
PUMA SUBMISSION



Clean Clothes Campaign Wage Survey

Response ID:2; Puma Data

1. Login/Password Action

Puma

Password : Puma

2. Introduction

The purpose of this survey is to gather a snapshot of fashion company and retailer progress towards the payment of a living wage. This data will be published by organisations across Europe and the submissions compared with that of other clothing brands. It will be tailored for use by over 500,000 consumers to assess their shopping choices, both through online viewing, and a specific mobile application. We appreciate your time and energy in submitting as many accurate and comprehensive answers as possible.

The survey is split into 10 sections. These are based on 10 recommendations for achieving a living wage compiled by CCC Asian partners from the Asia Floor Wage Alliance. See [here](#) for more information.

Please note that it is not possible to log in and out of this survey, so you may wish to preprepare your submission before going through the survey process. You can browse questions using the PDF of the question text that was sent to you. All documents uploaded using this form will be stored in a safe place.

Definition of terms:

Where the term living wage is used in this survey it means a wage that: applies to all workers; is reached within the standard working week, which is in no case more than 48 hours; is a basic take-home wage before benefits, bonuses or overtime pay; covers the basic needs of the worker and his/her family, where a family is 3 consumption units (a child counts as half a consumption unit); provides some discretionary income of at least 10% of the amount needed to cover basic needs.

Where the term supplier factory is used in this survey it means a factory or production unit that your brand is directly trading with.

Where the term sub contractor is used in this survey it means a factory or production unit that is in your supply chain, but is trading with another unit that you are supplying from.

1. Company name:

Puma

2. Brands owned by company:

PUMA, Cobra PUMA Golf, Tretorn

3. Main contact person:

Name: : Reiner Hengstmann

Email: : Reiner.Hengstmann@puma.com

3. The living wage standard

1. The Living Wage standard

A living wage standard must be clearly defined in company policy to ensure that it is clear to everyone what a company aims to deliver in terms of conditions and wages in its supply chain. Policy should be clear on what wage should be paid, including hours in which this should be earned, the role of benefits, bonuses and overtime, the number of family members provided for, and discretionary income.

4. 1.1 What is your company's position on payment of the living wage to workers in your supply chain?

Improving wages for factory workers in PUMA's supply chain remains a core issue in ensuring sustainable workplace improvement. However, long-term wage improvement cannot be achieved unless we work with industry peers and external stakeholders. In the early 2000s, PUMA was one of the few brands that participated in the Jo-In Project in Turkey wherein the Wage Ladder methodology being used today was developed. PUMA consolidated its various projects that would have an impact on wages under one coordinated program. The aim of this Better Wage program is to implement sustainably fairer wage structures in selected suppliers by 2015.

The program does not guarantee that workers in selected suppliers will have increased wage levels, but works towards fairer compensation structures and practices. Finding the appropriate and best methodologies to reach this end has had its challenges and we are currently assessing our program to see which initiatives we retain or modify and what other models seem more workable.

5. 1.2 Please give the link to the code of conduct which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please upload a copy using the option below.

<http://about.puma.com/category/sustainability/puma-standard/>

Upload option.

6. 1.3 Does your company agree with the definition of a living wage as given here?

No, our definition differs from the definition given.

If no, please provide details of how your definition of a living wage is different and give justification.

PUMA does not subscribe to any given definition of a living wage given the varying definitions and formulations that have been provided over several decades. Though the definition provided in this survey has merit, other definitions also have merit. We are currently working with industry peers through associations like the Fair Labor Association to gain better clarity on what a common approach could be through the Fair Wage Methodology, which PUMA was the first brand to pilot. As we continue to implement our Better Wages Program and lessons gained from the initiatives are consolidated, this will provide useful information that could support the process of defining what a living wage is for its suppliers.

4. Respect for freedom of association and collective bargaining, a precondition for a living wage

2. Respect for freedom of association and collective bargaining, a precondition for a living wage

Freedom of association (FOA) and collective bargaining are fundamental enabling rights. When these rights are respected, workers can use them to ensure that other labour standards, including

the living wage, are upheld. Unfortunately, workers face many barriers to joining or forming a trade union and to bargaining collectively. Proactive and positive measures are needed to ensure these abuses stop occurring, to make way for wage improvement.

