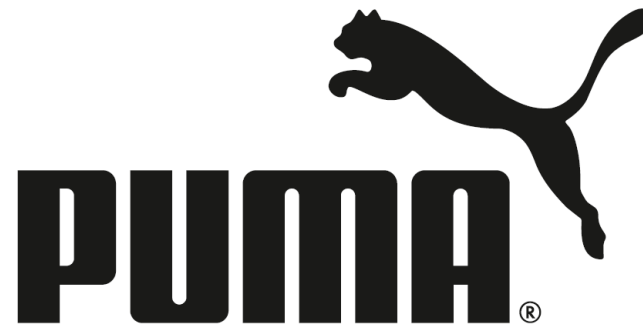


# THE FASHION INDUSTRY CHARTER FOR CLIMATE ACTION CLIMATE TRANSITION PLANS FOR



## Background.

The mission of Fashion Industry Charter for Climate Action is to drive the industry to net-zero emissions by 2050. In line with this goal, the Fashion Industry Charter contains a specific commitment to submit *reduction pathway plans for the selected 2030 goal* and *provide updates every three years thereafter*. The UN Secretary General's High-Level Expert Group's report [Integrity Matters](#) outlines further guidance on what the transition plans should entail, under Recommendation 4: *"These plans are seen to be an essential tool to show how non-state actors will successfully deliver on their commitments in an equitable and just way, and therefore build public trust. While no entity can predict the path to 2050, frequently updated transition plans make pledges concrete while highlighting uncertainties, assumptions, and barriers."* The main recommendation on company transition plans, from the Integrity Matters report, is for actors to *"...publicly disclose comprehensive and actionable net-zero transition plans which indicate actions that will be undertaken to meet all targets, as well as align governance and incentive structures, capital expenditures, research and development, skills and human resource development, and public advocacy, while also supporting a just transition."*

Signatories of the Fashion Charter are requested to submit these plans to the UN Climate Change secretariat by 20 September 2023 so that an aggregate report can be published at COP28. As you may know there are discussions about the publication of transition plans becoming a public requirement for companies that committed to net zero. We would therefore like to strongly encourage you to publish your transition plan or be ready to publish it in the near future. Those companies which have already published their transition plans are asked to send the link to the secretariat for review and potential recognition on our website. Climate transition plans are an iterative process, and businesses are encouraged to periodically and every three years update targets, plan, and business strategy to reflect the most up-to-date developments. The questions below make up an initial template for Charter signatories which includes review by the Charter Task Team on Transition Pathway plans, Working Group on Decarbonization, Steering Committee of the Charter and incorporates elements from some existing guidance publications for alignment purposes. To that end signatories are encouraged to, as they complete the plan, refer to the following documents for more context:

- [Integrity matters report](#)
- [CDP transition plans guidance](#)
- [We Mean Business Coalition \(WMBC\) Guidance](#)

Please note that transition plans do not substitute CDP disclosure which is to transparently disclose progress made in the previous year/s and used to show progress with existing commitments. Rather, the transition plans should be forward looking. The plan should reflect considerations of the short- and long-term, trending towards 2050. However, an emphasis on the short-term (the next 5-7-year timeframe) is critical to achieve long-term climate ambitions, which should be supported by governance mechanisms (new or existing). Signatories are welcome to fill in this questionnaire or use their own formatting for questions requiring narrative explanation and submit those in pdf. The secretariat has also worked on an excel form which will be shared with all signatories to aid with submission and later aggregation after the deadline.

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## 1. Company Details

**Legal Name of the Company:** PUMA SE

**Address:** PUMA WAY 1, 91074 Herzogenaurach, Germany

**Annual Turnover:** 8,465 million Euros (2022)

**Person responsible for developing and submitting this template:**

Stefan Seidel, Senior Head of Corporate Sustainability, [stefan.seidel@puma.com](mailto:stefan.seidel@puma.com);

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**Most senior person responsible for company climate strategy:**

Anne-Laure Descours, Chief Sourcing Officer, [anne-laure.descours@puma.com](mailto:anne-laure.descours@puma.com)

**Date of company commitment in the Fashion Charter:** 07/11/2018

## 2. GHG Reduction Targets & Emissions Reduction Strategy

*Disclose short-, medium- and long-term absolute emission reduction targets, and, if relevant, relative emission reduction targets. Targets must account for all greenhouse gas emissions and include separate targets for material non-CO2 greenhouse gas emissions.<sup>1</sup>*

### 2.1 GHG reduction target your company has selected: *(delete the one that does not apply)*

- a) Setting SBT<sup>2</sup> approved science-based emissions reduction targets on scope 1, 2 and 3 within 24 months, in line with the latest criteria and recommendations of the SBTi; and commit to achieving net zero emissions no later than 2050*

*[Please refer to Charter Guidance on 1.5 alignment for further reference on requirements and evidence required \(click to open\).](#)*

### 2.2 Details of your company's target

<b>Base year of target:</b>	2017
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<sup>1</sup> Reference credible sector pathways consistent with limiting warming to 1.5°C with no or limited overshoot (e.g. IPCC, IEA, Network for Greening the Financial System (NGFS), One Earth Climate Model (OECM)) and explain any material difference between the non-state actor's transition plan and sector pathways.

<sup>2</sup> The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

<b>Date of SBTi/50% reduction third party validation of your targets. If not approved, please outline the process planned to gain approval:</b>	Submitted to SBTi on 25/01/2023. Currently under review.
<b>Public link to target details (if available):</b>	<b>Annual Report:</b> <a href="https://annual-report.puma.com/2022/en/index.html">https://annual-report.puma.com/2022/en/index.html</a>
<b>Public link to an approved net zero goal (if available):</b>	<a href="https://annual-report.puma.com/2022/en/index.html">https://annual-report.puma.com/2022/en/index.html</a> ; <b>Environmental Handbook:</b> <a href="https://about.puma.com/en/sustainability/codes-policies-and-handbooks">https://about.puma.com/en/sustainability/codes-policies-and-handbooks</a>

**2.3 Have you identified your largest emissions sources and assessed all technologically and financially feasible mitigation opportunities?**

Yes

**2.4 Please explain actions to address any current data limitations.**

*Where data is missing, explain how you are working to get the data or to address estimates are being used.*

Together with our local subsidiaries, we continually work on improving data accuracy for our own operations (Scope 1&2 emissions). Our reporting covers 100 % of our operations, with extrapolations or estimates being made for small offices. For Scope 3 emissions, we focus on purchased goods and services as well as transport of goods. For purchased goods and services we collect data for the core suppliers which represents 80% of our sourcing volume and the GHG emissions are extrapolated to cover 100% of sourcing volume.

