



COMPANIES: PopSockets LLC  
COUNTRY: China  
ASSESSMENT DATE: 07/08/19  
ASSESSOR: Openview  
PRODUCTS: Other  
NUMBER OF WORKERS: 185

## 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.

FLA Code Element	Number of Violations
Compensation	3
Hours of Work	3
Employment Relationship	18
Health, Safety, and Environment	6
Freedom of Association	1

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Policies & Procedures (Macro)

##### Finding Explanation

1. The factory does not have written policies or procedures on Personnel Development, which should include: a) Policies and procedures that encourage ongoing training with the goal of raising or broadening workers' skills so they can advance in their careers. [ER.28.1] b) Policies and procedures on demotion. [ER.30.1]
2. The factory does not have policies or procedures governing all aspects of Retrenchment, which should include consulting with worker/union representatives prior to making the final decision on retrenchment, a plan that mitigates the adverse effects of layoffs to workers and non-discriminatory criteria selecting individual workers who will be laid off. [ER.32.1]
3. The factory does not have procedures for workers to raise health, safety and environmental concerns or indicating protection against retaliation for workers who raise health, safety and environmental concerns. [ER.31.2]
4. The factory only has simple policies and procedures on performance reviews, which do not include steps and processes, nondiscrimination, or written feedback. [ER.29.1]
5. The disciplinary procedures do not include workers' right to appeal the disciplinary action and workers' ability to have a third-party witness during the imposition of disciplinary actions. [ER.27.4]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.27, ER.28, ER.29, ER.30, ER.31 and ER.32)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

行政部按照FLA守则要求，补充及完整相关管理规定。

The Administration Department supplements and completes relevant management regulations in accordance with FLA Code requirements.

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

##### Finding Explanation

1. The factory does not provide specific training to relevant supervisors on Employment Functions including Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System, Health & Safety and Environmental Protection. [ER.17.1]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.17)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

行政部按照FLA守则要求，组织管理人员进行专门的社会责任培训。

According to the FLA Code, the Ministry of Administration organizes special social responsibility training for managers.

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Review Process (Macro)

##### Finding Explanation

1. The factory has not conducted management or internal reviews to ensure that policies and procedures are updated according to local laws and the FLA Workplace Code and Benchmarks for all Employment Functions. [ER.1.3]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

行政部修订文件控制程序，明确文件定期评审要求，并按要求进行定期评审，填写评审记录。

The Ministry of Administration revises the document control procedures, specifies the requirements for periodic review of documents, and conducts periodic review according to the requirements, filling in the review records.

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

##### Finding Explanation

1. The factory does not keep grievance records which are filed through verbal communication to supervisors or Human Resource staff. [ER.2.1]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER. 2)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

行政部组织管理人员培训，明确员工意见反馈及处理方式，并形成书面申诉处理记录。

The administrative department organizes training for managers, clarifies feedback and handling methods of employees' opinions, and forms written complaint handling records.

## FINDING NO.5

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Communication & Worker Involvement (Macro)

##### Finding Explanation

1. The worker integration component is missing from all Employment Functions. This indicates that the factory has not established procedures to receive worker input/feedback on the creation, implementation, and revision of its policies and procedures. Furthermore, workers are neither systematically integrated, nor consulted in the decision-making processes. [ER.1.3]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

行政部编写员工参与管理规定，明确规定厂规制度在发布前应书面征询员工意见。

The Ministry of Administration compiles regulations on employee participation in management, specifying that the factory rules and regulations should be consulted in writing before they are issued.