7. 2.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to workers in your supplier factories and subcontractors?

PUMA's suppliers are instructed to post the Code of Conduct, which covers Freedom of Association, in a language known by current workers in prominent places in the production and welfare facilities. All factories are advised to include a briefing on the Code of Conduct for all workers upon accession and as part of their Annual Training Plan; implementation of this requirement is monitored during regular audits. Inclusion in all new worker orientations of the COC which includes FOA and collective bargaining is required even in facilities located in industry processing zones and places where State unions are the norm. A Pocket Guide for workers is available in various languages. Representatives from sourcing offices and licensees are responsible for distribution of these guides as

well as the SAFE Handbook to factories. In China, auditors typically conduct a briefing on the Code of Conduct for workers randomly chosen for interview after or during audits. Where local law requires access to workers by local confederation / federation representatives of unions for such orientations, supplier management are expected to comply without interference and this is checked during audits.

Further, PUMA is a signatory to the FOA Protocol in Indonesia. This requires signatory brands to support the adoption of agreed FOA practices by suppliers to ensure that factory workers are free to form unions and organize. PUMA suppliers and concerned trade unions who are signatories to the Protocol take part in meetings regularly held along with other brand signatory representatives.

PUMA is a brand partner in Better Work (BW) an independent program of the International Labour Organization (ILO) and the International Finance Corporation. By engaging actively in the programs in Cambodia (known as Better Factories Cambodia) and in Vietnam, our suppliers undergo rigorous assessments that cover FOA and worker committee representation respectively.

http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/CodeofConduct.pdf

Percentage of supplier factories and subcontractors reached by these measures:

100%

Please supply an example of materials used:

8. 2.2 Do you support or facilitate training for workers to ensure they are aware of their right to freely associate, in conjunction with local independent trade unions or workers' rights organisations? Please supply details:

PUMA has facilitated training on human, women's and workers rights conducted by known independent worker rights organizations in a number of suppliers in Turkey over the years. Freedom of association is one of those rights discussed during these trainings. As a signatory to the FOA Protocol in Indonesia, we support the adoption of FOA practices by our suppliers in Indonesia to ensure that factory workers are free to form unions and organize their rights.

In China, suppliers participated in a CBA training spearheaded by the ACFTU PUMA also partnered with the Vietnam Chamber of Commerce and Industry (VCCI) to hold trade union training for ten factory trade unions in Ho Chi Minh City. This was done in coordination with trainers from the VGCL. Such training was designed not only to build awareness of trade union roles and functions but also to enhance the capacity of trade unions to set up effective internal systems. In Bangladesh, a project in partnership with ITGLWF and covering FOA and Health and Safety was initiated in selected factories and local trade union leaders. However, due to some challenges, the project did not reach completion.

Percentage of supplier factories reached by these measures: : %na

Names of local unions or workers rights organisations: : Turkey- Women's Labor And Employment Initiative

Platform(KEIG), Social Development and Gender Equality Policies Center (SOGEP), Women Solidarity Foundation (KADAV), BASHR, Fair Labour Association. Indonesia- Serikat Pekerja Nasional, Serikat Pekerja Seluruh Indonesia, Serikat Pekerja Metal Indonesia. China- ACFTU. Vietnam- VGCL. Cambodia-5.Cambodia – (recorded unions present in the facilities, however no training has been done) Cambodia Labour Union Federations, Cambodia Union of Civil Servants, Cambodian Federation for Worker, Workers Union Federation, Cambodia Union of Civil Servants, Union For Workers, Cambodian For Workers, Coalition of Cambodia Union, Cambodia Industrial Union Federation, Cambodia Union Federation, Happy and Peaceful Workers Union, Union Federation of Independent and Democratic, Worker Development Union Federation, Trade Union Federation of Democratic Lucky Workers, United Labor Union of JIT Textiles, Prosperous Workers Union of Beauty Apparels. Bangladesh- Awaj Foundation

9. 2.3 Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?

