

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 Audit Profile	
Country	Indonesia
Factory name	07003340B
IEM	BV CPS-SA Indonesia
Date of audit	June 25, 26, 27, 2003
PC(s)	NIKE Inc.
Number of workers	7106
Product(s)	Shoes
Production processes	Cutting,sewing,assembling,packing/finishing.
Other brands in factory	

		Findings			Remediation		
FLA Code/ Compliance issue	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
1. Code Awareness							
		No non-compliance issues found					
2. Child Labor							
Inadequate age documentation	FLA Benchmark Child Labor: Employers will maintain employee's proof of documentation such as birth certificates, which verifies date of birth.	It was noted 10 out of 87 workers interviewed were missing copies of ID card in the personnel record.	Per document review	The factory has system in place, which is well organized in regards to document file's keeping. During audit, the auditors had no difficulty to access all documentation needed.	We understand that ID card is not the only document to rely on to prove worker's age. By the time of audit the factory had maintained other documentation but missed worker ID card for the specific 10 workers. NIKE has verified that the factory has issued ID cards to all workers and that a copy is kept in each individual personnel file.	Completed: August, 31 2003	
3. Forced Labor							
		No non-compliance issues found					
4. Harassment or Abuse							
		No non-compliance issues found		The factory also formed ombudsmen team on site, which consisted of 12 members, which are from HRD Dept., Corporate Responsibility Dept., Labor Union. All workers can access them through the extension numbers mentioned on the guideline book that was provided to the workers. For this, the factory provided a booklet of guidelines for implementing anti abuse in the workplace for their workers.			
				According to management information, since April 2003, Nike has appointed the factory as pilot project for Anti Abuse and Harassment Program.			
5. Nondiscrimination							
		No non-compliance issues found					
6. Health and Safety							
Fire Safety	Country Law: Article 3 of The Safety Act No. 1/1970: (1) Working condition requirements include: (q) to built a safety condition and to avoid, reduce the risk and to overcome accident such as electrical shock. FLA Benchmark Health and Safety: All ventilation, plumbing, electrical and lightning services shall be provided and maintained to conform to the applicable laws and prevent hazardous conditions to employees in the facilities.	Based on visual observation, it was noted several electrical cables at entrance door of cutting section were left hanging in risky condition. It was due to renovation for some areas of cutting section.	Per visual observation	Nil	This is being treated more as an electrical safety issue. The factory will improve its electrical inspection system so as to better control any hazard caused by electrical equipment. This will include monitoring all in-process renovation using electrical equipment.	Completed: August 02, 2003	See Attached Photo

FLA Code/ Compliance issue	Findings				Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
Aisle Spaces	<p>Country Law: Article 2 of Safety Workforce Regulation of Republic of Indonesia No. 208/1947: Aisle spaces between machinery equipments must be adequate of width and clear from any obstruction that might be danger the condition.</p> <p>Country Law: Article 3 of The Safety Act No. 1/1970: (1) Working condition requirements include: (a) to avoid and reduce the risk and to overcome accident such as fire, etc (d) to provide a way to escape in case of fire or any emergency condition</p>	Based on visual observation, it was noted most of aisle spaces between machinery at hot press section were obstructed by worker's working desk/rack. This obstructed free body movement passing the aisle spaces.	Per visual observation	Nil	The factory has cleared up obstructions within the aisles, especially at the hotpress area to ensure proper worker movement. This will include enhancing control/inspections to ensure aisle spacing is maintained to the standard.	Completed: August 2, 2003	See Attached Photo
Marking line for aisle spaces	<p>Country Law: Article 3 of The Safety Act No. 1/1970: (1) Working condition requirements include: (a) to avoid and reduce the risk and to overcome accident such as fire, etc (d) to provide a way to escape in case of fire or any emergency condition.</p>	It was noted the marking line for aisle spaces at sewing section, 2nd floor, factory 6 had already blurred / unclear.	Per visual observation	Nil	<p>The factory is in the process of re-painting all emergency exit directional and floor markings. This will include enhancing control/inspections to ensure all emergency exit directional markings are maintained to the standard.</p> <p>December 10, 2003 update: All emergency exit directional and aisle/floor markings have been completely re-painted (see the attached photo)</p>	To be fully completed on September, 30 2003. NIKE shall conduct a follow up check after this date to ensure full completion of task.	See Attached Photo
7. Freedom of Association and Collective Bargaining							
		No non-compliance issues found					
8. Wages and Benefits							
		No non-compliance issues found		The factory provides a bonus and an attendance bonus of Rp. 25,000/month			
				The factory has 24 hours medical clinic, sport places (i.e. tennis outdoor, badminton), bank, post office, mini store, cooperation, telecommunication store, counseling center, pregnant room, Moslem praying room etc.			
9. Hours of Work							
		No non-compliance issues found					
10. Overtime Compensation							
		No non-compliance issues found					