## 2.5 Explain 3-5 public policy levers that are needed to help your organization meet your targets<sup>3</sup>.

*If an emissions reduction strategy is limited by technical or financial feasibility, have you defined what other actions your company should take to address these limitations?*

### 1. Availability of renewable energy in key sourcing markets:

In 2020 PUMA set an ambitious target for its core suppliers to source 25% of energy requirements from renewable sources by 2025. We are working with our core suppliers to implement energy efficiency measures and installation of solar PV systems wherever economically feasible. The suppliers are free to choose the mode of sourcing these renewables. This means, they can either achieve their target by installing onsite/offsite renewable energy infrastructures or they can purchase renewable energy from a renewable energy provider through Direct Power Purchase agreement (DPPA). To do so, renewable energy tariffs and power purchase agreements will have to be made available locally and at a reasonable cost. The same holds true for low or no carbon fuels to run boilers for thermal energy as a reliable supply and at reasonable cost, so their investment in new technology can be long lasting. However, this depends on the government policy instruments which varies across countries.

As a part of UNFCCC Fashion Industry Charter for Climate Action, we continue to engage with our peers and stakeholders to influence policy decisions in favour of renewable energy in key sourcing countries. PUMA also explores other tools, such as Direct Power Purchase Agreements (DPPA), Renewable Energy Attribute Certificates (EACs), Green Tariffs etc. to provide more options for suppliers who are on the same roadmap as PUMA to achieve our common ambitious targets for Climate Change.

### 2. Continued possibility of market based GHG accounting

At PUMA, we typically rent office and store buildings. This means that we are not the owner of the building and hence have limited options to make changes to the building structure. Therefore, we rely on purchasing renewable electricity, either through renewable electricity tariffs or renewable energy attribute certificates.

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<sup>3</sup> Reference: WMBC guidance

### **3. Availability of low carbon fuels for sea and air transport**

Our main manufacturing takes place in Asia, while major consumer markets are spread evenly across the globe. This means that PUMA depends on the transport of goods from Asia to Europe or the Americas. Therefore, political support to transition the logistics industry into low or no carbon fuels is a key step toward reducing PUMA's overall Scope 3 greenhouse gas emissions.

### **4. Usage of carbon sinks to balance unavoidable emissions (long term)**

It is likely that despite all efforts to decarbonize, certain emissions, for example through agricultural practices, will remain unavoidable in PUMAs value chain. Hence the usage of carbon sinks (such as carbon sequestration) will need to be permitted within greenhouse gas accounting to achieve net zero emissions by 2050 or earlier.

### **5. Scale up the use of low carbon materials**

Low carbon materials are available, but some are limited with technical and/or financial feasibility which impact their use on a large scale. There are challenges today to increase the use of recycled material such as scaling up the use of chemical recycling technology, improving recycling infrastructure, and investing in automated sorting technologies and alternative feedstocks. PUMA investigates and invests further in more sustainable material options, such as biodegradable or recyclable materials. Additionally, PUMA operates its 'Circular Lab', under which it collaborates with innovation partners on different pilot projects, such as a garment-to-garment recycling process and a biodegradable shoe.

Biodiversity loss and climate change are interdependent and mutually reinforcing. For example, protecting forests could help reduce greenhouse gas emissions. In turn, the rise of global temperatures increases the risk of species extinction. For agriculture-based material, the challenge relies on the scalability of better farming practices, for example to restore or preserve soil health and forest. We set goals to reach 100% cotton, leather, viscose, paper packaging and down procured from certified sources in 2025. Traceability is a first step towards reducing deforestation. We monitor our LWG (Leather Working Group) medal-rated tanneries' traceability performance and have joined the LWG traceability working group. PUMA has signed up for the [Deforestation-Free Call to Action for Leather](#), launched by global non-profits Textile Exchange and Leather Working Group, which aims to create equitable, transparent, and deforestation-free leather supply chains. As a Better Cotton member, we are closely following up the launch of the Chain of Custody



Standard. We partner with the NGO, Canopy, a Canadian non-profit organization with the mission to protect the world's forests, species, and climate, and to help advance indigenous communities' rights. We aim to ensure our sourcing of manmade cellulosic materials (such as viscose) as well as paper and cardboard, does not contribute to deforestation.

### 3. Governance

*Companies need to establish governance mechanisms that create accountability across the organization and board of directors. They also need to have clearly established processes to break down silos and ensure all relevant and impacted parts of an organization are engaged in climate action: finance, government and investor relations, research and development, procurement, sales, operations, facilities, and other teams. Finally, it is important to consider these and other specific implementation-related concerns within holistic assessments of (i) the value of long- versus short-term financial profitability and (ii) inclusion and assessment of risks related to reputation, social license to operate, supply chain volatility, and more.<sup>5</sup>*

#### 3.1 Explain about your organization's board-level oversight of the climate transition plan.

*Addressing climate change requires specific expertise related to climate change and its impacts, and the potential direct and indirect effects on the business. Ensuring this capability exists within governance structures indicates an organization's competence in delivering on its climate transition plan and increases the chance of success.*

Besides the oversight of the CEO, PUMA's Chief Sourcing Officer (CSO) who is a member of the Management Board, oversees all sustainability-related topics at PUMA including climate change on the board-level. The CSO has the same tasks and responsibilities as a Chief Procurement Officer, a.o. approving new climate related targets, strategies, and initiatives. In addition, we established a sustainability committee on supervisory board level, where climate- as well as biodiversity-related topics are governed.

#### 3.2. Describe linking of near- and long-term targets with executive compensation.

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<sup>4</sup> Please refer [to CDP guidance](#) page 12 for sections on governance linked with CDP

<sup>5</sup> Reference: CDP guidance

*Companies should also detail how they are tying executive compensation to reaching their climate goals, and how they are building robust governance structures with clearly defined roles, responsibilities, and accountability mechanisms at the executive and board levels. Such incentives and accountability are important to ensure that company leadership is fully managing risks and opportunities and integrating those factors into core business decisions and strategies.*

All PUMA leaders globally have clearly defined sustainability targets as part of their annual performance bonus. The combined sustainability targets cover 5% of the overall bonus. On climate, these targets include the sourcing of 100 % renewable electricity for our own operations, reducing our air freight to less than 1% and the sourcing of 25 % of renewable energy at core suppliers by 2025, contributing to our Scope 1 & 2 as well as our Scope 3 science-based targets.

### **3.3. Please explain current and near-term actions you are taking to: address risk management and new opportunities associated with climate change**

*To ensure adequate risk assessment and management, companies need to regularly conduct scenario analysis based on assumptions of regulatory, physical, and operational changes that will result from various climate change scenarios. They then need to use the outputs to inform their plans. These analyses should be qualitative and quantitative, expressed in financial terms, and should include considerations of physical risks to the business, the effects of transition risks (such as regulatory pressures) on strategy, core operations, and revenue, as well as systemic impacts that could fundamentally change risks and opportunities over time. As one example, a company could consider the effects of additional or deeper incentives for clean technology or a price on carbon at multiple price points. Companies need to provide examples of actions they are taking now and in the near term, based on these scenarios, to adjust their business strategy.*

*Have you conducted and published the results of climate scenario analysis for physical, financial, and transition risks from various climate change scenarios (e.g., business as usual, 3-4°C, orderly or disorderly transition scenario) and opportunities from a 1.5°C scenario? (CDP questionnaire 3.2, TCDF, CDSB etc)*

PUMA's risk management system aims to identify and manage material risks, as well as compliance with relevant laws, regulations and standards, and transparency from the perspective of all stakeholders e.g., customers, suppliers, and investors. PUMA's risk management process is thus able to identify risks at an early stage, manage them in accordance with the corporate strategy and promote risk awareness to facilitate risk-based decisions.

