



ONE PLANET PERFORMANCE

Sustainability

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Anne-Laure Descours, Chief Sourcing Officer (CSO)



INTRODUCTION

In 2019, we completed our 10FOR20 sustainability strategy and reached our targets one year ahead of schedule. At the same time, we finalized the new 10-FOR25 sustainability targets in collaboration with our major stakeholders.

Throughout the sustainability section of this Annual Report, we will list our most material sustainability topics and the approach we took to manage these. We will also discuss the key performance indicators we set, and the results achieved for each individual target area.

Overall, we made good progress and achieved the majority of key performance indicators (KPIs) we had set in nine out of ten target areas. The performance in one target area (Water & Air) remained below expectations. Since we still firmly believe that we need close control over the emissions to air and water of our suppliers, we will carry the targets for this area forward into our new targets for 2025.

The concept of sustainability in itself is a long-term journey and much remains to be done, both within our industry and our company, to achieve a truly sustainable business model and conduct. In our support of the United Nations Sustainable Development Goals and tackling the Climate Crisis, we are happy to report that we have hit all four of our bonus-relevant sustainability targets related to Climate Action, Human Rights, and Health & Safety as well as Anti-Corruption.

Special highlights of the year 2019 were

- the agreement and publication of a Science Based Carbon Emission Target paired with
- a significant reduction of greenhouse gas emissions by purchasing renewable energy and renewable energy attribute certificates;
- the re-accreditation of our social compliance program by the Fair Labor Association;
- achieving zero fatal accidents at PUMA and its finished goods suppliers for the second year in a row;
- surveying more than 20,000 workers at suppliers for working conditions via a mobile app;
- an increase in the pass rate of our material tests for chemicals to 98.9% and wastewater tests at suppliers with wet-processing for chemical parameters to 94% and above;
- an increase in community hours donated by PUMA staff globally;
- the elimination of recruitment fees for migrant workers within our Tier 1 supplier base;
- the launch of our Forever Better product sustainability platform;
- increasing the usage of more sustainable cotton from Better Cotton Initiative (BCI) to over 80%; and
- increasing the usage of certified polyester (bluesign® & OEKO-TEX) to over 90%.

“WE WANT TO EMBED SUSTAINABILITY INTO ALL OF OUR PRODUCTS.” **– FOREWORD ANNE-LAURE DESCOURS, CSO**



➤ **ANNE-LAURE DESCOURS**
CHIEF SOURCING
OFFICER (CSO)

One of the lasting memories of 2019 will be the image of young people taking over the streets to protest the inaction of governments and the industry in the face of climate change. As a company which counts many of these young people among its customers, PUMA cannot idly sit by and do nothing. While we recognize that many problems our industry faces require industrywide solutions, PUMA has made good progress on its sustainability commitments in 2019. Of the ten target areas we set ourselves in 2015 as 10FOR20 Targets we achieved good progress in nine areas, and we will increase our level of ambition in the next cycle until 2025, for example by adding targets on more sustainable products, biodiversity and fair wages as well as protecting the ocean from plastic pollution.

This includes setting a science-based target for our CO₂ emissions for the first time. In short, PUMA will reduce its carbon emissions by the amount that scientists say is necessary to keep climate change within the boundaries set out by the Paris Agreement. We believe that one-off sustainable collections are good for reporting purposes but do little to improve the environmental footprint of the company as a whole. That is why we sharply ramped up the use of more sustainable materials, such as Better Cotton and bluesign®-certified polyester in all of our products. As the materials used for our products define more than half of the environmental footprint, this is how we can make an impact at scale, and our customers can rest assured that we are working on improving our sustainability performance throughout our product range.

Beyond the environmental aspects of our sustainability strategy, we have also made progress in improving the working conditions at our suppliers, for example by phasing out recruitment fees for migrant workers at our finished goods manufacturers. In this context, we are encouraged that our social compliance program for PUMA's vendors and suppliers was once again approved by the Fair Labor Association, of which we have been a member since 2004.

It is not enough to ask our suppliers to treat their workers well, we also have to set the right economic conditions. In 2019, we implemented new standards on how we as a company should treat our manufacturing partners so they can make the improvements of working conditions happen.

To share product-centric and consumer-facing information in a more accessible way, we have partnered with sustainability communication experts Futerra and launched Forever Better, a consumer-oriented website which highlights our sustainability efforts (<https://about.puma.com/en/forever-better>).

There is still work to be done on our way towards becoming a more sustainable company, be it on climate action, a more circular business model or full supply chain transparency. For the challenges we cannot tackle on our own, we continue to work with our industry peers and suppliers. The latest example of such an industry-wide approach is the "Fashion Pact" initiated by the French government, of which PUMA is a part.

Through such initiatives we can shape a more sustainable future and make sure that our products can also be enjoyed by the next generations of athletes.



PUMA SUSTAINABILITY STRATEGY 10FOR20

Our 10FOR20 sustainability strategy aims to create maximum positive impact. This holds true for our products, as well as for working conditions at PUMA and its supply chain, and the communities around us. We don't want to grab quick headlines with niche sustainability collections, although such collections can help to create consumer awareness. Rather, we want to deeply integrate sustainability into all core business functions and all PUMA products. This way our sustainability strategy is integrated with our overall company strategy and our sustainability efforts are much more authentic.

STAKEHOLDER DIALOGUE (10FOR20 TARGET AREA 1)

Target Description:

Continue and expand PUMAs Stakeholder Dialogue and Public Non-Financial Reporting in accordance with global standards; increase sustainability communication towards consumers.

Relates to United Nations Sustainable Development Goal 17.



Example from the 10FOR20 Action Plan:

- Conduct a global stakeholder meeting
- Conduct regional stakeholder meetings in all key sourcing regions

KPIs:

- Thematic and regional coverage of partnership initiatives
- Percentage of suppliers reached via round table meetings
- Publicly report on PUMA's sustainability performance
- Inform consumers on PUMA's sustainability initiatives

Ever since our first global Stakeholder Meeting in 2003, we aim to align our sustainability program and actions with the expectations of our most relevant stakeholders. Therefore, we are constantly talking to our investors, suppliers, customers, consumers, athletes, industry peers, NGOs, scientists and of course our biggest asset, our employees.

For us, a stakeholder dialogue means not shying away from inconvenient topics and admitting that we cannot solve everything on our own. It means working on these topics in close collaboration with experts and our industry peers and, of course, always in line with anti-trust regulations.

For the first time in 2019, we invited more than 50 relevant stakeholders to our PUMA headquarters in Herzogenaurach. This way we shared the PUMA spirit with our guests, while at the same time allowing our top management (including our CEO and CSO) to participate on both days.



➤ PARTICIPANTS OF THE STAKEHOLDER MEETING 2019

We focused our discussion on the hot topics of climate change, living wages, plastics and oceans as well as circularity, and used the feedback provided during the event to sharpen our 10FOR25 targets. As an immediate outcome of the meeting, we agreed to align our Climate Action Target to a 1.5 Degree Scenario and increased our recycled polyester target from a proposed 25% to 75% until 2025. For a more detailed description of the results, please refer to section 8 (Summary and Outlook).

We also conducted supplier round tables in all major sourcing regions (China, Vietnam & Cambodia, Bangladesh, Indonesia, India, Europe & Africa, and Latin America), reaching almost 600 supplier participants. This way we can openly discuss our sustainability vision with our manufacturing partners and ensure their buy-in for our individual sustainability programs.

We have been transparent about our sustainability efforts ever since we published our first sustainability report in 2003. We continue to inform the public in our annual report as well as on our corporate website (<https://about.puma.com/en/sustainability>).

Our new consumer-facing Forever Better [website](#) will be updated frequently with product-related sustainability information. It will also highlight collections with a special sustainability focus, such as the First Mile Collection, which uses recycled polyester, and the Day Zero Collection, which uses water saving technologies.

To improve the sustainability performance of the materials used in our products, we are working together with a number of partners such as [bluesign Technologies](#), the [Leather Working Group](#), the [Better Cotton Initiative](#), the [Forest Stewardship Council](#), and Sustainable Apparel Coalition as well as Textile Exchange. Overall, our global sustainability initiatives are supported by regional partnerships with organizations such as the [Bangladesh Accord on Fire and Building Safety](#), the Indonesia Protocol on Freedom of Association, the [Chinese National Textile and Apparel Council](#) and the [German Partnership for Sustainable Textiles](#). Another example of local action would be our work with UNICEF to support water and hygiene standards in South Africa. Lastly, we are active members of the [World Federation of the Sporting Goods Industry](#) as well as the [European Sporting Goods Industry Federation](#).

6.01 MATRIX OF KEY PARTNERSHIP INITIATIVES

Social Compliance	Human Rights	Chemicals	Materials	Climate Change	Health and Safety	Water and Air	Governance
ILO Better Work (Bangladesh, Cambodia, Vietnam)	Right to Play	ZDHC	Textile Exchange	United Nations Climate (UNFCCC)	Bangladesh Accord	ZDHC	UN Global Compact (Germany)
FLA	UN Global Compact (Germany)	AFIRM	BCI	CDP	Cambodia Road Safety Program	SAC	
Fair Wage Network (Bangladesh, Cambodia)	Soccer Aid (UK)	FESI	BLUESIGN Technologies	Stiftung 2 Grad (Germany)		IPE (China)	
SLCP			Leather Working Group	IFC (Bangladesh, Vietnam)		UNICEF (South Africa)	
				Apparel Impact Institute (China & Taiwan)			

