

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 IEM Profile	
Country	China
Factory name	07001550B
IEM	SGS
Date of audit	July 14-16, 2003
Days in the facility	3
PC(s)	NIKE, Inc.
Number of workers	5031
Product(s)	Sports shoes
Production processes	Cutting, Sewing, stitching, embroidery, Ph-molding, EVA, RB-hot pressing, lamination, pre-stockfitting, inspection and packing.
Other brands in factory	

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation				
			Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
1. Code Awareness										
Code posting/information		FLA Principles of Monitoring, Obligations of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	The Code of Conduct was not posted on the dormitory area	Onsite walking-through inspection.		Posted. Please see attached photo.				
Worker/management awareness of Code		FLA Principles of Monitoring, Obligations of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	The factory did not establish such policy to monitor the contract and suppliers.	Review documentation and interview with management and workers.		NIKE has provided CoC material and training to contractor. The CoC standards are being strictly implemented at the factory level. NIKE checks compliance to these standards through SHAPE and M audits.				
2. Forced Labor										
3. Child Labor										
4. Harassment or Abuse										
5. Nondiscrimination										
6. Health and Safety										
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	The emergency light was not installed on one exit at third floor of No. X dormitory building.	Visual finding when walking through dormitory		Installed. Factory will keep regularly checking the emergency lights and keep documents on-site. See attached photo.				
7. Freedom of Association and Collective Bargaining										
8. Wages and Benefits										
Legal benefits	All kinds of social insurance should be provided for all workers.	Employers will provide all legally mandated benefits to all eligible workers	100% employees were entitled to retirement, maternity, unemployment and injury insurance. The medical insurance were not provided for all workers.	Finding from document review on social security program and from interviews with workers and managements		Factory is in the process of communication with the government office to get the official documents indicating the medical insurance is not a mandatory implementation in the Putian area. Factory provides adequate medical benefits and its own funds to cover medical payments.			Please see attached documentation from the local authorities confirming that medical insurance is not yet implemented in the local town.	
9. Hours of Work										
10. Overtime Compensation										
Miscellaneous										