The Management Board of PUMA SE bears overall responsibility for the risk management system and regularly updates the Audit

<sup>6</sup> <https://www.tcfhub.org/scenario-analysis/>

<sup>7</sup> <https://www.cdsb.net/climateaccounting>

Committee of the Supervisory Board. The Risk Management Committee (RMC), which consists of the PUMA SE Management Board and selected managers, is responsible for the design, review, and adaptation of the risk management system.

We have conducted a climate-related scenario analysis, including a business as usual (IPCC SSP2-4.5) and a 1.5 °C scenario (IEA NZE 2050). We assessed physical and transition risks in six different categories, including Regulation, Technology, Legal, Market, Reputation and Physical risks. We published the results of this analysis in our Annual Report 2022, page 89.

Physical risks for PUMA include extreme weather events, such as flooding or heatwaves, or water scarcity, which can have an influence on raw material availability. Transitional risks include all risks related to the transition to a low carbon economy, such as changing consumer preferences, policies, and regulations, such as carbon taxes or rising energy prices.

## 4. GHG Emissions Pathway

### 4.1 Actual and Planned Pathway to meeting your target

*Taking into account your specific actions and their resultant emission reductions, use the following table to indicate expected emissions (**total emissions reduced and percent of emissions**). Start from your relevant baseline year. Respondents are welcome to submit the information on excel graphs, in addition, to show the planned reduction pathway. Excel form is being prepared by the secretariat to aid Charter companies in this process and will be sent after internal testing.*

<u>Date</u> <sup>8</sup>	Total Scope 1 emissions (tonnes of CO2 eq)	Total Scope 2 emissions (tonnes of CO2 eq)	Total Scope 3 emissions (tonnes of CO2 eq)	Total GHG emissions	Emissions intensity (use Physical or Economic Metric) <sup>9</sup>  Tonnes of CO2 eq per unit of physical or economic metric	Budget spent/allocated (select applicable) <sup>(€M)</sup> 1. No budget allocated 2. Below 100K 3. 100-500K 4. 500K to 1M 5. 1M-5M 6. 5-10M 7. 10M to 50M 8. More than 50M	(Expected)Ass urance/Verific ation Level <sup>10</sup>
<u>2015</u> <sup>11</sup>							
<u>2016</u>							
<u>2017</u>	<u>7,678</u>	<u>40,029</u>	<u>1,480,335</u>				<u>ISAE3000</u>
<u>2018</u>	<u>6,918</u>	<u>22,128</u>	<u>1,565,078</u>				<u>ISAE3000</u>
<u>2019</u>	<u>6,326</u>	<u>11,533</u>	<u>1,739,648</u>				<u>ISAE3000</u>
<u>2020</u>	<u>4,179</u>	<u>1,078</u>	<u>1,481,110</u>				<u>ISAE3000</u>
<u>2021</u>	<u>4,456</u>	<u>1,458</u>	<u>1,349,451</u>				<u>ISAE3000</u>
<u>2022</u>	<u>6,206</u>	<u>643</u>	<u>1,406,232</u>			<u>5</u>	<u>ISAE3000</u>
<u>2023</u>	<u>6,590</u>		<u>1,346,161</u>			<u>5</u>	
<u>2024</u>	<u>6,330</u>		<u>1,288,655</u>			<u>5</u>	
<u>2025</u>	<u>6,070</u>		<u>1,233,607</u>				
<u>2026</u>	<u>5,810</u>		<u>1,180,909</u>				
<u>2027</u>	<u>5,550</u>		<u>1,130,463</u>				
<u>2028</u>	<u>5,290</u>		<u>1,082,172</u>				
<u>2029</u>	<u>5,030</u>		<u>1,035,944</u>				
<u>2030</u>	<u>4,770</u>		<u>991,824</u>				
<u>Total reduction</u>	<u>90%</u>	<u>%</u>	<u>33%</u>	<u>%</u>			

<sup>8</sup> Depending on the selected base year and the most recent inventory year it is assumed that emission data from 2015 to 2022 are actual values while emission data for 2023 to 2030 represent projected emissions and intensity values.

<sup>9</sup> This column should address comments received from signatories on how they can represent Intensity targets incase their targets constitutes of emission intensity. Note: Absolute emission reduction targets are the recommendation of the HLEG Report.

<sup>10</sup> Please outline the third-party verification approach you have used/that you will use and the expected audit accuracy. If no assurance/verification level is done/planned, please state that and the reasons for not doing so. Please be specific what portion of Scope 3 is covered in the assurance, if not its entirety.

<sup>11</sup> In cases where data from previous years is not available, feel free to state: *Not Available*

#### **4.1.1 If your reported emissions are off target/increasing, please explain your strategy to urgently address those emissions.**

Our emissions have decreased between 2017 and 2022 by 86% for Scope 1&2 and 9% for Scope 3 (market based).

Between 2021 and 2022 we recorded an increase for Scope 1 and Scope 3 emissions. We are tackling the increase in Scope 1 emissions through gradual transition of our PUMA car fleet to zero emission vehicles. For Scope 3 emissions, looking further into the emissions from our supply chain, we see that absolute GHG emissions from Tier 1 and Tier 2 suppliers have been increasing by 23% as compared to 2017. Absolute GHG emissions from Tier 3 suppliers have increased by 21% in 2022. A closer look at the data indicates that this increase in absolute emissions from Tier 3 suppliers is mainly due to a rise in the consumption of cotton and polyester during this period. Cotton and polyester together increased by 16% in 2022 as compared to 2017. Also, Tier 3 GHG emission is an estimation based on volume, so when our business grows, T3 GHG emission increase. We are working towards our 2025 target of 25% renewable energy and coal-fired boiler phase out at PUMA core suppliers by 2025 (2022: 11%), 100% cotton, polyester to be sustainably sourced. PUMA invests in supplier programs focused on energy efficiency and renewable energy to reduce the carbon footprint of its manufacturing process, as well as coal-fired boiler phase out.

We are committed to phasing out coal-fired boilers from our supply chain, mainly from the core Tier 1 and Tier 2 suppliers, by 2025. In 2022 we mapped our core suppliers and found that 21 of them have coal-fired boilers. Out of these 21 factories with coal-fired boilers, 15 have already completed feasibility studies to identify suitable alternatives, while four factories are conducting such feasibility studies (13 factories have started to partially replace coal). In 2022 PUMA joined the Coal Phase Out Action Group under the UNFCCC Fashion Charter, with an objective to collaborate with other brands to expedite the phase-out of coal in our supply chain. In 2023 we plan to engage with the suppliers who have not yet completed the feasibility studies or have not yet initiated the transition.

PUMA investigates and invests further in more sustainable material options, such as biodegradable or recyclable materials. PUMA operates its 'Circular Lab', under which it collaborates with innovation partners on different pilot projects, such as a garment-to-garment recycling process and a biodegradable shoe.