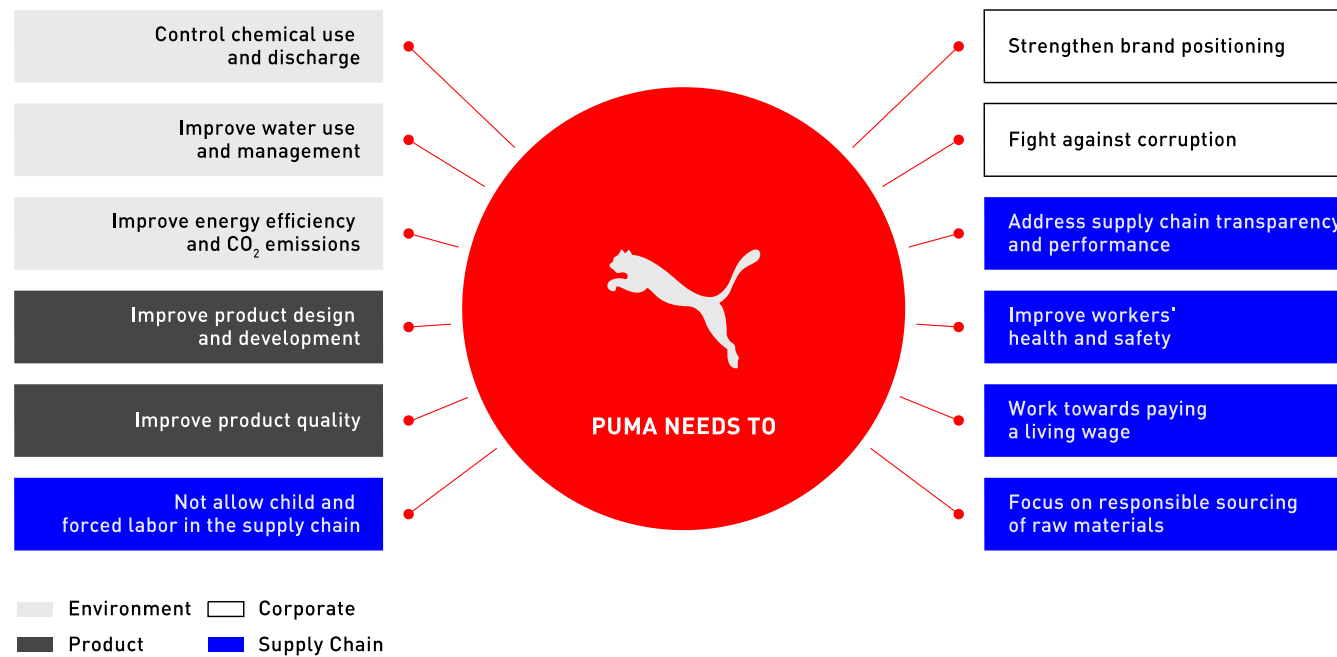
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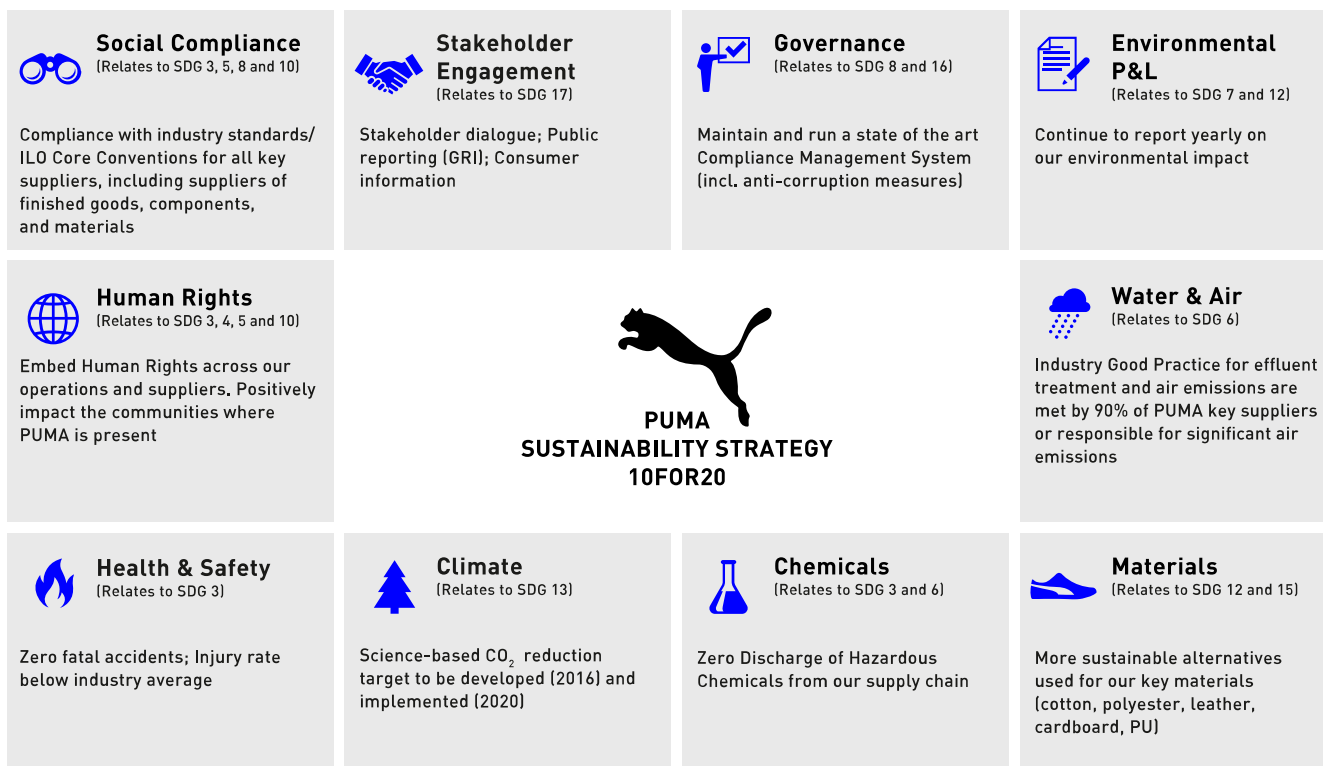
AFIRM: Apparel and Footwear International RSL Management, BCI: Better Cotton Initiative, CDP: Carbon Disclosure Project, FESI: Federation of the European Sporting Goods Industry, FLA: Fair Labor Association, IFC: International Finance Corporation, ILO: International Labor Organization, IPE: Institute of Public and Environmental Affairs, SLCP: Social and Labor Convergence Program, ZDHC: Zero Discharge of Hazardous Chemicals

MOST MATERIAL ASPECTS

The most material aspects and targets for the 10FOR20 target period remained unchanged and are displayed in figures 1 and 2 below.




➤ G.02 MOST MATERIAL ASPECTS



**➤ 6.03 10FOR20 TARGETS**



* SDGs: Sustainable Development Goals from the United Nations.

**T.01 PUMA 10FOR20 SUSTAINABILITY TARGETS PERFORMANCE SUMMARY**

Target	Baseline 2015	Performance 2019	Planned Action 2020	Target 2020	Status
 01 Stakeholder Engagement	Talks at Banz; Supplier Round Tables	Global Stakeholder Meeting at Headquarters; Regional Supplier Round Tables with 590 participants; Forever Better Website launched.	Stakeholder Dialogue Meetings, Supplier Round Tables and Public Reporting will be continued. Consumer outreach will be intensified.	Stakeholder dialogue, public reporting, consumer information	Achieved
 02 Human Rights	Human Rights Screening	Human Rights Assessments carried out for PUMA and supply chain; Recruitment Fees eliminated from T1 suppliers; 21,433 community engagement hours;	Continue implementation of Human Rights policies; focus on elimination of recruitment fees for T2 suppliers, carry out an analysis on conflict minerals.	Embed Human Rights across our operations and suppliers. Positively impact communities where PUMA is present.	Achieved, target area will be moved to 2025 targets
 03 Social Compliance	All Tier 1 suppliers frequently audited; Workers complaints received and progressed	All Tier 1 suppliers and core T2 suppliers frequently audited; Amount of Zero Tolerance Issues prevailing at year end: 0 Joint industry assessment tool (SLCP) rolled out in China Percentage of shared audits: 43%	No Zero Tolerance Issues prevailing at year end Implement joint industry assessment tool (SLCP) Increase percentage of shared audits to 50%	Compliance with industry standards/ILO Core Conventions for all core suppliers, including suppliers of finished goods as well as component and material suppliers.	Achieved. Target will be merged with Human Rights going forward




BCI: Better Cotton Initiative, EP&L: Environmental Profit and Loss, FSC: Forest Stewardship Council, ILO: International Labor Organization, LWG: Leather Working Group, MRSL: Manufacturing Restricted Substance List, OHS: Occupational Health and Safety, PFCs: Polyfluorinated Chemicals, PU: Polyurethane, REC: Renewable Energy Attribute Certificates, RSL: Restricted Substance List, SBT: Science-Based Target, SLCP: Social and Labor Convergence Program, VOC: Volatile Organic Compound, ZDHC: Zero Discharge of Hazardous Chemicals.



Target	Baseline 2015	Performance 2019	Planned Action 2020	Target 2020	Status
 04 Climate Change	Science-Based Target (SBT) development announced	<p>Science based target accepted and published:</p> <p>Scope 1 and 2: -35%</p> <p>Scope 3: -60% relative to sales</p> <p>Coverage of 75% of all electricity used by renewable energy tariffs or certificates.</p> <p>PUMA (Scope 1&2) Scope 1: -8.6% Scope 2: -5.5% Scope 2 (RECs) - 47.9% Combined: -38.5% (absolute)</p> <p>Suppliers (Scope 3): -4.9% increase relative to sales</p>	<p>Coverage of 90% of all electricity used globally by renewable energy tariffs or renewable energy certificates.</p> <p>Offset remaining Scope 1 and 2 emissions.</p> <p>Focus on savings for Scope 3 emissions (supply chain)</p>	Science based reduction target to be developed and implemented	Achieved for Scope 1&2. Scope 3 work in progress. Target will be moved to 10FOR25 targets
 05 Chemicals	Commitment to Zero Discharge of Hazardous Chemicals	<p>RSL compliance rate of 98.9%</p> <p>Wastewater tests from core suppliers show 94% compliance on individual chemical parameters</p> <p>PFCs eliminated from PUMA products</p> <p>VOC Index below 16g/pair</p>	<p>Keep RSL compliance rate over 98%</p> <p>Improve wastewater compliance rate on individual chemical parameters above 95%</p> <p>Reduce VOC consumption per pair of shoes below 15g/pair</p>	Zero discharge of hazardous chemicals from our supply chain.	<p>Phase out of intentional use of hazardous chemicals (ZDHC MRSL and PFCs) achieved.</p> <p>Target will be moved to 10FOR25 Targets</p>



BCI: Better Cotton Initiative, EP&L: Environmental Profit and Loss, FSC: Forest Stewardship Council, ILO: International Labor Organization, LWG: Leather Working Group, MRSL: Manufacturing Restricted Substance List, OHS: Occupational Health and Safety, PFCs: Polyfluorinated Chemicals, PU: Polyurethane, REC: Renewable Energy Attribute Certificates, RSL: Restricted Substance List, SBT: Science-Based Target, SLCP: Social and Labor Convergence Program, VOC: Volatile Organic Compound, ZDHC: Zero Discharge of Hazardous Chemicals.



Target	Baseline 2015	Performance 2019	Planned Action 2020	Target 2020	Status
 06 Water & Air	Start of wastewater testing and publication	Bi-Annual Wastewater Tests established at all core suppliers with Wet-processing.	Improve compliance rate of conventional wastewater parameters to above 90% for all parameters	Industry good practice on water treatment and air emissions are met by 90% of PUMA core suppliers	Target not yet achieved. Will be carried to the new 10FOR25 Targets
		Compliance rate of conventional parameters above 90% for 16 out of 17 parameters.	Pilot Draft ZDHC Air Emissions Guideline		
		First draft of ZDHC Air Emissions Guideline available			
 07 Materials	bluesign (polyester), Leather Working Group (leather), and FSC (paper & cardboard) certification used in significant volumes	Apparel: Cotton BCI 80% Polyester: bluesign & OEKO-TEX: 98% Responsible Down: 100% Footwear: Leather: LWG: 98% Cardboard & Paper: FSC/Recycled: 100% Accessories: Polyester: bluesign & OEKO-TEX >99%	BCI >90% FSC/Recycled >90% LWG >90% bluesign&OEKO-TEX > 90% Responsible Down 100%	More sustainable materials used for our key materials; FSC 90% LWG 90% bluesign 50% BCI 50%	Original 2020 Targets already achieved in 2018. 2020 Target for cotton and polyester upgraded to 90% Targets will be merged into a more sustainable products target
 08 EP&L	Kering Group EP&L published (including PUMA figures)	PUMA EP&L 2018 published; Reduction per unit of turnover from 2013 to 2018 of 13.6%	Keep publishing EP&L values, Keep reducing the value per unit of turnover	Continue to report yearly on our impact; PUMA EP&L value significantly reduced	Target achieved. EP&L impact will be reported on PUMA website

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Target	Baseline 2015	Performance 2019	Planned Action 2020	Target 2020	Status
 09 Health & Safety	OHS part of compliance audits	Fatal Accidents PUMA: 0 Suppliers: 0 Injury Rate PUMA: 0.37 Core Suppliers: 0.5	Zero fatal accidents; Average injury rate of PUMA entities below 1	Zero fatal accidents; injury rates below industry average; Significantly reduce injury rates;	Target achieved. Will be continued as part of 10FOR25 targets
 10 Governance	PUMA Code of Ethics training with low participation rate; Ethics training participation rate: 60%	PUMA Code of Ethics training participation rate: 99% (staff with email accounts) 97.6% of suppliers (99% of core suppliers) trained in anti-corruption Anti-corruption section included in supplier audit tool	Ensure PUMA staff (with email account) training rate remains over 95% Keep supplier training rate over 95%	Maintain and run a state-of-the-art compliance system	Target achieved. Will be part of normal Governance routine at PUMA going forward.

BCI: Better Cotton Initiative, EP&L: Environmental Profit and Loss, FSC: Forest Stewardship Council, ILO: International Labor Organization, LWG: Leather Working Group, MRSL: Manufacturing Restricted Substance List, OHS: Occupational Health and Safety, PFCs: Polyfluorinated Chemicals, PU: Polyurethane, REC: Renewable Energy Attribute Certificates, RSL: Restricted Substance List, SBT: Science-Based Target, SLCP: Social and Labor Convergence Program, VOC: Volatile Organic Compound, ZDHC: Zero Discharge of Hazardous Chemicals.

