



Survey: Jordan garment sector supply chain due diligence (2018)

Company: PUMA

1. Please explain your approach to mapping human rights risks in your Jordanian supply chain and whether you work with any local partners in doing so.

Jordan is not one of PUMA's sourcing countries and we currently do not have any active suppliers in Jordan. PUMA has occasionally used suppliers in Jordan for project based orders in the past.

As a partner of the ILO / IFC Better Work Programme worldwide (wherever the BW is available), any potential suppliers in Jordan would be included to the ILO / IFC Better Work Programme in Jordan.

PUMA factories that are enrolled in the ILO/ IFC Better Work Programme (globally), go through a process of learning that includes assessments, advisory services, industry seminars and training.

Areas covered in Better Work assessments and learning include child labour, discrimination, forced labour, freedom of association, collective bargaining and national labour law regulations on compensation, contract and workplace relations, occupational safety and health, working hours and more.

The conditions and improvements in each Better Work factory are assessed by Better Work's enterprise advisors based on the Compliance Assessment Tool (CAT).

Besides our partnership with Better Work, PUMA has also been an accredited member of the Fair Labor Association since 2007.

Policy:

Policies/standards are as below. These policies/standards are valid for all countries, and would be valid for any Jordan based potential suppliers as well.

<http://about.puma.com/en/this-is-puma>

<http://about.puma.com/en/sustainability/strategy>

<http://about.puma.com/en/sustainability/strategy/sustainability-targets>

<http://about.puma.com/en/sustainability/standards/coc>

<http://about.puma.com/en/sustainability/standards/handbooks>

<http://about.puma.com/en/sustainability/supply-chain/puma-s-auditing-pro...>

<http://about.puma.com/en/sustainability/standards>

<http://about.puma.com/en/sustainability/reports/Statement-on-Slavery-and...>

<http://about.puma.com/en/sustainability/strategy/history-and-achievements>

<http://about.puma.com/en/sustainability/supply-chain/capacity-building>

There are several ways to monitor the issue of Forced Labor in the PUMA supply-chain. Our factory audit tool covers, for example, 15 concrete questions about Forced Labor and one of them is marked as Zero Tolerance Issue, effectively banning PUMA production for any supplier engaged in Forced Labor practices.

Audit Tool question on Forced Labor:

Labor Performance

Forced Labor

Is there no evidence of forced labor in the factory?

ZTI Question

2a. Does your company have a human rights policy which addresses worker rights in your supply chain?

<http://about.puma.com/en/sustainability/standards/coc>

<http://about.puma.com/en/sustainability/standards/handbooks>

<http://about.puma.com/en/sustainability/supply-chain/puma-s-auditing-pro...>

<http://about.puma.com/damfiles/default/sustainability/supply-chain/audit...>

<http://about.puma.com/en/sustainability/reports/Statement-on-Slavery-and...>

In addition to the policies and tools mentioned above we have recently engaged in a high level meeting around migrant workers and recruitment fees in Mauritius. As an outcome of the meeting, we are working with several brands and stakeholders on the issue of recruitment fees and plan to update our Sustainability Handbook for Social Standards accordingly, once this process has come to a conclusion.

2b. Does your company have a specific policy prohibiting discrimination and exploitative practices against migrant workers and refugees?

<http://about.puma.com/en/sustainability/standards/coc>

<http://about.puma.com/en/sustainability/standards/handbooks>

<http://about.puma.com/en/sustainability/supply-chain/puma-s-auditing-pro...>

<http://about.puma.com/damfiles/default/sustainability/supply-chain/audit...>

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Sustainability Handbook for Social Standards accordingly, once this process has come to a conclusion.

2c. Does your company have a specific policy on migrant worker recruitment that specifies: no payment of recruitment fees, no document confiscation, a written employment contract?

<http://about.puma.com/en/sustainability/standards/coc>

<http://about.puma.com/en/sustainability/standards/handbooks>

<http://about.puma.com/en/sustainability/supply-chain/puma-s-auditing-pro...>

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3. How many first tier suppliers based in Jordan does your company have and have you traced your supply chain beyond the first tier?

No active supplier in Jordan.

4. What steps does your company take to ensure that your policies and standards are implemented by first tier suppliers and suppliers beyond the first tier in your Jordanian supply chain?

No active supplier in Jordan.

We had 2 active sewing and finishing factories via a Turkey based supplier in Jordan during Q1 and Q2, 2017. However, as this was a project based business engagement, we stopped working with these 2 factories as of Q3, 2017 after the project had ended.

One of these factories participated in the ILO / IFC Better Work Programme. Both of those factories were monitored by PUMA according to PUMA's standards including compliance audits and follow up on corrective action plans.

5. How does your company monitor the compliance of first tier suppliers and suppliers down the supply chain with your policies and standards?

Our compliance monitoring includes auditing 100% of all our Tier 1 suppliers on a regular basis. In addition, we also audit our Core Tier 2 suppliers (materials and component suppliers) on a regular basis. Our core suppliers cover approximately 80% of our business volume.

