

# Puma SE

**TICKER**  
 ETR:PUM

**MARKET CAPITALIZATION**  
 US\$8 billion

**HEADQUARTERS**  
 Germany

**DISCLOSURES**  
UK Modern Slavery Act: Yes

**TARGETS**  
 Yes

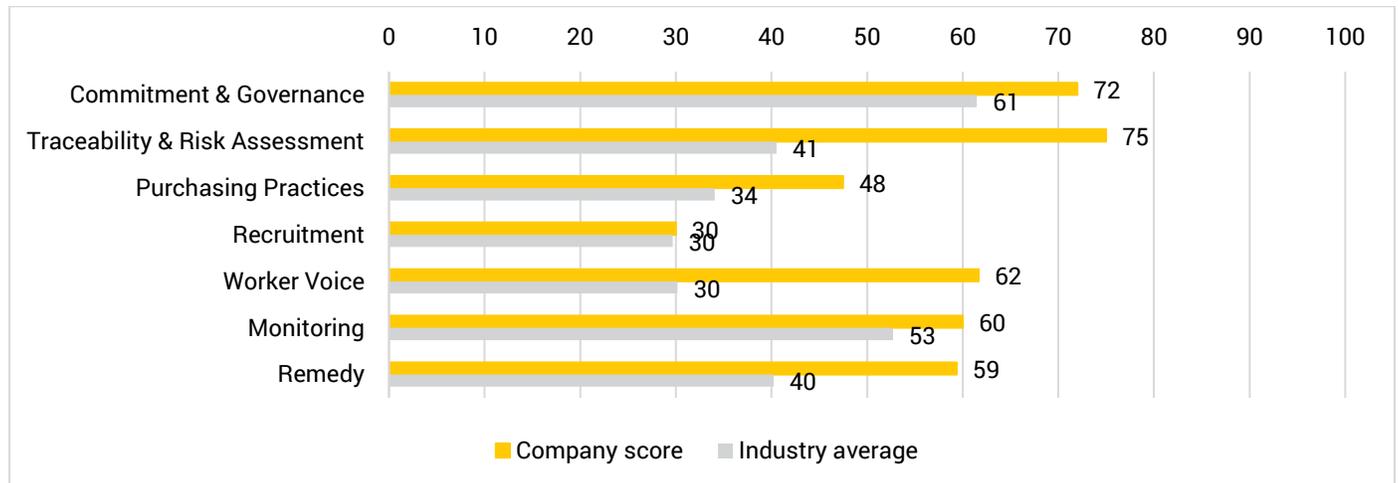
California Transparency in Supply Chains Act: Yes

**OVERALL RANKING**
**8 out of 37**

(2018 Rank: 11 out of 43)

**OVERALL SCORE**
**58 out of 100**
**SUMMARY**

Puma SE (Puma), the third-largest sportswear brand in the world,<sup>1</sup> ranks 8<sup>th</sup> out of 37 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Recruitment. Compared to 2018, Puma improved its rank by three places. It began disclosing details on internal responsibility for its supplier code of conduct, training its staff and on forced labor risks identified across tiers, working on fair wages, and integrating the [Employer Pays Principle](#) into its supplier requirements. Puma states that it “has no direct or indirect business relationship with any manufacturer in Xinjiang, the native region of the Uyghurs in Western China.” However, beyond audits and certifications, it does not disclose details the steps it has taken to address the risks of alleged Uyghur forced labor across its supply chain tiers and raw materials or engagement with groups representing impacted rightsholders. Puma has an opportunity to improve on the themes of Recruitment, Worker Voice, and Remedy.

**THEME-LEVEL SCORES**


**KEY DATA POINTS**
**SUPPLIER LIST**

Yes

**IMPROVEMENTS OF FREEDOM OF ASSOCIATION**

No

**HIGH-RISK RAW MATERIALS<sup>2</sup>**

Cotton, natural rubber, viscose, and others

**DATA ON PURCHASING PRACTICES**

Yes (One data point only)

**REMEDY FOR SUPPLY CHAIN WORKERS**

Yes (Limited)

**HIGH-RISK SOURCING COUNTRIES**

Brazil, China, India, and others

**LEADING PRACTICES**

**Stakeholder Engagement:** Puma states that it is collaborating with the Fair Labor Association (FLA), the International Organization for Migration (IOM), and industry peers “to understand supply chain structures, assess worker demographics, recruitment processes, and working conditions at the various tiers” of its natural rubber supply chains in Vietnam. It also discloses that it is a member of a coalition with Asos and the British High Court to prevent workers from being charged recruitment fees and support migrant workers in Mauritius.

**Risk Assessment:** Puma states that it recognizes that forced labor risks are most prominent in the lower tiers of its supply chains, and that it has included certain second-tier suppliers in its compliance program as a result. It identifies cotton farming, cattle ranching, and “labor blind spots, for example, on ginneries and the lower Tiers of leather tanning as well as marine shipping” as particularly high-risk areas.

**NOTABLE FINDINGS**

**Traceability and Supply Chain Transparency:** Puma discloses a list of the names and addresses of its “core suppliers,” including second-tier suppliers, accounting for around 80% of its apparel, footwear, and accessory products. It discloses additional aggregate data points on its suppliers’ workforce, including the percentage of workers paid above minimum wage, the percentage covered by collective bargaining agreements per region, and the percentage of permanent workers per region. It also discloses an interactive sourcing map that includes its suppliers’ names and addresses, including some second- and third-tier suppliers, the product category, and the number of workers within a range.

**Purchasing Practices:** Puma states that it is working on improving wage compliance in a number of sourcing countries. It states that it has completed fair wage analyses in Bangladesh and Cambodia with the Fair Wage Network and that it has a target to carry out a fair wage assessment, including mapping specific wage ladders, for its top five sourcing countries. It also discloses that it is working with the FLA to implement its Fair Compensation Strategy. The FLA reports that Puma uses strict calendaring to maintain adequate lead times and that average lead times are 60-90 days.

**Remedy:** Puma states that it includes worker representatives in the closing meetings of audits before corrective action plans are drawn up. It discloses outcomes of its corrective action process, and the FLA

discloses an example of Puma's corrective action process at a supplier in Vietnam involving double-bookkeeping, with the associated risk of excessive overtime. The FLA further discloses examples of Puma's remedy process: to remediate child labor at a supplier in Vietnam, Puma worked with the supplier and other brands to develop an action plan and provide funding for the child to return to school.

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### OPPORTUNITIES FOR IMPROVEMENT

**Recruitment:** Puma may consider taking steps to ensure that recruitment-related fees are reimbursed to workers and to provide evidence of the payment of such fees by suppliers. It may also consider providing details of how it supports responsible recruitment in its supply chains (for example, by sharing due diligence findings on recruitment fees with peers or by creating demand for responsible recruitment agencies) and offering evidence that it takes steps to ensure that the rights of workers in vulnerable conditions are respected and result in positive outcomes.

**Worker Voice:** Puma may consider disclosing evidence of the positive impact of worker engagement in its supply chains. Where there are regulatory constraints on freedom of association, it may consider advancing workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing, as well as disclosing at least two examples of how it improved freedom of association and/or collective bargaining for its suppliers' workers.

**Remedy:** Puma may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labor and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. It is further encouraged to disclose additional examples of remedy outcomes for workers.

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### ENGAGED WITH KNOWTHECHAIN<sup>3</sup>

Yes ([Provided Additional Disclosure](#)).

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<sup>1</sup> All Top Everything (2 January 2021), "[Top 10 Biggest Sportswear Brands in the World.](#)"

<sup>2</sup> For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

<sup>3</sup> Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).