The 10FOR20 targets are also directly linked to the 4 significant sustainability related risks identified in our due diligence process:

- A. Potential human rights violations or incidents in our supply chain (T1 and T2*)
- B. Potential incidents of environmental pollution in our supply chain (T1 or T2)
- C. Potential non-compliance to chemical regulations during production (T1 or T2)
- D. Negative effects of Climate Change

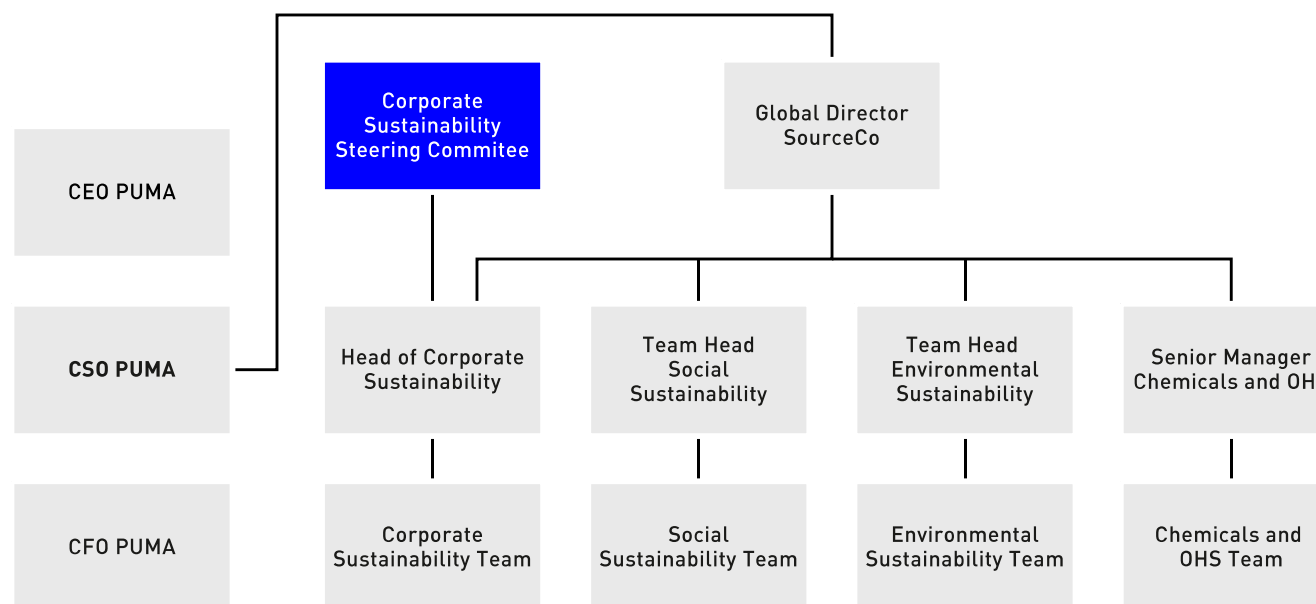
Further details on PUMAs overall risk management can be found in the risk management section on of this Annual Report.

* Manufacturers of PUMA products; T2 Manufacturers of Materials and Components

During 2019, the most material aspects for the new target period 2025 were further refined in an intensive stakeholder consultation process and are discussed in the chapter Summary and new Targets for 2025.

This 2019 Sustainability Section will still follow the 10FOR20 Methodology (figure 3), while from 2020 onwards we will use the updated 10FOR25 materiality analysis and targets.

➤ G.04 PUMA SUSTAINABILITY COMMITTEE 2019





SCOPE OF DATA COLLECTION

In this report we cover the PUMA Group. Our materiality analysis and EP&L clearly indicate that a major part of our impact originates in the manufacturing of materials and components and not in the assembly of finished goods. We therefore added our core suppliers of components and materials to the scope of our data collection.

DATA SOURCES

To ensure a high degree of transparency and to promote the sharing of environmental and social data with our industry peers, we have chosen to work with external and often public databases:

- The Fair Factories Clearinghouse to share compliance audit data with other brands.
- The wastewater platform of the Zero Discharge of Hazardous Chemicals (ZDHC) for sharing supplier data on wastewater testing.
- The Chinese NGO IPE for the publication of supplier environmental data.
- [IPE's Green Supply Chain Map](#), which enables the public to see the environmental performance of some of our core suppliers in China.

We also collect social and environmental performance data of our company's own sites and from our core suppliers manufacturing our products.

SOCIAL ASPECTS

HUMAN RIGHTS (10FOR20 TARGET NO 2)

Target Description:

Embed Human Rights across our operations and suppliers. Positively impact the communities where PUMA is present.

Relates to United Sustainable Development Goals 3,4,5,10



Examples from the 10FOR20 Action Plan:

- Identify Human Rights hotspots in the Supply Chain
- Mitigate the Risk of Forced/Bonded Labor
- Promote Community Engagement

KPIs:

- Number of Zero Tolerance Issues prevailing at year end (shared KPI with Social Compliance)
- Number of employee hours spent on community engagement (shared KPI with HR)

PUMA's sustainability policies are aligned with the UN Declaration of Human rights, the International Labor Organization's Core Labor conventions and the ten principles of the United Nations Global Compact.

The observance of human rights has been a part of our first Code of Conduct in 1993 and has guided our business ethics since then. In 2019 we established a Responsible Purchasing Policy and a respective training program to ensure our sourcing practices are aligned with our Code of Conduct.

In previous years, we conducted human rights risk assessments at Corporate and Supply Chain respectively and communicated the results in our 2016 and 2017 Annual Reports. The most critical risks to human rights are forced/bonded labor in our supply chain and, at the farm level, also the risk of child labor.

To mitigate the risk of forced and bonded labor we have advised our suppliers to eliminate any recruitment fees. Such fees were previously paid by migrant workers to labor contractors for bringing them to apparel factories in Mauritius and Malaysia. We also updated our Forever Better Handbook on Social Standards accordingly and, together with other brands, succeeded in eliminating recruitment fees from our suppliers in Mauritius. In Malaysia we had only one active supplier, with whom we no longer work, so that there are no recruitment fees at our Tier 1 suppliers. There are still some challenges in the second tier of our supply chain (fabric manufacturing in Taiwan), which we are currently working on. We hope to resolve this issue by the end of 2020.

To ensure human rights are observed in cotton farming, we have joined the Better Cotton Initiative in 2015. We have since scaled up our use of BCI Cotton from zero to 80% currently. At the end of 2020 we aim increase that figure to 90% and at the latest by 2025, our target is to purchase 100% of our cotton from certified, more sustainable sources (BCI and organic cotton, recycled cotton).

Additionally, we have identified community engagement as an important vehicle to create a positive impact locally, including on Social and Human Rights causes.

Therefore, we have a community engagement program in place at PUMA. In 2019, our PUMA colleagues around the globe spent 21,433 hours in community

engagement work. For more details on our community engagement program and HR programs please refer to the People@PUMA section of this report.

SOCIAL COMPLIANCE (10FOR20 TARGET NO 3)

Target Description:

Compliance with industry standards / ILO Core Conventions for all core suppliers, including suppliers of finished goods as well as component and material suppliers.

Relates to United Nations Sustainable Development Goals 3,5,8,10



Examples from the 10FOR20 Action Plan:

- Align Compliance Assessments at the Industry Level
- Measure and manage social KPIs (supply chain)
- Disclose full core supplier list and audit tool

KPIs:

- Number of Zero Tolerance Issues prevailing at year end
- Percentage of worker complaints resolved

Our social compliance program dates back to 1999 and was accredited by the Fair Labor Association in 2019 for the third time. In 2019, we continued our partnerships with the Fair Labor Association, the Better Work Program of the International Labor Organization and International Finance Corporation and the Social and Labor Convergence Program (SLCP), supporting the roll out of SLCP 2019 operations in China. A total of 43 PUMA China and Taiwan core T1 and T2 suppliers completed SLCP assessments.

Duplicate audits by numerous brands can create an administrative burden on a single vendor and be an inefficient use of resources. That is why we heightened our collaborative efforts in this area to increase the percentage of shared audits with other companies from 39% to 43% of PUMA suppliers. This is how we aim to reduce costs and resources and maximize the efficiency of how we monitor our collective supply chain as an industry.

In total, we conducted 475 audits in 418 factories with 94% of our Tier 1 vendors earning a passing grade. Six percent of T1 suppliers failed to meet our requirements. If this happened to an active PUMA supplier, we worked with these partners to improve the situation. 62% of those receiving a second audit received passing grades. Nine factories could not sufficiently improve their performance and were consequently removed from our active supplier factory base. Those that applied to be suppliers but failed their first audits were not admitted.

We employ a team of compliance experts spread across all major sourcing regions. They regularly visit and audit our core manufacturing partners. We also employ external compliance auditors and work with the Better Work Program of the International Labor Organization. Each PUMA supplier factory has to undergo a mandatory compliance audit on an annual basis and any issues identified need to be remedied as part of a corrective action plan.

[T.02](#) AUDIT RESULTS 2017-2019

Factory audits	2019			2018		2017	
	T1	T2	Warehouses	T1	T2	T1	T2
A (Pass)	107	10	0	82	15	87	13
B+ (Pass)	126	17	1	148	29	122	27
B- (Pass)	121	10	0	128	42	118	34
C (Fail)	19	2	1	17	7	18	3
D (Fail)	4	0	0	5	0	9	1
Total	377	39	2	380	93	354	78
			418		473		432
Pass/Fail %	94/6	95/5	50/50	94/6	91/9	92/8	95/5

Beyond auditing, we track social key performance indicators such as average payments vs. minimum wage payments, overtime hours or coverage by collective bargaining agreements.

Table 3 confirms that a majority of our core suppliers pay basic wages clearly above the minimum wage, on average 17.6%. Adding overtime and bonus payments, this figure increases to 73.1%, a slight reduction from previous years which can be attributed to increases in minimum wage figures. Social insurance coverage remains above 90% and the percentage of permanent workers is getting close to 70%.

**T.03 SOCIAL KPIS PUMA CORE SUPPLIERS 2017-2019**

2019	LATIN AMERICA	SOUTH ASIA			EAST AND SOUTH ASIA					EMEA	2019	2018	2017
KPI	Mexico	Bangladesh	India	Pakistan	China	Cambodia	Indonesia	Philippines	Vietnam	Turkey	Average	Average	Average
Gross wage paid above minimum wage excluding overtime and bonuses (%)	59.1	22.9	18.5	22.1	7.6	8.6	1.6	0.0	33.6	2.4	17.6	20.9	26.1
Grodd wage paid above minimum wage including overtime and bonuses (%)	158.3	70.5	28.7	31.0	170.2	66.8	39.7	35.1	108.1	22.4	73.1	83.7	86.7
Workers covered by social insurance (%)	86.0	100.0	97.7	99.0	64.3	100.0	100.0	95.5	93.9	100.0	93.6	95.3	95.7
Overtime work (hours per week)	2.5	10.2	0.0	0.2	18.9	7.8	7.0	10.3	8.7	5.2	7.1	6.1	6.8
Workers covered by a collective bargaining agreement (%)	0.0	0.0	0.0	0.0	94.4	28.2	33.3	0.0	98.4	0.0	25.4	26.7	21.5
Female workers (%)	49.8	42.7	47.3	8.9	64.0	84.3	88.8	69.0	80.4	59.0	59.4	56.0	59.3
Permanent workers (%)	14.6	100.0	100.0	100.0	25.5	30.9	97.9	68.5	53.3	100.0	69.1	68.0	63.6
Annual Turnover Rate (%)	61.0	33.4	6.6	20.8	63.0	43.3	17.2	64.8	40.0	32.2	38.2	36.8	40.3
Injury Rate(%)	0.2	0.3	0.0	0.0	0.5	0.5	0.2	2.7	0.3	0.3	0.5	0.6	0.4
No. Of suppliers											59	50	59

* Data received from 59 PUMA core suppliers representing 82% of 2019 production volume; reporting period for data collection: November 2018 – October 2019



We operate a PUMA worker compliance hotline. Phone numbers and email addresses of this hotline are visible on our Code of Conduct posters, which are displayed at every PUMA supplier globally. We also use social media such as WeChat to connect with workers and have established more formalized compliance and HR apps at selected core suppliers.

In total, 61 complaint issues across 7 countries were raised to PUMA's feedback system, 39% more than in the previous year. 100% were resolved by our team. In India we broke through the zero-complaints threshold, with one worker reaching out to PUMA about a compensation issue.

We also received 11 third-party complaints from external organizations related to PUMA manufacturing partners. The third-party complaints focused on freedom of association, fair compensation and discrimination. All 11 third-party complaints were resolved by year end.

➤ T.04 WORKER COMPLAINTS 2017 - 2019

Worker Complaints	2019	2018	2017
Total received	70	55	81
Total Confirmed	61	44	74
Resolved	61	44	70
Not Resolved	0	0	4
Resolution Rate (in %)	100	100	95

Any issues identified during our auditing and hotline activities are classified into zero tolerance issues (such as child labor or forced labor) critical issues and other issues.