## FINDING NO.6

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Recruitment, Hiring & Personnel Development

#### Finding Explanation

1. The factory has not hired any disabled workers, which is a violation of legal requirements that state at least 1.5% of the total workforce should be composed of disabled workers. Although the factory contributes to the Employment Security Fund in lieu of employing disabled workers as allowed under the local law, this practice carries the risk of discrimination based on FLA Workplace Code of Conduct and Benchmarks. [ND.2]
2. The factory has not conducted performance reviews for any workers. [ER.29.1]
3. Workers do not receive written documentation that substantiates all the issues covered in orientation. [ER.15.3]

#### Local Law or Code Requirement

Regulations on the Employment of Persons with Disabilities, Article 8. FLA Workplace Code (Non-discrimination Benchmark ND.2; Employment Relationship Benchmarks ER.15 and ER.29)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1.对招聘人员进行培训，了解招聘残疾人的法规要求。

1. Conduct training for recruiters to understand the legal requirements for recruiting persons with disabilities.

2.行政部编写员工绩效考核规定，并按规定对员工进行绩效考核。

2. The Administrative Department compiles the staff performance appraisal regulations, and carries on the performance appraisal to the staff according to the regulations.

3.行政部把ILO&FLA行为准则张贴到公告栏，以便员工查看。

The HR department was not clear about the written provisions of ILO&FLA, so it was not published to all employees for reference.

## FINDING NO.7

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. The factory does not provide social insurance to all eligible workers. There were 228 workers including 1 new worker and 1 retired but re-recruited worker as of the assessment days. According to social insurance receipt and name list of June 2019, the factory provided pension insurance to 67 (30%) out of 226 eligible workers, and provided medical, maternity, work-related injury and unemployment insurances to 224 (99%) out of 226 eligible workers. [C.1]

2. The contribution base of the four types of social insurances is not in line with legal requirements. The factory contributes to work-related injury, maternity, unemployment and pension insurances based on local minimum requirement of CNY 2,200 (USD 320) per month, which is not in compliance with legal requirement of contribution based on workers' average monthly wage of last year. About 40% of workers' average monthly wages of last year were higher than local minimum contribution base, ranging from CNY 3,300 (USD 480) to CNY 6,000 (USD 872). [C.10.1]

3. The factory only provides Housing Provident Fund to 20 (9%) out of 226 eligible workers. [ER.22.1]

4. According to Employee Handbook and worker interviews, the factory does not take workers' external seniority (previous job experience prior to factory employment) into account when calculating annual leave, as required by law. [C.6]

#### Local Law or Code Requirement

China Labor Law, Article 72; Social Insurance Law of the PRC, Article 12 and Article 58; Regulations on Management of Housing Provident Fund, Article 2, Article 3, Article 15 and Article 16; Regulations on Annual Leave for Employees, Article 2. FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1, C.6 and C.10)

#### Recommendations for Immediate Action

1. Provide social insurance to all eligible workers.
2. Contribute to social insurance based on workers' average monthly wage of last year.
3. Provide all workers with legally required Housing Provident Fund.
4. Calculate annual leave based on workers' cumulative working experience (working age).

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. 行政部制订员工参保计划，逐步增加员工参保比例和住房公积金比例，最终实现全员参保。

1. The Ministry of Administration formulates a plan for employee insurance participation, gradually increasing the proportion of employee insurance participation and housing provident fund, and ultimately achieving full participation.

2. 行政部组织全体员工进行保险知识和住房公积金知识培训，提高保险意识。

2. The Ministry of Administration organizes all employees to train on insurance knowledge and housing provident fund knowledge so as to raise insurance awareness.

3. 修订员工手册，明确规定员工参保基数的计算方法，并按上年度月平均工资参保。

3. Revise the employee manual, specify the calculation method of employee insurance base, and insure according to the average monthly wage of the previous year.

4. 修订员工手册，明确规定员工实际工龄的计算方法，并按实际工龄支付带薪年假。

4. Revise the Employee Manual, specify the method of calculating the actual length of service, and pay paid annual leave according to the actual length of service.