We are also working on reducing our emissions from the transport of goods by further reducing our air-freight ratio as well as transitioning to low carbon shipping modes in collaboration with our logistic service provider Maersk.

#### **4.2 Disclose how capital expenditure plans, research and development plans and investments are aligned with your transition plan - Scope 1, 2 and 3 targets (e.g. capex-alignment with a regional or national taxonomy) and split between new and legacy or stranded assets.<sup>12</sup>**

*As part of its strategy to achieve net zero, an organization should outline time-bound financial planning details of its transition. For example, Capital Expenditure (CAPEX), Operating Expenditure (OPEX), Revenue, etc.<sup>13</sup> The emissions reduction strategy will also consider the investments the company is making to ensure these actions are successful. This includes but is not limited to capital investments; investments in new staff and expertise; process efficiencies; research, development, and deployment of new technologies and designs; and collaboration. Investments should be expressed as a monetary figure and as a percentage of total capital expenditure.<sup>14</sup> Have you assessed what investments you need to take to reduce emissions in line with your targets and have you disclosed the methodology used to determine how future capital expenditures will align with your 1.5°C targets?*

PUMA has already invested in:

- A. a low carbon car fleet including charging infrastructure (invest over 1 Mio€ in 2022)
- B. Investment in industry collaborations and expert organizations for sustainability and climate action (invest about 1 Mio€ in 2022)
- C. Renewable energy tariffs and renewable energy attribute certificates (invest over 200k€ in 2022)
- D. Investment in material innovation preferred fibers such as recycled polyester and better cotton (invest over 300k€ in 2022)
- E. Sharing consulting fee for rolling out cleaner production programs for core suppliers (invest 90k€ in 2022)

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<sup>12</sup> Integrity matters report

<sup>13</sup> Ibid

<sup>14</sup> WMBC guidance.

F. Conducting Life Cycle Assessment of products to understand Global Warming Potential of products at different phases of life cycle and hence facilitate green design and low carbon material selection. (invest 50k€ in 2022)

Taking into consideration PUMA's own sustainability index (S-index) 68% of all PUMA products manufactured in 2022 were classified as more sustainable products. Based on this percentage, we can estimate the sales value of S-Index aligned PUMA products being approximately 5.7 billion €. PUMA will continue to invest in low and zero carbon technology and plans to increase the percentage of S-index approved products to 90% by 2025.

## 5. Scope 1 and 2 Emissions Reduction Pathway

### 5.1 Please explain actions being taken or planned to reduce scope 1 and 2 emissions below.

*Please ensure that you include your actions in the following areas:*

- Energy efficiency (Charter commitment number 4)
- Use of renewable electricity (Charter commitment number 5)
- Company-owned or operated vehicle fleet (e.g. trucks, buses, planes, cars) (Charter commitment number 11)
- Company-owned or operated logistics (Charter commitment number 11)
- Renewable heating sourcing
- Other (explain)

#### **ACTION**

*Please provide details about current and near-term actions/initiatives your company is taking within next 12 months, within two to three years, and by 2030, to reduce emissions in line with its 1.5°C targets that cover Scope 1 and 2.*

#### **EXPECTED EMISSIONS REDUCTION**

#### **KPIs BEING MONITORED**

*KPI (Key Performance indicators) should be verifiable and quantifiable which: 1) measure the success of the organization's action; and 2) tracked regularly*

#### **IMPLEMENTATION TIMELINE (delivery date)**

Low-emission Car Fleet	1.000 tCO2e	Number of low-emission vehicles in car fleet GHG emissions from company cars	2030
Electrification of heating installation	1.000 tCO2e	GHG emissions from heating	2030
Renewable energy procurement (continue to procure 100% renewable electricity)	0 tCO2e	GHG Emissions from electricity	2020

**5.2 Please explain how these actions diverge from the baseline/Business as Usual (BAU) scenario and how the business is adjusting:**

*Companies should identify actions they are taking or will take in the near term to adjust investment and fundamental business model decisions to reach medium- and long-term GHG commitments – which should be aligned with a 1.5°C pathway*

- We replace conventional vehicles with low-emission vehicles within our car fleet.
- We install energy efficient technologies in our store, warehouse, and office environments.
- We purchase renewable electricity for all our own operations.
- We engage with solutions for the sourcing of renewable energy for heating.
- We work with our logistics service provider to reduce GHG emissions from transport of goods through process optimization and green tariffs.



### 5.3 Company policies/plans/strategy that support scope 1 and 2 emission reductions

*Emissions reduction strategies are fluid, and often dependent on technological advances that are not completely within the control of a company. Companies need to inform stakeholders about the technologies they are exploring, technologies that need more research (and how companies are supporting that with investments, policy advocacy, and/or innovative partnerships), and technologies that do not work.*

**Please refer to:**

PUMA Environmental Handbook, PUMA Environmental Policy, Commitment to the Fashion Industry Charter for Climate Action (all publicly available).

[PUMA® - Sustainability handbook and codes of conduct](#)

[PUMA® - Contributing and supporting in the actions to limit climate change.](#)

### 5.4 Most senior person/group within the organization responsible for adjusting business, meeting goals, and delivering actions above:

Chief Sourcing Officer (CSO)

### 5.5 Please provide details on how this plan has been embedded within each relevant department (e.g. facility services, logistics, energy procurement, finance, sourcing etc.) in your organization.

Department/team/ individual responsible	Link to scope 1&2 decarbonization	How is it integrated into ways of working	How delivery is incentivized
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<i>Facility services</i>	Procurement of low emission vehicles; Installation of energy efficient equipment	Clear targets set at top management level and cascaded into the organization	Part of Annual Bonus Targets (starting 2023)
<i>Store development</i>	Installation of energy efficiency measures in stores	Clear targets set at top management level and cascaded into the organization	Potential cost saving opportunity
<i>PUMA subsidiaries globally &amp; sustainability department</i>	Procurement of renewable electricity	Clear targets set at top management level and cascaded into the organization	Part of Annual Bonus Targets (until 2022)
<i>Facility services</i>	Installation of solar PV at own sites	Clear targets set at top management level and cascaded into the organization	Potential cost saving opportunity

## 5.6 Internal and external monitoring, accountability, and reporting mechanisms for Scope 1 and 2 emissions:

Our annual reporting campaign covers 100 % of our own operations, tracking energy consumption, car fleet mileage and airplane usage as well as related emissions.

## 5.7 Any potential cost savings anticipated from decarbonization of scope 1 and 2 (if applicable):

Savings in energy procurement costs through energy efficiency measures as well as installation of solar PV.

## 5.8 Potential barriers, feasibility, and contingency planning to reducing scope 1 and 2 emissions:

### Potential barriers:

- Availability of renewable heating technologies.
- Availability of electric cars.
- Availability of charging infrastructure for electric cars.
- Availability of low carbon aviation fuel for PUMA airplane.

### Contingency Planning:

- If renewable heating technologies are not available for most of our sites, PUMA could purchase bio-gas renewable energy attribute certificates as an alternative.
- PUMA actively invests in charging infrastructure for electric cars.
- Contingency planning for the PUMA airplane is still in progress.

