hiring process, female workers are asked directly whether they are pregnant.
Recommendation for Immediate Action	Eliminate all questions about pregnancy and avoid any questions not related to the applicant's relevant experience and knowledge during the hiring process.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 3rd; Federal Law for Prevention and Elimination of Discrimination Article 1 Section III.
Benchmark ID	ND.2.2
Benchmark Details	Employment decisions shall not be made on the basis of gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy.
Finding Details	Before being hired, workers at the factory receive a drug test that includes a test for THC (tetrahydrocannabinol), which is no longer illegal in Mexico.
Recommendation for Immediate Action	Eliminate the THC test for prospective employees.
Compliance Classifications	Immediate Action Required
Local Law	Health General Law Articles 235 and 236.
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	During the hiring process, workers in positions considered critical for supply chain safety must not have criminal records. The factory's definition of critical workers includes warehouse personnel; under local law, only security personnel should be subject to this requirement.
Recommendation for Immediate Action	Limit the requirement not to have criminal records only to security guard positions.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 3rd; Federal Law for Prevention and Elimination of Discrimination Article 1 Section III.

