

*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.

Country	El Salvador
Factory Code	01032209A
Independent External Monitor	Cotecna
Date of monitoring visit	13-May-02
Duration of Visit	2 Days
Participating Company	NIKE, Inc.
# of workers	761
Product	Sportswear

		Monitor's Findings	Cotecna's Findings	Remediation
FLA Code/Non-compliance issue	FLA Code Benchmark			
<b>1. Code Awareness</b>				
<b>2. Forced Labor</b>				
<b>3. Child Labor</b>				
<b>4. Harassment or Abuse</b>				
No Harassment or abuse	<b>FLA Code Benchmark III. Harassment or Abuse: B.1.</b> Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. 4. Employers will utilize consistent written disciplinary practices that are applied fairly among all workers.	No clear written work rules.		Note to the reader: Nike has submitted a remediation plan for this factory in accordance with its reporting obligations under the FLA. We have these details on file at the FLA. However, on account of concern about the ruling of the California Supreme Court in <i>Kasky v. Nike</i> , Nike has requested the FLA not to publish Nike's statements on its remediation. The FLA is honoring this request and postponing publication of Nike's remediation plans pending clarification by the U.S. Supreme Court of the <i>Kasky</i> ruling. This does not suspend Nike's obligations to submit updated remediation plans to the FLA. The FLA continues to perform due diligence on the remediation activities undertaken by Nike. We intend to publish Nike's information on its remediation efforts, consistent with the US Supreme Court's decision, once it is issued. A decision is expected before the end of the Supreme Court's current term in June 2003.
<b>5 Discrimination</b>				
Pregnancy Testing	<b>FLA Code Benchmark IV. Non-Discrimination: B.4.</b> 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.	Pregnancy test		Background on pending Supreme Court case Under a California law, Nike was sued for statements it made in 1997-1998 in response to criticism of labor conditions in factories producing Nike products in Southeast Asia. The lawsuit claimed that Nike's statements amounted to false advertising. Nike challenged the claim by contending that its statements were protected by the Free Speech clause of the First Amendment, given that they were made as part of a public discourse around globalization. The Court did not make a finding regarding the truth or falsity of the statements. That case is now before the U.S. Supreme Court to determine whether the false-advertising lawsuit should be allowed to go ahead, or if it should be dismissed as a violation of the right to free speech.
<b>6. Health and Safety</b>				
Fire Safety	<b>Per FLA Benchmarks VB, Health and Safety: B.1.</b> 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. 2. All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	No current fire permit posted.		
	<b>Per FLA Benchmarks VB, Health and Safety: B.1.</b> 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. 3. 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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Passageways in the Cutting section and in the Reception Warehouse were blocked with boxes at the time of visit.		
Evacuation Routes	<b>Per FLA Benchmarks VB, Health and safety: B.1.</b> 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. 3. 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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Sewing section overcrowded. 4.73 sq. meters per worker as against 7, ILO recommendation. B29		

FLA Code/Non-compliance issue	Monitor's Findings		Remediation
	FLA Code Benchmark	Cotecna's Findings	
<b>Sanitation</b>	<b>FLA Code Benchmark V. Health and Safety:</b> B.11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Insufficient WC's for women, 22 against 27 needed.	<p>Note to the reader: Nike has submitted a remediation plan for this factory in accordance with its reporting obligations under the FLA. We have these details on file at the FLA. However, on account of concern about the ruling of the California Supreme Court in Kasky v. Nike, Nike has requested the FLA not to publish Nike's statements on its remediation. The FLA is honoring this request and postponing publication of Nike's remediation plans pending clarification by the U.S. Supreme Court of the Kasky ruling. This does not suspend Nike's obligations to submit updated remediation plans to the FLA. The FLA continues to perform due diligence on the remediation activities undertaken by Nike. We intend to publish Nike's information on its remediation efforts, consistent with the US Supreme Court's decision, once it is issued. A decision is expected before the end of the Supreme Court's current term in June 2003.</p> <p>Background on pending Supreme Court case: Under a California law, Nike was sued for statements it made in 1997-1998 in response to criticism of labor conditions in factories producing Nike products in Southeast Asia. The lawsuit claimed that Nike's statements amounted to false advertising. Nike challenged the claim by contending that its statements were protected by the Free Speech clause of the First Amendment, given that they were made as part of a public discourse around globalization. The Court did not make a finding regarding the truth or falsity of the statements. That case is now before the U.S. Supreme Court to determine whether the false-advertising lawsuit should be allowed to go ahead, or if it should be dismissed as a violation of the right to free speech.</p>
<b>Ventilation</b>	<b>Per FLA Benchmarks VB, Health and Safety:</b> 1 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. 8.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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Cleaning room is too small. Requires better ventilation.	
<b>7. Freedom of Association and Collective Bargaining</b>			
	<b>FLA Code Benchmark VI. Freedom of Association and Collective Bargaining:</b> B.1. 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.	As per worker comments they are not free to form a union.	
<b>8. Wages and Benefits</b>			
<b>9. Hours of Work</b>			
<b>10. Overtime Compensation</b>			