## 5.9 Most senior person/group within the organization responsible for adjusting business, meeting goals, and delivering actions above:

Anne-Laure Descours, Chief Sourcing Officer (CSO)

## 6. Scope 3 GHG Emissions Reductions Pathway

*Emissions reduction strategies are fluid, and often dependent on technological advances that are not completely within the control of a company. Companies need to inform stakeholders about the technologies they are exploring, technologies that need more research (and how companies are supporting that with investments, policy advocacy, and/or innovative partnerships), and technologies that do not work. In this section explain emission reductions and, if needed, removal actions with time-bound key performance indicators in the tables below. If removals are needed, explain why*

## 6.1 Actions being taken or planned to reduce scope 3 emissions:

Please ensure that you include your actions in areas relevant to the [Charter commitments 4-13](#). Please refer to [Charter alignment with 1.5 degrees](#) for more context on the actions outlined below. Please feel free to add actions other than only those outlined below if applicable

- Commitment 4. Ambitiously pursue energy efficiency across its own operations and value chain, for scope 1, 2 and 3 emissions
- Commitment 5. Secure 100% of electricity from [renewable sources](#) with minimal other environmental or social impacts, for owned and operated (scope 2) emissions by 2030.
- Commitment 6. Source 100% of [priority materials](#) that are both preferred and low climate impact by 2030, ensuring that these do not negatively affect other sustainable development goals. This includes pursuing materials that are closed loop recycled, deforestation free and conversion free in their origins, apply regenerative practices, and that relevant verification and impact measurement mechanisms have been applied;
- Commitment 7. Creating engagement and incentive mechanisms for all relevant supplier sites (Tier 1 and 2 sites for brands and immediate sub-suppliers for producers) to implement approved science based aligned targets by the end of 2025 (as outlined above commitment 1. a), or to adopt a 50% absolute target by 2030 and net zero by 2050 (as outlined above in commitment 1.b);
- Commitment 8. Phasing out coal from owned and supplier sites (Tier 1 and Tier 2 for brands and immediate sub-suppliers for producers) as soon as possible and latest by 2030, including no new coal power by January 2023 at the latest, and creating engagement and incentive mechanisms for all relevant suppliers to support phase-out.

<b>ACTION</b> <i>Please provide <b>details</b> about current and near-term action/initiatives your company is taking within next 12 months, within two to three years, and by 2030, to reduce emissions in line with its 1.5°C targets that cover Scope 3.</i>	<b>Expected emissions reductions and removals<sup>15</sup></b>	<b>KPIs BEING MONITORED</b> <i>KPI (Key Performance Indicators) should be verifiable and quantifiable which: 1) measure the success of the organization's action, and 2) tracked regularly</i>	<b>EXPECTED DELIVERY DATE</b>
Further reduce air freight ratio to 0,5%	5.000t	Air freight ratio (out of overall freight transported)	2025
Use of biofuels for sea-freight	10.000t	GHG emissions from sea freight	2025
Use of electric delivery vehicles for road freight	Pilot in progress	GHG emissions from road freight	2030

<sup>15</sup> In this section explain emission reductions and, if needed, removal actions with time-bound key performance indicators in the tables below. If removals are needed, explain why

<b>ACTION</b> <i>Please provide <b>details</b> about current and near-term action/initiatives your company is taking within next 12 months, within two to three years, and by 2030, to reduce emissions in line with its 1.5°C targets that cover Scope 3.</i>	<b>Expected emissions reductions and removals<sup>15</sup></b>	<b>KPIs BEING MONITORED</b> <i>KPI (Key Performance indicators) should be verifiable and quantifiable which: 1) measure the success of the organization's action; and 2) tracked regularly</i>	<b>EXPECTED DELIVERY DATE</b>
Energy Efficiency improvement in the supply chain	180.000t	GHG Emissions from T1, T2 & T3 suppliers	2030
Adoption of On-site Renewable energy in (Solar, Wind) in the supply chain	123.000t	GHG Emissions from T1, T2 & T3 suppliers. Share of renewable energy sourcing	2030
Adoption of Offsite Renewable energy (DPPA/Green Tariff/IREC etc.) in the supply chain	296.000t	GHG Emissions from T1, T2 & T3 suppliers, Share of renewable energy sourcing	2030
Fuel switch from coal to biomass, electricity, or natural gas in the supply chain	173.000t	GHG Emissions from T1, T2 & T3 suppliers Number suppliers completed coal phase out	2030
Use of low carbon materials in PUMA products	322.000t	Share of more sustainable materials in the material mix	2030
Adoption of new upcoming technologies & initiatives (solar thermal, green hydrogen etc.) in the supply chain	345.000t	GHG Emissions from T1, T2 & T3 suppliers	2030

- Commitment 9. Commit to developing and implementing a company climate policy advocacy plan for net-zero emissions, aligning with collectively developed Fashion Charter policy recommendations including calling on governments to develop ambitious strategies that chart a clear path to achieving interim 2030 targets and net-zero emissions by 2050 at the very latest, and identifying relevant policy levers to support low carbon technologies and uptake of renewable energy.
- Commitment 10. Actively engage in building dialogue with financial institutions to share specific industry funding needs for delivery on shared Charter activities and increase understanding of investment needs and available funding sources for the industry transition.

- Commitment 11. Work with logistic service providers to transition to zero emission air, sea and road logistics for own and contracted transportation – including selecting logistics partners with transparent emissions data and goals to achieve zero emissions solutions, and reconfiguring company logistics plans for optimal GHG impact.
- Other

## **6.2 Please explain how these actions diverge from the baseline/Business as Usual (BAU) scenario and how the business is adjusting:**

*Companies should identify actions they are taking or will take in the near term to adjust investment and fundamental business model decisions to reach medium- and long-term GHG commitments – which should be aligned with a 1.5°C pathway*

PUMA has not used any bio-fuels for sea-freight or electric trucks for road-freight before 2022. In addition, PUMAs air-freight ratio stood at 3% prior to the Covid-19 pandemic, clearly above the targeted 0,5%.

We are working towards our 2025 target of 25% renewable energy and coal-fired boiler phase out at PUMA core suppliers, 100% more sustainable cotton, polyester, leather, paper and packaging and increase the use of recycled polyester to 75%.

Early 2023, we reviewed our core suppliers (tier 1 &2) 2022 performance (80% of our sourcing volume) in one-on-one meetings with each supplier and our sourcing team towards our 2022 annual goals and 2025 goals on climate. We will keep doing so annually to influence business allocation based on supplier performance on their climate actions.

PUMA is working with its suppliers to increase share of renewable energy, which was 11% of total energy consumed by T1 and T2 suppliers in 2022. In 2022, we conducted a climate investment mapping for the past and upcoming 3 years for our top 20 suppliers based on sourcing volume and aligned on the long-term business potential with our sourcing leaders.

Furthermore, we identified 20 supplier groups, which represent 40-50% of our sourcing volume, for which we have rolled out the Science Based Target (SBT) setting process. So far, 18 out of these 20 suppliers have committed to have SBT, 2 of them

are in different phases of their journey. We have also started quarterly networking sessions to facilitate peer learning and introduce industry experts.

