

*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.

FLA Monitoring Visit Profile	
Country	China
Factory name	070015126B
IEM	Kenan Institute Asia
Date of audit	29-30 Sep. 2003
Days in the facility	2 days
PC(s)	Nike, Inc.
Number of workers	406
Product(s)	Soccer Balls
Production processes	Assembly line

FLA Code/ Compliance issue	Findings						Remediation			
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
<b>1. Code Awareness</b>										
Confidential non-compliance reporting channel		Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	There are suggestion boxes in the factory, but workers seldom use them because they do not think it's useful to put forward suggestions. No common language in the factory.	Management interviews, worker interviews and visual inspection.		Management should find ways to encourage workers to use the suggestion boxes.	10/11/03	Workers will be trained on the proper use of the suggestion boxes.	March 2004 Update: Completed. Factory has trained workers how to use the suggestion box in Mandarin. Both local workers and migrant workers know Mandarin.	 C:\Documents and Settings\cshi\Desktop
<b>2. Forced Labor</b>										
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise			No non compliance issue observed.							
<b>3. Child Labor</b>										
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.			No non compliance issue observed.							
<b>4. Harassment or Abuse</b>										
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.										
Physical Abuse		Employers will not use physical discipline, including slaps, pushes or other forms of physical contact (or threats of physical discipline).	Last year a worker's throat was seized by the supervisor for some reason.	Worker interviews. Management interview.		Management and supervisor training should be given with emphasis on prevention of harassment and abuse.	1. Completed training in September and will continue to conduct on a regular basis. 2. Grievance system was set up in August 03'.	1. Awareness training is given to avoid such incident and cultural training will be given once every year on 23rd of March and upon arrival of any new expatriate. Worker's training will be given quarterly. 2. Workers will be encouraged to use the grievance system should they wish to voice their issues.		 C:\Documents and Settings\cshi\Desktop
Sexual Harassment		Employers shall not offer preferential work assignments or other preferential treatment of any kind in actual or implied exchange for a sexual relationship, nor subject employees to prejudicial treatment of any kind in retaliation for refused sexual advances	This year there was a report of one incident of sexual harassment. It was resolved through legal process and the supervisor was fired (apparently, he is Pakistani and still resides at the factory).	Management interviews, worker interviews.		Harassment and abuse prevention training should be given to Managers and Supervisors and be strictly enforced.	Training completed in Sept. and Oct 2003. Factory will also keep it as on-going training.	Reinforce no-harassment and abuse training to line supervisors and to improve better understanding of Nike non-harassment standard.		 C:\Documents and Settings\cshi\Desktop  C:\Documents and Settings\cshi\Desktop

FLA Code/ Compliance issue	Findings						Remediation			
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
Verbal abuse		Employers will prohibit screaming, threatening, or demeaning verbal language	Many workers reported verbal abuse by supervisors.	Worker interview.		Harassment and abuse prevention training should be given to Managers and Supervisors and be strictly enforced.	Training completed in Sep. and Oct., 03. Factory will also keep it as on-going training.	Reinforce no-harassment and abuse training to line supervisors and to improve better understanding of Nike non-harassment standard.		See above
			Workers arriving late to the factory were prevented from entering the premises (thus, no work no pay).	Worker interview.		Late workers must be allowed into the factory premises to start work.		Late workers will be allowed into the factory premises to start work.	March 2004 Update: Completed. Factory has revised this policy and will allow late workers to get to their work station. Late workers' pay will be deducted the corresponding wage amount.	
<b>5. Nondiscrimination</b>										
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.										
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement	Some workers in the printing department believe the management has exercised a discriminatory wage increase. Some workers think the supervisors are especially kind to particular workers and not others.	Worker interviews.		Non-discrimination training should be given to Managers and Supervisors and be strictly enforced.	1. Training completed in Sept. and Oct. 2003. 2. Grievance system was set up in August 2003.	1. Non-discrimination training will be given to line supervisors. 2. If workers have any problems, they can use the grievance system to report to authorized personnel.		As per above.
<b>6. Health and Safety</b>										
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities										
Document Maintenance/ Accessibility		All documents required to be available to workers and management by applicable laws (such as policies, MEDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	In compliance	Visual inspection.	AIDS/HIV Prevention Instructions posted on the wall of the workshop.					
Safety Equipment		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	Only one first aid kit has sufficient medicine.	Visual inspection.		All first aid kits must be adequately stocked at all times.	Immediately	First aid kits will be adequately stocked and will be inspected every Monday and Friday.	Completed: Dec 2003	 C:\Documents and Settings\cshi\Desktop

