<table>
<thead>
<tr>
<th>Issue/Accusation</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
<th>Monitor’s Findings</th>
<th>Documentation</th>
<th>Best Practice</th>
<th>PC Remediation Plan</th>
<th>Target Completion Date</th>
<th>Factory Response (Optional)</th>
<th>Company Follow Up (Cite Date of Follow-up)</th>
<th>Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor/Monitoring</td>
<td>FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formerly survey those standards to Company factories as well as to licensees, contractors and suppliers.</td>
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<td>Visual inspection</td>
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<td>Correct posted throughout the factory.</td>
<td>Factory will provide training on Participating Companies Code of Conduct (CoCs), those codes and periodically provide training for current workers. (2) The factory should document all training that is provided.</td>
<td>JUN’04</td>
<td>Factory will retain workers to be aware of the code by setting internal internas.</td>
<td>NOV’04</td>
<td>FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formerly survey those standards to Company factories as well as to licensees, contractors and suppliers.</td>
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<td>Confidential Noncompliance Reporting Channel</td>
<td>FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture of the workplace, by which workers and employees of contractors and suppliers to report to the Company on noncompliances with the workplace standards, with security that they shall not be punished or prejudiced for doing so.</td>
<td>FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture of the workplace, by which workers and employees of contractors and suppliers to report to the Company on noncompliances with the workplace standards, with security that they shall not be punished or prejudiced for doing so.</td>
<td>Worker interviews and visual inspection</td>
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<td>FLA’s objective is to strengthen contract manufacturer’s internal grievance systems, so direct involvement by Nike in their employee grievance system is limited. Factory is to align with Nike’s objective to strengthen contract manufacturer’s internal grievance processes. 2 pilot educational programs funded by local NGOs are underway currently in Indonesia and China. In addition, New Compliance staff spend time listening to factory employees during 1-on-1 confidential interviews during in-depth Management Audit. FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture of the workplace, by which workers and employees of contractors and suppliers to report to the Company on noncompliances with the workplace standards, with security that they shall not be punished or prejudiced for doing so.</td>
<td>Functional - Suggestion boxes are available for factory workers to submit communications. The factory established a formal means for workers to communicate questions/complaints to management, i.e. confidential suggestion box.</td>
<td>NORDSTROM - Factory to provide means for workers to communicate questions/complaints to management, i.e. confidential suggestion box. Factory is to establish a formal means for communication and confidential reporting.</td>
<td>May 11, 2006 (Ongoing)</td>
<td>Confidential Noncompliance Reporting Channel</td>
<td></td>
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<td>Record Maintenance</td>
<td>FLA Protection Act, Chapter 6, Section 113: The employer shall maintain records at least the following particulars, name, address, age and other information which employer agrees to pay employees.</td>
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<td>Document review</td>
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<td>JUN’04</td>
<td>Factory will review all employee contracts to ensure they have agreed upon wage in the contract.</td>
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<td>FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formerly survey those standards to Company factories as well as to licensees, contractors and suppliers.</td>
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**Record Maintenance**

- If an employee contract does not show an agreed upon wage in the contract, document review is necessary.
- FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formerly survey those standards to Company factories as well as to licensees, contractors and suppliers.

**Wages/Labor**

- 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.
- FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formerly survey those standards to Company factories as well as to licensees, contractors and suppliers.
Employers will prohibit screaming, threatening, or demanding verbal language. Employees complained that their supervisors demonstrated verbal abuse. Written evidence: 1. Factory had no policy relating to principles of human respect, fairness and effective communication.

- **Chemical Management**

  **PPE**

  - (1) PPE: Factory must provide appropriate personal protective equipment (PPE) such as gloves, eye protection, respiratory protection, etc. to prevent chemical, thermal, noise, physical or other forms of harm.
  - (2) PPE should be distributed to workers, and instructions were provided to ensure correct use.
  - (3) PPE should be used by workers, and if needed, the workplace should be evaluated.
  - (4) PPE should be distributed to workers, and instructions should be provided to ensure correct use.

  **MSDS**

  - (1) MSDS: Factory must post MSDS prominently for all chemicals used in the factory. MSDS should include information about chemical identity, physical properties, exposure limits, health effects, and emergency procedures.
  - (2) MSDS must be available for all chemicals used in the factory. MSDS should be updated regularly.

  **Chemical Storage**

  - (1) Factory had no policy relating to hazardous chemical storage. Storage and MSDS for all chemical uses and storage should be made available.
  - (2) Factory had not provided MSDS prominently for all chemicals used in the factory. MSDS posting at the factory is required.

  **PPE Training**

  - (1) Factory should train workers on the reason for PPE use, how to use correctly and risks associated with PPE.
  - (2) Factory should provide training on safe use of PPE and its importance.
  - (3) Factory should instruct supervisors to require all workers to wear PPE.

  **MSDS Training**

  - (1) Factory should provide MSDS training for all chemical users.
  - (2) MSDS training was provided for all workers who handle the chemicals.

**Findings**

- **Hiring Discrimination**

  - (1) Recruitment process: Factory must ensure that hiring decisions are made solely on the basis of ability to perform job function, not to discriminate on the basis of gender, race, religion, age, disability, sexual orientation, national origin, political opinion, or social or ethnic origin.

  - (2) Review all advertisement requirement and job description to ensure non-discrimination.

  - (3) Internal request from new staff specifies the requirement of age and gender.
  - (4) Factory already revised internal request form for new staff.

