

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

27 Jun 2023



Factory Information

FLA Affiliates	Nike, Inc
Country	United States of America
Number of Workers	133

Understanding this Report

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

FLA Code Element

Number of Violations

Employment Relationship (ER)	7
Health, Safety And Environment (HSE)	1
Hours Of Work (HOW)	2

Assessment Information

Assessor	Rodriguez Compliance Group
Assessment Date	27 Jun 2023
Assessment Purpose	Factory Assessment (In-Person)

ASSESSMENT RESULTS

Employment Relationship (ER)

Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	1. The employment termination policy in the employee handbook, defines "layoff" as an involuntary termination initiated by the company for non-disciplinary reasons. However, the policy does not define the criteria for layoffs such as seniority, worker performance, skills, etc and the procedure to follow in such cases. 2. The factory does not have a written policy on lactation accommodation that explains the rights of nursing mothers in the employee handbook or in any other document. However, in practice the factory provides breaks to nursing mothers who request accommodation and provides a private room for this purpose
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	1. Worker Adjustment and Retraining Notification Act or WARN Act (Employers that are reducing their workforce, conducting layoffs, or closing their businesses and have between 50-99 employees affected are typically required to report this information via a WARN filing to the Tennessee Department of Labor & Workforce Development.) 2. Section 7(r) of the Fair Labor Standards Act – Break Time for Nursing Mothers Provision
Benchmark ID	ER.18.1

Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
Finding Details	While the employee handbook contains a policy on progressive discipline, there is not a written provision that allows a third-party witness to be present during the imposition of disciplinary actions and an appeal procedure in case the affected worker disagrees with the action.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	The factory does not have a policy or procedure on personnel development that encourage ongoing training with the goal or raising or broadening workers' skills so they can advance in their careers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.7.1

Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	a) The factory has a performance evaluation policy in the handbook. However, the policy does not include a statement prohibiting discrimination and that seek feedback and agreement/disagreement from employees in writing. The performance review forms allow to document employee comments but this is not outlined in the written policy. b) While the employee handbook has a written policy on annual performance reviews, the factory is currently conducting reviews of only new hires after 30, 60 and 90 days of employment. During the management interviews and reviews of personnel files, it was confirmed that until recent years, workers were subject to annual reviews. For example, the most recent documented performance reviews of longer-term employees in the sample were dated 2018 or 2019.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	The factory lacks a written policy and procedure on promotion, demotion and job reassignment.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	While the workers participate in the health and safety committee and provide feedback via the suggestion box, the factory has not implemented a documented, structure system to include employee feedback in the revision of policies and procedures related to employment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.18.4
Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	REVIEW ER.18.1 While the employee handbook contains a policy on progressive discipline, there is not a written provision that allows a third-party witness to be present during the imposition of disciplinary actions and an appeal procedure in case the affected worker disagrees with the action.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

Health, Safety And Environment (HSE)

Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	While the factory has taken steps to reduce risks, an assessment to identify ergonomic hazards that includes each workstation to reduce the risk of musculoskeletal injuries has not been conducted. For example, the workstations of employees in the robot area of the distribution center have been adjusted to facilitate body movement. During the interviews, some workers in the embroidery area indicated they have requested tables to be lowered or lifted to their height. However, in addition to body posture, the assessment shall also include repetitive motion, lifting and use of force and the assessment should consider include all work positions.
Recommendation for Immediate Action	
Compliance Classifications	Immediate Action Required
Local Law	General Duty Clause from the OSHA Act of 1970 (also includes issue of ergonomics) Tennessee Occupational Safety and Health Act of 1972

Hours Of Work (HOW)

Benchmark ID	HOW.8.2
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Benchmark Details	All overtime work shall be consensual, and employers shall enact a voluntary overtime system, including for overtime utilized in exceptional circumstances*.
Finding Details	SEE HOW.22.1 According to the worker and management interviews, most of the overtime is voluntary. However, depending on business needs, overtime might be mandatory. The policy titled "working hours and overtime" on page 37 of the employee handbook, "every effort will be made to ensure overtime work is consensual, and all employees will be informed upon hire that some overtime may be necessary in the course of business". Interviewed workers also indicated that they were aware of the occasional need for overtime when they were hired, as this policy was explained during orientation. During the reviews of personnel files and interviews with workers, there was no indication of disciplinary actions for not working overtime.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HOW.22.1
Benchmark Details	Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.
Finding Details	According to the worker and management interviews, most of the overtime is voluntary. However, depending on business needs, overtime might be mandatory. The policy titled "working hours and overtime" on page 37 of the employee handbook, "every effort will be made to ensure overtime work is consensual, and all employees will be informed upon hire that some overtime may be necessary in the course of business". Interviewed workers also indicated that they were aware of the occasional need for overtime when they were hired, as this policy was explained during orientation. During the reviews of personnel files and interviews with workers, there was no indication of disciplinary actions for not working overtime.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	NA

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