Yes. We hold annual Round Table Meeting (RTM) where trainings of our workplace standards, including FOA, are held. PUMA has facilitated training for management on human, women’s and workers rights conducted by known independent worker rights organizations in a number of suppliers in Turkey over the years. Freedom of association is one of those rights discussed during these trainings. In Cambodia, our suppliers participated in a classroom-type training in labor law awareness facilitated by Better Factories Cambodia (BFC) In Indonesia, we conducted an FOA Protocol Workshop in 2012.

Also, in 2012, PUMA also partnered with the Vietnam Chamber of Commerce and Industry (VCCI) to hold a trade union workshop for management of selected factories following the completion of trainings with trade unions in Ho Chi Minh City.

Percentage of supplier factories and subcontractors reached by these measures:

10. 2.4 Have your supplier factories and subcontractors issued the Right to Organise Guarantee to workers in any of your production units?

	Country:	Number of suppliers:	Details:
1:			No. Where required by law, such guarantees are included in the individual contracts of workers or in employee handbooks given to workers. In such cases these are assessed in audits, however in general this is not a separate requirement for suppliers.
2:			
3:			
4:			

Please provide a sample of materials used in specific countries:

11. 2.5 Do you require supplier factories and subcontractors to sign Union Access Agreements? If yes, please supply details.

No, These agreements where required by law are included in the audits. These are mostly required in some countries in the Americas.

Number of supplier factories with agreements:

Please provide a sample of agreements signed:

12. 2.6 Does your company have an accessible, actionable and safe means by which workers can file and follow up on complaints about violations of freedom of association and collective

bargaining rights? How do you monitor that this can be accessed freely by workers?:

Yes. All PUMA Code of Conduct posters have contact information to various contact points worldwide so workers can contact PUMA directly and confidentially. The Pocket Guides provided to workers (during audits and regular production visits) also provide contact information for relevant PUMA SAFE offices. Auditors' individual contact information is also provided during factory visits. This is in compliance with PUMA's obligations as a member of the Fair Labor Association.

PUMA maintains a workers complaints and resolution log for all complaints received across all channels across the globe. Non-retaliation by factory management against complainants are included in the complaints and resolutions management protocol. Complainants are guaranteed confidentiality and identities are only provided with the express permission of complainants.

13. 2.7 Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?

Please provide details of your policy and its impacts in relevant countries: : Where local law clearly stipulates a limit on the use of short term contracts, this is covered during regular audits and remedial actions follow up to ensure implementation.

How has any of this work impacted on workers ability to receive seniority bonuses?: : Most workers that have been assessed have been able to received seniority and other benefits.

14. 2.8 Is there anything else you would like to tell us about work you have done so far, or work you are planning, to promote the right to freedom of association in your supply chain?

We continue to support the work already started in the Freedom of Association Protocol in Indonesia. Where similar initiatives maybe positive and constructive, PUMA may support similar initiatives in countries where PUMA has significant sourcing and influence.

Outside of Asia, we are looking to support training on freedom of association in key countries in the Americas.

5. Dialogue and negotiation with labour rights organisations

3. Dialogue and negotiation with labour rights organisations

Too often workers are ignored in corporate accountability programmes of global buyers, even though they are the supposed beneficiaries of code implementation and monitoring programmes. Worker involvement is key to any credible attempt to improve conditions and wages. Workers and their organisations must play a key role in the design and implementation of any programmes that aim to improve wages, both at a factory level and at a national or extra-national level.

15. 3.1 Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:

PUMA is a Participating Company of the Fair Labor Association (FLA). FLA's monitoring program which covers Internal External Assessments of our suppliers, provides the space for PUMA to continually strengthen its remediation work among its suppliers and to point out the root cause of critical and persistent compliance issues. Moreover,

PUMA's approach of promoting sustainable management systems among suppliers is complimented by FLA's work in building such systems among our suppliers they work with. PUMA is a Brand Partner of the Better Work Program, which is managed by the International Labour Organization and the International Finance Corporation. In Cambodia and Vietnam where PUMA is engaged actively, factories that sign up in the program are assessed regularly. In Vietnam, suppliers are supported by BW through its Advisory Services arm which allows management and workers to work together in finding sustainable improvements to non-compliance issues.

