



**Kontakt:**

Ulf Santjer  
Corporate Communications  
PUMA AG  
+49 9132 81 2489  
Ulf.Santjer@puma.com

**Statement responding to the article „Eyeing Companies“  
(Wirtschaftswoche, 16.06.2008) and  
„PUMA’s Failure in CSR – Suppliers’ Critical Conditions“  
(China Labor Watch)**

**Herzogenaurach, June 18, 2008** – On June 16, 2008, US-non-governmental organisation China Labor Watch (CLW) published the report “PUMA’s Failure in CSR – Suppliers’ Critical Conditions”. The report makes allegations against PUMA relating to poor working conditions in one of PUMA’s supplier factories Dongguan Surpassing Shoes in China. CLW claims that workers are being forced to work overtime, do not have social insurance, etc. German weekly business magazine “Wirtschaftswoche” reported exclusively about the factory and the poor conditions based on the CLW report on June 16, 2008.

PUMA took the report very seriously and two employees from the PUMA S.A.F.E. team went to visit the factory Dongguan Surpassing and investigated if the allegations were founded on June 17, 2008. Based on these investigations PUMA came to the conclusion that the allegations as well as the facts are either incorrect and false or exaggerated.

- CLW claims that during peak seasons in the summer months Dongguan employs roughly 10,000 people. This is false. The factory employs currently – the month of June is a peak month – 6,100 people and had never more than 7,000 employees in the last three years.
- The report claims that new workers need to have a referrer from an old worker. This allegation of discrimination is also incorrect. The majority of recently hired workers joined the factory without any recommendations or references.
- CLW claims that workers would be forced to work excessive overtime – up to twelve hours per day and during nights on Saturdays. This allegation is also untrue and unfounded. The factory management confirmed and time records proved that the maximum working time in the factory is eleven hours. All workers had signed overtime application forms in advance and they were not punished if they refused to work overtime. According to management and workers who had been interviewed by PUMA employees, confirmed that overnight work stopped after January 1, 2007.
- CLW claims that workers in Dongguan work up to 41,5 hours of overtime per week. Investigations by PUMA showed that workers work up to a maximum of three hours overtime per day and a maximum of 23 hours overtime per week. One day per week is labour-free. PUMA is now implementing a new forecast system to improve the overtime situation in the factories.

- CLW claimed that workers had to pay a fine of 43.35 USD if they refused to work overtime. PUMA did not find any evidence of that.
- CLW claimed that up to 80 workers had to share one shower, which is incorrect. The dormitory has 69 showers for up to 400 workers. This means that on average there is one shower for six to seven workers.
- CLW claims that insects can be found in the canteen food. PUMA found out that the majority of the workers is satisfied with the food.
- CLW claims that there are high risk working conditions in the factory. A chemical smell would make workers feel uncomfortable and disgusted and factory management would not enforce workers to wear safety equipment. In fact, 90 percent of the chemicals used in the factory are water-based and ventilation in general is good. But it seems that the factory does not have adequate air quality testing for the chemicals used at the workplace. The factory management has promised to contact people from Center for Disease Control for a testing within a month. As for the personal protective equipment used at workplace, workers are equipped but we also observed that some workers are not wearing the equipment unless told by managers or supervisors. The factory management agreed to train workers more on workplace protection.
- CLW claims that waste is not being disposed of ethically. Waste such as paint and glue are dumped into the sewer. In fact, the factory has got an ISO 14001 system and has both, internal and external audits for environmental performance. Some workers thought water-based ink, which is of white colour, is harmless waste, so they wash the printing board and the waste water goes into the drains directly. The factory, however, has an in-house waste water treatment plant. All waste water goes into the treatment center before final discharge. There is no pollution issue.
- CLW claims that workers find it difficult to resign. PUMA found out that the workers indeed complain about difficulties when resigning from their jobs. Most of the supervisors want to keep experienced workers. After PUMA pointed this issue out in May, the factory has implemented a new procedure since June 1, 2008. Workers can now resign directly through HR instead through their direct supervisors. This change was confirmed by workers in the interviews at workplace.
- Furthermore, CLW claims that workers at Dongguan do not have health, accident nor social insurance. In fact, 100 percent of the employees have accident insurance and 50 percent have social insurance. The factory is working on a 100 percent coverage with social insurance.

PUMA concludes that the majority of the allegations by CLW against PUMA is wrong and untenable. PUMA works constantly on eliminating potential problems together with the factory management.

PUMA invited CLW to a dialogue in order to discuss these allegations. The dialogue took place on June 20 and results will be published shortly.

###

*PUMA® ist das globale Sportlifestyle-Unternehmen, das erfolgreich die Einflüsse aus der Welt des Sports, des Lifestyle und der Mode vereint. Mit seiner einzigartigen Ausrichtung liefert PUMA das Unerwartete in Sportlifestyle bei Schuhen, Textilien und Accessoires durch technische Innovationen und revolutionäres Design. PUMA wurde 1948 in Herzogenaurach gegründet und vertreibt heute Produkte in mehr als 80 Ländern. Weitere Informationen finden Sie unter [www.puma.com](http://www.puma.com)*