As the name implies, zero tolerance issues lead to the immediate failure of an audit. In case of a new factory, this factory will not be allowed to produce PUMA

goods. For an existing factory, zero tolerance issues must be remedied immediately. This includes a root-cause analysis and preventive action must be taken to avoid the issue from reoccurring in the future. As a last resort, business relationships will be terminated if the factory is not cooperating. Other issues are also followed up by our compliance team.

During 2019 we identified 3 zero tolerance issues and were able to remedy all of them.

➤ T.05 ZERO TOLERANCE ISSUES (ZTIS) FOR THE LAST 3 YEARS

Country	2019	2018	2017	Grand Total
Cambodia		1		1
China	1	1		2
Indonesia	1	1	1	3
Vietnam	1	2	2	5
Grand Total	3	5	3	11



Moving from auditing to remediation and capacity building in our supply chain, we have set up capability-building initiatives to make suppliers more resilient and self-sufficient. To improve HR management skills and educate HR managerial team members, human resource management workshops were launched at 10 PUMA footwear suppliers in China.



➤ CAPACITY BUILDING ON FAIR WAGES



In 2018 and 2019, PUMA moved to an operational phase on wage issues. With the support of the Fair Wage Network, it carried out a series of fair wage assessments at its core suppliers in Bangladesh and Cambodia. Some of them were certified by the Fair Wage scheme, based on their performance across 12 fair wage dimensions. A number of its other suppliers operating in those two countries will implement a remediation phase to improve their pay practices. PUMA's aim for 2025 is to expand this assessment and remediation exercise to suppliers from other countries. This should lead to fairer and also more efficient pay practices.

DANIEL VAUGHAN-WHITEHEAD
Fair Wage Network
Co-Founder and Chair

ENVIRONMENT

The basis of our environmental efforts is to ensure that PUMA and its suppliers are in full environmental compliance and any impact on the environment is optimized.

We conducted 19 energy efficiency audits last year at our own entities, following up on a first audit cycle in 2015. These audits, which are compulsory in the European Union, help us identify energy saving opportunities at our offices, stores and warehouses, which we can then roll out on a global basis.

As far as our suppliers are concerned, our PUMA compliance audits (as described in the Social Compliance Section of this report) contain a dedicated section on environmental and chemical compliance. During each audit, we check, for example, environmental permits, waste management and effluent treatment plants.

In addition, we continued to ask all of our Core Suppliers to complete the Environmental Facilities Module of the Sustainable Apparel Coalition. 127 of those assessments were externally verified in 2019, which equates to an onsite environmental audit. This figure is complemented by audits which our suppliers undergo frequently to obtain environmental certifications such as from bluesign®, OEKO-TEX, GOTS, GRS or the Leather Working Group.

CLIMATE CHANGE (10FOR20 TARGET NO. 4)

Target Description:

Science based CO₂ reduction target to be developed (2016) and implemented (2020).

Relates to United Nations Sustainable Development Goal 13



Interim Target:

Relative reduction of Scope 1,2 and 3 CO₂ emissions by 3% per year

Examples for the 10FOR20 Action Plan:

- Work with Industry Peers on Climate Action
- Extend large scale climate change projects in supply chain

KPIs:

- Direct CO₂ emissions from own entities (Scope 1)
- Indirect CO₂ emissions from own entities (Scope 2)
- Indirect CO₂ emissions from manufacturing, business travel and transport of goods (Scope 3)

During the UN Climate Conference in Paris 2015, PUMA agreed to set a science-based CO₂ emissions target. After two attempts in 2017 and 2018, and the formation of the Fashion Industry Charter on Climate Action in 2018, we finally agreed our Science Based CO₂ Emissions Target with the Science Based Target Coalition in 2019 and published the target in June.

The year 2019 also saw the formation of 7 working groups as part of the Fashion Charter on Climate Action. PUMA is active in 5 of those working group and chairs the Steering Committee of the Charter. PUMA also co-chairs the Working Group on Sector Decarbonization.

<https://unfccc.int/climate-action/sectoral-engagement/global-climate-action-in-fashion/about-the-fashion-industry-charter-for-climate-action>

➤ ABOUT THE FASHION INDUSTRY CHARTER FOR CLIMATE ACTION



On a global stage, PUMA has played an instrumental role in creating the UN-convened Fashion Industry Charter for Climate Action and in mobilizing its suppliers, peers and partners in the industry and beyond to join this industry-wide collaboration platform on climate. As a founding signatory, PUMA continues to play a key role by chairing the Steering Committee of the Fashion Charter and is actively engaged in supporting working groups focused on decarbonization, manufacturing/energy and financial tools. We look forward to working with PUMA going forward as it aligns its climate targets with science (1.5 degree temperature goal) and together with other signatories of the charter continue to push for more ambitious, rapid, robust and credible processes to get there.

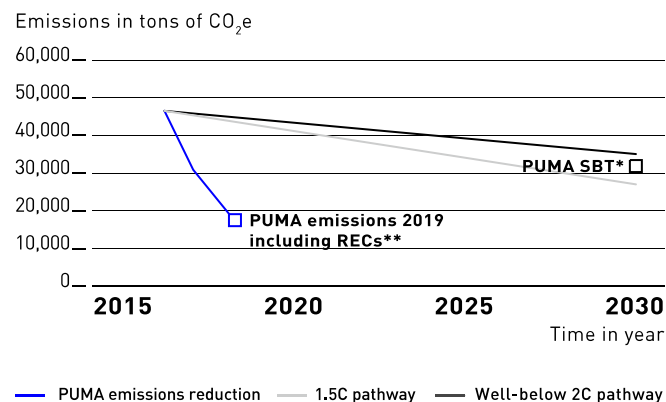
LINDITA XHAVERI-SALIHU

Sectors Engagement Lead UN Climate Change, Global Climate Action

We combined our SBT agreement with an increased effort to support the use of renewable electricity by purchasing Renewable Energy Attribute Certificates (RECs) for those countries where PUMA has a major presence and renewable electricity cannot be purchased directly. We purchased RECs worth 50% of PUMA's emissions from electricity for 2018 retrospectively and increased that figure to 75% in 2019.

In this way, we managed to lower our combined Scope 1 and 2 Emissions by 38% compared to 2018 and 63% compared to 2017. Taking these RECs into account, we hit our Science Based Emissions Target of 35% reduction for Scope 1 and 2 Emissions in 2019, one year ahead of schedule.

G.05 AGREED EMISSION TARGETS (SCOPE 1&2) (t CO₂e)



* Science based CO₂ reduction target

** Renewable Energy Attribute Certificates

In an attempt to balance our increasing Scope 3 emissions, we expanded the reach of our energy efficiency programs to China and Taiwan by joining the Clean by Design Program of the Apparel Impact Institute (<https://apparelimpact.org/>).

As part of our commitment to all, four of our fabric producers with wet-processing units have been entered into the Clean by Design program in a first phase (two more will be engaged in the first batch 2020), and we reserved the right to expand coverage further, should the program prove successful.

Another effort to reduce our Tier 1 carbon footprint further was made by joining WWF's Low Carbon Manufacturing Program. We recruited our largest garment factory to participate in the starter phase, identifying energy saving opportunities and providing online carbon accounting training.

Our program in Vietnam, which is run in partnership with IFC, has shown positive results, with 5500 tons of CO₂ saved from energy efficiency measures. Our vendors also committed to install 2 megawatt hours of solar panels to create electricity.



SOLAR INSTALLATION AT PUMA VENDOR IN VIETNAM

The reduction of our Scope 3 emissions at factory level is complemented by purchasing more sustainable – and therefore also less carbon-intensive – raw materials. For example, after hitting our 50% bluesign[®] certified polyester target in 2018 already, we set new, more ambitious targets. In 2019 we achieved use of over 90% bluesign[®] or OEKO-TEX certified polyester and by 2025, we aim for 75% recycled polyester usage.

**T.06 SCOPE 1 AND SCOPE 2 CO₂E EMISSIONS FROM PUMA**CO₂e-Emissions¹⁻⁸
(absolute figures)

	2019	2018	2017	2016	2015	% Change 2019/18	% Change 2019/2015
Scope 1 – Direkte CO₂e-Emissions Fossile Fuels (T)	6,326	6,918	7,678	6,854	7,296	-8.6	-13.3
Car Fleet	3,618	4,073	4,134	3,746	4,087	-11.2	-11.5
Heating	2,708	2,845	3,545	3,107	3,209	-4.8	-15.6
Scope 2 – Indirect CO₂e Emissions Electricity & Steam [T]	40,986	43,366	40,029	37,300	35,591	-5.5	15.2
Scope 2 – Indirect CO₂e Emissions Electricity & Steam [T] incl. RECs	11,533	22,128	40,029	37,300	35,591	-47.9	-67.6
Electricity (excl. RECs)	39,282	42,145	38,914	36,046	34,445	-6.8	14.0
Electricity (incl. RECs)	9,828	20,907	38,914	36,046	34,445	-53.0	-71.5
Steam	1,705	1,221	1,115	1,254	1,146	39.6	48.8
Subtotal Scope 1-2	47,312	50,284	47,707	44,153	42,887	-5.9	10.3
Subtotal Scope 1-2 incl. RECs	17,858	29,046	47,707	44,153	42,887	-38.5	-58.4
SCOPE 1-2 CO₂e EMISSIONS RELATIVE TO SALES (in tons CO₂e per € million sales per year)	8.6	10.8	11.5	12.2	12.7	-20.5	-32.1
SCOPE 1-2 CO₂e EMISSIONS RELATIVE TO SALES (in tons CO₂e per € million sales per year) (incl. RECs)	3.2	6.2	11.5	12.2	12.7	-48.1	-74.4

**T.07 PUMA'S SCOPE 3 CO₂E EMISSIONS FROM SELECTED SUPPLY CHAIN ACTIVITIES**

CO ₂ e-Emissions ¹⁻⁸ (absolute figures)	2019	2018	2017	2016	2015	% Change 2019/18	% Change 2019/2015
Scope 3 - Other indirect emissions [T]	272,540	222,315	208,525	196,896	192,305	22.6	41.7
Scope 3 - Other indirect emissions [T] incl. RECs	250,240	222,315	208,525	196,896	192,305	12.6	30.1
CO ₂ e Emissions from Business Travel Transportation [T]	18,727	15,582	14,394	12,167	10,191	20.2	83.8
CO ₂ e Emissions from B2B transport of goods [T]	98,386	74,182	64,076	48,484	57,085	32.6	72.3
CO ₂ e Emissions from B2C transport of goods [T]	9,358	5,961	6,994	16,223	6,321	57.0	48.0
CO ₂ e Emissions from Suppliers							
CO ₂ e Emissions from production in Tier 1 supply chain [T]	146,069	126,590	123,061	120,023	118,708	15.4	23.0
CO ₂ e Emissions from production in Tier 1 supply chain [T] incl. RECs	123,769	126,590	123,061	120,023	118,708	-2.2	4.3
SCOPE 3 CO₂e EMISSIONS RELATIVE TO SALES (in tons CO₂e per € million sales per year)	49.5	47.8	50.4	54.3	56.8	3.6	-12.7
SCOPE 3 CO₂e EMISSIONS RELATIVE TO SALES (in tons CO₂e per € million sales per year) (incl. RECs)	45.5	47.8	50.4	54.3	56.8	-4.9	-19.9
Total Scope 1-3 [T]	319,852	272,599	256,232	241,049	235,192	17.3	36.0
Total Scope 1-3 [T] incl. RECs	268,098	251,361	256,232	241,049	235,192	6.7	14.0
Annual Sales PUMA (in € million)	5,502	4,648	4,136	3,627	3,387	18.4	62.4
TOTAL CO₂e EMISSIONS RELATIVE TO SALES (in tons CO₂e per € million sales per year)	58.1	58.6	62.0	66.5	69.4	-0.9	-16.3
TOTAL CO₂e EMISSIONS RELATIVE TO SALES (in tons CO₂e per € million sales per year) (incl. RECs)	48.7	54.1	62.0	66.5	69.4	-9.9	-29.8

1. PUMA uses its own methodology for CO₂ accounting, with reference to the GHG protocol.

2. The consolidation scope follows the operational control approach, including PUMA-owned or operated offices, warehouses, stores and own industrial sites (Argentina).

3. Outsourced Tier 1 production is accounted in the scope 3 emissions, covering CO₂ emissions from all three divisions (Accessories, Apparel, and Footwear).

4. We apply the "min. 90% rule" for data collection from PUMA entities, covering at least 90% of PUMA's FTE employees worldwide. The residual will be extrapolated.

