

*The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.*

### **What is a Tracking Chart?**

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

### **What a Tracking Chart is NOT -**

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

**Note on Language**

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]", etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

**Instructions for Printing**

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

Country	El Salvador	Factory Profile	
Factory Code	01032210A	# of workers	327
Participating Company	NIKE, Inc.	Product	Sportswear
IEM	Cotecna		
Date of Monitoring visit	5/10/02		
Length of Monitoring Visit	2 days		
Announced/unannounced	Unannounced		

		Findings	Remediation
FLA Code/Non compliance issue	FLA Benchmark or Legal Reference	Cotecna's Findings	
<b>1. Code Awareness</b>			<p>Note to the reader: Nike has submitted a remediation plan for this factory in accordance with its reporting obligations under the FLA. We have these details on file at the FLA. However, on account of concern about the ruling of the California Supreme Court in <i>Kasky v. Nike</i>, Nike has requested the FLA not to publish Nike's statements on its remediation. The FLA is honoring this request and postponing publication of Nike's remediation plans pending clarification by the U.S. Supreme Court of the <i>Kasky</i> ruling. This does not suspend Nike's obligations to submit updated remediation plans to the FLA. The FLA continues to perform due diligence on the remediation activities undertaken by Nike. We intend to publish Nike's information on its remediation efforts, consistent with the US Supreme Court's decision, once it is issued. A decision is expected before the end of the Supreme Court's current term in June 2003.</p> <p><b>Background on the pending Supreme Court case</b> Under a California law, Nike was sued for statements it made in 1997-1998 in response to criticism of labor conditions in factories producing Nike products in Southeast Asia. The lawsuit claimed that Nike's statements amounted to false advertising. Nike challenged the claim by contending that its statements were protected by the Free Speech clause of the First Amendment, given that they were made as part of a public discourse around globalization. The Court did not make a finding regarding the truth or falsity of the statements. That case is now before the U.S. Supreme Court to determine whether the false-advertising lawsuit should be allowed to go ahead, or if it should be dismissed as a violation of the right to free speech. Note to the reader: Nike has submitted a remediation plan for this factory in accordance with its reporting obligations under the FLA. We have these details on file at the FLA. However, on account of concern about the ruling of the California Supreme Court in <i>Kasky v. Nike</i>, Nike has requested the FLA not to publish Nike's statements on its remediation.</p>
<b>2. Forced Labor</b>			
<b>3. Child Labor</b>			
<b>4. Harassment or Abuse</b>			
<b>Verbal Abuse</b>	Per FLA Benchmarks IIIB, Harassment or Abuse: 1. Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. 4. Also, per FLA Benchmarks VIIIB, Wages and Benefits, Hours of Work and Overtime Compensation: Negative incentives or punitive actions will not be used to induce overtime in excess of code standards.	Some workers said that supervisors treat them harshly when they did not want to work overtime.	
<b>Policies</b>	Per FLA Benchmarks IIIB, Harassment or Abuse: B1. Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. B4. Employers will utilize consistent written disciplinary practices that are applied fairly among all workers. B5. Employers will provide training to managers and supervisors in appropriate disciplinary practices.	No clear written rules published	
<b>5. Nondiscrimination</b>			
<b>6. Health &amp; Safety</b>			
<b>Fire Safety</b>	Per FLA Benchmarks VB, Health and Safety: B1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits. B3. All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	No evacuation procedures and plans posted.	
	Per FLA Benchmarks VB, Health and Safety: B1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits. B3. All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures. B11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	No fire alarm installed.	
	Per FLA Benchmarks VB, Health and Safety: B1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits. B3. All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	[Some] workers interviewed do not know how to operate exit doors.	
<b>First Aid Kits/Medical Personnel</b>	Per FLA Benchmarks VB, Health and Safety: B1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits. B4. All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	Insufficient number of first aid kits, there are 2 against 4 required.	
<b>7. Freedom of Association/Collective Bargaining</b>			
	Per FLA Benchmarks VIIB, Freedom of Association: B1. Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment. B3. The employer will not dismiss, discipline, or otherwise coerce or threaten workers seeking to form, join or participate in workers' organizations. B7. The employer will not discriminate against workers who seek to exercise their right to organize and bargain collectively. B12. The employer will not dismiss, discipline, or otherwise coerce or threaten workers because of their exercise of the right to freedom of association. When union officers are dismissed, demoted or otherwise suffer a loss of rights at work, a monitor should look with special attention at the possibility of anti-union discrimination.	[It was reported that] when [workers] tried to create a Union, those workers were fired.	
<b>8. Wages and Benefits</b>			
<b>9. Working Hours</b>			
	Per FLA Benchmarks VIIIB, Wages and Benefits, Hours of Work, and Overtime Compensation: B29. The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations. B32. The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18. B39. Overtime hours worked in excess of code standard will be voluntary.	[Some] workers interviewed felt extra hours are not voluntary	
<b>10. Overtime Compensation</b>			