



SUSTAINABILITY

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“THE COVID-19 PANDEMIC HAS SHOWN THE IMPORTANCE OF SUSTAINABILITY AND PARTNERSHIP.”

- Foreword Anne-Laure Descours, CSO



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

2020 was the first year of our new 10FOR25 sustainability strategy. Before the COVID-19 crisis, we saw the interest of our customers, investors, employees, and other stakeholders in our sustainability programs increase significantly. Despite the pandemic, this trend continued and even intensified during 2020, as we launched our first sustainability-focused lighthouse collections in partnership with First Mile and Central St. Martins London.

2020 clearly was dominated by the pandemic. We had started the year with fresh momentum when the virus hit our sourcing and sales market. Our sourcing team worked hard to shift production orders from one country to another while assisting the affected vendors to ensure they were kept afloat financially and workers' health was protected.



Then the virus spread globally and lockdowns in almost all sales markets brought our business to a halt in April and May. In an effort to ensure PUMA's financial stability, we worked very closely with our manufacturers and customers to delay orders, extend payment terms and react flexibly to the challenging business environment.

Our established PUMA Vendor Finance Program, which is linked to our suppliers' sustainability performance, proved very valuable during this time and we saw the amount of financed volume more than double on previous years.

To protect our business partners and their hundreds of thousands of workers, we also refrained from canceling orders. During all of 2020, we canceled less than 1 % of our orders and in the rare cases where we had to cancel orders, we covered the costs for materials and other expenses our suppliers had incurred.

As our People and Organization team was protecting our own staff with strict hygiene measures, an extended work-from-home policy, and flexitime, our sustainability team worked with other brands and our suppliers to ensure our manufacturing partners also applied effective hygiene measures. We closely monitored the number of factories which had to temporarily shut down production and any potential implications for the workers due to the closures.

Having the ability to articulate one's needs and concerns is a key tenet of human rights. Providing workers with avenues to advocate for themselves is a top priority for PUMA as part of our commitment to being a fair market leader. In addition to the internal PUMA hotline system, in 2020 we continued to promote third-party grievance platforms such as MicroBenefits and Amader Kotha. By December 2020, our worker hotlines counted a record number of 1,122 cases and we succeeded in solving almost all of them.

Throughout the year, we have kept an open dialogue with relevant stakeholders including governments, international organisations and other interested parties, to ensure that our long-standing human rights due diligence mechanisms are updated, communicated and observed, as we are committed to comply with any latest regulations.

Our factory level auditing and capability building programs and environmental protection programs were affected by travel restrictions. Nevertheless, we continued our efforts where possible and managed to record 490 factory audits, 127 facility level Higg Index Environmental Assessments and 125 wastewater tests.

We finished the year by issuing green finance tools for PUMA, by hitting our 2025 target of using 100% more sustainable cotton fabrics already in 2020 and by training our designers on the principles of circularity.

We look forward to overcoming the COVID-19 crisis in 2021 and are determined to accelerate our sustainability journey for our customers, employees, suppliers, investors, and the wider PUMA family. We believe we are stronger together and responsible business conduct is not only an ethical imperative but also makes perfect business sense.



PUMA'S 10FOR25 SUSTAINABILITY STRATEGY

Our 10FOR25 sustainability strategy is an evolution of our previous sustainability strategy which was built on creating maximum positive impact. Following an extensive materiality analysis process and stakeholder dialogue, we decided to merge our Human Rights and Social Compliance categories, upgrade our Material targets to Product targets and add the new target categories of Circularity, Plastics and the Oceans, Fair Wages, and Biodiversity. In order to keep the number of target areas manageable, we removed Stakeholder Dialogue, Environmental Profit and Loss (EP&L) accounting, and Corporate Governance from our target matrix. Stakeholder Dialogue and EP&L will be continued as important tools to measure and finetune our sustainability targets. Because corporate governance is growing in importance, it will be reported separately in future.

With our new 10FOR25 sustainability strategy we continue our path to fully integrate sustainability into all our core business functions. Sustainability targets are included in the bonus arrangements of every member of our global Leadership team, from the CEO to the team heads.

After working hard on our sustainability performance in the background rather than center stage, we decided to communicate our sustainability efforts more actively in the future and have added this new focus to the strategic priorities for PUMA.

STAKEHOLDER DIALOGUE

During 2020 we continued our active stakeholder dialogue, although in a different way. Because all sustainability-related conferences and meetings in our industry had to be conducted virtually, we also held our Regional Supplier and Stakeholder Round Table Meetings in the form of virtual events. As we were deeply involved in global industry-level stakeholder meetings about social compliance, climate change, and chemicals, we decided to postpone our own global stakeholder meeting scheduled for 2020. This freed up resources for our top management to participate in the annual event of the UN-lead Fashion Industry Charter for Climate Action (attended by our CEO), and the Industry Summit on Social Compliance (attended by our CSO). Other PUMA business leaders participated in the Copenhagen Fashion Summit. In addition, we trained our design and product teams on the concept of circularity with the help of the expert organization Circle Economy.

We also engaged in regional one-on-one consultations with key organizations including Better Work Vietnam, Bangladesh and Indonesia, the Fair Labor Association, the Fair Wage Network, the International Organization for Migration, other brands, and critical suppliers to review our workplan on human rights, health, safety, and fair income for 2025. Next year, we plan to engage in even more partnerships for training courses on women empowerment and to continue to open up our hotline to include migrant workers by using specific guidelines and tools.

Despite tight budgets due to the implications of the pandemic, we retained our partnerships with all relevant sustainability organizations and even added new memberships with the formalization of the Fashion Pact and the Industry Summit into own organizations.



➤ G.01 MATRIX OF KEY PARTNERSHIP INITIATIVES

Human Rights	Chemicals	Product	Climate Change	Health and Safety	Water and Air	Biodiversity	Plastic and the Oceans	Circularity	Fair Income		
ILO Better Work (Bangladesh, Cambodia, Indonesia, Vietnam)	UN Global Compact (Germany)	Zero Discharge of Hazardous Chemicals Foundation (ZDHC)	Textile Exchange	Fashion Industry Charter for Climate Action (UNFCCC)	German Corporation for International Cooperation (GIZ) (Vietnam, Bangladesh, Cambodia, Pakistan)	RMG Sustainability Council (Bangladesh)	Zero Discharge of Hazardous Chemicals Foundation (ZDHC)	Fashion Pact	Fashion Pact	Circle Economy	Fair Labor Association (FLA)
Fair Labor Association (FLA)	Fair Factories Clearinghouse (FFC)	AFIRM Group	Better Cotton Initiative (BCI)	Carbon Disclosure Project (CDP)	World Wildlife Fund (WWF) (China)	ITC-ILO	Sustainable Apparel Coalition (SAC)	Forest Stewardship Council (FSC)	Textiles Exchange	Textiles Exchange	Fair Wage Network (Bangladesh, Cambodia)
Social and Labor Convergence Program (SLCP)	Amader Kotha (Bangladesh)	Federation of the European Sporting Goods Industry (FESI)	Bluesign® Technologies	Stiftung 2 Grad (Germany)	World Resource Institute (WRI) (Mexico)		Institute of Public and Environmental Affairs (IPE) (China)	Microfiber Consortium	Federation of the European Sporting Goods Industry (FESI)		
Industry Summit	MicroBenefits (China, Vietnam)	GoBlu	Leather Working Group	International Finance Corporation (IFC) (Bangladesh)							
Better Buying	Partnership for Sustainable Textiles (Germany)		First Mile & Central St. Martins	Apparel Impact Institute (China, Taiwan, Vietnam)							

■ international ■ national

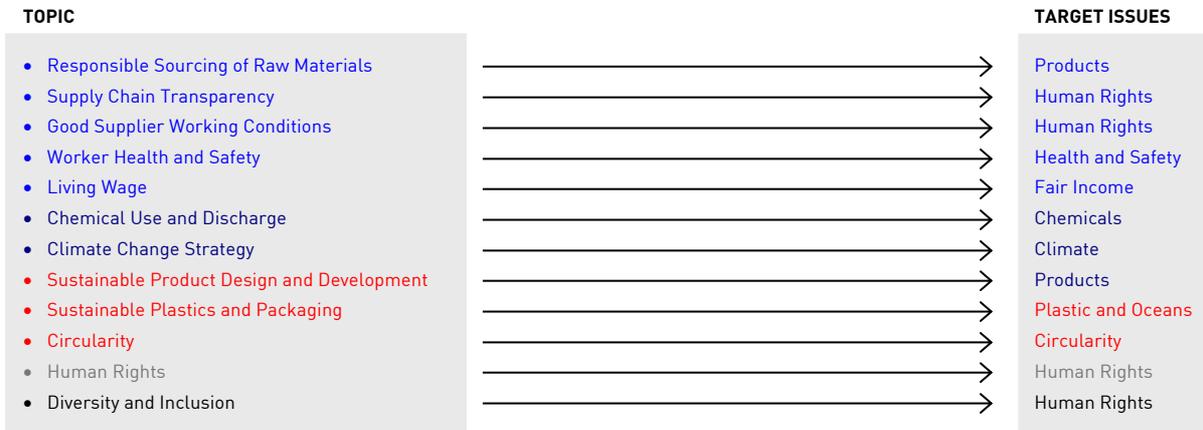
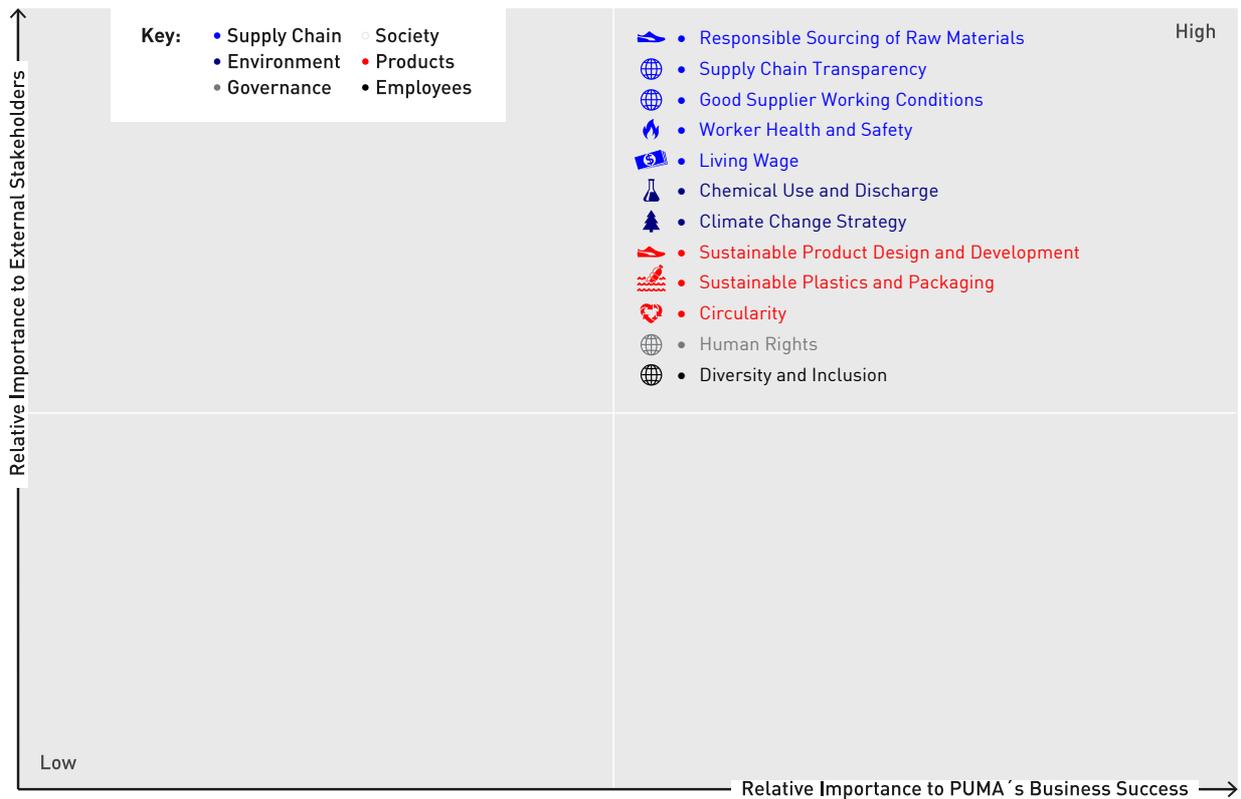
AFIRM: Apparel and Footwear International RSL Management, BCI: Better Cotton Initiative, CDP: Carbon Disclosure Project, FESI: Federation of the European Sporting Industry, FFC: Fair Factories Clearinghouse, FSC: Forest Stewardship Council, FLA: Fair Labor Association, GIZ: German Corporation for International Cooperation, IFC: International Finance Corporation, ILO: International Labor Organization, IPE: Institute of Public and Environmental Affairs, ITC: International Training Center, RMG: Ready Made Garments, SAC: Sustainable Apparel Coalition, SLCP: Social and Labor Convergence Program, UNFCCC: United Nations Framework Convention Climate Change, WRI: World Resource Institute, WWF: World Wide Fund for Nature, ZDHC: Zero Discharge of Hazardous Chemicals Foundation



MOST MATERIAL ASPECTS

For the new target period, we reviewed our most material aspects based on a detailed materiality analysis conducted in 2018/2019, including external and internal stakeholder interviews, a survey, and a stakeholder dialogue meeting. Coordinated by Business for Social Responsibility (BSR), the process resulted in the materiality matrix displayed in Graph G.02 below. Although the Water and Air target is not specifically identified in the formal materiality analysis process, we retained this target, the only one we did not achieve in the last reference period. Honoring our commitment to the Fashion Pact as well as the growing importance of the issue, we also included a new target: Biodiversity.