5. PUMA applies the location-based approach for scope 2, using emission factors by ADEME. In addition to the location-based approach, the market-based approach is used where renewable energy or energy certificates are purchased. Scope 3 emissions factors are based on additional company and industry-specific emission factors.

6. Data includes extrapolations or estimations where no real data can be provided.

7. Methodological changes over the last three years influence results.

8. Tier 1 supplier emissions focus on energy related emissions

CHEMICALS (10FOR20 TARGET NO. 5)

Target Description and Examples of the 10FOR20 Action Plan:

Zero Discharge of Hazardous Chemicals from our Supply Chain by 2020.

Relates to Sustainable United Nations Development Goals 3,6



KPIs:

- Number and pass rate of RSL tests
- Percentage of Products without PFC
- VOC Index for Shoes

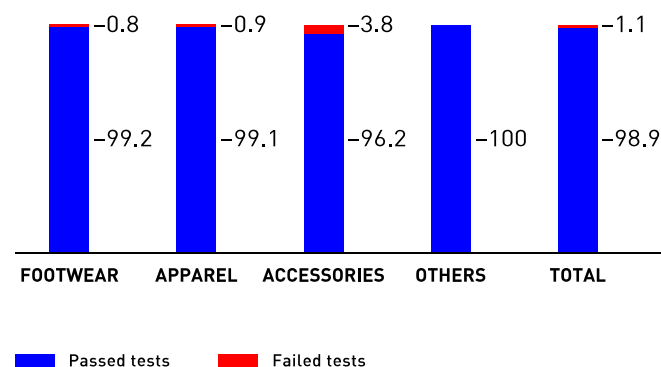
While the effects of potentially hazardous chemicals on human health have yet to be completely assessed, PUMA takes precautionary measures to prevent potential harm to human health and the environment from its products and operations.

All materials used in PUMA products are subject to our Restricted Substance List (RSL) testing program to ensure compliance with global chemicals regulations.

For testing purposes, we rely on the Product RSL developed by the AFIRM Group as well as the Manufacturing RSL developed by ZDHC rather than own PUMA testing standards.

Since 2015, we have increased the amount of RSL tests by 183 to 6605 while the failure rate decreased from 7.7% to 1.1%. When materials fail an RSL test, they cannot be used for PUMA products until the failure is corrected and they successfully pass the test. In this way we mitigated the risk of product level RLS failures, of which there were none in 2019.

➤ G.06 RSL FAILURE RATE 2019 BY DIVISION (%)



**T.08 RSL TEST STATISTICS 2015-2019**

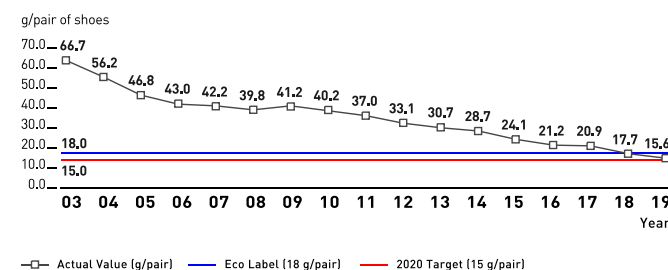
Product Division	2019		2018		2017		2016		2015	Variation 2018/2019 (%)			Variation 2015/2019 (%)	
	# of Test Reports	Compliance Rate (%)	# of Test Reports	Compliance Rate (%)	# of Test Reports	Compliance Rate (%)	# of Test Reports	Compliance Rate (%)	# of Test Reports	Compliance Rate (%)	# of Test Reports	Compliance Rate	# of Test Reports	Compliance Rate
Footwear	4668	99.2	3512	98.4	2707	97.9	1781	96	1150	92.1	32.9	0.8	305.9	7.1
Apparel	1239	99.1	988	98	925	99.1	500	98	480	93.1	25.4	1.1	158.1	6.0
Accessories	639	96.2	764	97.1	753	96	677	94	624	92.0	-16.4	-0.9	2.4	4.3
Others	59	100.0	54	100	44	95.5	78	94	82	93.9	9.3	0.0	-28.0	6.1
Total	6605	98.9	5318	98.1	4429	97.8	3028	96	2336	92.3	24.2	0.8	182.7	6.6

At manufacturing level, we phased out the intentional use of 11 priority chemical groups classified as particularly hazardous as part of our Greenpeace Detox commitment. This phase-out was supported by the increasing use of bluesign® and OEKO-TEX certified materials as well as substituting PFC-based water-repellent finishes. We also trained our supplier base, for example during supplier round table meetings. While most of those chemical groups were never intentionally used in the first place, poly-fluorinated chemicals (PFCs) were used until 2017 for water-repellent finishes on apparel and footwear products.

The phase-out of these substances is illustrated by the results of wastewater tests by our core wet-processing suppliers. These tests show compliance levels of over 94% for each of the Manufacturing Restricted Substance List (MRSL) parameters listed in the ZDHC MRSL. Most parameters show compliance rates of 100% or close to 100%, with the exception of harmful AZO Dyes (94.2% compliance) and PFCs (95% compliance). Those two parameters were already phased out by PUMA, but due to shared production with other brands and retailers at the same suppliers could still be found in a small number of samples.

With the help of our footwear suppliers, we also managed to further reduce the amount of solvents or volatile organic compounds (VOCs) per pair of shoes to 15.6

g/pair in line with our 2020 target projection. We achieved this reduction by frequent VOC reduction meetings with our footwear suppliers and chemical companies. In those meetings we shared best practices from leading suppliers and new technological developments.

G.07 VOC INDEX DEVELOPMENT OVER TIME

* 2019 figure based on core suppliers, in alignment with general reporting scope.



WATER&AIR (10FOR20 TARGET NO 6)

Target Description:

Industry good practice for effluent treatment is met by 90% of PUMA core suppliers with wet processing facilities. Industry good practice for air emissions is met by 90% of PUMA core suppliers with significant air emissions.

Relates to United Nations Sustainable Development Goal 6



Examples for the 10FOR20 Action Plan:

- Ensure regular wastewater testing at relevant suppliers
- Support the development and adoption of an industry wastewater standard
- Support the development of an industry air quality standard

KPIs:

- Percentage of Core Suppliers with wet processing covered
- Percentage of Core Suppliers meeting good practice standards for wastewater quality (good practice for air still not defined yet)

Since 2015, we increased the amount of wastewater testing from 33 suppliers to 70 suppliers and 125 test reports, thereby covering 90% of all core suppliers with industrial wet-processing facilities.

The test results imply that the phase-out of priority hazardous chemicals has been largely completed as planned. On the testing results of conventional wastewater parameters, which are only applicable to suppliers which directly discharge their

wastewater into natural water bodies, 16 out of 17 measured parameters show equally high compliance levels of 90% or above.

One parameter, namely coliform bacteria* (70%) remained below our 90% compliance threshold against the ZDHC wastewater quality guidelines. We will work with the 30% non-compliant suppliers on the installation of disinfection units to hit the coliform bacteria target as well.

To further improve the wastewater quality performance, we initiated wastewater treatment training, starting in Greater China. While waiting for more training being offered by the ZDHC, our plan is to provide training sessions in all of our major sourcing regions.

Our air emissions target aims for an industry good practice standard for air emissions. This standard is under development by the ZDHC and PUMA actively supports the standard development.

Therefore, we consider that we have not yet met both the water and air targets for 2020. We will move these targets forward to our next target period for 2025.

* Coliform bacteria are universally present in large numbers in the feces of [warm-blooded](#) animals (or humans). While coliforms themselves are not normally causes of serious illness, they are easy to [culture](#), and their presence is used to indicate that other [pathogenic](#) organisms of fecal origin may be present https://en.wikipedia.org/wiki/Coliform_bacteria

MATERIALS (10FOR20 TARGET NO 7)

Target Description:

Use sustainable material alternatives for PUMA's key materials: cotton, polyester, leather, polyurethane and cardboard.

Relates to United Nations Sustainable Development Goals 12,15



Examples for the 10FOR20 Action Plan:

- Increase bluesign® certified polyester usage to 50% by 2020 (updated target 90%)
- Increase Better Cotton Initiative fiber volume to 50% by 2020 (updated target 90%)
- Increase the usage of FSC certified and/or recycled paper and cardboard to 90% by 2020
- Keep the percentage of leather from LWG medal rated tanneries above 90%
- Explore the use of water-based polyurethane

KPIs:

- Percentage figures for each material

The PUMA Environmental Profit and Loss Account attributes more than 50% of PUMA's environmental impact to material and raw material production. Therefore we have placed a high priority on the large-scale use of more sustainable raw materials. As part of our 10FOR20 strategy, we set targets for more sustainable raw materials used in our apparel, such as cotton and polyester, but also for footwear leather, polyurethane and cardboard.

With the exception of polyurethane (PU), we had already achieved our targets by the end of 2018. We therefore increased our level of ambition for certified cotton and polyester from 50% to 90%, and added OEKO-TEX to the list of applicable certification standards for polyester. Our material sourcing teams instructed our material vendors to purchase more sustainable cotton and certified polyester where feasible. This effort was supported by increased demand from our business units for

more sustainable materials at product level. The results are 82% cotton from the Better Cotton Initiative and organic cotton, and 98% certified polyester in our apparel ranges and exclusive use of certified polyester in our accessories division.

Regarding more sustainable PU, we piloted water-based PU in 2018 and so far have sold approximately 300,000 pairs of sneakers using water-based PU. While we found some technical limitations in the use of water-based PU, the significant price increase compared to conventional PU has so far prevented us from further increasing the use of this material. We hope that together with our industry peers we can scale up the production volume of water-based PU and eliminate any technical issues as well as bring the price down to a competitive level.



PUMA X FIRST MILE COLLECTION USES SUSTAINABLE YARN MADE FROM RECYCLED PLASTIC TO POSITIVELY IMPACT COMMUNITIES WITHIN THE FIRST MILE NETWORK.

➤ PUMA X FIRST MILE COLLECTION USES SUSTAINABLE YARN MADE FROM RECYCLED PLASTIC.

**T.09 DEVELOPMENT OF MORE SUSTAINABLE MATERIAL USAGE SINCE 2015**

Division	Material Targets	% of Total 2015	% of Total 2016	% of Total 2017	% of Total 2018	% of Total 2019	Target 2020
						BCI+Organic: 82%	
						BCI cotton: 80%	
	Cotton from BCI	3% [organic]	19%	40%	50%	Organic cotton: 2%	50% [90%]
						bluesign+Oeko-Tex+Recycled: 98%	
						bluesign: 55%	
						Oeko-Tex: 42%	
Apparel	bluesign [®] certified Polyester	15%	24%	47%	66%	Recycled: 1%	50% [90%]
						bluesign+Oeko-Tex: 100%	
						bluesign: 54%	
Accessories	bluesign [®] certified Polyester	20%	21%	34%	46%	Oeko-Tex: 46%	50% [90%]
Footwear	FSC [®] certified and/or recycled Paper&Cardboard	85%	78%	95%	92%	Product Packaging 100%	90%
Footwear	LWG Medal Rated Leather	99%	94%	99%	99%	98%	90%

Apart from our original targets on BCI Cotton and certified polyester, we also started using recycled polyester and organic cotton for some of our sustainability focused collections.

