

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.

Factory Profile	
Country	China
Factory code	07001536A
IEM	Bureau Veritas
Date of monitoring visit	4/25/02
Duration of IEM Evaluation	3 Days
Participating Compan(ies)	NIKE, Inc.
Number of workers	520
Product(s)	garments

FLA Code	FLA Compliance Benchmark or Legal Reference	Findings	Monitor's Findings	Remediation
1. Code Awareness				
2. Forced Labor				
3. Child Labor				
4. Harassment or Abuse				
5. Nondiscrimination				
6. Health and Safety				
Fire Safety: Evacuation plan	As per FLA Benchmarks, V.B. Health and Safety: 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. 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 plan for emergency evacuation in dormitory.		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 Kasky v. Nike, 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 Kasky 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.
Fire Safety: Emergency lighting	As per FLA Benchmarks, V.B. Health and Safety: All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	No emergency lighting was found above one exit of printing & embroider section.		Background on pending Supreme Court case 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.
Fire Safety: Emergency lighting	As per FLA Benchmarks, V.B. Health and Safety: All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	No emergency lighting was found above 1 exit of dormitory(2F).		
Fire Safety: Exits	As per FLA Benchmarks, V.B. Health and Safety: 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.	One exit of warehouse was locked during working time.		
Fire Safety: Exits	As per FLA Benchmarks, V.B. Health and Safety: 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 "exit" sign was found above 1 exit of dormitory(1F).		
Fire Safety: Exits	As per FLA Benchmarks, V.B. Health and Safety: 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.	There was just 1 exit in the 1F of dormitory.		
Fire Safety: Fire Extinguisher	As per FLA Benchmarks, V.B. Health and Safety: 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.	Some sundries was in front of the fire extinguishers.		

		Findings		Remediation
FLA Code	FLA Compliance Benchmark or Legal Reference	Monitor's Findings		
First Aid	As per FLA Benchmarks, V.B. Health and Safety: 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.	The first aid kit was empty in the sewing section(4F).		<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 Kasky v. Nike, 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 Kasky 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>Background on pending Supreme Court case</p> <p>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.</p>
Sanitation	As per FLA Benchmarks, V.B. Health and Safety: All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	There was no soap, toilet paper towel in toilet.		
PPE	As per FLA Benchmarks, V.B. Health and Safety: 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.	The workers did not wear metal mesh gloves during operating cutting machine.		
Fire Permit	As per FLA Benchmarks, V.B. Health and Safety: 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.	Local fire permit was not posted in the factory.		
Health & Safety Posters	As per FLA Benchmarks, V.B. Health and Safety: All documents required to be available to workers and management by applicable laws (such as policies, MSDS, 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.	No posters detailing the health and safety policies of the factory, and of the relevant local and national laws of the country, posted in prominent places throughout the factory in the language of management and factory workers.		
7. Freedom of Association and Collective Bargaining				
8. Wages and Benefits				
Minimum wage	As per the FLA Workplace Code Provision on WAGES AND BENEFITS: 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.	One worker's wage(RMB400) was less than legal minimum wage(RMB430/month).		
9. Hours of Work				
Excessive working hours	As per the FLA Workplace Code Provision on HOURS OF WORK: 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.	From Nov to Dec 2001, [some] workers' overtime hour exceed China Labor Law 41 requirement (total 36 overtime hours/month, 3 overtime hour per day). Their OT hours was 37 hours or 38.5hours. It was in violation of China Labor law.		
10. Overtime Compensation				