G.02 MOST MATERIAL ASPECTS





➤ G.03 PUMA'S 2025 SUSTAINABILITY TARGETS

 Human Rights <small>(SDG 3, 5, 8 and 10*)</small>	 Biodiversity <small>(SDG 14 and 15*)</small>	 Fair Income <small>(SDG 1, 2 and 10*)</small>	 Products <small>(SDG 12*)</small>
 Health and Safety <small>(SDG 3*)</small>	 PUMA SUSTAINABILITY TARGETS 2025		 Circularity <small>(SDG 9, 12, 14 and 15*)</small>
 Chemicals <small>(SDG 3 and 6*)</small>	 Water and Air <small>(SDG 6, 14 and 15*)</small>	 Climate <small>(SDG 7 and 13*)</small>	 Plastics and the Oceans <small>(SDG 3, 14, and 15*)</small>

*SDG: United Nations Sustainable Development Goals

PUMA 10FOR25 SUSTAINABILITY TARGETS PERFORMANCE SUMMARY

➤ T.01 PUMA 10FOR25 SUSTAINABILITY TARGETS PERFORMANCE SUMMARY

Target	Baseline	Action scheduled for 2021	Target for 2025	Status
 01 Human Rights	Equal gender distribution in almost all PUMA entities; no specific training yet in factories	ITC-ILO training on harassment and violence at work for local sustainability staff (train the trainer)	Target 1: Train 100,000 direct and indirect staff members on women empowerment	Not started yet
	T2 supplier mapping ongoing; subcontractor mapping not yet started	Complete T2 supplier mapping; start comprehensive T3 supplier mapping	Target 2: Map subcontractors and T2 suppliers for human rights risks	In progress
	19,000 community hours (some activities paused due to COVID-19)	Increase level of community engagement to 23,000 hours	Target 3: 25,000 hours of global community engagement per year	In progress
 02 Health and Safety	Zero fatal accidents since 2018	ITC-ILO training on OHS for sustainability staff (train the trainer)	Target 1: Zero fatal accidents (PUMA and suppliers)	Achieved for 2020
	Supply-chain injury rate reduced from 0.5 to 0.4	ITC-ILO training on OHS for sustainability staff (train the trainer)	Target 2: Reduce accident rate to 0.5 (PUMA and suppliers)	Achieved for 2020
	Bangladesh Accord in transition; other activities paused in 2020 due to COVID-19	Resume Building Safety Assessment Program in 2021; conduct building inspections in India and Pakistan	Target 3: Building safety policy operational in all high-risk countries	In progress



Target	Baseline	Action scheduled for 2021	Target for 2025	Status
 03 Chemicals	0.59% of RSL failure cases at the product level among all products	Pilot OEKO-TEX®-certified polyester used in footwear; continue staff and supplier training	Target 1: Ensure 100% of PUMA products are safe to use	Achieved for 2020
	1.2% RSL failure rate	Reduce RSL failure rate to below 1.1%	Target 2: Reduce Restricted Substances List (RSL) failures to under 1%	In progress
	VOC index of 15 gr/pair	Continue VOC Reduction Program	Target 3: Reduce organic solvent usage to under 10 gr/pair	In progress
 04 Water and Air	Target achieved for all parameters (90% compliance with ZDHC Wastewater Guidelines on parameter level)	Roll out supplier chemical conformity reports	Target 1: 90% compliance with ZDHC Wastewater Guidelines	Achieved for 2020
	Draft ZDHC Air Emission Guidelines issued; supplier mapping completed	Start air emissions testing	Target 2: 90% compliance with ZDHC Air Emissions Guidelines	Not started yet
	2% water reduction in textile production YOY	Expand Water Efficiency Program	Target 3: 15% of water reduction per pair or piece based on 2020 baseline	Not started yet
 05 Climate	Initial mapping of 1.5 degree alignment completed	Execute alignment as part of wider industry target (Fashion Industry Charter)	Target 1: Align PUMA's Climate target with 1.5 degrees global warming scenario	In progress
	100% renewable electricity for PUMA entities (including RECs)	100% renewable electricity for PUMA entities	Target 2: 100% renewable electricity for PUMA entities	Achieved
	Solar Photovoltaic Feasibility Programs in place; first suppliers started purchasing off-site renewable electricity	Finalize feasibility studies and start installing solar panels; accelerate off-site renewable electricity purchase	Target 3: 25% renewable energy for core suppliers	In progress
 06 Plastics and the Oceans	400 tons of plastic bags used in PUMA stores	50% reduction to 200 tons	Target 1: Eliminate plastic bags from PUMA stores globally	In progress
	Joined Microfiber Consortium	Test PUMA's main synthetic fabrics for microfiber shedding	Target 3: Support scientific research on microfibers	In progress
	Internal circularity training and workshop; biodegradability standards introduced	Continue research until standards are met	Target 3: Research biodegradable plastics options for products	In progress



Target	Baseline	Action scheduled for 2021	Target for 2025	Status
 07 Circularity	Task force launched under leadership of PUMA Retail team	Pilot takeback scheme in one market	Target 1: Establish takeback schemes in all major markets	In progress
	Apparel: 1.6 gr/piece Footwear: 17.1 gr/pair Textiles: 8.9 kg/ton Leather: 0.2 kg/m2	Expand program to reduce production waste to landfills	Target 2: Reduce production waste to landfills by at least 50%	Not started yet
	0.6% recycled cotton used; recycled leather and rubber used at pilot scale	Expand use of recycled cotton, leather, and rubber; add recycled nylon	Target 3: Develop recycled material options for cotton, leather, and rubber	Target achieved; usage figures will be reported going forward
 08 Products	Target achieved for cotton and down, and 99.5% for polyester (apparel and accessories). Leather (footwear) close to target 97.9%.	Maintain cotton, polyester, and down performance; achieve target for leather; increase percentage of certified polyester used in footwear	Target 1: Procure 100% of cotton, polyester, leather, and down from certified sources	Achieved for 2 out of 4 materials
	16.7% of recycled polyester used	Implement developed material strategy; explore opportunity to recycle pre-consumer apparel waste	Target 2: Increase recycled polyester use to 75% (apparel & accessories)	In progress
	81% of apparel and 47% of accessories classified as more sustainable	Increase percentage further	Target 3: 90% of apparel and accessories classified as more sustainable	In progress
 09 Fair Income	24% of footwear with at least one more sustainable component	Use more sustainable materials for each part of our footwear	90% of all footwear contains at least one more sustainable component	
	Bangladesh and Cambodia assessed during previous period; work paused in 2020 due to COVID-19	Assess one additional country (Indonesia)	Target 1: Fair-wage assessments for top 5 sourcing countries	In progress
	33% core T1 factories have elected workers' representative	Conduct supplier and staff training on workers' committees; develop tool to assess the efficiency of workers' committees	Target 2: Effective and freely elected worker representatives at all core suppliers	In progress
	90% of core T1 and T2 suppliers use bank transfer payments	Follow up on factories with no digital payment	Target 3: Ensure bank transfer payments for all core suppliers	In progress



Target	Baseline	Action scheduled for 2021	Target for 2025	Status
	Attended Fashion Pact's biodiversity webinars	Learn more about biodiversity SBTs	Target 1: Support setting up a biodiversity SBT	Not started yet
 10 Biodiversity	Cotton target achieved; leather target (97.9%) achieved; viscose target achieved (sourced exclusively from a reliable supplier (Lenzing))	Achieve target for leather	Target 2: Procure 100% of cotton, leather, and viscose from certified sources	2 out of 3 materials achieved
	No exotic skins or hides used	Publish new Animal Welfare Policy	Target 3: Zero use of exotic skins or hides	Achieved

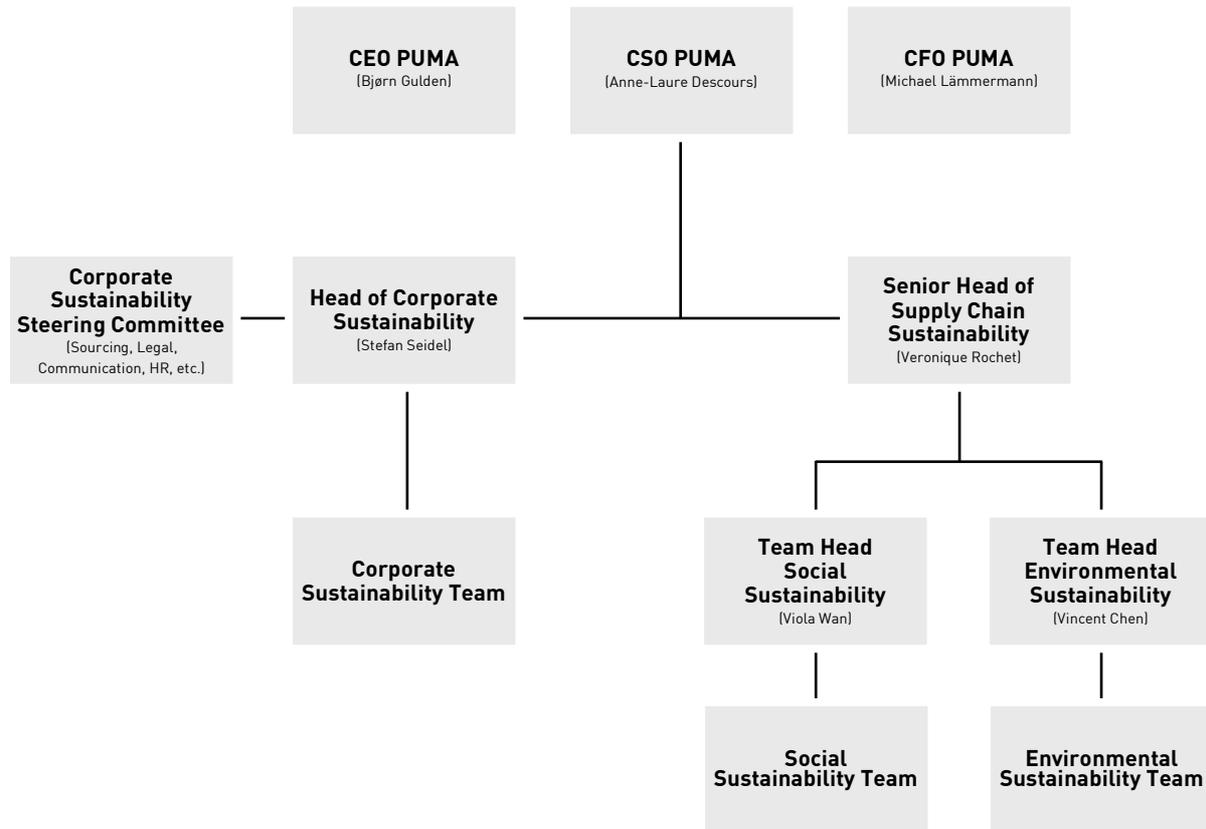
ILO: International Labor Organization, ITC: International Training Center, OHS: Occupational Health and Safety, REC: Renewable Energy Attribute Certificates, RSL: Restricted Substances List, SBT: Science-Based Target, SLCP: Social and Labor Convergence Program, T2 Supplier: supplier of materials or components, T3 Supplier: supplier of yarn hides, etc., VOC: Volatile Organic Compound, ZDHC: Zero Discharge of Hazardous Chemicals

The 10FOR25 targets also are linked directly to the four main 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 with chemical regulations during production (T1 or T2)
- D. Negative effects of climate change

Further details on PUMA's overall risk management can be found in the Risk Management section. Net risks as outlined in the CSR Directive Implementation Act (§315c in relation to §289c, section 3, number 3 and 3 German Commercial Code (HGB), were not identified in 2020.

* T1 manufacturers of PUMA products; T2 manufacturers of materials and components

**➤ G.04 PUMA SUSTAINABILITY ORGANISATION 2020****SCOPE OF DATA COLLECTION**

In this report we cover the PUMA Group. We have provided separate reports for PUMA SE and the PUMA Group within the “Governance and our People” section only. Our materiality analysis and EP&L clearly indicate that a major aspect of our impact originates in the manufacturing of materials and components, not in the assembly of finished goods. We therefore have extended our data collection to include our core suppliers of components and materials.

DATA SOURCES

To ensure a high level of transparency and promote the sharing of environmental and social data with our industry peers, we have chosen to use external databases, most of which are publicly accessible:

- The Fair Factories Clearinghouse for sharing compliance-audit data with other brands
- The wastewater platform from the Zero Discharge of Hazardous Chemicals Foundation (ZDHC) for sharing supplier data on wastewater testing
- The ZDHC Chemicals Gateway for the use of safe chemicals (pilot)
- The China-based NGO IPE for the publication of suppliers’ environmental data
- IPE’s Green Supply Chain Map of environmental performance data of some of our core suppliers in China <http://wwwen.ipe.org.cn/GreenSupplyChain/Main.html>
- The HIGG Index Platform from the Sustainable Apparel Coalition <https://apparelcoalition.org/the-higg-index/>

Also, we use our sustainability data collection tool to record social and environmental performance data from PUMA-owned and -operated sites and from the core suppliers that manufacture our products.



SOCIAL ASPECTS

2020 was dominated by the COVID-19 pandemic. Our major challenges regarding social sustainability aspects were:

- A. To protect our PUMA staff members and their jobs
- B. To work with our business partners, particularly our suppliers, to help them maintain social protection for their staff
- C. To ensure the physical and mental wellbeing of our direct and indirect employees

Our highlights in 2020 included:

- Diversified tools for factory workers to voice their opinions; capturing more than 17,500 workers' feedback concerning improvement via a mobile APP survey – a 224% increase – with 99.9% resolution of substantial issues
- Zero fatal accidents at PUMA and its direct suppliers for the third year in a row
- Accelerated pace towards shared industry compliance-assessment tools; increase in the percentage of converted external compliance reports from 43% to 54%
- 490 audit reports from 406 suppliers despite travel restrictions and partial lockdowns
- Closer engagement with suppliers through frequent and open dialog including quarterly surveys and webinars

HUMAN RIGHTS

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



Examples of the 10FOR25 human rights targets:

Target 1: Train 100,000 direct and indirect staff on women empowerment

Target 2: Map subcontractors and T2 suppliers for human rights risks

Target 3: 25,000 hours of community engagement globally per year

KPIs:

- Percentage of worker complaints resolved
- Number of factories with an A, B+, B-, C or D grade
- Number of T2 suppliers and subcontractors included in our risk mapping
- Number of zero-tolerance issues prevailing at year end
- Number of employee hours spent on community engagement (KPI shared with HR)
- Number of workers trained on women empowerment



PUMA’s sustainability policies are aligned with the United Nations’ 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 was part of our first Code of Conduct developed in 1993 and has guided our business ethics ever since. In 2019, we established a Responsible Purchasing Policy and a related training program to ensure our sourcing practices are aligned with our Code of Conduct. In 2020, we focused on keeping our suppliers in business and safeguarding workers’ health, employment, and income through several measures including:

1. Order and Production Management

- Minimizing order cancellations; 0.35% of orders were canceled in 2020
- The canceled orders were not yet in production, we compensated for raw material liabilities
- Agreeing on order delays with our customers during the difficult lockdown period
- Extending our production lead times by 19% on average to facilitate more flexibility along the supply chain

2. Financing and Payments

- Expanding our PUMA Vendor Financing Program with an increase in supplier participation from 21% in 2019 to 30% in 2020. Average usage of the program in 2019 was 10% (USD 196m) of the invoice volume with eligible vendors, which increased to 31% in 2020 (USD 587m)
- Extending payment terms for our suppliers and our customers
- Paying all orders in full and on time
- No late-delivery penalties

3. Guidance and Best-Practices Sharing

Our Sustainability team held three virtual meetings with our suppliers to share best practices and guidelines on social distancing, hygiene measures, and on-time and full payment to workers. Close to 700 people from more than 300 factories attended each session.

