

Puma SE (Puma)

TICKER
ETR:PUM

MARKET CAPITALISATION
US\$13.68 billion

HEADQUARTERS
Germany

DISCLOSURES

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: [Yes](#)

Australia Modern Slavery Act: [Yes](#)

OVERALL RANKING

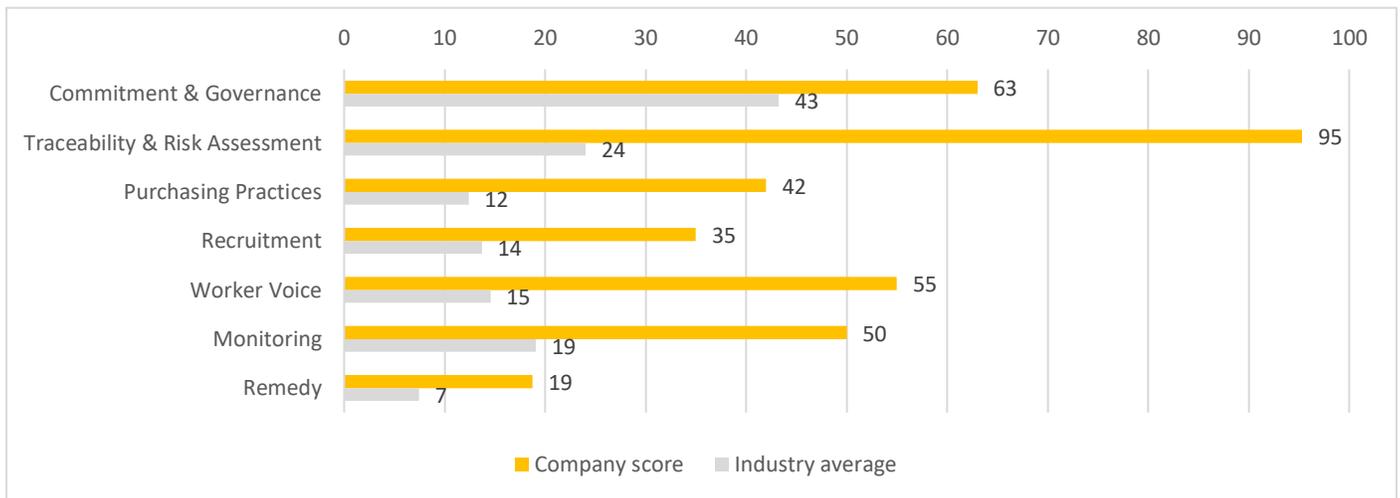
2 out of 65

[2021 Rank:](#) 8 out of 37

OVERALL SCORE

58 out of 100

THEME-LEVEL SCORES



KEY DATA POINTS

FIRST-TIER SUPPLIER LIST

Yes

RISK ASSESSMENT

Yes

DATA ON PURCHASING PRACTICES

Yes (one data point only)

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK RAW MATERIALS¹

■ Cotton, rubber, viscose, wool

SUMMARY

Puma SE (Puma), the world's third-largest sportswear brand,³ ranks 2nd out of 65 companies. Compared to 2021, the company improved its rank by 6 places. This is because the company began disclosing the percentage of migrant workers at first-tier, core second-tier and third-tier viscose suppliers, six instances of recruitment fee remediation across four countries, responsible recruitment training for suppliers, and stronger detail on its human rights risk assessment process. Notably, the company has the highest score on the theme of Traceability & Risk Assessment. However, with a score of 58/100, the company continues to have substantial scope for improvement on its prevention and management of forced labour risks.

KnowTheChain identified one allegation of forced labour in the company's supply chains, related to alleged Uyghur forced labour. The company states it does not source from Xinjiang. However, the company does not disclose the steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers. The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, and Remedy.

LEADING PRACTICES

Traceability & Risk Assessment: Puma discloses a supplier list covering 92% of its first-tier suppliers and core second-tier suppliers representing 80% of its business volume. The company includes data on the percentage of women and migrant workers for first-tier, core second-tier and third-tier viscose suppliers, and the percentage of workers in its first-tier suppliers who are paid a living wage. It additionally discloses raw material sourcing countries for cotton and leather.

Recruitment-Related Fees: The company reports it maps suppliers using migrant workers on a yearly basis and checks whether fees were paid by workers. It states its engagements with suppliers have resulted in the reimbursement of more than US\$100,000 to 255 foreign migrant workers across six facilities in China, Japan, South Korea, and Thailand. Verification of these payments included interviews with 18% of migrant workers.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: While the company specifies the price paid for products should include reasonable labour costs, it is encouraged to ensure these costs are ringfenced during pricing negotiations such that labour costs are not negotiated on or negatively impacted. In addition to the percentage of orders cancelled, the company is encouraged to disclose quantitative data demonstrating how its purchasing behaviours work in practice: such as average or minimum lead times, payment terms, or length of supplier contracts. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Recruitment: While the company discloses a policy on the [Employer Pays Principle](#) and discloses examples of fee remediation for suppliers' workers, the company is encouraged to disclose how it ensures the implementation of this through the prevention of fees in its supply chains: such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. The company references training for suppliers on risks to migrant workers in several countries and may also consider providing further 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).

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

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark [findings report](#).

² Research conducted through June 2023 or through September 2023, 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](#).

³ All Top Everything (November 2023), "[Top 10 sportswear brands](#)." Accessed 17 November 2023.