

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	MEXICO
Factory name	12005028B
IEM	COTECNA QUALITY RESOURCES INC.
Date of audit	9/10 JUNE 2003
PC(s)	NIKE, Inc.
Number of workers	132
Product(s)	JERSEYS, SHORTS , JACKETS
Production processes	WEAVING, KNITTING AND CUTTING

FLA Code/ Compliance issue	Benchmark or legal reference	Findings			Remediation					
		Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Completion Date	Documentation
1. Code Awareness										
Code Posting	Per FLA Principles of Monitoring: 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.	FLA CODE IS NOT POSTED AS IT HAS NOT BEEN DELIVERED TO THIS COMPANY. HOWEVER AS OTHER MAYOR BRANDS CODES ARE POSTED. (NIKE), WORKERS ARE AWARE.			FLA participating company code (Nike) will be posted in conspicuous areas throughout the factory.	7/31/03		COMPLETED: THE NIKE CODE IS POSTED.	7/31/03	
2. Forced Labor										
Employment Contracts	Per FLA Compliance Benchmarks, Forced Labor: 1. Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision.	No work contract was found in some of the personnel files, especially in those belonging to older people.			THE COMPANY SHOULD HAVE A WRITTEN DOCUMENT (AN INDIVIDUAL CONTRACT) INCLUDING THE WORKING CONDITIONS AND SHOULD BE SIGNED BY BOTH PARTS (COMPANY REPRESENTATIVE AND EMPLOYEE). THE COMPANY SHOULD ISSUE TWO HARD COPIES, ONE COPY FOR THE EMPLOYEE AND KEEP THE OTHER ONE FOR THE COMPANY. ENSURE ALL EMPLOYEES HAVE THEIR WORK CONTRACT AND PERSONNEL FILES ARE COMPLETE AND UP DATED.	7/31/03	HUMAN RESOURCES DEPARTMENT IS CURRENTLY WORKING IN THE WORKERS FILES TO HAVE THEM COMPLETE AND UP DATED WITH ALL THE DOCUMENTATION REQUIRED. THIS ISSUE MUST BE COMPLETED BY THE END OF SEPTEMBER.	During a follow up visit, PC verified that all employees have individual contracts kept within their files.	11/13/03	
3. Child Labor										
4. Harassment or Abuse										
5. Nondiscrimination										