➤ T.02 ORDER CANCELLATIONS DUE TO COVID-19

Cancellations (%)	FTW	APP	ACC	Total
Full Year 2020	0.43%	0.34%	0.10%	0.35%

In previous years, we had conducted human rights risk assessments at the corporate and the supply chain level and communicated the results in our 2016 and 2017 Annual Reports. The most salient risks to human rights are forced or bonded labor in our supply chain and, at the farm level, child labor.

It has been the long-standing practice of PUMA to continuously and rigorously monitor our supply chain and conduct human rights due diligence on all of our suppliers globally, including those in major production hubs such as Vietnam, Bangladesh and China. When we became aware of the report by the Australian Strategic Policy Institute (ASPI), we appreciated it as an opportunity to further review our supply chain. As a result of the assessments, we could find no evidence supporting the allegations.



Due to the COVID-19 pandemic, we postponed our activities to eliminate recruitment fees in Taiwan to 2021.

Our Community Engagement Program also has been affected severely by the pandemic. Nevertheless, the efforts of our employees to create positive impact locally by supporting social, health, and environmental causes continued where possible and we were able to donate 19,000 community hours in 2020.

SOCIAL COMPLIANCE

Compliance with our Vendor Code of Conduct remains the foundation of our human rights due diligence process. Since 1999, all direct PUMA suppliers have been frequently audited for compliance with ILO Core Labor Standards, internationally accepted Health and Safety provisions, and basic environmental standards. In recent years, we have also included our most relevant material and component suppliers in our audit program.

Each year, we collect between 300 and 500 audit or assessment reports issued by PUMA's Compliance team, the ILO Better Work Program, our industry peers, or independent experts accredited by the Social and Labor Convergence Program (SLCP).

Despite travel restrictions and partial lockdowns, in 2020 we were able to collect 490 audit reports from 406 suppliers. Four percent of our T1 suppliers failed to meet our requirements. If the company in question was an active PUMA supplier, we worked together to improve the situation. A pass grade was awarded to 89% of companies subjected to a second audit. Seven factories did not manage to sufficiently improve their performance and were consequently removed from our active supplier factory base. Applicants that failed their first audits were not taken on as suppliers.

Our Social and Labor Compliance Program has been accredited by the Fair Labor Association since 2007 and was re-accredited most recently in 2019.

To avoid duplication and prevent auditing fatigue, in 2020 we increased the percentage of shared assessments to 54%, from 43% in 2019. As part of our commitment to the Industry Summit and the Social and Labor Convergence Program, we will further increase our adoption of SLCP-based assessments to at least 50% in 2022. We believe that SLCP is an ideal tool for building long-term relationships with suppliers and supporting them to own their social and labor data.

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

**➤ T.03 AUDIT RESULTS 2018-2020**

Number of factories audited	2020		2019		2018	
	T1	T2	T1	T2	T1	T2
A (Pass)	82	5	107	10	82	15
B+ (Pass)	116	26	126	17	148	29
B- (Pass)	125	35	121	10	128	42
C (Fail)	11	2	19	2	17	7
D (Fail)	4		4	0	5	0
Total	338	68	377	39	380	93
		406		418		473
Pass/Fail (%)	96/4	97/3	94/6	95/5	94/6	91/9

The extensive nature of the SLCP verified data set has helped to identify additional issues for remediation, which explains why the number of factories with A and B+ grades decreased. We noticed improvements in occupational health and safety, risk management and transparency. Reducing overtime and increasing social security coverage remains a focus of our efforts.

Beyond auditing, we track social key performance indicators such as average payments vs. minimum wage payments, overtime hours or coverage by collective bargaining agreements. Those data are discussed under the Fair Wages target.

We operate multiple worker voice channels. If workers are not satisfied with the responses offered by factories via their respective internal grievance system, we encourage the use of the PUMA Hotline to raise complaints or request consultations. Phone numbers and email addresses for this hotline are published on our Code of Conduct posters displayed at every factory globally. We also use WeChat, Zalo, Facebook, and other social media to connect with workers and have established more formalized compliance and human resources apps at selected core suppliers.

In 2020, a total of 101 complaint issues were raised to PUMA's feedback system across six countries, 44% more than during the previous year. Our team resolved 99% of them. Also, we received 1,021 feedback requests from workers through the MicroBenefits Program in China and Vietnam and the Amader Kotha Helpline in Bangladesh. Initially established as a project by the Alliance for Bangladesh Worker Safety following the Rana Plaza tragedy, the hotline provides a safe, timely, and effective communication channel for the purpose of identifying and resolving safety and other concerns of workers of PUMA's Bangladesh suppliers. Last year, workers raised 703 issues concerning safety, compensation, abuse, etc., a 123% increase year-over-year. Calls related to COVID-19 represented almost half of the total calls received between March and July 2020. Using the app-based technology provided by MicroBenefits in China and Vietnam, we covered more than 30,000 workers from 20 core suppliers. In 2020, we received and resolved 318 grievances or queries from those apps.

We also received five third-party complaints from external organizations related to PUMA's manufacturing partners. They focused on freedom of association, fair compensation, and discrimination. Four complaints were resolved by year end, one is still under follow-up due to the fact that we received it late in the year.

**➤ T.04 WORKERS' COMPLAINTS 2018 – 2020**

Workers' complaints	2020	2019	2018
Total received – external channels	1021		
Total received – PUMA Hotline	101	70	55
Total confirmed	984	61	44
Resolved	983	61	44
Not resolved	1	0	0
Resolved (%)	99.9%	100%	100%

➤ CASE STUDY

In spring of 2020, we received a tip-off through the Amader Kotha Helpline of possible workers' retrenchment in one of the Bangladeshi factories producing for PUMA. We immediately engaged with the supplier and the Better Work Bangladesh team. Due to the complexity of the case, it took months to evaluate the nature of the process and to investigate whether labor laws were being followed. Nevertheless, a Memorandum of Understanding (MoU) with the affected workers and the factory was signed. Over the summer, a trade union federation contacted PUMA and other brands with concerns related to the retrenchment of workers. PUMA worked with the other brands, Better Work Bangladesh, the employer association, and IndustriAll to coordinate a peaceful resolution. After the signing of an MoU, workers were re-instated or compensated.

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

As the name implies, zero-tolerance issues lead to the immediate failure of an audit. If these issues are reported for a new factory, the factory will not be allowed to produce PUMA goods. Established suppliers must remedy all zero-tolerance issues immediately by conducting a root-cause analysis and implementing preventive measures to avoid the issue from reoccurring in the future. As a last resort, business relationships will be terminated if the factory fails to cooperate. Other issues also are followed up by our Compliance team.



During 2020, we identified and were able to remedy four zero-tolerance issues (workers' compensation below legal requirement, failure to renew business license).

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

Country	2020	2019	2018	Total
Bangladesh	4	0	0	
Cambodia	0	0	1	
China	0	1	1	
Indonesia	0	1	1	
Vietnam	0	1	2	
Total	4	3	5	

➤ ENGAGEMENT WITH BETTER WORK

Despite the challenges we were facing, in 2020 PUMA continued to be a committed partner of Better Work. Established as a partnership between the UN's International Labor Organization and the International Finance Corporation, a member of the World Bank Group, Better Work brings governments, global brands, factory owners, unions, and workers together to improve working conditions in the garment industry and the competitiveness of the sector. By ensuring its suppliers participate in the program, PUMA supports factory ownership and long-term solutions built on effective worker-management dialog, efficient management systems, and a commitment to ongoing learning and improvement. PUMA collaborates on national and policy-level issues, using its voice to support positive change in the apparel sector more broadly. We look forward to continuing to work together to help make the global garment industry more resilient and responsible.

TARA RANGARAJAN

Head of Communications, Brand Engagement, and Americas, Better Work



FAIR INCOME

Target description:

- Carry out fair-wage assessments including mapping of a specific wage ladder for top five sourcing countries to help improve their wage levels and practices
- Ensure bank transfer payment to workers by all core suppliers by 2022
- Ensure effective and freely elected worker representation at all core T1 suppliers through collaboration with other brands

Relates to United Nations Sustainable Development Goals 1, 2 and 10



KPIs:

- Percentage of average wages compared to minimum wage
- Percentage of workers with permanent contracts
- Percentage of workers with social insurance coverage
- Percentage of workers paid via bank transfer
- Percentage of factories with freely elected worker representation
- Percentage of factories with collective bargaining agreements
- Number of countries with fair wage assessments over the last five years

For the definition of fair wages, PUMA follows the requirements for compensation set out in the Code of Conduct published by the Fair Labor Association (FLA):

Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.

<https://www.fairlabor.org/our-work/labor-standards>

The Fair Wage Network conducted wage assessments in Bangladesh and Cambodia and evaluated the wage systems of selected factories across 12 dimensions, focusing on five major areas: legal compliance, wage levels, wage adjustments, pay systems, and social dialog and communication.

<https://fair-wage.com/12-dimensions/>

As part of our efforts to ensure fair wage practices at the factories of our suppliers, we have defined the full payment of minimum wage as a zero-tolerance issue. This means that to be taken on as or to remain active PUMA suppliers, companies have to pay minimum wages in full compliance with local regulations. Provisions around payment of overtime hours and social insurance also are clearly articulated in the PUMA Code of Conduct and are scrutinized regularly based on our Compliance Audit Program.

For other dimensions of fair wages, we had asked the Fair Wage Network to conduct formal fair wage assessments at our core suppliers based in Bangladesh (2018) and Cambodia (2019). We had planned to expand these efforts to Indonesia in 2020 but postponed them to a time after the COVID-19 pandemic.

**➤ T.06 FAIR INCOME TARGET STATUS**

Sub-targets	Baseline 2020	Target 2025
Bank transfer payment [% of core T1 and T2 suppliers]	90%	100%
Percentage of core T1 factories with freely elected worker representation	33%	100%
Fair wage assessments (mapping of a specific wage ladder for top five sourcing countries)	2 out of 5	5 out of 5

The formal fair wage assessments revealed generally high levels of performance in the following areas:

Payment of wages:	Wages were found to be paid regularly and in full
Minimum wage:	Starting wage level at least at or above the minimum wage
Wage costs:	General increase in wage costs over the last three years which confirms moderate wage improvements

In Bangladesh, areas that require improvement include the lack of social dialog on income to ensure wages cover workers' expenses. While social dialog on wages has been identified as performing high in Cambodia, further efforts should be made for workers to access the necessary information on minimum wage.

Also, we will expand the use of the Fair Labor Association's Fair Wage Dashboard to gauge wages based on diverse benchmarks (minimum wage, average wage, living wage) aligned with other FLA members.

➤ CASE STUDY

In 2016, the FLA assessed a strategic facility in rural Tay Ninh Province, Vietnam. A follow-up assessment to measure remediation progress was conducted in 2019; hours of work and compensation violations were identified. The piece-rate system in place at the factory discouraged workers from taking sick leave or breaks during the workday, putting pregnant workers and new mothers at disproportionate risk. Workers earned an average net monthly wage of 74% of the Global Living Wage Coalition's living wage estimate. Further, the average worker's compensation for overtime constituted 60% of their total wages. PUMA and the factory worked together to identify the root causes of the violations related to hours of work and compensation. On average, the workers' net monthly wage increased by 43% between 2016 and 2019. By 2019, the average net wage for workers had increased to 4.7 million VND (roughly USD202) and overtime wages had decreased to 1.6 million VND (roughly USD71). By adjusting the factory's payment system and production planning, PUMA and the factory successfully reached a living-wage agreement for the workers.

Table T.07 confirms that most of our core suppliers pay basic wages that exceed minimum wage significantly, 13% on average. Adding overtime and bonus payments, this figure increases to 54.7%, a reduction from previous years which can be attributed to the financial implications of the COVID-19 pandemic and a reduction of average overtime from 7.1 to 5.4 hours per week. Social insurance coverage increased by 2% to 95.6% and the percentage of permanent workers was raised from 69.1% to 74.4%.



➤ T.07 SOCIAL KPIS PUMA CORE SUPPLIERS 2018-2020

2020 KPI	SOUTH ASIA			SOUTHEAST ASIA					EMEA	2020	2019	2018
	Bangladesh	India	Pakistan	China	Cambodia	Indonesia	Philippines	Vietnam	Turkey	Average	Average	Average
Gross wage paid above minimum wage excluding overtime and bonuses (%)	14.8	13.9	34.5	7.0	8.8	4.9	0.0	31.7	1.6	13.0	17.6	20.9
Gross wage paid above minimum wage including overtime and bonuses (%)	51.1	13.9	39.9	168.3	55.5	31.9	19.4	89.3	22.8	54.7	73.1	83.7
Workers covered by social insurance (%)	100.0	100.0	99.9	69.1	100.0	91.0	100.0	100.0	100.0	95.6	93.6	95.3
Overtime (hours per week)	10.5	0.0	0.0	14.6	4.5	4.6	6.1	5.4	3.2	5.4	7.1	6.1
Workers covered by a collective bargaining agreement (%)	0.0	0.0	0.0	94.1	48.3	0.0	0.0	100.0	0.0	26.9	25.4	26.7
Female workers (%)	41.6	45.0	8.8	61.2	83.7	80.1	70.8	79.8	58.6	58.8	59.4	56.0
Permanent workers (%)	100.0	100.0	99.9	29.4	44.0	62.3	88.2	45.6	100.0	74.4	69.1	68.0
Annual turnover rate (%)	34.8	7.7	21.8	55.2	46.5	28.8	8.5	42.0	24.2	29.9	38.2	36.8
Injury rate (%)	0.4	0.9	0.0	0.6	0.2	0.2	0.7	0.2	0.2	0.4	0.5	0.6
Number of suppliers	8	1	2	17	6	3	2	18	1	58	59	50

*Data received from 58 PUMA core suppliers representing 81.4% of 2020 production volume; reporting period for data collection: November 2019 – October 2020



HEALTH AND SAFETY

Target description:

- Zero fatal accidents
- Reduce accident rate to 0.5 at PUMA and at suppliers
- Building safety operational in high-risk countries

Relates to United Nations Sustainable Development Goal 3



Examples of the 10FOR25 action plan:

- Expand building safety projects to include 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 the Our People section)
- Average injury rate at core Tier 1 suppliers
- Number of factories subject to our Building Safety Assessment Program

Due to special circumstances resulting from the COVID-19 pandemic, in 2020 we added the following measures and KPIs:

- Informing our supplier base that we expect full compliance with national health and safety measures
- In the absence of national health and safety measures, demanding compliance with the safety measures recommended by the ILO Better Work Program and/or the World Health Organization
- Best-practices sharing of suppliers on health and safety measures during our Round Table Meetings

Ensuring safe working conditions for our own employees and hundreds of thousands of indirect employees at our manufacturing partners is an ethical imperative but 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 that includes occupational health and safety assessments, we implemented our Building Safety Assessment Program in countries where we identified risks. We also set up professional risk assessments at all our major manufacturing partners.



