

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	Bangladesh
Factory Code	07000504B
IEM	PHULKI
Date of audit	May 06 - May 08, 2003
PC(s)	NIKE, Inc.
Number of workers	3299
Product(s)	Sportswear (apparels)
Production processes	Washing, cutting, sewing, embroidery, down feeding, packing.
Other brands in factory	

FLA Code/ Compliance issue	Findings				Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
1. Code Awareness							
Code posting	FLA Principles of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers	Codes are posted at the exit and entrance of the production floors. These places are prominent as majority of the workers pass through these places every day. However, fact of the matter is that the code awareness among the workers is very low. Therefore, we considered that the number of code postings in the workplace to be increased.	Visual Inspection, observation and interview		Factory has ordered a new set of Code of Conduct posters which are in-process. Factory expects to receive the posters after July 21, 2003 and shall post immediately in all major workspaces.	2003-07-22 Dec 03 Update : Factory has posted additional two copies of Nike Code of Conduct posters in each production floor.	See photos of CoC posting after new posters arrived.
Worker/management awareness of Code	FLA Principles of Monitoring, Obligation 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.	Workers awareness very low. The workers should be made fully aware about the codes in the orientation program.	Interview, records checking		Factory management has scheduled CoC training for all workers. See attached memo and detailed schedule announcing the training. Training shall commence on July 15, 2003 and be completed before the end of September 2003.	End-September 2003. Dec 03 Update : Factory has conducted COC training course for both line leaders & workers. All line leaders & about 1500 workers attended those classes.	See Attached Memo
Confidential non-compliance reporting channel	FLA Principles of Monitoring, Obligation 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.	As per the requirement of the PC the employer has put the complain box in the toilet. But there so no way the worker could report to the PC about non compliance	Observation and interview				
2. Child Labor							
		No non complinace issue observed					
3. Forced Labor							
		No non complinace issue observed					
4. Harassment or Abuse							
		No non complinace issue observed					
5. Nondiscrimination							
		No non complinace issue observed					
6. Health and Safety							
Fire Safety	FLA Benchmark, 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	a) Adequate fire extinguishers and evacuation plan/procedures are in place. But most of the worker do not know how to operate the fire extinguishers. Only mechanics and supervisor know. The workers, who worked at the nearest place of the fire extinguishers should be trained up to operate it. b) There was one first aid box for 250 workers instead of 150, but the company setup a modernized medical centre with all facilities in the ground floor of the factory. The factory have lift facility and immediately the workers can reach the medical centre and can receive advance treatment round the clock. c) Sufficient first aid kids is available in the medical centre, which is situated at the ground floor of the factory.	Interview, observation		Workers must be trained on how to operate fire extinguishers.	Dec 2003 Update: Factory has trained 85 workers starting from last October, 2003 & the rest of the workers shall receive their training by January 15, 2004. PC will verify its completion.	Open Item: Verify the fire extinguisher training.

FLA Code/ Compliance issue	Findings			Best Practice	Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation		PC remediation plan	Completion Date	Documentation
PPE	FLA Benchmark, 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.	All workers are regularly being trained on the usage of PPEs and the reasons/importance of their usage. In down section, all workers were found using face masks and caps (head masks). In cutting section, all cutting men were found using steel gloves. Only in some of the areas of the sewing section where PPEs (face mask) were required to be used, workers were found not using them properly/constantly. During our visual inspection, we found that the workers in the sewing section had the face masks with them but they were not using them due to discomfort. Therefore, we emphasized that floor management should constantly monitor and remind the workers of using PPEs.	Visual Inspection.		Management to conduct PPE training to all workers. Please see memo announcing the training, training schedule, as well as photos of ongoing training. Training started on July 10, 2003 and will be completed before end-September 2003.	End-September 2003 Dec 2003 Update : Factory has completed training on PPE use of masks, protective hand gloves, lifting of weights, MSDS eye protective goggles etc. Most of the workers attended the training courses.	See attached zip file on PPE training.
Sanitation in Facilities	FLA Benchmark, 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.	Proper and adequate toilet is available for workers but there was offensive odor in two toilets.	Toilet visit, Visual Inspection		Toilets should be sanitized properly.	Dec 2003 Update: Factory has taken necessary measure to maintain sanitation of all toilets in production floor & office.	
Health cards	Recommendation: Maintain health cards for all employees in the factory	Worker do not have any health card but computerized health information was available in the medical centre, which is located at the ground floor.		Company set up a modern hospital with all facilities in the ground floor of the factory. Workers can receive advanced treatment from this hospital round the clock. Computerized Workers health Information is also available in the clinic			
7. Freedom of Association and Collective Bargaining							
Prevention of free association	BEPZA Law and FLA Benchmark, Freedom of Association: 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 banned. WWC existed but was found poorly functioning.	Interview, records checking		Factory is making ongoing effort to publish the meetings and activities of the WWC to create an informed workplace. Attached are scheduled meetings of the WWC , minutes of the most recent meeting (In Bengali) and photos of the recent meeting held between the WWC and the factory management. Factory shall continue to ensure that WWC plays a larger role as an intermediary between workers and management	Factory has been continuing the training & meeting with existing WWC members & displaying the meeting minutes in the display board installed in the production floor.	See attached Zip File on WWC.
8. Wages and Benefits							
Other				Company provides full support in terms of leave with pay to the workers willing to pursue higher education			
9. Hours of Work							
Overtime Limitations	FLA Benchmark, 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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	There was no clear distinctions between the regular working hours and overtime hours. But total working hours was limited to 10 hours daily, which is Compliance with the local law (Bangladesh Labor and factory Law)	Records checking		This is not a non-compliance item per the Monitor's statement.		
10. Overtime Compensation							
		No non complinace issue observed					