We are committed to phasing out coal-fired boilers from our supply chain, mainly from the core Tier 1 and Tier 2 suppliers, by 2025. We included a coal-fired boiler question in our on-boarding checklist for new factories in July 2022, to avoid on-boarding new factories with coal-fired boilers.

Furthermore, increase in low carbon and more sustainable materials for the production of PUMA goods is also one of the focus areas. In 2022, our efforts in sourcing more sustainable materials led to 99.8% cotton, 100% leather and 70.4% polyester from recycled or certified sources, 48% of recycled polyester and 7 out of 10 products being classified as more sustainable in line with our internal definition. This has resulted in a 32% reduction in GHG emissions from materials in 2022 from the baseline of 2017. Overall, because of the above-mentioned actions, PUMA's absolute GHG emissions in 2022 have reduced by 9% as compared to the baseline of 2017 and we expect additional reductions over the next years.

### 6.3 Company policies/ plans /strategies that support scope 3 reductions.

*Companies will need to identify largest emissions sources and assess technologically and financially feasible mitigation opportunities. They may need to redesign products and services to reduce emissions and/or create new products or business lines, have strategies to engage their supply chain in climate efforts, set strategies and targets for renewable energy procurement, energy efficiency, electrification, zero emissions fleets etc. If applicable, outline the specific policies and regulations, including carbon pricing, needed to facilitate your transition plans.*

PUMAs existing and new science based GHG reduction targets:

#### **Old, approved science-based target (well below 2 degrees):**

Sports company PUMA commits to reduce absolute Scope 1 and 2 GHG emissions 35% by 2030 from a 2017 baseline year. PUMA also commits to reduce Scope 3 GHG emissions from purchased goods and services 60% per million-euro sales by 2030 from a 2017 baseline year.

**New, submitted science-based target (1.5 degrees):**

Sports company PUMA commits to reduce absolute Scope 1 and Scope 2 GHG emissions 90% by 2030 from a 2017 baseline year. PUMA also commits to reduce absolute Scope 3 GHG emissions from purchased goods and services and upstream transportation 33% by 2030 from a 2017 baseline year. PUMA SE commits to continue annually sourcing 100% renewable electricity for its own operations through 2030.

Page 86, 2022 annual report.

**PUMAs circularity policy, Environmental Policy and Environmental Handbooks can be found in [PUMA® - Sustainability handbook and codes of conduct](#)**

**PUMAs Sustainability Reporting as part of the PUMA Annual Reports**  
[PUMA® - Annual sustainability reports](#)

**6.4 Most senior person/group within the organization responsible for adjusting business, meeting goals, and delivering actions above:**

Anne-Laure Descours, Chief Sourcing Officer

**6.5 Please detail how this plan has been embedded within each relevant department in your organization**

Department/team/ individual responsible	Link to scope 3 decarbonization	How is it integrated into ways of working	How delivery is incentivized
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PUMA Logistic Department	See above	PUMA's logistic department monitors greenhouse gas emissions from transport of goods and helps to integrate low carbon shipping tariffs or reduction of airfreight into the overall business strategy	Part of PUMAs Bonus Targets
PUMA Sourcing Division (PUMA Group Sourcing)	<p>Increase percentage of renewable energy used by core suppliers to 25% by 2025</p> <p>90% of PUMA products to be more sustainable by 2025 (in line with PUMA's S-Index definition)</p>	<p>PUMA sustainability team is part of the PUMA Group Sourcing. PUMA's supply chain sustainability department monitors greenhouse gas emissions from the supply chain and drives the GHG reduction activities with support from sourcing and central operation departments. This cross functional collaboration helps to integrate climate action within the overall business strategy.</p> <p>PUMA Group's sourcing functions, manages all sourcing related activities, including vendor selection, product development, price negotiation and production control.</p>	Part of PUMAs Bonus Targets
Business units and sourcing leaders	75% recycled polyester used in 2025 for apparel and accessories	<p>PUMA Group's sourcing functions, manages all sourcing related activities, including vendor selection, product development, price negotiation and production control.</p> <p>Business units manage product offering. Sustainability on a product level is governed in a cross-functional business units call together with sourcing, where updates on PUMA's more sustainable product strategy are shared and discussed monthly.</p>	Part of PUMAs Bonus Targets

		Business units and sourcing division work together on product development and material selection to be used in products. There is a constant dialogue for upcoming collections.	
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**6.6 Internal and external monitoring, accountability, and reporting mechanisms:**

*Companies must publicly disclose and report on progress against those targets and plans, ensuring that any claims are based on actions*

PUMA's Scope 3 emissions and action plans to reduce emissions are frequently monitored and published in PUMAs Annual Reports. The sustainability section of PUMA's annual reports is audited and assured (limited assurance) by a third party. (Page 175 of the 2022 annual report.) In addition, PUMA publicly reports to CDP Climate.

**6.7 Any potential cost savings anticipated from decarbonization of scope 3 (if applicable):**

The reduction of airfreight also leads to significant savings in transport costs. The energy efficiency improvement leads to a reduction in energy demand and hence results in cost saving. Despite significant investment cost, renewable energy from rooftop solar is often cheaper than grid electricity and hence can lead to savings in energy cost. Climate-related risks and opportunities have influenced our strategy at a supply chain level. Most PUMA's core suppliers are in countries exposed to the negative effects of climate change.

PUMA's risk assessments have concluded that said climate-related risks could have a significant negative impact on our supply chain and operation, resulting in decreased production and higher costs in the long run. As a substantial strategic decision that we made in 2020 was to continue to invest in energy efficiency and renewable energy programs with our suppliers and external partner organizations to diminish the environmental impact of PUMA's supply chain. These achievements are possible thanks to multiple projects: Partnership for Cleaner Textiles, Clean By Design, Low Carbon Manufacturing Programme, Project Development Program, and Sustainable Energy for All.

These projects take from 1 to 3 years to be implemented and, for the ones started in 2018 and 2019 and continued through 2022, we can quantify cost and energy savings.

Yearly energy savings amount to an average of 164,483 MWh and yearly total cost savings reaches €8,200,000 for suppliers in 2022.

## 6.8 Potential barriers, feasibility and contingency planning to reducing 3 emissions

*If an emissions reduction strategy is limited by technical or financial feasibility, have you defined what other actions your company should take, such as policy advocacy, to address these limitations?*

### **1.Availability of renewable energy in key sourcing markets:**

We are working with our core suppliers to implement energy efficiency measures and to support the installation of solar PV systems where economically feasible. However, to achieve our ambitious climate targets for Scope 3 emissions, our suppliers will have to purchase renewable electricity and renewable forms of thermal energy generation.

To do so, renewable energy tariffs and power purchase agreements will have to be made available locally and at a reasonable cost. The same holds true for low or no carbon fuels to run boilers for thermal energy. Here, a reliable supply at reasonable cost so their investment in new technology can be long lasting.

**Action:** PUMA is a member of the Policy Working Group of the Fashion Charter for Climate Action and a member of the German Stiftung Klimawirtschaft. PUMA supports lobbying for the increase of renewable energy offering in key sourcing markets.

