

*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 Monitoring Visit Profile	
Country	BANGLADESH
Factory name	07020588B
IEM	PHULKI
Date of audit	21-23 October, 2003
Days in the facility	3 Days
PC(s)	NIKE and EDDIE BAUER
Number of workers	5642
Product(s)	Sportswear Jackets, Warm-up Shorts, Long pants
Production processes	Cutting, Sewing, Embroidery, printing and packing

FLA Code/ Compliance issue	Findings				Remediation			
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation plan	Completion date	Factory Response (Optional)	Documentation
<b>1. Code Awareness</b>								
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.	Only Nike Code [was] posted in all stair[wells], on notice boards and also in production floor. These [locations] are prominent as majority of the workers pass through these [locations] every day. The size of each production floor is 29,534 SqFt. There were only six to eight poster[s] (size 12.5" x 18") in each floor. The size and the number of the posters were not enough in proportion of production floor. There was no code poster of Eddie Bauer.		PC to direct factory to increase the number of posters (Nike COC) at the factory production floor.	10-Apr-04	April 2004 Update: Completed. Additional posters (Nike COC) in the local language have been posted at the production floor.	
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 general workers were not aware of factory/ participating companies code except working hour. The midlevel management code awareness were not satisfactory. Specially the production staff/floor mid level management have no knowledge on Nike/Eddie Bauer compliance.	Worker interview questionnaires	PC to direct Factory Management to conduct NIKE COC Training for all employees. Special attention to be given to mid-level production Management for better understanding of PC compliance standards.	30-Apr-04	April 2004 Update: Almost completed. Factory already scheduled and conducted Nike COC training for all related employees. Training schedule is attached here.	
Confidential non-compliance reporting channel		FLA Principles of Monitoring, Obligations of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	There was no mechanism/system [for employees to provide suggestion] to participating company.	Worker interview questionnaires	April 2004 Update: Nike's objective is to strengthen contract manufacturers' internal grievance systems, so that direct involvement by Nike in their employee grievances should be considered a last resort. In alignment with Nike's objective to strengthen contract manufacturers' internal grievance processes, two pilot educational programs facilitated by local Non-Governmental Organizations are underway currently in Indonesia and China. In addition, Nike Compliance staff spend time listening to factory employees during one-on-one confidential interviews during in-depth Management Audits. More than 6,600 factory employees were confidentially interviewed by Nike Compliance staff from August 1, 2002 through November 2003.			
<b>2. Forced Labor</b>								

FLA Code/ Compliance issue	Findings				Remediation			
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation plan	Completion date	Factory Response (Optional)	Documentation
<b>3. Child Labor</b>								
Childcare facilities	The 1965 Factory's Act obligated the management to provide childcare if the factory employs more [than] fifty women. Practices to the contrary are punishable by law. (Act no- IV 1965 Bangladesh Labor and Industrial Law)	Childcare facilities will not physically overlap with production areas, and children will not have access to production areas.	There is no child care facility in factory premises.	Worker interview questionnaires	PC to direct factory to establish a child care facility on-site.	TBD	April 2004 Update: The factory has one child care center but it is located off-site. The factory is in discussion about organizing a child care center. A decision will be made soon. PC to follow up on this issue in May 2004.	
<b>4. Harassment or Abuse</b>								
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices	The factory management informed that they organized disciplinary practices training. But the management personnel could not provide us any training schedule of disciplinary practices for management.		PC to direct factory management to arrange disciplinary practice training.	Ongoing	April 2004 Update: Completed. Factory management already scheduled and arranged disciplinary practice training for their workers. It is included in the BEPZA rules and Labor law training. Workers/ Mid management are also given certificates for successful completion of training. This training [i]s an ongoing program. Training schedule is attached here for better understanding.	
Verbal abuse		Employers will prohibit screaming, threatening, or demeaning verbal language	A significant number of workers mentioned that the superior used bad language and screaming with them. Apart from workers interview a incident was occurred in front of the monitoring team. During the visual inspection a line supervisor was screaming at a worker for behind production schedule.		PC to direct factory management that Supervisor and Manager training on Zero Harassment and Abuse should be given.		April 2004 Update: Ongoing. Two training sessions have been conducted as per attached training schedule. This training will continue until it covers all floor management - see schedule in attachment.	 
<b>5. Nondiscrimination</b>								
<b>6. Health and Safety</b>								
Fire Safety Health and Safety legal compliance		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	Poor presence of first aid materials in the first aid box regarding the first aid materials list, which was provided by factory management.	List of First Aid kits	PC to direct factory to maintain First-Aid Boxes with appropriate first-aid paraphernalia.	10-Apr--04	April 2004 Update: Completed. Please see attachment on First Aid Box.	
Safety Equipment		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	1) The number of fire extinguishers were not enough in proportion to the size of the production floor (29534 SqFt.). There were only 21-22 fire extinguishers in each floor. 2) Most of the workers did not know how to operate fire extinguishers, specially the nearest one. 3) There was one first aid box for approximately 120 workers and sufficient first aid kits were not available in the boxes. 4) There is a medical center in the first floor of the factory but the service of the center was not satisfactory.		1) PC to direct factory to install sufficient number of fire extinguishers in the production floor following BEPZA rules. 2) Workers must be trained on how to operate fire extinguishers. 3) Additional first aid boxes should be installed in proportion to the worker population. 4) Service at the medical center should be improved to meet workers' needs.	10-Apr-04	April 2004: 1) Completed. Please see attachment on fire extinguisher. 2) Completed. 3) Completed. Please see attachment on first aid box. 4) Factory to provide supplementary service training to medical center doctors. PC to follow up on this issue in May/June 2004.	 