PUMA is a signatory of the Bangladesh Safety Accord, which is a multi-stakeholder initiative with a strong tripartite structure. We expect to continue to work with this initiative. PUMA is a signatory to the FOA Protocol in Indonesia. This requires signatory brands to support the adoption of FOA practices by suppliers to ensure that factory workers are free to form unions and organize their rights. PUMA suppliers and concerned trade unions who are signatories to the Protocol take part in meetings regularly held along with other brand signatory representatives.

1. Indonesia

Serikat Pekerja Nasional (National Union) SPN

Serikat Pekerja Seluruh Indonesia

Serikat Pekerja Metal Indonesia

2. Cambodia

Cambodia Labour Union Federation

Cambodia Union of Civil Servants,

Cambodian Federation for Worker

Workers Union Federation

Cambodia Union of Civil Servants

Union For Workers

Cambodian For Workers

Coalition of Cambodia Union

Cambodia Industrial Union Federation

Cambodia Union Federation

Happy and Peaceful Workers Union

Union Federation of Independent and

Democratic

Worker Development Union Federation

Trade Union Federation of Democratic Lucky

Workers

United Labor Union of JIT Textiles

Prosperous Workers Union of Beauty Apparels

3. Vietnam

VGCL

16. 3.2 Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories?

One factory in Indonesia is in the middle of the bargaining process since becoming a signatory to the FOA Protocol.

6. 4. Benchmarks for a minimum living wage

4. Benchmarks for a minimum living wage

Without benchmarks for what a living wage means, the term remains an aspiration that cannot be measured or achieved in any real sense for workers. Having accurately costed benchmarks for the living wage figure makes it possible for companies, workers, unions and campaigners to work out how to realistically achieve these. It is further necessary for these to be public to allow these to be understood and scrutinised.

17. 4.1 Does your company have internal figures that it uses to benchmark living wages for each sourcing country or region?

Yes

If yes, please provide details of how these were developed and how they are used:

As an original brand participant in the Jo-In Project, PUMA made modifications to the original Wage Ladder methodology to include overall compensation, thus a Compensation Ladder tool that would be useful not purely track take-home pay but overall per head costs tracked by supplier management. The methodology is refined periodically, thus figures resulting from the tool are not comparable from period-to-period. However figures generated are being used for internal benchmarking purposes.

18. 4.2 Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.

	Country/region	Living wage benchmark
1.	China	
2.	India	
3.	Vietnam	Please refer to sample compensation wage ladder in page 22-23

19. 4.3 Please give details of the number of your supplier factories in Asia that are currently paying the Asia Floor Wage.

	Country/region	Number of supplier factories paying Asia Floor Wage
1.		We believe none of our suppliers are paying the prescribed Asian Floor Wage levels without overtime.
2.		
3.		
4.		

7. Purchasing practices that make living wages possible

5. Purchasing practices that make living wages possible

How buyers engage with suppliers, and the prices that they pay, has a crucial impact on a factory's ability to pay a living wage. Buyers can use contracts and buying power to improve wages and incentivise change.

20. 5.1 Is your company doing work to limit the use of subcontractors in your supply chain and/or consolidate your supplier factory list? Please provide details:

PUMA assesses all its suppliers utilizing a Strategic Supplier concept. Suppliers who meet requirements and ratings based on several elements, including compliance performance, are categorized as a Strategic Supplier (T1 in this case). Strategic suppliers need to sustain their performance to keep their current status.

21. 5.2 Does your company operate a policy of buyers favouring supplier factories that consistently meet a high wage standard? How?

22.

