

FLA Audit Profile		IEV Profile	
Country	China	Country	China
Name of Factory	360015593F	Name of Factory	360015593FV
Independent External Monitoring Organization	A.L.G.I.	Independent External Monitoring Organization	Global Standards
Date(s) in Facility	July 9-10, 2007	Date(s) in Facility	December 1, 2008
FLA Affiliated Compan(ies)	Puma AG	FLA Affiliated Compan(ies)	Puma AG
Number of Workers	149	Number of Workers	121
Product(s)	Leather	Product(s)	
Production Processes	Cutting, Sewing, Finishing, Sampling	Production Processes	

FLA Code/Benchmark	Compliance Status	[Status]	Description	Updates (Cite Date)		Third-Party Verification		Company Verification Follow Up (Cite Date)	
		Completed, Pending, Ongoing		Company Follow Up	Documentation	External Verification (December 1, 2008)	Documentation	Company Follow Up	Documentation
GEN 1: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Risk of noncompliance	Completed	Factory does not have current information on China Labor Law.			Corrected: Copy of China labor law is obtained in office.	Record review, management interview		
GEN 2: Ensure all company factories as well as contractors and suppliers inform employees about workplace standards orally and through posting of standards in a prominent place (in local languages spoken by employees and managers) and undertake other efforts to educate employees about standards on a regular basis.	Risk of noncompliance	Completed	China Labor Law is not posted in the production area.			Corrected: Books of China Labor Law are posted on wall of workplaces and on bulletin board.	Management interview, factory walkthrough		
F.2 Freedom in Employment						New finding: Resignation procedure issued on November 7, 2008 says workers need to get approval from management for resignation.	Record review	PUMA has clear policy that all workers should be employed voluntarily. When workers need to resign, they should follow legal procedure of giving 30 days advance written notice. Factory requires all workers to fill out leave form and to submit it to their supervisors. Workers do not need to get approval from supervisors, just need to inform them they will be leaving in 30 days.	Telephone confirmation
F.9 Employment Records						New finding: Contract start date is not day workers start working in factory, is usually 10 days later. New finding: Many columns in Labor Contracts are left blank.	Record review	PUMA requires all suppliers to follow labor law requirements. Since the implementation of China Labor Contract Law on January 1, 2008, employer should sign labor contracts with employees within 1 month; starting date of contract should be first day the employee enters factory. After checking with factory management, they have signed contracts with employees usually within 10 days; all blank spaces have been filled out.	Telephone confirmation; record review (records emailed by factory)
Forced Labor. Other						New finding: No policy and procedure on forced labor.	Record review	PUMA's COC has clear policy on forced labor and requires all suppliers to follow rule. Factory already included policy of forced labor in factory rules.	Telephone confirmation; record review (records emailed by factory)
Child labor. Other						New finding: No child labor procedure.	Record review	PUMA's COC has clear policy on child labor and requires all suppliers to follow rule, as well as establish adequate procedure to identify child labor. Factory already included policy of child labor in factory rules.	Telephone confirmation; record review (records emailed by factory)
H&A.3 Discipline/Review of Disciplinary Action						New finding: Disciplinary system does not include ability of a worker to have third party of their choice present when disciplinary action is being imposed.	Record review	For purpose of open and fair on disciplinary system, factory should have third party present when disciplinary action is imposed. According to factory management, they have improved disciplinary system since January 2009.	Telephone confirmation