From 2015 to the end of 2019, our Building Safety Assessment Program covered the following countries:

➤ T.08 BUILDING SAFETY ASSESSMENT PROGRAM

Country	No. of 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

None of our suppliers have been involved in any structural building safety incidents or factory fires since 2015.

As part of our audit program, we continue to ascertain that our suppliers conduct health and safety risk assessments and have functional health and safety committees in place.

We are happy to report that we recorded zero fatal accidents at our suppliers for 2018, 2019, and 2020 as well as slightly reduced accident rates at our core suppliers.

➤ T.09 INJURY RATES AT CORE SUPPLIERS

Country	Injury rate 2020	Injury rate 2019	Injury rate 2018
Bangladesh	0.4	0.3	0.3
Cambodia	0.2	0.5	3.2
China	0.6	0.5	0.5
Indonesia	0.2	0.2	0.3
Vietnam	0.2	0.3	0.3
Average	0.4	0.5	0.6
Fatal accidents	0	0	0

As we believe that the health and safety of the people working for PUMA and in PUMA production always come first, we will continue to work with our own entities and suppliers to avoid infections and accidents.



ENVIRONMENT

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

We frequently conduct efficiency audits at our own entities. Compulsory in the European Union, these audits help us identify energy saving opportunities at our offices, stores, and warehouses and roll them out on a global basis.

As far as our suppliers are concerned, our PUMA compliance audits (detailed in the Human Rights section) contain a dedicated section on environmental and chemical compliance. For example, during each audit we inspect environmental permits, waste management, and effluent treatment plants.

In addition, we continued to ask all our core suppliers to complete the Environmental Facilities Module developed by the Sustainable Apparel Coalition. In 2020, a total of 127 assessments – a 19% increase compared to 2019 – were subjected to external verification, which equates to an on-site environmental audit. This figure is complemented by audits our suppliers frequently undergo to obtain environmental certifications such as those issued by bluesign®, OEKO-TEX® GOTS, GRS, or the Leather Working Group.

➤ T.10 ENVIRONMENTAL ASSESSMENTS OF SUPPLIERS

Assessment Type	2020	2019	2018
HIGG FEM 3.0	127	107	43
bluesign®	23	24	26
Leather Working Group	12	13	15

Going forward, we will continue to encourage our suppliers to carry out environmental assessments that follow industry standards. In 2020, we also developed a scoring system for the HIGG Facility Environmental Module of the Sustainable Apparel Coalition. We will report our core suppliers' aggregate scores starting in 2021.

Further data on the environmental performance of PUMA and our suppliers can be found in the Climate and the EP&L sections.

CLIMATE

Target description:

Existing science-based CO₂ emission target:

- Reduce greenhouse gas emissions from PUMA's own entities (Scope 1 and 2) by 35% compared to the 2017 baseline (absolute reduction)
- Reduce emissions from PUMA's supply chain (Scope 3: purchased goods and services) by 60% relative to sales



New 10FOR25 targets

- Align PUMA's CO₂ emission target with a 1.5 degree scenario (that is, what is required to limit global warming to 1.5 degrees)
- Move 100% of PUMA's own entities to renewable electricity
- Expand the use of renewable energy at PUMA's core suppliers to 25%

Relates to United Nations Sustainable Development Goals 7 and 13

7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



Examples of the 10FOR25 action plan:

- Work with industry peers on climate action through the Fashion Industry Charter for Climate Action and the Fashion Pact
- Join industry-level energy efficiency programs for suppliers in our top five sourcing regions
- Join industry-level programs for renewable energy in our top five sourcing regions
- Replace all coal-fired boilers at PUMA's core suppliers
- Reduce emissions from the transport of goods by transitioning to more carbon-efficient modes of transport
- Gradually transition to materials with a lower carbon footprint such as recycled polyester
- Switch all PUMA offices, stores, and warehouses to renewable electricity tariffs or renewable energy attribute certificates
- Gradually move PUMA's fleet vehicles to alternative engines (hybrid, electric, or hydrogen)

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)
- Percentage of core suppliers covered by energy efficiency programs
- Percentage of core suppliers covered by renewable energy programs
- Percentage of core suppliers with coal fired boilers (Tier 1 and Tier 2)

During the UN Climate Conference in Paris in 2015, PUMA agreed to set a science-based CO₂ emissions target. In 2018, PUMA co-founded the Fashion Industry Charter for Climate Action, an industry-wide coalition which aims at aligning the fashion industry's emissions with the targets included in the Paris Agreement. One year later, PUMA agreed and published its science-based emission target (SBT) with the SBT Coalition and joined the Fashion Pact, which also includes a climate action commitment.

In 2020, we continued our transition to renewable energy for the offices, stores, and warehouses under our control. Through renewable energy tariffs and the purchase of renewable energy attribute certificates (RECs) where no such tariffs were available, we increased the coverage of renewable electricity within our own Scope 2 emissions to 100%. To further reduce our Scope 1 emissions, which can be attributed largely to the vehicles in our fleet, in 2020 we introduced the first six hydrogen cars and expanded the number of electric cars from two to nine. For the future, we plan to increase the number of cars with alternative engines by 10% each year.

We combined our SBT agreement with an increased effort to support the use of renewable electricity by purchasing RECs for 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 retroactively and increased that figure to 74% in 2019 and to 100% in 2020.

In this way, we managed to lower our combined Scope 1 and 2 emissions by 71% compared to 2019 and by 89% compared to 2017. Taking these RECs into account, we already have hit our science-based emissions



target of 35% for Scope 1 and 2 emissions. We also achieved the absolute 45% reduction required to align our target with a 1.5 degree scenario.

Over the coming years, we will aim at replacing the RECs certificates with renewable energy tariffs and/or power purchase agreements where possible and as mentioned above, expanding the percentage of cars equipped with alternative engines by 10% each year.

For our Scope 3 emissions, we decided to focus entirely on purchased goods and services since this also is the category in which many of our indirect emissions are created. In addition, we set a target to reduce emissions from the transport of goods by 20% relative to the volume transported.

To reduce the emissions from the production of our PUMA goods, we worked with our suppliers on several programs ranging from energy efficiency to installing on-site solar photovoltaic power plants to generate renewable energy. The details are shown in the table below:

T.11 SUPPLIER CLIMATE ACTION PROGRAMS

Country	Vietnam	China/Taiwan	Bangladesh	Cambodia	Indonesia	Total
		Clean by Design (CbD)				
Efficiency Program	Clean by Design (CbD)	Low Carbon Manufacturing Program (LCMP)	Partnership for Cleaner Textiles (PaCT)			
Renewable Energy Program	GIZ Solar PV		Partnership for Cleaner Textiles (PaCT) GIZ Solar PV	GIZ Solar PV	GIZ Solar PV	
Number of factories covered (energy efficiency/renewable energy projects)	20	10	10	1		41
Percentage of core factories covered (energy efficiency/renewable energy projects)	50%	24%	80%	13%		34%
Percentage of core factories with coal fired boilers	13%	8%	0%	13%		8%

In 2021, we will continue working with all our core suppliers to agree on individual reduction plans. We also plan to launch a program to replace the coal fired boilers used by our core supplier base, ideally under the umbrella of the Fashion Industry Charter for Climate Action.



➤ CASE STUDY

When the sun rises over the outskirts of Ho Chi Minh City in Vietnam, the large flat roof of the Leading Star factory starts to generate electricity and reduce carbon emissions in PUMA's supply chain.

The factory, which makes knits and woven apparel for PUMA, installed solar panels on its roof last year in cooperation with PUMA and German development agency GIZ PDP. After the first phase of the project was completed in December 2020, Leading Star was able to reduce its carbon emissions from electricity by 25%. Per year, this installation alone will save 1,331 tonnes of CO₂. There are plans to expand the solar installation so that half of the electricity used by the factory will come from solar panels.

In China, Ningbo Shenzhou implemented the Clean by Design Program. Thanks to better resource data management, increased staff awareness, steam valve and pipeline insulation, and an equipment upgrade, it has seen annual energy savings of up to 7.7% and water savings of up to 13.0%. CO₂ emissions have been reduced by 9.7%.

➤ PUMA CLIMATE ACTION PROGRAM

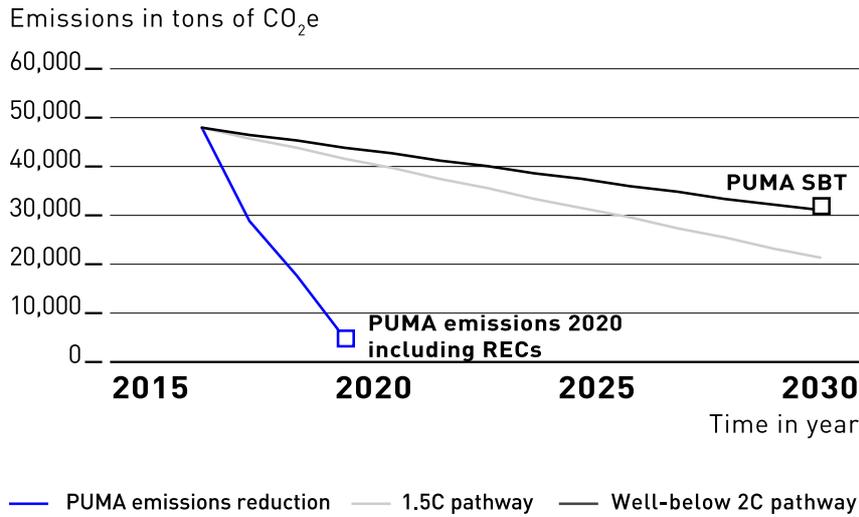
PUMA continues to play a key role in driving industry action, both through a leadership role in the UN-convened Fashion Industry Charter for Climate Action and through an active role in the Fashion Pact, a global coalition of companies in the fashion and textile industry working together to help stop global warming, restore biodiversity, and protect the oceans. PUMA has not only taken decisive action to meet its own goals around operational and supply chain renewable energy sources, but it has also supported the rollout of a collective program to rapidly scale improvements on sourcing renewable energy within key countries. I look forward to seeing even more ambition from PUMA in the future, as it continues its leadership role on climate action, delivers its existing goals, and aligns its climate targets with a 1.5-degree pathway.

LAILA PETRIE

**CEO 2050, Co-Chair of the Fashion Industry Charter Steering Committee,
Climate delivery partner for the Fashion Pact**



➤ G.05 AGREED EMISSION TARGETS (SCOPE 1 AND 2*) (t CO₂e)



* Including renewable energy attribute certificates

The reduction of our Scope 3 emissions at the factory level is complemented by purchases of more sustainable – and therefore less carbon-intensive – raw materials. In 2020, we used 82.8% bluesign®- or OEKO-TEX®-certified polyester and 16.7% recycled polyester for apparel and accessories, 100% cotton from the Better Cotton Initiative, and 97.9% leather from Leather Working Group medal rated tanneries. In addition, 99.0% of our primary paper and cardboard packaging was recycled or FSC-certified paper. By 2025, we aim to use 75% recycled polyester.



➤ T.12 SCOPE 1 AND SCOPE 2 CO₂E EMISSIONS FROM PUMA

CO ₂ e emissions ¹⁴ (absolute figures)	2020	2019	2018	2017	% Change 2019/2020	% Change 2017/2020
Scope 1 – direct CO₂e emissions fossil fuels	4,179	6,326	6,918	7,678	-34%	-46%
Vehicle fleet	1,985	3,618	4,073	4,134	-45%	-52%
Heating	2,194	2,708	2,845	3,545	-19%	-38%
Scope 2 – indirect CO₂e emissions (location based)	29,839	40,986	43,366	40,029	-27%	-25%
Scope 2 – indirect CO₂e emissions (market based)	1,078	11,533	22,128	40,029	-91%	-97%
Electricity (location-based)	28,761	39,282	42,145	38,914	-27%	-26%
Electricity (market-based)	0	9,828	20,907	38,914	-100%	-100%
Steam	1,078	1,705	1,221	1,115	-37%	-3%
Total Scope 1 and 2 (location-based)	34,018	47,312	50,284	47,707	-28%	-29%
Total Scope 1 and 2 (market-based)	5,257	17,858	29,046	47,707	-71%	-89%
Scope 1 and 2 relative to sales (t CO ₂ e per € million sales) (location-based)	6.5	8.6	10.8	11.5	-24%	-43%
Scope 1 and 2 relative to sales (t CO ₂ e per € million sales) (market-based)	1.0	3.2	6.2	11.5	-69%	-91%

**➤ T.13 PUMA'S SCOPE 3 CO₂e EMISSIONS FROM SELECTED VALUE CHAIN ACTIVITIES**

CO ₂ e emissions ^{1,4} (absolute figures)	2020	2019	2018	2017	% Change 2019/2020	% Change 2017/2020
Scope 3 – indirect CO₂e emissions from corporate value chain	211,108	250,240	222,315	208,525	-16%	1%
Purchased goods and services – Tier 1 suppliers	113,561	123,769	126,590	123,061	-8%	-8%
Fuel- and energy-related activities*	2,855					
Upstream transportation and distribution	91,775	107,744	104,347	105,380	-15%	-13%
Inbound	67,842	98,386	98,386	98,386	-31%	-31%
Outbound**	23,933	9,358	5,961	6,994	156%	242%
Business travel	1,751	18,727	15,582	14,394	-91%	-88%
Upstream leased assets*	1,166					
Total Scope 1-3 (market-based)	216,365	268,098	251,361	256,232	-19%	-16%
Annual sales PUMA (in € million)	5,234	5,502	4,648	4,136	-5%	27%
Total Scope 1-3 relative to sales (t CO ₂ e per € million sales) (market-based)	41.3	48.7	54.1	62.0	-15%	-33%
Total Scope 3 relative to sales (t CO ₂ e per € million sales)	40.3	45.5	47.8	50.4	-11%	-20%

* Emissions from the respective Scope 3 categories were reported under Scope 1 and 2 in previous years.