Are other incentives provided for buyers or supplier factories to work towards a living wage for workers? : PUMA utilizes a supplier evaluation tool that supports performance assessment of its suppliers. The evaluation includes both the social and environmental performance of a supplier. While high worker wages is not a direct criteria, compliance to all wage requirements is a key variable in the overall social supplier performance. In our new Supplier Rating System, we are incorporating incentives for those who show consistent wage practices that are above the minimum wage.

How is this monitored? : Suppliers are evaluated annually. PUMA's monitoring program which includes regular audits of suppliers is captured in a database that shows performance over the years. We are currently in the process of improving our database tool to provide a more comprehensive view of a supplier's performance.

23. 5.3 Does your company break down and calculate whether FOB prices per piece are sufficient to allow for compliance with the wage standard your company has set out in its code of conduct?

We are currently in the process of refining our costing methodology to assess how compliance standards can be better incorporated.

24. 5.4 Does your company operate a policy of buyers favouring supplier factories that support the establishment and functioning of genuine trade unions, and those with collective bargaining agreements?

PUMA's Code of Conduct does not favor one right over the other. As such, PUMA's incentive policies assess a supplier's overall compliance to the Code and other standards.

Monitored Through audits

25. 5.5 Please provide information about any other work your company has done / is planning to do on improving your purchasing practices, in relation to wages.

Recently, FLA developed clearer guidance regarding responsible sourcing and production practices which is defined under Principle 8. We are looking to improve our alignment in compliance with this principle.

8. Living wage projects

6. Living wage projects

In this section we would like you to provide details of any test case programmes your company is currently engaged in on the ground to achieve wage increases. See [here](#) for more information about the Clean Clothes Campaign's approach to credible wage projects and their objectives.

26. Please provide details of any projects here. Please note you can cut and paste long pieces of text into these small boxes if necessary:

	Project 1	Project 2	Project 3	Project 4
Location:	China	Vietnam	Vietnam and Cambodia	Indonesia / China/Vietnam/ Bangladesh/ Malaysia/ Cambodia
Number of factories and workers involved:	12 factories and 12490 workers as indirect beneficiaries	10 factories, 19 workers as direct beneficiaries, and 26206 workers as indirect	16 factories and 33138 workers as indirect beneficiaries	28 factories, 16 workers as direct beneficiaries from three factories in Indonesia and 13662 workers as indirect beneficiaries from three factories in Indonesia
Living wage benchmark used:	All the pilot projects under this program are seen as linked and building on each to achieve better wages among the suppliers involved. Wage compensation ladders were developed beginning last year to provide a gauge on where wages in our suppliers are as compared to the AFW figures.			
Partnerships:	IMPACCT	VCCI, VGCL	International Labour Organization (ILO), Better Factories Cambodia (BFC), Better Work Vietnam(BW)	FLA, FWN
Wage increase achieved:	The project is still in its early stages to result in wage increases			
Details of process:	This pilot project completed in 2012, links productivity / LEAN concepts and human resource management practices to improve	The project connects factory trade union leaders and experts from VGCL to raise awareness of labor laws and trade union	The project, implemented jointly with the International Labour Organization (ILO) and Better Work (BW) in Cambodia and Vietnam, seeks to enhance human resource	This project is run in cooperation with the Fair Labour Association (FLA) and the Fair Wage Network (FWN). Within this pilot project, the FWN will develop individual roadmaps for 28 factories based in the Fair Wage methodology piloted in 2010. In addition, in-depth work is being done with three Indonesian factories, engaging directly with

	wages.	responsibilities including their role in wage setting.	management systems among PUMA factories that are members of the BW program.	management and worker through technical assistance and training to find solutions on how to generate wage improvements.
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27. Please upload any useful supporting documentation here:

9. New Page

7. Public statements to support an increase in the minimum wage to living wage level

Global buyers also have a role to play in advocating for an increase in minimum wages in production countries. This by no means removes the responsibility of global buyers to pay a living wage in each factory, but the raising of the minimum floor can help reduce the gap between the minimum and living wage, therefore making it easier for all companies to improve wages.