FLA Code/ Compliance issue	Benchmark or legal reference	Findings			Remediation					
		Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Completion Date	Documentation
6. Health and Safety										
Fire Safety	Per FLA Compliance Benchmarks, Health and Safety: 1. 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. 2. 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.	1. DURING THE INTERVIEWS IT WAS DETERMINED THAT MOST OF THE WORKERS HAVE NOT BEEN TRAINED IN EMERGENCY DRILLS, DO NOT KNOW HOW TO HANDLE A FIRE EXTINGUISHER AND DO NOT KNOW ABOUT THE SAFETY COMMITTEE. 2. IN THE INTERVIEWS IT WAS CLEAR THAT EMERGENCY DRILLS ARE NOT PRACTICED IN THIS COMPANY. 3. NO FIRE EXTINGUISHERS WERE FOUND IN THE CLOTH ROLLS WAREHOUSE ,IN THE FIRST FLOOR OF THE CUTTING SECTION, .			1 & 2. THE COMPANY MUST HAVE ANNUAL EVACUATION DRILLS OR EVERY SIX MONTHS IF NECESSARY, SO THAT ALL EMPLOYEES HAVE DONE AT LEAST ONE DRILL EVERY YEAR. ENSURE ALL EMPLOYEES ARE TRAINED ON HOW TO USE FIRE EXTINGUISHERS AND KEEP ALL DOCUMENTED. ALSO THE CONTRACTOR MUST INFORM ALL EMPLOYEES ABOUT THE ESH COMMITTEE AND THE NAMES OF THE COMMITTEE MEMBERS. 3. ENSURE FIRE EXTINGUISHERS ARE AVAILABLE IN ALL WORK AREAS. FIRE EXTINGUISHERS MUST BE INSTALLED IN THE CLOTH ROLLS WAREHOUSE, IN THE FIRST FLOOR OF THE CUTTING SECTION.	7/31/03	THE FACTORY SENT TO NIKE ALL THE DOCUMENTATION AND PICTURES AS EVIDENCE OF COMPLETION.	1. EMPLOYEES RECEIVED TRAINING ON FIRE EXTINGUISHERS, EMERGENCY ACTION AND DRILLS. EMPLOYEES HAVE BEEN INFORMED ABOUT THE SAFETY COMMITTEE. NAMES OF THE MEMBERS ARE POSTED. 2. EVACUATION DRILLS WERE DONE IN EACH SHIFT. 3. FIRE EXTINGUISHERS ARE AVAILABLE IN THE CLOTH ROLLS WAREHOUSE, IN THE FIRST FLOOR OF THE CUTTING SECTION (PICTURES ATTACHED).	8/11/03 8/11/03 8/11/03	
Electrical Wiring	Per FLA Compliance Benchmarks, Health and Safety: 1. 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.	1. LIVE ELECTRIC WIRES WERE FOUND EXPOSED IN AN OPEN FUSE BOX LOCATED NEXT TO THE EMERGENCY EXIT OF THE CUTTING SECTION .			1. ENSURE NO BARE OR EXPOSED WIRES ARE PRESENT. ALL CORDS AND CABLES MUST BE FREE OF SPLICES.	7/31/03	PICTURES WERE SENT.	1. COMPLETED (SEE PICTURE).	8/27/03	Photos enclosed
Emergency Exits	Per FLA Compliance Benchmarks, Health and Safety: 1. 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.	2. IN BOTH BUILDINGS THE AISLES CONDUCTING TO THE MAIN ENTRANCES ARE ALSO LOADING AND UNLOADING AREAS RESULTING THAT IN THE CASE OF AN EMERGENCY THESE EXITS COULD BE BLOCKED. AUDITORS WERE WITNESSES OF SUCH A DANGEROUS SITUATION.			2. FLOORS, WORK AREAS AND AISLES MUST BE WELL DELIMITED AND PROPERLY DEMARCATED (FLOOR LINES) TO ENSURE ESCAPE ROUTES ARE KEPT CLEAR OF OBSTRUCTIONS AND ACCESSIBLE AT ALL TIMES.			2. COMPLETED. FLOORS, WORK AREAS AND AISLES WERE DELIMITED AND ESCAPE ROUTES ARE KEPT CLEAR OF OBSTRUCTIONS (SEE PICTURES).	9/8/03	
Other	Per FLA Compliance Benchmarks, Health and Safety: 1. All Facilities including factory buildings, toilets, canteens, Kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	3. THERE ARE NO SITTING FACILITIES IN THE DINING ROOM OF THE CUTTING SECTION.			3. CONTRACTOR MUST PROVIDE SITTING FACILITIES FOR THE EMPLOYEES.			3. A sitting area for employees of the cutting section has been provided. See attached photo.	9/8/03	

FLA Code/ Compliance issue	Findings				Remediation					
	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Completion Date	Documentation
Fire Safety	4. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	4. IT WAS NOTED THAT THE ROOFS, THE LIGHTING APPLIANCES AND THE FIRE EXTINGUISHERS WERE COVERED WITH EXCESSIVE DUST AND FLUFF IN THE KNITTING AREA, PRESENTING A FIRE HAZARD.			4. CONTRACTOR MUST MANTAIN ALL THE INSTALLATIONS INCLUDING ROOFS, LIGHTING APPLIANCES AND FIRE EXTINGUISHERS FREE OF DUST TO AVOID FIRE HAZARD. THE COMPANY NEEDS TO WORK ON GETTING A VACUUM SYSTEM IN ORDER TO ELIMINATE THE HIGH DUST FROM THE OPERATION.			4. All fixtures and appliances have been cleaned of fire hazard. See attached photo.	11/13/03	
7. Freedom of Association and Collective Bargaining										
8. Wages and Benefits										
Poor time-recording system	Per FLA Benchmarks, Wages and Benefits: 1. Accurate and reliable payroll reporting, including pay stubs will be provided. 2. 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. 3. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 4. All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately.	DURING THE RECORD REVIEW SOME TIME CARDS WERE FOUND TO BE BLURRED AND INFORMATION COULD NOT BE OBTAINED FROM THEM.			CONTRACTOR MUST HAVE IN PLACE A BETTER TIME RECORDING SYSTEM (ELECTRONIC SYSTEM IS PREFERED) OR ENSURE THE CURRENT PUNCH CARD SYSTEM WORKS CORRECTLY AND THE INFORMATION OF REGULAR HOURS AND OVERTIME WORKED IS CLEAR.	7/31/03	THE MECHANICAL TIME-KEEPING SYSTEM WORKS WELL, HOWEVER DURING THE MONTH OF SEPTEMBER IS PLANED AN INTEGRAL SERVICE TO THE PUNCH CARD CLOCK.	Nike respresentative has confirmed with HR Mgr at facility that the maintenance service did occur on the punch clock to help ensure continued proper operation of clock.	11/13/03	
9. Hours of Work										
10. Overtime Compensation										