** In 2020, upstream outbound values were adjusted to fully cover the e-commerce business and exclude B2B express volumes.

1. PUMA's greenhouse gas reporting is in line with the GHG Protocol International Accounting Standard.
2. Methodological changes over the last three years have influenced results. In 2020, updated emission factors were applied and the consolidated structure changed due to full alignment with the GHG Protocol.
3. The consolidation scope follows the operational control approach, including PUMA-owned or -operated offices, warehouses, stores, and own industrial sites (Argentina).
4. Outsourced Tier 1 production is accounted in the Scope 3 emissions under Purchased goods and services, covering CO₂ emissions from all three product divisions (Accessories, Apparel, and Footwear).
5. PUMA applied emission factors from internationally recognized sources such as the International Energy Agency (IEA) (2019) and DEFRA Conversion Factors (2020). For some Scope 3 emissions, emission factors are based on supplier- and industry-specific emission factors.
6. For sea freight transportation, PUMA follows the recommendation and new methodology of the Clean Cargo Working Group that has transitioned from the use of tank-to-wheel (TTW) CO₂ to well-to-wheel (WTW) CO₂-equivalent emission factors for all fuels.



CHEMICALS

Target description:

- 100% of all PUMA products are safe to use
- Reduce RSL failures to below 1%
- Reduce organic solvent usage under 10 gr/pair

Relates to Sustainable United Nations Development Goals 3 and 6



KPIs:

- Number and pass rate of Restricted Substance List (RSL) tests
- Percentage of failure cases at the product level among all styles gone to sales
- Percentage of chemicals used by our core suppliers who are in compliance with the Manufacturing Restricted Substances List (MRSL) issued by the Zero Discharge for Hazardous Chemicals Foundation (ZDHC)
- VOCs used in footwear production (VOC index for shoes)

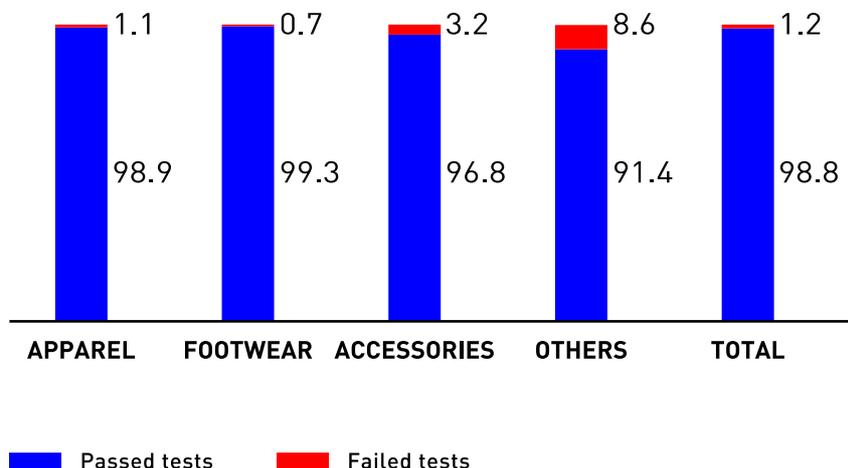
While the effects of potentially hazardous chemicals on human health have yet to be assessed in full, PUMA takes precautionary measures to prevent harm to human health and the environment from its products and operations.

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

Rather than applying internal testing standards, for our tests we rely on the AFIRM Group’s Product RSL and on the Manufacturing RSL developed by the Hazardous Chemicals Foundation (ZDHC).

Since 2018, we have increased the number of RSL tests from 5,318 to 7,465 and decreased our failure rate from 1.9% to 1.2%. When materials fail an RSL test, they cannot be used for PUMA products until the failure has been corrected and they successfully pass the test. In this way, we mitigate the risk of product-level RSL failures.

➤ 6.06 2020 RSL FAILURE RATE BY DIVISION (%)



**➤ T.14 RSL TEST STATISTICS 2018-2020**

Product Division	2020		2019		2018		Variation 2019/2020 (%)		Variation 2018/2020 (%)	
	No. of test reports	Compliance rate (%)	No. of test reports	Compliance rate (%)	No. of test reports	Compliance rate (%)	No. of test reports	Compliance rate	No. of test reports	Compliance rate
Footwear	5,117	99.3	4,668	99.2	3,512	98.4	9.6	0.1	45.7	0.9
Apparel	1,318	98.9	1,239	99.1	988	98	6.4	-0.2	33.4	0.9
Accessories	878	96.8	639	96.2	764	97.1	37.4	0.6	14.9	-0.3
Others	152	91.4	59	100.0	54	100	157.6	-8.6	181.5	-8.6
Total	7,465	98.8	6,605	98.9	5,318	98.1	13.0	-0.1	40.4	0.7

At the manufacturing level, as part of our Zero Discharge of Hazardous Chemicals commitment we continued to ban the intentional use of 11 priority chemical groups classified as particularly hazardous. This phase-out was supported by the increased use of bluesign®- and OEKO-TEX®-certified materials. While the use of most of these chemical groups was never intentional, poly-fluorinated chemicals (PFCs) were used until 2017 for water repellent finishes on apparel and footwear products. In 2020, we engaged in detailed discussions with Gore-Tex on the potential use of its bluesign®-certified membranes and finishes which are either completely PFC-free or free from PFCs of environmental concern.

The phase-out of hazardous substances is reflected in the results of wastewater tests performed by our core wet-processing suppliers: compliance levels of over 94% for each of the parameters listed in the ZDHC MRSL. Most parameters show compliance rates of 100% or close to 100%, except for harmful AZO Dyes (98% compliance) and PFCs (94% compliance). Although phased out by PUMA, the two chemicals still were found in a small number of samples because we share production lines with other brands and retailers.

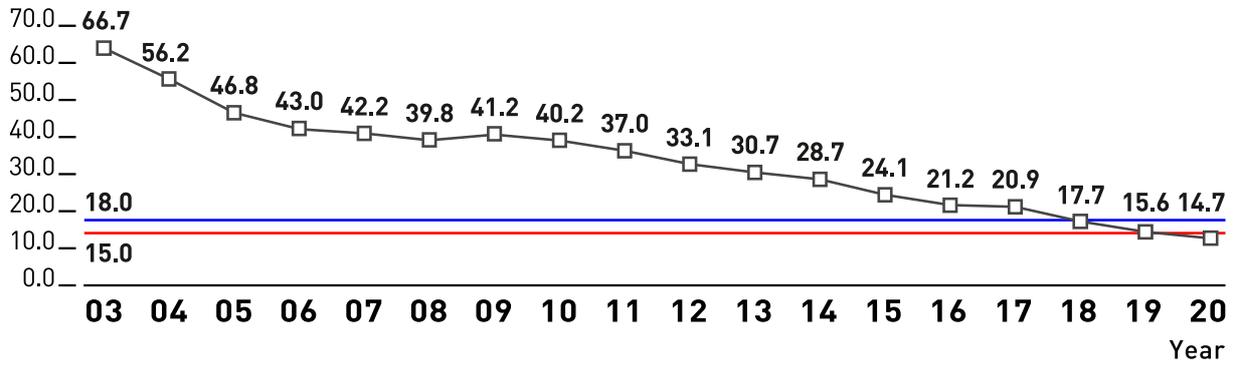
During 2020, we also successfully piloted the MRSL tracking tool BHive by Goblu. This tool uses a relatively simple mobile phone application at the chemical-inventory level to track and trace the percentage of MRSL-compliant chemicals used by suppliers.

With the help of our footwear suppliers we managed to further reduce the number of solvents or volatile organic compounds (VOCs) per pair to below 15 grams in line with our target projection for 2020. This reduction was a direct result of our long-standing VOC Program, which saw the first targets achieved as early as 2003. We are confident that the use of new technologies such as hotmelt adhesives, water-based adhesives, and improved VOC content in the products of major adhesive suppliers will help us reduce the amount of organic solvents to below 10 gr/pair by 2025.



➤ G.07 VOC INDEX DEVELOPMENT OVER TIME*

gr/pair of shoes



—□— Actual — EU Eco Label (18 gr/pair) — 2020 Target

* Since 2019 figure-based for core suppliers in alignment with the general reporting scope



WATER AND AIR

Target description:

- Industry good practice for effluent treatment is met by 90% of core PUMA suppliers with wet-processing facilities
- Industry good practice for air emissions is met by 90% of core PUMA suppliers with significant emissions
- Reduce water consumption at PUMA core suppliers per pair or piece by 15% (based on 2020 baseline)

Relates to United Nations Sustainable Development Goals 6, 14 and 15



Examples of the 10FOR25 action plan:

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

KPIs:

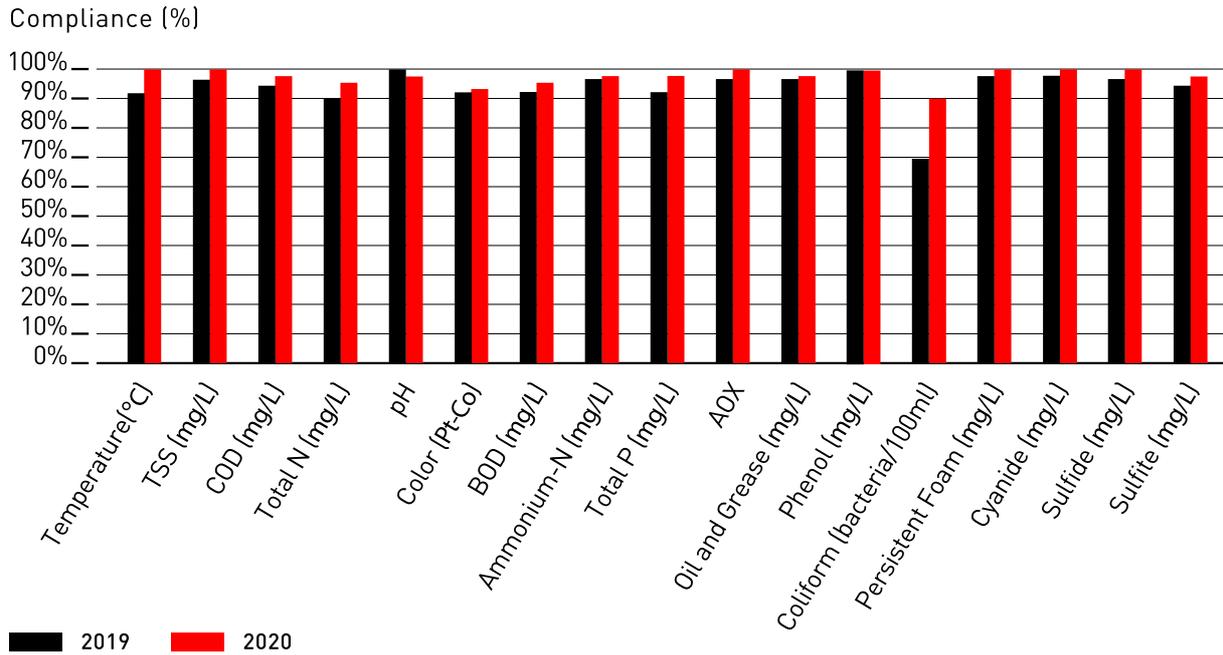
- Percentage of core suppliers meeting good practice standards for wastewater
- Percentage of core suppliers meeting good practice standards for air emissions
- Percentage of water saved per pair/piece

Since 2015, we have increased the number of wastewater tests from 33 to 72 suppliers and 125 test reports, covering approximately 96% of all our core suppliers with industrial wet-processing facilities.

The test results confirm that priority hazardous chemicals have been phased out as planned. Regarding the conventional wastewater parameters that apply only to suppliers that discharge their wastewater directly into natural water bodies, in 2019 we failed to hit our target of 90% compliance for one out of 17 parameters (coliform bacteria). However, our suppliers closed this gap in 2020. Consequently, all our core suppliers now are 90% in compliance with the ZDHC Wastewater Guidelines (foundational level). This means we also have achieved our last remaining wastewater target from the 10FOR20 cycle.

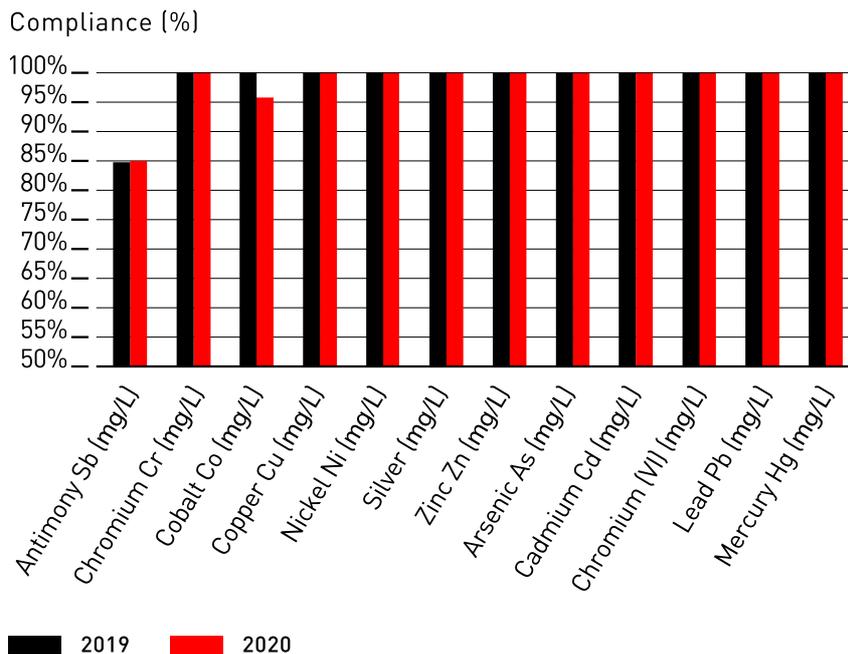


6.08 SUPPLIER PERFORMANCE TO ZDHC WASTEWATER QUALITY GUIDELINE – CONVENTIONAL PARAMETERS



In terms of heavy metals and the chemical parameters regulated in the ZDHC MRSL, the suppliers we tested were able to keep their high compliance rates above 90% for each parameter measured, with the exception of antimony. However, antimony is exempt from the ZDHC Wastewater Guidelines for polyester producers because they use it as a catalyzer.

