

Puma SE

TICKER

DB:PUM

MARKET CAPITALIZATION

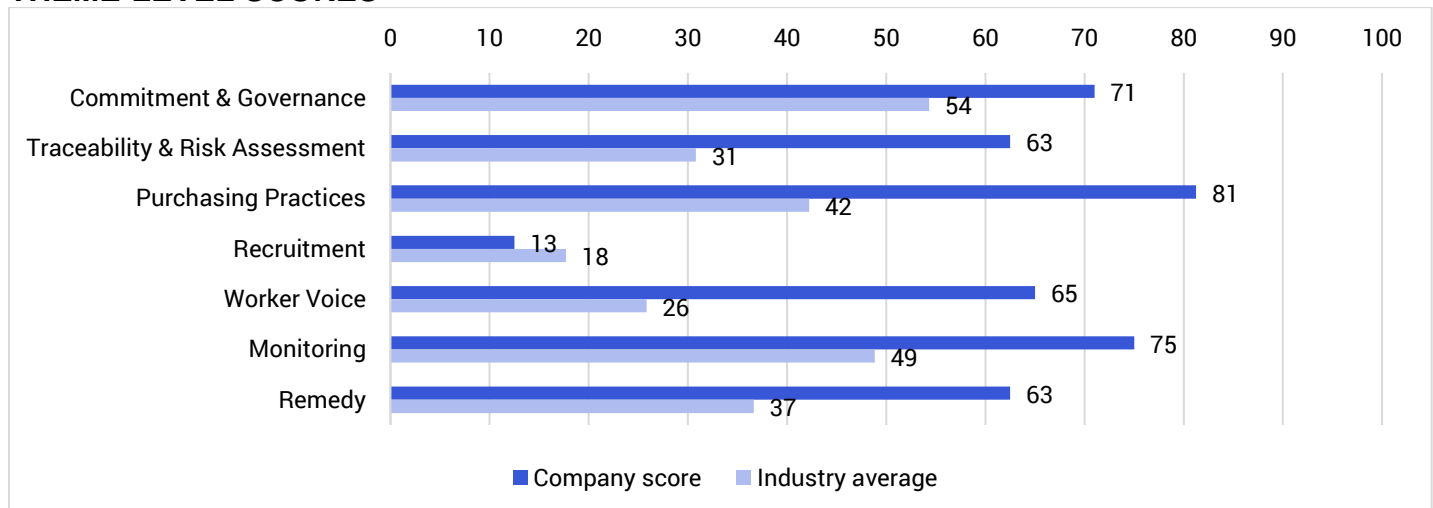
US\$6 billion

HEADQUARTERS

Germany

COMPLIANCE
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes](#)
COMMITMENTS
[Yes](#)
OVERALL RANKING
11 out of 43
OVERALL SCORE
61 out of 100
SUMMARY

Puma SE (Puma), an apparel and footwear company based in Germany, ranks 11th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Recruitment. Notably, the company discloses information on grievances submitted by its suppliers' workers, as well as a list of its second-tier suppliers. It also notes that it audited some second- and third-tier suppliers. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of Traceability & Risk Assessment, Recruitment, and Remedy.

THEME-LEVEL SCORES


Research conducted through June 2018, or through August 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

LEADING PRACTICES

Traceability: Puma discloses a list with the names, addresses, and countries of its core first- and second-tier suppliers, such as trim, fabrics, and leather suppliers. It notes that core suppliers comprise 80% of its business volume.

Grievance Mechanism: In relation to supply chain social compliance, Puma discloses that, in 2017, it received 81 grievances from workers (three of which concerned zero-tolerance issues), which included topics such as fair compensation (43%), employment relationship (35%), and excessive working hours (7%). It further discloses it received ten grievances from third-party organizations, which focused on topics including freedom of association and fair compensation.

Monitoring: Puma discloses that its audits include facility tours as well as an inspection of dormitories, shower and toilet facilities, the kitchen and dining room, and facilities outside of the factory premises. It notes that it audited some second-tier suppliers and discloses the number of second-tier suppliers audited, as well as their rating. It further discloses that it audited some third-tier suppliers, such as leather tanneries.

NOTABLE FINDINGS

Stakeholder Engagement: Puma discloses that it is part of a coalition that includes the apparel brand Asos and the British High Court and which aims to fight recruitment fees and support migrant workers in Mauritius. The company further discloses that it collaborated with the Fair Labor Association (FLA), the UN Refugee Agency, and local authorities to remediate the living and working conditions of refugees in Turkey. For example, it collaborated with the Turkish Ministry of Labor, the FLA, the Ethical Trading Initiative, and others to develop a pocket guide for Syrian refugees to “guide them at work life.” In addition to being an accredited member of the FLA, the company is a partner of ILO’s Better Work program in Vietnam, Cambodia, Jordan, and Bangladesh and a member of the Better Cotton Initiative and the 2018 Bangladesh Accord on Fire and Building Safety.

Purchasing Practices: Puma discloses that it partnered with the International Finance Corporation to create a financing program for its suppliers, which offers incentives for suppliers to improve environmental, health and safety, and social standards. It states that it will offer lower costs for those suppliers that achieve a high score in Puma’s supplier rating. The company discloses that the initial focus of the program was on its suppliers based in Bangladesh, Cambodia, China, Indonesia, Pakistan, and Vietnam.

Migrant Worker Rights: Puma discloses that it requires its suppliers to make contracts, orientation materials, and policies available to migrant workers in their native languages. It notes that “where no member of the factory management can communicate in the native language of the employee, factory management shall employ all resources to ensure that hired employees understand contracts, factory rules and regulations and other work instructions.”

OPPORTUNITIES FOR IMPROVEMENT

Traceability and Risk Assessment: The company is encouraged to disclose the sourcing countries of raw materials at high risk of forced labor and human trafficking. Further, the company may consider disclosing details on how it assesses forced labor risks in its supply chains and disclosing the risks identified in different tiers of its supply chains.

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers’ rights. In addition to limiting recruitment fees for suppliers’ workers, the company may consider requiring that such fees be paid by the employer (Employer Pays Principle). The company is also encouraged to confirm that recruitment agencies used by its suppliers are audited and to work with suppliers to ensure that migrant workers’ rights are respected (e.g., to confirm workers’ passports or other personal documents are not retained).

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of human trafficking and forced labor and disclosing details on this process, such as timeframes and engagement with affected stakeholders, responsible parties, or approval procedures. To demonstrate to stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)