

 Early Warning System

IFC-36271

GTSF-Puma

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	PUMA SE



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Project Description

PROJECT DESCRIPTION

This project is proposed under the Global Trade Supplier Finance program ("GTSF" or the "Program") approved by the IFC Board on September 21, 2010 (Original Project #28723). Under GTSF, IFC provides short-term financing to suppliers ("Suppliers") in emerging markets selling to large companies ("Buyers") on open account terms. Under this project, IFC will provide financing to Puma SE ("PUMA" the "Company") Suppliers based in different emerging market countries. The proposed project ("the Project") within the GTSF facility is expected to be US\$15 million. Puma SE (officially branded as PUMA) is a major German multinational company that designs, develops, sells and markets performance and sport inspired lifestyle footwear and apparel under brands such as PUMA, Cobra Golf, Tretorn, Dobotex and Brandon globally. PUMA is listed on the German Stock Exchange, works with approximately 400 external manufacturing partners located primarily in Asia, and distributes its products in more than 120 countries, with a strong presence in the US.

OVERVIEW OF IFC'S SCOPE OF REVIEW

In supplier financing programs of this nature, IFC's due diligence approach is to assess environmental and social (E&S) risks at supplier level by reviewing buyers' management system and procedures, especially as related to managing E&S performance of their Suppliers. IFC expects the Suppliers that are financed under this program to have adequate E&S performance including in relation to building structural, electrical and fire safety issues. Suppliers' conformity with Puma's global compliance principles is expected. IFC's review focused on Puma's management systems and procurement procedures in relation to E&S practices, with special emphasis on their application among its Suppliers in Bangladesh. IFC's due diligence involved the review of Puma's global compliance system through publicly available information, telephonic and email communication with Puma management team, review of internal procedures provided by Puma, and review of sample of audit reports for selected suppliers. Audit reports and action plans reviewed cover both Puma's compliance system and the specific assessments for structural, electrical and fire safety elements. Puma's documents reviewed included, among others: 2013 Sustainability report, Global standards: Code of Conduct, Code of Ethics, Handbook on Health and Safety, Handbook on Social Standards, Handbook of Environmental Standards (Environmental Management), Handbook of Environmental Standards (Chemical Management); 2010 Environmental Profit and Loss Report, 2013 List of Suppliers, Policy against the use of exotic skins, feathers and mulesed wool, Restricted Substances List. All documents can be found at: about.puma.com/en/sustainability. In addition, IFC reviewed the framework to audit suppliers under the Accord on Fire and Building Safety in Bangladesh ("Accord") organization to which Puma is a member.

IDENTIFIED APPLICABLE PERFORMANCE STANDARDS**

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards. PS 1 - Assessment and Management of Environmental and Social Risks and Impacts PS 2 - Labor and working conditions PS 3 - Resource Efficiency and Pollution Prevention. If IFC's investment proceeds, IFC will periodically review the project's ongoing compliance with the Performance Standards.



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Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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Other Related Projects

- IFC-28723 Global Trade Supplier Finance