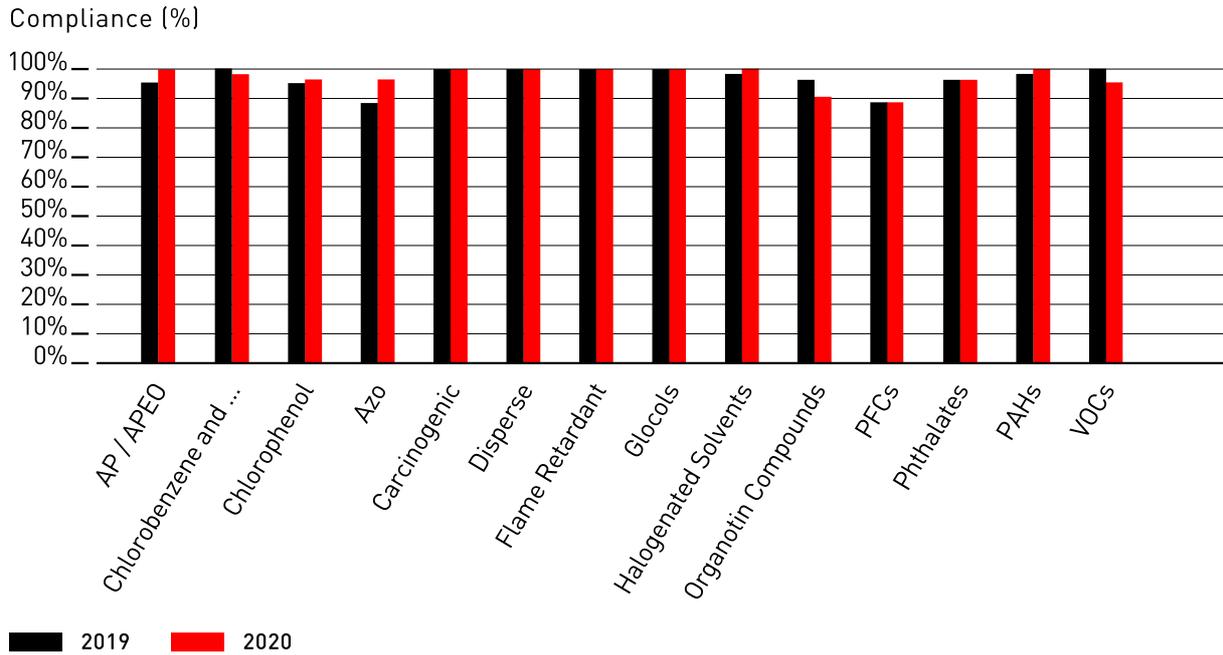
6.09 SUPPLIER PERFORMANCE TO ZDHC WASTEWATER QUALITY GUIDELINE – HEAVY METALS



* Antimony is exempt for mills that produce or dye polyester fabric.



➤ G.10 SUPPLIER PERFORMANCE TO ZDHC WASTEWATER QUALITY GUIDELINE – RESTRICTED CHEMICALS



Since the publication of the ZDHC Air Emission Guidelines was delayed by the impact of COVID-19 in 2020, we decided to conduct an internal study to monitor our supply chain's performance regarding air emissions. We examined a random sample of 30 core factories air emissions test reports (including point sources of gas and ambient air quality) for compliance with global (covering major supply chain regions such as China, Vietnam, Bangladesh, Cambodia, and Indonesia) and local regulations. The result shows that 100% of the core factories sampled were compliant.



PLASTICS AND THE OCEANS

Target description:

- Support initiative and scientific research on microfibers, work with core suppliers to reduce microfiber release
- Research biodegradable polyester for use in PUMA products
- Eliminate plastic bags from PUMA stores and review the impact of hangers and fixtures

Relates to United Nations Sustainable Development Goals 3, 14 and 15



KPIs:

- Tons of plastic bags used in PUMA stores
- Percentage of PUMA offices that have eliminated single-use plastic
- Percentage of plastic packaging recycled

T.15 ELIMINATION OF SINGLE USE PLASTICS

Sub-targets	Baseline 2020	Target 2025
Plastic shopping bags (stores, tons)	400	0
Plastic bags (product packaging, tons)	245	
Plastic bags recycled (product packaging, recycled (%))	4.9%	
Offices that have eliminated single-use plastic (%)	0%	100%

Plastic pollution of our oceans is one of the most urgent challenges to sustainability of our time. As a company that uses polymers for most of its products, we have a special responsibility to work on this issue. Avoiding plastic pollution also is one of the three pillars of the Fashion Pact, of which PUMA is a founding member. Also, several countries and regions have formed initiatives to ban certain types of single-use plastics or plastic bags.

Therefore, we have added the Plastics and the Oceans target to our 10FOR25 sustainability strategy.

Plastic shopping bags and single-use plastics aggravate the problem of plastic pollution significantly. By eliminating them from our stores and office environment we can set a positive example for our consumers and colleagues and at the same time reduce our use of plastics by several hundred tons per year.

In recent years, we switched our shopping bags to FSC-certified paper bags or polyethylene bags with 80% recycled content. During 2020, our Retail division devised a detailed plan to completely phase out plastic bags from our global stores.

Our stores ordered 430 tons of polyethylene bags in 2019 and 400 tons in 2020. We plan to halve this figure in 2021. By 2023 at the latest, we want to replace all polyethylene bags for consumers with paper bags.

At the same time, we switched other plastic items in our retail stores, such as hangers and shoe fixtures, to recycled polymers. We also started working on more environmentally friendly solutions for our B2B product packaging for apparel and accessories, which is also based on polyethylene bags, in collaboration with the Fashion Pact.



At our offices, we have challenged our catering partners and employees to avoid single-use plastics such as coffee cups, lids, stirring sticks, cutlery, or straws.

While Plastics and the Oceans is a new target and we are not quite there yet on a global scale, we have started to eliminate single-use coffee cups and cutlery, for example, at our headquarters in Germany.

CIRCULARITY

Target description:

- Set up or join product takeback schemes in major markets
- Reduce production waste to landfills by at least 50% (shared target)
- Develop recycled materials as alternatives to leather, rubber, cotton, and polyurethane (shared targets)

Relates to United Nations Sustainable Development Goals 9, 12, 14 and 15



KPIs:

- Percentage of major markets with takeback scheme
- Amount of waste sent to landfills
- Percentage of recycled polyester, cotton, leather, rubber, and polyurethane

T.16 CIRCULARITY TARGET STATUS

Sub-targets	Baseline 2020	Target 2025
Takeback schemes	Pilot in Hong Kong	All major markets covered
Recycled material options (leather, rubber, cotton, and polyurethane)	3 out of 4 available (polyurethane under research)	4 out of 4
Production waste to landfills:	Apparel: 1.6 gr/piece Footwear: 17.1 gr/pair Textiles: 8.9 kg/ton Leather: 0.2 kg/m ²	50% reduction

PUMA’s exploration of the issue of circularity dates back to 2011 when we partnered with Cradle to Cradle co-founder Michael Braungart. Our rich history as the first company in our industry to develop a Cradle to Cradle-certified collection – our InCycle collection launched in 2013 – led us to put circularity back on the agenda with our 10FOR25 sustainability strategy.

We are aware that the linear business model currently applied in our industry is far from the ideal concept of a circular economy. Despite our best efforts to use more sustainable materials at scale, PUMA is no exception.

Therefore, we have set circularity targets for ourselves, for example, scaling up the use of recycled polyester and cotton and using recycled alternatives to leather, rubber, and polyurethane (PU), the materials we use most frequently after cotton and polyester.



We also have started to encourage our suppliers to reuse and recycle the fabric waste they are creating for PUMA production, either through applications outside of our industry or ideally, by recycling offcuts into polyester or cotton yarns.

At the end of 2020, our material toolboxes included recycled options for all the above materials and nylon. For recycling and recycled PU, we have entered into a research project with a large chemical company and aim to announce our first pilot in 2021.

To demonstrate our responsibility as a producer and to secure options for more circular material streams in the future, we also have set the target to offer takeback schemes in all our major markets by 2025.

In our efforts to extend the lifespan of our products and re-integrate used materials into our production, we started a project group headed by our Retail division. We aim to pilot the first takeback options in 2021, complementing our existing takeback pilot scheme in Hong Kong.

At the same time, we partnered with Circle Economy and held a virtual workshop on the definition and concept of a circular economy and circular product design for our designers, product line managers, developers, and sourcing teams. The training addressed the challenges and opportunities in our industry to enhance the cyclability of our products, for example, by designing for longevity, easy disassembly, modularity, etc.

To communicate our use of recycled materials, we launched our First Mile collection made from recycled plastic bottles. The concept was well-received and was promoted by several PUMA ambassadors including Formula One champion Lewis Hamilton and Antoine Griezmann, the star of Spanish football club FC Barcelona.

In 2021, we plan to scale up our use of recycled materials. We will continue our partnership with First Mile and launch our first collections made from recycled cotton.



PRODUCTS

Target description:

- 90% of PUMA apparel and accessories products contain >50% more sustainable materials
- 90% of our footwear contains at least one more sustainable component
- Increase use of recycled polyester (apparel and accessories) to 75% by 2025 (shared target)

Relates to United Nations Sustainable Development Goal 12



KPIs:

- Percentage of apparel and accessories with 50% more sustainable material
- Percentage of footwear with at least one more sustainable component
- Percentage of recycled polyester used in apparel and accessories

The PUMA Environmental Profit and Loss Account (EP&L) attributes more than 50% of our environmental impact to material and raw-material production. Against this background, we have decided to prioritize the large-scale use of more sustainable raw materials. In our 10FOR20 strategy, we had set 90% targets for more sustainable raw materials such as cotton, polyester, leather, and cardboard.

For the new targets we intend to have achieved by 2025, we have extended previous targets and have agreed to source 100% of our cotton, polyester, leather, down feathers, and cardboard from more sustainable sources. In addition to measuring the use of more sustainable materials, we will now also determine the percentage of more sustainable products, that is, products made with a significant proportion of more sustainable materials. As defined in our PUMA Sustainability Index, or S-Index, more sustainable apparel or accessories products have at least 50% more sustainable materials. For footwear, we currently measure sustainability as including one or more components made from more sustainable materials.

➤ 6.11 PUMA FOREVER BETTER PYRAMID





KPIs:

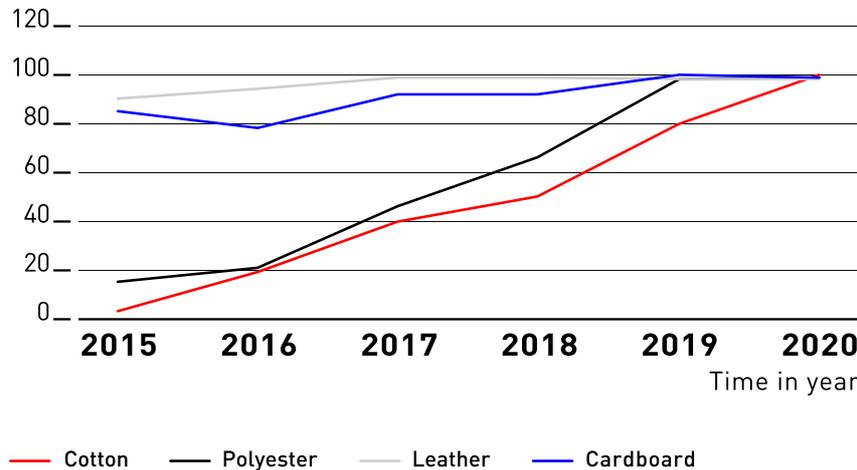
T.17 MORE SUSTAINABLE PRODUCTS STATUS

Product Category	Baseline 2020	Target 2025
Apparel with at least 50% more sustainable material	81%	90%
Accessories with at least 50% more sustainable material	47%	90%
Footwear with at least one more sustainable component	24%	90%

Our long-term efforts to scale up more sustainable materials in partnership with our material suppliers has helped us achieve our target of using 100% more sustainable cotton as early as 2020, five years ahead of schedule. For polyester (99.5% in apparel and accessories), leather (98% in footwear), and cardboard (99% shoeboxes and labels) we came very close to achieving our targets.

G.12 MORE SUSTAINABLE MATERIALS DEVELOPMENT

Percentage of More Sustainable Materials



As in previous years, a large percentage of our more sustainable materials can be attributed to cotton from the Better Cotton Initiative, bluesign®- and/or OEKO-TEX®-certified polyester, and Leather Working Group (LWG)-certified leather. In addition, we only use down feathers certified by the Responsible Down Standard, and 100% of our viscose is made by Lenzing, one of the world’s leading viscose suppliers with a proven track record on sustainability. Therefore, more than 80% of our apparel products already are classified as more sustainable products, in line with the definition in our PUMA Sustainability Index.

In accessories we also have made good progress: 47% of our products are more sustainable.

Coverage and calculation are more complex for footwear because all our shoes are made from a number of components. The main materials we use include polyester, polyurethane, rubber, leather, and nylon. In line with our previous targets, we have achieved 98% coverage of LWG-certified leather. For the other materials, in 2020 our Sourcing teams worked to find more sustainable solutions that also are cost-efficient. For example, we now are using recycled materials for all our counters and many of our linings and have replaced the polyester-based backing of all polyurethane (PU) materials, which we use as an alternative to leather, with recycled polyester.



By the end of 2020, 24% of our footwear products had at least one major component classified as more sustainable. This calculation is based on the use of 98% more sustainable leather (from LWG-certified tanneries). In 2021, we will work on more accurate internal reporting and on scaling up the use of more sustainable materials with a clear vision to achieve our 2025 targets.

Besides switching our core materials to more sustainable versions, our product teams have created several sustainability-focused collections and initiatives. Under our Forever Better Platform, we launched two lighthouse initiatives in 2020: First Mile, and our Day Zero collection in partnership with Central St. Martin's College, London.

While First Mile emphasized the collection and recycling of used plastic bottles and on the related human stories, our Day Zero collection was inspired by the severe water shortage in Cape Town, South Africa. It focused on water saving technologies such as dope-dyed polyester or digital printing.