Most of our audits are announced. However, a certain percentage is also unannounced. Further details on our global compliance program and the results of our audits, compliance hotline for workers, social key performance indicators and capacity building projects are listed in our PUMA Annual Report, which is available on our website:

<http://about.puma.com/en/sustainability/reports>

6. Please explain how you monitor recruitment systems used by your suppliers to employ migrant labour.

Policies/standards, including non-discriminatory policies are introduced to the suppliers during the business engagement and afterwards, policies/standards are monitored via announced and unannounced audits.

7a. In the last year has your monitoring uncovered instances of inadequate, unsafe or unsanitary worker accommodation?

For Jordan: no

For a global summary of our compliance program and findings, please refer to the sustainability chapter of our Annual Report:

<http://about.puma.com/en/sustainability/reports>

7b. In the last year has your monitoring uncovered instances of health & safety violations in the workplace?

For Jordan: yes

For a global summary of our compliance program and findings, please refer to the sustainability chapter of our Annual Report:

<http://about.puma.com/en/sustainability/reports>

7c. In the last year has your monitoring uncovered instances of workers being forced to work excessive overtime or not paid overtime at the correct rate?

For Jordan: no

For a global summary of our compliance program and findings, please refer to the sustainability chapter of our Annual Report:

<http://about.puma.com/en/sustainability/reports>

7d. In the last year has your monitoring uncovered instances of workers being subjected to sexual harassment or other abuse?

For Jordan: no

For a global summary of our compliance program and findings, please refer to the sustainability chapter of our Annual Report:

<http://about.puma.com/en/sustainability/reports>

8a. In the last year has your monitoring uncovered instances in your supply chain where migrant workers have been charged recruitment fees?

To our knowledge the two active factories in Jordan only employed local workers.

no

8b. In the last year has your monitoring uncovered instances in your supply chain where migrant workers have not been paid the minimum wage (or contractually agreed amount)

To our knowledge the two active factories in Jordan only employed local workers.

no

8c. In the last year has your monitoring uncovered instances in your supply chain where migrant workers have had their passports retained by factories or other agents?

To our knowledge the two active factories in Jordan only employed local workers.

no

8d. In the last year has your monitoring uncovered instances in your supply chain where migrant workers have been deceived in the recruitment process regarding salary level and/or employment conditions?

To our knowledge the two active factories in Jordan only employed local workers.

no

9. What process does your company expect the supplier to follow when breaches of its policies or applicable regulations are identified and how do you verify corrective action has been taken?

As the workers of both factories in Jordan were local, there was no case of 7 a and 8 a, c, d.

However, suppliers are expected to remediate any issues identified during our audits (CAP) within 3 months after the audit date. All relevant evidences of the corrected issues are submitted to the PUMA (auditors) via our audit platform. The auditors review and verify the issues via desktop first and in place further

during the following audits. In case suppliers do not collaborate and remediate the issues, PUMA considers downgrading first and finally business suspension with the relevant supplier.

10. How does your company ensure that it engages effectively with workers in its Jordanian supply chain?

There is no active PUMA supplier in Jordan.

In the past, our engagement with the ILO / IFC Better Work Programme, their local experts, relevant language translator usage and our translator hiring during the audits helped us to overcome communication barriers.

Furthermore, PUMA's own worker-hotline information is mentioned in the PUMA's Code of Conduct in relevant workers' languages. Factories working for PUMA are required to post the PUMA Code of Conduct in their factories at places easily accessible for workers. Factories are also required inform workers about the PUMA Code including the worker hotline. In 2017, we received 81 worker complaints via our PUMA hotline (globally).

11. Do any of your company's suppliers in Jordan currently employ Syrian refugees?

There are no active PUMA supplier in Jordan.

12. What (if any) steps is your company taking to help integrate Syrian refugees into your supply chain?

There are currently no active PUMA supplier in Jordan, therefore this question does not apply to us at the moment.

We have engaged with industry peers, the FLA, UNHCR our suppliers and the Turkish Government to integrate Syrian refugees in our Turkish supply chain in the past. We would be ready to do the same in case we would start sourcing from Jordan again.

13. How are you safeguarding (or planning to safeguard) the rights of Syrian refugees working in your supply chain and what steps are you (will you be) taking to ensure other local or migrant workers have decent access to work as employing Syrian refugees becomes more common?

No active supplier in Jordan, NA for us for the moment.

14. How does your company evaluate the impact of its purchasing practices on the capacity of your suppliers or factories in Jordan to ensure decent working conditions including a living wage?

No active supplier in Jordan, NA for us for the moment.

15. How does your company ensure freedom of association for all workers in its supplier factories in Jordan?

No active supplier in Jordan, NA for us for the moment.

16. Please provide any further information regarding your company's activities in Jordan which you think are relevant.

Currently no active PUMA suppliers in Jordan. Should be start to produce in Jordan again, we would certainly take the issue of migrant workers in general and Syrian refugees in particularly into consideration.