FLA Code/ Compliance issue	Findings						Remediation			
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
PEP		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Workers in heating and cutting department have no PPE.	Visual inspection and workers' interview.		Workers in heating and cutting departments must be wearing the proper PEP.	On-going training and checking.	1. All line supervisors and workers will receive PEP training every month. 2. Line supervisors will be responsible for the daily check that workers are wearing their PEP.	Completed: Dec 2003	 C:\Documents and Settings\cshil\Desktop
Chemical Management	Article 53 Facilities of occupational safety and health must meet the standards set by the State. Facilities of occupational safety and health for a newly-built, renovated or expanded project must be designed, constructed and put into operation or use simultaneously with the main part of the project.	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	Workers in the printing department are not clear about the harmfulness of the chemicals used.	Worker interviews.		Workers in the printing department should be aware of the harmfulness of the chemicals they are using.	Every 2nd Monday of the month.	All lines supervisors and workers will receive chemical safety training every month.	Completed: Dec 2003	Training shown as above in cell L35. See correct PEP worn from attached photo in next column.  C:\Documents and Settings\cshil\Desktop
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The toilets and water drinking area are not clean.	Visual inspection.		Toilets and drinking water areas should be kept clean.	Daily inspection of these areas.	Toilets and water drinking areas will be kept clean and be inspected daily.	Completed: Dec 2003	 C:\Documents and Settings\cshil\Desktop
Sanitation in Dormitories		All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually.	No workers live in the factory dormitory.	Workers' interview and management interview.				Factory stopped using the dormitory since Aug. 2003.		
Others			There is no water source near the chemical storage area.						March 2004 Update: Before FLA follow up visit, factory had already provided water source near warehouse (4 to 5 meters' away) and eye washing equipment. PC believes that the water sources are sufficient to meet the needs of the chemical area.	

		Findings					Remediation			
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<b>7. Freedom of Association and Collective Bargaining</b>										
Employers will recognize and respect the right of employees to freedom of association and collective bargaining										
Victimization		Employers and employees will honor in good faith, for the term of the agreement, the terms of any collective bargaining agreement they sign. Employees shall be able to raise issues regarding CAB compliance by the employer without retaliation	Some workers are not clear about the collective bargaining agreement. They do not know the Grievance Handling committee of the factory and SHAPE team.	Worker interviews.		Factory must provide communication and training to workers so that they are made aware of the purpose of the Grievance Handling Committee and factory SHAPE team.	May-04	Factory to start worker training in this area.	March 2004 Update: Factory will provide training to workers so that they are aware of the existence and purpose of Grievance Handling Committee and SHAPE Committee. PC to do a follow up status check in May 2004 to check on progress and completion.	
<b>8. Wages and Benefits</b>										
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits										
Legal benefits	Article 72: "The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practiced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law."	Employers will provide all legally mandated benefits to all eligible workers	Workers in the printing department are not satisfied with the range of wage increases.	Worker interviews.		Factory must communicate and explain wage increase, wage breakdown, and wage structure to workers .	May-04	Factory will communicate and explain wage increase, wages breakdown, and wage structure to workers to meet their understanding.	March 2004 Update: Factory has adjusted the wage structure to reflect length performance as well as length of service. Factory will provide worker training so that the workers understand differences in wage structure due to different job performance and length of service. PC to do a follow up status check in May 2004 to check on progress and completion.	
Explanation of Wages		Employers will provide all legally mandated benefits to all eligible workers.	Some workers are not clear about the items included in their payslips and insurance.	Worker interviews.		Factory must communicate and explain wage increase, wages breakdown, and wage structure to workers .	May-04	Factory will communicate and explain wage increase, wages breakdown, and wage structure to workers to meet their understanding.	March 2004 Update: Although training was provided, some workers with limited education still cannot understand all details of payslip. Factory will provide remedial worker training in this area. PC to do a follow up status check in May 2004 to check on progress and completion.	
<b>9. Hours of Work</b>										
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period										
<b>10. Overtime Compensation</b>										
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.										
			No non compliance issue observed							
			No non compliance issue observed							