Complementing our lighthouse initiatives, we had further sustainability focused collections in our product ranges, for example our Time4change and Downtown collections.

➤ T.18 DEVELOPMENT OF MORE SUSTAINABLE MATERIAL USAGE*

Division	Material Targets	% of Total 2020		% of Total 2019	% of Total 2018	Target 2025
Apparel	BCI cotton: 99.4%	100%	BCI cotton: 80%	82%	50%	100%
	Recycled cotton: 0.6%		Organic cotton: 2%			
	Polyester: bluesign®: 35.5%	99.5%	bluesign®: 55%	98%	66%	100%
	OEKO-TEX®: 45.35%		OEKO-TEX®: 42%			
	Recycled: 18.7%		Recycled: 1%			
	RDS-certified down feathers	100%		100%		100%
Viscose from green-shirt rated fiber producers**	100%	Viscose from green-shirt rated fiber producers**	100%		100%	
Accessories	BCI cotton: 100%	100%		100%	46%	100%
	Polyester: bluesign®: 57.6%		bluesign®: 54%			
	OEKO-TEX®: 40.4%		OEKO-TEX®: 46%			
	Recycled: 2.1%					
Footwear	LWG Medal Rated leather/recycled leather	97.9%		97.7%	99%	100%
	Recycled polyester	12.1%		6%		
			-		-	TBD
	Recycled or natural rubber	11.9%	-		-	NA
	Recycled or solvent-free PU	0%	-		-	NA
		15				
Product packaging	Recycled paper and cardboard: 86.3%	99%		100%	92%	100%
	FSC-certified: 12.7%		Product packaging			

* Figures excluding trims and licensee production, in line with previous years' reporting

** Green-shirt rated fiber producers, as determined by the annual Canopy Hot Button report, encourage existing fiber suppliers to commit to CanopyStyle and a Canopy Audit (<https://hotbutton.canopyplanet.org/>).

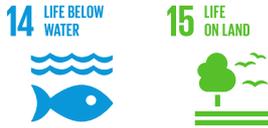


BIODIVERSITY

Target description:

- Support the industry in setting a science-based target for biodiversity
- 100% of cotton, leather, and down procured from certified sources (shared target)
- Zero use of exotic skins and hides

Relates to United Nations Sustainable Development Goals 14 and 15



KPIs:

T.19 SUSTAINABLY SOURCED BIO-BASED MATERIALS*

Sub-targets	Baseline 2020	Target 2025
Science Based Target (SBT)	Joined Fashion Pact activities on biodiversity	SBT set
Cotton (BCI and/or recycled)	100%	100%
Leather (LWG-certified tanneries)	98%	100%
Down (RDS-certified)	100%	100%
Sustainably sourced viscose / MMCF	100%	100%
Cardboard and paper (FSC and/or recycled)	99% (product packaging supply chain)	100%

* excluding trims and licensee production

Scientific reports point to the fact that the loss of biodiversity has increased over the last decade. Once extinct, species can never be brought back and are lost forever. Not only because our logo features a wild animal, we have decided to dedicate one of our 10FOR25 targets to biodiversity.

PUMA’s impact on biodiversity is indirect yet severe. We use approximately 30,000 tons of cotton and 2,400 tons of leather per year for our products. Both cotton farming and cattle ranching require extensive land use and have been cited to reduce biodiversity, for example, by transitioning virgin forest to farmland in South America or depleting the Aral Lake in Central Asia for cotton farming during the Soviet Union era.

In addition, our annual paper and cardboard consumption amounts to 18,500 tons (supply chain only), the equivalent of 6,000 trees.

To mitigate the loss of biodiversity resulting from the production of our materials, we have set ambitious targets: As of 2020, 100% of our cotton fibers, 97.9% of our leather, and 99% of our cardboard originates from preferred sources such as BCI cotton, LWG-certified leather, and recycled and/or FSC-certified cardboard.

In addition, in 2020 we mapped out our viscose supply chain to ensure that we procure 100% of our viscose from suppliers committed to reducing the risk of sourcing from Ancient and Endangered Forests.

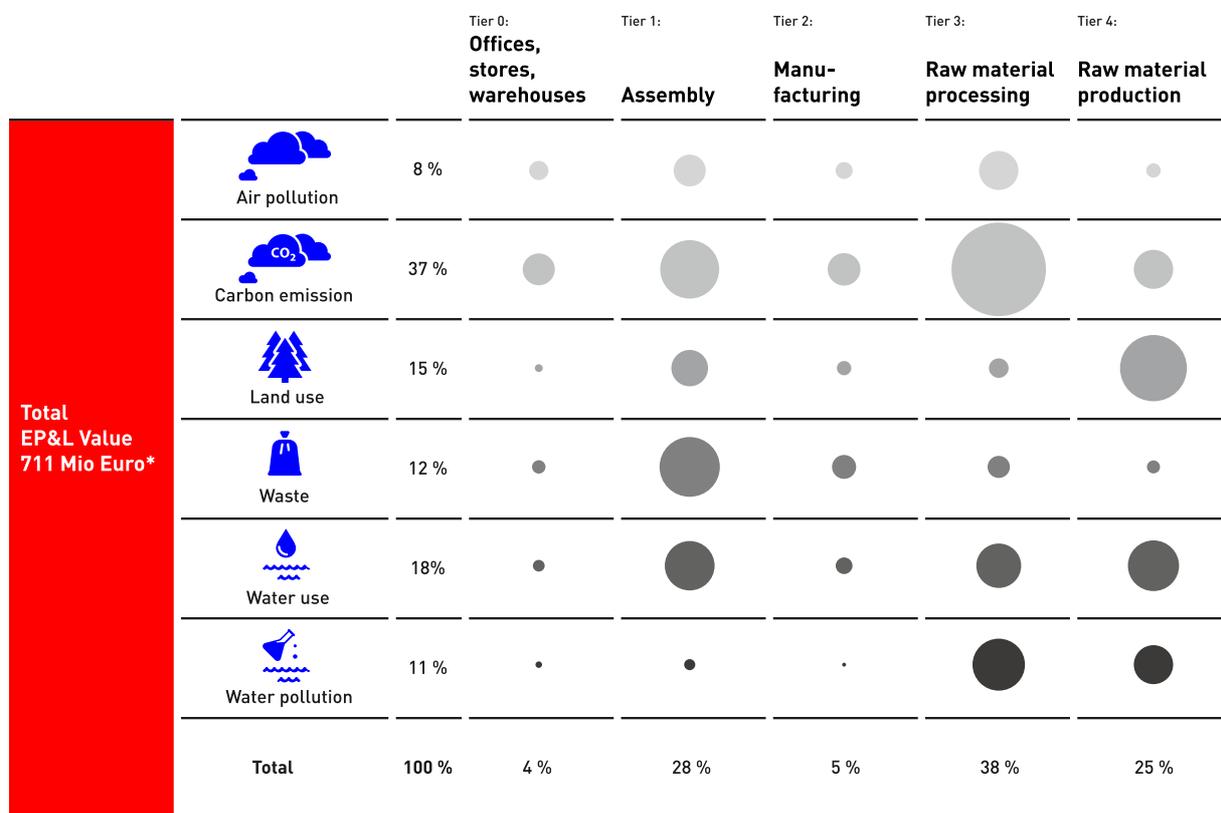


In 2021, we will publish an updated Animal Welfare policy and plan to increase our preferred leather and paper/cardboard volumes to 100%. Not least because we are a signatory to the Fashion Pact, we also will continue to expand our biodiversity strategy.

ENVIRONMENTAL PROFIT AND LOSS ACCOUNT AND E-KPIS

At PUMA, we pioneered the concept of an EP&L in 2011 with the publication of our first corporate EP&L on climate and water. Since then, the EP&L has been expanded into other impact categories and has been further developed by Kering, PUMA's former majority owner. Today, we continue to collect supply chain data to populate our PUMA EP&L, which we consider to be a good indicator of where the highest impact lies within our value chain, rather than a precise measurement tool. Because determining the individual values is very complex, we have incorporated the results of the 2019 EP&L into this report. We plan to publish our 2020 EP&L in 2021.

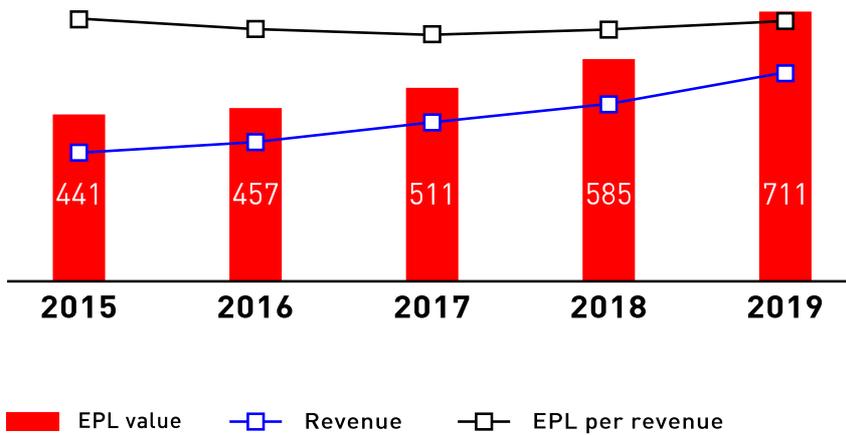
G.13 EP&L RESULTS 2019



The chart above shows that the environmental impact of our value chain is dominated by material processing, while product assembly and raw material production also are important stages of our value chain.



G.14 PUMA EP&L TREND 2015-2019* (in € million)



* Since 2019 expanded scope of covered business activities and impacts

Our EP&L trend from 2015 to 2019 clearly indicates an increase in the EP&L value and in revenue. This means that our environmental footprint also is expanding. Compared to the increased revenue, our EP&L value has remained stable.

With our ambitious product sustainability targets and updated supplier data in our EP&L we hope to reduce the EP&L value per revenue significantly over the next five-year target period.

For an overview of the environmental KPIs of PUMA's entities and core Tier 1 suppliers, please see figures T.20 and T.21 below. Together with data on our material consumption and manufacturing locations (T.22 and T.23 below), these figures form the basis of the PUMA EP&L.



➤ T.20 E-KPIS PUMA AND TIER 1 PRODUCTION – ENERGY¹⁻⁴

	2020	2019	2018	2017	% Change 2019/2020	% Change 2017/2020
Energy (MWh)						
Energy from electricity (PUMA own entities)						
Non-renewable electricity consumption	0	12,683	29,766	52,508	-100%	-100%
Electricity consumption from renewable sources (green tariffs and on-site photovoltaic)	10,839	11,547	11,695	11,611	-6%	-7%
Electricity consumption guaranteed with EACs	50,526	37,269	25,051	0	36%	n/a
Total electricity consumption (PUMA own entities)	61,365	61,499	66,512	64,119	0%	-4%
Percentage of renewable electricity consumption (excluding EACs)	18%	16%	15%	18%		
Percentage of renewable electricity consumption (including EACs)	100%	79%	55%	18%		
Energy from non-renewable fuels (oil, natural gas, etc.)	10,739	10,975	11,724	14,430	-2%	-26%
Energy from steam	6,247	7,915	5,734	5,155	-21%	21%
Total energy consumption (PUMA own entities)	78,350	80,389	83,970	83,704	-3%	-6%
Non-renewable energy consumption from PUMA production (Tier 1) (MWh)*	221,641	246,160	195,866	194,881	-10%	14%
Renewable energy consumption from PUMA production (Tier 1) (MWh)*	3,013					
Percentage of renewable energy consumption from PUMA production	1%					

* Includes Tier 1 suppliers

1. Figures include PUMA-owned or -operated offices, warehouses, and stores.
2. Data includes extrapolations or estimates where no real data could be provided.
3. Includes our 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.
4. Methodological changes over the last three years have influenced results.

**T.21 E-KPIS WASTE, PAPER AND WATER OF PUMA AND TIER 1 PRODUCTION**

	2020	2019	2018	2017	% Change 2019/2020	% Change 2017/2020
Waste, paper, and water						
Waste PUMA own entities (tons)	3,021	3,154	4,877	5,293	-4%	-43%
Recycled waste PUMA own entities (tons)	847	1,111	2,282	3,419	-24%	-75%
Recycled waste PUMA own entities (%)	28%	35%	47%	65%		
Waste from PUMA production (Tier 1 suppliers, tons)	23,498	24,205	16,682	14,686	-3%	60%
Percentage production waste to landfills (Tier 1)	9%					
Paper and cardboard consumption PUMA (tons)*	2,638	2,281	2,292	2,756	16%	-4%
Certified or recycled paper and cardboard consumption PUMA (tons)	1,848	1,818	1,120	2,025	2%	-9%
Percentage of certified or recycled paper consumption (%)	70%	80%	49%	74%		
Paper and cardboard consumption from PUMA production (shoe boxes, hangtags) (tons)	18,538	14,863	13,607	14,129	25%	31%
Percentage of certified or recycled paper and cardboard consumption from PUMA production (%)	99%	100%	98%	n/a		
Water PUMA own entities (m ³)	96,569	95,291	89,676	106,397	1%	-9%
Water from PUMA production Tier 1 suppliers (k m ³)	2,332	2,572	2,030	2,149	-9%	9%

* Including paper bags, office paper, and cardboard consumption of offices, warehouses, and stores

1. Figures include PUMA-owned or -operated offices, warehouses, and stores.
2. Data includes extrapolations or estimations where no real data could be provided.
3. 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.
4. Methodological changes over the last three years have influenced results.

We continue to work with our core suppliers to reduce their environmental footprint. In 2020, we joined the Apparel Impact Institute's Clean by Design Program and expanded our cooperation with the International Finance Corporation on resource efficiency and renewable energy in Bangladesh. We joined forces with the German Development Agency GIZ to conduct solar photovoltaic feasibility studies at 22 suppliers across Asia. Also, we worked with the World Wildlife Fund to train our suppliers on climate action.

There is an overall trend of carbon emission reduction (within our core Tier 1 suppliers) per pair of footwear (28%) or piece of apparel product (26%) since 2017. During the same period, our core Tier 1 suppliers have been able to reduce the amount of water per piece of apparel significantly by 39%, while water consumption at Tier 1 footwear suppliers increased by 4%.

Apparel and footwear suppliers reported an increase in production waste of 23% and 25% respectively, figures that show there still is work to be done on that KPI. However, as detailed in this report, most of our Tier 1 production waste is recycled, with only 9% of waste ending up in landfills.