FLA Code/ Compliance issue	Findings				Remediation			
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation plan	Completion date	Factory Response (Optional)	Documentation
PPE		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.	1) Both the sewing and over-lock machines were in the same floor. Face masks were supplied only for the over-lock machine operator, but dust [****] from over-lock machine was also harmful to the sewing machine operator as over-lock machine was setup in between the sewing machine. 2) In the printing section some workers did not use the hand gloves. 3) In the embroidery section some workers did not use the air plug although some machines were in operation.	Photograph taken	PC has directed factory to provide necessary PPE at the appropriate sections. Refreshment training on use and importance of PPE should be arranged for the appropriate section workers.	30-Apr-04	April 2004 Update: In process. PPE has already been provided to workers and training on importance of PPE to be given in April 2004. PC to follow up on completion of this issue in May/June 2004.	
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	The factory management did not provide us the chemical composition. Only provide the brand name. Although we requested management to provide chemical name/ composition.		PC has directed the Factory to provide related MSDS for chemicals in use.	30-Apr-04	April 2004 Update: In process. MSDS has been provided but in the process of translation to local language. PC to do a follow up check in May/June 2004.	
Record Maintenance		All safety and accident reports shall be maintained for at least one year, or longer if required by law	The factory management informed that they have maintained comprehensive documents for all factory accidents, fires, medical emergencies, etc. but could not provide us any supporting documents.		PC to direct the factory to maintain complete documentation on accident, illness, and injury reports.		April 2004 Update: Completed. Factory is maintaining documents and records to track accidents, illness and injury in order to minimize the cause of such happening.	 
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	1) A significant number (90%) of toilets were not clean and very offensive odor in the toilet. 2) There were 1400-1500 workers having their lunch at a time in the dining room of the factory, which was located on the top floor of the factory building and the temperature of the room was too hot. But there was no ceiling/table/stand fan.	Photograph taken	PC to direct factory to keep all toilets clean. Appropriate number of ceiling and stand fans should be installed at the dining room.	20-Apr-04	April 2004 Update: In progress. Factory is taking steps to keep toilets clean. Cleaning checklists are being maintained and followed at all toilets on a regular basis. Ceiling fans are being procured and will be installed in the Canteen. PC to do a follow up check in May/June 2004 to check on completion.	
Others			Soap was not available in most of the toilets		PC to direct factory to provide liquid soap at the toilets.	31-Jan-04	April 2004 Update: Completed.	
Others			The noise was very high and there was no instrument or machine which [calculated the decibal level].		PC to direct factory to maintain noise level below 85 decibels and instrument to be kept available to measure sound level whenever required.	10-Apr-04	April 2004 Update: Completed. Noise level measuring instrument was available but by mistake was not brought in time for the audit team to measure. Noise level at the production floor is below 85 decibel except at embroidery room where ear plugs are already provided.	

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation			
			Monitor's Findings	Documentation	PC Remediation plan	Completion date	Factory Response (Optional)	Documentation	
<b>7. Freedom of Association and Collective Bargaining</b>									
Right to Freely Associate		Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment	Association in the form of union is [not allowed] in the [****]. There is a provision for the formation of Worker Welfare Committee (WWC) in the factory since 2001. The factory management has formed a WWC but found [it] functioning poorly.		PC to direct factory to take the necessary steps for the WWC to be effective and function properly.		April 2004 Update: Necessary steps have been taken to make WWC more effective. Regular monthly meetings and posting the minutes of those meetings at all notice boards have been done to improve the communication of information for the understanding of the general workers. See attachments regarding WWC meeting minutes.		
<b>8. Wages and Benefits</b>									
Time-recording system		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	We have reviewed 125 records **** and they were used in calculating the payroll [Of those, a] significant number of time records, for those employees who do hazardous work and daily laborers, were not properly maintained.	Time card and payroll sheet of the workers	PC to direct the factory to maintain complete time records for those who are involved in daily labor and hazardous work.	10-Apr-04	April 2004 Update: Completed. Time records for daily laborers and those working at hazardous jobs are being maintained and updated.		
Legal benefits		Employers will provide all legally mandated benefits to all eligible workers	A significant number of daily laborers who do hazardous job in the factory, did not get **** legally mandated benefits, [such as:] yearly festival bonus, provident fund, leave and medical facilities.	Time card and payroll sheet of the workers	PC to direct the factory to provide legally mandated benefits to all employees including daily laborers.	10-Apr-04	April 2004: Completed. As per the legal mandate festival bonus and provident fund applies only to permanent workers. However medical facilities are open to all workers..		
<b>9. Hours of Work</b>									
<b>10. Overtime Compensation</b>									
<b>Miscellaneous</b>									
Personnel Records			The factory does not have any central system or separate recognized recording system to maintain individual files of daily laborers, working on a daily basis.	Personnel file of the workers	PC to direct the factory to maintain central listing and personnel files for all daily laborers.	20-Apr-04	April 2004 Update: Completed. Central listing for daily/casual laborers is being maintained. At times the central listing may not be 100% accurate due to turnover in the casual/daily labor workforce.		