EP&L IMPACT (10FOR20 TARGET NO 8)**Target Description:**

Continue to report on the EP&L every year

Relates to United Nations Sustainable Development Goals 7,12

**Examples for the 10FOR20 Action Plan:**

- Regularly publish updated PUMA EP&L data
- Introduce industry aligned product sustainability tools for design and development

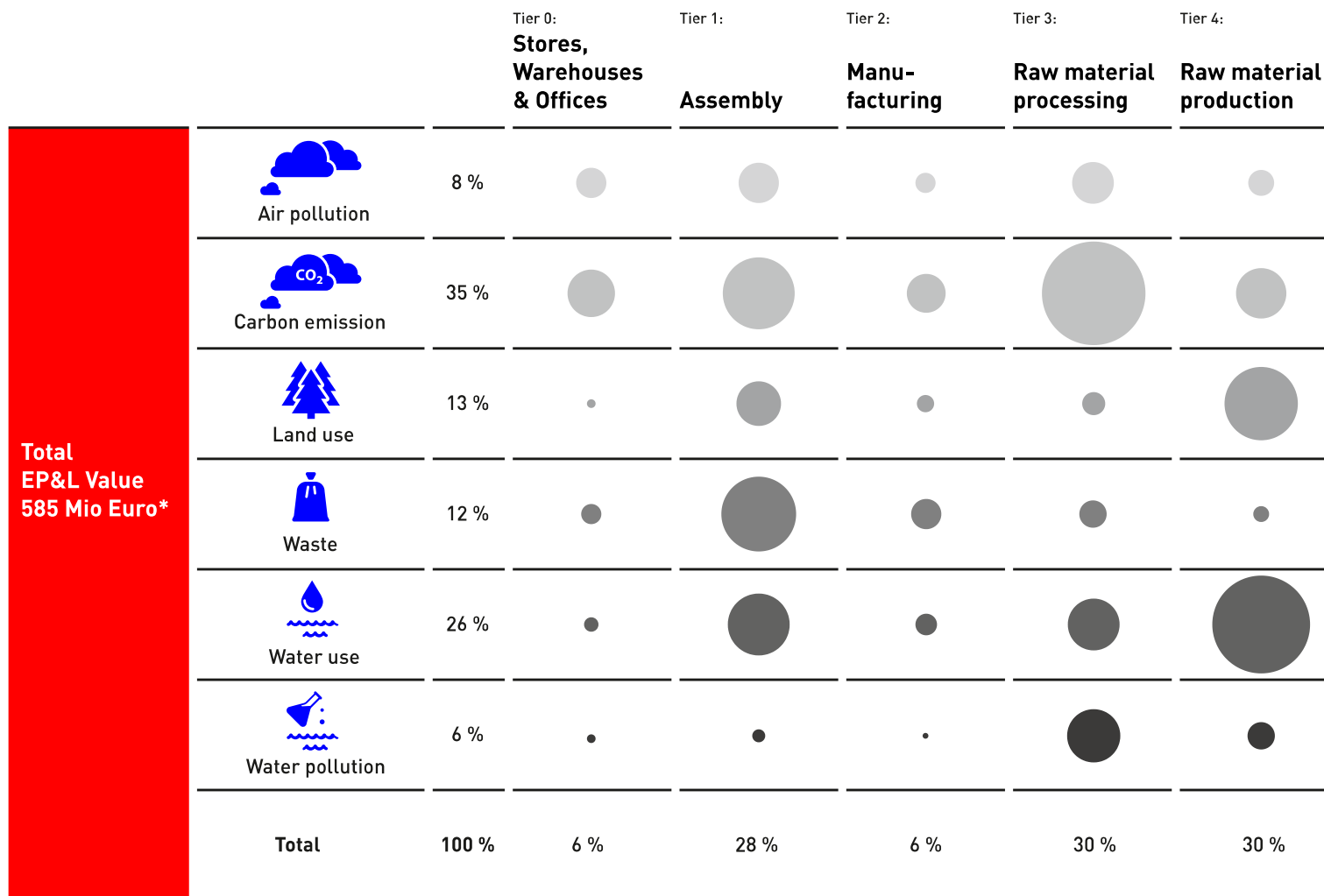
KPI:

- Annual EP&L Values PUMA

Following PUMA's spin-off from Kering, we re-integrated the calculation of the PUMA EP&L into our own sustainability efforts. The year 2019 was a transition year to migrate the EP&L systems into our own IT landscape. At the end of the year, we were able to calculate our 2018 EP&L results: (<https://about.puma.com/en/sustainability/environment>)



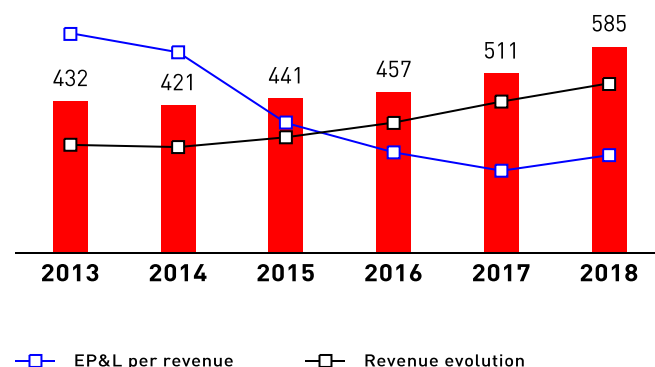
➔ G.08 PUMA EP&L 2018



* without value-channel footwear

Based on our 10FOR20 targets, we are reporting on PUMA's progress towards gradually lowering the EP&L value relative to our financial revenue. While there was an increase in EP&L Value from 2017 to 2018, mainly caused by a more detailed material analysis, the overall trend between 2013 and 2018 remains positive with a decrease of EP&L value per revenue of 13.6%.

➤ G.09 PUMA EP&L TREND 2013 TO 2018 (in € million)



* without value-channel footwear

For an overview of the environmental KPIs of PUMA entities and its Core Tier 1 suppliers, please see table 10. Together with data on our material consumption and manufacturing locations (tables 11 and 12 below), these figures form the basis of the PUMA EP&L.

**T.10 E-KPIS PUMA AND SUPPLY CHAIN¹⁻⁶**

	2019	2018	2017	2016	2015	% Change 2019/18	% Change 2019/2015
Energy							
Excl. RECs:							
Electricity consumption (MWh)	61,499	66,512	64,119	63,339	59,888	-7.5	2.7
Electricity consumption from renewable tariff (MWh)	11,547	11,695	11,611	12,049	11,360	-1.3	1.7
Percentage renewable electricity consumption	16%	15%	18%	19%	19%		
Incl. RECs:							
Electricity consumption (MWh)	61,499	66,512	64,119	63,339	59,888	-7.5	2.7
Electricity consumption from renewable tariff (MWh)	48,816	36,746	11,611	12,049	11,360	32.8	329.7
Percentage renewable electricity consumption	79%	55%	18%	19%	19%		
Energy from non-renewable fuels (oil, natural gas, etc.) (MWh)	10,975	11,724	14,430	12,593	14,314	-6.4	-23.3
Energy from steam (MWh)	7,915	5,734	5,155	5,775	5,029	38.0	57.4
Total Energy Consumption	80,389	83,970	83,704	81,707	79,231	-4.3	1.5
Energy consumption from PUMA production (MWh)*	246,160	195,866	194,881	180,041	149,709	25.7	64.4

* Includes suppliers of tier 1

- Figures include PUMA owned or operated offices.
- Includes paper consumption for offices usage in offices, warehouses and stores, card board and paper bags consumption.
- Data includes extrapolations or estimations where no real data could be provided.
- Excludes on-site generated and consumed energy as well as energy produced on site and sold to the grid.
- Includes own production sites in Argentina. All other production is outsourced to independent supplier factories, some warehouse operations are outsourced to independent logistic providers, franchised stores are excluded.
- Store data is derived from exemplary stores in each country and extrapolated to cover all stores; methodological changes over the last 3 years do influence results.



	2019	2018	2017	2016	2015	% Change 2019/18	% Change 2019/2015
Waste, paper and water							
Waste (tons)	3,154	4,877	5,293	5,302	5,007	-35.3	-37.0
Recycled waste (tons)	1,111	2,282	3,419	3,275	2,949	-51.3	-62.3
Percentage recycled waste	35%	47%	65%	62%	59%		
Waste from PUMA produktion [T]*	24,205	16,682	14,686	12,257	11,433	45.1	111.7
Paper and cardboard consumption [T]**	2,281	2,292	2,756	3,337	3,465	-17.2	-34.2
Certified or recycled paper and cardboard consumption [T]	1,818	1,120	2,025	2,512	2,498	62.3	-27.2
Percentage certified or recycled paper consumption	80%	49%	74%	75%	72%		
Paper and cardboard consumption from PUMA production [T]*	14,863	13,607	14,129	15,269	13,357	9.2	11.3
Water (m ³)	95,291	89,676	106,397	107,025	104,221	6.3	-8.6
Water from PUMA production (thous. m ³)*	2,572	2,030	2,149	2,145	1,774	26.7	45.0

* Includes suppliers of tier 1

** Including paper bags, direct and indirect paper and cardboard consumption

- Figures include PUMA owned or operated offices
- Includes paper consumption for offices usage in offices, warehouses and stores, card board and paper bags consumption.
- Data includes extrapolations or estimations where no real data could be provided.
- Excludes on-site generated and consumed energy as well as energy produced on site and sold to the grid.
- Includes own production sites in Argentina. All other production is outsourced to independent supplier factories, some warehouse operations are outsourced to independent logistic providers, franchised stores are excluded.
- Store data is derived from exemplary stores in each country and extrapolated to cover all stores; methodological changes over the last 3 years do influence results.

We have worked with our core suppliers for almost 10 years on energy efficiency as well as reducing water consumption and waste, for example as part of the Vietnam Improvement Program (VIP) or the Partnership for Cleaner Textiles (PaCT) run by the IFC.

The results of these efforts are visible in a positive overall trend of energy and water consumption per pair or piece of product since 2015, although we see a slight increase in average footwear figures due to changes in our supplier base. New fac-

tories had been setup but were not running as efficiently as existing production lines, which caused this slight increase. Going forward, we will work with our suppliers on increasing the efficiency of the new production lines and set new targets to reduce the amount of waste.

**T.11 2019 FOOTWEAR E-KPI RESULTS**

Summary of Supplier e-KPIs	Weighted					Change		Range 2019		
Value	Value 2015	Value 2016	Value 2017	Value 2018	Value 2019	2019-2018	2019-2015	Min	Max	Number of Suppliers
Energy/pair (kWh)	1.5	1.6	1.4	1.2	1.3	4%	-15%	0.40	2.08	24
CO ₂ /pair (Scope 1, 2 and 3) (kg)	1.4	1.1	1.0	0.9	1.0	3%	-29%	0.25	1.69	24
Water/pair (l)	18.3	18.4	14.5	14.5	15.2	5%	-17%	1.03	61.51	24
Waste/pair (g)	113.6	105.2	115.9	109	127	17%	12%	8.51	230.89	24

T.12 2019 APPAREL E-KPI-ENABLON RESULTS

Summary of Supplier e-KPIs	Weighted					Change		Range 2019		
Value	Value 2015	Value 2016	Value 2017	Value 2018	Value 2019	2019-2018	2019-2015	Min	Max	Number of Suppliers
Energy/pair (kWh)	1.5	0.6	0.7	0.6	0.6	0%	-62%	0.13	4.24	23
CO ₂ /pair (kg)	1.4	0.4	0.3	0.3	0.2	-6%	-83%	0.07	2.40	23
Water/pair (l)	18.3	6.8	7.6	4.2	4.4	5%	-76%	0.8	59	23
Waste/pair (g)	113.6	50.6	44.0	46.5	56.3	21%	-50%	2	186	23

Since 2017, we also measure average environmental key performance indicators (E-KPIs) from the manufacturing of fabric as well as artificial and genuine leather. As we have included our main material suppliers into our energy and water efficiency programs and other brands have also expanded their resource efficiency pro-

grams at our shared material suppliers, we can see a positive performance trend. The notable improvements in reducing CO₂ emissions can partially be attributed to changing boilers from coal or oil to less polluting fuel sources such as rice husk or natural gas.

**T.13 2019 EKPIS LEATHER PRODUCTION**

Summary of Supplier e-KPIs	Weighted/m ²			Change		Range 2019		Number of Suppliers
Value	Value 2017	Value 2018	Value 2019	2019-2018	2019-2017	Min	Max	
Energy/m ² (kWh)	9.1	8.7	8.2	-5%	-10%	2.3	10.1	6
CO ₂ /m ² (kg)	3.4	3.2	3.2	2%	-5%	1.0	4.7	6
Water/m ² (l)	91.8	90.2	74.7	-17%	-19%	5	117	6
Waste/m ² (kg)	1.6	0.8	0.8	-8%	-50%	0.0	2	6

T.14 2019 EKPIS TEXTILES PRODUCTION

Summary of Supplier e-KPIs	Weighted			Change		Range 2019		Number of Suppliers
Value	Value 2017	Value 2018	Value 2019	2019-2018	2019-2017	Max	Min	
Energy/t (kWh)	13,679.11	13,386.80	12,636.3	-6%	-8%	35,208.4	2,707.4	17
CO ₂ /t (t)	4.45	4.45	4.4	-2%	-2%	14.6	1.2	17
Water/t (m ³)	119.30	122.78	105.5	-14%	-12%	229.0	-	17
Waste/t (kg)	299.59	70.63	62.08	-12%	-79%	532.4	-	17

HEALTH AND SAFETY (10FOR20 TARGET NO 9)

Target Description:

Zero fatal accidents at PUMA and within suppliers; average injury rate for suppliers below 2 (interim target 2017) and PUMA below 1.5

Relates to the United Nations Sustainable Development Goal 3



Examples for the 10FOR20 Action Plan:

- Expand building safety projects to Indonesia
- Ensure professional risk assessments are conducted regularly

KPIs:

- Number of Fatal Accidents at Tier 1 and Core Tier 2 Factories
- Average Injury Rate at PUMA (reported in People at PUMA section)
- Average Injury Rate of Core Tier 1 Suppliers

Ensuring safe working conditions for our own employees and hundreds of thousands of indirect employees at our manufacturing partners is an ethical imperative but it also makes good business sense. In 2015, we set a target of zero fatal accidents and also aimed to reduce the number of work-related accidents.