### **2.Continued possibility of marked based GHG accounting**

At PUMA, we typically rent office and store buildings. This means that we are not the owner of the building and hence have limited options to make changes to the building structure.

Therefore, we rely on purchasing renewable electricity, either through renewable electricity tariffs or renewable energy attribute certificates.

**Action:** PUMA purchases REC certificates and helps its suppliers to do the same, where available and economically feasible.

### **3.Availability of low carbon fuels for sea and air transport**

Our main manufacturing takes place in Asia, while major consumer markets are spread evenly across the globe. This means that PUMA depends on the transport of goods from Asia to Europe or the Americas. Therefore, political support to transition the logistics industry into low or no carbon fuels is an important step toward reducing PUMA's overall Scope 3 greenhouse gas emissions.

**Action:** PUMA partners with Maersk on low carbon shipping tariffs and the roll out of electric trucks.

### **4.Usage of carbon sinks to balance unavoidable emissions (long term)**

It is likely that despite all efforts to decarbonize, certain emissions, for example through agricultural practices, will remain unavoidable in PUMAs value chain. Hence the usage of carbon sinks (such as carbon sequestration) will need to be permitted within greenhouse gas accounting to achieve net zero emissions by 2050 or earlier.

No action yet on carbon sinks.

### **5. Scale up the use of low carbon materials**

Low carbon materials are available but some with technical and/or financial feasibility which impact their scalability. There are challenges today to increase the use of recycled material such as scaling up the use of chemical recycling technology, improving recycling infrastructure, and investing in automated sorting technologies and alternative feedstocks. For agriculture-based material, the challenge relies on the scalability of better farming practices, for example to restore or preserved soil health.

**Action:** Material, innovation and sustainability teams working together to find innovative and feasible alternatives to reduce the GHG footprint of our products. We are increasingly using Life Cycle Assessment as a tool to scientifically compare the Global Warming Potential (GWP) of various products and facilitate low carbon material selection at the design stage.

## 6.9 Detail value chain (e.g. suppliers) engagement approach (mobilization, incentives, etc.)

*Individual suppliers will each face their own challenges and opportunities – based upon sector, geography or other factors. Some may require additional support or innovative solutions to deliver their 1.5°C target while others may be well positioned to act faster and should be incentivized and supported to do so. As supplier engagement is a critical component of decarbonization outline your strategy to supply chain engagement, traceability and incentives.*

### **Supplier Training and Program**

In 2021 PUMA joined hands with other brands and key suppliers under the UN led Fashion Industry Charter for Climate Action to develop a standard training program on climate action for apparel and footwear suppliers in Asia, in partnership with GIZ. This online training program provides foundational knowledge to suppliers on global decarbonization efforts, GHG emissions accounting, climate target-setting methodology and solutions to reduce emissions and achieve these targets. The training is available in English and other local languages such as Khmer, Mandarin, Bengali and Vietnamese. We encouraged our suppliers to participate in this self-paced online training course available free of cost. The online training provides foundational knowledge to suppliers on:

- Understanding global decarbonization efforts
- How to account for GHG emissions
- How to implement available energy solutions to reduce emissions

In 2022, 242 participants from 186 supplier factories completed this course and attempted the final exam. 98% of the participants successfully passed the exam and obtained the certificate from GIZ, with an average score of 75.7%.

In 2022 we nominated 568 participants from 18 core factories in Vietnam to join a tutor-assisted training program on GIZ in collaboration with VF Corporation and New Balance. 98% of participants obtained a certificate with an average score of 85% in the final exam.

In 2022 we provided customized climate training for each geographical area with a regional focus. The training programs include topics such as rooftop solar procurement, coal phase-out and purchase of IRECs. 417 participants from 243 factories participated in these training programs. This training session along with GIZ climate action training courses by our suppliers, helped to accelerate the implementation of rooftop solar projects, increase the purchase of renewable energy attribute certificates, provide higher take-up of feasibility studies for coal-fired boilers and initiate action for coal phase-out. We also saw better participation of our core suppliers in cleaner production and renewable energy projects. The details of the progress in these areas are described in this report.

Furthermore, to improve the awareness level of employees, we have developed a foundational e-learning training module for all employees. This module is in the final stage of development and is expected to be rolled out in the first half of 2023. In 2022 we expanded the participation of our Core Tier 1 and Tier 2 suppliers in cleaner production and renewable energy projects.

As a substantial strategic decision that we made in 2020 was to continue to invest in energy efficiency and renewable energy programs with our suppliers and external partner organizations to diminish the environmental impact of PUMA's supply chain: Partnership for Cleaner Textiles, Clean By Design, Low Carbon Manufacturing Programme, Project Development Program, and Sustainable Energy for All.

### **Forever Better Vendor Financing Program:**

We use our PUMA Forever Better Vendor Financing Program to incentivize suppliers, with a better scoring in sustainability performances with lower interest rates. The sustainability performance includes energy and GHG reduction initiatives being taken by the suppliers as part of the HIGG Facility Environmental Module (FEM). The vendor financing program, established in

2016, allows suppliers with a good or very good compliance rating to benefit from PUMA's high credit rating and preferred interest rates. The program runs in partnership with IFC, BNP Paribas, HSBC, and Standard Chartered Bank. At the end of 2022, 71 vendors were registered users (compared to 60 at the end of 2021) and the financed volumes in the whole of 2022 increased to USD 800 million (+USD 157 million compared to 2021).

### **Science Based GHG Reduction Targets for Suppliers:**

In 2022, we identified 20 supplier groups, which represent 40-50% of our business volume, for which we conducted a kick-off meeting to initiate the Science Based Target setting process in Q1 of 2023. Further, we conducted one-to-one meetings with these suppliers to understand their challenges and how PUMA can support them. Subsequently, we have started organizing quarterly networking sessions to encourage peer learning and learning from the industry experts. We invest in a capacity building program, Supplier Leadership on Climate Transition driven by Guidehouse to support SBT process for the 20 selected supplier groups.

## **7. Collaboration with External Stakeholders**

*Clear transition plans serve to align internal and external stakeholders, identify priorities and areas of challenge, and facilitate access to resources.*

### **7.1 Collaboration and communication with external stakeholders:**

*Companies should proactively activate their peers, stakeholders and governments to align their goals and actions to the 1.5-degree temperature goal and be able to demonstrate how the implementation of their own ambitious targets creates opportunities for others to follow. The section below is to outline collaboration and communication efforts with key stakeholders: investors, peers, expert organizations and NGOs financial institutions, governments and the public, to ensure that alignment to 1.5 degree Celsius becomes the norm.*

#### **7.1.1 Investor/Funder communication efforts**

Plans to inform and communicate with investors and/or funders on your decarbonization plans and changes to approach from BAU

PUMA has been responding to the Carbon Disclosure Project (CDP) since 2012. We frequently inform investors on our sustainability strategy. This includes our decarbonization strategy. A detailed description of our climate action targets, and performance is included in PUMAs Annual Reports since over 10 years. On the funding side, PUMA has entered into green funding with a green promissory note (Schuldschein) as well as a revolving credit facility. Both fundings are tied to PUMAs sustainability targets, including climate targets.

