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.
Nike communicated to the main contractor that it would no longer use it for production anymore as its performance had become substandard for the business. In CountryFactory nameIEMDate(s) in facilityPC(s)Number of workersProduct(s)Printing process

El SalvadorSeptember01022223DGMIESApparelPrinting process

Factory should post an additional Code of Conduct poster in the cafeteria. Posters in areas throughout the factory, including canteen.

IEM Findings

Company follow up (January 2006)

FLA Benchmark

Non-compliance Risk of Non-compliance Evidence

Completed; Pending;

PC Remediation plan Target Date

Company Verification Follow up               (June 2006)

Updates (April 6, 2006)

FLA Code/ Compliance issue Country Law/Legal Reference FLA Principle of Monitoring, Obligation of Companies:

Establish and articulate clear, written Code posting/information FLA Principle of Monitoring, Obligation of Companies:

3. Child Labor

Establish policies that prevent and provide recourse for child labor.

Age Determination

Establish effective and foolproof methods for determining the age of workers, such as birth certificates, which verifies date of birth.

FLA Principle of Monitoring, Obligation of Companies: If not completed, the factory shall post and maintain current proof of age documentation on file.

Other: Child Labor Factory’s Policy. FLA Principle of Monitoring, Obligation of Companies: The factory has both a suggestion box and a verbal procedure in which the workers are able to present their grievances and complaints are forwarded to the factory’s manager who is responsible for the follow up on all complaints.

Worker/management awareness of Code

Establish and communicate to Company employees, contractors, and suppliers the policies and standards established by the Factory Management or as defined by Factory’s Code of Conduct.

Progressive Discipline

Employers will utilize consistent written disciplinary practices that are applied fairly among all workers. FLA Principle of Monitoring, Obligation of Companies: If not completed, the factory shall provide training to the supervisors not only on disciplinary practices, but also on academic issues as well.

Disciplinary Practices

Employers will provide training to managers and supervisors in appropriate disciplinary practices.

Final Note

Employers will provide training to managers and supervisors in appropriate disciplinary practices.

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Employers will provide training to the supervisors not only on disciplinary practices, but also on academic issues as well.

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<th>Stakeholders</th>
<th>Challenges</th>
<th>Actions/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers</td>
<td>- Health concerns: Workers reported a lack of proper sanitary facilities in the work area.</td>
<td>- The company should provide proper sanitary facilities and ensure that they are well-maintained.</td>
</tr>
<tr>
<td>Workers</td>
<td>- Safety concerns: Workers reported that they were not provided with adequate protective equipment.</td>
<td>- The company should provide workers with proper protective equipment.</td>
</tr>
<tr>
<td>Management</td>
<td>- Communication: There was a lack of effective communication between management and workers.</td>
<td>- Management should improve communication by regularly updating workers about company policies and progress.</td>
</tr>
<tr>
<td>Management</td>
<td>- Training: Management reported a lack of training for workers.</td>
<td>- Management should provide regular training sessions for workers.</td>
</tr>
<tr>
<td>Workers</td>
<td>- Morale: Workers reported feeling demotivated due to unfair treatment.</td>
<td>- Management should address worker concerns and take appropriate action to improve morale.</td>
</tr>
<tr>
<td>Workers</td>
<td>- Motivation: Motivation levels were reported to be low.</td>
<td>- Management should implement strategies to improve worker motivation.</td>
</tr>
<tr>
<td>Management</td>
<td>- Financial constraints: Management reported financial difficulties.</td>
<td>- Management should consider securing funding to address financial constraints.</td>
</tr>
<tr>
<td>Management</td>
<td>- Legal constraints: Management reported legal compliance issues.</td>
<td>- Management should consult with legal advisors to ensure compliance with all relevant laws.</td>
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<td>- Work-life balance: Workers reported feeling overworked.</td>
<td>- Management should adjust work schedules to ensure a healthy work-life balance.</td>
</tr>
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<td>Workers</td>
<td>- Trust: Workers reported a lack of trust in management.</td>
<td>- Management should work to build trust by increasing transparency and accountability.</td>
</tr>
<tr>
<td>Management</td>
<td>- Strategic planning: Management reported lacking a clear strategic plan.</td>
<td>- Management should develop a comprehensive strategic plan to guide the company's future.</td>
</tr>
<tr>
<td>Workers</td>
<td>- Performance: Performance levels were reported to be low.</td>
<td>- Management should implement performance improvement measures.</td>
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<tr>
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<td>Responsibility</td>
<td>Status</td>
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<td>------------</td>
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</tr>
<tr>
<td>Worker Training on Chemical Management</td>
<td>Company</td>
<td>Not Completed</td>
</tr>
<tr>
<td>Air Quality Testing</td>
<td>Company</td>
<td>Completed</td>
</tr>
<tr>
<td>Sanitation in Dining Area</td>
<td>Company</td>
<td>Completed</td>
</tr>
<tr>
<td>First Aid Kit</td>
<td>Company</td>
<td>Completed</td>
</tr>
<tr>
<td>Maintenance</td>
<td>Company</td>
<td>Completed</td>
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**Notes:**
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### Table: Right to Association and Collective Bargaining