Apart from our ongoing auditing program, which includes occupational health and safety assessments, we implemented our Building Safety Program in countries where we identified a risk. We have also set up professional risk assessments at all our major manufacturing partners.

From 2015 till the end of 2019 our building safety assessment program covered the following countries:

T.15

Country	No Factories	Comments
Bangladesh	11	Part of our ongoing membership of the Bangladesh Accord
India	5	In partnership with AsiaInspection
Indonesia	4	In partnership with AsiaInspection
Pakistan	6	In partnership with Elevate

In that context we are happy to report that none of our suppliers have been involved in any structural building safety incident or factory fire since 2015.

We continue to check the availability of health and safety risk assessments and function health and safety committees at our suppliers through our audit program.



We are happy to report that our efforts have resulted in zero fatal accidents for the years 2018 and 2019, as well as slightly reduced accident rates at our core suppliers.

T.16

Country	Injury Rate 2017	Injury Rate 2018	Injury Rate 2019
Bangladesh	0.7	0.3	0.3
Cambodia	1.2	3.2	0.5
China	0.5	0.5	0.5
Indonesia	0.4	0.3	0.2
Vietnam	0.4	0.3	0.3
Average	0.6	0.6	0.5
Fatal Accidents	1	0	0

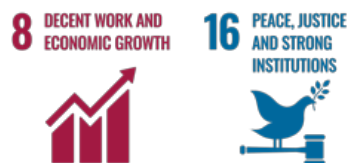
As we believe that every accident is one too many, we aim to further reduce accident rates as part of our 2025 sustainability strategy and targets.

GOVERNANCE (10FOR20 TARGET NO 10)

Target Description:

Maintain and run a state-of-the-art Compliance Management System (including Anti-Corruption measures).

Relates to United Nations Sustainable Development Goals 8,16



Examples for the 10FOR20 Action Plan:

- Increase participation rate in Code of Ethics training
- Introduce a PUMA Anti-Corruption Policy

KPIs:

- Percentage of PUMA employees trained on anti-corruption
- Percentage of PUMA Core suppliers trained in anti-corruption

sanction violations in the areas of corruption, money laundering, conflicts of interest, antitrust law, fraud and embezzlement.

PUMA's Chief Compliance Officer is based at the headquarter in Herzogenaurach and reports to the CEO of PUMA SE. A network of Local Compliance Officers in operating subsidiaries across the world supports the Chief Compliance Officer. They ensure that Compliance measures are rolled out globally and are in line with local laws and customs. Local Compliance Officers also act as a first point of contact for employees and help with the investigation of incidents. PUMA promotes a "speak-up culture" where employees are encouraged to raise any compliance issues with their manager, Local Compliance Officer or People & Organization Partner. To give employees as many channels as possible to report incidents there is also a web-based whistleblowing platform. The platform allows employees to report from anywhere, at any time, using their own language and anonymously, if they choose. All incidents are investigated immediately and thoroughly, and the required disciplinary steps or improvement measures are taken. There is regular and ad-hoc incident reporting to the top management. In 2019, the Compliance team received 33 reports about alleged violations. Three of these concerned alleged bribery/kickbacks. One case was closed after the investigation did not confirm the allegation. In the other two cases the investigation is still ongoing.

COMPLIANCE MANAGEMENT SYSTEM AT PUMA

PUMA is a global sports company, aiming for sustainable growth and innovation. PUMA recognizes the legal and reputational risks inherent in running a global business in a fast-paced environment where laws and customs differ from country to country. As outlined in the Corporate Governance Report, PUMA has set up a Compliance Management System (CMS) to systematically prevent, detect and



The PUMA Code of Ethics sets out the principles governing our actions and values. It contains - among others - rules on the handling of conflicts of interest, personal data, and insider information, and prohibits anti-competitive behavior as well as corruption in any form. The Code of Ethics is an integral part of every employment contract. In order to further reduce the risk of misconduct, the PUMA Code of Ethics is complemented by comprehensive policies governing selected risk areas such as anti-corruption, violation of competition law and anti-money laundering in detail. The Code of Ethics as well as the PUMA compliance policies apply to all subsidiaries.

ANTI-CORRUPTION MEASURES

Prevention of bribery is one of the key aspects of the Compliance Management System. At PUMA, we have a zero-tolerance approach regarding bribery and corruption in any form, and this is clearly communicated by top level management.

Employees are first introduced to the rules of the Code of Ethics and the PUMA-Group compliance policies when they start working for PUMA; reminders are sent out to them on a regular basis. The Code of Ethics and the rest of the compliance policies are available for everyone on the Compliance site on the Intranet. Every year PUMA rolls out a group-wide mandatory e-learning on the PUMA Code of Ethics. To make sure that employees are familiar with all topics described in the Code of Ethics, the e-learning covers different topics every year. The

2019 e-learning course included the topics (i) prevention of bribery, (ii) inappropriate behavior in the workplace and (iii) safeguarding data. Sponsor of the campaign was the Management Board of PUMA SE, above all the CEO Bjørn Gulden, who promoted the e-learning course to all PUMA employees¹. 99% of the employees of the PUMA Group with a PUMA email account (PUMA SE appr. 97%) have completed the e-learning¹ course. In addition, groups of employees selected on the basis of risk exposure, are being provided with more in-depth knowledge in regular face-to-face trainings. Last year the focus areas of these trainings were anti-corruption and competition law.

To implement our Anti-Corruption measures also at our PUMA suppliers, the PUMA Vendor Code of Conduct contains a paragraph on Ethical Business Practices and the PUMA supplier compliance audit tool includes several questions on Anti-Corruption. Each year, we train our suppliers on Anti-Corruption measures during our Supplier Round Table Meetings. In the year 2019 we increased the training coverage among our Core Suppliers from 93% (in 2018) to 99%.

Highlights: 99% of all PUMA staff globally with email account completed our Code of Ethics Training and 99% of our Core Suppliers were trained in Anti-Corruption.

¹ Excluding employees on long-term leave, store staff, warehouse and factory employees.



SUMMARY AND NEW TARGETS FOR 2025

TARGET SUMMARY 2020

At the beginning of the new decade in 2020 we can summarize our 10FOR20 Target achievement as follows:

Out of the 10 target areas set in 2015, we have achieved our desired progress in 9 areas.

Particularly in the area of more sustainable materials the progress has been faster than anticipated and we clearly exceeded the targets for the materials we use the most - cotton and polyester - with 82% and 98% target sourcing respectively.

We also see good progress in the area of Social Compliance and Chemicals Management, where we constantly met our yearly targets during the target period and achieved significant progress, for example with the elimination of recruitment fees for migrant workers at our contract factories and the phase-out of PFCs.

In the area of Health and Safety, we struggled to meet our Zero Fatal Accidents target in the first few years but hit the target from 2018 onwards.

Our Climate Action program received a boost in 2018 with the creation of the Fashion Charter on Climate Action Initiative under the umbrella of UN Climate. We used the positive momentum to finalize and publish our science-based CO₂ emission reduction target in 2019 and at the same time invested at a large scale into renewable energy – thus reducing our own emissions significantly.

The only target area where progress is falling significantly behind our expectations is the target area of Water & Air.

When we set our targets for Water & Air in 2015, we did not anticipate that it would take our industry more than four years to develop a standard for air emis-

sions and we also were more optimistic about achieving the standards set in the ZDHC Wastewater Quality Guideline.

Therefore, we have decided to move those targets to our new target period for 2025. However, we aim to complete these targets much earlier.

NEW TARGETS 2025

Following a formal materiality analysis process in 2018 and extensive internal and external stakeholder dialogue in 2019, our Board of Management has signed off on our new 2025 target areas.

We decided to replace the activities which contribute to performance improvements more indirectly, such as Stakeholder Dialogue and the calculation of the EP&L, with new target areas which make a direct impact, such as Plastics and the Oceans and Biodiversity. Both topics are also part of the Fashion Pact initiated by the French Government in 2019 and signed by PUMA.

In addition, we decided to merge the target areas for Social Compliance and Human Rights because of the wide overlap between them, while giving the topic of Fair Income, which has been pointed out as very important by many stakeholders, more prominence by creating a separate target area.

Finally, we upgraded our existing Materials target area into a Products target area and added Circularity as a new target area, due to the growing interest and importance of the topic.

Corporate Governance will no longer be reported under the umbrella of our sustainability program but instead as a separate and very important objective within the company.

➔ **G.10 PUMA SUSTAINABILITY TARGETS 2025**



*SDG: United Nations Sustainable Development Goals

**T.17**

Target Area	Target 1	Target 2	Target 3
Human Rights (1)	Train 100,000 direct and indirect staff on women empowerment	Mapping of sub-contractors and T2 suppliers for human rights risks	25,000 hours of community engagement globally per year
Health & Safety (2)	Zero Fatal Accidents (PUMA and Suppliers)	Reduce accident rate to 0.5 (PUMA and suppliers)	Building safety operational in all high-risk countries
Chemicals (3)	Ensure 100% of PUMA products are safe to use	Reduce Restricted Substances Failures to under 1%	Reduce organic solvent usage to under 10gr/pair
Water & Air (4)	90% compliance with Wastewater Quality Guideline of ZDHC	90% with Air Quality Guideline of ZDHC	15% of water reduction per pair or piece of product
Climate (5)	Align target with 1.5 degrees	100% Renewable Energy for PUMA entities	25% Renewable Energy for core suppliers
Plastic & Oceans (6)	Eliminate Plastic Bags from PUMA stores globally	Support scientific research on microfibers	Research biodegradable plastic options for products
Circularity (7)	Take Back Scheme for all major markets	Reduce production waste to landfill by at least 50%	Develop recycled material options for cotton, leather and rubber
Products (8)	100% of cotton, polyester, leather and down from certified sources	Increase recycled polyester use to 75% (apparel)	90% of all footwear contains at least one recycled component
Fair Income (9)	Fair Wage Assessments for top 5 sourcing countries	Effective and freely elected worker representatives at all core suppliers	Ensure bank transfer payments to workers at all core suppliers
Biodiversity (10)	Support setting up an Science Based Target (SBT) on Biodiversity	100% of cotton, leather and viscose from certified sources	Zero use of exotic skins or hides

Over the next 5 years we will work hard to realize those new targets. Similar to the target period from 2015 to 2020 we will not shy away from increasing our level of ambition in case we hit individual targets earlier than expected.

With growing concerns about climate change, the loss of biodiversity and plastic pollution, our world is facing an environmental crisis. At PUMA we are ready to act and contribute to solutions to solve this crisis!

GRI-INDEX

Index to Separate Combined Non-Financial Report and GRI content

This report constitutes a separate combined non-financial report in accordance with sections 289b to 289e and 315b, 315c in conjunction with 289c to 289e of the German Commercial Code (HGB). This consolidated non-financial report consists of the sections and disclosures referenced in the following overview in column "CSR Directive Implementation Act: Index to Non-financial Statement" as well as the chapter "Sustainability" and the section "Culture" in the chapter "Our People".

The reporting period covered is January 1st, 2019 to December 31st, 2019. No re-statements of information have been made in this report. We have provided separate reports for PUMA SE and the PUMA Group within the "Governance and People at PUMA" section only. Separate reporting of other sustainability data would not add any meaningful new information or value and would require significant additional resources, so we have omitted it here. Information about

PUMA's business model is set out in the Financial section of this Annual Report on page 113. This combined sustainability report has undergone a voluntary "limited assurance" with focus on accordance with German CSR Implementation Act (CSR-RUG) by Deloitte.

Since 2003 PUMA's sustainability reports are based on the guidelines of the Global Reporting Initiative (GRI), which developed detailed and widely recognized standards on sustainability reporting. This report has been prepared in accordance with the GRI Standards: Core option. This option enables us to report on the impacts related to our economic, environmental, social, and governance performance. It includes topics that are material to PUMA's business and our key stakeholders, and that constitute our sustainability targets. These targets have been systematically developed in accordance with the feedback from PUMA's stakeholders.