### **7.1.2 Peer communication efforts**

Please outline plans to collaborate and communicate your plans with peer organizations (if relevant)?

PUMA has been a founding member of the Fashion Industry Charter for Climate Action and participated in the Task Force for the development of a Decarbonization Template. We will publish this transition plan and share it with our industry peers as part of our commitment to the Fashion Charter.

### **7.1.3 Expert/NGO engagement**

Please outline plans to collaborate and communicate your plans with relevant expert and NGO organizations

We have our climate action targets approved by the Science Based Target initiative and frequently discuss our targets with experts, peers, and NGOs as part of our ongoing stakeholder dialogue.

PUMA is in contact with critical civil society organizations such as Fashion Revolution or Stand Earth and a member of several expert organizations on sustainability such as the Global Fashion Agenda, Textile Exchange, the Sustainable Apparel Coalition, the Fashion Pact, the Fashion Industry Charter on Climate Action, Stiftung Klimawirtschaft, Textilebündnis and others.

### **7.1.4 Engaging with financial institutions**

Your plans to actively engage in building dialogue with financial institutions to share specific industry funding needs for delivery on Scope 3 activities and increase understanding of investment needs and available funding sources for the industry transition.



PUMA participated in the Finance Working Group of the Fashion Charter on Climate Action and participates in ongoing discussions at the Global Fashion Agenda on how to finance Scope 3 activities on climate action. PUMA has discussed supplier financing needs for Scope 3 with the International Finance Cooperation, the German Development Organization GIZ and others.

### **7.1.5 Public consumer and industry communication efforts**

*Your company plans to align consumer and industry communication efforts to a 1.5-degree or SBTi compatible pathway, as set out by the Paris Agreement Goals, as well as a more just and equitable future<sup>16</sup>. How has the strategy been communicated to customers, media and other key stakeholders?*

PUMAs Climate Action targets are published on our company website ([PUMA® - Contributing and supporting in the actions to limit climate change.](#)) in our PUMA Annual Reports, and have been a topic for various publications, for example within our CaTchUP magazine ([puma-catchup.com](#)).

### **7.2 How are you ensuring that your policy engagement and advocacy is aligned with the targets and is there a process in place to implement this commitment?**

*A transition plan should demonstrate that an organization's public policy engagement aligns with its climate commitments and strategy. Private sector companies have a large role to play in the transition to a net zero economy, but they alone cannot bring about this transformation – for their business and the wider economy. To achieve their own goals, companies must advocate for robust public policies, regulations, and investments that are necessary to support corporate action and drive economy-wide decarbonization. Companies should identify what actions they are taking now and in the near term to ensure they are not lobbying against (directly or indirectly through trade associations) proposed policies that will contribute to emission reductions and a just transition. Companies should analyze whether their trade associations' actions are supportive or contrary to the company's 1.5°C-aligned goals.*

PUMA is a member of several industry associations that promote climate action in line with a 1.5-degree pathway, for example the Fashion Industry Charter on Climate Action, the Fashion Pact, Stiftung Klimawirtschaft, etc. For our membership within other industry associations, such as the World Federation of the Sporting Goods Industry, the Federation of the European

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<sup>16</sup> The Sustainable Fashion Communication Playbook- Shifting the narrative: A guide to aligning fashion communication to the 1.5-degree climate target and wider sustainability goals, is to be co-published by UNEP and UNFCCC in June 2023, which will provide useful context for this question

Sporting Goods Industry or the Policy Hub, PUMA messaging on sustainability related aspects is channeled through the Sustainability Department, to ensure that no conflicting messages are given.

### 7.3 Do you have metrics and publicly assess that your policy engagement and advocacy is aligned with the targets?

Please refer to understanding commitment 9 metrics in [Setting 1.5 degree aligned goals for the Fashion Charter](#).

Metrics include active membership in the organizations mentioned above. Within our publicly available answer to the CDP questionnaire, we reference our alignment of policy engagement under section 12.3 and 12.5.

## 8. Just Transition

*A Transition plan must ensure the delivery of a net zero and climate-resilient economy in a way that delivers fairness and tackles inequality and injustice. These plans must consider and address the broader social consequences and impacts of mitigation actions, including on race, gender and intergenerational equity. Examples could include:*

- a company, in partnership with its workers, unions, communities and suppliers has developed a Just Transition Plan;
- a company discloses how its plan integrates the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and specifically the principle of free, prior and informed consent.<sup>17</sup>

### 8.1 How is your company contributing to a Just Transition?

*Companies should recognize the often-increased negative climate impacts and decreased opportunities from climate action for frontline communities, company workforces, and vulnerable customers – and act with the specific intention to reduce and eliminate these inequalities. This includes conducting thoughtful analysis to avoid – and underline the materiality of – negative impacts on these stakeholders in the short and long term. Beyond their own businesses, systemic changes such as these require collective action and public policies which companies should not undermine – and should actively support.*

At PUMA, we work with our supply chain partners on the decarbonization of our value chain. This includes providing training and capacity-building measures, financial support for feasibility studies or support in setting their own Science Based Targets

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<sup>17</sup> Integrity matters report

for our largest suppliers. On Climate Adaptation, we are providing air-conditioned workplaces for our own employees and encourage our supply chain partners to do the same.

## 8.2 Contingency planning to support your existing workforce, and vulnerable customers in the net zero transition.

*Input and participation from stakeholders should be sought from the beginning when identifying actions to include in companies' transition plans, and throughout the process to implement those actions. Companies must engage, seek input from, and provide support to (including training, redeployment, and financial investments) their workforce, vulnerable customers, and impacted communities. To support their climate journey, companies should develop and publicly share formal policies to ensure their 1.5°C transition is aligned with just transition principles. Then, within their transition plans, companies must identify actions they are taking now and will take in the near term to act in accordance with these policies. (Source: WMBC Climate transition action plans: activate your journey to climate leadership<sup>18</sup>)*

As a company active in sports and fashion, we do not anticipate any major impact on our existing workforce or customers from the net zero transition. Within the PUMA Supervisory Board, there are two employee representatives, and the Chair of the PUMA Works Council is a member of the Sustainability Committee of the Supervisory Board.

## 9. Additional relevant questions

*Additional activities or actions to share. You may also link to existing disclosures your company has published on these topics to supplement your plans indicated above.*

- 9.1** *According to Integrity Matters report, the transition plans should specify how the organization plans to avoid the conversion of remaining natural ecosystems— eliminating deforestation, wetland and peatland loss by 2025 at the latest, and the conversion of other remaining natural ecosystems by 2030. Please use this section here to report and provide a link to related plans, in case these are not covered above.*

PUMA has set an ambitious Biodiversity and Forest Protection Policy and signed the call to action on Deforestation-free leather commitment by 2030 of the Leather Working Group and Textile exchange.

[PUMA® - Sustainability handbook and codes of conduct](#)

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<sup>18</sup> WMBC guidance

[Textile Exchange and Leather Working Group team up to Launch Deforestation-Free Call to Action for Leather – Leather Working Group](#)

**9.2 Any other relevant information/links etc. can be included here**

For further information, please visit:

[PUMA® - FOREVER BETTER](#)