

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	China
Factory name	07001571B
IEM	Kenan Institute Asia
Date of audit	7-Aug-03
Days in the facility	1
PC(s)	Nike, Inc.
Number of workers	706
Product(s)	gloves
Production processes	Assembly line
Other brands in factory	

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings				Remediation				Updates	
			Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	PC Verification
1. Code Awareness												
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 is a suggestion box at the factory. However, some workers reported that management does not respond to suggestions that get placed in the box.	management interviews, worker interviews		Factory must set up a grievance system wherein factory management responds to worker suggestions and communicates actions taken.	30-Nov-03	Factory will set up a grievance system that meets the standard.	PC to visit the factory in December 2003 to verify that grievance system is established.			Nike CR auditors had a follow up visit on 10/21 and found no active improvement on this issue. Factory didn't have a written grievance policy and procedure. b) factory only received one suggestion letter this year. c) Interviewed workers didn't know about how factory management the grievance. They said they haven't use the suggestion box and never heard about their colleagues have been used.
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 is no confidential means to communicate grievances to the PC.	visual inspection and management interview		Factory must set up a grievance system wherein factory management responds to worker suggestions and communicates actions taken.	30-Nov-03	Factory will set up a grievance system that meets the standard.	PC to visit the factory in December 2003 to verify that grievance system is established.			
2. Forced Labor												
3. Child Labor												
4. Harassment or Abuse												
5. Nondiscrimination												
Pregnancy Testing		Employers will not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers will not require pregnancy testing of female employees, except as required by national law.	A worker in the new factory said before entering factory, female workers had to receive pregnancy testing. If they were pregnant, the factory would not hire them. However, the manager said pregnancy testing is the arranged to determine the type of work, not whether to hire or not hire workers.	worker interview, management interview		Pregnancy testing must not be used as part of the hiring process.		Factory has informed PC that they have never used pregnancy testing as part of the hiring process.	PC has verified through documentation checking that pregnancy testing is not used as part of the hiring process.			a) Auditor checked the medical check reports provided by new employee. There is no pregnancy testing item need to check. b) worker didn't mentioned about pregnancy testing during the interview.
6. Health and Safety												
Evacuation Procedure	Article 52 The employing unit must establish and perfect the system of occupational safety and health, strictly implement the rules and standards of the State with regard to occupational safety and health, carry out education among labourers in occupational safety and health, prevent accidents in the process of work, and lessen occupational hazards.	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	Several workers said that there were no evacuation drills. One worker said there were no fire fighting drills.	worker interview, records review and visual inspection		Factory must establish evacuation drills as part of their operating procedure.			PC has verified through documentation checking that factory has had annual evacuation drills and fire fighting drills. There were some workers who were newly hired so they did not know about this kind of training. The latest drill was conducted on Aug. 29th, 2003.			Confirmed from both workers' interview and drill records that fire fighting drill was conducted on Aug. 29th.

FLA Code/ Compliance Issue	Findings						Remediation					Updates
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	PC Verification
Evacuation Procedure	Article 52 The employing unit must establish and perfect the system of occupational safety and health, strictly implement the rules and standards of the State with regard to occupational safety and health, carry out education among labourers in occupational safety and health, prevent accidents in the process of work, and lessen occupational hazards.	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	On the 5th floor some fire exits were obstructed.	visual inspection		Fire exits must be kept open at all times						
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	Emergency lights need better maintenance.	visual inspection		Emergency lights to be better maintained						
Chemical Management	Article 53 Facilities of occupational safety and health must meet the standards set by the State. Facilities of occupational safety and health for a newly-built, renovated or expanded project must be designed, constructed and put into operation or use simultaneously with the main part of the project.	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	No procedures in place for the handling of hazardous chemicals	visual inspection and records review		MSDS to be provided in the factory for the hazardous chemicals						
Chemical Management	Article 53 Facilities of occupational safety and health must meet the standards set by the State. Facilities of occupational safety and health for a newly-built, renovated or expanded project must be designed, constructed and put into operation or use simultaneously with the main part of the project.	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 location of the chemical storehouse is not safe.	visual inspection and records review		Factory must relocate the chemical storehouse to a safer location.	31-Dec-03	Factory will relocate the chemical storehouse to an area where it does not pose any hazard.	PC to follow up on completion by January 2004.			
Ventilation/Electrical/facility maintenance	Article 54 The employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labour protection, and provide regular health examination for labourers engaged in work	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	The ventilation in the fur storehouse is bad, which can cause occupational disease and cancer. The workers working over 3 years at the factory should have physical examination ever half a year. The ventilation system of the fifth floor should be re-designed.	visual inspection		Factory must improve ventilation and conduct indoor air quality testing so that air quality meets national standards. Factory must provide medical check up annually.	31-Dec	Factory will take measures to improve air quality and will start to provide annual medical checkups.	PC to follow up on completion by January 2004.			Nike follow up audit on 10/21 confirmed that the ventilation was improved, but still need the air quality test. No planning for medical check up yet.
7. Freedom of Association and Collective Bargaining												
Employer Interference/Elections		Workers' organizations have the right to elect their representatives and conduct their activities without employer interference	Union is not independent from management. Reps are selected by the factory themselves									
8. Wages and Benefits												
Wage and Benefits Information Access		In general, workers will have access to understandable information about their wages and benefits, and will not express dissatisfaction with their ability to get information	One worker reported that he worked as much as before, but his wage was less than before. He asked his supervisor about this problem, but did not receive a direct answer.	worker interview		Factory must provide training to workers and supervisors on wage calculation.	30-Nov-03	Factory will provide training to workers and supervisors on proper wage calculation.	PC will do a follow up visit to the factory in Dec 2003 to verify that training in this area has been done.			
Legal benefits	Article 72 The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.	Employers will provide all legally mandated benefits to all eligible workers	Factory has legal mandate to provide social insurance and unemployment insurance for all workers. However, 67% of workers do not have social insurance and unemployment insurance.	worker interview, records review				Factory got the written waiver from local labor bureau stating factory has followed the local requirement. No need to follow up this issue.	PC has verified that factory received the waiver from the local labor bureau.			

FLA Code/ Compliance issue	Findings						Remediation					Updates
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	PC Verification
Payment of Legal Benefits	Article 72 The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.	Legally mandated benefits will be provided or paid in full within legally defined time periods	Factory has legal mandate to provide social insurance and unemployment insurance for all workers. However, 67% of workers do not have social insurance and unemployment insurance.	worker interview, records review				Factory received the written waiver from local labor bureau stating factory has followed the local requirement . No need to follow up this issue.	PC has verified that factory received the waiver from the local labor bureau.			
9. Hours of Work												
10. Overtime Compensation												
Miscellaneous												