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

1. According to the provided time records for the period from July 2018 to June 2019 as well as worker interviews, monthly overtime for 95% of workers exceeded the legal limit of 36 hours per month in all reviewed months. About 40% of workers had a maximum of 76 monthly overtime hours in August and December 2018. [HOW.1.1]
2. The factory production plan is based on 60 hours per week. The factory management sets production targets and production system at a level that workers need to work beyond regular working hours. [ER.24]
3. The factory does not compensate resigned workers for unused annual leave. [HOW.11]

##### Local Law or Code Requirement

China Labor Law, Article 41; Regulations on Annual Leave for Employees, Article 2. FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmarks HOW.1 and HOW.11)

##### Recommendations for Immediate Action

1. Ensure workers' overtime does not exceed 36 hours in a month.
2. Set production plan based on regular working hours.
3. Compensate workers for unused annual leave.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1.生产部根据订单量做好人员需求计划，行政部提出人员招聘计划，发布招聘通告，及时补充生产人员。

1. The production department makes the personnel demand plan according to the order quantity. The administrative department puts forward the personnel recruitment plan, publishes the recruitment announcement, and replenishes the production personnel in time.

2.行政部组织员工进行生产技能培训，提高员工操作技能，从而提高生产效率，确保月加班时间不超过法律规定。

2. The Ministry of Administration organizes employees to train their production skills and improve their operational skills so as to improve production efficiency and ensure that the monthly overtime does not exceed the legal provisions.

3.修订员工手册，明确规定离职员工的带薪休假结算规定。

3. Revise the Employee Manual to specify the new vacation settlement rules for the departed employees.

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Industrial Relations

### Finding Explanation

1. FLA Comments: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). According to the International Labor Organization (ILO), many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations' mechanisms. The Amended Trade Union Act of October 2001 stipulates that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements. [FOA.2]

### Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmark FOA.2)

## COMPANY ACTION PLANS

Action Plan no 1.

### Description

This finding is automatically raised in all China-based audits. The factory has no specific issues to remediate for this item.

## FINDING NO.10

## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Environmental Protection

### Finding Explanation

1. The factory has not obtained the approval for Environmental Impact Assessment (EIA) or Environmental Protection Acceptance Check Report for completed construction project since starting operation in October 2018. The factory has submitted EIA report to local environmental bureau and is waiting for approval. [HSE.4]

2. The factory stores empty paint containers in air compressor room instead of a designated hazardous waste storage area. [HSE.1]

### Local Law or Code Requirement

China Environmental Impact Assessment Law, Article 16; Measures for Administration of Environmental Protection Acceptance Check upon Completion of Construction Project, Article 17; China Law of Prevention and Treatment of Environmental Pollution by Solid Wastes, Article 58. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.4)

### Recommendations for Immediate Action

1. Move empty chemical containers from the air compressor room to designated hazardous waste storage area.

## COMPANY ACTION PLANS

Action Plan no 1.

### Description

1. 行政部向当地环保部门咨询，确定有关环评批复审批进度。

1. The Ministry of Administration consults the local environmental protection department to determine the progress of the review and approval of environmental impact assessment.



2. 行政部组织化学品使用安全培训，掌握危险废弃物储存要求。

2. The Ministry of Administration organizes training on the safety of chemical use and masters the storage requirements of hazardous wastes.

## FINDING NO.11

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory does not have the fire permit for the production building on file. As per national law, the building should undergo an on-site fire acceptance check by the local fire authority. [HSE.4]

2. The factory has not conducted the pre-assessment of occupational disease hazards or assessment of effects of occupational disease hazards control prior to the acceptance check of the construction project, which is in violation of the local law. Although the factory outsources a licensed institution to test the occupational disease hazard factors, it is focused on testing of the exposure level of hazards rather than identifying or evaluating all types of hazards in a comprehensive way. [HSE.1]

3. The factory provides on-job occupational health examination to eligible workers exposed to chemicals or noise. However, the factory does not provide pre-job or post-job occupational health examination to these workers. This practice does not fulfill the legal regulations that workers working with hazards should be provided with pre-job, on-job, and post-job occupational health examination at the employer's cost. [HSE.1]

