



## STATEMENT

**Herzogenaurach, 05 April 2024**

As a responsible business partner for our suppliers, we recognize that our business practices, and our trading terms and conditions can have a significant impact on the organization at our suppliers' factories. [PUMA's Responsible Sourcing Policy](#) aims to reduce potential negative impacts; it was developed in 2019 to create a framework for guiding decisions and maintaining consistency.

In 2021 and 2022, PUMA sourcing staff and suppliers received Responsible Sourcing Practice training. The training referred to the UN Guiding Principles on Business and Human Rights, to explain the link between the purchasing practices, potential impact on working conditions, and the risk of Human Rights violations.

Since 2022, we invite our core direct suppliers to participate in a Better Buying survey. The survey results are shared with our procurement and sourcing teams, who are actively engaged in improving our sourcing practices and dialogue with our suppliers. PUMA's overall score has increased, mainly due to the increased score on covering cost for compliant production, being accountable for delays as a brand, providing regular forecast updates, and maintaining a low order cancellation percentage.

### **RESPONSE TO ALLEGATION REGARDING PT. TUNTEX GARMENT INDONESIA:**

PT. Tuntex Garment Indonesia closed on March 31, 2023. PUMA has not stopped placing orders with PT. Tuntex Garment Indonesia and our business with this supplier was stable before the closure. Tuntex's management decided to close this factory for business reasons and PUMA orders are now produced at Tuntex's sister factory in Central Java.

The factory followed the legal procedure for announcing the factory closure to trade unions and workers. A collective agreement has been signed between trade unions and the factory management on a severance amount beyond the labor laws requirement. All the necessary steps were followed by the factory management for the 1,163 workers to receive their unemployment pension.

**RESPONSE TO ALLEGATION REGARDING PT HORN MING INDONESIA:**

While PUMA's start to 2023 had been successful, the market environment was challenging, characterized by geopolitical conflicts, volatile currencies, macroeconomic headwinds, and muted consumer sentiments as well as elevated inventory levels in the marketplace which led to a decrease in our order book for footwear.

PUMA followed up closely with PT. Horn Ming Indonesia to ensure that the collective agreement signed between unions and management was followed and that the employment termination as well as all severance payments were according to the local regulation for the 571 laid-off workers.

As of today, 74 out of 571 workers have been re-hired. In 2024, our order book has been stable and aligned with the forecast provided to Diamond, parent company of PT Horn Ming. Diamond remains a key partner for PUMA, and Indonesia remains a key production country.

## **PUMA**

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PUMA is one of the world's leading sports brands, designing, developing, selling and marketing footwear, apparel and accessories. For 75 years, PUMA has relentlessly pushed sport and culture forward by creating fast products for the world's fastest athletes. PUMA offers performance and sport-inspired lifestyle products in categories such as Football, Running and Training, Basketball, Golf, and Motorsports. It collaborates with renowned designers and brands to bring sport influences into street culture and fashion. The PUMA Group owns the brands PUMA, Cobra Golf and stichd. The company distributes its products in more than 120 countries, employs about 20,000 people worldwide, and is headquartered in Herzogenaurach/Germany.