**➤ T.22 FOOTWEAR E-KPI RESULTS**

Summary of supplier e-KPIs	Weights				Change		Number of Suppliers
	2020	2019	2018	2017	2019-2020	2017-2020	
Value							
Energy/pair (kWh)	1.31	1.30	1.25	1.40	1%	-7%	22
CO ₂ /pair (kg)	0.74	0.96	0.93	1.00	-23%	-26%	22
Water/pair (l)	15.08	15.21	12.30	14.50	-1%	4%	22
Waste/pair (g)	144.80	126.66	108.51	115.90	14%	25%	22
Waste to landfills/pair (g)	17						

➤ T.23 APPAREL E-KPI RESULTS

Summary of supplier e-KPIs	Weights				Change		Number of Suppliers
	2020	2019	2018	2017	2019-2020	2017-2020	
Value							
Energy/piece (kWh)	0.56	0.57	0.57	0.72	-2%	-23%	21
CO ₂ /piece (kg)	0.22	0.24	0.26	0.31	0%	-28%	21
Water/piece (l)	4.60	4.39	4.20	7.58	5%	-39%	21
Waste/piece (g)	54.27	56.33	46.50	44.00	-4%	23%	21
Waste to landfills/piece (g)	1.6						

Since 2017, we also have been measuring average environmental key performance indicators (E-KPIs) from fabric and leather manufacturing. As we have included our main material suppliers in our energy and water efficiency programs and other brands also have expanded their resource efficiency programs to include our shared material suppliers, we can see a positive trend in performance. Some of the CO₂ emissions reductions can be attributed to coal and oil for boilers being replaced with less polluting fuel sources such as rice husk or natural gas.

➤ T.24 LEATHER E-KPI RESULTS

Summary of supplier e-KPIs	Weights				Change		Number of factories
	2020	2019	2018	2017	2019-2020	2017-2020	
Value							
Energy/m ² (kWh)	7.0	8.2	8.7	9.1	-14%	-23%	6
CO ₂ /m ² (kg)	2.7	3.2	3.2	3.4	-15%	-20%	6
Water/m ² (l)	68.3	74.7	90.2	91.8	-8%	-26%	6
Waste/m ² (kg)	0.7	0.8	0.8	1.6	-13%	-56%	6



➤ T.25 TEXTILES E-KPI RESULTS

Summary of supplier e-KPIs	Weights				Change		Number of factories
	2020	2019	2018	2017	2019-2020	2017-2020	
Value							
Energy/t (kWh)	13,049.1	12,636.3	13,386.80	13,679.11	3%	-5%	21
CO ₂ /t (t)	4.47	4.37	4.45	4.45	2%	0%	21
Water/t (m ³)	103.4	105.5	122.78	119.30	-2%	-13%	21
Waste/t (kg)	78.9	62.08	70.63	299.59	27%	-74%	21



SUMMARY AND OUTLOOK

Looking back at our last target cycle with the 10FOR20 Targets, we can say that we have achieved one of the targets we had missed, related to the wastewater quality from our core suppliers with wet-processing facilities. In 2019, we reported a failure to achieve 90% compliance with the parameter of coliform bacteria. This gap was closed in 2020. Likewise, we were able to achieve our long-term target of 15grams VOC per pair of shoes, after having reported 15.4 grams in 2019. We exceeded our 90% target for more sustainable cotton, up from 82% in 2019 to 100% in 2020. This leaves us with only the air quality target open from the previous target period, and we also made some progress here by checking a sample of 30 core factories for compliance to local air quality regulations. The check revealed full compliance for all of the factories reviewed.

2020 was dominated by the global COVID-19 pandemic and the new challenges it brought for PUMA and our business partners. Our strategy to collaborate closely with our core suppliers and wholesale partners paid off during this difficult period. As a result, we were able to limit order cancellations and support our suppliers with our long-term Vendor Financing Program that is linked to sustainability. Taking this concept further, we also secured green financing tools for PUMA, in collaboration with ING and Bank of America.

By and large, our 10FOR25 target cycle started out successfully. We significantly increased our internal and external communications on more sustainable products via our Forever Better Platform <https://about.puma.com/en/forever-better>.

At the same time, we were able to source 100% of our cotton, (close to 100%) polyester, viscose and down feathers for our apparel and accessories ranges from responsible sources. Our footwear division also made good progress, with nearly all leather as well as paper and cardboard coming from responsible sources.

In addition to introducing more sustainable versions for our base materials, we increased the percentage of recycled polyester in apparel from 1% in 2019 to 18.7% in 2020 and have started to use recycled cotton (0.6%). In line with our circularity targets, we developed recycled options for leather, rubber, and nylon and trained our design and development teams on the principles of circularity.

The reduction of our carbon footprint due to the decrease in air-freight and employee business travel clearly can be attributed to the COVID-19 crisis. More importantly, we accelerated the transition to renewable energy: We leased the first six hydrogen cars for PUMA's fleet, increased our own renewable electricity coverage to 100%, and assisted our suppliers with introducing on-site or off-site renewable energy. The base of our program has been secured and we hope to be able to expand it to meet our ambitious targets by 2025.

Last but not least, we are happy to report that the pandemic has caused the PUMA family to come even closer together. We look forward to a great 2021 and will keep working hard every day to continue our sustainability journey.



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 chapter "Sustainability", the section "Culture" in the chapter "Our People" as well as the sections "Corporate Social Responsibility" and "Compliance Management System" in the Chapter "Further Information".

The reporting period covered is January 1st, 2020 to December 31st, 2020. No restatements 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 98. We have not identified any most significant non-financial performance indicators according to §289c, section 3, number 5 German Commercial Code (HGB). 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	98
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> 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	98
102-3	Location of headquarters		x	98
102-4	Location of operations		x	102-103
102-5	Ownership and legal form		x	139, 177
102-6	Markets served	<ul style="list-style-type: none"> a. Markets served, including: <ul style="list-style-type: none"> i. Geographic locations where products and services are offered; ii. Sectors served; iii. Types of customers and beneficiaries. 	x	112-114
102-7	Scale of the organization		x	104, 166
102-8	Information on employees and other workers	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> 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	19, 20, 104
102-9	Supply chain		x	102
102-10	Significant changes to the organization and its supply chain	<ul style="list-style-type: none"> a. Significant changes to the organization’s size, structure, ownership, or supply chain, including: <ul style="list-style-type: none"> i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and the other capital formation, maintenance, and alteration operations (for private sector organizations); 	x	110-114

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		Description	CSR Directive Implementation*	Page
		iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.		
102-11	Precautionary principle or approach		x	53
102-12	External initiatives		x	27-28
102-13	Membership of associations		x	27-28

STRATEGY

		Description	CSR Directive Implementation*	Page
102-14	Statement from senior decision-maker		x	5-7
102-15	Key impacts, risks, and opportunities		x	33, 150-160

ETHICS AND INTEGRITY

		Description	CSR Directive Implementation*	Page
102-16	Values, principles, standards, and norms of behavior		x	37, 139-149

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	139-149
102-21	Consulting stakeholders on economic, environmental, and social topics		x	27-28

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**STAKEHOLDER ENGAGEMENT**

		Description	CSR Directive Implementation*	Page
102-40	List of stakeholder groups		x	27-28
102-41	Collective bargaining agreements		x	19, 43
102-42	Identifying and selecting stakeholders		x	27-28
102-43	Approach to stakeholder engagement		x	27-28
102-44	Important topics and concerns	The reporting organization shall report on 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	27-28

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	178-182
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	x	29, 34
102-47	List of material topics		x	29
102-48	Restatements of information		x	73
102-49	Changes in reporting		x	73
102-50	Reporting period		x	73
102-51	Date of most recent report		x	73
102-52	Reporting cycle		x	73

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		Description	CSR Directive Implementation*	Page
102-53	Contact point for questions regarding the report		x	274
102-54	Claims of reporting in accordance with the GRI Standards	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: <ul style="list-style-type: none"> 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	73
102-55	GRI content index	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> i. The number of the disclosures (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 the other published materials; iii. If applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. 	x	73-89
102-56	External assurance	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of 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	90-92

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**SPECIFIC STANDARD DISCLOSURES****ENVIRONMENTAL TOPICS****MANAGEMENT APPROACH****Materials**

		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

MATERIALS

		Description	CSR Directive Implementation*	Page
301-1	Materials 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	63-64

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**MANAGEMENT APPROACH****Energy**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary		x	46-47
103-2	The management approach and its components		x	46-47
103-3	Evaluation of the management approach		x	46-47

ENERGY

		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	51-52, 70-71

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**MANAGEMENT APPROACH****Emissions**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary		x	47-48
103-2	The management approach and its components		x	47-48
103-3	Evaluation of the management approach		x	47-48

EMISSIONS

		Description	CSR Directive Implementation*	Page
305-1	Direct (Scope 1) GHG emissions		x	51
305-2	Energy indirect (Scope 2) GHG emissions		x	51
305-3	Other indirect (Scope 3) GHG emissions		x	52
305-4	GHG emissions intensity		x	51-52
305-5	Reduction of GHG emissions		x	51-52

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SOCIAL TOPICS

MANAGEMENT APPROACH

Supplier Social Assessment

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary		x	37
103-2	The management approach and its components		x	37
103-3	Evaluation of the management approach		x	37

SUPPLIER SOCIAL ASSESSMENT

		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	37
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	37-40

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**MANAGEMENT APPROACH****Freedom of Association and Collective Bargaining**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary		x	37-38, 41
103-2	The management approach and its components		x	37-38, 41
103-3	Evaluation of the management approach		x	37-38, 41

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

		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	42-43

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MANAGEMENT APPROACH

Forced or Compulsory Labor

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary		x	35-37
103-2	The management approach and its components		x	35-37
103-3	Evaluation of the management approach		x	35-37

FORCED OR COMPULSORY LABOR

		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> <ul style="list-style-type: none"> a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: <ul style="list-style-type: none"> i. Type of operation (such as manufacturing plant) and supplier; ii. Countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor. 	x	36-37

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**MANAGEMENT APPROACH****Human Rights Assessment**

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary		x	35-37
103-2	The management approach and its components		x	35-37
103-3	Evaluation of the management approach		x	35-37

HUMAN RIGHTS ASSESSMENT

		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	38

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MANAGEMENT APPROACH

Occupational Health and Safety

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary		x	18, 20
103-2	The management approach and its components		x	18, 20
103-3	Evaluation of the management approach		x	18, 20

OCCUPATIONAL HEALTH AND SAFETY

		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	20

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MANAGEMENT APPROACH

Diversity and Equal Opportunity

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary			17-18, 146-147
103-2	The management approach and its components			17-18, 146-147
103-3	Evaluation of the management approach			17-18, 146-147

DIVERSITY AND EQUAL OPPORTUNITY

		Description	CSR Directive Implementation*	Page
405-1	Diversity of governance bodies and employees	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: <ul style="list-style-type: none"> i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; b. Percentage of employees category in each of the following diversity categories: <ul style="list-style-type: none"> i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). 		17-18, 146-147

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ECONOMIC TOPICS

MANAGEMENT APPROACH

Anti-Corruption

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary		x	141-142
103-2	The management approach and its components		x	141-142
103-3	Evaluation of the management approach		x	141-142

ANTI-CORRUPTION

		Description	CSR Directive Implementation*	Page
205-2	Communication and training about anti-corruption policies and procedures		x	141-142

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MANAGEMENT APPROACH

Economic Performance

		Description	CSR Directive Implementation*	Page
103-1	Explanation of the material topic and its boundary			150-151
103-2	The management approach and its components			150-151
103-3	Evaluation of the management approach			150-151
201-2	Financial implications and other risks and opportunities due to climate change			156

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**MANAGEMENT APPROACH****Tax**

		Description
207-1	Approach to tax	<p>A description of the approach to tax, including:</p> <ul style="list-style-type: none"> i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available; ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review; iii. the approach to regulatory compliance; iv. how the approach to tax is linked to the business and sustainable development strategies of the organization. <p>„WE PAY OUR FAIR SHARE“ is the core principle the PUMA-Group is taking into consideration for its global tax strategy. In this regard, PUMA fully commits to act in accordance with all international tax regulations and to fulfill any tax obligations arising from its business activities.</p> <p>PUMA is not following artificial structures solely to save taxes by those. Of course, taxes play a role in business decisions so to know those and so to do the right thing, however, tax consequences are not the relevant drivers for failing a final sign off on business strategies in this regard.</p> <p>It is key for PUMA to pay an appropriate portion of its pre-tax profit to tax administrations in the respective countries. Paying tax is accepted as a general business principle of PUMA. An effective tax rate of around 25% over the last years confirms to this. As it's a general principle for PUMA to follow tax rules and to pay applicable taxes, taxes as such are not a material issue within the sustainably approach. Consequently, Puma does not report in detail on the GRI-Standard in this regard.</p>



DELOITTE ASSURANCE STATEMENT

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT

Translation – German version prevails

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, 2020 (hereinafter: "Combined Non-Financial Report"). This Combined Non-Financial Report consists of the chapter "Sustainability", the section "Culture" in the chapter "Our People" and the sections "Compliance Management System" and "Corporate Social Responsibility" in the chapter "Corporate Governance Statement in accordance with Section 289f and Section 315d HGB" of the Annual Report 2020 of PUMA SE, Herzogenaurach. The sections under "Environmental Profit and Loss Account" (EP&L) including tables G.13 and G.14 in the chapter "Sustainability" as well as case studies and references to interviews, 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.

The 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 firm applies the German national legal requirements and the German professional pronouncements on quality control, in particular the Professional Charter for German Public Auditors and German Sworn Auditors (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) as well as the Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1) promulgated by the Institut der Wirtschaftsprüfer (IDW), 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 disclosed 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 2020 to April 2021, 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, 2020 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”, the section “Culture” in the chapter “Our People” and the sections “Compliance Management System” and “Corporate Social Responsibility” in the chapter “Corporate Governance Statement in accordance with Section 289f and Section 315d HGB” of the Annual Report 2020 of PUMA SE, Herzogenaurach. Our opinion does not refer to sections under “Environmental Profit and Loss Account” (EP&L) including tables G.13 and G.14 in the chapter “Sustainability” as well as case studies and references to interviews, 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 13, 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.

Munich/Germany, April 6, 2021

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Dr. Thomas Reitmayr

(German Public Auditor)

Signed:

Sebastian Dingel