FLA Code/Benchmark	Compliance Status	[Status]	Description	Updates (Cite Date)		Third-Party Verification		Company Verification Follow Up (Cite Date)	
		Completed, Pending, Ongoing		Company Follow Up	Documentation	External Verification (December 1, 2008)	Documentation	Company Follow Up	Documentation
H&A.6 Discipline/Worker Awareness and Participation of Workers						New finding: Disciplinary records are not kept in workers' files.	Record review	According to factory management, they have already filed disciplinary records in workers' personnel files.	Telephone confirmation
H&A.16 Punishment of Abusive Workers/Supervisors/Managers						New finding: No discipline procedure in place for those who engage in any harassment and abuse.	Record review	Factory stipulated disciplinary procedure for those handling harassment and abuse, and provides adequate training on how to handle it.	Telephone confirmation; record review (records emailed by factory)
Other						New finding: No procedure on harassment and abuse.	Record review	PUMA's COC has clear policy on harassment and abuse and requires all suppliers to follow rule. Factory already included policy of harassment and abuse in factory rules.	Telephone confirmation; record review (records emailed by factory)
Non-discrimination. Other						New finding: No procedure on non-discrimination.	Record review	PUMA's COC has clear policy on non-discrimination and requires all suppliers follow rule. Factory has already included the policy of non-discrimination in their factory rules.	Telephone confirmation; record review (records emailed by factory)
FOA. Other						New finding: No procedure on FOA and collective bargaining.	Record review	PUMA's COC says workers entitled to FOA; right to join unions or other work or industry-related associations, and right to collective bargaining in accordance with local law. As independent unions in workplace are restricted by law in China, we are asking suppliers to set up Welfare Committee or other parallel means of organization at workplace to ensure smooth communication between management and workers. Grievance policy and procedure should be set up to ensure workers treated fairly and equitably in regard to right of FOA and collective bargaining in workplace. According to factory management, they have already included policy and procedures of FOA in factory rules.	Telephone confirmation; record review (records emailed by factory)
H&A.3 Discipline/Review of Disciplinary Action	Risk of noncompliance	Completed	Discipline policy does not provide workers with an opportunity to reply, challenge or make appeals against termination.			Corrected: Termination procedure issued May 22, 2008 says workers can either write complaint letters to suggestion box, or talk to management when they have problems with termination decisions.	Record review		Telephone confirmation; record review (records emailed by factory)
H&S.8 Permits and Certificates	Noncompliance	Completed	None of the 7 security guards had security licenses.			Corrected: There are security licenses for security guards now.	Record review, worker interviews		Telephone confirmation; record review (records emailed by factory)
H&S.11 Personal Protective Equipment	Noncompliance	Completed	1) Factory only provides gloves to workers using chemicals, they do not provide masks. 2) Workers using chemicals not wearing gloves and masks. 3) Factory does not provide eye wash water in production area.			1) Corrected: Active carbon masks provided to workers; gloves replaced by finger gloves. 2) Not corrected: Masks and finger gloves provided to workers, but, way some workers wear masks is not correct. Several workers who brush glue do not wear finger gloves during work. 3) Corrected: Eye wash water is provided on site.	Factory walkthrough	Finding 2: According to factory management, they have conducted regular training for both supervisors and workers on how to wear PPE in correct ways.	Telephone confirmation; record review (records emailed by factory)
H&S.18 Machinery Maintenance and Worker Training	Noncompliance	Completed	2 sewing machines missing needle guards; 1 missing a pulley guard.			Not corrected: Needle guard of 1 sewing machine missing. Shield for moving part of 1 sewing machine broken.	Factory walkthrough	PUMA requests all suppliers have a full-time compliance officer to monitor operation of whole system. Factory installed needle guards on all sewing machines.	Telephone confirmation

FLA Code/Benchmark	Compliance Status	[Status]	Description	Updates (Cite Date)		Third-Party Verification		Company Verification Follow Up (Cite Date)	
		Completed, Pending, Ongoing		Company Follow Up	Documentation	External Verification (December 1, 2008)	Documentation	Company Follow Up	Documentation
H&S.20 Bodily Strain	Noncompliance	Completed	No back support or floor mats are provided.			Corrected: Chairs with backup and floor mats provided to workers.	Factory walkthrough		
WBOT.2 Minimum Wage						New finding: New workers' basic wages are below local minimum wage. I.e., 1 employee worked 12 days in October and received 450 RMB as basic wage. However, according to legal regulations, basic wage should be: 900RMB/21.75*12 days = 497RMB.	Record review	PUMA has clear policy that all workers must be paid above local minimum wage standard. According to factory management, they have compensated deficiency to worker in second month (November 2008).	Telephone confirmation; record review (records emailed by factory)
WBOT.5 Holidays, Leave, Legal Benefits and Bonuses	Noncompliance	Completed	In May 2007, factory bought 33 workers pension, 133 medical insurance, 132 occupational injury, 2 unemployment, and 3 maternity insurance. Total number of workers is 149. Social insurance is not provided to all workers.			Not corrected: Factory did not provide 5 types of social insurance to all workers. Out of 135 employees in factory in October 2008. 138 had retirement insurance; 139 had medical insurance; 139 had occupational injury insurance; 3 had unemployment insurance and 4 had birth insurance. <u>Note:</u> All workers have access to 4 kinds of insurance, except for unemployment insurance in Municipality. Municipality has "comprehensive medical insurance," which includes medical and birth insurances combined together.	Record review; worker and management interviews	PUMA's COC says workers entitled to all legally mandated benefits, such as social insurance program covering pension, medical care, unemployment, workplace injury and maternity insurances. According to factory management, they have provided social insurance for all employees; the only 1 identified is because worker's ID card had some problem at that time. Now, all workers covered by social insurance program.	Telephone confirmation; record review (records emailed by factory)