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<tr>
<th>FLA Code/ Compliance Issue</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
<th>Non-compliance</th>
<th>Evidence</th>
<th>Completion Status</th>
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</thead>
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<tr>
<td>Minimum Wage Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.</td>
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<tr>
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<tr>
<td>Non-compliance</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Notes
- Non-compliance: This situation is ongoing.
- Pending: The company has not yet provided evidence of compliance.

#### Findings
- Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher. No worker will be paid a training wage for more than three months cumulatively.
- The minimum wage for urban workers is $151.20, which represents the minimum wage established for urban workers in El Salvador. After a six-month period, or when workers earn $181.44, which represents the minimum wage.

#### References
- The Salvadorian Labor Law establishes that the wage consists of the following components: training wage, base wage, and legal benefits.
- The minimum wage for urban workers is $151.20, which represents the minimum wage established for urban workers in El Salvador. After a six-month period, or when workers earn $181.44, which represents the minimum wage.
Payment of wages
The Salvadorian Labor Code establishes the following rates for the year-end bonuses:
- One to three years worked: ten days salary.
- Three to ten years worked: fifteen days salary.
- Over ten years worked: twenty days salary.

GMIES corroborated this situation throughout the payrolls and through interviews with the management and the workers.

The workers interviewed said that one of the benefits at the plant are loans granted by the factory to their employees because the deductions are not as high as the ones given by the banks.

Legal benefits
Employers will provide all legally mandated benefits to all eligible workers.

Deduction for Services According to the Salvadorian Labor Law the deductions made to the employees gross salary will not exceed the 20% of it.

The company provides extra benefits than the ones established by the law. Examples of these situations are that the factory paid a higher salary than the one established by the law and a life insurance after one year of work.

Deductions for services to employees will not exceed the cost of the service to the employer. If questioned, employers will demonstrate the reasonableness of these charges.

Factory to apply withholding to worker’s pay as per law.

Check the workers’ files for workers who have higher withholding than what is permitted by the law. When found, inform the worker and the employer of the law and correct the withholding. Copy of payrolls will be reviewed for the year-end bonuses.

One worker presented a higher withholding than what it is permitted by the law.

The factory does not pay the time established for the lunch break, which consists in a 30 minutes period. The company provides extra benefits than the ones established by the law.

Working hours
The Salvadorian Labor Code establishes the following rates for the year-end bonuses:
- One to three years worked: ten days salary.
- Three to ten years worked: fifteen days salary.
- Over ten years worked: twenty days salary.

GMIES corroborated this situation throughout the payrolls and through interviews with the workers and it was also admitted by the Human Resources department.

Interviews with the workers.

Interviews with the workers.

Interviews with the workers.

Record maintenance
All legally required payroll documents, journals and reports will be available complete, accurate and up to date. (In the United States terms this would include W-4s, I-9s, green cards, 941s and supporting material

GMIES corroborated this situation throughout the payrolls.

Copy of each worker’s contract is in each personnel file.

Authority to request a copy of the workers contract, signed by employee and employer, in each employee’s file. Most employees have their contract in these folders.

A second situation was that employees have their contracts in folders placed in the office, yet the employee and the employer do not sign the employment contract. If this is found, inform all employees that they need to sign the contract and that this is a legal requirement.

GMIES corroborated this finding was verified throughout the reviewing of payrolls.

GMIES corroborated that these files did not have a copy of the employees’ contracts approved by the Ministry of Labor, although this Ministry has received them.

For those employees that did not have their contract on their file, that the union sent a reminder to the employer about the need to provide each employee with their contract approved by the Ministry of Labor.

Factory management will also create a tracking system to ensure that all employees receive their contract upon hiring.