**Follow Up**

- (1) Internal request form for new staff specifies the requirement of age and gender.
  - (2) Internal Employee Request Form.

- (3) Internal Employee Request Form.

- (4) Internal Employee Request Form.

- (5) Internal Employee Request Form.

**Conclusion**

- Factory has already revised internal request form for new staff.
  - (1) Recruitment process: Factory must ensure that hiring decisions are made solely on the basis of ability to perform job function, not to discriminate on the basis of gender, race, religion, age, disability, sexual orientation, national origin, political opinion, or social or ethnic origin.

- Review all advertisement requirement and job description to ensure non-discrimination.

- Internal request from new staff specifies the requirement of age and gender.

- Factory already revised internal request form for new staff.

- (1) Internal request form for new staff specifies the requirement of age and gender.

- Internal Employee Request Form.

- Internal Employee Request Form.

- Internal Employee Request Form.

- Internal Employee Request Form.

**Date**

- May 11, 2005 (Ongoing) - Factory has already revised internal request form for new staff.

- (2) Review all advertisement requirement and job description to ensure non-discrimination.

- Internal request from new staff specifies the requirement of age and gender.

- Factory already revised internal request form for new staff.

- (1) Internal request form for new staff specifies the requirement of age and gender.

- Internal Employee Request Form.

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**Follow Up**

- (1) Internal request form for new staff specifies the requirement of age and gender.

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**Target Date**

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- Internal Employee Request Form.

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- Internal Employee Request Form.
Wages and Benefits

Employers must recognize and respect the right of employees to freedom of association and collective bargaining.

Factory Response (Optional)  

May 11, 2005 (Closed)  

Factory already held welfare committee election on December 5, 2004.  

The request to conduct testing has already been submitted to occupational health and safety institute.

Factory already held elections for the welfare committee representatives as required by law.

May 11, 2005 (Ongoing)  

The request to conduct testing has already been submitted to occupational health and safety institute.

Welfare committee election was set on December 04 and first meeting is already set.

Factory Response (Optional)  

May 11, 2005 (Closed)  

The request to conduct testing has already been submitted to occupational health and safety institute.

Welfare committee election and other actions to take place in the result of election.

Welfare committee election was set on December 04 and first meeting is already set.

Welfare committee election and other actions to take place in the result of election.

The request to conduct testing has already been submitted to occupational health and safety institute.

Welfare committee election was set on December 04 and first meeting is already set.

Welfare committee election and other actions to take place in the result of election.

Fluoride

Factory Response (Optional)  

May 11, 2005 (Closed)  

The request to conduct testing has already been submitted to occupational health and safety institute.

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Participating Companies advise: Factories monitor's findings

**A legal interpretation from Thai Labor Ministry**

Except in extraordinary business circumstances, employees will not be required to work more than the lesser of (i) 48 hours per week and 12 hours overtime or (ii) 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 (i) be entitled at least one day off every seven day period.

**Documentation updates**

Where workers are paid on a piece rate, the premium rates for overtime compensation.

For sewing department, factory uses piece rate calculation. Factory calls piece-rate system "Incentives". This is done so factory can calculate OT or other compensation using worker's base or minimum wage rather than calculating OT at piece rate per actual hourly rate for production workers. Much higher than base rates. Furthermore, incentive system is based on worker's actual piece work production and holidays based on worker's actual piece work production. Minimum wage used as compensation. (i.e., worker's piece earned rate for productive workers is more than base rate. Furthermore, additional premium rates for overtime are based on worker's base rates, not premium rate calculation. Factory calls piece rate system innovation. It's just incentive compensation based on what worker makes. Standard system complies with Thai labor law. Factory will write letter to labor department to provide more explanation on payment. New factory's still waiting for response back from labor department. Whichever outcome is, factory confirms to follow.

**Completion Target**

- **March 2005:** (Closed) Work hour checking were controlled under 60 hours a week.
- **April 2005:** found 2 weeks (end of March - end of April) where worker worked 65 hours a week. Rest of the weeks were controlled under 60 hours a week. Factory is still waiting for response back from various departments focusing on finishing and packing新的一周, 他每天在工地上工作8小时，加班时间为12小时。01/17/2005: still found that working more than 60 hours a week.

**OT Compensation for Piece Rate Employees**

The piece rate workers do not receive leave compensation as compensation. (I.e., worker's regular income is 300 baht per day based on what worker produces. Whatever outcome is, factory confirms to follow.

- **March 2005:** factory confirms to follow.

**Overtime Limitations**

Where found that from March through August, the average working hours per week were between 62 to 63 total hours.

**Conclusion**

The factory shall comply with applicable law for overtime compensation. For sewing department, factory uses piece rate calculation. Factory calls piece-rate system "Incentives". This is done so factory can calculate OT or other compensation using worker's base or minimum wage rather than calculating OT at piece rate per actual hourly rate for production workers. Much higher than base rates. Furthermore, incentive system is based on worker's actual piece work production and holidays based on worker's actual piece work production. Minimum wage used as compensation. (i.e., worker's piece earned rate for productive workers is more than base rate. Furthermore, additional premium rates for overtime are based on worker's base rates, not premium rate calculation. Factory calls piece rate system "Incentives". It's just incentive compensation based on what worker makes. Standard system complies with Thai labor law. Factory will write letter to labor department to provide more explanation on payment. New factory's still waiting for response back from labor department. Whichever outcome is, factory confirms to follow.