28. 7.1 Have you publicly supported calls from civil society and unions to increase the minimum wage to a living wage standard in your production countries? Have you made this position clear towards governments and employers associations?

PUMA has not been able to do so before.

29. 7.2 As part of this work, have you issued a public statement assuring country governments that you will not relocate production as a result of minimum wage legislation that ensures a living wage?

PUMA has not been able to do so before in this regard. PUMA has made previous statements that it remains committed to certain countries, like Cambodia, despite changes in minimum wage legislation.

10. Transparency

8. Transparency

Transparency and accountability should be central to any credible corporate accountability program. The lack of transparency in the industry limits the abilities of unions to organise the workers employed by particular buyers, and makes it difficult to verify whether a particular company's reports on working conditions are accurate. In order for change to be supported at all levels in the industry it is vital that information and supplier lists are more readily available from all parties.

30. 8.1 Does your company publish a full public list of supplier factories, and sub contractors, their locations and products?

http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/2013/puma_se_10_2013.pdf

Do you have plans to publish a full list in the future?

31. 8.2 Does your company publish impact reports on projects related to wages?

No. It is premature for PUMA to publish impact reports of projects related to wages as majority are still ongoing.

11. Collaborative working

9. Collaborative working

32. 9.1 Please provide details of your involvement with any multi-stakeholder initiative projects working to improve wages:

Name of MSI: Fair Labor Association

Details of your involvement in project work on wages:

Pls. refer to number 6 above on Living Wage

Projects

33. 9.2 Please provide details of any work you have initiated outside an MSI, directly with other companies which has improved wages:

34. Supporting documents:

12. 10. A clear route map for implementing a living wage for all workers

10. A clear route map for implementing a living wage for all workers

In order for change to happen, it is important that companies have a clear aspiration, timeline and concrete plan for how to achieve the living wage, which clearly marks out steps for how this will be achieved. This should include, for example, a clear target number of factories that will pay the living wage benchmark within a 5 year and 10 year period.

35. 10.1 Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?

Refer to response to first question under Living Wage Standard and first question under Living Wage Projects above.

36. 10.2 Does this strategy have a time scale? If yes, please state.

2010-2015

37. 10.3 What consultation have you carried out on this strategy, both within and outside your company?

Challenges encountered in implementing our Better Wages Program have required internal consultations, particularly with sourcing regarding pricing. External to the company, discussions with FLA and BW continue to build on lessons gained so far from our Better Wages Program. Thru these affiliations, we are also able to have open discussion with industry peers especially among brands who are on a similar route to finding more appropriate methodologies and models. Our annual Talks at Banz and Sustainability Advisory Board meetings also permit us to get grounded feedback from various stakeholders about the work we do.

38. 10.4 How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?

We are assessing to ensure that all workers in a facility would have the equal opportunity based on their performance and other mitigating circumstances to benefit from our projects in a facility.

39. 10.5 Is there anything else you would like to tell us about your work on the living wage that hasn't been covered in this survey?

13. Further questions about your supply base

Further questions about your supply base

These questions will not affect the assessment of your company, but the data will provide important background to allow your responses to be read in context. Answering these questions is compulsory.

40. 1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

	Country	Percentage of production	Number of suppliers
1	China	33.4	10
2	Vietnam	21	14
3	Indonesia	10	6
4	Turkey	10	2
5			
6			
7			
8			
9			
10			

41. 2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company: : %

Orders placed directly to supplier factories: : 90

Orders placed through agencies or intermediates: : 10%

Other: : %

42. If other, please specify.

43. 3. What is the length of time that you have been working with your current suppliers?

	% of suppliers
More than 5 years:	999
2-5 years:	999
Less than 2 years:	999

44. 4. How many sites did you use to produce your goods in 2012?

First tier suppliers: : n/a

Sub contracted suppliers: : n/a

45. 5. How many supplier factories do you trade with where you have a regular production share of more than 25%?

Number of suppliers: : We have not provided public information on this as this remains confidential.

14. Thank You!

Thank you for taking our survey. Your response is very important to us.