##### Local Law or Code Requirement

Fire Prevention Law, Article 11; The China Law of Prevention and Control of Occupational Diseases, Articles 17, Article 18 and Article 35. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.4)

##### Recommendations for Immediate Action

1. Provide pre-job and post-job occupational health examination to workers with hazardous exposure to chemicals and noise.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. 行政部向当地消防部门咨询，消防部门答复，此栋属于二次消防改造，给其出具的消防竣工验收备案回执符合当地区域法规要求。

1. The Ministry of Administration consulted the local fire department, and the fire department responded that this building belonged to the second fire-fighting transformation. The fire-fighting completion acceptance record receipt issued to it conformed to the requirements of the local regional laws and regulations.

2. 行政部向当地职业病评估单位咨询，已向有资质第三方申请做职业健康预评价，完成时间大概3周左右。

2. The Ministry of Administration has consulted the local occupational disease assessment units and applied to qualified third parties for pre-evaluation of occupational health. The completion time is about 3 weeks.

3. 行政部完善职业病体检制度，并按制度规定实施岗前、岗中及离岗职业病体检。

3. The Ministry of Administration shall improve the system of occupational health examination and carry out pre-post, post-job and post-leaving occupational health examination in accordance with the regulations of the system.

## FINDING NO.12

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory occupies the 1st to 3rd floor and half of the 4th floor of Building 29 in the industrial park. However, the factory does not coordinate the fire safety concerns or risks with the other factory located in the same building, including conducting a joint fire drill. [HSE.5.1]

2. The Material Safety Data Sheet (MSDS) for UV ink LH-100 cyan is written in English. According to legal requirement, the MSDS should be provided in local language (Chinese). [HSE.10]

3. The factory does not provide appropriate personal protective equipment (PPE) to fire brigade to fight fires, including protective suit, helmet, fire gloves, fire safety belt, fire boots, safety lamp and breathing apparatus. [HSE.5.1]

##### Local Law or Code Requirement

Regulations on Safety Usage of Chemical at Workplace, Article 12. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.5 and HSE.10)

##### Recommendations for Immediate Action

1. Coordinate the fire safety concerns and risks with the other factory located in the same building, including conducting joint fire drill.
2. Communicate with UV ink supplier to obtain the Material Safety Data Sheet (MSDS) in Chinese.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1.组织消防演习前，行政部应制订消防演习计划，通知并获得其他工厂高层管理的会签，并按演习计划进行联合消防演习。

1. Before organizing fire drills, the Ministry of Administration shall formulate fire drill plans, notify and obtain the signatures of senior management of other factories, and conduct joint fire drills according to the exercise plans.

2.行政部组织化学品安全使用培训，确保生产部掌握化学品的安全使用要求。

2. The Ministry of Administration organizes training on the safe use of chemicals to ensure that the Ministry of Production grasps the requirements for the safe use of chemicals.

3.行政部组织管理人员培训，学习消防安全管理知识，并购置消防防护用品。

3. The Ministry of Administration organizes training for managers, learns fire safety management knowledge, and purchases fire protection equipment.

#### Action Plan no 2.

##### Description

1.组织消防演习前，行政部应制订消防演习计划，通知并获得其他工厂高层管理的会签，并按演习计划进行联合消防演习。

1. Before organizing fire drills, the Ministry of Administration shall formulate fire drill plans, notify and obtain the signatures of senior management of other factories, and conduct joint fire drills according to the exercise plans.

2. 行政部组织化学品安全使用培训，确保生产部掌握化学品的安全使用要求。

2. The Ministry of Administration organizes training on the safe use of chemicals to ensure that the Ministry of Production grasps the requirements for the safe use of chemicals.

3. 行政部组织管理人员培训，学习消防安全管理知识，并购置消防防护用品。

3. The Ministry of Administration organizes training for managers, learns fire safety management knowledge, and purchases fire protection equipment.