GENERAL DISCLOSURES

ORGANIZATIONAL PROFILE

		Description	CSR Directive Implementation*	Page
102-1	Name of the organization		x	113
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	x	113
102-3	Location of headquarters		x	113
102-4	Location of operations		x	119
102-5	Ownership and legal form		x	163,197
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	x	130-131
102-7	Scale of the organization		x	120-132
102-8	Information on employees and other workers	The reporting organization shall report the following information: a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	x	41-42, 120
102-9	Supply chain		x	118-119

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			Description	CSR Directive Implementation*	Page
102-10	Significant changes to the organization and its supply chain	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.		x	127-131
102-11	Precautionary principle or approach			x	73
102-12	External initiatives			x	52-53
102-13	Membership of associations			x	52-53

STRATEGY

			Description	CSR Directive Implementation*	Page
102-14	Statement from senior decision-maker			x	5-7
102-15	Key impacts, risks, and opportunities			x	60, 172-178

ETHICS AND INTEGRITY

			Description	CSR Directive Implementation*	Page
102-16	Values, principles, standards, and norms of behavior			x	62, 163-171

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GOVERNANCE

		Description	CSR Directive Implementation*	Page
102-18	Governance structure	The reporting organization shall report the following information: a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	x	163-171
102-21	Consulting stakeholders on economic, environmental, and social topics		x	51-53

STAKEHOLDER ENGAGEMENT

		Description	CSR Directive Implementation*	Page
102-40	List of stakeholder groups		x	51-53
102-41	Collective bargaining agreements		x	41, 65
102-42	Identifying and selecting stakeholders		x	51-53
102-43	Approach to stakeholder engagement		x	51-53
102-44	Wichtige Themen und hervorgebrachte Anliegen	The reporting organization shall report the following information: a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	x	51-53

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REPORTING PRACTICE

		Description	CSR Directive Implementation*	Page
102-45	Entities included in the consolidated financial statements	The reporting organization shall report the following information: a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	x	198-202
102-46	Defining report content and topic Boundaries	The reporting organization shall report the following information: a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	x	54, 61, 63
102-47	List of material topics		x	54
102-48	Restatements of information		x	91
102-49	Changes in reporting		x	91
102-50	Reporting period		x	91
102-51	Date of most recent report		x	91
102-52	Reporting cycle		x	91
102-53	Contact point for questions regarding the report		x	284
102-54	Claims of reporting in accordance with the GRI Standards	The reporting organization shall report the following information: a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	x	91
102-55	GRI content index	The reporting organization shall report the following information: a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	x	91-106

*CSR Directive Implementation Act: Index to Non-financial Statement



		CSR Directive		
		Description	Implementation*	Page
102-56	External assurance	The reporting organization shall report the following information: a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	x	107-108

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SPECIFIC STANDARD DISCLOSURES

ENVIRONMENTAL TOPICS

GRI 103: MANAGEMENT APPROACH 2016

Materials

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	75-76
103-2	The management approach and its components		x	75-76
103-3	Evaluation of the management approach		x	75-76

GRI 301: MATERIALS 2016

		Description	CSR Directive Implementation*	Page
301-1	Materials used by weight or volumeMaterials used by weight or volume	Part Omitted: Materials used by weight or volume Reason: Confidentiality constraints Explanation: The total materials` weights are obtained to calculate the target progress. For confidentiality reasons only the percentages reached are disclosed.	x	77

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**GRI 103: MANAGEMENT APPROACH 2016****Energy**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	68-70
103-2	The management approach and its components		x	68-70
103-3	Evaluation of the management approach		x	68-70

GRI 302: ENERGY 2016

		Description	CSR Directive Implementation*	Page
302-3	Energy intensity	The reporting organization shall report the following information: a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	x	80, 82-83

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**GRI 103: MANAGEMENT APPROACH 2016****Emissions**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	68-70
103-2	The management approach and its components		x	68-70
103-3	Evaluation of the management approach		x	68-70

GRI 305: EMISSIONS 2016

		Description	CSR Directive Implementation*	Page
305-1	Direct (Scope 1) GHG emissions		x	71
305-2	Energy indirect (Scope 2) GHG emissions		x	71
305-3	Other indirect (Scope 3) GHG emissions		x	72
305-4	GHG emissions intensity		x	71-72
305-5	Reduction of GHG emissions		x	71-72

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SOCIAL TOPICS

GRI 103: MANAGEMENT APPROACH 2016

Supplier Social Assessment

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	63
103-2	The management approach and its components		x	63
103-3	Evaluation of the management approach		x	63

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

		Description	CSR Directive Implementation*	Page
414-1	New suppliers that were screened using social criteria	The reporting organization shall report the following information: a. Percentage of new suppliers that were screened using social criteria.	x	63
414-2	Negative social impacts in the supply chain and actions taken	The reporting organization shall report the following information: a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	x	63-66

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**GRI 103: MANAGEMENT APPROACH 2016****Freedom of Association and Collective Bargaining**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	63-64
103-2	The management approach and its components		x	63-64
103-3	Evaluation of the management approach		x	63-64

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016

		Description	CSR Directive Implementation*	Page
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>The reporting organization shall report the following information:</p> <p>a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>	x	65-66

GRI 103: MANAGEMENT APPROACH 2016**Forced or Compulsory Labor**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	62
103-2	The management approach and its components		x	62

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		Description	CSR Directive Implementation*	Page
103-3	Evaluation of the management approach		x	62

GRI 409: FORCED OR COMPULSORY LABOR 2016

		Description	CSR Directive Implementation*	Page
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>The reporting organization shall report the following information:</p> <p>a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>	x	62

GRI 103: MANAGEMENT APPROACH 2016

Human Rights Assessment

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	63
103-2	The management approach and its components		x	63
103-3	Evaluation of the management approach		x	63

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**GRI 412: HUMAN RIGHTS ASSESSMENT 2016**

		Description	CSR Directive Implementation*	Page
412-1	Operations that have been subject to human rights reviews or impact assessments	The reporting organization shall report the following information: a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	x	64

GRI 103: MANAGEMENT APPROACH 2016**Occupational Health and Safety**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	40, 42
103-2	The management approach and its components		x	40, 42
103-3	Evaluation of the management approach		x	40, 42

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016

		Description	CSR Directive Implementation*	Page
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		x	42

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**GRI 103: MANAGEMENT APPROACH 2016****Diversity and Equal Opportunity**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	39-40, 170-171
103-2	The management approach and its components		x	39-40, 170-171
103-3	Evaluation of the management approach		x	39-40, 170-171

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

		Description	CSR Directive Implementation*	Page
405-1	Diversity of governance bodies and employees	<p>The reporting organization shall report the following information:</p> <p>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <p>i. Gender;</p> <p>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p> <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <p>i. Gender;</p> <p>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p>		39-40, 170-171

*CSR Directive Implementation Act: Index to Non-financial Statement



ECONOMIC TOPICS

GRI 103: MANAGEMENT APPROACH ANTI-CORRUPTION 2016

Anti-corruption

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary		x	86-87
103-2	The management approach and its components		x	86-87
103-3	Evaluation of the management approach		x	86-87

GRI 205: ANTI-CORRUPTION 2016

		Description	CSR Directive Implementation*	Page
205-2	Communication and training about anti-corruption policies and procedures		x	86-87

GRI 103: MANAGEMENT APPROACH 2016

Economic Performance

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its Boundary			172
103-2	The management approach and its components			172
103-3	Evaluation of the management approach			172

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GRI 201: ECONOMIC PERFORMANCE 2016

		Description	CSR Directive Implementation*	Page
201-2	Financial implications and other risks and opportunities due to climate change			174

*CSR Directive Implementation Act: Index to Non-financial Statement



DELOITTE ASSURANCE STATEMENT

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT¹

To PUMA SE, Herzogenaurach

OUR ENGAGEMENT

We have performed a limited assurance engagement on the Separate Non-Financial Group Report of PUMA SE (hereinafter: "the Company") in accordance with Section 315b German Commercial Code (HGB), which was combined with the Non-Financial Report of the parent company, PUMA SE, Herzogenaurach, in accordance with Section 289b German Commercial Code (HGB) for the period from January 1 to December 31, 2019 (hereinafter: "Combined Non-Financial Report"). This Combined Non-Financial Report consists of the chapter "Sustainability" and the section "Culture" in the chapter "Our People" of the Annual Report of PUMA SE. The section "EP&L Impact" in the chapter "Sustainability" as well as references to the Annual Report, the Company's website and external websites were not part of our engagement.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES

The legal representatives of PUMA SE are responsible for the preparation of the Combined Non-Financial Report in accordance with Sections 315b, 315c German Commercial Code (HGB) in connection with Sections 289c to 289e German Commercial Code (HGB).

In preparing the Combined Non-Financial Report, the legal representatives used the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) with the option "Core" and have indicated these within the Combined Non-Financial Report.

This responsibility of the Company's legal representatives includes the selection and application of appropriate methods for preparing the Combined Non-Financial Report as well as making assumptions and estimates related to individual non-financial disclosures, which are reasonable in the circumstances. In addition, the legal representatives are responsible for such internal control they have determined necessary to enable the preparation of the Combined Non-Financial Report that is free from material misstatements, whether intentional or unintentional.

The accuracy and completeness of the environmental data in the Combined Non-Financial Report are inherently subject to limits that result from the manner in which data is collected and calculated and assumptions made.

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Combined Non-Financial Report, based on the assurance engagement we have performed.

We are independent of the Company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit company applies the German national legal requirements and the German profession's pronouncements for quality control, in particular the by-laws governing the rights and duties of public auditors and chartered accountants (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in Audit Firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)], which comply with the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB).

We conducted our assurance engagement in compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement in a form that enables us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the information disclo-

¹ We have performed a limited assurance engagement on the German version of the Combined Non-Financial Report and issued an independent audit report in German language, which is authoritative. The following text is a convenience translation of the independent auditor's report.



sed in the Combined Non-Financial Report has not complied, in all material respects, with Sections 315b, 315c in connection with Sections 289c to 289e German Commercial Code (HGB). In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and, therefore, a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's professional judgment.

Within the scope of our limited assurance engagement, which was performed from November 2019 to April 2020, we conducted, amongst others, the following audit procedures and other activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Interview of the legal representatives and relevant employees that participated in the preparation of the Combined Non-Financial Report about the process of preparation, the measures on hand and precautionary measures (system) for the preparation of the Combined Non-Financial Report as well as about the information within the Combined Non-Financial Report
- Identification of the risks of material misstatement within the Combined Non-Financial Report
- Analytical evaluation of selected disclosures within the Combined Non-Financial Report
- Reconciliation of the disclosures within the Combined Non-Financial Report with the respective data within the consolidated financial statements as well as the management report
- Evaluation of the presentation of the disclosures

PRACTITIONER'S CONCLUSION

Based on the assurance work performed and evidence obtained, nothing has come to our attention that causes us to believe that the information disclosed in the Combined Non-Financial Report of the Company, for the period from January 1 to December 31, 2019 has not complied, in all material aspects, with Sections 315b, 315c German Commercial Code (HGB) in connection with Sections 289c to 289e German Commercial Code (HGB).

The audit opinion only refers to the chapter "Sustainability" and the section "Culture" in the chapter "Our People" of the Annual Report of PUMA SE, Herzogenaurach. Our opinion does not refer to section "EP&L Impact" in the chapter "Sustainability" as well as references to the Annual Report, the Company's website and external websites.

PURPOSE OF THE ASSURANCE STATEMENT

We issue this report on the basis of the engagement agreed with PUMA SE, Herzogenaurach. The limited assurance engagement has been performed for purposes of PUMA SE, Herzogenaurach, and the report is solely intended to inform PUMA SE, Herzogenaurach, on the results of the assurance engagement.

LIABILITY

The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility exclusively refers to PUMA SE, Herzogenaurach, and is also restricted under the engagement agreed with PUMA SE, Herzogenaurach, on November 20, 2019 as well as in accordance with the "General engagement terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German public auditors and German public audit firms)" from January 1, 2017 of the Institut der Wirtschaftsprüfer in Deutschland e.V. We do not assume any responsibility to third parties.

München/Germany, April 17, 2020

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

(Dr. Thomas Reitmayr)
Wirtschaftsprüfer

(ppa. Thomas Krick)
Director