The United States Labor Code establishes the following rates for the year-end bonuses:
- One to three years worked: ten days salary.
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Factory management will also create a tracking system to ensure that all employees receive their contract upon hiring.
PC’s are working through the FLA and industry stakeholders to understand further the local and standard industry practices regarding terminating contracts and paying severance to GMIES corroborated this situation through reviewing the workers’ files.

On July 2004, the factory decided to finish the labor contracts and indemnify the workers who are still working at the factory.

All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled. Though workers were paid severance (indemnification) in 2004, workers’ seniority and seniority related benefits such as their Christmas bonus have been maintained. Workers require the following information to determine their seniority at the factory: number of years worked, number of days worked, number of days paid, and number of vacation days worked. Each employee’s benefit package is based on seniority of employment.

IEM Findings

Updates (April 6, 2006) Company Verification Follow up               (June 2006)

Company follow up (January 2006)

Sources/Documentati

Notable Features implemented

PC Remediation plan Target

Remediation

IEM Findings

Implementation

Objective

Anti-Slavery

Construction

All employees will be paid in accordance with the law and FLA guidelines. Employers are required to collect and maintain all payroll records. Records must be maintained for at least two years. The FLA requires workers to be paid at least $1.25 per hour to meet minimum wage requirements. There should be no deduction for meal breaks or any other deductions for the top of the pay period.

Accurate benefit compensation

The article 25 of the Labor Code establishes that workers who have worked for more than 2 years will be paid an additional day of pay for each year of service. This practice is not considered illegal as per local law. Once workers retire, their final pay is based on seniority and length of service, not on age. Workers who are 60 years or older may receive a higher rate of pay. The retirement age for women is 55 years and for men is 60 years.

Overtime

9. Hours of Work

Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime prior to mandating involuntary overtime. However, involuntary OT sign up sheets are pending. Factory management is canceling both activity and non-activity overtime. The factory has created and posted the policy and procedures of voluntary overtime. Train all workers, including supervisors, in the voluntary OT policy. Ensure system for collecting voluntary overtime signatures and ensure that no pressure to work overtime applied to workers. Factory management committed in performing education training to all and ongoing visits to the factory. Factory has conducted and posted voluntary OT policy training, and implemented a voluntary OT system with sign up sheets. All workers, supervisors, and managers must be trained on the voluntary OT policy and system. Interviews with the workers suggest pressure to work overtime.

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Forced overtime

Overtime Limitations

As mentioned above, in 2004, workers asked for contracts regarding to labors that, due to its nature, are permanent in the factory should be considered for an indefinite contract. This request was considered and approved by the Labor Ministry. This has helped maintain working hours within the 60 hour limit. No excessive OT found during Jan. 06 PC internal audit, yet, this issue will continue to be monitored.

Factory has not conducted voluntary OT policy training, nor implemented a voluntary OT system with sign up sheets. Management to create system for workers to voluntarily sign up for OT when such is needed. Factory management to provide training to managers, supervisors, and workers on voluntary OT policy and sign up sheet. Interviews with the workers suggest pressure to work overtime.

Workers were paid in accordance with the law and FLA guidelines. Employers are required to collect and maintain all payroll records. Records must be maintained for at least two years. The FLA requires workers to be paid at least $1.25 per hour to meet minimum wage requirements. There should be no deduction for meal breaks or any other deductions for the top of the pay period. 

Accurate benefit compensation

The article 25 of the Labor Code establishes that workers who have worked for more than 2 years will be paid an additional day of pay for each year of service. This practice is not considered illegal as per local law. Once workers retire, their final pay is based on seniority and length of service, not on age. Workers who are 60 years or older may receive a higher rate of pay. The retirement age for women is 55 years and for men is 60 years.

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### Findings

#### FLA Code/Compliance Issue

- **Legal compliance with protected workers**
  - 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.

- **Interviews with the management and through reviewing the documentation provided by the factory.**
  - The factory does not hire or subcontract minors.

- **Other: Legal Compliance**
  - The Salvadorian Labor Code establishes that the daily shift goes from 6:00 a.m. to 7:00 p.m. and the nightly shift goes from 7:00 p.m. to 6:00 a.m.

- **Miscellaneous**
  - In addition to their compensation for regular hours of work, employees will be compensated for overtime at an overtime rate as a premium paid at a rate at least equal to their regular hourly compensation rate.

- **OT Compensation**
  - The factory shall comply with applicable laws for overtime rates for earned compensation.